Canterbury Diocesan Board of Finance

Trustees' Report and Financial Statements

31 December 2025

Company Limited by Guarantee
Registration Number
00145650 (England and Wales)

Charity Registration Number
249972

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Reference and administrative information

Trustees	
Ex-Officio Trustees	The Bishop of Dover, The Rt Revd Rose Hudson-Wilkin Anthony Richter The Very Reverend David Monteith, Dean of Canterbury The Archdeacon of Ashford, The Venerable Darren Miller The Archdeacon of Canterbury, The Venerable Dr William Adam The Archdeacon of Maidstone, The Venerable Andrew Sewell (resigned 18 January 2025) The Revd Andrew Bawtree Canon Miranda Ford Dr John Moss
Elected Trustees	Canon Amanda Boucherat Graham Codling The Revd Gareth Dickinson Judith Ann Andrews (appointed 10 December 2025) Sandra Ellis The Revd Canon Estella Last Neil Logan-Green (resigned 8 May 2025) The Revd Simon Tillotson
Diocesan Secretary	Iain Blythe
Registered address	Diocesan House Lady Wootton's Green Canterbury Kent CT1 1NQ
Company Registration No.	00145650 (England and Wales)
Charity Registration No.	249972
Auditors	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank plc 49 High Street Canterbury Kent CT1 2SE

Reference and administrative information

Solicitors	Winckworth Sherwood Arbor 255 Blackfriars Road London SE1 9AX
Investment Managers	CCLA Investment Management Ltd 1 Angel Lane London EC2R 3AB

The Trustees present their annual report (incorporating the strategic report for Companies Act purposes) together with the audited financial statements for the year ended 31 December 2025.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the principal accounting policies set out on pages 25 to 29 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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. Each province comprises dioceses, of which there are 41 in England. Each diocese is divided into deaneries and each deanery into parishes; and 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 Lords Spiritual, consisting of the two archbishops and 24 of the senior bishops sit in the House of Lords.

The Church of England is episcopally led and synodically governed. It is led by the Archbishops of Canterbury and York and there are a further 106 bishops including Diocesan Bishops 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. The members of General Synod belong to one of three groups or houses: The House of Bishops, The House of Clergy and the House of Laity, and General Synod meets in London or York at least twice annually to consider matters for the broader good of the Church.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Canterbury Diocesan Board of Finance (CDBF, the charity or the Board) was incorporated as a company on 29 December 1916 to manage the financial affairs of the diocese and to hold its assets. Every member of Diocesan Synod is a member of CDBF for company law purposes, and similarly Archbishop's Council comprises the Trustees. The Board is a company limited by guarantee and as such has no share capital. The Board is a registered charity and its Trustees are the same people who serve as the Board of Directors for company law purposes. The Board together with its subsidiary entities comprises the 'group'.

The principal object of the charity and the group is to promote and assist the work of the Church of England for the advancement of the Christian faith in the Diocese of Canterbury.

Method of appointment or election of Trustees

The management of the charity and the group is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies adopted for the induction and training of Trustees

At the first meeting of the triennium, the triennium for the Trustees being the period January 2025 to December 2028, time is set aside for the induction and training of new Trustees and further training is provided where necessary during the triennium to ensure that all Trustees are kept fully informed of their responsibilities. Diocesan officers are always on hand to advise Trustees on supplementary issues.

Trustees' remuneration

The Trustees do not receive remuneration for their roles as trustees of the charity. The clergy members of the Board, as office holders within the diocese, receive housing and stipends as part of their clergy role.

Organisational structure and decision making

The Board, as Archbishop's Council, is responsible for working with the Bishop of Dover to shape the diocesan strategy and to monitor the outworking of that strategy. It sets overall objectives and priorities. The outworking of those objectives and strategies for the Diocese of Canterbury is conducted through two overarching frameworks. The frameworks (see below under policies and objectives) meet frequently to plan their own priorities and make appropriate decisions in support of the overriding strategies and objectives of the Diocese of Canterbury. The principal officers manage the day-to-day administration in conjunction with Archbishop's Council and respective frameworks as appropriate. The remaining staff assist in administration.

Related party relationships

CDBF makes contributions to the national Archbishops' Council towards the running costs of the National Church. The stipends of all parish priests are paid initially by the Church Commissioners and these are reimbursed by CDBF. The stipend of the Bishop of Dover together with the stipend of the Chaplain, the salaries of the Bishop's office staff and the Archdeacon of Maidstone's stipend are borne by the Church Commissioners. The stipend of the Archdeacon of Canterbury is borne by the Dean and Chapter of Canterbury Cathedral and is not included in these financial statements. The Board considers that the following are subsidiary companies or connected charities:

Subsidiary Companies:

- Canterbury Diocesan Enterprises Limited (CDEL)*
- Ethos School Improvement Limited (ESIL)
- The Social Justice Network (SJN)

Connected Charities:

- The Diocese of Canterbury Academies Company Limited (DCACL)

*Canterbury Diocesan Enterprises Limited will stop trading on 30 June 2026.

Risk management

The Trustees have assessed the major risks to which the charity and the group are exposed, in particular those related to the operations and finances of the charity and the group and are satisfied that appropriate systems and procedures are in place to mitigate exposure to the major risks. The Trustees, through the Finance and Assets Committee, undertook a comprehensive review of the strategic, business and operational risks throughout 2025.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management (continued)
The key risks facing the Board of Finance are:

- Non-payment of full Parish Share.

  The Trustees continue to pay careful attention to the Parish Share Scheme which determines the allocation of contributions needed from each parish to maintain the general fund. The Trustees also monitor, on a regular basis, the collection rate of contributions received from individual parishes, with a view to identifying at an early stage those parishes which are likely to have difficulties in meeting their Parish Share. Where potential issues are identified the finance team work with the Archdeacons and Deanery Treasurers to mitigate and minimise any risks identified.

- A failure to take appropriate safeguarding precautions and implement suitable policies to protect all those who come within the care of our churches.

  CDBF takes extremely seriously the need for strong safeguarding procedures and controls. The Trustees are ultimately responsible for overseeing the implementation and review of policies and procedures for safeguarding children and vulnerable adults throughout the diocese; and for developing and maintaining good practice in relation to the safety and welfare of children, young people and vulnerable adults. There is in place a structure with an Independent Safeguarding Chair and policies that ensure full rigor when addressing safeguarding issues. The lessons learned from historic sexual abuse cases continue to reform the way the Church of England and the CDBF do things. All Church officers, Trustees, staff and volunteers are trained in diocesan safeguarding policy and best practice and the Diocesan Safeguarding Advisors are available to give advice.

  There are clear procedures in place for reporting all safeguarding concerns.

- IT and systems failures.

  The Trustees are aware of the threat posed by those with malicious intent and cyber-security is taken very seriously. The Trustees are aware also of the need to ensure the strongest possible defences against attack including the upgrading of software and hardware. To strengthen our defences against attack, via malicious emails and phishing attacks, staff are trained to follow best practice and to be alert to malicious emails and other potential IT risks. We have an ICT board which keeps cyber security and related issues under review.

- The charity's key assets comprise properties and listed investments. Cash flow issues may arise because of the timing of capital transactions and poor investment performance may lead to losses being incurred.

  Property maintenance is of key importance, ensuring that the buildings are maintained to a high standard and that preventative action is taken before matters become real problems. The charity has a highly skilled Property Team with many years of experience looking after residential, office and historic buildings. The timing of property transactions is planned carefully to ensure that they do not give rise to adverse cash flow issues.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management (continued)

The value of the charity's listed investments is dependent on movements in the UK and world stock markets. The charity's financial position, therefore, is exposed to the risk attached to such investments. To control against this risk, the charity's investments are managed by reputable investment managers who adhere to the investment policy agreed by the Trustees. Representatives of the charity meet with the investment managers on a regular basis to monitor performance and to discuss the charity's investment strategy generally to ensure it remains appropriate – both now and into the future.

OBJECTIVES AND ACTIVITIES

Policies and objectives

In planning the activities of the charity for the year, the Trustees have considered the guidance on public benefit issued by the Charity Commission. In common with the Church of England, the diocese strives to ensure that in every local community there is a worshipping, welcoming and serving congregation, working with Christians of other traditions and people of goodwill, witnessing to the transforming power of the love of God as seen in Jesus. Our strategic document approved by Synod in 2021 is called Towards a Flourishing and Sustainable Future with 'Changed Lives→Changing Lives' as its strap line.

It contains the following vision statement for our diocese:

By God's grace we want to be a people who are…
…confident & creative disciples of Jesus Christ
…rooted in scripture and drenched in prayer
…living gratefully, giving generously, caring for creation & sharing the gospel
…growing in number & expectations of God and ourselves
…motivated by justice & open to the Spirit & ready for adventure!
Therefore we will[1] …

[1] Therefore we will… is a recognition that words without actions are empty. It is a commitment to taking real steps now to make this vision a reality soon. We encourage all parishes to consider this vision carefully for themselves, to explore together what actions they will commit to take and what their local 'Therefore we will… ' will look like.

The 2021 "Towards a Flourishing and Sustainable Future" document created a Blueprint for our strategic themes. In July 2023 Diocesan Synod adopted Three Bold Outcomes for 2030, which are aligned to the six national bold outcomes. They provide an overall direction of travel and are used to assess business cases for investment.

- Every parish, benefice and deanery showing signs of revitalisation.
- Doubling the number of children and young disciples.
- 200 New Christian Communities.

There is a Strategic Programme Board that meets regularly to oversee progress with our strategy and this reports to Archbishop's Council and is where investment decisions are taken. Frameworks and deaneries are the key agents of delivery and change. Diocesan Synod receives regular progress reports.

OBJECTIVES AND ACTIVITIES (continued)

Policies and objectives (continued)

In addition to the Board of Education there are two frameworks within the diocesan organisation which support deaneries and parishes in their mission.

- Mission and Ministry
- Children and Young People

Towards the end of 2022 the Church Commissioners announced significant funding for the next three triennia (2023 to 2031) for bold long-term investment in the ministry and mission of the Church of England. CDBF intends to apply for significant funding from this source to enable us to achieve our strategic objectives.

Grant making policies
Contributions to Archbishops' Council to fund National Church responsibilities are treated as grant funding.

SCA (School Conditional Allocation) grant funding is recognised as income in the Statement of Financial Activities along with the related committed expenditure.

CDBF, through its Mission Resources Group, allocates the Church Commissioners Lowest Income Communities (LInC) funding award (£894k) to the neediest parishes in accordance with the LInC criteria.

We have awarded grants towards the Deaneries to support their administration.

Raising funds
The charity raises funds through Parish Share and on occasion receives other donations and voluntary income. It aims to achieve best practice in the way in which it communicates with parishes, donors and other supporters. It takes care both in the tone of its communications and the accuracy of its data to minimise the pressures on parishioners, parochial church councils, donors and supporters. It applies best practice to protect their data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity manages its own activities in respect to raising funds and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its activities for raising funds and to learn from them and improve its service. During the year, the charity received no formal complaints about its activities for raising funds.

ACHIEVEMENTS AND PERFORMANCE

Key financial performance indicators
Current year Parish Share receipts represent 85.8% of the total apportioned (2024 – 83.6%) or, when deferred receipts for previous years are included, 86.3% (2024 – 85.1%). This shortfall of 13.7% (2024 – 14.9%) represents £1,069k (2024 - £1,091k) in cash terms. Our aspiration is always to collect 100% of Parish Share.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities

The diocese continues to strive to resource effective mission, ministry and growth throughout its parishes. Working with Deanery Plans, many parishes and deaneries are capturing the vision for new approaches and new forms of Church which is transforming growth and spiritual development. Wherever possible, archdeacons and diocesan officers work closely with deaneries to re-energise the mission and ministry of every parish with **Three Bold Outcomes** under consideration:

1) to double the number of young people in our churches across the diocese,

2) to create 200 new Christian Communities and

3) to revitalise every parish and benefice.

The Board undertook a number of consultations (finance, governance, strategy, engagement) in 2025. A key outcome of this has been the desire for PCCs to share their successes (and struggles) with one another, and this will form a key element of any submission to the National Church Institutions for funding particularly in the areas of children and young people, leadership, growing disciples and training.

Every PCC has something to offer those discussions and the development of strategy (and the review of it) has enabled an analysis of information already in the public domain to provide an understanding of the incredible work done by colleagues across the diocese.

In 2025 a relaunch of Mission Action Planning took place – called "The Three Things" – which asks parishes and benefices to highlight three areas they will focus on realistic, honest priorities, discern where God is leading them and review and share ideas.

The diocese now has the richest set of data in recent years—173 Three Things, Health and Vitality Reviews for every church, early leadership and attendance papers, and clear leadership insight. The challenge for the coming weeks is integration: shaping a compelling, evidence driven narrative, while strengthening diocesan delivery practices.

We had an average of 106 paid clergy in 2025 and 107 active voluntary Readers at the end of 2025. Our Canterbury Diet provides a rolling programme for all our clergy - the three elements of Leadership, Mission and Pastoral Care.

In 2025 the Diocesan Safeguarding Team (DST) has continued to support the parishes to achieve good and best practice across the Church of England's five National Safeguarding Standards. We began the year with both our Diocesan Safeguarding Officers receiving their certification to the DSO role under the Canon 42 (Amendment) and indicated the start of their supervision by the Regional Safeguarding Lead within the National Safeguarding Team. In January our Annual Safeguarding Conference, again with over 250 delegates booked in, held in collaboration with the Diocese of Rochester and a focus on Spiritual Abuse presented by Dr Lisa Oakley and the emergence of Cults within Faith Contexts presented by Dr Sarah Harvey from Inform. We continued to hold our quarterly Parish Safeguarding Networking evenings and publish our quarterly newsletter both for sharing information regarding any policy or guidance changes, but also offering an opportunity for direct contact and questions to the team from those at parish level. In 2025; we administered approximately 1800 DBS checks. This represents over 60% increase in DBS checks from the previous year.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities (continued)

In the Autumn we recruited a Diocesan Deputy Safeguarding Adviser, thereby increasing the capacity with the Diocesan Safeguarding Team in recognition of increased demands for specialist safeguarding advice and the increased role and responsibility of the DSO role. We continued to offer trainer led Leadership training and PTO training. The team continues to support both Diocesan staff, the Bishop and her office and team and all of the parishes in Canterbury with specific safeguarding case advice over and above any prevention and compliance support with the Church of England's Safeguarding Code of Practice.

As a result of Government policies on migration, we have seen an increase of families from Afghanistan and asylum-seeking families coming from Kuwait, Palestine, and Syria. The number of families from Ukraine has not increased since the very limited take up of the Homes for Ukraine scheme.

Our work with refugees expanded even further in 2025. We responded to the needs of displaced families and of parishes welcoming them by increasing the reach of our services with casework as well as advocating at policy level.

As a Diocese, we have offered accommodation to displaced families based on their needs and our availability. This is something we should be very proud of.

We provide online prayer resources for individuals and parishes bringing together a prayer diary and seasonal prayers, readings and reflections.

The face of ministry is changing as ordained clergy help equip and enable the ministry of everyone to ensure the Church is a Monday to Saturday Church, as well as a Sunday Church and is sustainable into the future. The impact of Coronavirus (Covid-19) has provided further impetus to reimagine ministry.

Income generation

The diocese received 77% of its unrestricted income from Parish Share, which is a voluntary payment from parishes.

The Church Commissioners allocate lowest income community funding grants (LInC grants) to the poorest dioceses and Canterbury received a grant of £893,520 in 2025 (2024 - 863,722). The diocese received an allocation from Benefact Trust of £81,541 in 2025 (2024 - £97,073) which supports our diocesan strategic projects.

Investment policy and performance

CDBF seeks to invest its funds for the best possible financial return consistent with its risk appetite and need for diversification. The investment objective for long term funds is to generate a minimum return of 5% in excess of inflation, as measured by the UK Consumer Prices Index. The investment objective for short-term and medium-term reserves is to preserve the real value of capital, minimise risk and obtain the best available return within these risk constraints.

CDBF has adopted an ethical investment policy which follows the ethical investment advice given by the Church of England Ethical Investment Advisory Group (EIAG) to the National Investing Bodies (NIBs): the Church Commissioners for England, the Church of England Pensions Board and the CBF Church of England Funds (managed by CCLA).

CCLA's performance was disappointing comparing to investment markets in 2024, resulting in a decrease

in the value of our listed investments of £192k compared with £133k increase in 2024. This has resulted in the value of our listed investments decreasing to £10.3m.

The listed investments are held in two funds at CCLA. The performance of the CBF Church of England Investment Fund on a total return basis was negative 1.17% for the year against the comparator benchmark of positive 11.00%. The performance of the CBF Church of England Property on a total return basis was positive 7.70% against the comparator benchmark of 4.73%.

The portfolios are reviewed with CCLA Investment Management Limited every year. Investments held by the Board have been acquired in accordance with powers available to the Trustees under the Memorandum and Articles of Association.

FINANCIAL REVIEW

Introduction

Archbishop's Council continues to work diligently to secure the financial position of the diocese whilst at the same time promoting effective mission, ministry and community throughout the area. The Church of England exists to promote the Gospel of Christ in every community and the diocese sees that the furtherance of that aspiration is the only way to secure the future of the Anglican Church in this diocese.

The total funds of the diocese include the value of all benefice parsonages within the parishes and these were valued at £57.6m in 2025 (2024 - £56.6m). CDBF is engaged on a rolling five-year process of revaluations of these properties. These properties are included in endowment funds recognising that they remain benefice property, although should they cease to be used as ministry houses then ownership is usually transferred to CDBF unrestricted funds.

Results for the year

Total income for the year amounted to £14.2m (2024 – 12.5m), an increase of £1.7m compared with 2024. The main reason for this was an increase in donations and grants of £1.3m and an increase in charitable activities of £0.6m in 2025 offset by decrease in income from other sources of £0.6m. Included in charitable activities was increase in Parish Share of £474k (2024 – decrease of £106k).

Other sources of income consist of other grant income, investment income, property rental income, parochial fees for weddings and funerals and the income for work done for third parties by the charity's subsidiary companies. Such income remains very important and is an essential contributor in keeping Parish Share requirements lower than they might otherwise be.

Expenditure amounted to £14.2m, £2.3m higher than 2024. Unrestricted expenditure increased by £0.1m and restricted expenditure increased by £2.2m.

Net expenditure before investment gains decreased by £707k resulting in £58k loss for the year. Loss on investments totalling £192k resulted in net loss of £250k. There was a loss of £489k on revaluation of tangible fixed assets and the result of these movements was a decrease in net assets/reserves of £739k from £105.6m to £104.9m.

FINANCIAL REVIEW (continued)

Financial position

The consolidated balance sheet showed total funds at 31 December 2025 of £104.9m (restated 2024 – £105.6m) comprising:

	2025	Restated 2024
	£'000	£'000
General funds (including non-charitable trading funds)	**5,529**	6,163
Designated funds	**26,501**	28,147
Restricted funds	**4,551**	4,357
Endowment funds	**68,324**	66,977
	104,905	105,644

The above figures include endowment funds of £68.3m (2024 – restated £67.0m), the principal part of this being the benefice properties amounting to £57.6m (2024 – £56.6m). Where income arises from these funds, it may be used for general purposes of the charity and therefore is credited to unrestricted funds. The endowment fund balances must normally be held as 'capital' but, where permitted, may be applied towards meeting certain charitable aims.

Also included in total funds are restricted funds totalling £4.5m (2024 – restated £4.4m). These monies have either been raised for, and their use restricted to, specific purposes or they comprise donations subject to donor-imposed conditions. Further details of these restricted funds can be found in note 20 to the financial statements together with an analysis of movements in the year.

Funds totalling £26.5m (2024 – £28.1m) have been designated by the Trustees for specific purposes. These purposes and an analysis of the movements on the funds are set out in note 20 to the financial statements. The Trustees are aware that most of the designated funds are represented by ministry housing. General funds (including non-charitable trading funds of £255k) total £5,529k (2024 – £6,163k).

During the year, a prior year adjustment was identified relating to the recognition and classification of Board of Education funds as the result of a detailed review of balances held. This review identified that certain balances, including proceeds from the sale of redundant school properties and funding received from the Department for Education, had been incorrectly classified in prior years within creditors rather than within the appropriate endowment and restricted funds. In addition, two longstanding deposit accounts had not previously been recognised within cash and cash equivalents. As these matters related to presentation and classification rather than the underlying ownership or existence of the balances, the comparative figures at 1 January 2024 have been restated to reflect the appropriate accounting treatment. Further details of the prior year adjustments and restatements are provided in Note 27 to the financial statements.

Reserves policy

The Board's policy is to hold general reserves to ensure ongoing financial stability should there be an unplanned fall in income and to take into account the timing of income. In 2025 this would require general reserves of between £1.9m and £2.2m. At the end of 2025 the Board's general reserves, were £5.5m (2024 - £6.2m). Given the challenges CDBF may face in the future it is considered that this level of reserves is reasonable and will enable CDBF to further its strategic objective of growing the Kingdom.

Going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

The Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. This is because the charity has sufficient cash. In addition, the charity also holds investments which can be realised in the short term to meet liabilities should a shortfall in income arise. In addition, the charity has designated reserves of £26.5m, including £25.0m designated for ministry housing. If necessary, some properties could be undesignated and sold to meet any cash flow shortfall should this be necessary in the medium term.

For these reasons the Trustees continue to adopt the going concern basis in preparing the financial statements and have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

Pay policy for senior staff

Senior Clergy are paid according to stipend scales set by the national church. The stipends for the Bishop of Dover and the Archdeacon of Maidstone (in lieu of the unused Bishop of Maidstone post) are borne by the Church Commissioners. The stipend of the Archdeacon of Canterbury is borne principally by Canterbury Cathedral. The stipend of the Archdeacon of Ashford is borne by CDBF.

CDBF uses a system of job evaluation to grade staff appropriately. Salaries usually increase each year to reflect changes in costs of living, where affordable, at levels set by the Senior Management Team. The HR Committee formally agrees the appropriate cost of living uplifts in the light of these variables. Individual Salary reviews are set by the HR Committee where required who consider salary recommendations by Departmental Directors. As well as the job evaluation framework the HR Committee considers the local market in terms of benchmarking salaries to ensure staff are paid a fair wage for fair work and as such salaries may move with the market throughout the year. All changes to senior staff are set independently from the Senior Management Team by the HR Committee.

Key management personnel are defined as the Trustees together with those employees listed in note 13 to the attached financial statements.

PLANS FOR THE FUTURE

Future developments

Our shared diocesan Vision is to be a confident, prayerful, generous, growing and just church. Diocesan Synod has adopted an ambition for growth expressed by "Changed Lives → Changing Lives".

This is underpinned by the **Three Bold Outcomes** for 2030 that highlight what the future might look like:

- every parish, benefice and deanery showing signs of revitalisation
- doubling the number of children and young disciples
- 200 new Christian communities.

The strategy in Canterbury is simple: to empower the local church to deliver its mission. It will do this by seeking and providing resources to parishes, benefices and worship communities and enabling parishes, benefices and deaneries to deliver their priorities and to support our churches to grow.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Board acts as Custodian Trustee in respect of trusts administered on behalf of managing trustees, which includes incumbents, churchwardens, Parochial Church Councils and other organisations of the diocese.

In 2000 the Board arranged for the Central Board of Finance to take over the administration of investments held on behalf of parishes, except for Endowment Funds. The Board is still administering investments with a book value of £3m (2024 – £3.6m). The assets of these funds are held separately from those of the Board.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Canterbury Diocesan Board of Finance for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgments 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 charitable group will continue in operation.

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

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

AUDITOR

Buzzacott Audit LLP was reappointed as statutory auditor on 4 July 2024 and has indicated its willingness to continue in office and a resolution proposing its reappointment will be put to the Annual General Meeting.

This report, incorporating the Strategic Report, was approved by the Trustees on 22 September 2026 and signed on their behalf on 22 September 2026 by:



Anthony Richter

Trustee

Independent auditor's report to the members of Canterbury Diocesan Board of Finance

Opinion

We have audited the financial statements of Canterbury Diocesan Board of Finance (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which the comprise the group statement of financial activities, the group summary income and expenditure account, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable parent company's affairs as at 31 December 2025 and of the group's 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 relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

- adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent 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 charitable parent 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 charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- the audit partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011; the Companies Act 2006; Church Assembly and General Synod Measures; and safeguarding regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

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

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

A further description of our responsibilities 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.

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

[Date]

Consolidated statement of financial activities Year to 31 December 2025

	Notes	Un-restricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2025 £'000	Total funds 2024 £'000
Income and endowments from:						
Donations and grants	1	**7,640**	**2,622**	—	**10,262**	8,988
Charitable activities	2	**1,310**	**1,178**	—	**2,488**	1,881
Other trading activities	3	**423**	—	—	**423**	240
Investments and interest	4	**445**	**180**	—	**625**	436
Other sources	5	—	**354**	—	**354**	992
Total income and endowments		**9,818**	**4,334**	—	**14,152**	12,537
Expenditure on:						
Raising funds	6	**115**	—	—	**115**	143
Charitable activities	8	**10,104**	**3,991**	—	**14,095**	11,745
Total expenditure	10	**10,219**	**3,991**	—	**14,210**	11,888
Net (expenditure) income before investment gains (losses)		**(401)**	**343**	—	**(58)**	649
Net gains (losses) on investments	16	**(51)**	**(45)**	**(96)**	**(192)**	133
Net (expenditure) income before transfers		**(452)**	**298**	**(96)**	**(250)**	782
Transfers between funds	20	**(1,828)**	**(104)**	**1,932**	—	—
Net (expenditure) income for the year	11	**(2,280)**	**194**	**1,836**	**(250)**	782
Other recognised gains and losses:						
(Losses) gains on revaluations of tangible fixed assets	15	—	—	**(489)**	**(489)**	2,046
Net movement in funds		**(2,280)**	**194**	**1,347**	**(739)**	2,828
Reconciliation of funds						
Total funds brought forward (restated)	27	**34,310**	**4,357**	**66,977**	**105,644**	102,816
Total funds carried forward		**32,030**	**4,551**	**68,324**	**104,905**	105,644

All activities relate to continuing operations in both the above financial years.

The unrestricted fund column above comprises both general funds and designated funds. Details of the analysis between these funds can be found in note 20 to these financial statements. At 31 December 2025, general and non-charitable trading funds were £5,529k (2024 – £6,163k) whilst designated funds (many of which represent ministry housing) amounted to £26.5m (2024 – £28.1m).

Consolidated summary income and expenditure account Year to 31 December 2025

	Note	2025 £'000	2024 £'000
Income		**14,152**	12,318
Less: Expenditure		**(14,210)**	(11,888)
Net (expenditure) income for the year before transfers and investment gains and losses		**(58)**	430
Net (losses) gains on investments		**(96)**	62
Transfers to endowment funds	20	**(1,932)**	—
Net (expenditure) income for financial year		**(2,086)**	492

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

Balance Sheets 31 December 2025

	Notes	Group 2025 £'000	Restated Group 2024 £'000	Charity 2025 £'000	Restated Charity 2024 £'000
Fixed assets					
Tangible fixed assets	15	**84,964**	85,864	**84,964**	85,864
Investments	16	**10,393**	10,756	**10,394**	10,757
		95,357	96,620	**95,358**	96,621
Current assets					
Debtors	17	**1,302**	1,158	**1,340**	1,188
Cash at bank and in hand		**9,370**	9,547	**8,910**	9,127
		10,672	10,705	**10,250**	10,405
Creditors: amounts falling due within one year	18	**(1,124)**	(903)	**(1,059)**	(852)
Net current assets		**9,548**	9,802	**9,191**	9,463
Total assets less current liabilities		**104,905**	106,422	**104,549**	106,084
Creditors: amounts falling due after more than one year	19	**—**	(778)	**—**	(778)
Net assets		**104,905**	105,644	**104,549**	105,306
Funds					
Endowment funds	20	**68,324**	66,977	**68,324**	66,977
Restricted funds	20	**4,551**	4,357	**4,316**	4,241
Unrestricted funds					
. Designated funds	20	**26,501**	28,147	**26,501**	28,147
. General funds	20	**5,274**	5,926	**5,408**	5,941
. Non-charitable trading funds	20	**255**	237	**—**	—
Total funds		**104,905**	105,644	**104,549**	105,306

The financial statements were approved by the Trustees on 22 September 2026 and signed on their behalf on 22 September 2026 by:



Anthony Richter

Trustee

Consolidated statement of cash flows Year to 31 December 2025

	Note	2025 £'000	2024 Restated £'000
Cash flows from operating activities			
Net cash used in operating activities	A	**(933)**	(817)
Cash flows from investing activities			
Investment income and interest received		**625**	436
Proceeds from sale of listed investments		**171**	—
Proceeds from the sale of tangible fixed assets		**779**	2,262
Purchase of tangible fixed assets		**(41)**	(30)
Net cash provided by investment activities		**1,534**	2,668
Cash flows from financing activities			
Repayment of borrowings		**(778)**	—
Net cash used in financing activities		**(778)**	—
Change in cash and cash equivalents in the year		**(177)**	1,851
Cash and cash equivalents brought forward (Restated)		**9,547**	7,696
Cash and cash equivalents carried forward	B	**9,370**	9,547

A. Reconciliation of net (expenditure) income for the year to net cash used in operating activities

	2025 £'000	2024 £'000
Net (expenditure) income for the year (as per the statement of financial activities)	**(250)**	782
Adjustment for:		
Depreciation charges	**27**	29
Losses (gains) on investments	**192**	(133)
Investment income and interest receivable	**(625)**	(436)
(Losses) gains on fixed asset property disposals	**(354)**	(992)
(Increase) Decrease in debtors	**(144)**	301
Increase (decrease) in creditors excluding loans	**221**	(368)
Net cash used in operating activities	**(933)**	(817)

B. Analysis of cash and cash equivalents

	2025 £'000	2024 Restated £'000
Cash at bank and in hand	**9,370**	9,547

C. Net (debt) funds

	2024 Restated £'000	Cash flows £'000	**2025 £'000**
Cash and cash equivalents	9,547	(177)	**9,370**
Borrowings			
Debt due within one year	(145)	15	(130)
Debt due after one year	(778)	778	—
	(923)	793	**(130)**
Total	8,624	616	**9,240**

Basis of accounting

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2025 with comparative information provided for the year to 31 December 2024.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements have been drawn up in accordance with the requirements of the Companies Act 2006 except where the special nature of the Canterbury Diocesan Board of Finance's operations has required adaptation of the formats as allowed by section 396(5).

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

Basis of consolidation

The financial statements consolidate the accounts of Canterbury Diocesan Board of Finance and all its subsidiary undertakings ('subsidiaries').

The charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account. Gross income of the charity of £14,043k (2024 – £12,440k) and deficit of £75k (2024 - surplus of £777k) has been dealt within the accounts of the charity.

Company status

The charity is a company limited by guarantee, Company Registration Number 00145650 (England and Wales). Every member of Diocesan Synod is a member of CDBF for company law purposes. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member of the charity. The company's address and other reference information is shown on pages 1 and 2.

Fund structure

The unrestricted funds comprise those monies which may be used towards meeting the charitable objectives of the charity and may be applied at the discretion of the Trustees. Certain unrestricted funds have been set aside and designated for specific purposes by the Trustees.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

The endowment funds comprise assets which normally must be held as capital but, where permitted, may be applied towards meeting certain charitable aims. The income therefrom may be used either in accordance with the donors' wishes, if stipulated, or for general purposes.

Fund structure (continued)
The non-charitable trading funds represent the accumulated gains and losses arising on the charity's trading subsidiaries.

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- the useful economic life and residual values of tangible fixed assets for the purpose of determining the annual depreciation charge;
- the valuation of investment property and benefice properties; and
- the underlying assumptions in the actuarial valuations of the defined benefit schemes and the recoverability of debtors and any provision for bad or doubtful debts.

The Trustees consider valuation of benefice properties to be the area of judgement and estimation that has a significant effect on the financial statements. Further details of these judgements are given in note 15.

Going concern
The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

The Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. This is because the charity has sufficient cash. In addition, the charity also holds investments which can be realised in the short term to meet liabilities should a shortfall in income arise. In addition, the charity has designated reserves of £26.5m, including £25.0m designated for ministry housing. If necessary, some properties could be undesignated and sold to meet any cash flow shortfall should this be necessary in the medium term.

For these reasons the Trustees continue to adopt the going concern basis in preparing the financial statements and have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

Income
Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably, and it is probable that the funds will be received.

Income comprises donations, including Parish Share income, income from listed investments, interest receivable, income directly related to charitable activities (including grants), income from trading activities, the surplus on disposal of tangible fixed assets, rental income and miscellaneous income.

Income (continued)
Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. If a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Grants from government and other agencies have been included as income from activities in furtherance of the charity's objectives where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income is deferred only when the charity must fulfil performance related conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Investment income is recognised once the dividend or similar income has been declared and notification has been received of the amount due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from charitable activities comprises parochial fees received for occasional offices including baptisms, weddings and funerals and School Condition Allocation grant funding.

Income from other trading activities includes the income received from third parties by the charity's trading subsidiaries. Such income is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

Gains or losses on the disposal of property assets are calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal. They are accounted for once legal completion of the disposal has taken place.

Expenditure
Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered. Expenditure comprises the following:

a) Expenditure on raising funds comprises the expenditure of trading subsidiary companies.

b) Expenditure on charitable activities which comprises expenditure on the charity's primary charitable purposes as described in the Trustees' report i.e. promoting and assisting the work of the Church of England for the advancement of the Christian faith in the Diocese of Canterbury. The expenditure includes both costs that can be allocated directly to such activities and those indirect costs necessary to support them.

Support costs are those costs which enable charitable activities to be carried out. These costs include the expenses relating to finance, human resources, communications and information technology. Where expenditure incurred relates to more than one activity it is apportioned using the most appropriate basis.

Expenditure (continued)
Grants payable are included in the statement of financial activities when approved and committed. Commitment will usually arise when the intended recipient has either received the funds or been informed of the decision to make the donation.

Property, plant and equipment
Office equipment costing more than £1,000 and with an expected useful life exceeding one year are capitalised. Laptop and desktop computers costing under £1,000 are also capitalised.

Expenditure on properties is only capitalised where it is believed to increase the market value of the property.

Freehold property consists of buildings designed as, and used wholly or mainly for, private residential accommodation and other freehold buildings such as Diocesan offices. Freehold property is not depreciated as their value and conditions are reviewed annually by the Trustees, who are satisfied that their residual value is not materially less than their book value.

Office equipment is written off over a period of three to ten years, based on cost, in order to write the cost of each asset off over its estimated useful life.

Benefice property
CDBF has followed the requirements of FRS 102 in its accounting treatment for benefice houses. FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. CDBF is formally responsible for the maintenance and repair of benefice houses and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. Therefore, the Trustees consider the most suitable accounting policy to be to capitalise such properties as expendable endowment assets and to carry them at their estimated market value. Approximately one-fifth of the properties are valued each year and those properties not revalued in the year are revalued by reference to appropriate property indices. The valuation based on estimated market value assumes good title but there are some properties which have restrictive covenants for ecclesiastical purposes which may reduce the estimated market value.

Investments
Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted bid price.

Investments property, under FRS102 is measured at fair value at each reporting date. Glebe property mainly consists of agricultural land and is included in the financial statements at a valuation determined based on revaluation every 5 years by an external surveyor. Some glebe properties have development potential but due to the uncertainties in the planning process these are not revalued unless planning permission has been granted and a willing purchaser exists.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired after the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Operating leases
Rentals under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions
Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Financial instruments
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Apart from fixed asset investments held at fair value, basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

Pensions
The charity operates four pension schemes as more fully described in note 22:

i) A defined benefits scheme for clergy – the Church of England Funded Pensions Scheme

ii) A defined benefits scheme for certain diocesan staff now closed to new staff – the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pension Fund

iii) A defined benefits scheme for diocesan staff – the Church of England Pension Builder Classic Scheme, part of the Church Workers Pension Fund

iv) A defined contribution pension scheme for diocesan staff not included in the above schemes

The pension costs charged as expenditure represent CDBF's contributions payable in respect of the accounting period, in accordance with FRS 102.

Custodian funds
Funds held by the charity on behalf of parishes, church schools and other entities and over which the charity has no power to make management decisions are classified as custodian funds and are not included in the financial statements. Instead, the funds held are disclosed by way of a note to the financial statements.

School major repair and capital projects
The SCA (School Condition Allocation) grant funding received is recognised in the statement of financial activities along with the related expenditure.

1. Income from: Donations and grants

	Unrestricted funds £'000	Restricted funds £'000	**2025 £'000**	2024 £'000
Parish Share	7,625	—	**7,625**	7,151
Archbishops' Council	—	2,180	**2,180**	1,578
Benefact Trust	—	82	**82**	97
Other donations and grants	15	360	**375**	162
Total funds	7,640	2,622	**10,262**	8,988

2. Income from: Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	**2025 £'000**	2024 £'000
Parochial fees for occasional offices (see (a) below)	304	—	**304**	293
Rental income	1,006	106	**1,112**	965
Department for Education capital grants (see (b) below)	—	1,072	**1,072**	623
Total funds	1,310	1,178	**2,488**	1,881

(a) Occasional offices include weddings and funerals.

(b) The charity assists voluntary aided schools with school building projects and the provision of IT equipment. SCA grant funding is included as income in the SOFA along with the related expenditure.

3. Income from: Other trading activities

	Unrestricted funds	
	2025 £'000	2024 £'000
Income generated by subsidiary trading companies	**79**	83
Other trading income	**344**	157
Total funds	**423**	240

Income from subsidiary trading companies represents work done by Canterbury Diocesan Enterprises Limited and Ethos School Improvement Limited for third parties outside of the group. Work done by Canterbury Diocesan Enterprises Limited for CDBF of £87k (2024 - £210k) has been eliminated on consolidation.

4. Income from: Investments and interest

	Unrestricted funds £'000	Restricted funds £'000	**2025 £'000**	2024 £'000
Investment income	260	30	**290**	288
Bank and other interest receivable	185	150	**335**	148
Total funds	445	180	**625**	436

5. Income from: Other sources

	Restricted funds £'000	Endowment funds £'000	**2025 £'000**	2024 £'000
Gains on disposal of fixed assets	354	—	**354**	992
Total funds	354	—	**354**	992

The gains on property disposals relate to the disposal of properties deemed surplus to requirements.

6. Expenditure on: Raising funds

Expenditure on raising funds comprises the expenditure of subsidiary trading companies.

7. Analysis of grant funding activities

Included within expenditure on charitable activities (note 8) are the following grants:

	Number	**2025 £'000**	Number	2024 £'000
From unrestricted funds for National Church responsibilities				
Contributions to Archbishops' Council	—	**503**	—	519
From restricted funds				
Education grants for school building projects	**26**	**876**	17	390
Ministry grants	**34**	**894**	29	864
From unrestricted funds				
Deanery grants	**8**	**15**	11	18
Parish and Ignite project grants	**2**	**37**	2	10
		2,325		1,801

The provision of diocesan grants, using the Archbishops' Council funding allocation, continues to see the diocese giving financial assistance to parishes to leverage their mission. In 2025, £894k (2024 – £864k) was spent in targeting parishes which can most benefit from grant funding for mission and ministry.

8. Expenditure on: Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	**Total funds 2025 £'000**	Total funds 2024 £'000
Contributions to Archbishops' Council:				
Training for ministry	243	—	**243**	238
National church responsibilities	145	—	**145**	142
Grants and provisions	26	—	**26**	24
Mission agency pension costs	8	—	**8**	—
Retired clergy housing costs	106	—	**106**	99
Pooling of ordinands' maintenance grants	(25)	—	**(25)**	16
	503	—	**503**	519
Resourcing Ministry and Mission:				
Parish Ministry and Social Justice				
Stipends	2,971	—	**2,971**	2,925
National Insurance	308	—	**308**	237
Pension contributions	631	—	**631**	652
Housing costs	1,655	—	**1,655**	1,649
Apprenticeship levy	14	—	**14**	14
Removal and resettlement costs	104	—	**104**	177
Other expenses	105	344	**449**	249
Lay and ordinand training	115	19	**134**	220
Mission development grants	15	894	**909**	892
Social justice	—	64	**64**	86
	5,918	1,321	**7,239**	7,101
Senior Clergy				
Stipends, NI and Pensions	56	—	**56**	53
Housing cost allocation	45	—	**45**	38
	101	—	**101**	91
Strategic Investment Projects *(see below)*	120	1,794	**1,914**	706
Support costs (see note 9)	3,051	—	**3,051**	2,584
Total expenditure on resourcing Ministry and Mission	9,190	3,115	**12,305**	10,482
Expenditure on education:				
Support for church schools and young people	411	—	**411**	354
School building grants (see note 2)	—	876	**876**	390
Total funds	10,104	3,991	**14,095**	11,745

The 2024 expenditure is analysed by fund in the appendix.

Restricted expenditure on Strategic Investment Projects comprises expenditure on projects to enable the Diocesan Strategy of 'Changed Lives→ Changing Lives'.

9. Analysis of support costs

	Unrestricted funds	
	2025 £'000	2024 £'000
Administration		
Salaries	**1,666**	1,455
National Insurance	**200**	143
Pensions	**271**	98
Administration, office and other indirect costs	**660**	689
Governance		
External audit	**104**	104
Diocesan Synod and Archbishop's Council	**5**	2
National Synod	**8**	15
Registrar	**112**	54
Statutory accounts preparation	**10**	10
Strategic management	**15**	14
Total support costs	**3,051**	2,584

10. Analysis of total expenditure

	Activities directly undertaken £'000	Grant funding of activities £'000	Support costs £'000	**2025 Total funds £'000**	2024 Total funds £'000
Raising funds	115	—	—	**115**	143
Charitable activities					
. Contributions to Archbishops' Council	—	503	—	**503**	519
. Resourcing Ministry and Mission	8,307	947	3,051	**12,305**	10,482
. Education	411	876	—	**1,287**	744
	8,833	2,326	3,051	**14,210**	11,888

The 2024 expenditure is analysed by activity in the appendix.

11. Net (expenditure) income for the year

This is stated after charging:

	2025 £'000	2024 £'000
Auditor's remuneration	**104**	104
Depreciation of tangible fixed assets owned by the charitable group	**27**	29
Operating lease rentals	**42**	49

12. Auditor's remuneration

	2025 £'000	2024 £'000
Audit of the charity's annual accounts and those of subsidiary trading companies:		
-Current year	**61**	52
-Prior year	**43**	52
Taxation services to the group	**8**	10

13. Stipends and staff costs

	2025 £'000	2024 £'000
Wages, salaries and stipends	**5,167**	4,860
Social security costs	**573**	427
Other pension costs	**968**	775
	6,708	6,062
Defined benefit scheme operating cost	**1**	1
Apprenticeship levy	**14**	14
	6,723	6,077

Included in wages, salaries and stipends are £6,800 of redundancy payment to two employees in 2025 (2024: none).

The average number of persons employed by the group during the year was as follows:

	2025 No.	2024 No.
Clergy, Curates and Senior Staff	**106**	108
Diocesan House (including strategic projects)	**61**	61
	167	169

The number of employees with remuneration in excess of £60,000 (including taxable benefits but excluding employer pension and national insurance contributions) was:

	2025 No.	2024 No.
In the band £60,001 - £70,000	**2**	1
In the band £70,001 - £80,000	**3**	2

Employer pension scheme costs under employment contracts in respect of the above higher paid employees were £44,444 (2024 – £40,921).

Remuneration of key management personnel

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

Diocesan Secretary and Company Secretary
Director of Communications
Director of Education
Director of Finance
Director of HR
Director of Mission and Ministry
Head of Property

Remuneration including taxable benefits and employer national insurance and pension contributions for these 7 positions (2024 – 8 positions) amounted to £638,995 (2024 – £532,301).

14. Trustees' remuneration

No Trustees received any remuneration in connection with their duties as trustees during the year (2024 – none). During the year several Trustees, who are also clergy within the diocese, received stipends from, and/or were provided with housing by, the charity in connection with their religious and pastoral duties within the diocese.

The following table gives details of the Trustees who were in receipt of a stipend (including pension), part stipend (including pension) and/or housing provided by CDBF during part or all of the year, either directly or via a spouse.

	Stipend	Housing
The Bishop of Dover	No	Yes
The Archdeacon of Ashford	Yes	Yes
The Archdeacon of Canterbury	No	No
The Archdeacon of Maidstone	No	Yes
The Revd Simon Tillotson	Yes	Yes
The Revd Gareth Dickinson	Yes	Yes
The Revd Estella Last	Yes	Yes
The Revd Andrew Bawtree	Yes	Yes

Eight trustees (2024 – eight) received reimbursement of expenses of £11,112 (2024 – £10,465) in respect of General Synod duties, duties as archdeacon and other duties as trustees.

15. Tangible fixed assets

Group and charity	Freehold property £'000	Office equipment £'000	Benefice property £'000	**Total £'000**
Cost or valuation				
At 1 January 2025	30,093	330	56,608	**87,031**
Additions	10	31	—	**41**
Transfer from freehold property to benefice property	(1,566)	—	1,508	**(58)**
Disposals	(497)	—	—	**(497)**
Revaluations	—	—	(489)	**(489)**
At 31 December 2025	28,040	361	57,627	**86,028**
Depreciation				
At 1 January 2025	876	291	—	**1,167**
On transfer	(58)	—	—	**(58)**
Charge for the year	—	27	—	**27**
Disposals	(72)	—	—	**(72)**
At 31 December 2025	746	318	—	**1,064**
Net book values				
At 31 December 2025	**27,294**	**43**	**57,627**	**84,964**
At 31 December 2024	29,217	39	56,608	85,864

Benefice houses are revalued on a five-year cycle. Approximately one-fifth of the properties are valued each year and those properties not revalued in the year are revalued by reference to appropriate property indices. The valuation based on estimated market value assumes good title but there are some properties which have restrictive covenants for ecclesiastical purposes which may reduce the estimated market value.

All other tangible fixed assets are included in the financial statements at cost.

16. Fixed asset investments

Group	Glebe property £'000	Listed investments £'000	**Total £'000**
Market value			
At 1 January 2025	3,826	6,930	**10,756**
Disposal proceeds	—	(171)	**(171)**
Net investment losses	—	(192)	**(192)**
At 31 December 2025	3,826	6,567	**10,393**
Historical cost	—	3,826	**3,826**

In 1978, when the Endowment and Glebe Measure 1976 came into effect, the ownership of all glebe land was transferred from the incumbents of benefices to the Diocesan Board of Finance at nil cost. The Glebe properties were revalued by an independent surveyor using market based evidence for similar properties sold in the local area.

Charity	Glebe property £'000	Investment in subsidiaries £'000	Listed investments £'000	**Total £'000**
Cost or valuation				
At 1 January 2025	3,826	1	6,930	**10,757**
Disposal proceeds	—	—	(171)	**(171)**
Net investment gains (losses)	—	—	(192)	**(192)**
At 31 December 2024	3,826	1	6,567	**10,394**
Net book values				
At 31 December 2025	**3,826**	**1**	**6,567**	**10,394**
At 31 December 2024	3,826	1	6,930	10,757

All the fixed asset investments are held in the UK. The listed investments are held in Church of England Central Board of Finance funds managed by CCLA Investment Management Limited.

Further details of subsidiaries are provided in note 24.

At 31 December 2025, the listed investments included the following holdings deemed material in the context of the entire portfolio of listed investments.

Holding	**Value £'000**	% of portfolio
Property fund	**1,297**	19.75
Investment fund	**5,270**	80.25

17. Debtors

	Group		Charity	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Parish Share due	**214**	112	**214**	112
Amounts owed by subsidiaries	**—**	—	**42**	51
Other debtors	**510**	577	**506**	559
Prepayments	**54**	30	**54**	27
Accrued income	**524**	439	**524**	439
	1,302	1,158	**1,340**	1,188

18. Creditors: amounts falling due within one year

	Group		Charity	
		Restated		Restated
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Other loans	**130**	145	**130**	145
Amounts owed to subsidiaries	**—**	—	**—**	25
Expense creditors	**107**	176	**100**	165
Other taxation and social security	**50**	51	**50**	51
Other creditors	**686**	446	**686**	439
Accruals and deferred income	**151**	85	**93**	27
	1,124	903	**1,059**	852

Other loans comprise Value Linked Loans of £130,000 (2024 – £145,000) for the purchase of special needs housing (purchased on behalf of the Church Commissioners). These loans are only repayable in the event of a sale of any of the properties and interest is charged on these loans at a variable rate.

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

	Group		Charity	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Other loans	**—**	778	**—**	778

The other loans consisted of three (2024 – three) interest only mortgages which were secured on freehold properties. Interest on the loans was charged at 1.50% above base rate. These three loans were repaid in full in 2025.

Appendix: Comparative consolidated statement of financial activities Year to 31 December 2024

20. Statement of funds

	Restated brought forward at 1 January 2025	Income	Expenditure	Transfers in (out)	Losses	**Carried forward at 31 December 2025**
	£'000	£'000	£'000	£'000	£'000	**£'000**
Endowment funds						
Ministry Trust Fund	2,267	—	—	—	(69)	**2,198**
Clergy Training Fund	636	—	—	—	(20)	**616**
Tait Mission Fund	243	—	—	—	(7)	**236**
Benefice Properties Fund	56,196	—	—	1,922	(489)	**57,629**
Board of Education General Fund	2,652	—	—	10	—	**2,662**
Stipends Capital Fund (Glebe land)	4,983	—	—	—	—	**4,983**
	66,977	—	—	1,932	(585)	**68,324**
Restricted funds						
Clergy and Spouses Retirement Fund	840	—	(19)	(171)	(33)	**617**
Benefact Trust	25	82	(82)	(25)	—	**—**
Lower Income Communities Fund	—	894	(894)	—	—	**—**
Resourcing Ministerial Education	48	18	(19)	—	—	**47**
Strategic Investment Projects	202	1,378	(1,712)	—	—	**(132)**
School Buildings Fund (see note 2)	1,026	1,072	(876)	(10)	—	**1,212**
Education Funds	793	227	—	100	(12)	**1,108**
Other Funds (including Strategy)	253	130	(110)	2	—	**275**
Social Justice Network	118	179	(64)	—	—	**233**
Diocesan Pastoral Account Fund	1,052	354	(215)	—	—	**1,191**
	4,357	4,334	(3,991)	(104)	(45)	**4,551**
Designated funds						
Ministry Housing	26,639	—	—	(1,607)	—	**25,032**
Spirituality Fund	268	7	(8)	—	(7)	**260**
Witney Fund	1,217	35	(31)	—	(35)	**1,186**
Training Fund	23	—	—	—	—	**23**
	28,147	42	(39)	(1,607)	(42)	**26,501**
General funds						
General	5,928	9,604	(10,039)	(221)	(9)	**5,263**
Social Justice Network	(2)	13	—	—	—	**11**
Total unrestricted funds	34,073	9,659	(10,078)	(1,828)	(51)	**31,775**
Total Charity funds (including The Social Justice Network)	105,407	13,993	(14,069)	—	(681)	**104,650**
Non-charitable trading funds	237	159	(141)	—	—	**255**
Total Group funds	**105,644**	**14,152**	**(14,210)**	**—**	**(681)**	**104,905**

Appendix: Comparative consolidated statement of financial activities Year to 31 December 2024

20. Statement of funds (continued)

Summary: Group funds 2025	Restated brought forward at 1 January 2025 £'000	Income £'000	Expenditure £'000	Transfers in (out) £'000	Gains £'000	**Carried forward at 31 December 2025 £'000**
Designated funds	28,147	42	(39)	(1,607)	(42)	**26,501**
General funds (and non-charitable trading funds)	6,163	9,776	(10,180)	(221)	(9)	**5,529**
Unrestricted funds	34,310	9,818	(10,219)	(1,828)	(51)	**32,030**
Endowment funds	66,977	—	—	1,932	(585)	**68,324**
Restricted funds	4,357	4,334	(3,991)	(104)	(45)	**4,551**
Total funds	**105,644**	**14,152**	**(14,210)**	—	**(681)**	**104,905**

Designated Funds

i) Ministry Housing - This fund consists of Ministry Housing properties.

ii) Spirituality Fund - The fund represents the sale proceeds of St Gabriel's Retreat House for financing a part time Diocesan Spirituality Adviser and making grants to assist Parishes and individuals to take retreats.

iii) Witney Fund - This fund consists of a legacy from the Estate of the Late Dr Raymond Witney. The Board resolved that the capital of the fund should be retained intact and the income be used to assist in the promotion of the Christian faith in the diocese.

iv) Training Fund - The purpose of this fund is to provide grants to clergy to supplement their training needs as appropriate. This fund receives unused Continuing Ministerial Education contributions and the income arising from the Cobbe Holiday Trust Fund (with the approval of the Charity Commission).

General Funds

General funds consist of the accumulated surpluses, less deficits, on unrestricted funds, excluding designated fund movements.

Non-charitable trading funds

These funds consist of the unrestricted funds of the trading subsidiaries.

Endowment Funds

Permanent Endowment Funds

The endowment funds, whereby the capital may not be expended and the income may be applied as specified are as follows:

i) Ministry Trust Fund - Income to be applied for stipends. The fund comprises the Standen Bequest, the Spooner Bequest, the A T Wiggins Bequest, the Parsonage Repair Fund, and the Dame Stancombe-Wills Fund.

ii) Clergy Training Fund - Income to be applied for clergy training. The fund comprises the Candidates for the Ministry Fund, the Holt Fund and the Knight Trust Fund.

iii) Tait Mission Fund - Income to be applied for the expenses of the Tait Missioner.

20. Statement of funds (continued)

Endowment Funds *(continued)*
Permanent Endowment Funds (continued)

iv) Stipends Capital Fund – This fund has been created from the diocesan stipend fund capital account assets held on behalf of the diocese by the Church Commissioners under the Endowment and Glebe Measure 1976 to provide income for clergy stipends. It represents the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisations. Income of the fund is automatically applied to stipends but, at the request of the Bishop, and with the concurrence of the Board, the capital of the fund can be applied for the purchase maintenance and improvement of glebe property and benefice houses.

Expendable Endowment Funds

i) Benefice Properties Fund - The fund consists of resources restricted to provision of benefice houses which are vested for the time being in the incumbents of the benefices concerned. The CDBF is obliged to maintain them and to ensure that there are sufficient benefice houses for the pastoral structure of the diocese. Sale proceeds of benefice houses surplus to requirements may be transferred into the diocesan pastoral account fund or other funds following specific agreement of the Church Commissioners. In 2025 £1,508k was transferred from Freehold to the Benefice Properties Fund following schemes approved by the Church Commissioners.

ii) Board of Education General Fund - The proceeds of sale of redundant properties are held on a separate endowment fund under s554 of the Education Act. The capital of funds awaiting Orders from the Secretary of State are not available for use until such time as they are included in a charitable order or scheme which may require funds to be disposed of to other parties in part or in full. Other proceeds of sale of redundant properties are held until the completion of replacement schools. In these cases the proceeds of sale may be used to offset expenses relating to the new school projects.

Restricted Funds
Restricted funds comprise of:

i) Clergy and Spouses Retirement Fund - The following restricted funds specify that both capital and income must be applied for retired clergy and spouses:

- C S Thomas
- Mrs A W Mannell Bequest
- R & M Pratt
- Dorothy Mowll Will Trust

ii) Benefact Trust - These funds, which are intended to be recurring but are expected to decline over time, must be used for projects of regional or national significance and may be spread over up to three years.

iii) Lower Income Communities Fund – The fund consists of income from Archbishops' Council to make provision for the cure of souls in parishes where such assistance is most required.

iv) Resourcing Ministerial Education – The fund consists of income from Archbishops' Council to support ordinand training.

v) Strategic Investments Projects – This fund received grant income from Archbishops' Council to provide grants to enable local churches to share God's mission.

Appendix: Comparative consolidated statement of financial activities Year to 31 December 2024

20. Statement of funds (continued)

Restricted Funds *(continued)*

vi) School Buildings Fund – This fund consists of funding received from the DfE under the School Condition Allocation (see note 2).

vii) Education Funds – Fund is comprised of: Receipts from the Department for Education for capital improvements and maintenance in Voluntary Aided schools (School Capital Allocation and Devolved Formula Capital); rental income from school sites which is restricted for the purposes of the original Educational Trust; gains from funds (the proceeds of sale of redundant properties) awaiting Orders from the Secretary of State.

viii) Other Funds (including strategy) – These funds consist of various funds for projects including the Diocesan Strategy.

ix) Social Justice Network – The purpose of this fund is to support the work of Social Justice Network (SJN), a diocesan charity and the social justice arm of the Diocese of Canterbury. SJN exists to help churches live out their Christian faith through acts of service and supports churches, congregations, and local groups to respond prayerfully and practically to injustice, poverty, and inequality in their local contexts.

x) Diocesan Pastoral Account Fund - The purposes for which this fund may be used are laid down in Section 94 of the Pastoral Measure 2011 and comprise:

- grants and loans for parsonage and church provision, restoration, improvement or repair;
- costs of disposing of or maintaining houses and churches vested in the Board or Commissioners by the Measure;
- transfers to Stipends Capital Fund of capital or income;
- other purposes of the Diocese or any benefice or parish.

The fund receives the sale proceeds of churches and parsonages, which have become redundant under pastoral reorganisation when it is specified that they should be paid into this fund. The fund includes monies set aside by the Pastoral Committee for mission and development in parishes.

The analysis of the movements in funds for 2024 is included in the appendix.

Transfers

Transfers were made between the Benefice Properties Endowment Fund and the designated Ministry Housing fund to reflect changes in the classification of properties in accordance with the diocesan policy. A transfer was also made from the restricted Clergy and Spouses Retirement Fund to general funds following the repayment of a mortgage relating to a clergy spouse property. In addition, a small number of other transfers were made between funds during the year to reflect the appropriate designation and classification of balances. These transfers were not material to the financial statements.

20. Analysis of net assets between funds

An analysis of the group net assets between funds at 31 December 2025 is given below:

Appendix: Comparative consolidated statement of financial activities Year to 31 December 2024

Group 2025	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	**Total funds 2025 £'000**
Tangible fixed assets	3,058	24,278	—	57,628	**84,964**
Fixed asset investments	385	1,678	704	7,626	**10,393**
Current assets	3,169	1,271	3,162	3,070	**10,672**
Creditors due within one year	(1,083)	(726)	685	—	**(1,124)**
Total funds	5,529	26,501	4,551	68,324	**104,905**

General funds include non-charitable trading funds of £255k (2024 – £237k). The 2024 analysis of net assets by fund is included in the appendix.

21. Pension commitments

Clergy

CDBF 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 Statement of financial activities in the year are contributions payable towards benefits and expenses accrued in that year, which were £631k in 2025 (2024: £652k), plus any figures arising from contributions in respect of the Scheme's deficit, if any. The 2021 valuation showed the Scheme to be fully funded and as such in 2024 and 2025, there were no deficit contributions payable.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% pa;
- RPI inflation of 3.6% pa (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pa pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increases in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates from 2013 in line with the CMI2020 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 data of 0% (i.e. w2020 = 0%).

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

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

Staff

CDBF 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.

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: £337k, 2024: £123k).

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

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

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

The Church of England Pensions Board has agreed that some employers could use assets in the DBS of

the CWPF in lieu of contributions to Pension Builder Classic and/or Pension Builder 2014.

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

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

22. Operating lease commitments

At 31 December 2025 the total of the group's and charity's future minimum lease payments under non-cancellable operating leases was:

Group and Charity	Land and buildings £'000	Equipment £'000	2025 £'000	Land and buildings £'000	Equipment £'000	2024 £'000
Amounts payable:						
Within 1 year	**27**	**15**	**42**	45	15	60
Between 2 and 5 years	**11**	**10**	**21**	38	25	63
Total	**38**	**25**	**63**	83	40	123

24. Principal subsidiaries, joint ventures and connected charities

a. Principal subsidiaries

Details of the principal subsidiaries are provided below:

Company name	Registration number	Country	Percentage Shareholding	Principal Activity
Canterbury Diocesan Enterprises Limited	6673588	England & Wales	100%	Property management

Canterbury Diocesan Enterprises Limited discontinued its operations on 30 June 2026.

Ethos School Improvement Limited	7945168	England & Wales	100%	Provision of services to schools
The Social Justice Network (a company limited by guarantee)	8763875	England & Wales	100%	Building partnerships to work with marginalised communities

Financial information for each of the subsidiaries is as follows:

Canterbury Diocesan Enterprises Limited	2025 £'000	2024 £'000
Income	**87**	210
Expenditure	**(77)**	(121)
Profit	**10**	89
Assets	**51**	145
Liabilities	**(11)**	(15)
Funds	**40**	130

Appendix: Comparative consolidated statement of financial activities Year to 31 December 2024

24. Principal subsidiaries, joint ventures and connected charities (continued)

a. Principal subsidiaries *(continued)*

Ethos School Improvement Limited	**2025 £'000**	2024 £'000
Income	**79**	83
Expenditure	**(64)**	(47)
Profit	**15**	36
Assets	**130**	166
Liabilities	**(78)**	(93)
Funds	**52**	73

The Social Justice Network	**2025 £'000**	2024 £'000
Income	**415**	224
Expenditure	**(276)**	(219)
Profit	**139**	5
Assets	**301**	154
Liabilities	**(28)**	(20)
Funds	**273**	134

b. Connected entities

Company name	**Registration number**	**Country**	**Principal Activity**
The Diocese of Canterbury Academies Company Limited	7793458	England & Wales	Educational activities

25. Custodian Trustee

In accordance with Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964, the parishes are not allowed to hold endowments which are held centrally by diocesan boards of finance. For this reason, the charity acts as Custodian Trustee in respect of 234 funds which are held on behalf of parishes in the Diocese of Canterbury. These assets are held separately (and accounted for individually by investment companies) from those of the charity and are not included in the balance sheets on page 22. This disclosure relates only to parish funds and excludes any companies or other entities for which the charity may act as Custodian Trustee. The summary of these funds as at 31 December is as follows:

Trust funds	**2025 £'000**	2024 £'000
Represented by:		
Fixed assets		
. Listed investments (at cost)	**1,719**	1,706
Current assets		
. Central Board of Finance Deposit Fund	**1,233**	1,862
Total	**2,952**	3,568
Market value of investments at 31 December		
Listed investments	**7,317**	7,450

26. Related party transactions

Other than the relationships and transactions disclosed in notes 13 and 14, there is one other related party transaction. CDBF has common trustees with Appleton Trust. As of 31 December 2025, Appleton Trust owed £3,089 to CDBF that is included in these accounts and had made a commitment to CDBF towards strategy of £161k that is not recorded in the accounts.

27. Restatement of prior year fund balances

During the year ended 31 December 2025, the Diocese undertook a detailed review of balances held within the Board of Education General Fund and other education-related funds. This review identified that certain balances, comprising proceeds from the sale of redundant school properties and funding received from the Department for Education on behalf of schools, had been incorrectly presented in previous years. These balances had been included within creditors, with some amounts presented as credit balances within debtors, rather than within the appropriate endowment and restricted funds.

The Board of Education General Fund comprises proceeds of sale held under section 554 of the Education Act which are not available for use until such Orders are received from the Secretary of State. As these balances form part of the funds of the Diocese, rather than being amounts payable to third parties, the prior year presentation was not consistent with the nature of the underlying balances and has therefore been corrected.

As part of this review, it was also identified that two deposit accounts, which had existed for several years, had not previously been recognised within cash and cash equivalents. Accordingly, the opening cash balance at 1 January 2024 has been adjusted to reflect these accounts.

The School Buildings Fund and Education Funds comprise funding received from the Department of Education for capital projects, maintenance and improvements, together with other monies held for specific educational purposes. Some of these balances had also been reported within creditors in prior periods. As these funds had not been committed to individual schools at the balance sheet date and represent funds held by the Diocese for restricted educational purposes rather than amounts due to third parties, the comparative figures have been restated to classify these balances within restricted funds.

The balances have all been held by the Diocese for a number of years, and so the comparative balances at 1 January 2024 have been restated to reflect the appropriate classification of the amounts held. The effect of the restatement was as follows:

Balance Sheet	2024 Opening balance £'000	Adjustments £'000	2024 Opening balance Restated £'000
Creditors: amounts falling due within one year	(2,919)	1,648	(1,271)
Debtors	1,288	171	1,459
Cash	7,019	677	7,696
Funds:			
Endowments: Board of Education General Fund	1,437	1,215	2,652
Restricted: School Buildings Fund	83	710	793
Restricted: Education Funds	212	571	783
	1,975	**2,496**	**4,471**

The restatement related solely to the classification and presentation of balances within the balance sheet and fund disclosures. There was no impact on net income or expenditure or net movement in funds.

Appendix: Comparative consolidated statement of financial activities Year to 31 December 2024

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2024 £'000
Income and endowments from:					
Donations and grants	1	7,156	1,832	—	8,988
Charitable activities	2	1,230	651	—	1,881
Other trading activities	3	240	—	—	240
Investments and interest	4	436	—	—	436
Other sources	5	—	773	219	992
Total income and endowments		9,062	3,256	219	12,537
Expenditure on:					
Raising funds	6	143	—	—	143
Charitable activities	8	9,577	2,168	—	11,745
Total expenditure	10	9,720	2,168	—	11,888
Net (expenditure) income before investment gains		(658)	1,088	219	649
Net gains on investments	16	43	19	71	133
Net (expenditure) income before transfers		(615)	1,107	290	782
Transfers between funds	20	250	(250)	—	—
Net (expenditure) income for the year	11	(365)	857	290	782
Other recognised gains and losses:					
Gains on revaluations of tangible fixed assets	15	—	—	2,046	2,046
Net movement in funds		(365)	857	2,336	2,828
Reconciliation of funds					
Total funds brought forward as previously stated		34,675	2,219	63,426	100,320
Total funds brought forward as restated		34,675	3,500	64,641	102,816
Total funds carried forward		34,310	4,357	66,977	105,644

Appendix: Comparative notes to the financial statements Year to 31 December 2024

1. Income from: Other donations and grants

	Unrestricted funds £'000	Restricted funds £'000	**2024 £'000**
Parish Share	7,151	—	**7,151**
Archbishops' Council	—	1,578	**1,578**
Benefact Trust	—	97	**97**
Other donations and grants	5	157	**162**
Total funds	7,156	1,832	**8,988**

2. Income from: Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	**2024 £'000**
Parochial fees for occasional offices	293	—	**293**
Rental income	937	28	**965**
Department for Education capital grants	—	623	**623**
Total funds	1,230	651	**1,881**

4. Income from: Investments and interest

	Unrestricted funds 2024 £'000
Investment income	288
Bank and other interest receivable	148
Total funds	436

8. Expenditure on: Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	**Total funds 2024 £'000**
Contributions to Archbishops' Council:			
Training for ministry	238	—	**238**
National church responsibilities	142	—	**142**
Grants and provisions	24	—	**24**
Mission agency pension costs	—	—	—
Retired clergy housing costs	99	—	**99**
Pooling of ordinands' maintenance grants	16	—	**16**
	519	—	**519**
Resourcing Ministry and Mission:			
Parish Ministry			
Stipends	2,925	—	**2,925**
National Insurance	237	—	**237**
Pension contributions	652	—	**652**
Housing costs	1,649	—	**1,649**
Apprenticeship levy	14	—	**14**
Removal and resettlement costs	177	—	**177**
Other expenses	119	130	**249**
Lay and ordinand training	205	15	**220**
Mission development grants	28	864	**892**
Other grants	—	—	—
Social Justice	—	86	**86**
	6,006	1,095	**7,101**
Senior Clergy			
Stipends, NI and Pensions	53	—	**53**
Housing cost allocation	38	—	**38**
	91	—	**91**
Strategic Investment Projects	24	682	**508**
Support costs (note 9)	2,584	—	**706**
Total expenditure on resourcing Ministry and Mission	8,705	1,777	**10,482**
Expenditure on education:			
Support for church schools and young people	353	1	**354**
School building grants (see note 2)	—	390	**390**
Total funds	9,577	2,168	**11,745**

10. Analysis of total expenditure

	Activities directly undertaken £'000	Grant funding of activities £'000	Support costs £'000	**2024 Total Funds £'000**
Raising funds	143	—	—	**143**
Charitable activities				
. Contributions to Archbishops' Council	—	519	—	**519**
. Resourcing Ministry and Mission	7,006	892	2,584	**10,482**
. Education	354	390	—	**744**
	7,503	1,801	2,584	**11,888**

20. Statement of funds

	Brought forward at 1 January 2024 Restated £'000	Income £'000	Expenditure £'000	Transfers in (out) £'000	(Losses) gains £'000	**Carried forward at 31 December 2024 Restated £'000**
Endowment funds						
Ministry Trust Fund	2,221	—	—	—	46	**2,267**
Clergy Training Fund	623	—	—	—	13	**636**
Tait Mission Fund	238	—	—	—	5	**243**
Benefice Properties Fund	54,150	—	—	—	2,046	**56,196**
Board of Education General Fund	2,652	—	—	—	—	**2,652**
Stipends Capital Fund (Glebe land)	4,757	219	—	—	7	**4,983**
	64,641	219	—	—	2,117	**66,977**
Restricted funds						
Clergy and Spouses Retirement Fund	821	—	—	—	19	**840**
Benefact Trust	304	97	(97)	(279)	—	**25**
Lower Income Communities Fund	—	864	(864)	—	—	**—**
Resourcing Ministerial Education	106	(42)	(16)	—	—	**48**
Strategic Investment Projects	(66)	786	(585)	67	—	**202**
School Buildings Fund (see note 2)	793	623	(390)	—	—	**1,026**
Education Funds	783	11	(2)	1	—	**793**
Other Funds	343	54	(105)	(39)	—	**253**
Social Justice Network	114	90	(86)	—	—	**118**
Diocesan Pastoral Account Fund	302	773	(23)	—	—	**1,052**
	3,500	3,256	(2,168)	(250)	19	**4,357**
Designated funds						
Ministry Housing	27,906	—	—	(1,267)	—	**26,639**
Spirituality Fund	257	7	—	—	4	**268**
Witney Fund	1,179	35	(20)	—	23	**1,217**
Training Fund	23	—	—	—	—	**23**
	29,365	42	(20)	(1,267)	27	**28,147**
General funds						
General	5,183	8,604	(9,392)	1,517	16	**5,928**
Social Justice Network	15	123	(140)	—	—	**(2)**
Total unrestricted funds	34,563	8,769	(9,552)	250	43	**34,073**
Total Charity funds (including The Social Justice Network)	102,704	12,244	(11,720)	—	2,179	**105,407**
Non-charitable trading funds	112	293	(168)	—	—	**237**
Total Group funds	102,816	12,537	(11,888)	—	2,179	**105,644**

20. Statement of funds (continued)

Summary: Group funds 2024	Brought forward at 1 January 2024 Restated £'000	Income £'000	Expenditure £'000	Transfers in (out) £'000	Gains (losses) £'000	**Carried forward at 31 December 2024 Restated £'000**
Designated funds	29,365	42	(20)	(1,267)	27	**28,147**
General funds (and non-charitable trading funds)	5,310	9,020	(9,700)	1,517	16	**6,163**
Unrestricted funds	34,675	9,062	(9,720)	250	43	**34,310**
Endowment funds	64,641	219	—	—	2,117	**66,977**
Restricted funds	3,500	3,256	(2,168)	(250)	19	**4,357**
Total funds	102,816	12,537	(11,888)	—	2,179	**105,644**

21. Analysis of net assets between funds

An analysis of the group net assets between funds at 31 December 2024 is given below:

Group 2024 (Restated)	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	**Total funds 2024 £'000**
Tangible fixed assets	2,716	26,540	—	56,608	**85,864**
Fixed asset investments	394	1,720	920	7,722	**10,756**
Current assets	3,569	1,255	3,234	2,647	**10,705**
Creditors due within one year		(1,106)	203	—	**(903)**
Creditors due in more than one year	(516)	(262)	—	—	**(778)**
Total funds	6,163	28,147	4,357	66,977	**105,644**

General funds include non-charitable trading funds of £237k.