MANCHESTER DIOCESAN BOARD OF FINANCE

Consolidated Financial Statements

for the year ended 31 December 2025

Company No 149999 – Registered Charity No 249424

INDEX

	Page
Trustees' Annual Report	
Reference and administrative details	2
Our Vision	4
About the Diocese	5
Review of 2025	
- Activities and Key Achievements in the year	6
- Parish Share and Stewardship	14
- Structure and Governance	15
- Financial Review	22
- Funds held as a Custodian Trustee on behalf of others	24
- Principal Risks and Uncertainties	24
Trustees' Responsibilities	26
Independent auditor's report to the members of Manchester Diocesan Board of Finance	27
Consolidated Statement of Financial Activities	30
Company Statement of Financial Activities	31
Balance Sheets	32
Consolidated Cash Flow Statement	33
Notes to the Financial Statements	34–68

Trustees' Annual Report

Reference and administrative details

In accordance with the Companies Act 2006, FRS102 and the Charities Statement of Recommended Practice issued in January 2020 (SORP 2019), the Trustees (for the purposes of charity law) and Directors (for the purposes of company law) during the year and as at the date of signing follow.

Ex-Officio

The Bishop of Manchester, Rt Revd Dr D Walker
The Bishop of Middleton, Rt Revd M Davies
The Bishop of Bolton, Rt Revd M Porter
The Archdeacon of Bolton and Salford, The Ven Dr R Mann
The Archdeacon of Manchester, The Ven K Best
The Archdeacon of Rochdale, The Ven K Smeeton
The Chairman of the Board of Finance, Canon J Walsh OBE
The Dean of Manchester – Very Revd R M Govender
The Chair of the House of Laity – Canon P Geldard
The Chair of the House of Clergy – Revd G Thomas

Elected by Diocesan Synod (1 clergy and 1 laity from each Archdeaconry)

Manchester Archdeaconry

Clergy	Lay
Revd P Hutchins	J Dunkerley

Bolton Archdeaconry

Clergy	Lay
Revd P Sumsion – To 15 August 2025	K Lewis
Vacant	

Rochdale Archdeaconry

Clergy	Lay
Revd A Sheridan	A Pollock

Salford Archdeaconry:

Clergy	Lay
Revd Canon A Salmon	Canon R Lewis

Co-opted

S John
P Billson
L R Smail
J R F Leaf
Revd K Shahbaz
P Bull – To 18 September 2025

Company Secretary

H Platts – To 31 March 2026
D Weldon – From 1 April 2026

Reference and administrative details (continued)

Registered Office	St John's House 155-163 The Rock Bury BL9 0ND
Telephone	0161 828 1400
Website	www.manchester.anglican.org
Company number	149999 (England & Wales)
Legal form	Limited by Guarantee
Charity number	249424
Auditors	Haysmac LLP 10 Queen Street Place London EC4R 1AG
Bankers	Royal Bank of Scotland plc NatWest 19 Market Street Manchester M1 1WR
Legal Secretary **Diocesan Registrar**	D M Myers LLB (Hons) HLF Berry LLP St John's House 155-163 The Rock, Bury BL9 0ND
Investment Managers Unlisted Investments	CCLA Investment Management Ltd 1 Angel Lane, London EC4R 3AB Cazenove Capital Part of the Schroders Group Schroder & Co. Limited 1 London Wall Place London EC2Y 5AU
Glebe Estates, Surveyor & Valuer	WT Gunson Suite 2, 3rd Floor, 1 King St, Manchester M2 6AW

Our Vision

Our work together grows out of Jesus's Great Commandment which is to 'love the Lord your God with all your heart and with all your soul and with all your mind…and love your neighbour as yourself' (Matthew 22: 36-40)…

… and out of his Great Commission, 'to go and make disciples of all nations, baptising them in the name of the Father and the Son and of the Holy Spirit' (Matthew 28:19-20).

Our vision is for Manchester Diocese to be a *worshipping, growing, transforming Christian presence at the heart of every community*.

Much of what we are doing in Manchester Diocese is already contributing to a culture of hope and an expectation of growth, working with our parishes, schools and chaplaincies. This includes many forms of inherited, as well as fresh, expressions of church. We serve in an area that has a rich history of culture and innovation, shaped by diverse and vibrant communities and a longstanding commitment to social justice. It is a wonderful place to engage in Gospel Ministry.

Our work together grows out of Jesus's Great Commandment which is to 'love the Lord your God with all your heart and with all your soul and with all your mind…and love your neighbour as yourself' (Matthew 22: 36-40)…

… and out of his Great Commission, 'to go and make disciples of all nations, baptising them in the name of the Father and the Son and of the Holy Spirit' (Matthew 28:19-20).

Our strategy is based on positive, inspiring and relevant plans for the future. It is enabling us to bring together the key areas of opportunity and challenge, building on our learning and experience from the significant changes and investments that are already underway. Many of these changes have focused on new ways of working together, which are becoming embedded in the life of our diocese.

Building on these successes, we are shifting to the next level in setting our priorities and working out what we want to achieve next. Given the excellent start that has been made, we now have the opportunity to be even more creative and ambitious with our plans for the future, living out our values of **faith, hope** and **love.**

Based on four key themes – **Parish Renewal, Growing Younger, Church Planting and Revitalisation, and Developing Missional Leaders** – this strategy will guide our work over the coming years. We have recently been awarded significant additional funding from the national church as part of the Diocesan Investment Programme to support us with this mission and ministry.

Parish Renewal
At the heart of this support is our commitment to **parish renewal**, providing specialist, practical help to ensure the missional and financial sustainability of our parishes. This includes financial support for those wishing to establish New Worshipping Communities. Our aim is to ensure that every parish is equipped to thrive and serve its local community.

Growing Younger
We are deepening our commitment to **growing younger**, nurturing children and young people on their discipleship journey. Building on the success of the Places Project in Bolton and the Man Dio Growing Faith programme across the rest of our diocese, the Encounter Project will provide additional children's and youth workers, while the Equip training initiative will support

lay and ordained leaders so they grow in confidence and develop their skills in ministry with children and young people.

Church Planting and Revitalisation
Alongside this, we are focused on **church planting and revitalisation** through strengthened partnerships with our existing resource churches and the Antioch Network. Six new resource churches representing a range of traditions will also be established and supported in planting new churches over the next eight years.

Developing Missional Leaders
We are building on the work already taking place to bring forward and develop the next generations of missional ordained and lay leaders at every stage of their vocation, including a new, diverse generation of leaders equipped to grow faith communities.

In all of this, we are deeply committed to championing **racial justice** and ensuring that our clergy, lay leaders and congregations represent the rich diversity of our diocese.

We are working towards the 2030 **net zero carbon** goal set by General Synod, by supporting our churches and schools with measuring their energy use and taking simple, practical steps to reduce their carbon footprint

We will continue to provide a safe environment for all by promoting effective **safeguarding.**

Across our diocese, people hold diverse views and express their faith through different traditions, united in a passion for Jesus Christ and his Church. Our bishops honour these differences by inviting church communities from across our diocese to learn together, support one another and listen to God.

We are working to ensure that we are financially sustainable over the medium- to long-term as we recover from the challenges of the pandemic and the cost-of-living crisis. This includes talking with parishes about mutual support and the need to pay Parish Share so that the current number of stipendiary clergy - 175 - can be maintained. We are also paying close attention to the management of the diocese's assets to ensure optimal investment returns and capital growth.

About the Diocese

Manchester Diocese serves a vibrant, dynamic and creative community in the North West of England. It covers an area of 416 square miles and has a total population of 2.2 million. The diocese is divided into four archdeaconries, seven deaneries and 33 mission communities. There are more than 300 places of worship and chaplaincies, which are organised into 256 parishes and 175 benefices.

Geographically, the diocese takes in the two cities of Salford and Manchester and the metropolitan boroughs of Oldham, Rochdale, Bury and Bolton. Parts of the metropolitan boroughs of Wigan, Trafford, Stockport, Tameside and Blackburn with Darwen, and most of the borough of Rossendale in Lancashire, are also within the diocese. It has the fourth-highest population density of any diocese in the Church of England.

While predominantly urban, a significant part of the diocese is rural, although less than 3% of the population of the diocese lives in these areas. 125 (48%) of our parishes fall within the 10% most deprived nationally.

Our parishes and chaplaincies are supported by the Diocesan Board of Finance, based at St John's House in Bury town centre. This team works with churches and congregations to achieve

our strategy and mission goals. It also provides support with clergy stipends and housing, finance, safeguarding and governance.

Across the diocese, 193 Church of England primary and secondary schools educate over 58,000 pupils every day. These schools are mostly funded by local authorities, with the diocese providing support with religious education and Christian ethos, governance, the recruitment of head teachers, admissions, and building projects. The team that supports these schools is also based at St John's House as part of the Diocesan Board of Education.

Activities and Key Achievements in 2025

During 2025, we continued to develop and refine our strategic plans, intentionally building on the work already happening across our diocese. This process was shaped by extensive consultation, culminating in the formal launch of the diocesan strategy on 30th November 2025.

Designed to inspire and support all who serve in our parishes, chaplaincies and schools, it focuses on four priorities: Parish Renewal, Growing Younger, Church Planting and Revitalisation, and Developing Missional Leaders. This strategy also renews our commitment to racial justice, net zero carbon, and ensuring that safeguarding is at the heart of all we do.

The clarity, alignment and shared ownership achieved through this period of consultation and communication directly supported a successful bid for funding to the National Church, laying strong foundations for the next phase of delivery.

Parish Renewal

Our vision for parish renewal is to see the parish system revitalised for mission, creating pathways for every person into an accessible and contextual expression of church. Throughout 2025, we have been providing targeted support around financial management, church buildings and fragile churches where it is most needed.

Area Deans, Parish Support Officers, and Deanery Transformation Support Officers have continued to provide vital assistance to mission communities and parishes. This support is tailored to the specific needs of each deanery and includes a variety of services, such as assisting with mission initiatives, providing financial guidance, helping parishes access grants for church buildings, and organising conferences. Their work is helping parishes to strengthen their mission and ministry, while supporting long-term sustainability and growth.

Discussion and Agreement (D&A) meetings have taken place with parishes, alongside conversations about their **finances and their missional health**. Based on this information, a detailed review of all parishes was undertaken to identify those churches most at risk and in need of targeted support, as well as those which are thriving. This work helped shape a parish support programme as the basis for the bid to the national church.

The **Parish Giving Scheme (PGS)** was rolled out across the diocese in 2025. Parishes have been encouraged to sign up to the scheme, which enables congregation members to set up a direct debit and which also collects Gift Aid on donations on behalf of the parish. A unique feature of the PGS is the option for the giver to commit to increasing their giving annually in line with inflation.

Clergy and lay leaders took part in the first training sessions for **Cornerstone**, a new online learning platform created to support churches in growing giving, generosity, and thankfulness.

Training and conferences to support parishes in seeking and applying for **grants** continue, alongside support for claiming Gift Aid.

At the heart of our vision for the future are our **mission communities**, which are bringing together the skills and talents of lay and ordained leaders locally. As part of its review of progress in delivering the diocese's transformation programme, the Bishop's Leadership Team commissioned an independent evaluation of the new deanery and mission community arrangements. The purpose of the review was to identify and build upon areas of effective practice, while also strengthening our understanding of how best to support parishes in their mission and ministry. The evaluation included a programme of face-to-face interviews with a range of people from across the diocese, alongside a wider survey, and the findings were shared with the appropriate diocesan boards to inform future planning and decision-making.

On Pentecost Sunday, our **Transforming Prayer Community** celebrated its second anniversary with a special Evensong service, during which Bishop Mark recommissioned the community for the year ahead. The community encourages people across the diocese to engage in daily prayer for personal and collective spiritual growth. There is now an active group of over 1,500 people who are connected via social media and email. One of the highlights of the year was a joyful family prayer walk and picnic, led by Bishop Mark Davies and attended by around 100 people, that took place around Queen's Park, Heywood.

Growing Younger

In 2025, detailed plans for the Growing Younger programme were developed and included in the bid to the National Church. Meanwhile, progress continued on our existing programmes of work.

The **Places Project in Bolton** continued its mission to create places and pathways for children, young people and their families to experience, explore and follow the way of Jesus. The key aim of the project has been to create discipleship pathways for children and young people, spanning the early years, primary-aged children and secondary-aged young people.

The **Man Dio Growing Faith programme** encourages children, young people and their families to discover and grow in the love of Jesus. Deanery enablers continued to work within specific mission communities to support collaboration with schools and churches, and encourage the development of expressions of church that are accessible to children and their families.

The **Shades racial justice and faith project** in Bolton has been supporting schools and churches to be places of belonging and flourishing for everyone. Shades activities help schools and churches create safe spaces for dialogue and learning, empowering children, young people and adults to celebrate diversity, champion difference, and put love into action as modelled through the life of Jesus. The success of this project led to additional funding from the Racial Justice Unit for three new Shades Workers to broaden the reach of this project to the rest of the diocese.

In February 2025, Bury and Rossendale Deanery welcomed over 70 attendees to the **Growing Younger Conference**, an inspiring morning themed around courageously trying new things and inspired by Joshua 1 Verse 9.

The '**Love Your School' and 'Love Your Neighbour'** initiatives launched in February, with the aim of strengthening links between Bolton churches and schools.

In June, Manchester Cathedral came alive with the joyful sounds of singing, dancing, and worship as hundreds of children gathered for their **Year 6 Leavers' Services** – a cherished

annual tradition in our diocese. Organised by the Diocesan Education Department, eight services were held over four days, welcoming nearly 5,000 pupils, teachers, and governors from 121 Church of England primary schools.

EQUIP training sessions took place throughout the year to support clergy and lay leaders, as they look to build confidence and competence in ministry with children, families and young people.

Our first **Early Years Conference** took place in November, with the aim of sparking fresh ideas for engaging young children and their families in faith. Over 60 participants gathered at St John's House for an event packed with insights and inspiration. The conference explored a range of topics around faith in the Early Years and featured expert speakers, Caroline Montgomery and Carolyn Edwards, who are both widely respected in this area of ministry..

Church Planting and Revitalisation

Church planting was key to the formation of Manchester Diocese when it was founded in 1847. The population of the diocese continues to grow today in numbers and diversity, and the need for church planting is as great as ever as we revitalise our historic churches and start new worshipping communities. The aim is for future planting to happen not just through our resource churches and the Antioch Network, but also through our existing parishes and mission communities. To achieve this, we are focusing on leadership, discipleship, evangelism and social action.

The congregation at **Fabric Church in Ardwick Barracks** continues to grow, with an average weekly attendance of 170 people, of whom 80% are under the age of 40. This city centre resource church has been launched with support from the Church Commissioners and the Church Revitalisation Trust, and is serving the growing number of people living in Manchester. Fabric Church is working in close partnership with the diocese to provide placements for ordinands and curates, supporting senior leadership networking and collaborating with other churches to co-create mission and ministry in the heart of the city.

In June 2025, the Revd Andy Bird was officially licensed as Assistant Curate at **William Temple Church in Wythenshawe**. This is a partnership between St Werburgh's and William Temple, which seeks to revitalise a church in one of the largest social housing estates in Europe. Initial building work, supported by funding from the Diocese of Oxford, has already been carried out to bring the church back into use. Additional investment will be used for reordering to enable hospitality, multi-purpose use, and greater flexibility and creativity for worship and midweek groups.

Led by Revd Canon Janie Cronin, **Nelson Street** continues to serve as a resource church at the heart of Rochdale. The average weekly attendance is 150, of whom 65% are under the age of 40. The team has been developing plans to revitalise a nearby congregation through the leadership of their current curate.

The **Antioch Network** is a partnership of ten small missional churches working together to plant, revitalise and grow local congregations. Churches are established in areas where the diocese is struggling to connect with the local community, often in some of our region's most deprived neighbourhoods. These plants are based on church models where the numbers remain small, the church is highly attuned to issues of poverty, and where relationships are strong. The network has attracted around 250 regular worshippers.

We have continued to offer **Revitalisation Grants** of up to £3,000 to parishes for new initiatives that promote mission and ministry. This has proven to be a popular and effective way for parishes to secure funding for missional projects.

Sing my Soul is an innovative approach to church growth that aims to reach people through the power of music. The Diocese of Manchester and St Martin-in-the-Fields, London are working together to train choral leaders and choral scholars who bring beautifully inspiring music to local churches. In 2025, these churches included St Ann's Manchester, St Stephen's and St Hilda's Audenshaw, St Paul's Withington, and Oldham Parish Church. At Bolton Parish Church, we have established a growing Junior Choir and piloted work with choirs in local schools.

Developing Missional Leaders

Our vision is to **bring forward and develop talented and committed ordained and lay people at every level** who are representative of the diversity of our diocese, have a passion for church growth and evangelisation, are confident and equipped to lead our churches, and can develop missional disciples and the next generation of leaders for our churches.

The senior clergy team has worked in close collaboration on clergy deployment over the last five years to accommodate the significant number of new vocations, while reducing the number of stipendiary posts due to our financial deficit. We are focusing on the **intentional development and support of clergy**, led by our Bishops, Archdeacons and Area Deans, engaging at all stages of their vocational journey from the earliest conversations to ordination training, curacy, first incumbency and subsequent roles. Support to build the skills, confidence and ambition of our lay leaders, particularly our Authorised Lay Ministers and Readers, has continued over the last year.

We continue to provide extensive **development opportunities for lay people** through the Foundations for Ministry, Authorised Lay Ministry and General Lay Pathway courses. In September 2025, 91 ALMs were commissioned, including 21 new ALMs. Lay Leadership conferences continue to be delivered, working with Deanery Lay Chairs and Area Deans to design conferences that suit the needs of each of the deaneries in our diocese.

During Petertide weekend, **21 deacons and 15 priests were ordained** to serve in parishes around the diocese. A further two priests were ordained during Advent ordinations. In July, Bishop Matthew admitted **six new Readers** and entitled five as Reader Emeritus.

We have been **investing in our clergy**, particularly those who are newly ordained, and supporting clergy vocations to cultivate a new, diverse generation of church leaders with the calling and skills to grow new faith communities. Training for curates continues, alongside a wide range of training courses, mission community leader days, and ministerial development days for all ordained clergy.

To support those who have a sense of calling, the **Ministry Exploration Group** continues to bring together people from across our diocese who are exploring vocation, providing a space to share experiences and support one another. An annual **Vocations Day** offers attendees the opportunity to meet the Vocations Team, speak with lay and ordained ministers, and take part in interactive workshops to help them explore their vocation, calling and gifts.

Safeguarding

The Diocese of Manchester is deeply committed to safeguarding children and young people, vulnerable adults, and those who may be at risk of abuse. Our aim is to foster safe and nurturing environments where all people can worship and pursue their faith with confidence, dignity and encouragement, particularly those who may be vulnerable for any reason.

We take all safeguarding concerns seriously and respond promptly when issues arise, working closely in partnership with police and social care services to ensure appropriate action and support.

Throughout the year, the Safeguarding Team has **continued to support parishes with safeguarding matters** relating to children and vulnerable adults, and with the effective implementation of the Church of England's safeguarding policies. This has included advice, guidance and case support, alongside the delivery of a comprehensive safeguarding training programme for clergy, church officers, and DBF and DBE employees. We have rolled out the Parish Safeguarding Dashboard to parishes, which supports the monitoring of safeguarding activities. Ongoing work has also strengthened and sustained the network of **Parish Safeguarding Officers**, who play a vital role in embedding safer practice at a local level.

Safe recruitment remains a priority, alongside the training and support of both voluntary and paid workers engaged with children and vulnerable adults. We are committed to **caring pastorally** for those who have experienced abuse, while also ministering appropriately to those who have abused, in ways that prioritise safety, accountability and compassion.

In September, it was agreed that **Authorised Lay Ministers** will now undertake Leadership Level Safeguarding Training. This change ensures that ALMs are fully equipped to respond to the complex situations they may encounter, in line with current safeguarding practice guidance.

During the year, we promoted and supported **Safeguarding Sunday**, encouraging parishes to reflect on safeguarding as a shared responsibility embedded within worship, discipleship and community life, and to reaffirm their commitment to creating safer churches for all.

The Bishop's Leadership Team remains deeply grateful for the care, professionalism and dedication shown by all those involved in safeguarding across the Diocese. In recognition of this ministry, a **Service of Reflection for those involved in safeguarding** was held at Manchester Cathedral on Shrove Tuesday, 4 March. The service provided space for prayer, reflection, penitence and lament, as well as the opportunity to receive the laying on of hands and anointing, affirming the importance and spiritual weight of this work.

Racial Justice

Our recent work on racial justice was launched in October 2019, when representatives from the diocese's Racial Justice Group addressed Diocesan Synod and passed a motion affirming that every parish and diocese in England is an appropriate place for global majority candidates to exercise their ministry and leadership. The motion expected all those involved in appointment processes to act accordingly, and looked forward to a future when more people from the global majority are exercising ministry and leadership throughout the Church of England.

Funding of £1.1m was awarded by the Church of England's Racial Justice Unit to the diocese in 2024 to deliver the following programme, in line with the four themes of the diocese's overall strategy:

Parish Renewal – financial support for initiatives that advance racial justice.

A grant scheme enabling parishes to apply for funding for projects aimed at diversity, inclusion and community cohesion, with a particular focus on mission and social action.

Growing Younger – Shades, our anti-racism and faith project in schools and parishes.

Shades activities enabling schools and parishes to create a safe space for dialogue and learning, empowering children and young people to celebrate diversity, champion difference and put love into action as modelled through the life of Jesus.

Church Planting and Revitalisation – support for our multi-cultural congregations.

Ensuring that discipleship resources are available in heritage languages for our key international congregations, and delivering a series of celebratory events to inspire and encourage our lay and ordained leaders, fostering relationships and greater understanding.

Developing Missional Leaders – learning and development to support our GMH communities and combat racism.

Direct work with our parishes to help them tackle racism and welcome our increasingly diverse communities to church.

In February, to mark the 30th anniversary of **Racial Justice Sunday**, the Archbishop of York, Stephen Cottrell, joined Dean Rogers Govender and members of the Church of England's Racial Justice Unit for a service at Manchester Cathedral.

The programme took a significant step forward in April with a **Racial Justice launch event** hosted by the Church of the Ascension, Hulme. People from across our region gathered to celebrate the progress so far, share personal stories, and reflect on the next phase of our journey towards racial justice.

In June, members of clergy, including Bishop David and the Shades team, joined delegates from across the country for the **Truth-Telling Gathering** at the University of Liverpool. The event brought together theologians, historians, clergy, and community leaders for honest dialogue and collective reflection in a city with a deep and complex history tied to the transatlantic slave trade.

In September, a **Racial Justice Programme Lead**, Diane Gray-Stephenson, joined the diocese to oversee delivery and to build on the creative and faithful work already underway. At the same time, three new **Shades Workers** were appointed to work in parishes and schools across the diocese, supporting young people and staff through the Shades racial justice and faith programme and extending its reach beyond the successful pilot in Bolton Deanery.

Direct support for Global Majority Heritage congregations has continued through the work of our Intercultural Mission Enabler, Canon David Onabanjo. Over 40 congregations from GMH communities now gather across the diocese, some worshipping in their first language, and others in intercultural services. Support has included guidance for those establishing intercultural congregations and practical encouragement for growth and sustainability.

In November, the first **Intercultural Kingdom Conference** took place at St Cross Church, Clayton, bringing together more than 150 people for a day of worship, learning and fellowship. The conference offered inspiration and practical resources for parishes seeking to ensure their congregational life and worship reflect the diversity of their local communities.

Archdeacon Karen Best and Diane Gray-Stephenson facilitated sessions on **unconscious bias** within parishes, creating spaces for honest conversations about how bias can shape perceptions and decision-making, and how greater awareness can lead to more equitable practice.

Work is also underway to review and improve **recruitment and selection processes** for DBF employees and clergy posts, ensuring they reflect best practice in equality, diversity and inclusion. This work will inform future guidance, development and training offered to parishes, supporting them to be open and confident in the recruitment of clergy and lay leaders from Global Majority Heritage backgrounds.

Through new roles, strengthened networks and intentional programme delivery, the diocese is now better equipped to walk alongside parishes, chaplaincies and schools offering resources, training and guidance. Regular communication, events and learning opportunities will continue to keep racial justice central to our shared life, helping to ensure it becomes embedded within our culture rather than treated as a standalone initiative.

Net Zero Carbon

Our Church of England schools remain the largest source of carbon emissions across the diocese, accounting for almost 70% of total emissions, with church buildings and parsonages contributing the remaining 30%. Reducing emissions across all three areas is central to our commitment to becoming a Net Zero Carbon Diocese by 2030, in line with the target set by General Synod in 2020.

Building on work undertaken in 2024, a key focus in 2025 has been to progress **decarbonisation planning and delivery in our highest-emitting buildings**. National Church funding was secured for 54 high-emitting churches, which has enabled the development of detailed decarbonisation plans, alongside continued pilot work to improve the energy efficiency of parsonages. Decarbonisation plans for diocesan schools are already in place, funded by the Diocesan Board of Education (DBE). Throughout the year, the DBE has continued to support schools in accessing funding to help implement these plans.

Engagement with the **A Rocha Eco Church** programme continues to grow. This provides practical tools, guidance and community support to help churches embed care for the environment across worship and teaching, buildings, land, community and global engagement, and lifestyle. More than 100 churches have now achieved Eco Church accreditation, with 56% of churches registered overall. During 2025, Manchester Cathedral was awarded Silver Eco Church status, while St John's House also achieved Silver status, marking important milestones in our environmental journey. In total, 86 parishes now hold Bronze awards, and 40 have achieved Silver.

At a diocesan level, Manchester continues to work towards Silver Eco Diocese status, having achieved Bronze in December 2020, with a target date of 2026.

During 2025, a range of targeted interventions supported delivery against the Church of England's environmental targets:

- Continued support for churches completing the annual Energy Footprint Tool, enabling parishes to measure progress towards Net Zero Carbon.
- Through national funding, specialist expertise was provided to deliver 55 Energy Audits and 50 Church Decarbonisation Plans for the diocese's highest-emitting churches, with completion scheduled for 2026.
- Two churches, St Chad's Rochdale and Christ Church Brunswick, applied to become *demonstrator churches*, joining a national network of exemplars to support wider learning and replication.
- The demonstrator parsonage project at Great Clew Street was completed in 2025. The property includes solar panels, triple glazing and an air-source heat pump, with learning from the project now informing the wider parsonage refurbishment programme.

- The Diocesan Board of Education continued to support school capital projects that contribute directly to emissions reduction.

Alongside investment in buildings, 2025 saw a continued focus on learning, leadership and behaviour change:

- The Ecology and Creation Lay Ministry elective continued throughout the year, offering participants the opportunity to be commissioned as Eco Champions through the General Lay Pathway.
- Carbon Literacy training delivered at deanery and mission community level provided space for learning, reflection and practical action.
- The Eco Champions Network continued to offer peer support, shared learning and encouragement across the diocese.
- Communications activity remained a key enabler of engagement, supporting parishes to connect and share ideas, resources and good practice.

Together, these strands of work reflect sustained progress towards reducing the diocese's environmental impact, while embedding care for creation more deeply within the life, worship and mission of our parishes, chaplaincies and schools.

Other Milestones

On Sunday, 30th November 2025, **Bishop David celebrated 25 years of episcopal** ministry at Manchester Cathedral.

A **new website for the diocese** was launched in September 2025. It offers easier navigation and search functionality, additional support and resources, and a more modern, mobile-friendly user interface.

The plans for the refurbishment of the **ground floor of St John's House** were agreed. This will provide a large meeting space for over 150 people, with the potential to be used as a worship space. It is expected that the work will be completed by summer 2026.

Key Appointments

In 2025, several significant appointments and transitions took place within the Diocese of Manchester:

- The Revd Phil Cansdale was appointed as Director of Mission and Ministry, moving to Manchester from the Diocese of Lichfield. He began his role at the beginning of January 2025.
- The Revd Dr Daniel Mullaney, previously Curate in the benefice of Kersal Moor, St Paul, was appointed as Head of Clergy Development.
- In September, Diane Gray-Stephenson started her role as Racial Justice Programme Lead and started the process of recruiting a team, funded by a grant from the Church of England's Racial Justice Unit, to deliver this work.
- In May, we announced that the Revd Anne Gilbert, who was serving as Vicar of Rochdale Parish Churches and Acting Area Dean, had been formally appointed as Area Dean of Rochdale, and the Venerable Richard Worsfold, previously Archdeacon of Leicester, had been appointed as Area Dean of Salford and Leigh.
- Later in the year, the Revd Peter Matthews took on the role of Acting Area Dean for Manchester South and Stretford.

- After nine years in the role of Local Ministry Officer, Jamie Mackenzie moved to the new post of Lead Anglican Chaplain at Manchester University, Manchester Metropolitan University, and The Royal Northern College of Music.
- In September, Helen Platts, Diocesan Secretary and Chief Operating Officer, announced that she would retire in March 2026. The process for recruiting her successor started shortly afterwards, with the aim of ensuring a smooth transition.

National Profile

For the second year running, the diocesan communications team created a short film for the Church of England covering **'Ashes to Go'** on Ash Wednesday. This year's film featured the team in Wythenshawe.

Shortly afterwards, in May, the Communications Team created a film to celebrate the **Manchester and Salford Whit Walks**. This was included in the Church of England's communications channels and was well-received on social platforms.

The **BBC Radio 4 Daily Service Carol Concert** was hosted at Manchester Cathedral for the first time. Delivered in partnership with the BBC and the diocese, the service featured the newly established junior choir from Bolton Parish Church, along with local parishes who were invited to take part in this high-profile, memorable event. Presenters included Dean Rogers Govender, Bishop David Walker and Archdeacon Rachel Mann.

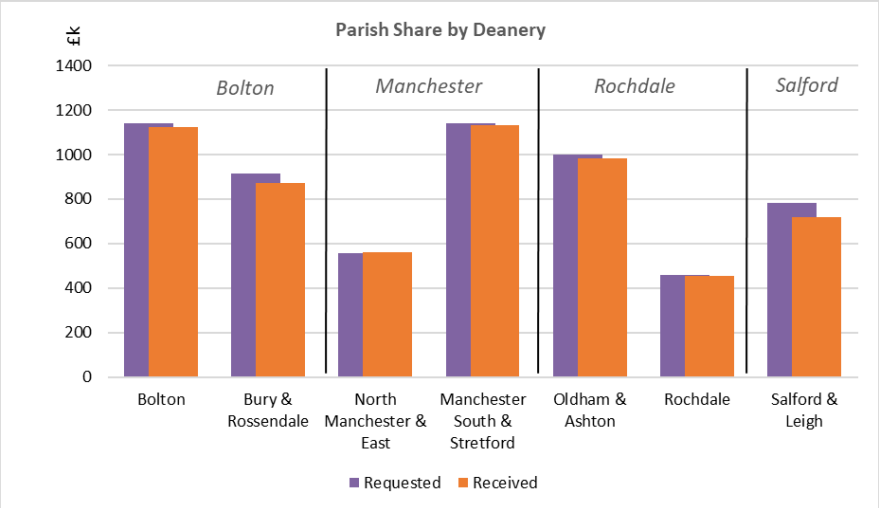
During the year, many of our clergy also contributed to **BBC Radio 4's Thought for the Day, BBC Radio 2's Pause for Thought**, **BBC Radio 4's Daily Service,** and **Songs of Praise,** along with many other programmes. These contributions helped to share the life and witness of the diocese with national audiences.

Parish Share and Stewardship

Parish Share

During 2025, the overall amount of Parish Share contributed by parishes towards the cost of ministry and mission support was £5.8m, an increase of 1.4% compared to £5.7m in 2024.

The individual parish share requests by Deanery, together with contribution by Deanery, are set out in the graph below. (These figures include encouragement scheme credits and exclude prior year receipts):



Share change outcomes

We continue to take steps to ensure our financial viability. Following the review of the Parish Share system in 2022, we undertook the Discussion and Agreement meetings in 2024 with parishes which were organised at Mission Community level. The purpose of the meetings was to discuss and agree a three-year parish share assessment for 2024-2026. The meetings were facilitated by the Parish Support Officer in conjunction with Discussion and Agreement volunteers. Resources on parish share have been created and developed including an animation on parish share. In 2026, we will be preparing for the next cycle of Discussion and Agreement meetings for parish share assessments for 2027-2029.

Giving and Generosity

In 2025, MDBF rolled out two National Church initiatives, the Parish Giving Scheme (PGS) and Cornerstone. PGS is a free resource to help churches to offer a simple and secure way for people to give on a regular basis aimed at addressing static giving with the option on inflationary increases. Cornerstone is an online learning platform focusing on the development of giving, generosity, and thankfulness in churches. The online platform has several pathways with resources and guidance to support parishes. We continued to provide support to our parishes with Gift Aid – with over 200 churches now members of the Gift Aid Lite scheme. In addition to the regular gift aid claimed, the team supported parishes with backdated claims, which secured an additional £275k of gift aid between 2023 and 2025. Following the rollout of 120 contactless devices in 2022, this has resulted in over £360k being raised between April 2023 and September 2025. In 2025, we held a successful one-day conference on 'What is Grant Funding and how to apply for it' which was attended by over 80 clergy and laity.

Strategic Report- Structure and Governance

Summary information about the structure of the Church of England

The Church of England is organised as two provinces each led by an archbishop - Canterbury for the Southern Province and York for the Northern Province. Each province comprises of dioceses, of which there are 41 in England.

Each diocese in England is divided into parishes. Each parish is overseen by a parish priest (usually called a vicar or rector). From ancient times through to today, they and their bishop are responsible for the 'cure of souls' in their parish.

His Majesty the King, who is the Supreme Governor of the Church of England, appoints archbishops, bishops and deans of cathedrals on the advice of the Prime Minister. The two archbishops and 24 senior bishops sit in the House of Lords.

The Church of England is episcopally led - there are over 100 bishops, including diocesan bishops and assistant and suffragan bishops. It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of Acts of Parliament. It is made up of three groups or houses of members: the Houses of Bishops, of Clergy and of Laity, and meets in London or York at least twice annually to consider legislation for the broader good of the Church.

The three National Church Institutions

The Archbishops' Council, the Church Commissioners and the Church of England Pensions Board are sometimes referred to as the three National Church Institutions.

The Archbishops' Council was established in 1999 to co-ordinate, promote, aid and further the mission of the Church of England. Its task is to give a clear sense of direction to the Church nationally and support the Church locally by acting as a policy discussion forum.

The Church Commissioners manage the historic assets of the Church of England, spending most of their income on pensions for the clergy. Financial and other support is also provided for the strategic development of dioceses. The costs of episcopal administration through the diocesan and

suffragan bishops are met by the Church Commissioners, except for the provision of housing for suffragan bishops which is met by the Diocese.

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation, both for those retired from stipendiary ministry and for the widows/widowers of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations.

The Board, which reports to the General Synod, is trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Board its central responsibilities for retirement welfare, the Board works in close cooperation both with the Archbishops' Council and with the Church Commissioners.

The Cathedral

Manchester Cathedral is the mother church of the diocese and legally is constituted as a separate ecclesiastical corporation for charitable purposes, governed by common law. Copies of the cathedral's annual report and financial statements may be obtained from the Cathedral Office, the Cathedral, Victoria Street, Manchester, M3 1SX.

The information about General Synod, the Church Commissioners, the Archbishops' Council and Manchester Cathedral is included as background only. The financial transactions of these bodies do not form part of these financial statements.

Parochial Church Council (PCC)

The Parochial Church Council (PCC) is the elected governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Typically each parish has one parish church. The PCC is made up of the incumbent as chair, the churchwardens and a number of elected and ex officio members. Each PCC is a charity, and those with gross income under £100,000 are currently exempted from registration with the Charity Commission, subject to the Charities Act 2006. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC can be obtained from the relevant PCC treasurer.

Parishes, Benefices and Deaneries

A benefice is a parish or group of parishes served by an incumbent who typically receives a stipend and the benefit of free occupation and use of a parsonage house from the diocese for carrying out spiritual duties.

A deanery is a group of parishes over which an area dean has oversight and an archdeaconry is a group of deaneries for which an archdeacon is responsible.

The diocese is the principal pastoral and, in turn, financial and administrative resource of the Church of England, encompassing the various archdeaconries under the spiritual leadership of the diocesan bishop.

Diocesan Governance

Diocesan Synod

The diocese is governed by standing orders approved on 18 June 1994 and subsequent amendments. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the diocese. Membership consists of ex officio members, including the bishops and archdeacons, clergy members elected by the houses of clergy in deanery synods, lay persons elected by the houses of laity in deanery synods, up to five persons who may be co-opted by the house of clergy or the house of laity and a maximum of ten members nominated by the diocesan bishop. The Diocesan Synod normally meets three times a year. The bishop of the diocese shall be the president of the diocesan synod.

Its role is to:

- consider matters affecting the Church of England in the diocese;

- act as a forum for debate of Christian opinion on matters of religious or public interest;
- advise the bishop where requested;
- deal with matters referred by General Synod; and
- provide for the financing of the diocese.

Many of Diocesan Synod's responsibilities have been delegated to the Bishop's Council, a Standing Committee of the Diocesan Synod.

Deanery Synod

Each deanery synod has two houses, laity and clergy, and its role is to:

- respond to requests from General Synod;
- give effect to the decisions made by the Diocesan Synod;
- consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- act as a channel of communication to express the views of parishes to Diocesan Synod and from there to General Synod;
- raise with Diocesan Synod such matters as it considers appropriate; and
- elect members of the deanery to the Diocesan Synod and of the diocese to General Synod.

Bishop's Council

Following the governance review in 2016, the members of Bishop's Council are also trustees of the Manchester Diocesan Board of Finance (MDBF). As well as the delegated functions set out in the Decision Making Structure section below, under the constitution of the Diocesan Synod, Bishop's Council also has the following functions:

- to plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion;
- to initiate proposals for action by the Synod and to advise it on matters of policy;
- to advise the President on any matter;
- subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session;
- subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees; and
- to carry out such functions as the Synod may delegate to it.

The Board of Trustees will:

1. Act as directors (for the purposes of company law) and trustees (for the purposes of charity law) of the Manchester Diocesan Board of Finance
2. Be chaired by the Chair or vice Chair of the DBF
3. a) determine strategy and policy in relation to:
   I. Clergy Stipends (in line with Synodical Ministry deployment policy)
   II. Revenue Budgets
   III. Capital Budgets
   IV. Investments
   V. The Parish Share system
   VI. Risk Management

   b) Monitor the implementation of policy

c) Approve draft budget submissions for approval by the Board of Finance and Diocesan Synod

d) Receive and approve the annual Consolidated Financial Statements

e) Agree financial sub-structures

f) Consider any business referred by the DBF, Synod, Bishop's Council or the Finance sub structures

The Board of Trustees has delegated responsibility for the day-to-day management of the company to the Diocesan Secretary / Chie Operating Officer, who is supported by a number of heads of departments and their staff.

Charity Governance Code

The Charity Governance Code was published to help charities and their trustees develop high standards of governance. The code sets out seven principles and recommended practice. Below are the seven principles with an explanation of how MDBF operates against these principles:

- ***Organisational Purpose***

  The company's vision and mission goals which were agreed by Bishop's Council in 2015 are set out above along with activities and key achievements against these goals during the year. The company produces an annual three year medium term financial plan which is considered by the Finance, Personnel and General Purposes Committee prior to being approved by Bishop's Council and Diocesan Synod.

- ***Leadership***

  The Board of Trustees comprises of elected clergy and lay representatives from the Diocesan Synod along with ex officio trustees including the Diocesan Bishop and senior clergy. The trustees may co-opt members on to Bishop's Council to bring skills and knowledge in certain areas. The company has a Staffing Committee which considers matters around pay, grading and restructures.

- ***Board Effectiveness***

  A skills audit is undertaken to identify any skills gaps and trustee recruitment targeted accordingly. The company operates through a committee structure and the details of these committees (including a brief summary of the remit of each committee) are set out in the section below.

- ***Diversity***

  The Board of Trustees is made up of individuals who reflect the diversity of the Anglican Church in Manchester. Participation by all members is encouraged through supporting new members through initial induction and ongoing development of Trustees. Meetings are timed to maximise attendance of trustees with work or personal commitments.

- ***Integrity***

  Induction training for trustees at the start of each three-year cycle covers the importance of collective decision making, acting in an informed and questioning way, and the responsibilities of being a trustee. At the start of meeting members are asked to disclose any conflicts of interests they any have regarding any agenda items; where there is an interest they would be asked to leave the meeting for that item.

- ***Decision-Making, Risk and Control***

  Formal reports which may be for decision or information are presented to Bishop's Council. For items requiring decision votes are taken and decisions are recorded in the

minutes. There is an Audit Committee which responsible for assisting the trustees in the discharge of their responsibilities for accounting policies, risk management, internal control and financial reporting, including liaison with the auditors.

- ***Openness and Accountability***

  The company prepares a medium-term financial plan each year in line with the priorities of the diocese and details are available on the company website.

  Performance against budget is monitored throughout the year by the Finance, Personnel and General Purposes Committee and Bishop's Council.

Committee Structure

There are a number of Diocesan Synod committees that, though not committees of MDBF, can influence the operations of MDBF.

The statutory committees are:

Diocesan Mission and Pastoral Committee (DMPC), which is responsible for recommending pastoral reorganisations, taking account of available clergy numbers and making use of new patterns of ministry.

Diocesan Advisory Committee, which advises on matters affecting churches and places of worship such as the granting of faculties, 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.

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

Bishop's Council has the following committees, each of which has written terms of reference:

Property Committee, which is responsible for exercising the functions of the Diocesan Parsonages Board, as set out in the Repair of Benefices Buildings Measure 1972 together with the exercise of responsibility of the Diocesan Board of Finance as set out in the Endowments and Glebe Measure 1976.

Finance, Personnel and General Purposes Committee, which is responsible for reviewing the financial position in line with income and expenditure, and assessing opportunities and threats to the budget in advance of budget preparation and future financial decision making. This committee has now incorporated the Staffing Committee, which acts on behalf of the trustees on employment practice and the development of human resources. The committee reviews salaries in the MDBF, and approves recommendations for salaries in relation to new posts or regrading of posts. The MDBF has a grading structure with eight pay bands; within each pay band there are three increment points. Posts are allocated a grade with increments or a spot grade; some posts span two grades. The MDBF tracks market rates and occasionally takes part in national benchmarking data collection with other dioceses.

Audit Committee, which is responsible for assisting the trustees in the discharge of their responsibilities for accounting policies, risk management, internal control and financial reporting, including liaison with the auditors.

Grants Committee, was established in 2025 and is responsible for oversight of the grants awarded by the DBF to parishes by reviewing the arrangements for each grant-funding stream to ensure that clear information about the funding is made available to parishes including: the funding available; the funding criteria; the application process including timescales; and the assessment process. Awarding individual grants, based on a summary of each grant application and the recommendations of the nominated Senior Responsible Officer. Ensuring that equality and diversity issues are taken into account in reviewing grant applications. The Grants Committee reports into the Finance, Personnel & General Purposes Committee with a summary of the grants awarded.

Investments Committee, which is responsible for directing and monitoring the investment of the assets of the charity in line with the Board's charitable objectives to promote the mission and ministry of the diocese.

Company Status and Legal Objects

The company, Manchester Diocesan Board of Finance (MDBF), was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 26 March 1918 as a charitable company limited by membership guarantees (No. 149999) and its governing documents are the Memorandum and Articles of Association. MDBF is registered with the Charity Commission (No. 249424).

At an Extraordinary General Meeting (EGM) in November 2006 the Articles were amended so that with effect from January 2008 every member of Diocesan Synod is also a member of MDBF for company law purposes. A further EGM was held in September 2020 to amend the Articles to facilitate and enable the DBF, the Board of Directors committees and subcommittees to meet and conduct their business remotely.

Every member has a personal liability limited to £1 under their guarantee as company members in the event of it being wound up. The members of the Bishop's Council comprise the Board of Trustees of MDBF – they are its Directors under company law.

The legal objects of the company as set out in the Memorandum of Association are as follows:

'To promote, aid and further, primarily but not exclusively in the Diocese of Manchester (the 'Diocese') the spiritual teaching of the Church of England (the "Church") and maintain the spirit of the doctrines and observances on which it rests and in which it finds expression and to that end.

a) To be the Diocesan Authority within the meaning of the Parochial Church Councils (Powers) Measure, 1921 and the Diocesan Board of Finance within the meaning of the Diocesan Boards of Finance Measure, 1925 for the Diocese whatever may be for the time being the area thereof.

b) To act as a Committee of the Diocesan Conference of the Diocese (the "Conference")

c) To act as the Dilapidations Board for the Diocese if so constituted under any scheme of the Conference.

d) To act as the Diocesan Committee of the Diocese for the purpose of any Act of Parliament or Measure passed by the National Assembly of the Church of England or of any scheme of the Church Commissioners.'

Please note that some of the structures mentioned in these Objects have been superseded by structures established under the Synodical Government Measure, 1969.

Appointment of Trustees

An induction programme for MDBF trustees has been developed as part of a governance review. Further to this, Trustees can also attend training courses and briefings commensurate with their development and in order to fulfil their legal and statutory responsibilities. See above for details of the appointment process.

Some Senior Leadership Team (SLT) members have 'director' in their job titles but are not directors of the MDBF for the purposes of company law, nor are they Trustees of the charity. The SLT comprises:

Helen Platts	Diocesan Secretary and Chief Operating Officer and Company Secretary (Upto 31 March 2026)
Karen Higgins	Diocesan Secretary and Chief Executive Officer and Company Secretary (From 1 April 2026)
David Weldon	Director of Finance and Corporate Services
Darren Bamford	Director of Land and Property Services
Revd Phil Cansdale	Acting Director of Mission, Ministry and Strategy (From 13 January 2026)
Deborah Smith	Director of Education

Related Parties

General Synod, Church Commissioners and Archbishops' Council

MDBF has to comply with Measures passed by the General Synod of the Church of England and is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church.

Parochial Church Councils (PCCs)

MDBF is required by Parochial Church Councils (Powers) Measure 1956 to be custodian trustee in relation to PCC property, miscellaneous funds and investments, 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 are able to influence the decision-making within MDBF and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

Connected Charities

The trustees consider the following to be connected charities:

Manchester Diocesan Board of Education - a company limited by guarantee and a registered charity, which has responsibility for 192 church schools across the diocese, provides pastoral and professional support to all its schools and has a 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 investments, income and expenditure of a separate charity, ***JB Stelfox Trust***, have been included in these financial statements, as the Board of Finance is the sole trustee.

Pension Scheme

The Church of England Pensions Board is responsible for the Clergy Pension Fund and the Church Workers Pension Fund and it is to this body that MDBF pays retirement benefit contributions for stipendiary clergy, licensed lay workers and employees (see note 26).

Risk Management

The trustees confirm that the major risks, to which MDBF is exposed, as identified by the trustees and staff, have been reviewed and that systems and procedures have been established to manage those risks. The trustees delegate to the Audit Committee the task of ensuring that risks are reviewed as part of the risk management strategy. The Audit Committee encourage the Heads of Department to define the risks in their areas, report on the measures in place to manage and monitor these risks and implement procedures and controls designed to minimise any potential impact on MDBF should any of the risks materialise. The key risks are summarised on page 24 below.

Statutory Functions

MDBF has responsibility for the management of glebe property and investments to generate income to support the cost of stipends.

MDBF is the Diocesan Authority for parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board.

The trustees are custodian trustees in relation to PCC property.

Public Benefit

The trustees of the Board are aware of the Charity Commission's guidance on public benefit in The Advancement of Religion for the Public Benefit and have had regard to it in their administration of the Board.

The Board believes that, by promoting the work of the Church of England in the Diocese of Manchester, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and

ecumenical) more effectively, both in the diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:

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

Information on these benefits is provided throughout this report.

Strategic Report: Financial Review

Incoming Resources

Group incoming resources were £17.744m (2024: £14.517m).

Donations to the MDBF through Parish Share increased from £5.694m to £5.776m. The Trustees are very grateful to all the donors in what has been another challenging year.

In 2025, around 33% of the income of the MDBF came from the Parish Share and 14% from National Church Selective Allocations.

Expenditure

Group Resources expended were £17.674m (2024: £17.613m). The largest share of MDBF-only expenditure relates to resourcing ministry and mission expenditure, including parish clergy stipends, support staff costs and related costs such as property and related expenditure.

Balance Sheet

Overall, the value of the consolidated balance sheet has increased during the year by £4.113m. Key movements in the year included: the revaluation of parsonage properties of £5.291mm, together with an overall unrealised loss on investments of £0.568m and revaluation of Glebe Investment Properties resulting in a £0.68m unrealised loss (2024: £0.89m gain); and an increase in tangible fixed assets of £3.139m which includes the revaluation of parsonages less disposals/additions in the year. Other movements on the balance sheet include a decrease in cash of £4.873m due to £7m being invested in managed funds, an increase in debtors of £0.04m; and a decrease in creditors falling due within one year of £0.007m.

The Diocese recorded a surplus on General Unrestricted Funds (including property revaluations and unrealised gains on investments) of £1.971m (consolidated figures). This compares with a deficit of £0.849m in 2024. With the opening General Unrestricted Funds balance of £16.709m and the in-year surplus of £1.971m, the closing reserves now stand at £18.674m with free reserves (excluding fixed assets) standing at £7.24m which is equivalent to 6 months operating expenditure.

Looking at Total Funds (Unrestricted Funds, Designated, Restricted and Endowment Funds together), an aggregate surplus of £4.113m including property revaluations and unrealised losses on investments across all funds was recorded during the year (2024: surplus £2.762m). With the opening Total Funds balance of £128.778m and the in- year surplus of £4.113m, the closing reserves now stand at £132.891m.

Investments

Overall performance

Looking at the company-only figures, the total value of investments (excluding short-term cash deposits) at 31 December 2025 was £30.286m (2024: £24.534m).

Glebe investments

Glebe property investments were valued at 31 December 2025 at £2.265m (2024: £2.945m). Rents receivable amounted to £0.209m (2023: £221k) – an income yield of 7.5% (2023: 7.6%).

General investments

Investments in CCLA's Investment fund, Property fund and Short Duration Bond Fund were valued at £21.554m at 31 December 2025 (2024: £16.461m). MDBF also invested £1m with Cazenove in the Sustainable Multi Asset fund during the year which is now valued at £6.386m as at 31 December 2025 (2024: £5.047m).

Financial investments are split between investments in equities 92.57% (2024: 87.66%) through investment funds, a property fund 7.07% (2024: 11.74%), and Short Duration Bond Fund 0.36% (2024: 0.6%). The yields from these investments are as follows:

- CCLA Investment Fund 2.92% (2024: 2.73%)
- CCLA Property Fund 5.19% (2024: 5.30%)
- CCLA Short Duration Bond 3.50% (2024: 2.92%)
- Cazenove Sustainable Multi Asset Fund 3.8% (2024: 4.1%)

Funds which may be needed for working capital in the short term are held as deposits with the Central Board of Finance and on the short-term money markets.

Equity Loans

Equity loans are made by the Church Commissioners to the diocese and parishes for curates' housing, as well as retired clergy and clergy spouses to enable them to purchase property on a shared equity basis. The total Value Linked Loans advanced at 31 December 2025 amounted to £181k.

Subsidiary Undertakings

MDBF has a subsidiary undertaking, the Manchester Diocesan Church House Company Limited, whose principal activity was the provision of a Church House for Investment Property and Diocesan purposes. The property was sold in June 2022. The loss for 2025 after tax was £5k (2024: £117k profit) (see note 18).

Going Concern

We have made an assessment of the Charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release.
Having performed our assessment we were able to conclude that the Charity is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.
In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the Charity's ability to continue as a going concern.

Policies and Other Matters

Investment policies

MDBF's investment policies are based on two key policies:

Ethical investment - this includes ensuring that investments are held in companies which have high standards of corporate governance, promote the care of the environment and act in a responsible way towards stakeholders.

Long-term responsibilities - the trustees are aware of their long-term responsibilities in respect of endowed funds and as a result follow a correspondingly prudent approach to investment decisions. The MDBF's investment policy for long-term funds is aimed primarily at generating a sustainable income with due regard to the need for the preservation of capital value and the possible need to realise investments to meet operational needs. The glebe investments are held for the purpose of raising income to achieve the maximum contribution possible to fund clergy stipends on an ongoing basis. Unrestricted and restricted fund investments are invested to balance income, liquidity and the maintenance of capital.

Reserves policy

The target free reserves is currently set at an amount equivalent to a minimum of three months and a maximum of six months' gross expenditure from unrestricted funds. At 31 December 2025, MDBF's unrestricted reserves were £18.674m (see note 13 to the financial statements), with free reserves (excluding fixed assets) standing at £7.24m which equates to 6 months' gross unrestricted expenditure.

The unrestricted reserves are now at the minimum benchmark of three months. In establishing and maintaining a target level of free reserves, this mitigates the risk of uncertainty over future income or unexpected calls on the charity's funds.

The company holds tangible fixed assets and fixed assets investment across Restricted and Endowment Funds. The tangible fixed assets include parsonage housing, and fixed asset investments include investment properties and unlisted investments which provide investment income.

Funds held as a Custodian Trustee on behalf of others

Under the Parochial Church Councils (Powers) Measure 1956, the Board holds as custodian trustee, for a considerable number of parochial and miscellaneous funds, investments with an aggregate market value of £15.032m (2024: £15.032m) which are not included in the balance sheet. These investments are held on behalf of parishes whose charitable purposes are similar to those of the Board of Finance. The assets are held securely and separately from those of the Board which is responsible for their safe custody. Under the same Measure the Board acts as custodian trustee for property belonging to Parishes.

Principal Risks and Uncertainties

Principal Risks and Uncertainties

As with other organisations, MDBF faces risks to its operations, finances and reputation. The officers regularly review, evaluate and record major areas of risk to which MDBF is exposed, assessing the likelihood and impact of risks occurring. The MDBF Audit Committee review these risks at their meetings during the year. The outcome of this review is recorded in the MDBF Risk Register. The work undertaken by the Audit Committee is reported to the Finance, Personnel and General Purposes Committee.

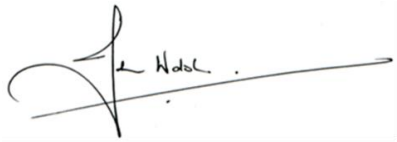
The main risk to MDBF's income is from the impact of the cost of living challenges in that parish income and expenditure has been significantly affected and parishes are not able to pay their parish share. Work is therefore underway on a medium-term financial strategy from 2026 to ensure that a break-even position can be achieved each year on unrestricted funds. The Trustees also closely monitor the budget set each year to ensure that budget targets are met.

Set out below are the key risks identified which are regularly reviewed by the Charity together with the appropriate control measures:

Key Risks	Control Measures
Missional: - Declining Parish Attendance - Unrepresentative congregations - Lack of vocations - Failure to attract clergy - Transformation Programme and SDF project failure	- Strategy implementation with the four mission priorities of Parish Renewal, Growing Younger, Church Planting and Revitalisation and Developing Missional Leaders. - Significant additional funding awarded by the Church Commissioners in December 2025 to support mission. - Review of parishes carried out to determine appropriate support and interventions for our most fragile churches – support to be put in place in 2026. - Proactive approach to clergy recruitment, deployment and development; investment in new ordinands and first incumbents; focus on creating confident evangelists. - Racial Justice Strategy and engagement with international congregations in the diocese – funding secured and programme being implemented.
Financial: - Declining levels of Parish Share - Disaffection with the Parish Share system - Reliance on grant funding from national church - Failure to manage within agreed budgets - Failure to maximise investment income - Asset base not managed effectively – surplus parsonages and glebe	- Medium-term financial planning, budgeting and monitoring. - Disposal of surplus parsonages and glebe land and property. - Reinvestment of surplus proceeds from property assets into managed funds. - Oversight by Investment Committee, with independent expertise. - Direct engagement with parishes about Parish Share - Support to parishes with stewardship – Parish Giving Scheme being promoted. - Additional time-limited funding provided by the Church Commissioners 2026-2028. - LInC funding increased to £3m and now index-linked.
Governance: - Lack of candidates for DBF governance and Diocesan Synod - Failure to appoint trustees of sufficient calibre - Lack of candidates for parish-level governance - Ultra vires decisions	- Careful planning of Synod agendas to ensure meetings are relevant and interesting. - Wider communication about Synod agenda and decisions. - Governance documentation to be updated. - Training for Bishop's Council members at start of new triennium. - Schedule of delegation regularly reviewed. - Legal opinions on exceptional decisions. - Succession planning for key clergy, lay and professional roles.

The Trustees approve the Trustees' Report, which incorporates the Strategic Report.

By Order of the Board on 7th May 2026



Canon John Walsh OBE, Chairman



Karen Higgins, Chief Executive Officer

Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report, including the Strategic Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditors

So far as the Trustees are aware:

a) there is no relevant audit information of which the charitable company's auditors are unaware, and
b) we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF MANCHESTER DIOCESAN BOARD OF FINANCE

Opinion on the financial statements

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

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 related 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's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Companies Act 2006 reporting

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' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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.

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, Church of England Measures and VAT law.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fund accounting, including transfers between funds, and revenue recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and

- Cut-off testing in respect of revenue.

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 auditor's report.

Use of our report

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



Adam Halsey (Senior Statutory Auditor)

For and on behalf of HaysMac LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 10 June 2026

MANCHESTER DIOCESAN BOARD OF FINANCE YEAR ENDED 31 DECEMBER 2025

COMPANY NUMBER: 149999

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2025

	Note	Unrestricted General 2025 £'000	Unrestricted Designated 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	**Total Funds 2025 £'000**	**Total Funds 2024 £'000**
Income and endowments from:							
Donations	2						
Parish contributions		5,776	-	-	-	**5,776**	**5,694**
Archbishops' Council		-	-	2,404	-	**2,404**	**2,412**
Other donations		161	11	826	8	**1,006**	**591**
Other trading activities	3	86	-	-	-	**86**	**98**
Investments	4	1,018	28	402	47	**1,495**	**1,677**
Charitable activities	5	-	-	431	-	**431**	**448**
Other income	6	3,431	-	2,924	191	**6,546**	**3,597**
TOTAL INCOME AND ENDOWMENTS		**10,472**	**39**	**6,987**	**246**	**17,744**	**14,517**
Expenditure on:							
Raising funds	8	10	-	(5)	-	**5**	**82**
Charitable activities	9	10,292	435	6,940	2	**17,669**	**17,531**
Remeasurement of pension schemes	26	-	-	-	-	**-**	**-**
Pension interest cost	26	-	-	-	-	**-**	**-**
TOTAL EXPENDITURE	7	**10,302**	**435**	**6,935**	**2**	**17,674**	**17,613**
Net (expenditure) / income before net gains / (losses) on investments and Taxation		**170**	**(396)**	**52**	**244**	**70**	**(3,096)**
Taxation	16	-	-	-	-	**-**	**-**
Net gains / (losses) on investments	23	(222)	(9)	251	(1,269)	**(1,249)**	**1,274**
Property Revaluation	17	752	-	-	4,540	**5,292**	**4,584**
Net (expenditure) / income		**700**	**(405)**	**303**	**3,515**	**4,113**	**2,762**
Transfers between funds	10	1,271	164	134	(1,569)	**-**	**-**
Net movement in funds	13	**1,971**	**(241)**	**437**	**1,946**	**4,113**	**2,762**
Total funds at 1 January	13	**16,709**	**1,438**	**9,467**	**101,164**	**128,778**	**126,016**
Total funds at 31 December	13	**18,680**	**1,197**	**9,904**	**103,110**	**132,891**	**128,778**

The group's income and expenditure all relate to continuing operations.
The notes on pages 34 to 68 form part of these financial statements.

COMPANY NUMBER: 149999

COMPANY STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2025

	Note	Unrestricted General 2025 £'000	Unrestricted Designated 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	**Total Funds 2025 £'000**	**Total Funds 2024 £'000**
Income and endowments from:							
Donations	2						
Parish contributions		5,776	-	-	-	**5,776**	**5,694**
Archbishops' Council		-	-	2,404	-	**2,404**	**2,412**
Other donations		161	11	826	8	**1,006**	**3,661**
Other trading activities	3	86	-	-	-	**86**	**98**
Investments	4	1,013	28	402	47	**1,490**	**1,528**
Charitable activities	5	-	-	431	-	**431**	**448**
Other income	6	3,431	-	2,924	191	**6,546**	**3,612**
TOTAL INCOME AND ENDOWMENTS		**10,467**	**39**	**6,987**	**246**	**17,739**	**17,453**
Expenditure on:							
Raising Funds	8	-	-	(5)	-	**(5)**	**69**
Charitable activities	9	10,292	435	6,940	2	**17,669**	**17,531**
Remeasurement on pension schemes	26	-	-	-	-	**-**	**-**
Pension interest cost	26	-	-	-	-	**-**	**-**
TOTAL EXPENDITURE	7	**10,292**	**435**	**6,935**	**2**	**17,664**	**17,600**
Net (expenditure) / income before net gains / (losses) on investments and Taxation		**175**	**(396)**	**52**	**244**	**75**	**(147)**
Taxation		-	-	-	-	**-**	**-**
Net gains / (losses) on investments	23	(222)	(9)	251	(1,269)	**(1,249)**	**1,274**
Property Revaluation	17	752	-	-	4,540	**5,292**	**4,584**
Net (expenditure) / income		**705**	**(405)**	**303**	**3,515**	**4,118**	**5,711**
Transfers between funds	10	1,271	164	134	(1,569)	**-**	**-**
Net movement in funds	13	**1,976**	**(241)**	**437**	**1,946**	**4,118**	**-**
Total funds at 1 January	13	**16,698**	**1,438**	**9,467**	**101,164**	**128,767**	**123,056**
Total funds at 31 December	13	**18,674**	**1,197**	**9,904**	**103,110**	**132,885**	**128,767**

The Company's income and expenditure all relates to continuing operations.
The notes on pages 34 to 68 form part of these financial statements.

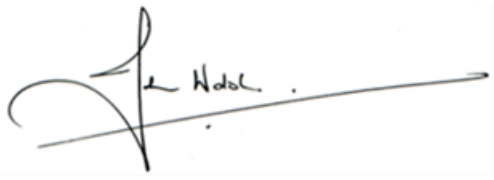
COMPANY NUMBER: 149999

BALANCE SHEETS

As at 31 December 2025

		Group		Company	
		2025	2024	2025	2024
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	17	**93,584**	**90,445**	**93,584**	**90,445**
Investments	18	**30,205**	**24,453**	**30,286**	**24,534**
		123,789	**114,898**	**123,870**	**114,979**
CURRENT ASSETS					
Debtors	19	**4,520**	**4,480**	**4,516**	**4,446**
Cash and cash equivalents	20	**7,925**	**12,798**	**7,783**	**12,679**
		12,445	**17,278**	**12,299**	**17,125**
CREDITORS:					
Amounts falling due within one year	21	**(812)**	**(819)**	**(753)**	**(758)**
NET CURRENT ASSETS		**11,633**	**16,459**	**11,546**	**16,367**
TOTAL ASSETS LESS CURRENT LIABILITIES		**135,422**	**131,357**	**135,416**	**131,346**
CREDITORS:					
Amounts falling due after more than one year	21	**(2,531)**	**(2,579)**	**(2,531)**	**(2,579)**
PROVISIONS:					
Deferred tax	27	**-**	**-**	**-**	**-**
NET ASSETS		**132,891**	**128,778**	**132,885**	**128,767**
THE FUNDS OF THE CHARITY					
Endowment funds	13,22	**103,110**	**101,164**	**103,110**	**101,164**
Restricted income funds	13,22	**9,904**	**9,467**	**9,904**	**9,467**
Unrestricted income funds:					
General funds		**18,593**	**16,617**	**18,674**	**16,698**
Designated funds		**1,197**	**1,438**	**1,197**	**1,438**
Non-charitable trading funds		**86**	**91**	**-**	**-**
Pension scheme reserve		**-**	**-**	**-**	**-**
Minority interest		**1**	**1**	**-**	**-**
Total unrestricted income funds	13,22	**19,877**	**18,147**	**19,871**	**18,136**
TOTAL FUNDS		**132,891**	**128,778**	**132,885**	**128,767**

The notes on pages 34 to 68 form part of these financial statements. The financial statements of the Manchester Diocesan Board of Finance (company number 149999) were approved and authorised for issue by the Board of Directors and are signed on behalf of the Board on 7th May 2026 by:





Canon John Walsh OBE, Chairman

Karen Higgins, Chief Executive Officer

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

Reconciliation of changes in resources to net cash flow from operating activities
See also Note 25

	2025		2024	
	£'000	£'000	£'000	£'000
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		4,113		2,762
Adjustments for:				
Depreciation charges		39		40
(Gains) / Losses on investments		-		-
Dividends, interest and rents from investments		(1,495)		(1,677)
Realised (Gains) / Losses on investment property		-		29
(Profit) on the sale of fixed assets *		(3,522)		(6)
Decrease/(Increase) in debtors		(40)		529
(Decrease)/Increase in creditors		(7)		(43)
Unrealised (gain) / loss on investments		569		(383)
Unrealised (gain) on investment property		680		(890)
Pension adjustment		-		-
Revaluation of other assets		(5,292)		(4,584)
Taxation		-		-
Net cash used in operating activities		**(4,955)**		**(4,223)**
Cash flows from operating activities:				
Net cash used in operating activities		**(4,955)**		**(4,223)**
Cash flows from investing activities:				
Dividends, interest and rents from investments	1,495		1,677	
Proceeds from the sale of property, plant and equipment	6,196		1,813	
Proceeds from sale of investments	-		2,320	
Purchase of property, plant and equipment	(609)		(1,345)	
Purchase of investments	(7,000)		(5,000)	
Net cash provided by / (used in) investing activities		82		(535)
				(4,758)
Cash flows from financing activities:				
Deficit contributions paid	-		-	
Net cash used in financing activities		-		-
Change in cash and cash equivalents in the reporting period		**(4,873)**		**(4,758)**
Cash and cash equivalents at the beginning of the reporting period		**12,798**		**17,556**
Cash and cash equivalents at the end of the reporting period		**7,925**		**12,798**

*This includes the MDBF portion of the gain on disposal of the sale of a Value Linked Loan property with a book value of £48,000 - see note 17.

The notes on pages 34 to 68 form part of these financial statements.

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

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The group and company have taken advantage of adapting their own arrangements of the headings and subheadings of their financial statements due to the special nature of their business in accordance with the Companies Act 2006. The financial statements have been prepared in accordance with FRS102 the Financial Reporting Standard applicable in the United Kingdom and the Statement of Recommended Practice "Accounting by Charities" (the "SORP") issued in January 2019 second edition.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line-by-line basis. The subsidiary company, Manchester Diocesan Church House Company Limited, has prepared its financial statements under the FRS102 section 1A Small Entities.

The financial statements are prepared on the historical cost basis of accounting, except for investments which have been included at revalued amounts, and a summary of the more important accounting policies, which have been consistently applied, is set out below.

The group and company is a public benefit entity and as such has applied the appropriate reporting standards from FRS102.

(a) Income and Endowments
The principal source of income comes from voluntary giving in the form of parish share. Amounts undertaken to be paid by deaneries but not received by the year end are not accrued as the obligation to pay the sums involved is morally but not legally binding. Income is accounted for when received, except legacies that are included on an accruals basis where receipts are reasonably certain and the amounts receivable can be quantified.

(b) Expenditure
Expenditure is analysed over the activities undertaken by the Company wherever this is possible. Office and support costs are recharged to operating departments where appropriate. The remaining costs of the Company's offices and administration are shown as support costs within direct charitable expenditure where these relate to the managing and promoting of the Company's charitable activities within the Diocese of Manchester. Costs arising from the administration of the Company as a charity and company are shown as governance costs, in accordance with SORP.

(c) Dividends and interest
These are included in the financial statements on an accruals basis.

(d) Fund accounting
Funds held by the company are either:

Restricted funds	Trust and other funds, which may only be used for specific purposes imposed by the settler, donor or legislation.
Permanent endowment funds	Funds where there is no power to convert capital into income. Where the directors have the power to convert endowments into income, these funds are known as expendable endowments.
Unrestricted general funds	Funds which may be used for general purposes without any external restriction.
Unrestricted Designated funds	Unrestricted funds which have been set aside by the Board for purposes designated by diocesan policy; such designations may be changed from time to time according to policy decisions.

Details of the major funds are given in Note 13 and note22.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

PRINCIPAL ACCOUNTING POLICIES (continued)

(e) Stipends

Clergy stipends and the salaries of licensed lay staff, though a diocesan responsibility, are paid through the Church Commissioners' payroll. The cost of the stipends and salaries paid by the Church Commissioners on behalf of the Company and income received by them centrally are shown gross in these financial statements. However, some dignitaries are paid for mostly or entirely by the Church Commissioners and the relevant costs have been excluded from these financial statements.

(f) Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost.

Until 2020, Glebe and parsonage houses and other property used by the diocese were included at deemed cost which was either the cost of purchase or the midpoint council tax. In 2022 the trustees decided that as the basis of inclusion represented in many cases neither the historical cost nor the fair value that they would perform a desk top valuation and/or indexation at each year end and this would be included in the balance sheet. This valuation would include an impairment review as required where no depreciation is to be charged. This constitutes a change in accounting estimate as to the value and estimated useful economic life/residual value and as such no prior year adjustment is required.

Houses subject to value-linked loans (previously known as equity sharing loans) are included in the financial statements as fixed assets and loan creditors, where there is a direct liability to the Company relating to such properties. For Value Linked Loan properties which the Company has an equity share, the Company equity value is depreciated in line with the property depreciation rate as confirmed below.

Redundant churches are not included in the financial statements as it is the opinion of the trustees that they are of negligible value.

For all other assets historical cost accounting is applied with depreciation provided as the following rates:

Office Equipment	25% & 33.33% straight line

(g) Fixed asset investments

Investments other than in Glebe land and properties are shown at the bid price on the date of the balance sheet. Glebe land and properties were revalued on 31 December 2025. The valuation provided by WT Gunson on the Millgate Centre is on a gross basis before legal costs and stamp duty as the investment is purely held for the rental income. The Trustees are satisfied that this is the most appropriate methodology for valuation of this site. Proceeds from the sale of Glebe are credited as income to the Stipends Fund Capital Account in the year of receipt.

Investments held by the Company as custodian trustee are not included in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

PRINCIPAL ACCOUNTING POLICIES (continued)

(h) Subsidiary and connected companies

Details of subsidiary and connected companies are given in note 18 to the financial statements. Consolidated accounts have been produced in accordance with the recommendations of the Charity SORP.

(i) Clergy pensions

The Company contributes to the Church of England Funded Pension Scheme which is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the schemes which are attributable to the Company. Pension scheme contributions are charged to the Statement of Financial Activities in the period to which they relate. Details of the schemes operated by the Company are given in note 26 to the financial statements. Manchester Diocesan Board of Finance has agreed to an additional contribution plan in order to clear pension scheme deficits, details of the repayments and arrangement can be found in note 26 to the financial statements.

(j) Staff pensions

The Company contributes to the Church of England Pension Builder Scheme is a multi-employer pension schemes and it is not possible to identify the assets and liabilities of the schemes which are attributable to the Company and the Church of England Defined Benefits Scheme for other staff. Therefore, in accordance with FRS102, payments to the schemes are accounted for as for defined contribution schemes and the Company accounts for pension costs on the basis of contributions actually payable to the schemes in the year. Following the revaluation of the Church Worker Defined Benefit Scheme (Lay Staff) as at 31 December 2016, this has given rise to a deficit position. Manchester Diocesan Board of Finance has agreed to an additional contribution plan in order to clear pension scheme deficits, details of the repayments and arrangement can be found in note 26 to the financial statements.

(k) Reserves

Funds held for specific purposes and the related income and expenditure are shown in separate reserves under the appropriate headings.

(l) Allocation of costs to direct charitable and other expenditure

Governance costs relate to all administration, depreciation and legal costs incurred in the Company's operation as a charitable company in accordance with SORP. All other costs attributable to the support of direct charitable purposes have been included under the appropriate headings in the Statement of Financial Activities.

(m) Grants

Grants made to parishes, clergy or other diocesan bodies are treated as direct costs in the financial statements. An analysis of grants made is shown in note 9. Grants payable relate to the contribution to National Church costs. Payments to the clergy for removal, training, etc. are included as ministry in parishes or support for ministry in parishes due to the quasi-contractual nature of the payment or training provision.

(n) Irrecoverable VAT

The policy on irrecoverable VAT is to include it with the related expenditure item.

(o) Deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

(p) Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements the directors have made judgements where appropriate, including judgement subject to uncertainty is the valuation of the properties. This estimation has been arrived at with consultation with third party Chartered Surveyors for investment properties. There is estimation in other areas too such as parish share arrears, outstanding clergy fees. The uncertainty in these areas is considered to be significantly lower.

Significant judgement is also made with respect to defined benefit pensions:

- Although there is no liability this still involves the exercise of judgement in a number of areas including the use of an appropriate discount rate.

(q) Going concern

We have made an assessment of the Charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release.
Having performed our assessment we were able to conclude that the Charity is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.
In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the Charity's ability to continue as a going concern.

(r) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than 3 months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

(s) Repayable Grant

In 2023, MDBF secured £2.35m funding from National Church Diocesan Investment Programme towards the purchase of premises for the City Centre Resource Church. This grant is to be repaid over a period of 24 years commencing in 2028. This amount is reflected in debtors and long term creditors.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

GROUP INCOMING RESOURCES – COMPRISING NOTES 2 TO 6

	Note	Unrestricted General 2025 £'000	Unrestricted Designated 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	**Total Funds 2025 £'000**
Income and endowments from:						
Donations	2					
Parish contributions		5,776	-	-	-	**5,776**
Archbishops' Council		-	-	2,404	-	**2,404**
Other donations		161	11	826	8	**1,006**
Other Trading activities	3	86	-	-	-	**86**
Investments	4	1,018	28	402	47	**1,495**
Charitable activities	5	-	-	431	-	**431**
Other income	6	3,431	-	2,924	191	**6,546**
TOTAL INCOME AND ENDOWMENTS		**10,472**	**39**	**6,987**	**246**	**17,744**

	Unrestricted General 2024 £'000	Unrestricted Designated 2024 £'000	Restricted Funds 2024 £'000	Endowment Funds 2024 £'000	**Total Funds 2024 £'000**
Income and endowments from:					
Donations	2				
Parish contributions	5,694	-	-	-	**5,694**
Archbishops' Council	-	-	2,412	-	**2,412**
Other donations	231	12	348	-	**591**
Other Trading activities	3	98	-	-	-	**98**
Investments	4	1,192	26	397	62	**1,677**
Charitable activities	5	-	-	448	-	**448**
Other income	6	218	-	3,294	85	**3,597**
TOTAL INCOME AND ENDOWMENTS		**7,433**	**38**	**6,899**	**147**	**14,517**

COMPANY INCOMING RESOURCES – COMPRISING NOTES 2 TO 6

	Note	Unrestricted General 2025 £'000	Unrestricted Designated 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	**Total Funds 2025 £'000**
Income and endowments from:						
Donations	2					
Parish contributions		5,776	-	-	-	**5,776**
Archbishops' Council		-	-	2,404	-	**2,404**
Other donations		161	11	826	8	**1,006**
Other trading activities	3	86	-	-	-	**86**
Investments	4	1,013	28	402	47	**1,490**
Charitable activities	5	-	-	431	-	**431**
Other income	6	3,431	-	2,924	191	**6,546**
TOTAL INCOME AND ENDOWMENTS		**10,467**	**39**	**6,987**	**246**	**17,739**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

	Note	Unrestricted General 2024 £'000	Unrestricted Designated 2024 £'000	Restricted funds 2024 £'000	Endowment funds 2024 £'000	**Total funds 2024 £'000**
Income and endowments from:						
Donations	2					
Parish contributions		5,694	-	-	-	**5,694**
Archbishops' Council		-	-	2,412	-	**2,412**
Other donations		3,301	12	348	-	**3,661**
Other Trading activities	3	98	-	-	-	**98**
Investments	4	1,043	26	397	62	**1,528**
Charitable activities	5	-	-	448	-	**448**
Other income	6	233	-	3,294	85	**3,612**
TOTAL INCOME AND ENDOWMENTS		**10,369**	**38**	**6,899**	**147**	**17,453**

2. DONATIONS

PARISH CONTRIBUTIONS (GROUP AND COMPANY)

The majority of donations are collected from the parishes of the diocese through the parish share system.

	Unrestricted General 2025 £'000	Unrestricted General 2024 £'000
Parish share		
Current year's allocation	5,992	5,936
Shortfall in contributions	(146)	(188)
Encouragement scheme	(70)	(54)
	5,776	5,694
Arrears for previous years	-	-
	5,776	5,694

Total parish share receipts represent 96.4% of the allocation

ARCHBISHOPS' COUNCIL (GROUP AND COMPANY)

	Restricted Funds 2025 £'000	Restricted Funds 2024 £'000
Selective allocations	2,404	2,412
TOTAL	2,404	2,412

OTHER DONATIONS (GROUP)

	Unrestricted General 2025 £'000	Unrestricted Designated 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	**Total funds 2025 £'000**	**Total funds 2024 £'000**
All Churches Trust	149	-	-	-	**149**	**177**
Donations	12	-	352	-	**364**	**262**
Legacies	-	-		-	**-**	**6**
Other	-	11	474	8	**493**	**146**
TOTAL	**161**	**11**	**826**	**8**	**1,006**	**591**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

OTHER DONATIONS (COMPANY)

	Unrestricted General 2025 £'000	Designated 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	**Total funds 2025 £'000**	**Total funds 2024 £'000**
All Churches Trust	149	-	-	-	**149**	**177**
Donations	12	-	352	-	**364**	**262**
Transfer of proceeds from Subsidiary Company	-	-	-	-	**-**	**3,070**
Legacies	-	-		-	**-**	**6**
Other	-	11	474	8	**493**	**146**
TOTAL	161	11	826	8	**1,006**	**3,661**

3. OTHER TRADING ACTIVITIES (GROUP AND COMPANY)

	Unrestricted General 2025 £'000	Designated 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	**Total funds 2025 £'000**	**Total funds 2024 £'000**
Rental income from parsonages	86	-	-	-	**86**	**98**
TOTAL	**86**	**-**	**-**	**-**	**86**	**98**

4. INVESTMENTS (GROUP)

	Unrestricted General 2025 £'000	Designated 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	**Total funds 2025 £'000**	**Total funds 2024 £'000**
Dividends receivable	683	24	80	-	**787**	**477**
Interest receivable	335	-	-	-	**335**	**798**
Glebe receivable	-	-	209	-	**209**	**221**
Trusts receivable	-	4	113	47	**164**	**181**
TOTAL	**1,018**	**28**	**402**	**47**	**1,495**	**1,677**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
Continued

4. INVESTMENTS (COMPANY)

	Unrestricted General 2025 £'000	Designated 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	**Total funds 2025 £'000**	**Total funds 2024 £'000**
Dividends receivable	683	24	80	-	**787**	**477**
Interest receivable	330	-	-	-	**330**	**649**
Glebe receivable	-	-	209	-	**209**	**221**
Trusts receivable	-	4	113	47	**164**	**181**
TOTAL	**1,013**	**28**	**402**	**47**	**1,490**	**1,528**

5. CHARITABLE ACTIVITIES (GROUP AND COMPANY)

	Unrestricted General 2025 £'000	Designated 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	**Total funds 2025 £'000**	**Total funds 2023 £'000**
Statutory fees and chaplaincy income	-	-	431	-	**431**	**448**
TOTAL	**-**	**-**	**431**	**-**	**431**	**448**

6. OTHER INCOME (GROUP)

	Unrestricted General 2025 £'000	Designated 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	**Total funds 2025 £'000**	**Total funds 2024 £'000**
Property sale gains	3,330	-	-	191	**3,521**	**247**
Other	101	-	2,924	-	**3,025**	**3,350**
TOTAL	**3,431**	**-**	**2,924**	**191**	**6,546**	**3,597**

6. OTHER INCOME (COMPANY)

	Unrestricted General 2024 £'000	Designated 2024 £'000	Restricted Funds 2024 £'000	Endowment Funds 2024 £'000	**Total funds 2024 £'000**	**Total funds 2023 £'000**
Property sale gains	3,330	-	-	191	**3,521**	**247**
Other	101	-	2,924	-	**3,025**	**3,365**
TOTAL	**3,431**	**-**	**2,924**	**191**	**6,546**	**3,612**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

GROUP EXPENDITURE

COMPRISING NOTES 7 - 9

	Note	Unrestricted General 2025 £'000	Unrestricted Designated 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	**Total funds 2025 £'000**
Raising funds	8	10	-	(5)	-	**5**
Charitable activities	9	10,292	435	6,940	2	**17,669**
Remeasurement on pension schemes	26	-	-	-	-	**-**
Pension interest cost	26	-	-	-	-	**-**
TOTAL		**10,302**	**435**	**6,935**	**2**	**17,674**

2024	Note	Unrestricted General 2024 £'000	Unrestricted Designated 2024 £'000	Restricted Funds 2024 £'000	Endowment Funds 2024 £'000	**Total funds 2024 £'000**
Raising funds	8	13	-	69	-	**82**
Charitable activities	9	10,170	133	7,228	-	**17,531**
Remeasurement on pension schemes	26	-	-	-	-	**-**
Pension interest cost	26	-	-	-	-	**-**
TOTAL		**10,183**	**133**	**7,297**	**-**	**17,613**

COMPANY EXPENDITURE

COMPRISING NOTES 7 - 9

	Note	Unrestricted General 2025 £'000	Unrestricted Designated 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	**Total funds 2025 £'000**
Raising funds	8	-	-	(5)	-	**(5)**
Charitable activities	9	10,292	435	6,940	2	**17,669**
Remeasurement on pension schemes	26	-	-	-	-	**-**
Pension interest cost	26	-	-	-	-	**-**
TOTAL		**10,292**	**435**	**6,935**	**2**	**17,664**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
Continued

2024	Note	Unrestricted General 2024 £'000	Unrestricted Designated 2024 £'000	Restricted Funds 2024 £'000	Endowment Funds 2024 £'000	**Total funds 2024 £'000**
Raising funds	8	-	-	69	-	**69**
Charitable activities	9	10,170	133	7,228	-	**17,531**
Remeasurement on pension schemes	26	-	-	-	-	**-**
Pension interest cost	26	-	-	-	-	**-**
TOTAL		**10,170**	**133**	**7,297**	**-**	**17,600**

7. ANALYSIS OF RESOURCES EXPENDED INCLUDING ALLOCATION OF SUPPORT COSTS (GROUP)

	Note	Activities undertaken directly £'000	Grant funding of activities £'000	Support costs (Note 11) £'000	**Total 2025 £'000**	**Total 2024 £'000**
Investment management costs		10	-	(5)	**5**	**82**
Contributions to Archbishops' Council	9	611	-	-	**611**	**634**
Resourcing ministry and mission (Note 9)	9	14,433	1,605	833	**16,871**	**16,701**
Education	9	-	140	-	**140**	**140**
Diocesan projects	9	-	1	-	**1**	**2**
Governance costs	9	46	-	-	**46**	**54**
TOTAL		**15,100**	**1,746**	**828**	**17,674**	**17,613**

2024	Activities undertaken directly £'000	Grant funding of activities £'000	Support costs (Note 11) £'000	**Total 2024 £'000**
Investment management costs	13	-	69	**82**
Contributions to Archbishops' Council	634	-	-	**634**
Resourcing ministry and mission	14,612	1,376	713	**16,701**
Education	-	140	-	**140**
Diocesan projects	-	2	-	**2**
Governance costs	54	-	-	**54**
TOTAL	**15,313**	**1,518**	**782**	**17,613**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

ANALYSIS OF RESOURCES EXPENDED INCLUDING ALLOCATION OF SUPPORT COSTS (COMPANY)

	Note	Activities undertaken directly £'000	Grant funding of activities £'000	Support costs (Note 11) £'000	**Total 2025 £'000**
Investment management costs		-	-	(5)	**(5)**
Contributions to Archbishops' Council	9	611	-	-	**611**
Resourcing ministry and mission	9	14,433	1,605	833	**16,871**
Education	9	-	140	-	**140**
Diocesan projects	9	-	1	-	**1**
Governance costs	9	46	-	-	**46**
TOTAL		**15,090**	**1,746**	**828**	**17,664**

2024	Note	Activities undertaken directly £'000	Grant funding of activities £'000	Support costs (Note 11) £'000	**Total 2024 £'000**
Investment management costs		-	-	69	**69**
Contributions to Archbishops' Council	9	634	-	-	**634**
Resourcing ministry and mission	9	14,612	1,376	713	**16,701**
Education	9	-	140	-	**140**
Diocesan projects	9	-	2	-	**2**
Governance costs	9	54	-	-	**54**
TOTAL		**15,300**	**1,518**	**782**	**17,600**

8. RAISING FUNDS (GROUP)

	Unrestricted General 2025 £'000	Designated 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	**Total funds 2025 £'000**	**Total funds 2024 £'000**
Trading expenditure	10	-	-	-	**10**	**13**
Glebe expenditure	-	-	(5)	-	**(5)**	**69**
TOTAL	**10**	**-**	**(5)**	-	**5**	**82**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
Continued

RAISING FUNDS (COMPANY)

	Unrestricted General 2025 £'000	Designated 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	**Total funds 2025 £'000**	**Total funds 2024 £'000**
Glebe costs	-	-	(5)	-	**(5)**	**69**
TOTAL	-	-	**(5)**	-	**(5)**	**69**

9. CHARITABLE ACTIVITIES

CONTRIBUTIONS TO ARCHBISHOPS' COUNCIL (GROUP AND COMPANY)

	Unrestricted General 2025 £'000	**Unrestricted General 2024 £'000**
Training for ministry	327	333
National Church responsibilities	195	199
Grants and provisions	34	34
Mission Agency pension contributions	11	-
Retired clergy housing costs (CHARM)	142	138
Pooling of ordinand candidates' costs	(98)	(70)
TOTAL	**611**	**634**

EXPENDITURE ON RESOURCING MINISTRY AND MISSION (GROUP AND COMPANY)

	Unrestricted General 2025 £'000	Designated 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	**Total funds 2025 £'000**
Parish ministry					
Stipends and national insurance	4,538	24	1,397	-	**5,959**
Pension contributions	-	-	1,066	-	**1,066**
Housing costs	1,863	-	-	-	**1,863**
Removal, settlement and other grants	-	-	280	-	**280**
Other expenses	515	-	357	-	**872**
	6,916	24	3,100	-	**10,040**
Support for ministry	2,579	411	3,839	2	**6,831**
TOTAL	**9,495**	**435**	**6,939**	**2**	**16,871**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

2024	Unrestricted General 2024 £'000	Designated 2024 £'000	Restricted Funds 2024 £'000	Endowment Funds 2024 £'000	**Total funds 2024 £'000**
Parish ministry					
Stipends and national insurance	4,480	21	963	-	**5,464**
Pension contributions	-	-	1,107	-	**1,107**
Housing costs	1,994	-	-	-	**1,994**
Removal, settlement and other grants	-	-	254	-	**254**
Other expenses	393	-	451	-	**844**
	6,867	21	2,775	-	**9,663**
Support for ministry	2,475	112	4,451	-	**7,038**
TOTAL	**9,342**	**133**	**7,226**	**-**	**16,701**

EXPENDITURE ON EDUCATION (GROUP AND COMPANY)

	Unrestricted General 2025 £'000	**General 2024 £'000**
Synodical grant	**140**	**140**

GOVERNANCE COSTS (COMPANY)

	Unrestricted General 2025 £'000	**Unrestricted General 2024 £'000**
Audit fees	29	28
Diocesan Synod	17	26
TOTAL	**46**	**54**

Audit Fees of £3k (2024: £4k) were incurred in relation to the statutory audit of Manchester Diocesan Church House Company Ltd. These fees are not included in governance costs as the subsidiary entity is not a charity.

10. ANALYSIS OF TRANSFERS BETWEEN FUNDS (GROUP AND COMPANY)

	Unrestricted General £'000	Designated £'000	Restricted Funds £'000	Endowment Funds £'000	**Total funds 2025 £'000**	**Total funds 2024 £'000**
Pastoral Account	-	-	134	-	**134**	**(1,574)**
Stipends Fund Capital	-	-	-	-	**-**	**-**
Parsonage Building Fund	-	-	-	(1,569)	**(1,569)**	**-**
Church Building Grants	-	150	-	-	**150**	**150**
Clergy Training Funds	-	15	-	-	**15**	**15**
Other	1,271	(1)	-	-	**1,270**	**1,409**
TOTAL	**1,271**	**164**	**134**	**(1,569)**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

11. ANALYSIS OF SUPPORT COSTS (GROUP AND COMPANY)

	Unrestricted General £'000	Unrestricted Designated £'000	Restricted Funds £'000	Endowment Funds £'000	**Total funds 2025 £'000**	**Total funds 2024 £'000**
Investment Management Costs	-	-	(5)	-	**(5)**	**69**
Support of Ordinands Training	119	-	-	-	**119**	**91**
Central Administration	714	-	-	-	**714**	**622**
TOTAL	**833**	**-**	**(5)**	**-**	**828**	**782**

12. NET (INCOMING) / OUTGOING RESOURCES FOR THE YEAR (GROUP)

These are stated after charging:

		2025 £'000	**2024 £'000**
Depreciation		39	40
Auditors' remuneration	- Audit services	32	32

NET (INCOMING) / OUTGOING RESOURCES FOR THE YEAR (COMPANY)

These are stated after charging:

		2025 £'000	**2024 £'000**
Depreciation		39	40
Auditors' remuneration	- Audit services	29	28

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

13. SUMMARY OF FUND MOVEMENTS 2025

	Balance at 1 January 2025	Incoming resources	Outgoing Resources	Transfers	Gains, Losses and Revaluations	Balance at 31 December 2025
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds						
General	16,698	10,467	(10,292)	1,271	530	18,674
Designated						
Board for Church & Society	141	-	-	-	(4)	137
Church Building Loans	358	-	-	-	(5)	353
Church Building Grants	773	3	(365)	150	-	561
Separated/Divorced Clergy Spouses	19	12	(16)	(1)	-	14
Clergy Training Fund	104	-	(29)	15	-	90
Urban Aid Grant Fund	22	-	-	-	-	22
Other	21	24	(25)	-	-	20
	18,136	**10,506**	**(10,727)**	**1,435**	**521**	**19,871**
Restricted funds						
Stipend Fund income & expenditure	-	6,330	(6,330)	-	-	-
Pastoral Fund	6,988	170	(183)	133	339	7,447
Clergy Maintenance of the Ministry	2,078	-	-	-	(75)	2,003
Clergy widows & associated funds	248	12	(11)	1	(7)	243
Ordinands' training	61	-	-	-	(3)	58
Resourcing Ministerial Education	-	-	-	-	-	-
Restructuring Funding	5	-	(5)	-	-	-
Energy Costs Grant	5	-	-	-	-	5
Net Zero Carbon	(5)	69	(64)	-	-	-
Other	87	406	(342)	-	(3)	148
	9,467	**6,987**	**(6,935)**	**134**	**251**	**9,904**
Endowment funds						
Expendable endowment						
Stipends Fund Capital Account	34,500	66	-	-	1,403	35,969
Stipends Fund I & E Account	5	-	-	-	-	5
Parsonage Buildings Fund	63,951	170	-	(1,569)	1,969	64,521
Permanent endowment						
Clergy widows & associated funds	211	-	-	-	(7)	204
J B Stelfox	1,465	-	-	-	(59)	1,406
Ordinands' training	212	-	-	-	(8)	204
Chaplaincy	234	10	(2)	-	(4)	238
Bequests	586	-	-	-	(23)	563
	101,164	**246**	**(2)**	**(1,569)**	**3,271**	**103,110**
Total funds - Company	**128,767**	**17,739**	**(17,664)**	**-**	**4,043**	**132,885**
Adjustments arising on consolidation*	(81)	-	-	-	-	(81)
Non-charitable trading funds*	91	5	(10)	-	-	86
Minority interest*	1	-		-	-	1
Total funds - Group	**128,778**	**17,744**	**(17,674)**	**-**	**4,043**	**132,891**

See Note 22 for more details. * These movements in funds all relate to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

SUMMARY OF FUND MOVEMENTS 2024

	Balance at 1 January 2024 £'000	Incoming resources £'000	Outgoing Resources £'000	Transfers £'000	Gains and losses £'000	Balance at 31 December 2024 £'000
Unrestricted funds						
General	14,598	10,369	(10,170)	1,409	492	16,698
Pension Deficit	-	-	-	-	-	-
Designated						
Board for Church & Society	139	-	-	-	2	141
Church Building Loans	355	-	-	-	3	358
Church Building Grants	711	3	(91)	150	-	773
Separated/Divorced Clergy Spouses	27	12	(20)	-	-	19
Clergy Training Fund	89	-	-	15	-	104
Urban Aid Grant Fund	22	-	-	-	-	22
Other	20	23	(22)	-	-	21
	15,961	**10,407**	**(10,303)**	**1,574**	**497**	**18,136**
Restricted funds						
Stipend Fund income & expenditure	-	6,601	(6,601)	-	-	-
Pastoral Fund	8,507	155	(147)	(1,574)	47	6,988
Clergy Maintenance of the Ministry	2,035	-	-	-	43	2,078
Clergy widows & associated funds	241	11	(9)	-	5	248
Ordinands' training	59	-	-	-	2	61
Resourcing Ministerial Education	347	-	(347)	-	-	-
Restructuring Funding	56		(51)	-	-	5
Energy Costs Grant	6	-	(1)	-	-	5
Strategic Capacity Funding	3	-	(3)	-	-	-
Other	87	132	(138)	-	1	82
	11,341	**6,899**	**(7,297)**	**(1,574)**	**98**	**9,467**
Endowment funds						
Expendable endowment						
Stipends Fund Capital Account	32,350	190	-	-	1,960	34,500
Stipends Fund I & E Account	5	-	-	-	-	5
Parsonage Buildings Fund	60,759	(53)	-	-	3,245	63,951
Permanent endowment						
Clergy widows & associated funds	206	-	-	-	5	211
J B Stelfox	1,432	-	-	-	33	1,465
Ordinands' training	207	-	-	-	5	212
Chaplaincy	222	10	-	-	2	234
Bequests	573	-	-	-	13	586
	95,754	**147**	**-**	**-**	**5,263**	**101,164**
Total funds - Company	**123,056**	**17,453**	**(17,600)**	**-**	**5,858**	**128,767**
Adjustments arising on consolidation*	(81)	-	-	-	-	(81)
Non-charitable trading funds*	2,999	32	(2,940)	-	-	91
Minority interest*	42	-	(41)	-	-	1
Total funds - Group	**126,016**	**17,485**	**(20,581)**	**-**	**5,858**	**128,778**

See Note 22 for more details. * These movements in funds all relate to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
Continued

14. DIRECTORS' REMUNERATION AND EXPENSES

£nil remuneration has been paid to any Director in their capacity as directors (2024: £nil).

During the year contributions were made to the Church Commissioners at the standard rate agreed by the Diocesan Synod towards the stipends, national insurance and pension contributions of the licensed clergy who are directors are provided with houses, including the payment of council tax and maintenance costs, as part of normal clergy remuneration. No Directors (2024: No Directors) were reimbursed for travel expenses during the year which amounted to £nil (2024: £Nil).

15. EMPLOYEE DETAILS

Employees receiving remuneration in excess of £60,000 are analysed as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
£120,001 - £130,000	1	-
£110,001 - £120,000	-	1
£100,001 - £110,000	-	-
£90,001 - £100,000	-	-
£80,001 - £90,000	-	-
£70,001 - £80,000	1	1
£60,001 - £70,000	4	3

During the year, the following amounts were paid to higher paid employees as shown above:

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Pension contributions to Pension Builder Classic scheme	62	37

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:

Helen Platts	Diocesan Secretary and Chief Operating Officer and Company Secretary (Upto 31 March 2026)
Karen Higgins	Diocesan Secretary and Chief Executive Officer and Company Secretary (From 1 April 2026)
David Weldon	Director of Finance and Corporate Services
Darren Bamford	Director of Land and Property Services
Revd Phil Cansdale	Acting Director of Mission, Ministry and Strategy
Deborah Smith*	Director of Education

* Remuneration and pensions for the above employees amounted to £417k (2024: £301k). This does not include the costs for Deborah Smith, which are included within Manchester Diocesan Board of Education financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

The average number of employees, based on full-time equivalents, was as follows:

	2025 No.	2024 No.
Support for parish ministry	36	37
Mission Support and chaplaincy	3	3
	39	**40**
Externally funded posts	36	36
Total posts	**75**	**76**

In addition, a further 10 (2024: 10) persons are employed but, as their employment costs are borne by the Manchester Diocesan Board of Education, they are not included in these financial statements. Their employment costs are shown separately in the financial statements of that company.

Staff costs were as follows:

	2025 £'000	2024 £'000
Gross salaries	2,703	2,509
Social Security costs	349	266
Pension contributions	399	355
	3,451	**3,130**

An average of 112 (2024: 115) stipendiary clergy were paid as office holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2025 £'000	2024 £'000
Stipends	5,509	5,537
National Insurance Contributions	594	465
Pension costs - Current year	1,088	1,230
	7,191	**7,232**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
Continued

16. TAXATION

	2025 £'000	2024 £'000
Domestic current year tax		
UK corporation tax		
Adjustments in respect of prior periods	-	-
Current tax charge	-	-
Under/(over) provision in prior year	-	-
Deferred tax		
Deferred tax (charge) / credit current year	-	-
Tax (charge) / credit on profit on ordinary activities	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
Continued

17. TANGIBLE ASSETS

GROUP AND COMPANY	Land and buildings			Equipment	Total
	MDBF	Parsonage	Glebe		
	£'000	£'000	£'000	£'000	**£'000**
At cost of valuation					
At 1 January 2025	11,363	60,151	18,860	365	**90,739**
Transfers	-	-	-	-	**-**
Additions	-	-	591	18	**609**
Transfers	410	(410)	-	-	**-**
Disposals	(896)	(1,042)	(785)	-	**(2,723)**
Revaluation	752	1,970	2,570	-	**5,292**
At 31 December 2025	11,629	60,669	21,236	383	**93,917**
Accumulated depreciation					
At 1 January 2025	-	-	-	294	**294**
Charge for the year	-	-	-	39	**39**
Eliminated on disposals	-	-	-	-	**-**
Revaluation	-	-	-	-	**-**
At 31 December 2025	-	-	-	333	**333**
Net book value at 31 December 2025	**11,629**	**60,669**	**21,236**	**50**	**93,584**
Net book value at 31 December 2024	**11,363**	**60,151**	**18,860**	**71**	**90,445**

Included in MDBF property are some properties that are subject to a value-linked loan from the Church Commissioners. When disposed of the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability thereby extinguished. The value of such properties is included in the above amounts was £180,750 (2024: £228,750).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
Continued

18. INVESTMENTS

GROUP	Glebe Investment Properties £'000	Unlisted £'000	**Total £'000**
Market value			
At 31 December 2024	**2,945**	**21,508**	**24,453**
Additions at cost	-	7,000	**7,000**
Transfers	-	-	**-**
Revaluations	(680)	-	**(680)**
Disposals	-	-	**-**
Unrealised gain/(loss) for the year	-	(568)	**(568)**
Realised gain / (loss) for the year	-	-	**-**
At 31 December 2025	**2,265**	**27,940**	**30,205**
Historic cost at 31 December 2025	2,855	18,015	**20,870**
Excess / (reduction) of market value over cost to date	(590)	9,926	**9,336**

COMPANY

	2025 £'000
Group total	**30,205**
Investment in subsidiary company (see below)	**81**
	30,826

Investment properties

The group's investment properties are valued annually on 31 December at fair value, determined by an independent, professionally qualified valuer. The most recent valuation for Bury Rectory was performed as at 31 December 2025 by WT Gunson who confirmed a valuation of £2,265,000 (2024: £2,945,000).
The valuation has been prepared in accordance with RICS valuation - Professional Standards UK January 2017.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

Details of the accounting policy for Glebe are included in note 1(f) and 1(g) to the financial statements.

The Manchester Diocesan Church House Company Limited
Balance sheet

	2025 £'000	2024 £'000
Tangible fixed assets	-	-
Current assets	146	153
	146	153
Creditors: amounts falling due within one year	(59)	(61)
	87	92
Provisions for liabilities and charges	-	-
	87	**92**
Representing:		
Share capital	42	42
Other reserves	-	-
Revaluation Reserve	-	-
Profit and loss account	45	50
	87	**92**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
Continued

18. INVESTMENTS (continued)

SUBSIDIARY COMPANY

The Manchester Diocesan Church House Company Limited
Income from subsidiary's trading activities

	2025 £000	2024 £000
Turnover	5	148
Administration	(10)	(32)
Gain / (Loss) from changes in fair value of investment property	-	-
Operating (loss) / profit	(5)	116
Taxation	-	-
(Loss) / profit after taxation	**(5)**	**116**

The Board hold 98.6% (2024: 98.6%) of the ordinary share capital of the Manchester Diocesan Church House Company Limited ("MDCH"), whose principal activity was the provision of a Church House for Diocesan purposes, and in furtherance of this, the operation as a property company. MDCH sold the property in June 2022. MDBF charged the Manchester Diocesan Church House Company £nil (2024: £15,000) for accountancy services rendered. The transfer of taxable profits under gift aid to the parent company was £nil (2024: £3,070,000). At the balance sheet date, the Manchester Diocesan Church House Company owed Manchester Diocesan Board of Finance £nil (2024: £15,000).

MDCH is a limited company registered in England and Wales no. 99121.

Founder Member of Emmanuel Theological College (formerly All Saints Centre for Mission and Ministry Ltd)

Manchester Diocese is one of the three founding members of the Emmanuel Theological College (formerly All Saints Centre for Mission and Ministry) and there are currently four members. Emmanuel Theological College (ETC) trains lay and ordained ministers to university standards for the Church of England. If the Emmanuel Theological College is wound up whilst the Manchester Diocesan Board of Finance is still a member or within 12 months of ceasing to be a Member, then the Member promises to pay such amount as is required up to £1 towards the costs of dissolution and the liabilities incurred by the charity while the contributor was a Member. During 2011, Manchester Diocesan Board of Finance along with Chester and Liverpool Diocesan Boards of Finance each authorised a £50,000 interest free loan in order to provide sufficient cash flow due to the phasing in of student numbers over a 3 year period. A further loan has been provided for £10,000 in 2020 and currently there is a balance of £7,500 (2024: £7,500). In 2025, the MDBF paid Emmanuel Theological College £51,426 (2024: £37,966) for the training of Readers and Readers Emeritus.

The trading activities for the period 1 September 2024 to 31 August 2025 were:

	£'000
Turnover	1,508
Administration costs	1,357
Surplus	151

Any surplus monies will be transferred to ETC reserves in order to set aside funds for special purposes or as reserves against future expenditure.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

19. DEBTORS

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Due within one year				
Loans to parishes:				
For urgent Church fabric repairs	10	49	10	49
For Parishes	95	236	95	236
General debtors	330	273	326	239
Board of Education	66	47	66	47
Glebe debtor	8	8	8	8
Prepayments and accrued income	1,653	1,509	1,653	1,509
Emmanuel Theological College	8	8	8	8
Repayable Grant – Fabric Church *	2,350	2,350	2,350	2,350
TOTAL	**4,520**	**4,480**	**4,516**	**4,446**

*Further to note 1 (s) above, this debtor is repayable in more than one year

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
Continued

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
CBF deposit fund	4,569	12,027	4,433	11,975
Cash at bank and in hand	349	771	343	704
Cazenove deposit account	3,007		3,007	
	7,925	**12,798**	**7,783**	**12,679**

21. CREDITORS

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Amounts falling due within one year				
General creditors	616	638	557	577
Accruals	89	87	89	87
Taxation and social security	107	94	107	94
Pension Deficit Repayment (Note 26)	-	-	-	-
	812	**819**	**753**	**758**
Amounts falling due after more than one year				
Church Commissioners Value Linked Loans	281	229	181	229
Pension Deficit Repayment (Note 26)	-	-	-	-
Repayable Grant – National Church	2,350	2,350	2,350	2,350
	2,531	**2,579**	**2,531**	**2,579**

Value Linked Loans from the Church Commissioners are administered by the Board of Finance on behalf of parishes, other parties and the Board itself. These loans are for the purpose of providing or improving housing for clergy, deaconesses and licensed lay workers engaged in parochial or diocesan work and former clergy spouses. The housing involved is not in benefice or Glebe ownership. The loan only becomes repayable on disposal of the Value Linked Loan property.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
Continued

22. SUMMARY OF COMPANY AND GROUP ASSETS PER FUND

	Fixed assets		Net current assets	Long term liabilities	
	Tangible £'000	Loans / investment £'000	£'000	£'000	**Total 2025 £'000**
Restricted funds					
Diocesan Pastoral Account	-	6,386	1,062	-	**7,448**
Clergy / Maintenance of the Ministry Fund	-	1,844	159	-	**2,003**
Other restricted funds	-	326	127	-	**453**
	-	**8,556**	**1,348**	**-**	**9,904**
Endowment funds					
Diocesan Stipends Fund Capital Account	21,235	10,610	4,124	-	**35,969**
Parsonage Buildings Fund	60,670	-	3,851	-	**64,521**
Other endowment funds	-	2,474	146	-	**2,620**
	81,905	**13,084**	**8,121**	**-**	**103,110**
Unrestricted funds					
General	11,679	8,417	1,109	(2,531)	**18,674**
Designated	-	228	969	-	**1,197**
Pension Deficit	-	-	-	-	**-**
	11,679	**8,645**	**2,078**	**(2,531)**	**19,871**
Company	**93,584**	**30,285**	**11,547**	**(2,531)**	**132,885**
Non-charitable trading funds	-	-	87	-	**87**
Consolidation adjustment	-	(81)	-	-	**(81)**
Group	**93,584**	**30,205**	**11,633**	**(2,531)**	**132,891**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

	Fixed assets		Net current assets	Long term liabilities	
	Tangible £'000	Loans / investment £'000	£'000	£'000	**Total 2024 £'000**
Restricted funds					
Diocesan Pastoral Account	-	5,047	1,941	-	**6,988**
Clergy / Maintenance of the Ministry Fund	-	1,920	158	-	**2,078**
Other restricted funds	-	337	64	-	**401**
	-	**7,304**	**2,163**	**-**	**9,467**
Endowment funds					
Diocesan Stipends Fund Capital Account	18,859	5,777	9,864	-	**34,500**
Parsonage Buildings Fund	60,152	-	3,799	-	**63,951**
Other endowment funds	-	2,576	137	-	**2,713**
	79,011	**8,353**	**13,800**	**-**	**101,164**
Unrestricted funds					
General	11,434	8,639	(796)	(2,579)	**16,698**
			1,200	-	
Designated	-	238			
Pension Deficit	-	-	-	-	**-**
	11,434	**8,877**	**404**	**(2,579)**	**18,136**
Company	**90,445**	**24,534**	**16,367**	**(2,579)**	**128,767**
Non-charitable trading funds	-	-	92	-	**92**
Consolidation adjustment	-	(81)	-	-	**(81)**
Group	**90,445**	**24,453**	**16,459**	**(2,579)**	**128,778**

Diocesan Pastoral Account

This fund includes the proceeds of redundant churches and parsonages. The purposes for which the account may be used are laid down in Section 78 of the Pastoral Measure 1983.

The Diocesan Pastoral Account represents the proceeds of redundant churches and parsonages. These funds, held by the Diocesan Board of Finance, have not yet been applied to the purposes permitted by the Pastoral Measure 1983. The Pastoral Account can be used for the acquisition and development of parsonages and other clergy houses and the provision, restoration, improvement or repair of churches once the legal obligations for redundant church buildings vested in the Board for disposal have been met, when authorised surplus funds may be transferred to the Stipends Fund Capital Account or income funds. When these funds have been used to purchase or improve property this has been charged to the Pastoral Account in the year of expenditure. Proceeds of sale have been credited as income in the year of receipt. Where the Board has used the funds to purchase or improve properties in its corporate capacity, these have been included as Fixed Assets in these financial statements.

Clergy/ Maintenance of the Ministry Fund

This fund is administered by the Grants Committee to offer grants to support clergy and Parishes within the Diocese where areas of hardship are identified.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

Continued

Stipends Fund Capital Account

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

Parsonage Buildings Fund

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

General Fund

This fund is available for any purpose within the objects of the Board. It is principally used for the payment of stipends, national insurance, pension contributions and housing costs of clergy and licensed lay-workers in parish ministry.

Designated Fund

This fund represents monies designated by the Board to support specific areas of works including mission, maintenance of church buildings and housing costs for separated/divorced clergy spouses.

Transfers between funds

The Board makes transfers between the Funds on receipt of Orders under the Pastoral Measure 1983 which can move properties between asset categories of Parsonages, Glebe and MDBF, and therefore between Parsonage Building Fund, Stipend Fund Capital Account and Pastoral Account. The background to the major funds is detailed in note (d) of the accounting policies.

Pension Deficit

As at 31 December 2025, the pension deficit on the Church of England Defined Benefit Scheme (Clergy) was £nil (2024: £nil). In 2024, the company paid £nil (2024: £nil) as a contribution to reduce the pension deficit. As at 31 December 2025, the pension deficit on the Church Worker Defined Benefit Scheme (Lay Staff) was £nil (2024: £nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
Continued

23. GROUP AND COMPANY REVALUATION RESERVES

The revaluation reserves included in funds has been disclosed below for disclosure purposes only, in order to show the individual gains and losses included in the applicable funds.

	Church House Investment Property 2025 £'000	Unrestricted Investments 2025 £'000	Designated Investments 2025 £'000	Restricted Investments 2025 £'000	Endowment Investments 2025 £'000	Investments Sub Total 2025 £'000	Endowment Glebe 2025 £'000	**TOTAL 2025 £'000**
At 1 January 2025	-	4,813	220	2,050	3,497	10,580	(3,535)	**7,045**
Net Gains/(Losses) on Investments	-	(222)	(9)	251	(589)	(569)	-	**(569)**
Glebe Investment Property Revaluation	-	-	-	-	-	-	(680)	**(680)**
Investment Property Revaluation (see note 18)	-	-	-	-	-	-	-	**-**
Disposal	-	-	-	-	-	-	-	**-**
Sub Total	-	(222)	(9)	251	(589)	(433)	(680)	**(1,249)**
At 31 December 2025	-	4,591	211	2,301	2,908	10,011	(4,215)	**5,796**

	Church House Investment Property 2024 £'000	Unrestricted Investments 2024 £'000	Designated Investments 2024 £'000	Restricted Investments 2024 £'000	Endowment Investments 2024 £'000	Investments Sub Total 2024 £'000	Endowment Glebe 2024 £'000	**TOTAL 2024 £'000**
At 1 January 2024	-	4,654	215	1,952	3,375	10,196	(2,075)	**8,121**
Net Gains/(Losses) on Investments	-	159	5	98	122	384	-	**384**
Glebe Investment Property Revaluation	-	-	-	-	-	-	890	**890**
Investment Property Revaluation (see note 18)	-	-	-	-	-	-	-	**-**
Transfers	-	-	-	-	-	-	-	**-**
Disposal	-	-	-	-	-	-	(2,350)	**(2,350)**
Sub Total	-	159	5	98	122	384	(1,460)	**(1,076)**
At 31 December 2024	-	4,813	220	2,050	3,497	10,580	(3,535)	**7,045**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
Continued

24. CONNECTED CHARITIES

Manchester Diocesan Board of Education is a charitable company limited by guarantee situated at St Johns House, 155-163 The Rock, Bury BL9 0ND. The charity is connected to the Manchester Diocesan Board of Finance by virtue of the fact that Manchester Diocesan Synod has the power to appoint the majority of the Committee of Management, constituting the Board of Directors, for each charity.

For the year ended 31 December 2025, Manchester Diocesan Board of Finance made a budget transfer to Manchester Diocesan Board of Education of £140k (2024: £140k), representing the Synod funding of non-schools work of the Board of Education. Dividend income from the Stelfox Trust of £26k (2024: £26k) was also paid to the Board of Education via the Board of Finance. During the year Manchester Diocesan Board of Finance incurred on behalf of, and subsequently recharged, costs of £663k (2024: £586k) to the Board of Education, comprising:

	2025 £'000	2024 £'000
Staff costs	535	467
Central services	127	118

25. CASH FLOW STATEMENT NOTES

Analysis of changes in net debt

	As at 1 January 2025 £'000	Cash flow 2025 £'000	As at 31 December 2025 £'000
Cash in hand and at bank	771	(422)	349
Cash on deposit	12,027	(4,451)	7,576
Borrowings	-	-	-
Net debt	**12,798**	**(4,873)**	**7,925**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
Continued

26. PENSIONS (GROUP AND COMPANY)

(a) Clergy Pensions

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £1.088m in 2025 (2024: £1.23m), plus any figures arising from contributions in respect of the Scheme's deficit (see below). A valuation of the Scheme is carried out once every three years. The 2021 valuation showed the Scheme to be fully funded. The most recent Scheme valuation completed was carried out 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% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.7% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S4NA_L tables, with allowance for improvements in mortality rates from 2017 in line with the CMI2023 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, 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	2024
Balance sheet liability at 1 January	0	0
Deficit contribution paid	0	0
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	0	0
Balance sheet liability at 31 December	0	0

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
Continued

PENSIONS (GROUP AND COMPANY) (continued)

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

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

(b) Staff Pensions

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

CWPF has two sections:

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

Defined Benefits Scheme

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

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

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the General Reserve, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme.

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

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

The next actuarial valuation is due at 31 December 2025.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
Continued

PENSIONS (GROUP AND COMPANY) (continued)

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

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

Pension Builder Scheme

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: £399k, 2024: £355k).

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

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

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

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

The next valuation is due as at 31 December 2025.

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
Continued
PENSIONS (GROUP AND COMPANY) (continued)

27. PROVISIONS FOR LIABILITIES AND CHARGES

Group only
Deferred taxation (see note 16)

	£'000
Balance as at 1 January 2025	-
(Charge) / credit for the year	-
Balance as at 31 December 2025	-

Deferred taxation provided in the financial statements is as follows:

	2025 £'000	2024 £'000
Accelerated capital allowances	-	-
Investment property revaluations	-	-

28. FUNDS HELD AS CUSTODIAN TRUSTEE FOR OTHERS

Under the Parochial Church Councils (Powers) Measure 1956, the Board holds as custodian trustee, for a considerable number of parochial and miscellaneous funds, investments with an aggregate market value of £15.032m (2024: £15.032m) which are not included in the balance sheet. These investments are held on behalf of parishes whose charitable purposes are similar to those of the Board of Finance. The assets are held securely and separately from those of the Board which is responsible for their safe custody. Under the same measure the Company acts as custodian trustee for property belonging to Parishes.

29. RELATED PARTIES

During the year contributions were made to the Church Commissioners at the standard rate agreed by the Diocesan Synod towards the stipends, national insurance and pension contributions of the licensed clergy who are directors, also providing houses, including the payment of council tax and maintenance costs, as part of normal clergy remuneration. No Directors (2024: No Directors) were reimbursed for travel expenses during the year. During the year the aggregate amount of donations received without conditions from MDBF Directors was £3,190 (2024: £2,790).

The Archdeacon of Bolton, The Ven Dr R Mann and the Bishop of Bolton the Rt Revd Matthew Porter both served as a Trustee at Emmanuel Theological College during 2025 fees totalling £51,426 (2024: £37,966) were paid for Reader training. In 2025 no grants were paid to Emmanuel (2024 £30,000).
The Archdeacon of Manchester Ven K Best served as Director of Ecclesiastical Insurance Group who received insurance payments totalling £184,691 (2024 £191,966.99) and paid claims totalling £6,445.89 (2024 £13,419.12).
Ven Karen Best and Canon Grace Thomas served as directors of the Manchester City Centre Resource Church Trust Ltd who received grant funding totalling £141,156 in 2025 (2024: £259,321). The Archdeacon or Rochdale the Ven Karen Smeeton served as a trustee of the Manchester Diocesan Council for Social Aid which made payments of £6,758 (2024 £5,271) for recharges of staffing and general expenses.
The Very Reverend R Govender, The Dean of Manchester and Canon Grace Thomas served as Trustees of Manchester Cathedral and The Manchester Cathedral Visitor Centre and as Directors of Manchester Cathedral Ventures Ltd whom were paid rent and service charges of £22,026.50 in 2025 (2024: £23,472.98)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
Continued

The Bishop of Manchester, Rt Revd Dr D Walker, The Rt Reverend M Davies, The Bishop of Middleton and Revd Paul Hutchins served as trustees of the Manchester Diocesan Board of Education for which the details are set out in note 24. The Rt Reverend M Davies, The Bishop of Middleton also served as a trustee of the Greater Manchester Churches Together who were paid a membership subscription fee of £8,235 in 2025 (2024: £7,070).

The Very Reverend R Govender was a member of the Church Commissioners in 2025. In 2025, MDBF received the following funding from the Church Commissioners – Lower Income Communities Funding / Transition Funding £2,317,721 (2024: £2,326,875), Strategic Development Funding £1,084,029.86 (2024: £1,329,302), Transformation Programme £1,041,420.59 (2024: £1,237,123), Resourcing Ministerial Foundation £50,517.50 (2024: 15,464), Strategic Ministry Fund £153,095 (2024: £490,160), Manchester Chapter Surplus £86,540.78 (2024: £84,869), Legal Officer Fees £66,425.20 (2024: £60,386), and Diocesan Giving Advisor funding £26,000 (2023: £24,000), Net Zero Carbon £71,470 (2024: £nil), Diocesan Improvement Programme £484,486.95 (2024: £382,044), Racial Justice Funding £87,623.75 (2024: £nil) Quick wins and minor repairs grants £220,130 (2024: £92,720) and Recharges for seconded staff of £19,273.26 (2024: £nil). During the year MDBF made payments to Archbishops Council for various recharges including contribution to National Church Costs £611,107 (2024: £634,301), Value Linked Loan Interest £16,310 (2024: £19,834), General Synod, Bishops Advisory Panel Fees, Safeguarding systems and other recharges £34,579.20 (2024: £45,757), Resourcing Ministerial Education £nil (2024 £317,817), Closed church proceeds £nil (2024 £ £15,653) Proceeds from the sale of a Value Linked Loan property £171,187.34 (2024: £nil).
Canon John Walsh and the Ven Rachel Mann also served as directors of the Manchester Diocesan Church House Company Limited. Further detail can be found in the following section.

Manchester Diocesan Church House Company Limited

The Board hold 98.6% (2024: 98.6%) of the ordinary share capital of the Manchester Diocesan Church House Company Limited ("MDCH"), whose principal activity was the provision of a Church House for Diocesan purposes, and in furtherance of this, the operation as a property company. MDCH sold the property in June 2022. MDBF charged the Manchester Diocesan Church House Company £nil (2024: £15,000) for accountancy services rendered.

The transfer of taxable profits under gift aid to the parent company was £nil (2024: £3,070,000). Following the sale of Church House, £9,500,000 was paid to MDBF from the proceeds in 2022. This is disclosed in the statement to changes in equity in the Church House Company financial statements and is not included within the profit and loss account shown above. At the balance sheet date, the Manchester Diocesan Church House Company owed Manchester Diocesan Board of Finance £nil (2024: £nil).

MDCH is a limited company registered in England and Wales no. 99121.

Founder Member of Emmanuel Theological College (formerly All Saints Centre for Mission and Ministry Ltd)

Manchester Diocese is one of the three founding members of the Emmanuel Theological College (formerly All Saints Centre for Mission and Ministry) and there are currently four members. Emmanuel Theological College (ETC) trains lay and ordained ministers to university standards for the Church of England. If the Emmanuel Theological College is wound up whilst the Manchester Diocesan Board of Finance is still a member or within 12 months of ceasing to be a Member, then the Member promises to pay such amount as is required up to £1 towards the costs of dissolution and the liabilities incurred by the charity while the contributor was a Member. During 2011, Manchester Diocesan Board of Finance along with Chester and Liverpool Diocesan Boards of Finance each authorised a £50,000 interest free loan in order to provide sufficient cash flow due to the phasing in of student numbers over a 3 year period. A further loan has been provided for £10,000 in 2020 and currently there is a balance of £7,500 (2024: £7,500). In 2025, the MDBF paid Emmanuel Theological College £51,426 (2024: £37,966) for the training of Readers and Readers Emeritus.