CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

FINANCIAL STATEMENTS

for the

YEAR ENDED 31 DECEMBER 2025

Company Registration No 39625

Registered Charity No 251977



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CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

DIRECTORS' & TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31st DECEMBER 2025

The Directors, who are also Trustees for the purposes of charity law, present their combined Directors' report, Trustees' report and Strategic report, together with the audited financial statements, for the year ended 31st December 2025. The report is separated into the following sections:

1. Legal objects
2. Strategic aims
3. Activities
4. Objectives set for the year
5. Strategic report containing:
    - 5.1. Activities in the year
    - 5.2. Achievements and performance
    - 5.3. Financial review
    - 5.4. Plans for future periods
    - 5.5. Principal risks and uncertainties
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7. Funds held as custodian trustee for others
8. Reference and administrative details of the Carlisle Diocesan Board of Finance (Carlisle DBF)
9. Auditors

1. LEGAL OBJECTS

1.1. Objective

The principal objective of the Carlisle Diocesan Board of Finance (Carlisle DBF) is to promote and assist the work, objectives and purposes of the Church of England for the advancement of the Christian religion in the Diocese of Carlisle and elsewhere by acting as the financial executive of the Diocese.

Carlisle DBF acts in conjunction with the Church Commissioners, Archbishops' Council, Bishop's Council, Diocesan and Deanery Synods and Parochial Church Councils to support the work of the Church of England, particularly in the Diocese of Carlisle. The major part of Carlisle DBF's activity is to organise and provide funds for the training, housing and stipends of clergy and other ministers within the Diocese of Carlisle and to support the related activities of the other Boards, Councils and Committees of the Diocesan Synod.

1.2. Statutory Functions

- Carlisle DBF has responsibility for the management of glebe property and investments to generate income to support the cost of stipends.
- It is the Diocesan Authority for parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board.
- Carlisle DBF is custodian trustee in relation to PCC property (see section 7).

- The Trustees are aware of the Charity Commission's guidance on public benefit in "The Advancement of Religion for the Public Benefit" and have had regard to it in their administration of Carlisle DBF. The Trustees believe that, by promoting the work of the Church of England in the Diocese of Carlisle, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the Diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:
  - providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and
  - promoting Christian values, and services by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

2. STRATEGIC AIMS

Carlisle DBF's strategy for achieving its objectives is to maintain the sound financial structure needed to enable it to continue supporting the clergy through the payment of stipends, managing parsonages and other ministerial housing and also by providing other facilities and resources in support of the ministry of both clergy and lay people in parishes across the Diocese. Since 2015 (refreshed in 2019) Carlisle DBF has sought to allocate its resources in the most effective way to support the strategy "God for All" which is shared by Carlisle Diocese and the Cumbrian Methodist, United Reformed and Salvation Army churches. This is an umbrella term that encapsulates the Church's offer to everyone in Cumbria of loving service and an opportunity to explore, join and grow in the Christian faith.

In terms of resourcing, the strategy requires the DBF to invest in lay and ordained ministry development, including pioneer ministers; support the mission and organisational structure of some 34 Mission Communities across the Diocese; enable the creation of "Fresh Expressions of Church" such as Network Youth Churches; support Church Schools to be effective and distinctively Christian, and oversee subsidiaries in support of the Mission of the Church, including a Retreat House and Conference Centre at Rydal Hall and local community Resource and Recycling retail centres through "Restore (Cumbria)", as far as may be financially viable.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit in reviewing the charitable company's aims and objectives and in planning future activities. In particular, the Trustees consider the planned activities will contribute to the aims and objectives they have set. The Trustees confirm that public benefit has been provided by the advancement of its objectives.

3. ACTIVITIES

The key activities may be summarised as:

- Mission and ministry in the local church (includes all clergy and lay training, housing, stipends and pension costs and support for locally-based ministry);
- Education funding (includes support services and capital expenditure support for Church of England schools);
- Provision of a Diocesan Retreat House and Conference Centre;
- Contributions to the Archbishops' Council (mainly by grant) to support the National Church.

4. OBJECTIVES FOR THE YEAR

As part of Carlisle DBF's overall strategy, and subject to Annual Review, the Trustees have set the following specific objectives for the current and following years:

- To resource Diocesan needs, as determined by Diocesan Synod and informed by local and National Church institutions.
- To maximise the return from Diocesan asset holdings to support the costs of Diocesan Mission and Ministry, particularly in those areas that cannot fund it themselves, while retaining the overall policy of a balanced budget across the period from 2017 to 2028 inclusive.
- To constrain increases in income needed from parishes in order to allow funds to be spent on mission activity locally.
- To invest in local ministry including greater emphasis on learning and development for lay ministry, everyday-faith and self-supporting ordained ministers in addition to the stipendiary clergy.

5. STRATEGIC REPORT

5.1. Activities in the year

5.1.1. Specific Activities

Specific activities during 2025 in support of this strategy included:

- Full reimbursement to the Church Commissioners for the direct payroll costs of stipendiary clergy, together with the DBF's share of the training costs for ordinands and curates. The DBF also funded the provision of housing for all stipendiary and house for duty clergy.
- Funding the continued growth in outreach and evangelism throughout the Diocese as a key element of God for All (see above), including further support for the creation and growth of imaginative approaches to being church, innovative digital outreach and other initiatives.
- Learning and ministry development work to support clergy and laity, by a combination of Diocesan staff, our own Northern Mission Centre, and by the "Emmanuel Theological College" for ordination and reader training, serving Dioceses in North West England.
- A focus upon embedding Stewardship principles to increase awareness within our Ecumenical Mission Communities of the mutual inter-dependence of them and their individual Parishes with the Diocese's ability to provide necessary and appropriate Anglican Ministerial Resource and Support Services, the larger part of which continued to be funded through an efficiently structured system of "Ministry Offer". Although this resulted in overall increases in Ministry Offer for three years 2023, 2024 and 2025, there was a fall in the Offers made for 2026, and even in those three years increases did not keep pace with inflation.
- Continued monitoring by the Investment Sub-Committee, reporting to the Finance Committee, of the mix and performance of the Diocese's investment portfolio and its professional advisors, to ensure an appropriately prudent balance of risk and reward generation associated with each class of asset, together with the introduction of a policy to spread our portfolio with more than one Investment Manager.
- Managing the implementation of a substantial £6.8m multi-year grant from the Church Commissioners/Archbishops' Council's through the 'Diocesan Investment Programme' to support church planting and pioneering initiatives in the Diocese under the banner of "The Cumbrian Way".
- Implementing a programme of energy efficiency and renewable energy measures in parsonages, resulting in lower utility bills for clergy families and reduced carbon emissions.

5.1.2. Grant-making (Beneficiary-selection) Policy

Most of the financial support from the DBF goes to fund the costs of clerical and lay ministry in local churches, along with support services to those churches. The level of support reflects the Diocesan responsibility, as the institutional church in Cumbria, to provide for the 'cure of souls' right across the Diocese.

Specific grants are made to the National Church to cover a proportion of its central costs (see Note 11 to the financial statements). Grants are paid to parishes and to retired clergy, and to other charitable projects which appear to the Trustees to support the furtherance of Carlisle DBF's objects (see Note 14 to the financial statements).

Parishes within the Diocese are also able to apply to the DBF for grants towards the costs of mission activities and for improvements to Church buildings through the Diocesan Growth Fund and Parish Property Fund.

5.1.3. Programme Related Investments

Loans can be made available to parishes in the Diocese at a preferential rate of interest, to enable them to undertake projects which further the objects of Carlisle DBF including improving and maintaining their buildings (see note 24 to the financial statements).

5.1.4. Volunteers

The Trustees recognise and are grateful for the enormous contribution that volunteers throughout the Diocese give of their time for the work of the Diocese in many different ways. Retired clergy also give freely of their time. Churchwardens, Parochial Church Council Treasurers, Secretaries and Safeguarding Officers continue to enable the local church to provide mission and ministry to local communities across Cumbria. The success of the ongoing God for All project continues to be conditional upon a substantial growth in self-supporting (volunteer) lay and ordained ministry in the future, with stipendiary clergy roles being increasingly to discern, equip and support those ministers.

5.2. Achievements against objectivities

5.2.1. Achievements in 2025

The budget for 2025, approved by Diocesan Synod in October 2024, assumed that income from Ministry Offers would see a reversal in real terms following many years of decline, so that after planned cost adjustments and increases in income from investments and grants, a break-even outturn could be expected, after the proposed designation of £255,000 towards future 'carbon net zero' related housing costs.

In the event, the increase in Parish Offer (in cash terms) of some 1.2% compared to 2024 and shortfalls in some aspects of budgeted investment income – a result of delayed land & property sales - was largely offset by:

- Delays in appointing clergy in spite of strenuous efforts to fill vacancies promptly
- Underspends on some training and project activities
- Higher than budgeted income from renting vacant parsonages and investments in the Rydal and Scandale hydro-electric schemes
- Further gains from a surplus on a now-closed lay pension scheme

This resulted in a surplus of income over expenditure in the charity general fund of some £93,000 before adjusting for unrealised losses in the value of quoted Investments and transfers to and from other funds. The Board of Finance designated £110,000 into the Sustainability Fund to help finance future mission and ministry, as well as the planned £255,000 added to the 'net zero' fund for housing. A legacy of £210,000 has been designated for Ministry support in the Maryport area, in accordance with the donor's wishes.

Given the prevailing financial and economic context this is considered to be a very satisfactory financial achievement, and the hard work, patience, generosity, imagination and commitment of so many people, particularly in our local churches, is greatly appreciated by the Trustees.

Rydal Hall's operational outcome worsened considerably, with a reported loss of £164,000 and significant requirements for future repairs and maintenance. Serious steps are being taken to address the situation, professional management have been engaged, and future strategic options reviewed.

The Trustees continue to rigorously pursue a programme of rationalisation of its property portfolio, selling surplus parsonages and other under-yielding assets, to maximise returns from re-invested capital in support of the costs of the Diocese's Mission and Ministry.

The Trustees fully recognise the challenges faced by parishes to maintain their Ministry Offer, and are very aware of, and thankful for, the sacrificial giving throughout the Diocese that makes that possible.

5.2.2. Operational Performance

The operational performance of Carlisle DBF in 2025 helped to achieve most of the strategic aims set out above. Total group expenditure on resourcing ministry and mission amounted to £9,313,000, up from £8,680,000 in 2024. Together with expenditure on education and the Diocesan retreat house at Rydal, the expenditure on charitable activities accounted for 98% of total expenditure.

Expenditure on local clergy (primarily stipends, pension and housing), chaplains and Network Youth Church leaders accounted for 62% of the total group expenditure from general funds. Stipendiary clergy remain the bedrock of local churches' mission and ministry, supporting congregations in over 300 churches and 250 parishes. Their role extends beyond leading worship to enabling, encouraging and overseeing church members to join in the wider mission & ministry of the church as it serves communities right across Cumbria.

Work continued in 2025 to establish new patterns of ministry in Ecumenical Mission Communities. Across the budget period 2023 to 2028, better alignment of clergy numbers and costs, with the contributions from local churches towards those costs, is helping to ensure a balanced budget. Progress has however been slower than expected, and with the 2025 end year position remaining close to planned long term clergy numbers, there would appear to be limited scope for further internal cost saving to offset any further falls in income.

The ongoing programme of quinquennial parsonage works continues to be well managed and previous arrears have been eliminated, with adaptations to, or replacement of existing, parsonages to improve energy and environmental efficiency being progressed as appropriate.

2025 saw the continued implementation of the five year 'Reaching Deeper' project drawing down Strategic Development Funding from the Church Commissioners for investment in new pioneering mission work. The project made further progress during the year, especially through the continued development of outreach at the Restore shop in Penrith, new activities such as Fun Church in Maryport and providing chaplaincy and pastoral support for individuals in a range of settings in Barrow.

Other specific areas of work that have been funded or otherwise supported by the Diocesan Board of Finance in 2025 include:

- Chaplaincies, including those in schools, hospitals, hospices, workplaces, Restore shops, sports clubs, old people's homes, uniformed organisations, emergency services and the Anna Chaplaincy for older people
- the final months of the Northern Mission Centre, providing training, support and inspiration to pioneer ministers across the North of England, prior to this work being absorbed into the Diocesan Mission and Ministry team
- Restore Wellbeing cafes provided by local churches which open spaces of welcome and inclusion in partnership with mental health teams to improve mental and emotional wellbeing
- Healthy Healing Hubs through which churches become places of healing for their whole community
- A Christmas media campaign on radio and social media
- Network Youth Churches for well over a thousand teenagers across Cumbria
- Promotion of the EcoChurch award for churches which commit to actions to safeguard the environment and tackle the climate crisis and work towards achieving silver EcoDiocese status

Spending on Training & Ministry Development activities was £456,000. This included under-writing funding for Emmanuel Training College in support of ordination and reader training, contributing £286,000 towards the national costs of ordination training, implementing the Diocesan vocations strategy, training stipendiary and non-stipendiary curates, lay ministry development and leadership development in Mission Communities. In 2025 further work was undertaken through the Northern Mission Centre in partnership with the Church Mission Society, providing advice and mentoring support for church members starting up new outreach and social action initiatives and continuing to deliver associated training and network support.

£4,000 in donations and collections from parishes and £64,000 investment income were added to the Diocesan Growth Fund. Out of this, we recorded another record year of grants being paid to parishes and deaneries totalling £57,000 for a range of projects including youth and children's work, internships and local wellbeing. The balance on the Growth Fund, which is available to support the establishment of network youth church congregations and help parishes and deaneries initiate new work designed to achieve church growth, stood at £2,080,000 (note 28) at 31st December 2025. In addition to these grants, a further 3 micro grants, each of £250 were paid to parishes wanting to experiment with new approaches to mission and outreach.

Grants totalling £5,000 were also made to support carbon net zero projects in the local church, along with another £10,000 in support of other church property improvements. The Diocese continues to partner with the Dioceses of Blackburn and Manchester in a joint half million pound project (funded by the Archbishop's Council) helping to meet the costs of undertaking energy audits and producing decarbonisation plans for Church Schools and the 20% highest emitting churches.

The Board for Education spent £428,000 to support education in Cumbria with its support for Church schools. The Good Shepherd Multi Academy Trust, which aims to support the provision of excellent education within a caring and Christian ethos in academies in Cumbria remains of strategic importance as the uncertainty of the Government's policy over the academisation of schools continues. It

currently includes 12 schools. Feasibility work in respect of establishing a second Multi Academy Trust has continued during the year with an emphasis on mitigating the risks associated with reductions in DfE funding for the conversion costs of schools wishing to join MATs.

The business plan of "Restore (Cumbria)", our wholly owned but independently governed subsidiary charity, designed to achieve a more secure and sustainable long-term future, provides community support, recycling and re-use services, and Christian ministry in partnership with local churches in Carlisle and Penrith. The company reported a deficit of £45,000 for the year, and this major outreach initiative continues to benefit from the hard work of many volunteers. In the course of 2025 the Restore board took further steps to increase effectiveness and impact while operating in a financially sustainable way. These steps included opening a new shop in central Carlisle, refurbishing the Morton (Carlisle) shop, closing the warehouse as a stand-alone facility and bringing the benefits of Restore to rural communities through the Restore on the Road electric van.

Income from the Archbishops' Council's Lowest Income Communities Funding increased by £9,000 to £606,000. This is used to provide ministry in places that could not otherwise afford to fund it. An additional £124,000 was received in 2025 from the Archbishops' Council, being claims for fifth year of 'Strategic Development Fund' grants in relation to the 'Reaching Deeper' project, and a further £879,000 of funding, to cover ordination training, capacity building for ministry work, additional curate and clergy support, net-zero work, supporting parishes with property costs, and funding for our Stewardship work.

The Diocese was awarded £6.8m from the National Diocesan Investment Programme for "The Cumbrian Way", a programme of work to plant new churches and revitalise existing ones in Barrow, Carlisle and the rural area between Keswick and Cockermouth, along with promoting pioneering mission across the wider diocese, leadership development, promoting vocations, encouraging greater outreach to children, families and young people, and piloting approaches to rural mission. Some restructuring of roles will be required as part of the implementation of the programme and systems are being established to monitor and account for the use of this substantial investment.

The statutory fees for occasional offices conducted by the Church amounted to £313,000. Rents received from letting parsonages during vacancies were £343,000 arising from the Diocese's active approach to renting out properties wherever possible, whilst also pursuing a policy of disposal where future need to retain them is not justified and re-investment returns are potentially better. Overall total charity income increased by 9.5%.

Rydal Hall Ltd is the wholly-owned subsidiary company of Carlisle DBF operating the Diocesan Conference Centre and Retreat House in South Lakeland. It incurred a £164,000 operating deficit for the year, and although there were elements of encouragement with growing income in most areas, and opportunities to develop missional outreach and ministry and to improve financial operating stability, concerns about the overall financial position led the DBF Trustees to commence a review of Rydal, within the context of the Diocese's Missionary Strategy. At the same time steps were taken to strengthen the Rydal Board and to engage consultants to undertake a "deep dive" into financial and operational performance.

The findings of the review included financial forecasts, supported by hospitality consultants, that showed an operating surplus over 2026 to 2029 was achievable. However, significant additional sums would need to be spent by the DBF on repairs and maintenance of the estate and buildings. It also highlighted the need for Bishop's Council and Diocesan Synod to articulate and take ownership of Rydal's place within the Diocesan mission strategy and priorities.

Diocesan Synod voted in June 2026 to defer taking a decision at this stage, but rather to allow a period of 6 months, during which it would become clearer whether the 2026 financial forecasts had been achieved, and whether progress was being made to own, formalise and resource the ministry at Rydal Hall. This would be supported by a 6-month period of prayer, seeking God's guidance on how best to proceed. If these conditions are met, then Bishop's Council and Diocesan Synod will consider further the future of Rydal Hall in Spring 2027. However, a failure to meet these conditions would lead to the need for a managed closure and sale of the Hall and estate, at an as-yet undecided point in time.

The DBF again supported the Churches Trust for Cumbria through a grant of £26,170, to enable their work to provide external support for the care, conservation and development of church buildings across Cumbria. It continued to be a part of Churches Together in Cumbria with £18,690 being paid in support of their work.

5.2.3 Safeguarding

Throughout the year the DBF funded the work of the Diocesan Safeguarding Team (DST) to develop and promote good practice in respect of the safeguarding of children and vulnerable adults involved in local churches and church-sponsored activities. The DST's activity in 2025 was significantly influenced by the continued implementation of recommendations from the national Independent Inquiry into Child Sexual Abuse (IICSA).

Following the implementation of IICSA Recommendation 1, 2025 was the first full year in which The Diocesan Safeguarding Officer had full operational independence and was professionally supervised and quality assured by the National Safeguarding Team. The national Quality Assurance Framework (QAF) is structured around five themes. The first QAF report on the Diocese focused on the theme of "Culture Leadership and Capacity" and identified some excellent practice in the Diocese as well as highlighting areas where we can further improve. These areas will be incorporated into the Diocesan Safeguarding Development Plan.

IICSA Recommendation 8 was for dioceses to be subject to external, independent audit.
In January 2025 the Diocese was therefore audited by the INEQE Safeguarding consultancy as part of a national programme of audits of dioceses and cathedrals. The audit included aspects of safeguarding that fall within the DBF's responsibilities including overall resourcing, recruitment and employment of local lay ministers and performance management of the safeguarding team. The audit report was received in March 2025 and noted that:-
"The culture is healthy, safeguarding is prioritised, support is valued and individuals across the Diocese feel able to report, question and challenge... This progress is also due to the sterling work of the highly credible and experienced Diocesan Safeguarding Advisor/Officer... The development of policy, investment in training, use of technology, and victim / survivor - centred approaches evidence a genuine desire to create a safer and more supportive environment."

The audit made 20 recommendations, all of which were accepted. Significant progress has been made in implementing the recommendations and at the time of writing (May 2026) 14 had been completed, with all the remainder in progress.

The DST was significantly strengthened in the course of 2025, with new roles filled on the back of a substantially increased budget. This increase in capacity was immediately seen in respect of the accelerated embedding of Parish Safeguarding Dashboards and Hubs across every part of the Diocese and increased levels of engagement with local PCCs and Parish Safeguarding Officers (PSOs). By early 2026 over 93% of dashboards were live with more than half operating at the highest level. The additional capacity also meant that an audit of PSOs could be completed to help identify and gaps and

areas for development. The team also continued to undertake a substantial volume of case work and safeguarding risk assessments.

During the course of 2025 the migration of existing cases onto the national MyConcern case management system was completed and 70 new cases were recorded and progressed. The DBF also continued to fund extensive safeguarding training through the DST and freelance trainers. Core courses under the Basic, Foundation, Leadership, Safer Recruitment and People Management headings were undertaken online or in person.

Reporting on safeguarding to the DBF Trustees was expanded following the INEQE audit, with further reporting and co-ordination arrangements put into effect since the end of the year. The DSO has made a number of Safeguarding Serious Incident Reports to the Charity Commission on behalf of the DBF and these are also reported to the DBF Trustees.
The DSOs annual report noted that in 2025 significant progress has continued to be made and that this has been independently validated, but also commented that "we cannot become complacent and are focused on further improvements to ensure that the Diocese of Carlisle is safer church for all."

5.2.4. Investment Performance

Investments are held in both restricted and unrestricted funds, formerly managed solely by CCLA, but with the progressive creation, commencing Autumn 2025, of a portfolio managed by Rathbones. CCLA's performance in 2025 was disappointing but in volatile general market conditions, partly reflecting the Diocese's Investment policy which excludes categories of shares in companies outside the Church of England's agreed guidelines. The price of the CBF Investment Fund shares decreased by 4.0%, (2024 increase 2.3%), while the CBF Property Fund shares increased by 2.2% (2024 increase of 0.6%). Total unrealised losses on investments (including properties held) for the year were £296,000, (2024 gains £378,000). These gains are notional – they do not alter the number of shares or properties held, hence the future income streams for which these shares and properties are held are unaffected directly by both increases and falls. The two hydro-electric plants within Cumbria in which the DBF has invested continued to perform well in 2025. Income from the schemes was £405,000 (2024 £614,000), the reduced, but still very good, total resulting from the ending of particularly favourable fixed term tariffs. Income from these investments is, understandably, partly dependent upon rainfall, but they should provide good returns for many years to come.

The Bank of England's Base Rate fell from 4.75% to 3.75% during 2025, and the CBF Deposit Fund yielded £147,000 of interest during the year.

Dividends received from the CBF Property Fund and Investment Fund were 6.64p and 64.92p per share respectively in the year, and the declared yields were 5.19% and 2.92% based on the year-end valuations. The total income from CBF Fund dividends for the year rose to £1,163,000 (2024 £1,075,000), and investment of receipts from property sale proceeds was prudently continued.

Efforts continued to obtain planning consent for residential development on low yielding agricultural land holdings on the edge of settlements. A number of such developments have progressed towards market in the year. All sale proceeds from these during 2025 have been invested to generate a sustainable long-term revenue stream to fund the work of the Diocese in the future.

The total return on investment – net receipts and valuation gains on investments as a percentage of the investment valuations at year-end, was 3.7% (2024 4.8%) following relatively flat market conditions in the year. Average yield (net receipts as a percentage of the investment valuations at year-end) was 3.7% (2024 4.0%).

5.2.5. External Factors Affecting Performance

There are a number of external factors continuing to affect the performance of Carlisle DBF.
There is presently little indication that Ministry Offers will recover to pre-Covid pandemic levels despite the resumption of normal patterns of traditional worship in local churches. This emphasises the continuing downwards trend away from time-honoured Church, albeit replaced to some extent by new forms of pioneering (but less cash-generative) outreach and ministry.

It was encouraging to note that a national review of weekly giving per person has seen average giving in Carlisle Diocese increase from £8.00 to £11.60 over 6 years – although these figures remain low by national standards, this increase was the highest in the country and is a testament to the work of our Stewardship Team and hard work across the Diocese encouraging generosity.

The difficulty in filling vacancies in clergy posts has worsened during the year and this is understood to reflect the nationwide situation. Over the next 10 years the total number of stipendiary clergy in the Church of England is projected to fall by at least 25%. Although this reduces financial pressure in the short term, it represents an operational concern as the leadership and pastoral work of clergy is key in recruiting and developing self-supporting lay and ordained ministry and helping the local church to continue to evolve.

5.3. Financial Review

5.3.1. Review of the Financial Position

The Consolidated Statement of Financial Activities (SOFA) for the year shows net incoming resources of £1,780,000 (2024: £1,436,000) before net gains on investments and other recognised gains and losses.

After revaluation adjustments, the net increase in funds amounted to £1,484,000 (2024: £1,814,000). Total fund balances are now £88,596,000, of which £82,801,000 (93.5%) is restricted, mainly by ecclesiastical measures, and a further £3,582,000 has been designated for specific use by the Trustees.

Overall there was a net cash outflow for the year of £237,000 (2024: inflow of £1,493,000). Total net current assets increased by £566,000 to £4,338,000, with those relating to general funds increasing by £73,000.

Going Concern

The Trustees are satisfied that Carlisle DBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

5.3.2. Reserves Policy

Due to the regularity and predictability of a majority of its Income and Costs, and the increased proportion of activity that is externally funded, the Diocesan Reserves Policy is to hold a level of 'free unrestricted reserves' of between two and four months of general fund expenditure at both charity and group level. 'Free unrestricted reserves' are defined as net current assets plus investments held 'on call', both being held in the General Fund.

5.3.3. Investment Policies

Carlisle DBF's power to invest its funds is governed by the Memorandum and Articles of Association. It exercises these powers having due regard to the provisions of the Trustee Act 2000 in so far as it applies to Carlisle DBF as a company.

Carlisle DBF's investment policies, which are reviewed annually, are based on two key principles:

Carlisle DBF seeks to pursue an investment policy consistent with the values of the Christian religion. Thus, it adheres to the Ethical Investment policy as developed by the Church Commissioners and CCLA Investment Management Ltd for their Central Board of Finance Church of England Funds. This policy is applied both to the DBF's CBF funds and to funds invested with Rathbones.

Long-term responsibilities - Investment policy for long-term funds seeks to strike the right balance between providing an income to help the Diocese to carry out its purposes effectively in the short term and maintain and enhance the value of the invested funds so as to enable the Diocese effectively to continue to carry out its purposes in the long term. The glebe investments are held for the purpose of raising income to achieve the maximum contribution possible to clergy stipends on an ongoing basis. Unrestricted and restricted fund investments are invested to balance income, liquidity and the maintenance of capital.

Investments

Glebe property investments are held by Carlisle DBF in agricultural land, commercial and residential land and buildings. They are managed by the DBF's agents, Penrith Farmers' & Kidd's, Walton Goodland Ltd and Savills and account for 31% of the total glebe investments.

A further 65% of the glebe assets are invested through CCLA Investment Management Ltd in the CBF Church of England Funds or held on deposit. They are split between holdings in equities and property via common investment funds to spread risk, and deposits. The remaining 4% consists of shares in a hydro-electric scheme at Scandale in South Cumbria.

The other DBF funds are also mainly invested in CBF Church of England deposit accounts, investment and property funds, a bespoke Rathbones portfolio, and with shares also being held in a second hydro-electric scheme within the grounds of the Diocesan Residential Retreat Centre at Rydal Hall.

Other Funds

Funds which may be needed for working capital in the short term are held as deposits with the Central Board of Finance. The performance of all the DBF's investments is monitored regularly by the Trustees at their bi-monthly board meetings, and by the Investment Sub-Committee.

5.3.4. Remuneration Policy

The Board operates a set salary scale and employees are placed on this with regard to benchmarking against comparable roles in this and other dioceses and the external employment market. Cost of living increases are determined as part of the process of setting the budget which is approved by the Finance Committee and the Members. Remuneration of higher-paid employees is determined in consultation between the Chair of the Finance Committee, the Diocesan Secretary and the Head of HR & Governance.

5.4 Plans for Future Periods

The DBF's ongoing objective is to resource Diocesan needs, as determined by Synod and informed by local and national Church institutions and in particular to invest to meet the objectives set out in the Diocese's updated "God for All" Strategy.

The Diocesan Development Plan for the period beyond 2025 is integrated into resource and budget planning for the period 2026-2028, which was approved by Diocesan Synod in October 2025 and which is reviewed annually at Diocesan Synod. This aligns with the national Church of England financial planning cycle.

5.5 Principal Risks and Uncertainties

The Trustees confirm that the major risks, to which Carlisle DBF and its subsidiary companies are exposed are regularly reviewed and that systems and procedures have been established to manage those risks. The principal financial risks and uncertainties which face Carlisle DBF relate to:

- the reliability and timing of the income it receives from local churches which is voluntary in nature, Ministry Offer accounting for 55% of total charity general fund income;
- investment performance;
- clergy numbers which may vary above or below assumptions with consequential impact on ministry and costs;
- the performance of subsidiaries including Rydal Hall, Restore and Emmanual Theological College; and
- the longer-term financial effects of inflation and demography upon core income streams and operating costs.

The principal risks are reviewed regularly by the Trustees and, where necessary, further information and data are gathered to enable a more detailed examination of the risks to be made and decisions taken on the basis of the probability and likely impact of the risks occurring.

We encourage good stewardship in the local church and the work of the Stewardship Team is seen as a key way in which the Diocese can support parishes and mission communities in raising income locally which, in turn, will empower them to identify the optimum affordable deployment of available trained ministry resource both lay and ordained.

Carlisle DBF provides its Trustees, officers and employees with Indemnity Insurance against any liabilities that might arise during the provision of services operated under the authority of the Diocesan Bishop and Synod.

6. Structure, Governance and Management

6.1 Organisational Structure

The Diocese of Carlisle was founded in 1133. It covers an area of 2,480 square miles and includes all of Cumbria, except for small areas in the east of the county which are included in the neighbouring Diocese of Newcastle. The overall population of the Diocese is around 500,000.

The Diocese is one of the 42 English dioceses of the Church of England which is organised as two provinces. The Diocese of Carlisle is part of the Northern Province led by the Archbishop of York. The Southern Province is led by the Archbishop of Canterbury.

The Diocese of Carlisle leadership was undertaken (as Acting Diocesan Bishop), by the Suffragan Bishop of Penrith, the Rt Revd Rob Saner-Haigh until his Enthronement as Diocesan Bishop of Carlisle on 29th November 2025.

The Diocese is arranged into three Archdeaconries: Carlisle covering the northern and eastern part with 4 deaneries, West Cumberland in the western part with 4 deaneries and Westmorland and Furness in the southern part with 4 deaneries. In total there are 224 parishes (103 benefices) with 75 full-time equivalent stipendiary parochial clergy and 5 serving in house for duties posts. Together with 35 non-stipendiary ministers, 91 readers, 9 local lay ministers and many other retired clergy and lay members they provide ministry in 317 churches in the Diocese.

The Diocese is in Covenanted Partnership with three other denominations – Methodist, United Reformed Church and Salvation Army. With those denominations the Diocese is establishing ecumenical Mission Communities, groups of churches that collaborate over mission and share resources, increasingly including ministry and buildings. In the course of 2025, a number of church buildings were put forward for closure at the request of their local Parochial Church Councils.

6.2 Diocesan Governance

Diocesan Synod

The Diocese is governed by Standing Orders approved in 1969 and as subsequently amended. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Membership consists of Bishops and Archdeacons (*ex officio members*), clergy members *elected* by the Houses of Clergy in Deanery Synods, lay persons *elected* by the Houses of Laity in Deanery Synods, up to five persons who may be *co-opted* by each of the Houses of Clergy or Laity and a maximum of ten members *nominated* by the Diocesan Bishop. The Diocesan Synod normally meets three times a year. Its role is to:

- consider, and make decisions on, matters affecting the Church of England in the Diocese;
- act as a forum for debate of Christian opinion on matters of religious or public interest;
- advise the Bishop where requested;
- deal with matters referred by General Synod;
- provide for the financing of the Diocese by approving the Diocesan Budget.

Deanery Synods

Each deanery in the Diocese has its own Deanery Synod which has two houses, laity and clergy. Its role is to:

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

Bishop's Council and Standing Committee

Bishop's Council consists of 9 ex officio members, including the Diocesan and Suffragan Bishop and the three Archdeacons, three clergy elected by the House of Clergy from among their number and six lay persons elected by the members of the House of Laity. A maximum of three members may also be nominated by the Diocesan Bishop.

Under the constitution of the Diocesan Synod, Bishop's Council has the following functions:

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

6.3 Carlisle Diocesan Board of Finance

The company, Carlisle Diocesan Board of Finance Ltd (Carlisle DBF), was formed to manage the financial affairs and hold the assets of the Diocese. It was incorporated on 22nd September 1893 as a charitable company limited by membership guarantees (No. 39625) and its governing documents are the Memorandum and Articles of Association. Carlisle DBF has been registered with the Charity Commission since 1st May 1967 (No. 251977). The Memorandum and Articles of Association have been altered by Special Resolutions the latest of which were passed on 19 October 2024, 15 June 2021, 1st May 2018 and 12th July 2006. The changes in October 2024 related specifically to allow for longer terms of office for Trustees/Directors of the DBF, with any extensions to be approved by both the Trustee Board and the wider membership of the DBF. Following the introduction of these changes the term of the current Chair was extended for a period of up to 18 months from 1 January 2025 to allow for continuity through the period of the appointment and induction of a new Bishop of Carlisle.

From 11th November 2006 every member of Diocesan Synod is a member of Carlisle DBF for company law purposes, unless they are excluded by reason of being appointed to any salaried office of the Company or any office of the Company paid by fees. Each member has a personal liability limited to £1 under their guarantee as company members in the event of its being wound up.

Trustees

From 1st January 2007 the Bishop of Carlisle and the three Archdeacons have served as ex-officio Directors of the Company. A further five Directors are elected by the members of Carlisle DBF and the Directors have power to co-opt up to another four Directors.

Mr Jim Johnson served as Chair throughout the year.

All the Directors are also the Trustees and, when newly appointed, are given induction training. All Trustees are offered ongoing training, as appropriate.

Trustees' Responsibilities

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

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

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and 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 company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the corporate and trust assets of the charitable company and group ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

6.4 Decision-making Structure

Diocesan Synod has delegated the following functions to Carlisle DBF:

- Management of the funds and property of the Diocese;
- Preparation of annual estimates of expenditure;
- Advising on action needed to raise the income necessary to finance expenditure;
- Oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod;
- Advising Diocesan Synod of the financial aspects of its policy and on any other matters referred or delegated to it by Diocesan Synod.

Finance Committee

The Trustees met as the Finance Committee of Carlisle DBF 6 times during the year. At these meetings they received regular reports from the officers of the DBF and considered any matters for which they are responsible.

DIRECTORS' & TRUSTEES' ANNUAL REPORT (2025) continued

The number of meetings (and proportion of those eligible for attendance) that each Trustee attended in 2025 was:

The Rt. Rev Rob Saner-Haigh	(ex officio)	1 (50%)	(Appointed 1 September 2025)
The Ven Stewart Fyfe	(ex officio)	5 (83%)	
The Ven Ruth Newton	(ex officio)	6 (100%)	
The Ven Vernon Ross	(ex officio)	5 (83%)	
Mr Derek Bradley	(elected)	5 (83%)	
Miss Janet Busk	(elected)	6 (100%)	
Mr Rob Cook	(elected)	5 (83%)	
The Rev Charles Hope	(elected)	6(100%)	(Appointed 1 January 2025)
Mr Jim Johnson	(elected)	6 (100%)	
Mr Trevor Hebdon	(co-opted)	4 (80%)	(Appointed 26 March 2025)
Mr Mark Hurley	(co-opted	2 (100%)	(Appointed 17 September 2025)
Mr Nigel Robson	(elected)	1 (50%)	(Appointed 16 July 2025)

Since the retirement of The Rt Revd James Newcome as Bishop of Carlisle in August 2023, The Rt Revd Rob Saner-Haigh (Suffragan Bishop of Penrith and Acting Bishop of Carlisle) has been invited to attend at Board meetings when other commitments have permitted. He was appointed to the Board as ex-officio Trustee/Director upon commencement of his new role as Bishop of Carlisle.

The Trustees have delegated responsibility for the day-to-day management of the company to the Diocesan Secretary who is supported by a small team of staff.

Committee Structure

There are a number of statutory Diocesan Synod committees that, although not sub-committees of Carlisle DBF, can influence its operations:

Carlisle Diocesan Board of Education has responsibility for 104 Church schools across the Diocese, provides pastoral and professional support to all its schools and has a particular commitment to enhancing the quality of provision for religious education, collective worship and the spiritual, moral, social, and cultural development of all pupils.

The Parsonages Board is responsible for determining policy concerning the management of parsonage houses in each benefice, including setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by Carlisle DBF. In the Diocese the Carlisle DBF is designated as the Diocesan Parsonages Board. A number of its functions are delegated to Archdeaconry Sub-Committees under the terms of a scheme passed by Diocesan Synod on 12th October 2013.

The Diocesan Pastoral Committee is responsible for the task of approving pastoral reorganisation, taking account of available clergy numbers and making use of new patterns of ministry. It also has responsibility for finding appropriate alternative uses for churches which have closed. Most of its functions are delegated to Archdeaconry sub committees.

The Diocesan Advisory Committee advises on matters affecting churches and places of worship such as the granting of faculties, architecture, archaeology, art and the history of places of worship, the use and care of places of worship and their contents and the care of churchyards. In 2025 the DAC granted 48 faculty applications from local churches.

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

6.5 Related Parties

General Synod

Carlisle DBF has to comply with Measures passed by the General Synod of the Church of England. General Synod is the legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of Acts of Parliament. It is made up of three groups or houses of members: the Houses of Bishops, of Clergy and of Laity, and meets in London or York at least twice annually to consider legislation for the broader good of the Church.

Archbishops' Council

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

Carlisle DBF is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church according to a formula agreed by General Synod.

Church Commissioners

The Church Commissioners manage the historic assets of the Church of England, funding clergy pensions for service prior to 1998. The payroll costs of episcopal leadership through the Diocesan and Suffragan Bishops are met by the Church Commissioners, along with the housing costs of the Diocesan Bishop. Further grants are also paid towards the staffing costs of cathedrals. The Church Commissioners also make a number of grants to the Archbishops' Council including Low Income Communities funding for ministry in poorer dioceses and parishes and Strategic Development Fund and Diocesan Investment Programme grants for new mission initiatives.

Although Carlisle DBF is responsible for the funding of its clergy stipend costs, the national clergy payroll is administered by the Church Commissioners. Carlisle DBF reimburses the Church Commissioners monthly for the costs of stipendiary clergy deployed in the Diocese.

Church of England Pensions Board

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

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

Carlisle DBF contributes monthly to the Pensions Board for both the clergy and the lay pension schemes.

The Cathedral

The Cathedral Church of the Holy and Undivided Trinity is the mother church of the Diocese of Carlisle and legally is constituted as a separate charity. Copies of its Trustees' report and financial statements may be obtained from the Cathedral Office, 7 The Abbey, Carlisle, CA3 8TZ.

Parishes and Parochial Church Councils (PCCs)

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. Each PCC is an independent charity and most are currently exempt from registration with the Charity Commission. However, under the terms of the Charities Act 2011 those PCCs whose gross income for the year is above £100,000 are required to register. PCCs are able to influence the decision-making within Carlisle DBF and at Diocesan Synod level through representations and input of their Deanery Synods.

The main income of Carlisle DBF is the contribution, by way of the Ministry Offer, from the 224 parishes of the Diocese; which system has been based on voluntary offers made by Mission Communities and parishes towards the costs of ministry incurred throughout the whole of the Diocese of Carlisle.

Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC can be obtained from the relevant PCC treasurer.

6.6 Subsidiary Undertakings

Rydal Hall Limited

Carlisle DBF is responsible for the operation of the Diocesan Conference Centre and Retreat House, Rydal Hall. This is achieved through Rydal Hall Limited, a wholly owned subsidiary charity of Carlisle DBF. The activities of the subsidiary are included in the consolidated financial statements.

Restore (Cumbria)

Restore (Cumbria) is a registered charity which operates a charity shop and resource network in North Cumbria, as part of the Diocese's Outreach initiatives. The DBF is the sole member of the charity.

6.7 Rydal Hydro Limited

Carlisle DBF owns 50% of the issued share capital of Rydal Hydro Limited, with Ellergreen Hydro Limited and Gilkes Hydro Limited the other 50%. The joint venture company has constructed a hydroelectricity generating plant within the grounds of Rydal Hall Limited providing a renewable source of electricity for Rydal Hall and the surrounding area as well as providing a significant return on the DBF's investment.

6.8 Other Connected Companies

Carlisle DBF together with four other dioceses from the North West of England and with York Diocese have equal shares in DBE Services Limited, a company formed to provide various services to schools. These include inspections, teaching and curriculum support, administrative services, building, equipment and construction support and insurance. DBE Services Limited has several employees with

other staff employed by the participating dioceses who invoice the company for their time. The profits of DBE Services Limited are distributed to the shareholders by means of gift aid donations.

The six North West Dioceses are sponsors of Emmanuel College which trains ordinands for ministry in the Church of England across and beyond the region. The Diocesan Board of Finance is a Corporate Member of the College.

7. Funds Held as Custodian Trustee for Others

Carlisle DBF is required by Measure to be custodian trustee in relation to PCC property. Carlisle DBF also holds funds on behalf of Church of England schools in the Diocese. All assets held as custodian trustee are kept independently from the Company's own assets and their details are recorded in a separate trust ledger. The assets are mainly invested through CCLA Investment Management Limited in their range of CBF Church of England Funds or on deposit with major UK clearing banks.

At 31 December 2025 the total value of these funds was £12,430,000.

8. Reference and Administrative Details of the Carlisle Diocesan Board of Finance

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

Ex-officio Directors
The Right Reverend Rob Saner-Haigh, Bishop of Carlisle (Appointed 1 September 2025)
The Venerable Stewart Fyfe, Archdeacon of West Cumberland
The Venerable Ruth Newton, Archdeacon of Carlisle
The Venerable Vernon Ross, Archdeacon of Westmorland and Furness

Elected by the Members
Derek Bradley
Janet Busk
Rob Cook
Rev. Charles Hope
Jim Johnson (Chair)

Co-opted by the Directors

Trevor Hebdon (Appointed 26 March 2025)
Mark Hurley (Appointed 17 September 2025)
Nigel Robson (Appointed 16 July 2025)

Secretary	Mr Derek Hurton
Head of Finance	Mr Ric Jaques
Director of Education	Mrs Charlotte Tudway
Registered Office	Diocesan Church House, 19-24 Friargate, Penrith, CA11 7XR
Telephone	01768 807777

Website	www.carlislediocese.org.uk
e-mail	enquiries@carlislediocese.org.uk
Company registration number	39625 (England & Wales)
Charity registration number	251977
Auditors	Dodd & Co Audit Limited, FIFTEEN Rosehill, Carlisle, CA1 2RW
Bankers	HSBC plc, City Office, 29 English Street, Carlisle, CA3 8JT
Legal Adviser	Ms Laura Peace Sintons, The Cube, Barrack Road, Newcastle Upon Tyne, NE4 6DB
Investment Managers	CCLA Investment Management Ltd, Senator House 85 Queen Victoria Street London EC4V 4ET Rathbones Plc 30 Gresham St London EC2V 7QN
Glebe Property Agents	Penrith Farmers' & Kidd's plc, Skirsgill, Penrith, CA11 0DN Savills, 64 Warwick Road, Carlisle CA1 1DR Walton Goodland Ltd, 10 Lowther Street, Carlisle, CA3 8DA

9. Auditors

The Trustees as a Board confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. In addition, the Trustees have taken all reasonable steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

A resolution to reappoint Dodd & Co Audit Limited as auditors to the company and to authorise the Trustees to fix their remuneration will be proposed at the Annual General Meeting.

The Directors' and Trustees' annual report, together with the strategic report which is incorporated into the Directors' and Trustees' annual report, have been approved by the Directors/Trustees and signed on their behalf by:

.....

JAE Johnson
Chair of Directors and Trustees

16th June 2026



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

Opinion

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

In our opinion, the financial statements:

• give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2025 and of its incoming resources and application of resources for the year then ended;

• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

• have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

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

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 includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

• the directors' report and the strategic report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

• adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

• the financial statements are not in agreement with the accounting records and returns; or

• certain disclosures of trustees' remuneration specified by law are not made; or

• we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 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 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:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and charitable company's performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
    - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
    - the matters discussed among the audit engagement team and involving relevant internal specialists, including pensions regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud to be in relation to revenue recognition and management override which, in common with all audits under ISAs (UK), we are required to perform specific procedures to respond to this risk.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities Act, pensions legislation and tax legislation.

As a result of performing the above, in response to the risks identified, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

This description forms part of our auditor's report.

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

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.



Faye Armstrong (Senior Statutory Auditor)

For and on behalf of Dodd & Co Audit Limited, Statutory Auditor

FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

2/7/26

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2025

	Note	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2025 £'000	Total funds 2024 £'000
Income and endowments from							
Donations	2						
Parish contributions		4,329	-	-	-	4,329	4,276
Archbishop's Council		730	-	879	-	1,609	1,418
Other donations		318	51	130	-	499	459
Charitable activities	3						
Fees & chaplaincy income		608	-	-	-	608	501
Rydal Hall	15	-	1,374	-	-	1,374	1,320
Sales of goods & services	3	63	411	-	-	474	402
Other activities	4	343	-	-	-	343	364
Investments	5	1,244	70	648	2	1,964	2,075
Other sources	6	270	-	889	1,027	2,186	1,444
Total		7,905	1,906	2,546	1,029	13,386	12,259
Expenditure on							
Raising funds	7	188	-	15	-	203	228
Charitable activities							
Resourcing ministry & mission	8	7,182	853	1,278	-	9,313	8,680
Education	9	428	-	28	-	456	401
Rydal Hall	15	14	1,616	-	-	1,630	1,414
Other purposes	10	-	-	4	-	4	100
Total	12	7,812	2,469	1,325	-	11,606	10,823
Net income/(expenditure) before investment gains		93	(563)	1,221	1,029	1,780	1,436
Net gains/(losses) on investments		(56)	(85)	155	(310)	(296)	378
Net income/(expenditure)		37	(648)	1,376	719	1,484	1,814
Transfers between funds	22	(26)	525	405	(904)	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets		-	-	(32)	-	(32)	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-	-
Net movement in funds		11	(123)	1,749	(185)	1,452	1,814
Total funds brought forward		2,202	3,705	24,953	56,284	87,144	85,330
Total funds carried forward		2,213	3,582	26,702	56,099	88,596	87,144

All activities derive from continuing activities. The notes on pages 34 to 65 form part of the financial statements.

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2024

	Note	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
Income and endowments from							
Donations	2						
Parish contributions		4,276	-	-	-	4,276	4,180
Archbishop's Council		915	-	503	-	1,418	1,235
Other donations		329	46	84	-	459	185
Charitable activities	3						
Fees & chaplaincy income		501	-	-	-	501	521
Rydal Hall	15	-	1,320	-	-	1,320	1,236
Sales of goods & services	3	57	345	-	-	402	345
Other activities	4	364	-	-	-	364	395
Investments	5	1,415	70	585	5	2,075	1,749
Other sources	6	261	-	129	1,054	1,444	695
Total		8,118	1,781	1,301	1,059	12,259	10,541
Expenditure on							
Raising funds	7	213	-	15	-	228	186
Charitable activities							
Resourcing ministry & mission	8	7,004	547	1,129	-	8,680	7,991
Education	9	368	-	33	-	401	376
Rydal Hall	15	14	1,400	-	-	1,414	1,373
Other purposes	10	-	-	-	100	100	301
Total	12	7,599	1,947	1,177	100	10,823	10,227
Net income/(expenditure) before investment gains		519	(166)	124	959	1,436	314
Net gains/(losses) on investments		13	48	43	274	378	1,560
Net income/(expenditure)		532	(118)	167	1,233	1,814	1,874
Transfers between funds	22	(425)	844	1,420	(1,839)	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-	-
Net movement in funds		107	726	1,587	(606)	1,814	1,874
Total funds brought forward		2,095	2,979	23,366	56,890	85,330	83,456
Total funds carried forward		2,202	3,705	24,953	56,284	87,144	85,330

All activities derive from continuing activities. The notes on pages 34 to 65 form part of the financial statements.

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2025

	Note	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2025 £'000	Total funds 2024 £'000
Income and endowments from							
Donations	2						
Parish contributions		4,329	-	-	-	4,329	4,276
Archbishop's Council		730	-	879	-	1,609	1,418
Other donations		318	4	130	-	452	418
Charitable activities	3						
Fees & chaplaincy income		608	-	-	-	608	501
Rydal Hall	15	-	-	-	-	-	-
Sales of goods & services	3	63	-	-	-	63	57
Other activities	4	343	-	-	-	343	364
Investments	5	1,244	64	648	2	1,958	2,068
Other	6	270	-	889	1,027	2,186	1,444
Total		7,905	68	2,546	1,029	11,548	10,546
Expenditure on							
Raising funds	7	188	-	15	-	203	228
Charitable activities							
Resourcing ministry & mission	8	7,182	353	1,278	-	8,813	8,338
Education	9	428	-	28	-	456	401
Rydal Hall	15	14	66	-	-	80	14
Other	10	-	-	4	-	4	100
Total		7,812	419	1,325	-	9,556	9,081
Net income/(expenditure) before investment gains		93	(351)	1,221	1,029	1,992	1,465
Net gains/(losses) on investments		(56)	(85)	155	(310)	(296)	378
Net income/(expenditure)		37	(436)	1,376	719	1,696	1,843
Transfers between funds	22	(26)	525	405	(904)	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets		-	-	(32)	-	(32)	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-	-
Net movement in funds		11	89	1,749	(185)	1,664	1,843
Total funds brought forward		2,202	3,675	24,953	56,284	87,114	85,271
Total funds carried forward		2,213	3,764	26,702	56,099	88,778	87,114

All activities derive from continuing activities. The notes on pages 34 to 65 form part of the financial statements.

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2024

	Note	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
Income and endowments from							
Donations	2						
Parish contributions		4,276	-	-	-	4,276	4,180
Archbishop's Council		915	-	503	-	1,418	1,235
Other donations		329	5	84	-	418	146
Charitable activities	3						
Fees & chaplaincy income		501	-	-	-	501	521
Rydal Hall	15	-	-	-	-	-	-
Sales of goods & services	3	57	-	-	-	57	40
Other activities	4	364	-	-	-	364	395
Investments	5	1,415	63	585	5	2,068	1,743
Other	6	261	-	129	1,054	1,444	695
Total		8,118	68	1,301	1,059	10,546	8,955
Expenditure on							
Raising funds	7	213	-	15	-	228	186
Charitable activities							
Resourcing ministry & mission	8	7,004	205	1,129	-	8,338	7,670
Education	9	368	-	33	-	401	376
Rydal Hall	15	14	-	-	-	14	52
Other	10	-	-	-	100	100	299
Total		7,599	205	1,177	100	9,081	8,583
Net income/(expenditure) before investment gains		519	(137)	124	959	1,465	372
Net gains/(losses) on investments		13	48	43	274	378	1,560
Net income/(expenditure)		532	(89)	167	1,233	1,843	1,932
Transfers between funds	22	(425)	844	1,420	(1,839)	-	-
Other recognised gains/(losses)							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-	-
Net movement in funds		107	755	1,587	(606)	1,843	1,932
Total funds brought forward		2,095	2,920	23,366	56,890	85,271	83,339
Total funds carried forward		2,202	3,675	24,953	56,284	87,114	85,271

All activities derive from continuing activities. The notes on pages 34 to 65 form part of the financial statements.

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2025

	Total 2025 £'000	Total 2024 £'000
Total income per reconciliation below	13,076	12,865
Resources expended per reconciliation below	(11,606)	(10,723)
Operating surplus for the year	1,470	2,142
Interest receivable	185	174
Net gains/(losses) on investments	14	104
Net income for the year	1,669	2,420
Other comprehensive income:		
Revaluation of fixed assets	(32)	-
Actuarial gains/(losses) on defined benefit pension schemes	-	-
Total comprehensive income for the year	1,637	2,420

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

Reconciliation of Summary Income and Expenditure to SOFA	Total 2025 £'000	Total 2024 £'000
Total incoming resources per SOFA	13,386	12,259
Less: interest receivable	(185)	(174)
total endowment additions	(1,029)	(1,059)
Add: endowment capital transferred to income funds	904	1,839
Total income per above	13,076	12,865
Resources expended per SOFA	11,606	10,823
Less: expenditure charged to endowment capital	-	(100)
Add: income funds reclassified as endowment capital	-	-
Total expenditure per above	11,606	10,723

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

CONSOLIDATED BALANCE SHEET
At 31 December 2025

Company Number – 39625

	Note	2025 £'000	2025 £'000	2024 £'000	2024 £'000
FIXED ASSETS					
Tangible assets	23		38,994		40,408
Investments	24		45,264		42,964
			84,258		83,372
CURRENT ASSETS					
Stock		12		8	
Debtors	25	3,200		2,656	
Cash on deposit	26	4,653		4,812	
Cash at bank and in hand		719		797	
		8,584		8,273	
CREDITORS: amounts falling due within one year	27	(4,246)		(4,501)	
NET CURRENT ASSETS			4,338		3,772
TOTAL ASSETS LESS CURRENT LIABILITIES			88,596		87,144
NET ASSETS			88,596		87,144
FUNDS					
Endowment funds					
Including investment revaluation reserve of £34,149,000 (2024: £34,459,000)			56,099		56,284
Restricted income funds					
Including investment revaluation reserve of £7,597,000 (2024: £7, 474,000)			26,702		24,953
Unrestricted income funds:					
General funds - Including revaluation reserve of £488,000 (2024: £544,000)			2,213		2,202
Designated funds - Including revaluation reserve of £857,000 (2024: £941,000)			3,582		3,705
TOTAL FUNDS	28 & 29		88,596		87,144

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Trustees and authorised for issue on and signed on behalf of the Board by:

Mr J.A.E. Johnson
16th June 2026

CHARITY BALANCE SHEET
At 31 December 2025

Company Number – 39625

	Note	2025 £'000	2025 £'000	2024 £'000	2024 £'000
FIXED ASSETS					
Tangible assets	23		38,776		40,208
Investments	24		45,264		42,964
			84,040		83,172
CURRENT ASSETS					
Debtors	25	3,129		2,631	
Subsidiary companies		406		287	
Cash on deposit	26	4,547		4,710	
Cash at bank and in hand		547		576	
		8,629		8,204	
CREDITORS: amounts falling due within one year	27	(3,891)		(4,262)	
NET CURRENT ASSETS			4,738		3,942
TOTAL ASSETS LESS CURRENT LIABILITIES			88,778		87,114
NET ASSETS			88,778		87,114
FUNDS					
Endowment funds					
Including investment revaluation reserve of £34,149,000 (2024: £34, 459,000)			56,099		56,284
Restricted income funds					
Including investment revaluation reserve of £7,597,000 (2024: £7, 474,000)			26,702		24,953
Unrestricted income funds:					
General funds - Including revaluation reserve of £488,000 (2024: £544,000)			2,213		2,202
Designated funds - Including revaluation reserve of £857,000 (2024: £941,000)			3,764		3,675
TOTAL FUNDS	28 & 29		88,778		87,114

The Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Trustees and authorised for issue on and signed on behalf of the Board by:

Mr J.A.E. Johnson
16th June 2026

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2025

	2025		2024	
	£'000	£'000	£'000	£'000
Net cash inflow/(outflow) from operating activities		(2,814)		(1,429)
Cash flows from investing activities				
Dividends, interest and rent from investments	1,964		2,075	
Interest paid	-		(6)	
Proceeds from the sale of:				
Tangible fixed assets	3,290		2,572	
Investments	429		304	
Purchase of:				
Tangible fixed assets	(96)		(1,090)	
Fixed asset investments	(3,010)		(833)	
Net cash provided by/(used in) investing activities		2,577		3,022
Cash flows from financing activities				
Repayment of loans	-		(100)	
Net cash provided by/(used in) financing activities		-		(100)
Change in cash and cash equivalents in the reporting period		(237)		1,493
Cash and cash equivalents at 1 January		5,609		4,116
Cash and cash equivalents at 31 December		5,372		5,609
Reconciliation of net movements in funds to net cash flow from operating activities				
Net movement in funds for the year ended 31 December		1,780		1,436
Adjustments for:				
Depreciation charges		80		66
Dividends, interest and rent from investments		(1,964)		(2,075)
Interest paid		-		6
Repayment of loans advanced		1		2
Advancement of loans		-		-
Loss/(profit) on sale of functional assets		(1,911)		(977)
Actuarial gains on defined benefit pensions		-		-
Decrease/(Increase) in stock		(4)		1
Decrease/(Increase) in debtors		(544)		1,806
(Decrease)/Increase in creditors		(252)		(1,694)
Net cash (used in) operating activities		(2,814)		(1,429)
Analysis of cash and cash equivalents				
Cash in hand		719		797
Notice deposits (less than 3 months)		4,653		4,812
		5,372		5,609

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties, which are included as determined under the applicable valuation method as detailed in d), and fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019), the Companies Act 2006 and applicable accounting standards (FRS102).

The principal accounting policies and estimation techniques are as follows:

a) Consolidation

Consolidated financial statements have been prepared on a line by line basis in accordance with FRS102. The consolidated financial statements incorporate the accounts of:

Parent, The Carlisle Diocesan Board of Finance Limited (Carlisle DBF); and
The wholly owned subsidiary company, Rydal Hall Limited; and
The wholly owned subsidiary company, Cumbria Christian Learning; and
The wholly owned subsidiary company, Restore (Cumbria)

b) Income

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

i) **Ministry Offer (previously known as Parish Offer) and parochial fees** are recognised as income of the year in which they are received or within one month after the financial year end to which they relate.

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

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

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

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

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

1. ACCOUNTING POLICIES (continued)

vii) **Stipends fund income.** The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

viii) **Government Grants.** Grants for the purpose of giving immediate financial support with no future related costs to be incurred are recognised in the profit and loss account when the grant proceeds become receivable. Other grants relating to revenue are recognised in the profit and loss account on a systematic basis over the periods in which the related costs are recognised for which the grant is intended to compensate.

c) Expenditure

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

i) **Costs of raising funds** include investment management costs of glebe and any other investment properties and interest costs on defined benefit pension scheme liabilities.

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

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

iv) **Support costs** consist of central management, administration and governance costs. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.

v) **Pension contributions.** The DBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 30). The pension costs charged as resources expended represent the DBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which DBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year where appropriate.

1. ACCOUNTING POLICIES (continued)

d) Tangible fixed assets and depreciation

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

Investment properties
Glebe and other properties which are held for investment purposes and rented out have been included at their fair value. The fair value of the properties is usually considered to be their market value and the most recent revaluation of the charity's investment property was as at 31 December 2025, being £9,795,000. This valuation was carried out by an independent valuer and the directors consider this valuation to remain appropriate for the current year.

Parsonage houses
The DBF has followed the requirements of FRS102 in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The DBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their deemed cost at a fair valuation at 1 January 2014.

e) Other tangible fixed assets

All capital expenditure over £1,000 is capitalised and depreciated. Depreciation is provided in order to write off the cost (less any expected ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives at the following initial rates:-

DBF furniture, fittings, equipment and computers	10% to 20% per annum on a straight line basis;
Rydal Hall furniture, fittings, equipment and plant	10-25% per annum on a straight line basis.

1. ACCOUNTING POLICIES (continued)

f) Other accounting policies

i) **Fixed asset investments** are included in the balance sheet at market value and the gain or loss taken to the Statement of Financial Activities. Subsidiaries (where shares are held) are valued at fair value based on balance sheet value. Jointly controlled entities are valued at fair value using the net assets of the entity and the share held.

ii) **Leases.** The DBF has entered into operating lease arrangements for the use of certain assets, the rental for which is charged in full as expenditure in the year to which it relates. Where rent free periods are given as part of an operating lease, the impact of this rent free period is reflected in the Statement of Financial Activities over the shorter of the overall lease term or the period to the first break clause.

g) Fund balances

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

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

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

1. ACCOUNTING POLICIES (continued)

h) Going Concern

The charity has considered whether the use of the going concern basis for accounting is appropriate. To do this, they have considered whether there are any material uncertainties as to the Charity's ability to continue as a going concern.

The trustees have prepared detailed budgets covering the coming three-year period, based on actual experience and taking into account church finances in light of current financial challenges facing churches and funding opportunities from the Church Commissioners. As a result of this work, the trustees remain confident that there are financial resources available to fund their work, and are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern.

2. DONATIONS

Parish Contributions

The majority of donations are collected from the parishes of the diocese through the parish offer system (now known as 'Ministry Offer').

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Current year						
Offer	4,352	-	-	-	4,352	4,327
Shortfall in contributions	(80)	-	-	-	(80)	(93)
	4,272	-	-	-	4,272	4,234
Receipts for previous years	57	-	-	-	57	42
Total Income	4,329	-	-	-	4,329	4,276

Total receipts (including for previous years) represent 99.5% of the ministry offer (2024 – 98.8%).

Archbishop's Council

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
LINC allocation	606	-	-	-	606	597
Strategic Development Grant	124	-	-	-	124	318
Strategic Ministry Fund	-	-	190	-	190	183
Diocesan Investment Fund:						
- Capacity	-	-	268	-	268	248
- The Cumbrian Way	-	-	239	-	239	-
Other grants	-	-	182	-	182	72
	730	-	879	-	1,609	1,418

Other donations

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Benefact Trust	57	-	-	-	57	68
Ministry Partners	30	-	130	-	160	114
Donations	19	4	-	-	23	48
Legacies	212	-	-	-	212	188
Company Total	318	4	130	-	452	418
Rydal Hall	-	7	-	-	7	3
Restore (Cumbria)	-	40	-	-	40	38
Group Total	318	51	130	-	499	459

3. CHARITABLE ACTIVITIES

Fees and chaplaincy income

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees	313	-	-	-	313	341
Chaplaincy	13	-	-	-	13	12
Support for Ministry	282	-	-	-	282	148
Course and other fees	-	-	-	-	-	-
Company Total	608	-	-	-	608	501
Course and other fees	-	-	-	-	-	-
Group Total	608	-	-	-	608	501

Other sales

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Education services	63	-	-	-	63	57
Company Total	63	-	-	-	63	57
Rydal Hall	-	-	-	-	-	-
Restore (Cumbria)	-	411	-	-	411	345
Group Total	63	411	-	-	474	402

4. OTHER TRADING ACTIVITIES

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Parsonage rents	343	-	-	-	343	364
	343	-	-	-	343	364

5. INVESTMENT INCOME

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Dividends receivable	970	59	500	-	1,529	1,649
Interest receivable	27	5	120	2	154	128
Rents receivable	247	-	28	-	275	291
Company total	1,244	64	648	2	1,958	2,068
Subsidiary's interest	-	6	-	-	6	7
Consolidated total	1,244	70	648	2	1,964	2,075

6. OTHER INCOMING RESOURCES

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Gain on sale of properties	-	-	889	1,027	1,916	1,062
Insurance Receipts	-	-	-	-	-	106
Income from closed pension surplus	270	-	-	-	270	261
Sales of redundant churches	-	-		-	-	15
Company Total	270	-	889	1,027	2,186	1,444
Rydal Hall	-	-	-	-	-	-
Restore (Cumbria)	-	-	-	-	-	-
Group Total	270	-	889	1,027	2,186	1,444

7. RAISING FUNDS

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Investment management	110	-	15	-	125	162
Generating voluntary income	78	-	-	-	78	66
	188	-	15	-	203	228

8. RESOURCING MISSION AND MINISTRY

Ministry in the communities – stipend costs

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Stipends	2,169	-	158	-	2,327	2,248
National insurance/Ap. Levy	249	-	14	-	263	197
Pension costs	425	-	47	-	472	489
Removal, resettlement & other grants	131	-	-	-	131	115
Other costs	236	-	-	-	236	231
	3,210	-	219	-	3,429	3,280

8. RESOURCING MISSION AND MINISTRY (continued)

Ministry in the communities – housing costs

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Repairs & improvements	655	172	170	-	997	1,064
Council tax	268	-	-	-	268	247
Water charges	85	-	-	-	85	65
Insurance	36	-	-	-	36	38
Rent payable	5	-	-	-	5	4
Other costs	237		-	-	237	240
	1,286	172	170	-	1,628	1,658
Total ministry in the communities	4,496	172	389	-	5,057	4,938
Support for ministry						
Lay ministry & chaplaincies						
Network Youth Ministers and Interns	333	-	94	-	427	355
Chaplains	35	-	-	-	35	27
	368	-	94	-	462	382
Training & ministry development						
Ordained ministry:-						
Ordinands	317	-	36	-	353	316
Curates	8	-	-	-	8	13
Ministry development	74	-	-	-	74	52
Lay training	21	-	-	-	21	12
Northern Mission Centre	-	-	-	-	-	133
	420	-	36	-	456	526
Restore (Cumbria)	-	-	-	-	-	25
God For All strategy						
Support for local churches	438	181	450	-	1,069	662
Reach Team	207	-	-	-	207	214
Pioneering ministries	161	-	66	-	227	272
	806	181	516	-	1,503	1,148
Care for church buildings	86	-	204	-	290	311

8. RESOURCING MISSION AND MINISTRY (continued)

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Ministry support						
National Church	280	-	-	-	280	270
Diocesan Church	705	-	-	-	705	655
Partnerships	21	-	-	-	21	21
Retired clergy	-	-	39	-	39	62
	1,006	-	39	-	1,045	1,008
Total support for ministry	2,686	181	889	-	3,756	3,400
Total Company resourcing mission & ministry	7,182	353	1,278	-	8,813	8,338
Training & ministry development –						
Ministry development	-	500	-	-	500	342
Total Group resourcing mission & ministry	7,182	853	1,278	-	9,313	8,680

9. EDUCATION

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Support for church schools	428	-	28	-	456	390
Grants to church schools	-	-	-	-	-	11
	428	-	28	-	456	401

10. OTHER RESOURCES EXPENDED

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Deficit on fixed assets	-	-	4	-	4	100
Company total	-	-	4	-	4	100
Deficit on fixed assets	-	-	-	-	-	-
Consolidated total	-	-	4	-	4	100

11. ANALYSIS OF CONTRIBUTIONS TO ARCHBISHOPS' COUNCIL

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
National Church	127	-	-	-	127	127
Grants & provisions	22	-	-	-	22	22
Mission Agency pensions	7	-	-	-	7	-
Retired clergy housing	93	-	-	-	93	88
	249	-	-	-	249	237

12. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly	Grant Funding of Activities	Support Costs	Total costs	
				2025	2024
	£'000	£'000	£'000	£'000	£'000
Raising funds	88	-	115	203	228
Charitable activities:					
Resourcing Mission & Ministry	8,040	683	590	9,313	8,680
Education	348	9	99	456	401
Rydal Hall	1,616	-	14	1,630	1,414
Other	4	-	-	4	100
	10,096	692	818	11,606	10,823

13. ANALYSIS OF SUPPORT COSTS

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Finance and administration	388	-	-	-	388	376
Management costs	141	-	-	-	141	148
Human resources	169	-	-	-	169	190
Auditor's remuneration	25	-	-	-	25	24
Governance	95	-	-	-	95	59
	818	-	-	-	818	797

Governance costs include the cost of preparing annual accounts, and the cost of Board meetings, Bishop's Council and Diocesan Synod.

14. ANALYSIS OF GRANTS MADE

	Grants to Institutions £'000	Grants to Individuals £'000	Total 2025 £'000	Total 2024 £'000
From unrestricted funds:				
Contributions to Archbishops' Council	249	-	249	237
From restricted funds:				
Resourcing ministry and mission:				
Grants to parishes	165	-	165	230
Grants for ordinands	73	5	78	76
Grants to clergy	-	131	131	115
Grants to retired clergy	-	38	38	60
Education				
Grants to church schools	-	-	-	11
	487	174	661	729

15. RYDAL HALL

Rydal Hall Ltd is a wholly owned subsidiary company incorporated in England. On 21 December 2017 it became a registered charity. It is the sole owner of a trading company, Rydal Hall Trading Ltd. Its principal activity is the operation of the Carlisle Diocesan Retreat House and Conference Centre at Rydal Hall, Ambleside. Rydal Hall is owned by the Carlisle DBF and leased to the subsidiary. Any taxable profits made by the subsidiary are donated to the DBF. Audited accounts are filed annually with Companies House. A summary of the consolidated trading results of Rydal Hall Ltd and its subsidiary is shown below.

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	-	1,474	-	-	1,474	1,324
Interest receivable	-	6	-	-	6	6
Total income	-	1,480	-	-	1,480	1,330
Cost of sales	-	247	-	-	247	213
Administrative expenses	-	1,397	-	-	1,397	1,187
Total expenditure	-	1,644	-	-	1,644	1,400
Profit / (loss) on ordinary activities before tax	-	(164)	-	-	(164)	(70)
Taxation	-	-	-	-	-	-
Profit / (loss) on ordinary activities after tax	-	(164)	-	-	(164)	(70)
Retained profits b/f	-	(380)	-	-	(380)	(310)
Retained profits c/f	-	(544)	-	-	(544)	(380)
Other reserves	-	269	-	-	269	269
Total funds carried forward	-	(275)	-	-	(275)	(111)
Fixed assets	-	177	-	-	177	167
Net current assets / (liabilities)	-	(452)	-	-	(452)	(278)
Net assets	-	(275)	-	-	(275)	(111)

Included in administrative costs above are payments to the DBF of £17,000 (2024: £17,000) as a Ministry Offer contribution in support of its Chaplain.

As detailed in the Trustees' Report, following ongoing deficits and a full review of activities and finances at Rydal Hall, the Diocese's Synod voted in June 2026 to defer taking a decision on the future of Rydal Hall for 6 months, giving time to ensure the 2026 financial targets are met and for the Diocese to pray and to own, formalise and resource the ministry at Rydal Hall. Failure to meet these conditions would lead to the need for a managed closure and sale of the Hall and estate, at an as-yet undecided point in time.

16. RYDAL HYDRO LIMITED

Carlisle DBF owns a 50% share of Rydal Hydro Limited as a joint venture after investing £700,000 in the issued share capital of the company. Rydal Hydro Limited was incorporated in England on 26th February 2014 in order to construct a hydroelectric plant on Rydal Beck in the grounds of Rydal Hall to generate renewable electricity. The DBF's share of the results and net assets of Rydal Hydro Limited are shown below.

	Unrestricted funds		Restricted	Endowment	Total funds	
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	341	-	-	-	341	471
Cost of sales	(17)	-	-	-	(17)	(12)
Gross profit	324	-	-	-	324	459
Administrative expenses	(108)	-	-	-	(108)	(118)
Operating profit	216	-	-	-	216	341
Interest receivable	3	-	-	-	3	3
Profit/(Loss) on ordinary activities before tax	219	-	-	-	219	344
Taxation	(56)	-	-	-	(56)	(87)
Profit/(loss) for the year	163	-	-	-	163	257
Retained profits b/f	483	-	-	-	483	104
Dividends paid	(172)				(172)	(271)
Reduction in share premium	-	-	-	-	-	393
Retained profits c/f	474	-	-	-	474	483
Called up share capital	7	-	-	-	7	7
Share premium account	300	-	-	-	300	300
Total funds carried forward	781	-	-	-	781	790
Fixed assets	800	-	-	-	800	821
Net current assets	85	-	-	-	85	72
Creditors falling due after more than one year	(104)	-	-	-	(104)	(103)
Net assets	781	-	-	-	781	790

Company Number 08912230

17. RESTORE (CUMBRIA)

Restore (Cumbria) had historically been a dormant company. On 1 July 2020, the staff, net assets and activities of the Diocese's OPSHOPS network of charity shops and ministry were transferred to Restore (Cumbria), a subsidiary charity of the Carlisle DBF.

	Unrestricted funds		Restricted	Endowment		
	General	Designated	Funds	Funds	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Income from:						
Turnover	-	411	-	-	411	341
Grants and Donations	-	-	41	-	41	92
Government Grants	-	-	-	-	-	-
Total income	-	411	41	-	452	433
Resources expended:						
Costs of Sales	-	-	-	-	-	-
Administrative Expenses	-	452	45	-	497	399
Total resources expended	-	452	45	-	497	399
Net income for the year	-	(41)	(4)	-	(45)	34
Transfers between Funds	-	18	(18)	-	-	-
Retained funds b/f	-	86	52	-	138	104
Retained funds c/f	-	63	30	-	93	138
Fixed assets	-	41	-	-	41	38
Net current assets	-	22	30	-	52	100
Creditors falling due after more than one year	-	-	-	-	-	-
Net assets	-	63	30	-	93	138

Included in grants and donations above is a grant from Carlisle DBF of £nil (2024: £55,000).

The above-named charity – Restore (Cumbria) - is entitled to and is using an audit exemption under Section 479A of the Companies Act 2006 ("The Act"). The members have not required the charity to obtain an audit for the year in question in accordance with Section 476 of the Act.

In accordance with Section 479C of the UK Companies Act 2006, the charity - Carlisle DBF - has irrevocably guaranteed the liabilities of its above-named subsidiary in respect of the financial year ended 31 December 2025.

Company Number 08146662 Charity Number 1187078

18. TAXATION

Carlisle DBF is a registered charity and has no liability to corporation tax.

19. STAFF COSTS

	2025 £'000	2024 £'000
Employee costs during the year were as follows:		
Wages and salaries	3,087	2,710
National insurance contributions	354	253
Employer's contributions to pension schemes	390	343
	3,831	3,306

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

	Number	Number
Resourcing ministry and mission	63	56
Education	6	6
Restore	11	12
Cumbria Christian Learning	-	-
Rydal Hall	25	24
	105	98

Of these posts, 25 (2024: 26) were externally funded through grants received from the Archbishop's Council and other mission partners.

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

	Number	Number
Resourcing ministry and mission	52	47
Education	4	4
Restore	8	9
Rydal Hall	23	22
	87	82

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

	Number	Number
£60,000 - £70,000	4	4
£90,000 - £100,000	1	1

20. COSTS OF STIPENDIARY CLERGY

Carlisle DBF is responsible for funding, via the Church Commissioners, the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The DBF is also responsible for the provision of housing for stipendiary clergy in the diocese including the Suffragan Bishop but excluding the Diocesan Bishop and cathedral staff.

The stipends (and housing) of the Diocesan Bishop and Suffragan Bishop, funded by the Church Commissioners, are in the range £60,000 - £65,000 (2024 range £60,000 - £65,000). The annual rate of stipend, funded by Carlisle DBF, paid to Archdeacons in 2025 was £43,183 (2024 - £41,728). The Diocesan standard stipend for 2025 was £31,608 (2024 - £30,544).

Carlisle DBF paid an average of 77 (2024 – 77) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese and the costs were as follows:

	2025 £'000	2024 £'000
Stipends	2,418	2,332
National insurance contributions and apprenticeship levy	273	197
Employer's contributions to defined benefit pension schemes:		
Current year	501	516
Deficit reduction	-	-
	3,192	3,045

21. REMUNERATION OF TRUSTEES AND OTHER KEY MANAGEMENT PERSONNEL

Trustees' emoluments
No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses, totalling £20,000 (2024 - £19,000) in respect of General Synod duties, duties as archdeacon and other duties as Trustees.

The following table gives details of the Trustees who were in receipt of a stipend and/or housing provided by the DBF during the year:

	Stipend	Housing
The Venerable R E Newton	Yes	Yes
The Venerable V Ross	Yes	Yes
The Venerable S J Fyfe	Yes	Yes
The Reverend C H Hope	Yes	Yes

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

Diocesan Secretary and Company Secretary
Director of Education
Deputy Diocesan Secretary & Head of Finance
Deputy Diocesan Secretary & Head of Human Resources and Governance

Remuneration, pensions and expenses for these 4 employees (2024: 4) amounted to £358,000 (2024: £385,000).

22. ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted funds		Restricted Funds	Endowment Funds
	General £'000	Designated £'000	£'000	£'000
From Barchester Fund for Educational support	262	-	(262)	-
Transfer from Pastoral a/c for housing costs	237	-	(237)	-
Parsonage Houses Fund to Pastoral Account	-	-	904	(904)
From General Fund to Leighton Legacy Fund	(210)	210	-	-
From General Fund to Net Zero Property Fund	(255)	255	-	-
From General Fund to Sustainability Fund	(110)	110	-	-
From Growth Fund to General Fund	50	(50)	-	-
Net transfers between funds	(26)	525	405	(904)

23. TANGIBLE FIXED ASSETS

Consolidated

	Freehold Land and Buildings £'000	Parsonages Houses £'000	Freehold Improvements £'000	Furniture and Equipment £'000	Total £'000
Cost or valuation					
At 1st January 2025	9,683	30,515	103	373	40,674
Additions	-	-	31	65	96
Transfers	(1,316)	1,316	-	-	-
Disposals	(573)	(822)	-	(20)	(1,415)
Revaluations	(32)	-	-	-	(32)
At 31st December 2025	7,762	31,009	134	418	39,323
Depreciation					
At 1st January 2025	-	-	53	213	266
Disposals	-	-	-	(17)	(17)
Depreciation for the year	-	-	11	69	80
At 31st December 2025	-	-	64	265	329
Net Book Value:					
At 31st December 2025	7,762	31,009	70	153	38,994
At 31st December 2024	9,683	30,515	50	160	40,408

23. TANGIBLE FIXED ASSETS (continued)

Company

	Freehold Land and Buildings	Parsonages Houses	Freehold Improvements	Furniture and Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1st January 2025	9,683	30,515	-	91	40,289
Additions	-	-	-	-	-
Transfers	(1,316)	1,316	-	-	-
Disposals	(573)	(822)	-	-	(1,395)
Revaluations	(32)	-	-	-	(32)
At 31st December 2025	7,762	31,009	-	91	38,862
Depreciation					
At 1st January 2025	-	-	-	81	81
Disposals	-	-	-	-	-
Depreciation for the year	-	-	-	5	5
At 31st December 2025	-	-	-	86	86
Net Book Value:					
At 31st December 2025	7,762	31,009	-	5	38,776
At 31st December 2024	9,683	30,515	-	10	40,208

All of the properties in the balance sheet are freehold and are vested in Carlisle DBF, except for benefice houses which are vested in the incumbent. Land and buildings at 31 December 2025 are valued at fair value as deemed cost as at 1st January 2014 or subsequent cost. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

24. INVESTMENTS

FIXED ASSET INVESTMENTS

Consolidated and Company	Value at 1st January 2025 £'000	Additions £'000	Disposals £'000	Transfers £'000	Change in Market Value £'000	Value at 31st December 2025 £'000
Unrestricted Funds						
Investment in joint ventures	792	-	-	-	(11)	781
CBF Investment Fund	1,131	-	-	-	(45)	1,086
	1,923	-	-	-	(56)	1,867
Designated Funds						
CBF Investment Fund	2,120	-	-	-	(85)	2,035
	2,120	-	-	-	(85)	2,035
Restricted Funds						
Investment properties	2,272	-	(142)	-	395	2,525
Rathbones Portfolio	-	3,009	-	-	52	3,061
CBF Property Fund	3,615	-	-	-	78	3,693
CBF Investment Fund	9,307	-	-	-	(371)	8,936
	15,194	3,009	(142)	-	154	18,215
Endowment Funds						
Investment properties	7,400	1	(271)	-	140	7,270
Hydroelectric Schemes	784	-	-	-	(23)	761
CBF Property Fund	3,183	-	-	-	69	3,252
CBF Investment Fund	12,349	-	-	-	(495)	11,854
	23,716	1	(271)	-	(309)	23,137
Total	42,953	3,010	(413)	-	(296)	45,254
Total Historical Cost	22,045	3,010	-	-	-	25,055

SOCIAL INVESTMENTS

Consolidated and Company	Value at 1st January 2025 £'000	New loans £'000	Repaid £'000	Transfers £'000	Adjustment on settlement £'000	Value at 31st December 2025 £'000
Unrestricted Funds						
Loans to parishes	1	-	(1)	-	-	-
Loan to Emmanuel College	10	-	-	-	-	10
	11	-	(1)	-	-	10

TOTAL INVESTMENTS

Total Consolidated Investments	42,964	3,010	(414)	-	(296)	45,264

24. INVESTMENTS (continued)

The social investments of Carlisle DBF consist of concessionary loans made to parishes and Emmanuel College, for charitable purposes.

All the investments relate to the Company. The Company also has an investment – book value £nil (2024 £nil)– original cost £250,100 (2024: £250,100) in Rydal Hall Limited.

On 31 December 2025, a market value valuation of the investment property was carried out by John Robson, for and on behalf of PFK, and Deborah Goodland, for and on behalf of Walton Goodland – both are RICS Registered Valuers. No formal valuation has been completed since and the directors consider this valuation to remain appropriate at the reporting date based on recent investment property sales and purchases.

Any income or sales proceeds arising from Investment Properties are restricted for use of the particular restricted fund in which they are held.

25. DEBTORS

	Consolidated		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Due within one year				
Unrestricted funds				
Trade debtors	147	84	147	84
Inter fund balances	-	34	-	34
Other debtors	97	64	97	64
	244	182	244	182
Designated funds				
Trade debtors	-	3	-	-
Inter fund balances	1,622	1,463	1,622	1,463
Other debtors	71	22	-	-
	1,693	1,488	1,622	1,463
Restricted funds				
School debtors	181	383	181	383
Inter fund balances	-	-	-	-
Other debtors	826	42	826	42
	1,007	425	1,007	425
Endowment Funds				
Inter fund balances	62	497	62	497
Other Debtors	194	64	194	64
	256	561	256	561
Total debtors due within one year	3,200	2,656	3,129	2,631

26. DEPOSITS

	Consolidated		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Unrestricted funds				
CBF Deposit Funds	486	377	486	377
Designated funds				
CBF Deposit Funds	212	194	106	92
Restricted funds				
CBF Deposit Funds	2,387	2,776	2,387	2,776
Deposits with Church Commissioners	16	119	16	119
	2,403	2,895	2,403	2,895
Endowment funds				
CBF Deposit Funds	1,552	1,346	1,552	1,346
Total deposits	4,653	4,812	4,547	4,710

27. CREDITORS: amounts falling due within one year

	Consolidated		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Unrestricted funds				
Sundry creditors and accruals	989	844	989	844
Inter fund balances	316	-	316	-
	1,305	844	1,305	844
Designated funds				
Trade creditors	114	46	-	-
Sundry creditors and accruals	241	193	-	-
	355	239	-	-
Restricted funds				
Inter fund balances	1,368	1,994	1,368	1,994
Sundry creditors and accruals	1,218	1,424	1,218	1,424
	2,586	3,418	2,586	3,418
Endowment funds				
Inter fund balances	-	-	-	-
	-	-	-	-
Total creditors falling due within one year	4,246	4,501	3,891	4,262

27. CREDITORS: amounts falling due within one year (Continued)

£1 million was borrowed from the Central Board of Finance Deposit Fund Diocesan Loan Scheme in 2014 in order to finance the investment in Rydal Hydro Limited. It was repayable in equal annual instalments of £100,000 over ten years with interest charged at 0.55% above the CBF Deposit Fund rate (currently 5.80%). The final instalment was paid in 2024.

28. SUMMARY OF FUND MOVEMENTS

Unrestricted Funds – 2025

	Balance at 1st January 2025 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31st December 2025 £'000
General funds						
Realised reserve	1,658	7,905	(7,812)	(26)	-	1,725
Revaluation reserve	544	-	-	-	(56)	488
	2,202	7,905	(7,812)	(26)	(56)	2,213
Designated Funds						
Diocesan Growth Fund	2,204	68	(57)	(50)	(85)	2,080
Leighton Legacy	-	-	-	210	-	210
Rydal Hall	210	-	(66)	-	-	144
Sustainability Fund	841	-	(124)	110	-	827
Net Zero Property Fund	420	-	(172)	255	-	503
Restore	-	-	-	-	-	-
Total Company Designated	3,675	68	(419)	525	(85)	3,764
Restore (Cumbria)	141	452	(500)	-	-	93
Rydal Hall Limited	(111)	1,386	(1,550)	-	-	(275)
Total Group Designated Funds	3,705	1,906	(2,469)	525	(85)	3,582
Total Group Unrestricted Funds	5,907	9,811	(10,281)	499	(141)	5,795

Unrestricted Funds – 2024

	Balance at 1st January 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31st December 2024 £'000
General funds						
Realised reserve	1,564	8,118	(7,599)	(425)	-	1,658
Revaluation reserve	531	-	-	-	13	544
	2,095	8,118	(7,599)	(425)	13	2,202
Designated Funds						
Diocesan Growth Fund	2,161	68	(73)	-	48	2,204
Resources Centre	1	-	-	(1)	-	-
Rydal Hall	210	-	-	-	-	210
Sustainability Fund	309	-	(54)	586	-	841
Net Zero Property Fund	214	-	(53)	259	-	420
Restore	25	-	(25)	-	-	-
Total Company Designated	2,920	68	(205)	844	48	3,675
Restore (Cumbria)	100	383	(342)	-	-	141
Rydal Hall Limited	(41)	1,330	(1,400)	-	-	(111)
Total Group Designated Funds	2,979	1,781	(1,947)	844	48	3,705
Total Group Unrestricted Funds	5,074	9,899	(9,546)	419	61	5,907

The Diocesan Growth Fund was created from a legacy from the late Miss A F Hope. It has been supplemented from the Mission Development grants from the Church Commissioners and transfers from General Funds. The Fund is used to support the establishment of youth congregations and help parishes and deaneries initiate new work designed to achieve church growth.

The Leighton Legacy Fund was created from a legacy from the late Beryl Leighton, to be used for mission and ministry in the Maryport area.

The Rydal Hall Fund represents the balance of Carlisle DBF's investment in the subsidiary company, Rydal Hall Limited.

The Net Zero Property Fund was created in 2023, to build a fund to help finance the work required to reduce the carbon emissions in property owned by the DBF, in line with the Church of England's '2030 Net Zero' target.

The Restore (Cumbria) Fund represents the investment in the network of local shops through which this subsidiary charity, and local churches, provide community support and outreach for the local communities.

The Sustainability Fund was created to build a fund towards the expenditure likely to be required in future years to fund changes to bring about more sustainable models of mission and ministry across the Diocese.

Restricted Income Funds – 2025

	Balance at 1st January 2025 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31st December 2025 £'000
Barchester Fund	7,682	274	(45)	47	207	8,165
Stipends Income Fund	60	-	-	-	-	60
Pastoral Account	8,235	310	(198)	1,226	(32)	9,541
Diocesan Houses Fund	8,081	887	-	(628)	(33)	8,307
Parish Property Fund	388	12	(15)	69	(16)	438
Retired Clergy & Dependants Income Fund	-	55	(38)	-	-	17
Church Commissioners Funds	10	876	(880)	-	-	6
Other Restricted Income Funds	497	132	(149)	(309)	(3)	168
Total Group Restricted Income Funds	24,953	2,546	(1,325)	405	123	26,702

Restricted Income Funds- 2024

	Balance at 1st January 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31st December 2024 £'000
Barchester Fund	7,615	379	(47)	(197)	(68)	7,682
Stipends Income Fund	60	-	-	-	-	60
Pastoral Account	6,672	264	(389)	1,596	92	8,235
Diocesan Houses Fund	8,081	-	-	-	-	8,081
Parish Property Fund	413	16	(73)	21	11	388
Retired Clergy & Dependants Income Fund	6	56	(62)	-	-	-
Church Commissioners Funds	10	541	(541)	-	-	10
Other Restricted Income Funds	509	45	(65)	-	8	497
Total Group Restricted Income Funds	23,366	1,301	(1,177)	1,420	43	24,953

The Barchester Fund comprises closed schools and school houses and their sale proceeds. These are held by the DBF and administered by the Diocesan Board of Education to support religious education and the work of Church schools in the Diocese. School Funds, of which Carlisle DBF is Custodian Trustee, are not included within the Barchester Fund as the DBF receives no benefit from these funds.

The Stipends Income Fund is governed by the Diocesan Stipends Measure 1953, as subsequently amended, and is used to augment the clergy stipends. Its income comes from glebe and other Stipends Capital Account investments, assigned fees and the Church Commissioners. The income is included in the DBF's General Funds in accordance with the stated accounting policy where it contributes towards the total cost of stipends which are paid from General Funds.

The Diocesan Pastoral Account receives the sale proceeds of Churches and Parsonages which have become redundant under pastoral reorganisation. Its uses are governed by Section 94 of the Pastoral Measure 2011, and include grants and loans for Parsonage and Church provision, restoration, improvement or repair and other purposes of the Diocese or any benefice or parish. The reserves are represented by investments with the Central Board of Finance, with Rathbones, and by loans to parishes. These assets are included under the appropriate headings in the DBF's Balance Sheet.

The Diocesan Houses Fund consists of those properties in the legal ownership of Carlisle DBF (as distinct from benefice houses) other than investment properties. The purchase of such properties is funded primarily from the Pastoral Account.

The Parish Property Fund (formerly Diocesan Loan Fund) is used to provide loans and grants to parishes for improvements and repairs to churches and other parish property.

The Church Commissioners Funds relate to grant funding from the National Church, restricted for specific projects.

Endowment Funds – 2025

	Balance at 1st January 2025 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31st December 2025 £'000
Permanent Endowment Funds						
Stipends Capital Fund	23,467	20	-	-	(260)	23,227
Education	46	-	-	-	(2)	44
PWM World Mission	72	-	-	-	(3)	69
Readers Board	2	-	-	-	-	2
General	119	-	-	-	2	121
	23,706	20	-	-	(263)	23,463
Expendable Endowment Funds						
Parsonages Houses Fund	31,122	1,009	-	(904)	1	31,228
Retired Clergy & Dependants Fund	1,456	-	-	-	(48)	1,408
	32,578	1,009	-	(904)	(47)	32,636
Total Group Endowment Funds	56,284	1,029	-	(904)	(310)	56,099

Endowment Funds - 2024

	Balance at 1st January 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31st December 2024 £'000
Permanent Endowment Funds						
Stipends Capital Fund	22,360	148	-	717	242	23,467
Education	45	-	-	-	1	46
PWM World Mission	70	-	-	-	2	72
Readers Board	2	-	-	-	-	2
General	118	-	-	-	1	119
	22,595	148	-	717	246	23,706
Expendable Endowment Funds						
Parsonages Houses Fund	32,867	911	(100)	(2,556)	-	31,122
Retired Clergy & Dependants Fund	1,428	-	-	-	28	1,456
	34,295	911	(100)	(2,556)	28	32,578
Total Group Endowment Funds	56,890	1,059	(100)	(1,839)	274	56,284

The Permanent Endowment Funds are held where the DBF has no power to convert the capital into income. The capital is invested and the income used for the purposes as indicated.

The Diocesan Stipends Fund Capital Account is governed by Section 38 of the Church Property Measure 2018. It consists of investments with the Central Board of Finance and glebe properties and is held to produce income for clergy stipends. These assets are included under the appropriate headings in the DBF's Balance Sheet.

The Parsonages Houses Fund represents those houses which are benefice property, vested in the incumbents. Carlisle DBF nevertheless has financial responsibility for parsonages and they have been included in the Balance Sheet valued at deemed cost based on valuations at 31 December 2013.

The Retired Clergy and Dependants Fund provides for the relief of poverty by assisting retired clergy, licensed lay workers or deserted spouses of clergy who reside or served in the Diocese, and their dependants.

29. SUMMARY OF ASSETS BY FUND

Company

	Fixed Assets		Net Current	Liabilities	Net Assets	Net Assets
	Tangible	Investments	Assets	after 1 year	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds						
General Funds	5	1,877	331	-	2,213	2,202
Designated Funds						
Diocesan Growth Fund	-	2,035	45	-	2,080	2,204
Leighton Legacy Fund	-	-	210	-	210	-
Rydal Hall	-	-	144	-	144	210
Sustainability Fund	-	-	827	-	827	841
Net Zero Property Fund	-	-	503		503	420
Restore	-	-	-	-	-	-
	-	2,035	1,729	-	3,764	3,675
Restricted Funds						
Barchester Fund	-	7,718	447	-	8,165	7,682
Stipends Income Fund	-	-	60	-	60	60
Pastoral Account	-	9,255	286	-	9,541	8,235
Diocesan Houses Fund	7,617	750	(60)	-	8,307	8,081
Parish Property Fund	-	392	46	-	438	388
Retired Clergy Income	-	23	(6)	-	17	-
Church Commissioners	-	-	6	-	6	10
Other Funds	-	77	91	-	168	497
	7,617	18,215	870	-	26,702	24,953
Permanent Endowment Funds						
Stipends Capital Fund	-	21,697	1,530	-	23,227	23,467
Education	-	44	-	-	44	46
PWM World Mission	-	69	-	-	69	72
Readers Board	-	2	-	-	2	2
General	-	121	-	-	121	119
	-	21,933	1,530	-	23,463	23,706
Expendable Endowment Funds						
Parsonages Houses Fund	31,009	-	219	-	31,228	31,122
Retired Clergy & Dependants Fund	145	1,204	59	-	1,408	1,456
	31,154	1,204	278	-	32,636	32,578
Total Endowment Funds	31,154	23,137	1,808	-	56,099	56,284
Total Company Funds	38,776	45,264	4,738	-	88,778	87,114
Unrestricted Funds						
Restore	41	-	52	-	93	141
Rydal Hall Ltd	177	-	(452)	-	(275)	(111)
Total Consolidated Funds	38,994	45,264	4,338	-	88,596	87,144

30. PENSIONS

The DBF participates in two pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the DBF and the other participating employers. One of these is the **Church of England Funded Pensions Scheme** for stipendiary clergy. The other is the **Church Workers Pension Fund**. The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

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

Church of England Funded Pension Scheme

With effect from 1 January 1998, diocesan clergy became members of the Church of England Funded Pensions Scheme. This defined benefit scheme provides benefits based on the National Minimum Stipend in the year before their date of retirement and provides for that part of the benefit that relates to pensionable service after 1 January 1998. Benefits are currently being accrued on the basis of half of the National Minimum Stipend (NMS) being paid as the normal pension on reaching the age of 68 on completion of maximum service of 41.5 years, or 1.25 times this amount for archdeacons, plus a lump sum of three times the pension based on the previous year's NMS payable from the scheme. Pensions in respect of pensionable service before 1 January 1998 will be provided for by the Church Commissioners under the previous arrangements.

At the end of the year the DBF was paying contributions for 81 members of the scheme out of a total membership of approximately 8,500 active members. Each participating employer in the scheme pays contributions at a common contribution rate applied to the previous year's National Minimum Stipend. As this is a multi-employer scheme and it is not possible to attribute the scheme's assets and liabilities to specific employers, the scheme pension costs are accounted for as if the scheme were a defined contribution scheme and the pension cost charged to the Statement of Financial Activities is the contributions payable for the year towards benefits earned in that year plus the impact of any deficit contributions (see below).

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

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

- An average discount rate of 6.0% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.7% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S4NA_L tables, with allowance for improvements in mortality rates from 2017 in line with the CMI2023 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 and 2021 data of 20% (i.e. w = 20%).

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

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

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

A reconciliation of the balance sheet liability:

	2025 £'000	2024 £'000
Balance sheet liability as at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in the SOFA)	-	-
Re-measurement of the balance sheet liability	-	-
Balance sheet liability as at 31 December	-	-

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2025 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2023 or 2022 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2025	December 2024	December 2023
Discount Rate	n/a	n/a	n/a
Price Inflation	n/a	n/a	n/a
Increase to total pensionable salary	n/a	n/a	n/a

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

Church Workers Pension Fund – Defined Benefits Scheme

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries. At 31 December 2025, the DBF has no active members, 11 deferred and 37 pensioner members in the scheme.

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. In such cases FRS102 requires the scheme pension costs to be accounted for as if the scheme were a defined contribution scheme and the pension cost charged to the Statement of Financial Activities is the contributions payable for the year towards benefits earned in that year (£nil over 2025 compared to £67,000 over 2024) plus the impact of any deficit contributions (see below).

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

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool. If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2022. The overall surplus in the DBS was £73.6m. The next actuarial valuation is due at 31 December 2025.

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

Over the year to 31 December 2025, £270,000 (2024: £262,000) of surplus assets from the DBS has been used to fund contributions in Pensions Builder for Carlisle Diocesan Board of Finance Limited and Rydal Hall Limited.

31. CAPITAL COMMITMENTS

Group expenditure contracted for but not provided on the financial statements was £nil (2024: £nil).

32. RELATED PARTY TRANSACTIONS

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

Archbishops' Council and the Church Commissioners

As detailed in note 2 Carlisle DBF received grants from the Archbishops' Council totalling £1,609,000 (2024: £1,418,000). £39,000 (2024: £37,000) was received from the Church Commissioners for rent of the Bishop's House. Payments were made to the Archbishops' Council for contributions to the National Church and for training of Ordinands totalling £535,000 (2024: £519,000). Payments of £2,691,000 (2024: £2,540,000) were made to the Church Commissioners for clergy stipends and the Church of England Pensions Board was paid £501,000 (2024: £516,000) for clergy pensions. £nil (2024: £nil) of clergy pensions was outstanding at the year end. Further payments were made to the Pensions Board for lay pensions of £100,000 (2024: £116,000). The balance due to the Pensions Board at the year-end for December's contributions was £30,000 (2024: £1,000). Pension contributions were grossed up in staff costs and other income with the £270,000 (2024 £262,000) of pension contributions covered by the pensions' contribution holiday (see note 30)

Rydal Hall Ltd (see note 15)
During the year Rydal Hall Ltd paid £17,000 (2024: £17,000) to Carlisle DBF as its Ministry Offer contribution, in support of its Chaplain. Carlisle DBF made grants of £93,000 (2024: £nil) to Rydal Hall Ltd.

At the year-end Rydal Hall Ltd owed £401,000 (2024: £282,000) for outstanding staff salaries and expenses. The DBF owed Rydal Hall Ltd £16,000 (2024 £nil) in grants due.

Rydal Hydro Ltd (see note 16)
Rent of £39,000 (2024: £40,000) and dividends of £152,000 (2024: £255,000) were received from Rydal Hydro Ltd.

Scandale Hydro Ltd
Dividends of £218,000 (2024: £319,000) were received from Scandale Hydro Ltd, of which Carlisle DBF owns one-third of the shares.

Cumbria Christian Learning Limited
Cumbria Christian Learning has been dormant since 1 January 2022 and no transactions occurred nor year-end balances existed at 31 December 2025 or 2024.

Restore (Cumbria) – (see note 17)
In 2025, grants of £nil (2024: £55,000) were made from the Carlisle DBF to Restore.

At the year-end, Restore owed £5,000 (2024: £5,000) to Carlisle DBF.

DBE Services Ltd
Carlisle DBF received gift aid distributions from DBE Services (which is jointly owned by the North West Dioceses) totalling £30,000 (2024: £15,000).

Emmanuel Training College
In 2025 tuition fees of £16,000 (2024: £8,000) were paid to Emmanuel Training College (which is jointly owned by the North West Dioceses).
At year-end, £10,000 (2024: £10,000) was owed to Carlisle DBF by Emmanuel Training College.

