The Birmingham Diocesan Board of Finance

Annual Report

THE CHURCH OF ENGLAND BIRMINGHAM

The trustees, who are also directors for the purposes of company law, present their trustees' report (including the strategic review) together with the financial statements and auditor's report of the charitable company – The Birmingham Diocesan Board of Finance (BDBF) for the year ended 31 December 2025. The financial statements comply with current statutory requirements, the Statement of Recommended Practice for Charities and the Companies Act 2006.

Annual Report of the trustees comprising:

Page number

It should be noted that the Annual Report gives narrative on the activities of Birmingham Cathedral, Birmingham Diocesan Trustees Registered, Church Schools, Thrive Together Birmingham and individual parishes to give an overview of all Church of England Birmingham activities. However, the financial information of these entities is not included in the BDBF financial statements. They have their own financial statements as separately constituted organisations. (See page 24 for details of the structure of The Church of England.)

The members of the Bishop's Council set out below have held office during the period from 1 January 2025 to the date of this report, unless otherwise stated.

Bishop's foreword

As we look back on 2025, I give thanks to God for his extraordinary work among and through us here in the Church of England Birmingham. We have heard and seen countless examples of God's love transforming lives and communities, whether through the many baptisms and confirmations, or in new missional opportunities and initiatives. Pages 6–11 highlight a few such examples.

I am delighted that during 2025 the Church of England Birmingham was awarded Silver Eco-Diocese status by A Rocha UK. This prestigious award recognises the progress being made across our churches in caring for God's creation, and we remain the only diocese to be awarded Silver status.

Last May we welcomed Esther as the new Bishop of Aston, and I am delighted to be working together with her to see growing churches at the heart of each community. We also welcomed Wayne Hamilton as the new Chair of Birmingham Racial Justice Board, strengthening our commitment to justice, dignity and flourishing for all. Safeguarding remained a key priority for us during 2025, as it did for the Church of England nationally. This year we have continued to work tirelessly to ensure our churches are safe places for all. I'm grateful for the work of Parish Safeguarding Coordinators, supported by our central Safeguarding Team, as together we ensure supporting victims and survivors of abuse remains a top priority.

I thank God for our committed clergy, curates and Readers who continue to faithfully serve and lead parishes across the breadth of the diocese. I am also grateful to the hundreds of people who serve in our governance structures – whether Church Wardens and Treasurers, PCC members, or members of Deanery and Diocesan Synods and committees.

Looking ahead to 2026, Director of Ministry Mark Pryce will be stepping down from full-time ministry in July. Mark has made an exceptional contribution to the Church of England Birmingham, opening up new learning and formation pathways and establishing a culture of theological research, ministerial wellbeing and reflective practice.

As we enter the new year, I encourage us all to continue to abide in Christ and to prioritise prayer as the foundation of all we do. If you haven't already, I invite you to consider joining the Bishops' Prayer Network and to commit to praying regularly with many others for God's kingdom to come in Birmingham and the region.

With my ongoing prayers in Christ,

+Michael Birmingham

Chair's statement

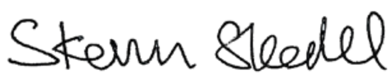
2025 was a momentous year in the life of the Church of England Birmingham. Our focus on accelerating the next phase of our strategy, growing churches at the heart of each community, has been backed by the National Church with a £19.8m grant over nine years, awarded during the summer of 2025. The funding will enable parish growth, leadership development, our journey to financial sustainability, and church planting and revitalisation. Further details can be found in the *Looking Ahead* section on pages 12–13.

Pages 14–15, *2025 At a Glance*, provides a very succinct and, I hope, easy-to-understand summary. There is a modest increase in the number of lay people in our worshipping communities and growth in our Common Fund. While the growth in the Common Fund was below our 2025 budget, it is good to see some recovery towards pre-COVID-19 levels of giving. However, this trend needs to be at a faster rate if we are to achieve financial sustainability in the future.

In addition to the £19.8m grant noted above, we are very grateful for the various sources of additional income, the most significant being the £2.1m in Lowest Income Communities Funding also from the National Church. I encourage you to spend some time reading pages 16–23, *Strategic and Operating Review*, where we unpack the details of our financial performance.

As we look ahead to 2026, we give thanks for our senior staff who are entering retirement this year: Diocesan Secretary Jan Smart, Finance Director Karen Preece and Diocesan Director of Education Sarah Smith MBE. We are incredibly fortunate to have such capable and competent leaders, and we thank God for their service and wish them well. During 2026 we will welcome former Director of Mission Andy Winmill as our new Diocesan Secretary and Sam Smith as new Director of Education, and I pray that by the time of publication, we will have announced our new Finance Director too.

Of course, without all our diocesan staff, parish clergy, curates, volunteer ministers, church officers, PCC members and many others, we can do nothing. Thank you to those who serve in our Deanery Synods, Diocesan Synod, Bishop's Council, the Finance Investment and Property Committee, and our Housing Sub-Committee. Praise God as we all seek to serve, wherever God has called us.



Highlights of 2025

Throughout 2025 there have been a multitude of encouraging stories and activities from across the diocese. The following highlights provide a flavour of these stories.

Installation of Bishop Esther and ordinations

During a joyful and prayerful year at Birmingham Cathedral, the Church of England Birmingham (CofE Birmingham) welcomed the Rt Revd Esther Prior as the 11th Bishop of Aston in May. Her installation service brought together civic leaders, clergy, lay leaders, representatives of faith communities and congregations from across Birmingham, marking the beginning of Bishop Esther's ministry here.

Alongside this, the Cathedral hosted the ordination of eight priests and 18 deacons called to serve in parishes across the diocese at services in July and October. Bishops, clergy, family, friends and church communities gathered to pray, worship and affirm each candidate's calling. These services were powerful reminders of God's faithfulness and the ongoing renewal of ministry within the CofE Birmingham.

Launch of Bishops' Prayer Network

2025 saw the launch of the Bishops' Prayer Network, aiming to deepen and strengthen a culture of prayer across the CofE Birmingham. The Network brings together people from all traditions who feel called to intercede regularly for the city and wider region, its churches and communities.

Members commit to praying during specific weeks throughout the year, ensuring that the diocese is continually covered in prayer. These focused prayer weeks take place around key moments in the church calendar, including Lent, Pentecost and Advent. The Network has also responded to urgent calls to prayer when needed, which provides a 24-hour period of prayer at short notice.

World mission partnership with the Anglican Church of Bolivia

The CofE Birmingham's relationship with the Anglican Church of Bolivia continues to be an important expression of global partnership and mutual encouragement. In 2025, Anglicans in Bolivia faced significant political and economic challenges, including instability and rising inflation. Despite this, churches across four major cities sustained their witness through evangelism and social care, while new work also began on the Altiplano, the most extensive high plateau on Earth outside Tibet.

Congregations in Birmingham remained closely connected with our world mission work through online meetings, hearing first-hand accounts of ministry from twinned churches in Bolivia. A particular highlight this year was the visit of Bishop Walter Toro to Birmingham in November. During his stay, he was welcomed into eight congregations and shared time with Bishop Michael and clergy, offering honest reflection on proclaiming good news in challenging circumstances. This partnership is just one part of our broader world mission work, including our longstanding relationship with mission partners in Malawi.

New Chair of Birmingham Racial Justice Board

The CofE Birmingham continues its commitment to racial justice and inclusion as an integral part of its shared life and ministry. In 2025, the Revd Wayne Hamilton was welcomed as the new Chair of the Birmingham Racial Justice Board, marking an important moment of renewed focus.

Under Revd Wayne's leadership, the Board is entering a new phase of work, bringing together new and existing members with diverse experiences who are prayerfully committed to justice, dignity and flourishing for all. Through ongoing meetings, reflection and engagement, the Board seeks to support churches across Birmingham as they continue to respond faithfully to issues of race and inclusion.

Promoting a culture of care and protection

Safeguarding children and vulnerable adults is the responsibility of everyone across the CofE Birmingham. Promoting a strong culture of safeguarding, and responding to concerns in ways that ensure people's welfare, remains a high priority. This responsibility is supported through close partnership between volunteers and clergy in parishes and the diocesan Safeguarding Team.

During 2025, this collaboration was strengthened through the expansion of the Safeguarding Team, both in staff numbers and professional expertise. To respond to the often-complex safeguarding concerns raised by parishes, the team includes staff with extensive safeguarding knowledge and experience and recognised professional qualifications. The team also work in close partnership with external agencies including the local authority, police and probation services. Appropriate training and support continues to be offered to parishes, and the diocesan safeguarding team manage case work alongside leading on improvements to prevention and early intervention.

Geoff Taylor-Smith, Independent Chair of the Diocesan Safeguarding Advisory Panel said: *"Over the last year safeguarding arrangements and working practices have continued to be strengthened. The Diocesan Safeguarding Officers have effectively managed operational oversight of safeguarding procedures and practices, supervised by the Regional Safeguarding Lead for the West Midlands, as part of the National Safeguarding Team."*

Church school distinctiveness

Supporting Church schools to live out their Christian foundation remains central to the work of the Diocesan Board of Education. In 2025, every Church school inspected was affirmed for its clear and confident Christian distinctiveness.

Across schools, Christian vision continues to shape culture, relationships and decision-making. Values are not only articulated but lived out in daily school life, creating environments in which pupils and adults are supported to flourish. Leadership and governance play a key role in protecting and championing each school's Christian identity.

During the year, a change in our Church School Distinctiveness Adviser was successfully navigated, with a consistently high-level of expert support maintained for school leaders.

Building understanding across faith communities

Interfaith engagement is a key part of the CofE Birmingham's life and witness within a diverse and multi-faith city. Led by Canon Dr Andrew Smith, Director of Interfaith Relations, the Church–Mosque Leaders Group brings together leaders from churches and mosques across Birmingham to build understanding, trust and friendship between the city's two largest faith communities.

Meeting every two months and alternating between churches and mosques, the group provides space for open and respectful conversation. During 2025, participants explored theology and practice, recognising both shared ground and areas of difference between Christianity and Islam. Clergy and lay leaders were encouraged to share their faith honestly, while listening attentively to the beliefs and experiences of others.

This work reflects the CofE Birmingham's commitment to living well with difference and contributing positively to Birmingham's shared civic life.

Community regeneration and Thrive Together Birmingham

The CofE Birmingham continued to support community regeneration in 2025 through practical partnerships and place-based mission. The Community Regeneration Team worked with churches in disadvantaged neighbourhoods to explore new possibilities for church sites, including the potential development of social housing alongside renewed church buildings. Delivered in partnership with the Church Development Agency, this work enables parishes to secure feasibility funding and begin exploring imaginative and viable options for long-term mission.

Through our partnership, Thrive Together Birmingham played a key role in growing the Warm Welcome network across the city. With strong support from Birmingham City Council, the number of Warm Welcome spaces grew to over 320. These are free, safe and welcoming places open to all, where people can connect, access activities and receive practical advice and support. Many CofE Birmingham churches now host activities that offer hospitality, connection and access to support within their local communities.

Supporting mission, leadership, growth and sustainability

In 2025, the Project Management Office supported 37 active projects working towards our vision of growing churches at the heart of each community. Oversight Areas continued to be formed and supported, enabling parishes to collaborate more closely and focus on mission.

Specialist roles, including Children and Families Mission Enablers and the Anglo-Catholic Missioner, were deployed to support parish growth. Existing revitalisations and church plants continued, alongside new initiatives, with the partnership at Rea Church providing a strong example of this work in practice.

Projects supporting the development of current and emerging leaders continued, including Local Ministers and Youth and Children's Workers. Towards the end of the year, a new Generosity Team began to form, strengthening the CofE Birmingham's approach to long-term financial sustainability.

Silver Eco Diocese Award

The CofE Birmingham was delighted to receive the Silver Eco Diocese Award from A Rocha UK, recognising significant progress in caring for God's creation. This made Birmingham the first, and currently only, diocese of any denomination to be awarded Silver status. We are sharing our learnings with other dioceses on the journey. The award was celebrated at a service at St Martin in the Bull Ring, bringing together churches from across the diocese.

Since joining the Eco Diocese programme in 2016, a growing number of parishes have taken practical steps towards sustainability. Today, over two-thirds of CofE Birmingham churches are registered with Eco Church, and many have already achieved awards for their environmental action.

The Silver Award affirms the CofE Birmingham's ongoing commitment to reaching Net Zero Carbon and encourages churches to continue working together to cherish creation and respond faithfully to the climate crisis.

Equipping and supporting leaders for mission

The FLEX Conference brought together leaders and volunteers working with children and young people from across the diocese for a day of learning, encouragement, and connection in June. Focused on the theme of discipleship, the conference explored both personal faith and how we nurture faith in children and young people.

Participants engaged in a wide range of seminars addressing key challenges in contemporary ministry, alongside a marketplace of practical resources. The day also created valuable space for conversation, shared learning and mutual encouragement.

Bishop Michael joined the conference to offer prayer and encouragement, affirming the vital importance of investing in ministry with children and young people. FLEX continues to be a key way for the CofE Birmingham to equip and support those serving at the heart of its mission with children, young people and their families.

Investing in ministerial training, development and wellbeing

To proclaim the gospel afresh in each generation, the CofE Birmingham continues to invest in discernment, formation and ministerial development for both lay and ordained leaders. In 2025, this included the development of new and existing training pathways across the diocese.

Through *Growing Gifts*, lay-led formational teams trained 70 people for authorised preaching and leading worship in parishes. New training in pastoral care supported the formation of Commissioned Pastoral Teams, with a new Warden appointed to assist this work. Reader Ministry Formation saw twelve participants complete the renewed two-year programme.

Ordained Ministry Formation continued with 21 ordinands in training and 30 curates formed through parish and diocesan programmes. 2025 also saw the ordination of eight deacons from the Local Ministry Pathway, and increased neurodiversity awareness training. Clergy wellbeing was strengthened through Reflective Pastoral Supervision, renewed Ministerial Development Reviews, and expanded access to spiritual direction.

Deanery highlights of 2025

Aston & Sutton Coldfield

Aston Parish Church hosted a deeply moving confirmation service with Bishop Esther this year, celebrating 13 confirmation candidates and one baptism. The service was filled with joy, testimonies and thanksgiving as candidates shared how God had been at work in their lives.

Members from St Barnabas Erdington and St John's Walmley also joined the celebration, highlighting the strength of connection across parishes within the deanery. Bishop Esther reminded those gathered that such moments echo celebrations already taking place in heaven. The service was a powerful witness to lives transformed and faith publicly declared within the local church.

Coleshill & Polesworth

At Hodge Hill Church, a joyful confirmation service in October saw 19 candidates confirmed, including ten from Hodge Hill and nine from neighbouring parishes, marking an important step in their journeys of faith.

This followed closely after a pilgrimage undertaken by members of the Firs and Bromford (FAB) Church community from Hodge Hill to Holy Island, Northumbria, an ancient site of Celtic Christianity. 24 pilgrims walked barefoot across the tidal sands to the island, where eight people were baptised in the sea the following day. Many of those baptised have been deeply involved in long-term community-building work on the Firs and Bromford estate, from which the FAB Church community has grown.

Together, these moments reflect a deanery rooted in prayer, discipleship and a commitment to local communities.

Handsworth & Central

St Andrew's Handsworth hosted a special Garden Spirituality event in August, bringing together worship, reflection and care for creation. Guests gathered to hear reflections from Fletcher Banner on ministry and spirituality, inspired by the late Dean Robert of Canterbury and his garden services during the pandemic.

The event also marked the opening of the Pilgrimage Garden of the Good Shepherd, a space designed for prayer, reflection and encounter with God through nature. Visitors took part in an afternoon of conversation, film and fellowship within the newly opened garden.

Many described the day as uplifting and deeply welcoming, celebrating the beauty of creation and the power of shared spiritual spaces within the life of the church.

Kings Norton, Moseley & Shirley

Churches across Kings Norton, Moseley and Shirley came together to celebrate Harvest, combining worship with practical generosity. At Lickey and Blackwell Churches, congregations collected food donations for local food banks, praying that all who received the gifts would be nourished and blessed.

The Harvest celebrations provided a moment to give thanks for God's provision while responding compassionately to local need. Through simple acts of generosity, the churches demonstrated their commitment to serving their communities and sharing God's love in tangible ways. These celebrations reflect the ongoing life of mission across the deanery.

Warley & Edgbaston

At St Boniface, Quinton, ministry with children and young people has flourished over the past year. More than 900 children were welcomed at Christmas events, alongside growing partnerships with local schools, half-term activities, summer clubs and community celebrations.

Sunday gatherings now regularly welcome 50–60 children and young people, supported by prayer partners, Brigades, and stay-and-play groups. These activities have strengthened relationships, nurtured faith and built lasting connections within the local community.

The growth seen at St Boniface reflects the dedication of volunteers and the leadership of the Children, Youth and Families Project Manager.

Yardley & Solihull

In October, Hampton-in-Arden Church welcomed over 100 children, parents and friends for a joyful Light Party, filling the church with colour, laughter and celebration. The event featured games, balloons, costumes and festive lights, creating a warm and welcoming space for families from the local community.

Supported by a dedicated team of volunteers, the Light Party offered a fun and inclusive way to engage children and families with church life. It also provided a positive and hope-filled alternative to Halloween, helping families explore the message of God's light overcoming darkness in an accessible and welcoming way.

The afternoon was a wonderful example of creative outreach, demonstrating how churches across Yardley and Solihull continue to open their doors, build relationships and share joy with their communities.

Looking ahead

2026 is set to be an important year for the Church of England Birmingham, as our churches and church schools continue to serve the communities of Birmingham and the wider region.

Over the next twelve months, we will be accelerating our vision of *Growing Churches at the Heart of Each Community*, through an ambitious new phase of our strategy. This work has been backed by the CofE Birmingham's largest strategic funding bid to date from the National Church: a grant of £19.8m over nine years, awarded in summer 2025.

Building on the foundations laid for this work over the last few months, in 2026 the Diocesan Investment Programme (DIP), administered by the Strategic Mission and Ministry Investment Board (SMMIB) is seeing the National Church partner with the CofE Birmingham to accelerate our vision across four focus areas:

1. Parish growth

In 2026 we will continue to support parishes so that they grow and flourish in a manageable and sustainable way. With the breadth of theological, ecclesiological and demographical diversity in our churches and parishes, we need a range of mission and discipleship resources to best serve each context. This will include context-specific mission coaching, training and specialist advice, a seed-fund for new local activities and the roll-out of projects across churches and schools, enabling new worshipping communities.

2. Leadership

To further our vision of growing churches, we need exceptional leaders – both lay and ordained. Over the coming year we will embark on an ambitious programme to make sure we find, form and deploy the right leaders in the right places, and have a strong pipeline for the future. This may include additional funding for curacies, alongside projects to find and equip leaders from under-represented groups.

3. Sustainability

Our plan is for the diocese to become financially sustainable, so we continue to see churches growing for years to come. To do this, we need to increase Common Fund contributions (our biggest source of income) so we can continue deploying clergy as widely as possible across the CofE Birmingham. Our new financial model fairly distributes costs amongst our parishes, also considering Lowest Income Communities (LInC) funding, which supports parishes in the 20% most economically deprived areas in the country (60% of our parishes). Our new Generosity Team is leading on conversations with parish leaders to support fair, planned, and context-sensitive increases in Common Fund. Starting in 2026 the team will meet with as many parishes as possible to begin a collaborative journey of support towards financial sustainability. Another substantial element of this stream is diocesan-level deficit funding (where required) to further support us as these conversations start to bear fruit.

4. Church planting and revitalisation

Locally – and nationally – church revitalisation has proven an effective way to bring new life into some churches. Planning is underway for an initial eight new revitalisation projects across the CofE Birmingham. In each case, the diocese will work towards appointing a missional leader for a small team from a partner church, aiming to initiate new church activities and services. We will provide financial support for these projects for a period, while the church becomes self-sustaining. The first of these will be All Saints, Stechford, due to launch later this year.

Alongside this strategic activity, 2026 will see the roll out of key structural changes to the way National Church funds dioceses outside of the formal SMMIB bidding process. These changes have come about as a result of the 2025 Triennium Funding Review. These long-term changes will see new or increased funding for Birmingham in the form of LInC funds (increase of £0.8m), time limited deficit support (£0.7m) as well as changes to the way in which ministry training is supported and reductions in the level of contribution that we are asked to contribute to National Church operating costs. Some of these additional costs are however intended to cover the step change in clergy stipends following an extensive rebasing exercise (resulting in a one-off 10.7% increase from April 2026).

Acknowledgements

We are hugely thankful for the financial support we receive from a variety of sources, and in particular:

- **Parish Church Councils (PCCs)** for their faithful giving of Common Fund which contributes to the cost of providing parish ministry.
- **The National Church (CofE)** for a range of funding including LInC (to support ministry in our lowest income parishes) and Strategic and Diocesan Investment Programme Funding (to support delivery of diocesan and parish strategic plans and activities); all with the aim of increasing capacity for mission and ministry.
- **St Martin's Trust** for providing financial support to some of our most economically deprived parishes.
- **Benefact Trust** for grants that help us to deliver a range of activities that include working with children and young people and helping churches support the most vulnerable and tackle social issues.
- **Oak Foundation** for funding work on social housing as part of Birmingham's response to the Church of England's *Coming Home* report.

THE CHURCH OF ENGLAND BIRMINGHAM

2025 at a glance

18,000 Lay people in worshipping communities

146 Parishes

44 Oversight areas

6 Deaneries

1.6 million

Population of diocese
(across Birmingham, Solihull and some areas of Sandwell and Bromsgrove)

234 volunteer ministers

- **86** Licensed Readers
- **107** Clergy with Permission to Officiate (PTO)
- **28** Self-supporting ministers (SSM)*
- **13** Locally ordained ministers

In addition, we have **90 licensed Readers** aged over 70

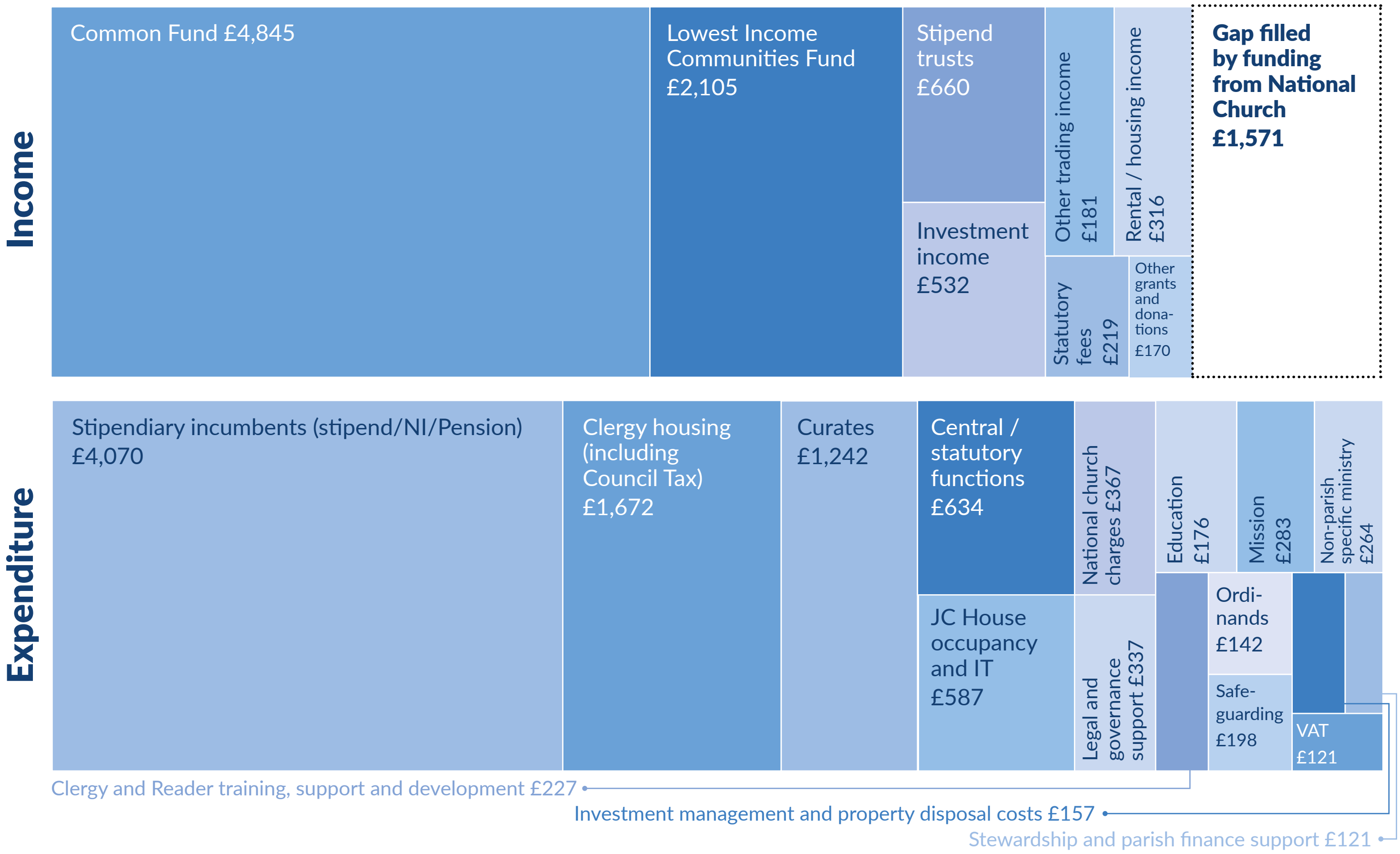
**Self-supporting ministers including SSM curates*

126 parish clergy

- **103** Incumbents
- **23** Curates

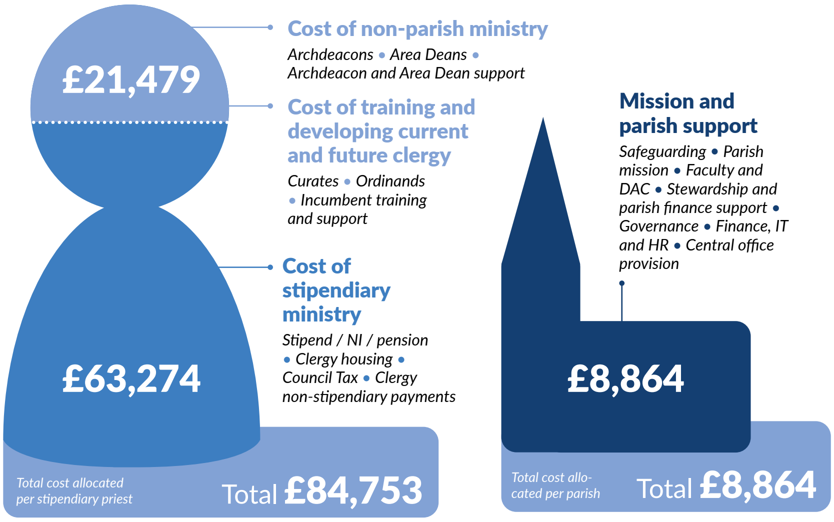
Our unrestricted finances

from 2025 audited accounts in £'000s



a glance

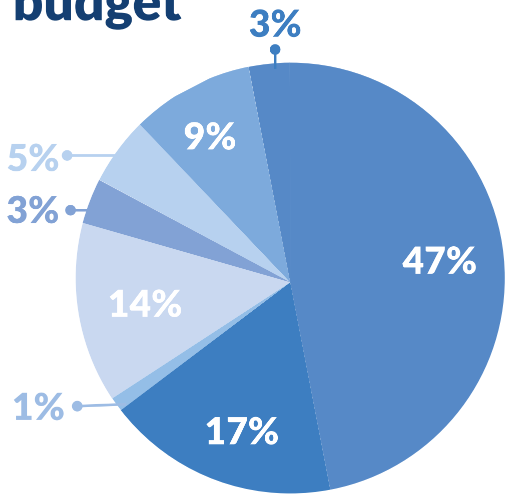
2026 unrestricted Common Fund



Common Fund is the vital contributions that we receive from our parishes, forming our largest regular income source. It contributes to ministry costs, ministerial training and parish support. As a diocese, we do not have sufficient other sources of income to cover the costs of our wider support infrastructure.

Rooted in biblical generosity, Common Fund traditionally contributed around 56% of our core income before the pandemic. Actual receipts are now around £1.2m lower than pre-pandemic, whilst we have seen significant increases in our costs reflecting the impact of inflation. It is still our aim to grow the level of Common Fund back to more sustainable levels.

2026 unrestricted (core) expenditure budget



- Stipend / NI / pension (47%)
- Clergy housing (17%)
- Clergy grants etc. (1%)
- Curates and ordinands (14%)
- Clergy and Reader training, support and development (3%)
- Non-parish ministry (inc. Area Deans) (5%)
- Parish support infrastructure (9%)
- Diocesan operating costs (3%)

Projects funded through restricted grants in 2025

We received funding of over £5.2m during the year to enable a wide range of activities that aim to support our parishes to grow at the heart of their communities.

Sustainability

Funding of £1.6m from the National Church covered our operational deficit in 2025 enabling us to continue our journey to growth. Their funds also enabled us to start forming our Generosity Team through the appointment of our Head of Generosity (Bishop's Advisor for Common Fund) and continued the support for our project management office.

Leadership

The National Church is supporting us to review and reset our approach to leadership to enable us to find, form and deploy the right leaders in the right places. A practical outworking of this has been the *Become* project which has enabled us to pilot how we could find and form leaders within our outer estate parish contexts.

Parish growth

Projects supported in this area have led to the creation of *Safe Spaces for Young People*, Anglo-Catholic parishes equipped to be more missional, the establishment of worshipping communities in our church schools through the *Flourish* project and much more.

Church planting and revitalisation

Ongoing support has meant the flourishing of a number of church plants and revitalisations including Rea Church, Lighthouse at St Mary's and Gas Street Longbridge.

People & Places

This has been the final year of this programme, and we have continued to form and equip Oversight Areas, and key local leaders, to lead in mission in a contextual way.

Regional racial justice collaboration

Funding has enabled us to continue our collaboration with the five other West Midlands dioceses to promote racial justice in the way that we work together and support those of UKME heritage to flourish.

Other initiatives

We continue to receive a range of small funding including grants to enable our churches to improve their property and to enable us to plan how to reduce our carbon dependency.

STRATEGIC AND OPERATING REVIEW

Supporting the mission

The Church of England Birmingham (CofE Birmingham) through the Birmingham Diocesan Board of Finance (BDBF) aims to promote, facilitate and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Birmingham diocese and elsewhere. This includes the provision of facilities for public worship, pastoral care and spiritual, moral and intellectual development, together with the promotion of Christian values and services by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

In this, the BDBF acts as the financial executive for the Diocesan Synod in the administration of the CofE Birmingham's interests.

The BDBF helps to facilitate the pursuit of our Diocesan Goals by its ongoing objective to maintain a sound financial structure that resources the needs determined by Diocesan Synod and informed by local and national church institutions. This financial structure includes supporting clergy through the payment of stipends, managing parsonages and other ministerial houses, and also by providing other facilities and resources in the support of the ministry of both clergy and lay people in parishes across the diocese.

Constitution

The BDBF is established under the Diocesan Boards of Finance Measure 1925. It is a company limited by guarantee and subject to its own Memorandum and Articles of Association. The BDBF is also a registered charity.

The BDBF is constituted as the financial executive of the Diocesan Synod, each member of which is also a member of the BDBF. Trustees are appointed by the members on a triennial basis. The BDBF acts as the Parsonages Board and the Diocesan Mission and Pastoral Committee for the purposes of ecclesiastical legislation.

The BDBF, which meets four times each year, is the principal policy making body. It takes advice from its Board of Trustee Directors, constituted as the Bishop's Council, which examines issues in detail and makes recommendations. The Council also takes executive action in certain matters and deals with day-to-day issues. The membership of the Bishop's Council is contained on page 3 of this report.

Delegation of day-to-day delivery The trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and colleagues for the delivery of the day-to-day activities of the company. The Diocesan Secretary is given specific and general delegated authority to deliver the business of the BDBF in accordance with the policies framed by the trustees. The Diocesan Secretary and key management personnel during 2025 were:

Dr Jan Smart	Diocesan Secretary
Miss Karen Preece	Director of Finance
Mrs Sarah Smith	Director of Education
Mr Daniel Mayes (to 24 June 2025)	Property Director
Mr John Templeman (from 25 June 2025)	Property Director
Mr Benjamin Franks	HR Director

Recruitment and training of trustees

Trustees are recruited through a mixture of ex-officio positions, elections and nominations. Elections take place every three years before the first meeting of the new Diocesan Synod (itself elected every three years). The trustees have the power to co-opt members according to their assessment of the needs of the BDBF in terms of required skills and experience.

Induction for trustees includes a one-day event to ensure familiarisation with the organisation and its vision and strategy and also an overview of trustees' responsibilities. 2025 saw the start (year one) of our three-year trustee development programme to provide trustees with deeper knowledge and skills to further equip them for their role – sessions in the year covered Ecclesiastical terminology and church property regulations, the Role of a Company Director / Charity Trustee and the importance of safeguarding and the impact of the related legislation on our activities. Trustees also receive safeguarding training in line with the National Church requirements

They are also given relevant literature which explains the role and obligations associated with their role as a director and trustee of the BDBF. Trustees then receive further ongoing training as appropriate. They will also receive an introduction to any special areas with which they will be working such as the Board of Education. Trustees are encouraged to visit diocesan operations.

All trustees are required to maintain their entry in the register of declarations of interests.

Some senior staff have job titles incorporating the title 'Director', but they are not directors of the company (for the purposes of company law) and therefore are not 'charity trustees'.

Charity Governance Code

The BDBF welcomes the Charity Governance Code and is working on its application. The three-year Trustee Development Programme which commenced in 2022 is part of our planned 'self-audit' review and is informed by the code. The programme continued throughout 2025, and we aim to summarise our findings and action plan during the Triennium that started in 2025.

Management structure

The BDBF is assisted in its work during the year by a number of committees:

The Diocesan Board of Education is a statutory body whose financial responsibilities are reported as part of the BDBF. The Board is also responsible for the Diocesan Church Schools' Fund (restricted fund).

Finance, Investment and Property Subcommittee (FIPS) acts in all finance and property matters, including audit, remuneration of BDBF staff, the management of BDBF investment property and fiscal investments and parsonage maintenance issues, and makes recommendations to Bishop's Council. A sub-committee of FIPS ***(Social Housing Sub-Committee)*** meets to monitor performance and progress in the delivery of our social housing project funded by Oak Foundation and delivered by the Church Development Agency (a subsidiary of Gloucester Diocesan Board of Finance).

Executive Change Board was established by Bishops Council in 2022 to ensure that all strategic change activity is aligned with the vision and strategy of the CofE Birmingham. A process has been established by which strategic changes, and new initiatives can be encouraged, incorporated, monitored and held accountable.

The Diocesan Advisory Committee for the Care of Churches (DAC) provides advice on the effective stewardship and development of church buildings whether listed or not; church architecture, archaeology, art and history; conserving historic fabric and furnishings; and liturgy and worship. The DAC works with parishes at all stages of a 'building' project. One of its key responsibilities is oversight of the Faculty process, which is the Church of England equivalent of the civil planning process. As well as representation from within the CofE Birmingham and the wider church, membership includes experienced specialists, who provide consultancy advice on a voluntary basis.

Other organisations with which the BDBF co-operates in achieving its objectives

Within the ministry of CofE Birmingham, the BDBF plays an important role in co-operation with other persons and charities which form part of the Church. Under the oversight of the Bishop of Birmingham, who shares the cure of souls with clergy and lay workers across the diocese, the day-to-day responsibility for the funding of clergy stipend costs, providing clergy housing, training clergy and other Diocesan costs falls to the BDBF. Some of these clergy are trustees of the BDBF, and they are listed on page 3.

The BDBF has important relationships with the national institutions of the Church of England, specifically:

The Archbishops' Council to which it pays grants based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, as well as General Synod.

The Church Commissioners from which the BDBF receives grants, and which acts on behalf of clergy with HM Revenue and Customs. The BDBF pays clergy stipends through the Church Commissioners.

The Church of England Pensions Board which provides pensions for clergy and the BDBF's lay staff. It also offers schemes to provide housing for clergy in retirement.

At local level key relationships include:

Parochial Church Councils (PCCs) which are the main income source for the BDBF through the Common Fund system. PCCs are independent charities and operate under the Parochial Church Councils (Powers) Measure 1956. They are able to influence decision making within the BDBF and at Diocesan Synod level through representation to those bodies and through the input of their Deanery Synods.

Church Urban Fund (CUF) Joint Venture – the Bishop of Birmingham, the BDBF and CUF are the founding members and equal partners of Thrive Together Birmingham (Thrive). This is a company limited by guarantee with charitable status. The BDBF Director of Community Regeneration, an employee of BDBF, is also the Chief Executive of Thrive, and has oversight over development workers who are employed by that entity.

The Diocese of Birmingham Educational Trust – the charity operates as a sponsor or co-sponsor of Church of England Academies in the diocese as required and supports Academy Trusts to fulfil their responsibilities and provides a challenge to governors in this regard.

Birmingham Diocesan Multi-Academy Trust, the Diocesan multi-academy trust established during 2017. The trust now has 19 schools and is the largest of the multi-academy trusts operating across the diocese.

Fioretti Trust, our second majority church article multi-academy trust. The trust has five schools.

Birmingham Cathedral with whom there is now an established pattern of close collaborative working.

St Martin's Trust and other local trusts which generously provide financial support to the diocese's most economically deprived parishes.

Other Christian denominations with and through whom the BDBF resources matters of workplace chaplaincy and ecumenical relations, notably through WorkCare West Midlands, Birmingham Churches Together and Local Ecumenical Partnerships.

Interfaith bodies, such as *The Feast*, as part of our cross-community work to promote good interfaith relations.

Birmingham Diocesan Trustees Registered (BDT) which is the custodian trustee for properties and permanent endowments on behalf of parishes and schools. BDT is a separately registered charity.

Volunteers

The CofE Birmingham is dependent on the huge number of people involved in church activities both locally and at diocesan level. We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church, particularly at times of crisis.

The BDBF greatly appreciates the considerable time given by all the committee members across the diocese in pursuit of the mission of the CofE Birmingham.

Ministry across the diocese is delivered through a mix of stipendiary (i.e. paid) ministers – together with unpaid Licensed Readers, Self-Supporting ministers and ministers holding the Bishop's Permission to Officiate. These unpaid ministers are critical to our ability to provide for the 'cure of souls' across the whole diocese, and we remain extremely grateful for the work that they do.

Estimating the 'in-kind' value of volunteer time to the operations of the BDBF is particularly difficult to measure in a meaningful way. It is for this reason that no estimate of the value of this time has been included in the financial statements.

Public benefit

The CofE Birmingham through the BDBF reviews its work each year and considers outcomes and plans for the future. It takes account of the Charity Commission's general guidance on public benefit when reviewing its purpose and in considering how planned activities will meet that aim.

How our activities deliver public benefit

Our main activities aim to deliver public benefit in the following ways:

- ***Clergy*** Providing parish and other clergy to offer Christian services and spiritual oversight
- ***Parochial Church Councils*** Assisting PCCs to provide churches, sacred spaces and worship services
- ***Parish Mission*** Assisting parishes particularly through the *Transforming Church* vision and associated core activity and strategic programmes
- ***Education*** Contributing to the spiritual and moral education of children and young people in over 50 church schools
- ***Social action*** Contributing to and assisting in social action in parishes and elsewhere, such as food banks, Safe Spaces for young people and Places of Welcome
- ***Training*** Providing training and assistance in order that parishes have clergy and volunteers who are competent, for example, to assist clergy in providing Christian services, visiting the sick, and comforting the bereaved
- ***Grants*** Making grants to enable the National Church institutions to function and have a positive wider influence
- ***World Mission*** In part through links with the Anglican dioceses in Malawi and Bolivia

Who benefits from our services?

We aim to make our services open to as wide a section of the public as possible. For example:

- Everywhere in the diocese is part of a Church of England parish that has a member of clergy who has concern for the spiritual welfare of the individuals who reside in it
- Parishes in wealthier areas generally contribute somewhat more than the cost of their clergy in order that clergy can also be provided in less wealthy areas
- Training courses are offered at reduced or no cost where appropriate, in order that ability to pay is not a barrier to participation

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as *"soliciting or otherwise procuring money or other property for charitable purposes"*. The BDBF does not undertake fundraising from the general public but from time to time does apply for grant funding from grant-awarding charities. Any such amounts receivable are presented in the financial statements as 'voluntary income' and include legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the trustees. The BDBF is not bound by any undertaking to be bound by any regulatory scheme. The BDBF has received no complaints in relation to fundraising activities. Its terms of employment require staff to behave reasonably at all times; as the BDBF does not approach individuals for funds, contracts of employment do not particularise this requirement for fundraising activities nor does the BDBF consider it necessary to design specific procedures to monitor such activities.

Financial overview of the year

This annual report looks to give a flavour of how the Church of England Birmingham family has continued to work towards rebuilding its financial position to meet the challenges that it continues to face following the pandemic and the cost-of-living and energy crises. These crises substantially damaged the underlying financial health of many of our parishes (all independent charities) and the close Common Fund relationship between parishes and the Birmingham Diocesan Board of Finance (BDBF), means that the BDBF available resources continue to be very stretched.

As a diocese our single largest source of income is parochial contributions – otherwise known as Common Fund. These funds are remitted to us by our parishes out of their income, which substantially comes from two key sources: voluntary giving and the rental of their church halls and other property. Although there are some signs of improvement at parish level, this is not universal, and we continued to experience a substantial and direct impact on our collection of Common Fund over 2025. The generosity of many of our parishes and congregations continues to be tested; cash flow management remains a challenge in the face of high maintenance and energy costs. We have continued to work closely with our parishes to support them where we can in order to maintain our Common Fund income as far as possible. However, our current experience continues to show that it will be a long road to financial sustainability for our parishes and therefore the BDBF.

We have continued to hold costs down wherever possible in order to make financial savings, but this does not make up for a continuing shortfall in Common Fund income of around £1.5m p.a. compared with pre-pandemic levels – this broadly is what underlies the operating deficits that we are now experiencing. National Church sustainability / gap funding has however covered our operating deficit every year (except 2023). In late 2025, we were awarded significant Diocesan Investment Programme (DIP) funding. One element of this is intended to cover our operating deficits until 2030 – this funding has covered our 2025 operating deficit of £1,571,000.

Our 2026 budgets reflect a financial operating shortfall of £887,000. This improved position is not a result of any significant expected increase in our Common Fund income, rather it reflects the significant changes in national diocesan funding structures that will impact in 2026, following their approval by General Synod in Summer 2025. As well as a significant upwards re-basing of clergy stipends nationally, the process of funding flows between National Church and dioceses has been streamlined, there has been a substantial increase in Lowest Income Communities (LInC) funding (in relation to deprived parishes), and all dioceses will now receive some form of Time Limited Support (TLS) for their deficits. This new funding package has been put in place for the next three triennia.

At a local level, our 2026 budget reflects our experience over 2025. In particular, core people costs (stipends and salaries) still continue to rise in line with inflation. Outside of this, our core (non-Common Fund) income streams have remained relatively stable as have our non-people operating costs. A combination of TLS and DIP deficit funding will cover our 2026 operating deficit.

Financial review

The 2025 headline income figure of £14,580,000 shows an overall decrease in income of £1,190,000 compared to £15,770,000 in the prior year. However, after excluding gains on the disposal of redundant assets, this gives us a small increase in income of £189,000. There are significant variations in our restricted (grant funded) income streams – some to do with timing of programmes and programmes starting and finishing. Our unrestricted income is actually £364,000 higher than the previous year. As is always the case, we need to dig deeper to understand the core underlying trends beneath the headlines.

Underpinning our day-to-day diocesan finances is our single largest source of income – parochial contributions, or 'Common Fund' – from our parishes. Common Fund is a powerful, practical application of God's generosity – solidly underpinned by theology.

During 2025, we moved formally to a 'free will' approach. Parishes were provided with 2025 costs split into three areas:

i. cost of ministry
ii. cost of ministry training, and
iii. cost of mission and parish support and the BDBF governance and regulatory infrastructure

Parishes are then asked to discern their contributions for the year based on this information and their own financial position. Our overall Common Fund budget for 2025 reflected a small growth of £363,000 compared with 2024.

The total commitments (or expectations) made for 2025 were £4,999,000 – this compares with a total of £5,154,000 in 2024. In 2025, our parishes actually contributed £4,842,000. This was £173,000 more than in 2024, although only 96.5% of the commitments that had been made at the start of the year. Against the continuing challenges facing our parishes, we recognise that this outturn demonstrated real commitment and again we are immensely grateful for their continued support. However, the fact that we have seen little movement in Common Fund year on year must be set against a backdrop of the 3% increase in the diocesan stipend rate (in line with the rise in the national minimum stipend).

We continue to proactively let empty parsonages during parish vacancies although our housing rental income of £321,000 is 16% less than 2024. This is much as expected as we had slightly fewer vacant vicarages over the year and because rents achieved are slightly lower reflecting the increased use of short-term lets and the use of 'guardians'. This strategic move aims to ensure that recovering properties at the end of lets is less stressful (and costly) than in the past few years. Elsewhere, our investment income at £807,000 is £48,000 less than 2024 – this reflects much more consistent performance in both of our portfolios – the main reason for the overall reduction is the one-off gains in 2024 following the restructuring of our discretionary managed portfolio.

The BDBF continues to receive significant support from National Church in the form of LInC funding based on the Index of Multiple Deprivation for each parish. We received £2,105,000 of this funding in 2025. The Strategic Ministry Fund (SMF) (via Church Commissioners) has continued to support us when we have a cohort of more than our base of six curates starting each year, however there was no new funding for starters in 2024 or 2025, resulting in a fall of £116,000 in SMF funding in 2025 (we only have six funded curates as we move into 2026).

We have continued to reap the financial benefits of National Church Strategic Development and Capacity funding for a range of resourcing, church planting and other initiatives, contributing income of £1,782,000 (2024: £3,454,000) – this included some substantial building grants in relation to our church plants, but reflects the fact that many of these programmes have either now completed or are winding down. DIP funding (which is replacing this) has been slow to start – it has generated £242,000 in 2025 as well as £1,571,000 funding to cover our 2025 operating deficit. In addition, there were new funds towards our Net Zero work, buildings for mission as well as the Regional Racial Justice work (£425,000) that Birmingham is leading on. Outside of National Church funding, we successfully delivered the planned programme to deliver social housing projects through our joint venture with Gloucester diocese using funds received from the Oak Foundation in 2024. However, these income sources are all restricted in nature and can only be utilised for specific activities.

We remain immensely grateful to Archbishops Council, National Church, Benefact Trust, Historic England, Oak Foundation and the many individual donors who share our mission vision and support our activities more widely.

The 2025 headline expenditure figure of £14,870,000 when compared to the prior year figure of £13,594,000 shows an increase in expenditure of £1,276,000. As noted within our income commentary, we need to again dig deeper to understand the core underlying trends beneath the headlines.

As noted in our key financial indicators below, we have held more clergy vacancies over the year (although not intentionally) and ended the year with higher savings against budget than in 2024; this coupled with the impact of a much smaller 3% increase in stipends (and lay salaries), had obvious implications for our final ministry costs in 2025. Clergy Housing works were managed tightly during the year (the third of the quinquennium) and came in £102,000 under budget on a £1,085,000 works programme,

Outside of clergy costs (and programme staff costs), our main areas of expenditure have again been within our restricted grant programmes – this included the Oak Foundation programme, the building project at Longbridge as well as Historic England funded works at St Michael's Handsworth. Alongside this, we did manage to deliver non-salary / stipend savings across most areas for a wide range of reasons.

KEY PERFORMANCE INDICATOR	2025 Actual	2025 Budget
Common Fund collection rate on Expectation %	**96.5%**	100%
Common Fund overall collection rate on Budgeted amount %	**92%**	100%
Common Fund overall % rise year-on-year in cash terms	**+3.7%**	+7.4%
Parish clergy establishment posts	**100**	108
Dividend yield on Evelyn Partners investment portfolio %	**14.1%**	13.0%
Dividend yield on CCLA investment portfolio %	**3.89%**	4.89%
Reserves policy met	**Yes**	Yes

On an overall funds basis, there is a deficit for the year of £290,000 (2024: £2,176,000 surplus) before considering the year end non-cash adjustments in relation to investment valuations and transfers between funds. This fall is principally the result of the much higher level of property activity than we saw in 2024 (and therefore profits on disposal) as well as the use of some key restricted funds where we have not received new funding in 2025.

The increase of £611,000 (2024: £597,000 increase) in the valuation of our investment portfolio year on year clearly reflects the much steadier market conditions that we have seen over the past year (although we still saw some quite significant swings during the year).

The overall performance of our CCLA holdings in 2025 was lower than expected. This reflects the concentration of the markets into a small number of 'tech' companies that do not fit the preferred investment type in the CCLA overall portfolio. This means that the CCLA portfolio has not outperformed the market in 2025 as it usually does. Changes in the portfolio structure have been made in 2026 to reduce exposure to this risk.

Our Statement of Investment Principles sets out a medium risk approach to the management of our portfolio that expects to deliver 3.5% above inflation in the long-term. and in terms of total return this is what has been delivered overall.

2025 saw the completion of our long-term vision for growth and the successful DIP partnership bid to National Church in summer 2025. The bid included support for our operating deficits through to 2030 while we rebuild financial sustainability. The bid overall looks at the three key strands that impact on the BDBF financial outcomes:

- ***People*** Particularly ministry deployment: ordained and lay, paid and unpaid, parochial and pioneer
- ***Mission*** How we grow numbers of disciples across the diocese – through intentional actions such as church planting and revitalisation as well as wider parish mission activities
- ***Financial sustainability*** Building generosity (both from congregations to their parishes and from parishes to the diocese (Common Fund contributions)) and at how we can better support our parishes to flourish

Balance Sheet position

The BDBF trustees consider that the balance sheet, together with details in note 20 to the financial statements show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets, given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £48,151,000 (2024: £48,441,000) it must be remembered that included in this total are properties, mostly in use for ministry whose value amounted to £22,242,000 (2024: £23,136,000). Much of the remainder of the assets shown in the balance sheet is held in restricted funds and cannot necessarily be used for the general purposes of the BDBF.

Significant property transactions

In a much quieter year, we have completed the sale of two pieces of surplus land (compared with the much larger programme of disposals in 2024). Bishop's Council has continued its policy to place the proceeds from significant unrestricted property disposals into the Strategic Mission Fund – although there were no relevant disposals in 2025. This fund was designated by the BDBF for intentional strategic mission investment and in the long-term, it is still intended that this is the case. The DIP deficit funding awarded by National Church in 2024 and 2025 aims to protect this fund.

We continue to progress on our long-term property estate development plan – over 2025, we have:

- Continued to replace or upgrade unsuitable properties (aiming to be more carbon neutral where possible)
- Continued to accommodate the changing geographical deployment of clergy within the diocese
- Continued to develop a costed plan to achieve our net-zero carbon objective by 2030 – National Church funding has paid for a Net Zero Project Manager and a dedicated schools project officer to progress this during 2025. However, the substantial funding necessary to deliver the plan has yet to be identified
- Realised development potential in some properties to use our resources more effectively for mission and ministry and have a number of development projects in progress
- Continued working collaboratively with Gloucester Diocese as part of the National Church response to the *Coming Home* report to improve access to affordable housing. We secured funding amounting to £1,705,000 over three years from the Oak Foundation to kick start the development of affordable housing sites in a number of our parishes and are working with a subsidiary of Gloucester Diocesan Board of Finance (Church Development Agency) to make this happen. 2025 was the first full year of the programme and our progress has secured the release of the second year of funding for 2026

Factors that may impact on future financial performance

There are a number of factors which can impact on the BDBF's ability to meet its objectives, but which are outside its control. Most important is the collection of the Common Fund from the parishes. Any significant shortfall in the amount collected has significant implications for our mission objectives and deployment, as has been evidenced in recent years. In response to this, actions to manage the numbers of stipendiary clergy effectively will continue alongside general cost savings to manage the BDBF financial position.

As noted above, the BDBF receives significant support from the National Church – some of this is through the DIP and some is through specific sustainability funding – and we expect this to continue for the foreseeable future. Although this is longer-term support than previously, it remains time limited, and it is essential that the plans for growth that underpin our DIP programmes are managed and monitored tightly to ensure that they deliver the expected outcomes.

As is the case for all charities with historic endowment, the BDBF is vulnerable to changes in the value and returns upon its properties and stock market based (fiscal) investments. This is mitigated by employing specialist fund managers and advisors to help develop an appropriate investment policy.

Reserves policy

The BDBF last completed a review of its Reserves Policy in March 2024. The key rationale behind the policy was to reflect the fact that the designated Strategic Mission Fund is as integral to balancing the operating budget as our unrestricted reserves.

Free reserves are maintained for the following reasons:

- To avoid bank borrowing if there is a temporary shortfall in income and/or surge in expenditure
- To provide for emergencies

The reserves policy of the BDBF is formulated in line with recommendations of the Charity Commission of England and Wales. The basic policy statement is as follows:

"The BDBF aims to maintain the equivalent of at least three months operating expenditure in cash and readily liquid assets in the general unrestricted fund and the designated Strategic Mission Fund insofar as it is not set aside for specific investment and growth activities. This excludes all other designated and restricted funds and loans. This policy is to be reviewed on an annual basis."

In arriving at the minimum amount, account has been taken of the Board's well-established effective income raising, cash flow management and budget processes. Most income is now received in a steady stream throughout the year and performance against budget is monitored regularly. As at 31 December 2025, the reserves policy target is £3,051,000 representing three months unrestricted operating expenditure as budgeted for the forthcoming year. The trustees believe that such a reserves target will cushion the BDBF from short-term revenue problems and will enable them to meet their legal requirements in case of serious financial problems.

The total unrestricted reserve stands at £8,798,000 including £4,951,000 of undesignated unrestricted reserves and available funds from the Strategic Mission Fund of £3,848,000. However, these reserves include £4,344,000 of non-readily realisable fixed assets. This leaves the BDBF with free reserves of £4,455,000, which exceeds the target of £3,051,000 as at 31 December 2025.

There have been significant changes to the level of support that the diocese will receive from National Church for the next five to ten years that the diocese does not have to apply for. In addition, the DIP funding that was awarded in 2025 includes a substantial element of specific support to cover operating deficits for the next few years. The trustees consider that this funding and the ongoing programme of property disposals (to boost the Strategic Mission Fund) will provide sufficient resources to steer BDBF through the tight financial times that they still see ahead. Our 2026 budget currently assumes that DIP funding of £887,000 will be available to cover the 2026 expected deficit (which already reflects the new National Church support noted above).

Our Reserves policy requires an annual review to ensure that the policy remains relevant. Taking into account the new National Church funding arrangements, the trustees consider that the current policy remains relevant as at the date of signing the accounts.

Designated funds

The BDBF may, with the approval of the board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered adequate for their retention. A description of each reserve with the intended use of the reserve is set out in note 21. During 2025, there were two significant designated funds, the first being the Strategic Mission Fund totalling £3,848,000 as at 31 December 2025, which has been created using the proceeds from unrestricted property disposals since 2019. The fund is intended to be used for intentional strategic mission activity in line with the current Strategy for activities that are unlikely to be funded through National Church programmes or where delivery is time critical. Bishop's Council agreed a new policy for the use of this fund and the management of proposals for its use (through FIPS for property related items and the Executive Change Board for all other proposals) during the year.

The treatment of the Pastoral Fund (totalling £1,433,000 as at 31 December 2024) in these accounts has been reviewed during the year to ensure that we reflect best practice. The fund has therefore been re-designated as a restricted fund in these accounts.

Restricted and endowment funds

As set out in note 21, the BDBF holds and administers a number of restricted and endowment funds. As at 31 December 2025 restricted funds totalled £8,912,000 (2024: £8,135,000) and endowment funds totalled £30,440,000 (2024: £30,531,000). Neither are available for the general purposes of the BDBF.

Investment policy

The BDBF maintains an overview of its investments through its FIPS sub-committee, which also monitors performance against market benchmarks and considers the adequacy of its investment mix. Our Statement of Investment Principles was reviewed in 2022-23 and changes to our holdings to reflect this were implemented during 2023 and 2024 – a key part of this was a move towards a 'greener' portfolio.

Throughout 2025 our overarching investment principles were unchanged as embedded in our Statement of Investment Principles as follows:

- Implement a balanced asset allocation approach to the portfolio with a medium risk profile
- Portfolio to be invested in well diversified, high-quality assets which provide protection against inflation over the long-term
- Performance to be reviewed against the ARC Sterling Steady Growth Charity Index which is the standard peer group benchmark for a UK charity with a medium risk profile
- Performance at least 3.5% better than inflation over the long-term, as measured by the UK Consumer Price Index (CPI), whilst generating sufficient income to support the work of the BDBF
- Investments will be made in compliance with the Ethical Investment Advisory Group (EIAG) guidelines of the Church of England and in particular to exclude investments in companies that generate more than 10% turnover from conventional fossil fuels (oil, gas, and coal), fossil fuel extraction and production, or oil and gas refining

The portfolio is managed in the following manner:

- Direct property investments managed by Bruton Knowles
- Marketable investments actively managed by Evelyn Partners
- Remaining funds within CCLA/CBF funds on a self-managed basis

Investment funds within certain restricted funds (Malawi / Church Schools / Bishop Brown) are held within CCLA funds selected on the basis of the income/capital needs of the respective fund as appropriate.

We have seen a more stable position with regard to our investment portfolio this year. Our investment valuation surplus of £611,000 (2024: £597,000) reflects the overall less volatile markets than previous years. This, together with the significantly higher base rate has seen investment income (£651,000) that has held up well against the 2024 levels. Investment performance on a total return basis over the last twelve months was strong over the whole year at +14.1% (compared with 13.2% in 2024). This was 1.1% better than our benchmark portfolio.

Investment management advisor performance for both direct property and marketable investments will continue to be robustly monitored in the forthcoming year in line with our Investment Policy including attendance at FIPS meetings by advisors on a regular basis.

Having considered the reports of the various investment managers, the trustees were content with the performance delivered by our investment managers in the year under review.

Grant-making policy

The BDBF has established its grant-making policy to achieve its objectives for public benefit (as detailed on page 17). We deliver our public benefit to the wider population in the diocese by the work of our parishes. We support this work by grant programmes that help parishes to further engage and service their local communities. This may be mission activities, community regeneration, church maintenance, schools and world mission. All grant applications must be made in writing. Parish mission and delivery plans and available resources are considered in the distribution of available grants.

Remuneration of key management personnel

Emoluments of higher paid employees are determined with reference to regular appraisals, remuneration and salary benchmarking and consequent recommendation of changes. Where appropriate, changes in relation to key management personnel are agreed in conjunction with the Chair of the BDBF.

Principal risks and uncertainties

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

- An annual budget and five-year financial plan approved by the trustees
- Regular consideration of both financial results and other performance indicators
- Delegation of authority and segregation of duties

As part of this responsibility, the trustees are also required to ensure that effective and adequate risk management is in place to manage the major risks to which the BDBF is exposed. They have a clear mechanism for obtaining assurance on the management of risks. The trustees agree the approach to risk including overseeing the process to identify and assess key risks and understanding how those risks are managed and mitigated.

The BDBF risk assessment framework includes the following key elements:

- Individual risks assessed using a scoring mechanism, with respect to the inherent likelihood of occurrence and the likely severity of impact, the steps in place to mitigate the risk and the resulting impact on residual risk. Gross and Residual risks are ranked using a 'traffic light' scheme (red / amber / green)
- Risk is reported directly to Bishop's Council (not just through FIPS) as many identified risks are outside the more limited remit of FIPS
- Strategic risks are identified as significant when they influence the achievement of our strategic diocesan goals alongside day-to-day operational activities. These may include major internal risks (such as financial sustainability or compliance risks) or they may be external events with high impact which the BDBF cannot control and for which the BDBF needs to develop response mechanisms
- Operational risks are day-to-day risks and more likely to be internal, within the BDBF's control and with a higher level of probability of the risk event happening. The BDBF's focus of attention on these risks relates to how it can control, manage or transfer the risk to a third party

The strategic risks which are currently assessed as scoring highest, and the outline mitigating strategies to address them, are shown in the table over the page.

RISK	MITIGATION STRATEGY
The state of parish buildings coupled with the continually increasing level of operating costs to parishes results in continuing pressure on parishes and their ability to increase Common Fund contributions	• *New Common Fund methodology linked to a sustainability and generosity programme which engages individual parishes in their context to develop a locally sustainable approach to Common Fund payments* • *Engagement aims to establish long-term plans for Common Fund at parish level* • *Long-term partnership funding from National Church to support our progress towards financial sustainability* • *Stewardship support to improve local fundraising* • *Ongoing programme of property disposals to provide additional funding into our Strategic Mission Fund to support mission growth outside of National Church funding*
Major world events continue to have significant financial impact on parishes and BDBF	• *Sustainability funding from National Church via Time Limited Support and DIP* • *Five-year financial planning coupled with strong cost control at all levels (including the key cost of clergy)* • *Sustainability project within DIP to drive recovery to a break-even (or better) position*
Strategic Plan (DIP funded) does not deliver sustainability, growth (parish and church planting) and leadership requirements	• *Strong, embedded Executive Board governance and review structure with a clearly defined focus on delivery of strategic plan* • *Programme has a number of review stages within its delivery timeframe allowing opportunities for reflection, re-assessment and change in delivery projects*
Parishes do not engage with Strategic Plan	• *Working with stakeholders at all levels (individuals, parishes, deaneries, committees and synod) with a strong consistent message* • *Active communication plans led by Bishops*
Dependency on National Church funding for missional growth support activities	• *Effective management and delivery mechanisms on National Church funded programmes to ensure trust and confidence in delivery capacity that will support continuing funding over the next ten-year funding cycle* • *Recognition at National Church level that a significant level of dependency is expected for all dioceses and support is therefore built into their budgets* • *Identify other income streams including regional funding bids and offering back-office services to other dioceses*
Inflexibility of clergy deployment with challenge of recruitment and retention of suitable individuals for shape of future ministry	• People Planning *theme in DIP to deliver change including formation, recruitment and retention of the leaders needed to deliver our strategy* • *Ongoing learning and development programmes for clergy and lay leaders*
Reputational and financial risks associated with safeguarding of young people and vulnerable adults	• *Staff team of professional safeguarding experts across all areas of case work, policy, training and victim support* • *Training in line with national requirements implemented and monitored at all levels (parishes, BDBF staff)* • *Diocesan Safeguarding Advisory Panel with an independent Chair monitors CofEB Diocesan compliance with national safeguarding requirements. A national framework for regular independent audits is in place*
The CofE Birmingham is unable to meet its commitment to Diocesan Synod for net zero emissions by 2030	• *Environmental Group (steered by the Bishop) to drive this work – Routemap in place to set milestones to ensure delivery* • *Net Zero Carbon group developing costed plans for the property portfolio* • *National Church funding obtained for dedicated Net Zero Programme Manager as well as funding for 'quick wins' in parishes and pilot projects.* • *Investment strategy excludes investments in companies and funds that do not meet zero carbon criteria (including fossil fuel)*

Plans for future periods

Our vision of *"growing churches at the heart of each community"* continues to be central to our plans for future periods, with the core principles of:

- Grow in number of disciples
- Engage with children, youth, families and other missing generations
- Worshipping communities are diverse (representative of our communities) and accessible to all
- Grow in partnerships and impact on the community
- Flourishing ordained and lay leadership that reflects the diversity of the wider population of the diocese
- Grow in depth of discipleship
- Achieve financial sustainability
- Environmental sustainability
- All underpinned by a culture of prayer

We recognise that our pattern of ministry and mission needs to be relevant to each local context and will vary across locations. Key activities in the coming year will include:

- Development and roll-out of new 'Generosity' approach to Common Fund, working with parishes to move towards financial sustainability at parish and diocesan level
- Continuing to support Mission planning with parishes and Oversight Areas so that everywhere has the support and opportunity for growth
- Continuing church growth strategies through local parish growth, revitalisation and church planting
- Continuing to create learning pathways for new leaders
- Continued reimagining of ministry and discipleship
- Collaboration with the DBE to further deepen and promote the Christian Distinctiveness of our schools
- Continue work to develop our plan to achieve net zero carbon emissions
- Further embedding an ethos of diversity, inclusivity and generosity

Going concern

Although 2025 was again a challenging year in many respects, it has also been a year of significant change that means that we can plan and project with much more confidence than we have been able to do since the start of the pandemic. Following on from the successful DIP Capacity bid in autumn 2024 (which also assured deficit funding for 2024), we were successful in our core DIP bid in the summer of 2025 – this provides funding across a range of areas (as set out above); some confirmed, some in principle (subject to preparation of more fully worked up plans at the appropriate time) that we can build on over the next nine to ten years. A key element of this funding is the 'sustainability theme' – this will fund a new 'Generosity Team' for the next five years. This team will work intensively in partnership with our parishes to help them grow in numbers and financial strength. The long-term aim is to see Common Fund return to pre-pandemic levels and more over the next ten years. Alongside the funding for the team, there is a key element of deficit funding for every year up until 2030 as we start to repair the current operating deficit position.

Alongside the bid activity, there have been significant changes in the national diocesan financial operating arrangements. The proposals were a recognition of the financial struggles of all dioceses (not just Birmingham) as well as the fact that the clergy stipend had also fallen behind over the last five years. The recommendations set out in the overall package of measures will impact from 2026 (for the next nine years) across a range of areas; a rebasing of clergy stipends (a substantial increase in cost to dioceses), a substantial increase in LInC funding, a streamlining of the ways in which dioceses fund National Church activities (significantly reducing the costs to us) and the introduction of TLS, which is a further element of deficit funding (without the need for bids or performance targets).

Our continuing operating deficits (also forecast for 2026) mean that the directors have once again considered the question of going concern, although the combination of the changes to the national diocesan funding arrangements and our successful DIP bid mean that we have a much more confident long-term picture to support our response to this challenge.

The 2026 budget has been prepared on the basis that Common Fund income will be around £150,000 higher than 2025 – although we did not achieve budget in 2025, we are more hopeful that we will achieve it in 2026 as the Generosity team starts its work. The cost budget reflects a 4.1% inflationary increase in both clergy stipends and lay salaries (as well as the 9.1% rebasing for clergy), offset by a further reduction in the rate for clergy pension contributions. The final budget deficit of £887k reflects the national changes and we have just over £1m of DIP Deficit funding available to draw on to cover this.

Our Strategic Mission Fund still stands at £3.8m – in general this will return to being used for missional activities. Bishop's Council has agreed a formal strategy that places conditions on the future use of the fund to ensure that we still monitor any potential future need for covering deficits in excess of the funding we now have available for the next five to ten years. The planned property disposal programme will continue to maintain and build this fund. Restricted activities are expected to continue as per their agreed programmes. An outline 2027 budget and cash flow forecast has been prepared as part of an updated five-year financial plan to reflect latest expectations in relation to unrestricted income (particularly Common Fund) and overhead costs.

Based on the above, the trustees are satisfied that the BDBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Charitable and political donations

No political contributions were made during the year. Charitable contributions have been made as part of the BDBF's objectives, mainly to projects sponsored under parish initiatives.

Taxation status

The BDBF is a charity having been established under the Diocesan Boards of Finance Measure 1925 and, as such, is not liable to income tax or corporation tax. The BDBF is also registered as a charity (reg. No. 249403).

Responsibilities of the trustees

The trustees are responsible for preparing the trustees' strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

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

- Select suitable accounting policies and then apply them consistently
- Make judgments and accounting estimates that are reasonable and prudent
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statements as to disclosure of information to auditors

The trustees have taken all the necessary steps to make sure that they are aware of any relevant audit information and to establish that the auditors are aware of that information.

As far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware.

Appointment of auditors

A resolution to re-appoint HaysMac LLP will be proposed at the forthcoming annual general meeting.

The Board of Trustees approve their Annual Report, their trustees' report and, in their capacity as company directors, also approve the Strategic Report incorporated therein on 18 June 2026 and signed on its behalf.

Steven Skakel

Mr Steven Skakel
Chair and Director of Birmingham Diocesan Board of Finance

APPENDIX SUMMARY INFORMATION

The Structure of the Church of England

The Church of England is organised as two provinces, each led by an archbishop. The Archbishop of Canterbury leads the Southern Province, and the Archbishop of York leads the Northern Province. Each province is comprised of dioceses of which there are 41 in England (42 including the Diocese of Europe).

Dioceses, each under the spiritual leadership of a Diocesan Bishop, are the principal pastoral, financial and administrative resource of the Church of England. Each diocese is divided into parishes. Each parish is overseen by a parish priest, who is an Incumbent (Vicar or Rector) or Priest-in-Charge. From ancient times through to today, incumbents and their bishop are responsible for the 'cure of souls' in their parishes.

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

The Church of England is episcopally led, with 108 bishops including Archbishops, Diocesan bishops and assistant and suffragan bishops. It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of Acts of Parliament. It is made up of three groups or 'houses' of members: the Houses of Bishops, of Clergy and of Laity. General Synod meets in London or York at least twice annually to consider legislation for the broader good of the Church.

The three National Church institutions

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

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

The Church Commissioners manage the historic assets of the Church of England, spending most of their income on pensions for the clergy. The costs of episcopal administration through the Diocesan and suffragan bishops are met by the Church Commissioners.

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 surviving partners of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations.

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

The Diocese

The Cathedral Birmingham Cathedral is the Mother Church of the diocese and legally is constituted as a separate charity currently exempt from Charity Commission registration and supervision. Copies of its trustees' report and financial statements may be obtained from Birmingham Cathedral (St Philips), Colmore Row, Birmingham, B3 2QB

Diocesan Synod The statutory governing body of the diocese is Diocesan Synod which is made up of broadly equal numbers of clergy and lay representatives elected from across the diocese together with the bishops and archdeacons. Its role is to:

- Consider matters affecting the Church of England in the diocese
- Act as a forum for debate of Christian opinion on matters of religious or public interest
- Advise the bishop where requested
- Deal with matters referred by General Synod
- Adopt the annual budget of the BDBF and receive and adopt its annual report and accounts

Deanery Synod There is a Deanery Synod in each of the diocese's six deaneries. Each Deanery Synod has two houses, laity and clergy, and Deanery Synod's role is to:

- Respond to requests from General Synod
- Give effect to the decisions made by 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
- Elect members of the deanery to Diocesan Synod and of the diocese to General Synod

The Bishop's Council

Under the constitution of 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
- To initiate proposals for action by the Synod and to advise it on matters of policy
- To advise the President (the Diocesan Bishop) 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
- To carry out such functions as the Synod may delegate to it

Parochial Church Council (PCC) A PCC is the elected governing body of an individual parish which in general is the smallest pastoral area in the Church of England. Typically each parish has one parish church. A PCC is made up of the incumbent as chair, the churchwardens, and a number of elected and ex-officio members. Each PCC is a charity. All PCCs with gross income over £100,000 are required by law to register with the Charity Commission (as soon as practical after their gross income exceeds £100,000) unless the Charity Commission issues a written determination to the contrary. If not required to register, PCCs are 'excepted' charities.

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

Parishes, Benefices, Deaneries and Archdeaconries A benefice is an ecclesiastical office in a parish or group of parishes normally served by an incumbent. Team ministries may have several clergy of incumbent status serving in one benefice. A deanery is a group of parishes over which an area dean has oversight, and an archdeaconry is a group of deaneries for which an archdeacon is responsible.

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

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

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement, set out on page 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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.

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to judgements around revenue at year end. Audit procedures performed by the engagement team included:

- inspecting correspondence with regulators and tax authorities;
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluating management's controls designed to prevent and detect irregularities;
- identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- challenging assumptions and judgements made by management in their critical accounting estimates

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

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

Use of our report

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

Adam Halsey (Senior Statutory Auditor)
10 July 2026

For and on behalf of HaysMac LLP, Statutory Auditor, 10 Queen Street Place, London. EC4R 1AG

FINANCIAL STATEMENTS

Statement of financial activities

FOR YEAR ENDED 31 DECEMBER 2025
COMPANY NUMBER: 440966

	Note	Restricted funds		Unrestricted funds			
		Endowment funds	Other funds	Designated funds	Undesignated funds	Total funds 2025	Total funds 2024
		£'000	£'000	£'000	£'000	£'000	£'000
INCOME							
INCOME AND ENDOWMENTS FROM							
Donations:	2						
Parish contributions		-	20	-	4,845	4,865	4,688
Archbishops' Council		-	4,388	-	2,105	6,493	6,147
Other donations		-	508	-	830	1,338	1,565
Charitable activities	3	-	66	-	292	358	323
Other trading activities	4	-	-	-	388	388	482
Investments	5	(2)	234	24	551	807	855
Other income	6	-	-	-	331	331	1,710
TOTAL INCOME		(2)	5,216	24	9,342	14,580	15,770
EXPENDITURE ON							
Raising funds	7	26	-	-	96	122	111
Charitable activities	8	4	3,821	236	10,684	14,745	13,478
Other	9	2	-	-	1	3	5
TOTAL EXPENDITURE		32	3,821	236	10,781	14,870	13.594
Net (expenditure) / income before investment gains and losses		(34)	1,395	(212)	(1,439)	(290)	2,176
Net gains / (losses) on investments		520	(68)	(14)	173	611	597
Net (losses) / gains on investment property		(31)	-	-	(34)	(65)	-
Net (losses) / gains on endowment property		(546)	-	-	-	(546)	-
NET (EXPENDITURE) / INCOME		(91)	1,327	(226)	(1,300)	(290)	2,773
Transfers between funds	21	-	(550)	(1,238)	1,788	-	-
NET MOVEMENT IN FUNDS		(91)	777	(1,464)	488	(290)	2,773
Total funds brought forward	21	30,531	8,135	5,312	4,463	48,441	45,668
TOTAL FUNDS CARRIED FORWARD	21	30,440	8,912	3,848	4,951	48,151	48,441

Transfers between funds

For analysis of transfers between funds, see note 21. All activities derive from continuing operations.

Balance sheet

FOR YEAR ENDED 31 DECEMBER 2025
COMPANY NUMBER: 440966

	Note	2025 £'000	2025 £'000	2024 £'000	2024 £'000
FIXED ASSETS					
Tangible assets	15	23,408		23,190	
			23,408		23,190
INVESTMENTS:	16				
Investment properties		2,334		2,399	
Other investments		15,484		13,145	
			17,818		15,544
TOTAL FIXED ASSETS			41,226		38,734
CURRENT ASSETS					
Debtors	17	5,114		5,024	
Cash at bank		5,726		7,460	
		10,840		12,484	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	18	(3,899)		(2,753)	
NET CURRENT ASSETS			6,941		9,731
TOTAL ASSETS LESS CURRENT LIABILITIES			48,167		48,465
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	19		(16)		(24)
NET ASSETS	21		48,151		48,441
FUNDS					
Restricted income funds			8,912		8,135
Endowment funds			30,440		30,531
Unrestricted income funds:					
Designated			3,848		5,312
Undesignated			4,951		4,463
	21		48,151		48,441

The Statement of Financial Activities, Income and Expenditure Account, Cash flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 18 June 2026 and signed on behalf of the Board by:

Mr Steven Skakel **Chair**

FINANCIAL STATEMENTS

Income and expenditure account

FOR YEAR ENDED 31 DECEMBER 2025

	2025 £'000	2024 £'000
Total incoming resources	14,582	15,210
Resources expended	(14,838)	(13,551)
Net (expenditure) / income before gains for the year	(256)	1,659
Net gains on investments	57	213
NET (EXPENDITURE) / INCOME FOR THE YEAR	(199)	1,872
Other comprehensive income:		
Net assets transferred to endowments	-	77
TOTAL COMPREHENSIVE (EXPENDITURE) / INCOME	(199)	1,949

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.

Cash flow statement

FOR YEAR ENDED 31 DECEMBER 2025

	Note	2025 £'000	2024 £'000
NET CASH (USED IN) OPERATING ACTIVITIES	25	(369)	(2,022)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interest and rent from investments		789	780
Interest paid		(1)	(2)
Proceeds from sale of:			
Tangible fixed assets for the use of the BDBF		329	2,093
Other investments		661	2,328
Purchase of:			
Tangible fixed assets for the use of the BDBF		(806)	(233)
Other investments		(2,380)	(2,205)
NET CASH (USED IN) / PROVIDED BY INVESTING ACTIVITIES		(1,408)	2,761
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans repaid by BDBF		(18)	(28)
Loans repaid to BDBF		58	16
New loans made by BDBF		(1)	(84)
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES		39	(96)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		(1,734)	643
CASH AND CASH EQUIVALENTS AT 1 JANUARY		7,460	6,817
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	26, 27	5,726	7,460

NOTES TO THE ACCOUNTS

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006, Charities Act 2011, applicable accounting standards (FRS 102), Charities SORP (FRS 102), *The Church of England Diocesan Annual Reports and Financial Statements Guide* and under the historical cost accounting rules except that fixed asset investments, current asset investments and investment properties are included at fair valuation.

The financial statements are presented in Sterling (being the functional currency for all of its activities) rounded to the nearest £'000.

The Birmingham Diocesan Board of Finance (BDBF) meets the definition of a public benefit entity under FRS 102.

Company status

The company is limited by guarantee, incorporated and registered in England and Wales (No. 440966). The members of the company are the trustees named on page 3. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. The company's registered office is John Cadbury House, 190 Corporation Street, Birmingham, B4 6QD.

Going concern

The trustees assess whether the use of the going concern principle is appropriate i.e. whether there are any principal uncertainties, related events or conditions that may cast significant doubt on the ability of the BDBF to continue as a going concern. The directors' report on page 23 briefly sets out the actions that have been taken to manage these uncertainties including the long term support that National Church have agreed for the next triennium and beyond for Birmingham (as well as for other dioceses), which will ensure that the BDBF can continue as a going concern. The trustees make this assessment in respect of the period of at least one year from the date of the authorisation for issue of the financial statements and have concluded that the BDBF has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties about the BDBF's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The principal accounting policies and estimation techniques are as follows:

Income

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

Common Fund and income from parochial fees The principal source of income comes from voluntary giving in the form of parish contributions (Common Fund), which includes amounts received up to the 31 January following the year end relating to the previous financial year. Common Fund income also includes any arrears received from previous years.

Grant income Income from the Archbishops' Council is accounted for on a receivable basis and represents a range of grants payable to CofE Birmingham to support its operations and for parish mission, the funds for which originate in a block grant by the Church Commissioners to the Archbishops' Council. The annual grants from the Archbishops' Council may be used for either mission and ministry support for lower income communities (Lowest Income Communities Fund, LInC), Diocesan Investment Programme (DIP) or a range of strategic development activities (as set out in note 21 to the accounts).

Other grant income is recognised when receivable.

Rent and investment income Rent and investment income are recognised as income when receivable.

Gains on disposal of fixed assets for the BDBF's own use Gains on disposal of fixed assets for the BDBF'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.

Birmingham Diocesan Endowment Fund income The income from this fund is restricted for the purpose of 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.

Glebe Fund income All clear income derived from its investments is transferred to the General Fund as contribution towards the cost of clergy stipends. 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.

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the BDBF to pay out resources. Expenditure is included on the accruals basis under the following headings; all costs are allocated to a specific category.

Costs of raising funds These are the costs of managing the Endowment, Glebe and Unrestricted fund investments, plus the costs associated with letting the vacant parsonages and investment properties.

Charitable expenditure Charitable expenditure is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry and expenditure on education and Church of England schools in the diocese.

Resourcing ministry and mission includes the direct costs for the clergy and parishes, plus the costs of supporting the work of parishes within the CofE Birmingham. This principally includes the cost of clergy stipends, costs related to maintaining clergy housing in the parishes, the payment of grants to assist parish work plus the related staff costs and overheads.

Grants payable Grants payable are accounted for when authorised, when the award of the grant has been specifically communicated to the recipient and when the trustees have agreed to pay the grant without condition, or any condition attaching to the grant is outside the control of the BDBF. Grants offered subject to certain conditions which have not been met at the year-end are noted as a commitment but not accrued as expenditure.

Support costs Support costs consist of central management, administration and governance costs. They are allocated to categories of expenditure (resourcing ministry and mission, raising funds and education) on the basis of the proportion of staff time spent on each area of activity.

Pension costs and other post-retirement benefits The BDBF contributes to the *Church of England Funded Pension Scheme* for clergy and the *Church Workers Pension Fund* for other staff. Both these schemes are multi-employer pension schemes. The pension costs charged as resources expended represent the BDBF's contributions payable in respect of the accounting period, in accordance with FRS 102. Deficit funding liabilities (where applicable) for the pension schemes in which the BDBF participates would be recognised at the present value of contributions payable that arise from the deficit funding agreement. The liability would be recognised in creditors distinguishing between contributions falling due within one year and after more than one year. Details of the schemes are given in note 23 to the financial statements.

Redundancy and termination benefits Redundancy and termination benefits are recognised as soon as there is a legal or constructive obligation committing the BDBF to pay out resources.

NOTES TO THE ACCOUNTS

Tangible fixed assets and depreciation

Freehold properties and parsonages Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material, due to the very long expected remaining useful life in each case, and because their expected residual values are not materially less than their carrying value.

The BDBF 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.

Parsonage houses recognition The BDBF has followed the requirements of FRS 102 in its accounting treatment for benefice houses (parsonages). FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The BDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if declared redundant. The Trustees therefore consider the most suitable accounting policy to be to capitalise such properties as expendable endowment assets and to carry them at cost where known, otherwise at the deemed cost valuation of the midpoint of the relevant 1994 Council Tax band value.

An impairment review is conducted annually and an adjustment is made to the book value where there is evidence of impairment. In between the five-yearly professional valuations, trustees perform their own assessments of whether there had been a material change in the value of the properties using internal expertise and market indicators.

Other non-investment properties The BDBF includes all other non-investment properties at cost where known, otherwise at the deemed cost valuation of the midpoint of the relevant 1994 Council Tax band value.

For properties that are jointly owned with a third party such as a Parochial Church Council, only the proportion of the BDBF's investment in the property is accounted for within the financial statements of the BDBF.

Redundant churches are included at nil value.

Investment properties In accordance with FRS 102, investment properties are carried at their fair value – this is considered by the trustees annually and the aggregate surplus or deficit is recognised in the Endowment Fund and Glebe Fund. Investment properties were last professionally valued as at 31 December 2025, the results of which are included in these financial statements. If an asset changes category in the period under review then a professional valuation of the property is undertaken as the property changes category. The next professional valuation of properties is due as at 31 December 2030. No depreciation is provided on investment properties.

Non-Property fixed assets Tangible fixed assets costing more than £1,000 are capitalised and included at cost.

Depreciation Depreciation of non-property assets is charged by equal annual instalments at rates estimated to write off their cost less any residual value over the expected useful lives that are as follows:

Computer equipment	3 years
Office furniture and fittings	10 years or the end of the property lease if relating to tenant's improvements

Financial investments Financial investments are stated at fair value. Realised gains or losses are recognised in the Statement of Financial Activities when financial investments are sold. Unrealised gains and losses are accounted for on revaluation of financial investments at the year end.

Critical accounting estimates and areas of judgement

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

Accounting estimates

The BDBF makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Valuation of investment properties The BDBF carries its investment properties at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The BDBF engaged independent valuation specialists to determine fair value at 31 December 2025. Some of the key assumptions used to determine the fair value of these assets are based on the valuer's knowledge and experience of the market and values of similar properties, which could be deemed subjective.

Assumptions surrounding the clergy and church workers pension schemes The BDBF contributes to the *Church of England Funded Pension Scheme* for clergy and the *Church Workers Pension Fund* for other staff. Both these schemes are determined to be multi-employer pension schemes and as required under FRS 102, the BDBF recognises any agreed deficit funding liabilities on its balance sheet. The key actuarial assumptions that underpin the required deficit funding contributions liability are based on the actuary's knowledge and experience. Any changes in these assumptions as given in note 23 could have a significant impact on the required deficit funding contributions and resulting balance sheet liability.

Areas of judgement

Concessionary loans Concessionary loans (both made and received) are initially recognised at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment. They are assessed for objective evidence of impairment at the end of each reporting period.

Non-depreciation of freehold properties and parsonages Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material, due to the very long expected remaining useful life in each case, and because their expected residual values are not materially less than their carrying value.

All estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Funds

Funds over which the BDBF's control is limited by statute or the terms of a trust deed, or which are restricted in their use, have been defined as 'restricted funds'. Funds which are controlled by the BDBF and over which there are essentially no restrictions as to their use (either by statute or trust) have been defined as 'unrestricted'. Designated funds are unrestricted funds that have been set aside by the BDBF for purposes designated by BDBF policy. Such designations may be set aside from time to time according to policy decisions.

Endowments

The Endowment Funds are those whose capital represent permanent endowment and are therefore not available for revenue expenditure. For two of the funds, the income derived from the properties and other investments is available for meeting the costs of clergy stipends:

Diocesan Glebe This represents those historic lands and buildings which were held by incumbents and formed part of the benefice prior to the *Endowment and Glebe Measure 1976*. Glebe investments are subject to regulations under this Measure and previous Acts of Parliament, the main provisions being that Glebe should be held only as land or property.

The Endowment Fund This is a local fund originally set up under a Charity Commissioners Scheme of 1906 (amended in 1930) and is available for investment at the discretion of the Board of Finance subject to general charities legislation.

Details of the other two endowment funds are given in note 21 to the financial statements, along with details of the other major funds held by the BDBF.

Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term. 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 overall lease term.

Schools major repair and capital projects

The Board of Education (as incorporated within the BDBF) receives contributions from governors of church schools in the Diocese in connection with major repair and capital projects to Church Schools and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes the appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as incoming resources or resources expended in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits with any qualifying institution repayable within a three month notice period.

Financial instruments

The BDBF has elected to apply the provisions of Section 11 *Basic Financial Instruments* and Section 12 *Other Financial Instruments* of FRS 102 in full to all of its financial instruments.

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost being the transaction price less any amounts settled and any impairment losses.

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less amounts settled.

Concessionary loans (both made and received) are initially recognised at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment. They are assessed for objective evidence of impairment at the end of each reporting period.

2 Donations

	Restricted funds		Unrestricted funds			
	Endowment funds	Other funds	Designated funds	Undesignated funds	Total funds 2025	Total funds 2024
	£'000	£'000	£'000	£'000	£'000	£'000
PARISH CONTRIBUTIONS						
Common Fund – current	-	-	-	4,815	4,815	4,644
Common Fund – prior	-	-	-	30	30	25
TOTAL COMMON FUND	-	-	-	4,845	4,845	4,669
Contributions to World Mission Partners	-	20	-	-	20	19
TOTAL PARISH CONTRIBUTIONS	-	20	-	4,845	4,865	4,688
ARCHBISHOPS' COUNCIL						
Strategic Development	-	3,661	-	-	3,661	3,454
Strategic Ministry	-	232	-	-	232	348
Lowest Income Communities Funding	-	-	-	2,105	2,105	1,954
Racial Justice Triennium Fund	-	425	-	-	425	385
Net Zero Capacity Fund	-	46	-	-	46	89
Resourcing Ministerial Education Block Grant	-	24	-	-	24	(83)
TOTAL ARCHBISHOPS' COUNCIL	-	4,388	-	2,105	6,493	6,147
OTHER DONATIONS						
Stipend sources	-	-	-	660	660	587
Benefact Trust	-	-	-	121	121	144
Other donations to World Mission Partners	-	15	-	-	15	10
Oak Foundation	-	-	-	-	-	467
Historic England	-	134	-	-	134	201
Legacies	-	1	-	-	1	-
Other donations	-	7	-	19	26	19
Other grants	-	351	-	30	381	137
TOTAL OTHER DONATIONS	-	508	-	830	1,338	1,565

NOTES TO THE ACCOUNTS

2 Donations (continued)

The annual grants from Archbishop's Council may be used for either specific parish mission and development projects or for clergy stipends. The Strategic Development Funding is restricted to the *Shaping the Future*, *People & Places*, Diocesan Investment Programme and various Church Planting programmes or mission activities. Strategic Ministry Funding is restricted to supporting curates in training with the objective of increasing the number of curacies that the diocese is able to offer in any one year. The Resourcing Ministerial Education Block Grant is to be used for approved clergy training pathways – the majority of the costs covered by this funding stream ended during the academic year 2023/24 and balances held were returned to Archbishop's Council. The Racial Justice Triennium Fund grant is paid to the BDBF as the lead partner in a programme covering the six dioceses of the Midlands. The Oak Foundation grant is paid in annual instalments to the BDBF to enable them to support the work of the Church Development Agency (a subsidiary company of the Gloucester Diocesan Board of Finance) to deliver affordable homes projects across the Birmingham diocese.

3 Income from charitable activities

	Restricted funds		Unrestricted funds			
	Endowment funds	Other funds	Designated funds	Undesignated funds	Total funds 2025	Total funds 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Statutory fees	-	-	-	219	219	214
Parish training events	-	-	-	34	34	4
Schools training events and services	-	62	-	-	62	62
Payroll Bureau service	-	-	-	16	16	14
Interest receivable on parish loans	-	4	-	23	27	29
TOTAL	-	66	-	292	358	323

Total income from charitable activities for the year ended 31 December 2024 of £323,000 was split between funds as follows: £64,000 in other restricted funds and £259,000 in undesignated funds.

4 Other trading activities

	Restricted funds		Unrestricted funds			
	Endowment funds	Other funds	Designated funds	Undesignated funds	Total funds 2025	Total funds 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Housing income	-	-	-	321	321	374
Recharges to other Christian organisations	-	-	-	67	67	108
TOTAL	-	-	-	388	388	482

Total income from other trading activities for the year ended 31 December 2024 of £482,000 was split between funds as follows: £39,000 in other restricted funds and £443,000 in undesignated funds.

5 Investment income

	Restricted funds		Unrestricted funds			
	Endowment funds	Other funds	Designated funds	Undesignated funds	Total funds 2025	Total funds 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Dividends and interest	9	219	24	399	651	641
Profit / (loss) on sales of investments	(11)	4	-	16	9	68
Rents	-	11	-	136	147	146
TOTAL	(2)	234	24	551	807	855

Total investment income for the year ended 31 December 2024 of £855,000 was split between funds as follows: £30,000 in endowment funds, £232,000 in other restricted funds, £26,000 in designated funds and £567,000 in undesignated funds.

6 Other income

	Restricted funds		Unrestricted funds			
	Endowment funds	Other funds	Designated funds	Undesignated funds	Total funds 2025	Total funds 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Gain on sale of fixed assets	-	-	-	331	331	1,710
TOTAL	-	-	-	331	331	1,710

Total other income for the year ended 31 December 2024 of £1,710,000 was split between funds as follows: £530,000 in endowment funds and £1,180,000 in undesignated funds.

7 Fundraising costs

	Restricted funds		Unrestricted funds			
	Endowment funds	Other funds	Designated funds	Undesignated funds	Total funds 2025	Total funds 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Investment management costs	26	-	-	8	34	34
Property rental costs	-	-	-	88	88	77
TOTAL	26	-	-	96	122	111

Total fundraising costs for the year ended 31 December 2024 of £111,000 was split between funds as follows: £27,000 in endowment funds and £84,000 in undesignated funds.

8 Expenditure on charitable activities

	Restricted funds		Unrestricted funds			
	Endowment funds	Other funds	Designated funds	Undesignated funds	Total funds 2025	Total funds 2024
	£'000	£'000	£'000	£'000	£'000	£'000
CONTRIBUTION TO ARCHBISHOPS' COUNCIL						
Training for ministry	-	-	-	195	195	190
National Church responsibilities	-	-	-	116	116	114
Mission agency pension costs	-	-	-	27	27	19
Retired clergy housing costs	-	-	-	85	85	79
Pooling of ordinands maintenance grants	-	-	-	(56)	(56)	(66)
TOTAL	-	-	-	367	367	336
RESOURCING MINISTRY AND MISSION						
Parish ministry:						
Stipends and National Insurance	-	349	23	4,419	4,791	4,521
Pension contributions	-	54	3	806	863	938
Housing costs	-	90	-	1,667	1,757	1,661
Removal, resettlement and grants	-	26	-	267	293	335
Training for ministry tuition fees	-	-	-	-	-	(3)
Archdeacons, vocations, chaplaincy and other expenses	4	16	-	356	376	462
TOTAL	4	535	26	7,515	8,080	7,914
Mission grants	-	1,112	-	29	1,141	515
Grants to support parishes	-	17	-	-	17	17
Support for parish ministry	-	1,952	210	2,539	4,701	4,308
TOTAL	-	3,081	210	2,568	5,859	4,840
EXPENDITURE ON EDUCATION						
Support for Church Schools	-	205	-	235	439	388
TOTAL	4	3,821	236	10,684	14,745	13,478

Total expenditure on charitable activities for the year ended 31 December 2024 of £13,478,000 was split between funds as follows: £16,000 in endowment funds, £2,956,000 in other restricted funds, £157,000 in designated funds and £10,349,000 in undesignated funds.

9 Other expenditure

	Restricted funds		Unrestricted funds			
	Endowment funds	Other funds	Designated funds	Undesignated funds	Total funds 2025	Total funds 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Loss on sale of property	2	-	-	-	2	3
Interest payable on other loans	-	-	-	1	1	2
TOTAL	2	-	-	1	3	5

Total other expenditure for the year ended 31 December 2024 of £5,000 was split between funds as follows: £5,000 in undesignated funds.

NOTES TO THE ACCOUNTS

10 Analysis of expenditure including allocation of support costs

	Activities directly undertaken	Grant funding of activities	Support costs	Total 2025
	£'000	£'000	£'000	£'000
Raising funds	122	-	-	122
Charitable activities:				
Contributions to Archbishops' Council	-	367	-	367
Resourcing parish ministry	10,879	1,654	1,406	13,939
Education	323	-	116	439
Other	3	-	-	3
	11,327	2,021	1,522	14,870

	Activities directly undertaken	Grant funding of activities	Support costs	Total 2024
	£'000	£'000	£'000	£'000
Raising funds	111	-	-	111
Charitable activities:				
Contributions to Archbishops' Council	-	336	-	336
Resourcing parish ministry	10,571	878	1,305	12,754
Education	228	-	160	388
Other	5	-	-	5
	10,915	1,214	1,465	13,594

11 Analysis of support costs

	Restricted funds		Unrestricted funds			
	Endowment funds	Other funds	Designated funds	Undesignated funds	Total funds 2025	Total funds 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Support for Schools	-	116	-	-	116	160
Administration and premises	-	-	-	1,238	1,238	1,156
Governance:						
Auditors – external audit	-	-	-	34	34	27
Auditors – other services	-	-	-	-	-	1
Registrar and Chancellor	-	-	-	134	134	121
TOTAL	-	116	-	1,406	1,522	1,465

12 Analysis of grants made

	Number	Individuals	Institutions	Total 2025	Total 2024
		£'000	£'000	£'000	£'000
FROM UNRESTRICTED FUNDS FOR NATIONAL CHURCH RESPONSIBILITIES					
Archbishops' Council	5	-	367	367	336
FROM UNRESTRICTED / DESIGNATED FUNDS					
PCCs for mission	1	-	9	9	9
Ordinands in training	12	90	-	90	122
Resettlement and first appointment grants	53	138	-	138	165
Sundry clergy grants	84	28	31	59	75
Training development grants for individuals	2	-	-	-	1
TOTAL	152	256	40	296	372
FROM RESTRICTED FUNDS					
World Mission Partner dioceses and projects	5	-	99	99	77
Repair and re-ordering of churches	31	-	200	200	31
Church Development Agency	1	-	461	461	-
PCCs for project workers *(Action in the City)*	-	-	-	-	7
PCCs for mission initiatives	13	-	450	450	291
Other Christian organisations for mission initiatives	1	-	92	92	54
Resettlement and first appointment grants	7	20	-	20	3
Sundry grants	20	7	10	17	14
Ordinands in training	18	19	-	19	29
TOTAL	96	46	1,312	1,358	506
TOTAL GRANTS PAYABLE	253	302	1,719	2,021	1,214

13 Staff costs

	2025	2024
	£'000	£'000
EMPLOYEE COSTS DURING THE YEAR (EXCLUDING CLERGY PAY)		
Wages and salaries	2,526	2,649
Social security costs	297	267
Pension costs	270	275
Redundancy costs	10	-
TOTAL	3,103	3,191
AVERAGE NUMBER OF PEOPLE EMPOYED DURING THE YEAR	No.	No.
Parish mission support	40	45
Discipleship and Ministry support	7	10
Administration and financial management	10	12
Property	3	3
Education	5	4
TOTAL	65	74

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

	2025	2024
	Number	Number
In the band £70,000 – £80,000	2	2
In the band £80,000 – £90,000	1	1

The total amount of employer defined contribution pension contributions paid on behalf of these employees were £30,260 (2024: £29,118).

NOTES TO THE ACCOUNTS

13 Staff costs (continued)

Key management (employee) 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	Jan Smart	Property Director	John Templeman
Company Secretary	Jan Smart	HR Director	Ben Franks
Director of Finance	Karen Preece	Director of Education	Sarah Smith

Remuneration and pensions for these five FTE employees amounted to £448,636 (2024: £419,079 for five FTE employees).

None of the directors received any remuneration as directors. The BDBF in both 2025 and 2024 has an overarching insurance policy that includes trustees' indemnity insurance however the premium attributable to the trustees' indemnity insurance element is not separately identifiable.

The clergy and clergy stipends are not included within the BDBF's staff costs, as they are not employees of the BDBF. The BDBF is merely responsible for the central administration and payment of the stipends on behalf of the parishes. However, the BDBF paid an average of 130 (2024: 132) stipendiary clergy as office holders holding parish or diocesan appointments in the diocese, and the costs were as follows:

	2025	2024
	£'000	£'000
Stipends	4,316	4,089
National Insurance contributions	449	334
Apprenticeship Levy	19	18
Restructuring costs	30	28
Pension costs – current year	887	891
TOTAL	5,701	5,360

14 Net expenditure before transfers and other recognised gains / (losses)

	2025	2024
	£'000	£'000
NET EXPENDITURE IS STATED AFTER CHARGING:		
Depreciation – owned assets	42	43
Net gain on disposal of fixed assets	329	1,707
Auditor's remuneration – audit of financial statements	34	27
Auditor's remuneration – other services	-	1

15 Tangible fixed assets

	Freehold Properties (see analysis)	Computer equipment	Office equipment	TOTAL
	£'000	£'000	£'000	£'000
COST / DEEMED COST OR VALUATION				
At 1 January 2025	23,102	133	177	23,412
Additions	785	21	-	806
Disposals	-	(30)	-	(30)
AT 31 DECEMBER 2025	23,887	124	177	24,188
ACCUMULATED DEPRECIATION				
At 1 January 2025	-	121	101	222
Charge for the year	-	11	31	42
Disposals	-	(30)	-	(30)
Impairment	546	-	-	546
AT 31 DECEMBER 2025	546	102	132	780
NET BOOK VALUE				
AT 31 DECEMBER 2025	23,341	22	45	23,408
AT 31 DECEMBER 2024	23,102	15	73	23,190

All the above assets are used for charitable purposes.

15 Tangible fixed assets (continued)

	2025 cost or deemed cost £'000	2024 cost or deemed cost £'000
FREEHOLD PROPERTIES		
ENDOWMENT FUNDS		
Benefice houses fund:		
Parsonage houses	18,424	18,007
Glebe funds:		
Housing of team vicars, curates and others	660	660
Assets in course of construction	-	188
RESTRICTED FUNDS		
Assets in course of construction	99	-
DESIGNATED FUNDS		
Assets in course of construction	-	89
UNRESTRICTED FUNDS		
Corporate property:		
Housing of senior clergy, curates and others	1,469	1,469
Other corporate property	2,689	2,689
TOTAL FREEHOLD PROPERTIES	**23,341**	**23,102**

16 Investments held as fixed assets

	Glebe £'000	Endowment fund £'000	Unrestricted fund £'000	TOTAL £'000
A) INVESTMENT PROPERTIES				
At 1 January 2025	1,439	800	160	2,399
Revaluation	(66)	35	(34)	(65)
AT 31 DECEMBER 2025	**1,373**	**835**	**126**	**2,334**

Properties were valued by Bruton Knowles (Chartered Surveyors) on an open market existing use basis as at 31 December 2025 and the outcomes from this valuation are reflected in these accounts. The BDBF's policy is to seek formal professional valuations of its investment properties every five years with trustee review in the intervening period. The next formal professional review is due to be carried out as at 31 December 2030.

	1 January 2025 £'000	Sales £'000	Purchases £'000	Change in market value £'000	Transfers £'000	31 December 2025 £'000
B) OTHER FINANCIAL INVESTMENTS						
ENDOWMENT FUNDS						
Listed investments	4,607	(388)	339	527	-	5,085
Unlisted investments	582	-	-	(7)	-	575
	5,189	**(388)**	**339**	**520**	**-**	**5,660**
OTHER RESTRICTED FUNDS						
Listed investments	292	-	-	42	-	334
Unlisted investments	4,808	(158)	949	(110)	1,019	6,508
	5,100	**(158)**	**949**	**(68)**	**1,019**	**6,842**
UNRESTRICTED FUNDS						
Designated funds:						
Unlisted investments	36	-	997	(14)	(1,019)	-
Undesignated funds:						
Listed investments	1,290	(106)	95	140	-	1,419
Unlisted investments	1,530	-	-	33	-	1,563
	2,856	**(106)**	**1,092**	**159**	**(1,019)**	**2,982**
TOTAL	**13,145**	**(652)**	**2,380**	**611**	**-**	**15,484**

Unlisted investments consist of freely marketable shares in the Central Board of Finance Investment Fund and COIF administered by the CCLA Fund Managers. The historic cost of listed investments as at 31 December 2025 was £5,160,000 (2024: £5,262,000) and £6,992,000 (2024: £5,174,000) for unlisted investments.

NOTES TO THE ACCOUNTS

17 Debtors

	2025	2024
	£'000	£'000
RECEIVABLE WITHIN ONE YEAR		
Parish loans (concessionary loans)	21	30
Other loans (concessionary loans)	1	-
Prepayments and other debtors	4,547	4,356
Accrued income	91	68
	4,660	4,454
RECEIVABLE AFTER ONE YEAR		
Parish loans (concessionary loans)	56	105
Other debtors	398	465
	454	570
TOTAL DEBTORS	5,114	5,024

18 Creditors: amounts falling due within one year

	2025	2024
	£'000	£'000
Other loans – Church Commissioners (concessionary loan)	-	10
Other loans – anonymous loan for parish (concessionary loan)	8	8
Trade creditors	249	324
Other creditors	511	314
Accruals and deferred income	3,131	2,097
	3,899	2,753

Other loans (Church Commissioners) relate to advances from the Church Commissioners for house purchases and parish 'back to back loans' from the Central Board of Finance. The loans are variable interest loans at the rate of the Central Board of Finance (Church of England) Deposit Fund rate plus 0.55%.

19 Creditors: amounts falling due after more than one year

	2025	2024
	£'000	£'000
Other loans – anonymous loan for parish (concessionary loan)	16	24
	16	24

The maturity of the above loans may be analysed as follows:

	2025	2024
	£'000	£'000
Between one to two years	8	8
Between two to five years	8	16
	16	24

20 Analysis of assets and liabilities between funds

	Restricted funds		Unrestricted funds			
	Endowment funds	Other funds	Designated funds	Undesignated funds	Total funds 2025	Total funds 2024
	£'000	£'000	£'000	£'000	£'000	£'000
TANGIBLE ASSETS						
Other fixed assets	19,084	106	-	4,218	23,408	23,190
INVESTMENTS - FIXED						
Investment properties	2,208	-	-	126	2,334	2,399
Other	5,660	6,842	-	2,982	15,484	13,145
DEBTORS						
Due within one year	-	2,373	-	2,287	4,660	4,454
Due after one year	-	56	-	398	454	570
Cash at bank	3,489	2,943	3,850	(4,556)	5,726	7,460
CREDITORS						
Due within one year	(1)	(3,408)	(2)	(488)	(3,899)	(2,753)
Due after one year	-	-	-	(16)	(16)	(24)
NET ASSETS	30,440	8,912	3,848	4,951	48,151	48,441

	Restricted funds		Unrestricted funds		
	Endowment funds	Other funds	Designated funds	Undesignated funds	Total funds 2024
	£'000	£'000	£'000	£'000	£'000
TANGIBLE ASSETS					
Other fixed assets	18,855	8	89	4,238	23,190
INVESTMENTS - FIXED					
Investment properties	2,239	-	-	160	2,399
Other	5,189	5,100	36	2,820	13,145
DEBTORS					
Due within one year	-	2,208	-	2,246	4,454
Due after one year	-	105	-	465	570
Cash at bank	4,255	2,588	5,377	(4,760)	7,460
CREDITORS					
Due within one year	(7)	(1,874)	(190)	(682)	(2,753)
Due after one year	-	-	-	(24)	(24)
NET ASSETS	30,531	8,135	5,312	4,463	48,441

NOTES TO THE ACCOUNTS

21 Movements in funds

	1 January 2025 £'000	Income £'000	Expenditure £'000	Transfers £'000	Capital movements £'000	31 December 2025 £'000
ENDOWMENT FUNDS						
Glebe Fund*	6,111	(4)	(9)	-	104	6,202
Birmingham Diocesan Endowment Fund*	5,316	(7)	(18)	-	398	5,689
Parsonage Houses Fund	18,753	-	(2)	-	(546)	18,205
Bishop Brown Legacy Endowment Fund	351	9	(3)	-	(13)	344
	30,531	(2)	(32)	-	(57)	30,440
OTHER RESTRICTED FUNDS						
Sites and Buildings Fund	980	8	-	-	(17)	971
Pastoral Fund	-	-	-	1,226	-	1,226
Church Schools Fund	6,172	281	(205)	-	(48)	6,200
Action in the City Fund	17	1	-	-	-	18
Malawi Partnership Fund	283	36	(98)	-	(2)	219
Training for Ministry Fund	(10)	24	(15)	-	-	(1)
Strategic Ministry Fund – Curates Training	-	172	-	(172)	-	-
Strategic Ministry Fund – Post of First Responsibility	-	60	-	(60)	-	-
Historic England – Places of Worship Officer	-	15	(30)	15	-	-
People & Places Development Fund	(1)	683	(678)	-	-	4
Programme Management Fund	-	97	(99)	-	-	(2)
Church Planting (Shirley and Pype Hayes) Fund	-	229	(229)	-	-	-
Context Ministry and Church Planting Development Fund	5	244	(241)	-	-	8
Longbridge and Anglo-Catholic Mission Fund	(3)	529	(502)	-	-	24
Safe Spaces Innovation Fund	(1)	71	(71)	-	-	(1)
Net Zero Carbon Initiatives Fund	31	297	(321)	-	-	7
WM Racial Justice Collaboration	149	425	(389)	-	-	185
Readers Fund	31	1	(6)	-	(1)	25
Bolivia Partnership Fund	-	9	(5)	-	-	4
Diocesan Investment Programme Capacity Funding ❶	6	186	(193)	-	-	(1)
Diocesan Investment Programme ❷	-	1,627	(57)	(1,571)	-	(1)
Buildings for Mission Fund	-	25	(25)	-	-	-
Flourish Fund	3	42	(35)	-	-	10
Oak Foundation Grant	455	-	(461)	-	-	(6)
Historic England – St Michael's Handsworth	-	120	(132)	12	-	-
Other small restricted funds	18	34	(29)	-	-	23
	8,135	5,216	(3,821)	(550)	(68)	8,912
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Pastoral Fund	1,433	24	(205)	(1,238)	(14)	-
Strategic Mission Fund	3,879	-	(31)	-	-	3,848
UNDESIGNATED FUNDS						
General Fund*	4,463	9,342	(10,781)	1,788	139	4,951
	9,775	9,366	(11,017)	550	125	8,798
TOTAL	48,441	14,580	(14,870)	-	-	48,151

21 Movements in funds (continued)

	1 January 2024	Income	Expenditure	Transfers	Capital movements	31 December 2024
	£'000	£'000	£'000	£'000	£'000	£'000
ENDOWMENT FUNDS						
Glebe Fund*	5,972	7	(10)	-	142	6,111
Birmingham Diocesan Endowment Fund*	5,085	14	(18)	-	235	5,316
Parsonage Houses Fund	18,300	530	-	(77)	-	18,753
Bishop Brown Legacy Endowment Fund	350	9	(15)	-	7	351
	29,707	560	(43)	(77)	384	30,531
OTHER RESTRICTED FUNDS						
Sites and Buildings Fund	978	2	-	-	-	980
Church Schools Fund	6,015	282	(219)	-	94	6,172
Action in the City Fund	24	1	(8)	-	-	17
Malawi Partnership Fund	329	37	(86)	-	3	283
St Luke's at Gas Street – Fabric Fund	29	-	13	(42)	-	-
Training for Ministry Fund	86	(83)	(13)	-	-	(10)
Strategic Ministry Fund – Curates Training	-	313	-	(313)	-	-
Strategic Ministry Fund – Post of First Responsibility	-	35	-	(35)	-	-
Shaping the Future Fund	(1)	62	(101)	40	-	-
Historic England – Places of Worship Officer	-	11	(22)	11	-	-
People & Places Development Fund	(44)	728	(685)	-	-	(1)
Programme Management Fund	-	96	(96)	-	-	-
Church Planting (Shirley and Pype Hayes) Fund	-	189	(189)	-	-	-
Context Ministry and Church Planting Development Fund	5	239	(239)	-	-	5
Longbridge and Anglo-Catholic Mission Fund	(2)	642	(643)	-	-	(3)
Safe Spaces Innovation Fund	(1)	53	(53)	-	-	(1)
Coming Home Fund	(1)	39	(38)	-	-	-
Net Zero Carbon Initiatives Fund	-	126	(95)	-	-	31
WM Racial Justice Collaboration	-	385	(236)	-	-	149
Readers Fund	34	1	(5)	-	1	31
Bolivia Partnership Fund	-	3	(3)	-	-	-
Diocesan Investment Programme Fund	-	1,500	(4)	(1,490)	-	6
Flourish Fund	-	21	(18)	-	-	3
Oak Foundation Grant	-	467	(12)	-	-	455
Historic England – St Michael's Handsworth	-	190	(190)	-	-	-
Other small restricted funds	14	18	(14)	-	-	18
	7,465	5,357	(2,956)	(1,829)	98	8,135
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Pastoral Fund*	1,406	26	-	-	1	1,433
Strategic Mission Fund	2,783	-	(157)	1,253	-	3,879
UNDESIGNATED FUNDS						
General Fund*	4,307	9,827	(10,348)	653	114	4,463
	8,496	9,853	(10,595)	1,906	115	9,775
TOTAL	45,668	15,770	(13,594)	-	597	48,441

The funds denoted with * include the following revaluation reserves:

	2025	2024
	£'000	£'000
WITHIN ENDOWMENT FUNDS		
Glebe Fund	928	994
Birmingham Diocesan Endowment Fund	44	9
	972	1,003
UNDESIGNATED FUNDS		
General Fund	998	1,032
TOTAL	1,970	2,035

21 Movements in funds (continued)

Details of the major funds are as follows:

Endowment Funds

Glebe Fund Under the terms of the Endowment and Glebe Measure 1976, all historic parish Glebe land holdings were transferred to the respective Diocesan Boards of Finance, which were required, in return, to ensure that all clergy within their diocese received at least the agreed minimum stipend for the year. It represents Glebe assets and the accumulated sale proceeds of glebe property. Capital funds may be used for the purchase, improvement and maintenance of Glebe property and benefice property. Besides Glebe property, the funds may be invested in investments or cash held on deposit. All clear income derived from these investments is transferred to the General Fund as a contribution towards the cost of clergy stipends.

Birmingham Diocesan Endowment Fund This fund was also established under a scheme of the Charity Commissioners (dated September 1906), promoted by the Worcester Diocese, with the object of providing a permanent capital endowment, the income derived from which was to be available to the Diocesan trustees for the purpose of augmenting the incomes of clergy serving in the 'poorer areas' of Birmingham. In 1963, the Charity Commissioners approved a variation to the scheme appointing the BDBF as joint trustees of the charity, together with the Birmingham Diocesan Trustees Registered. The objects were varied slightly by a Birmingham Commissioners Order dated August 1981, following the implementation of the *Endowment and Glebe Measure*, confirming that any clear income of the charity is to be applied in augmenting stipends of the clergy in the CofE Birmingham. Subsequent to the *Fresh Start* re-organisation of 1993, the BDBF transferred certain property and fiscal investments previously held in the General Fund into the Endowment Fund.

Parsonages House Fund This fund represents the carrying value of all the benefice houses (parsonages) in the CofE Birmingham.

Bishop Brown Legacy Endowment Fund This fund was established from the estate of the late Bishop Brown (Bishop of Birmingham 1969–1977). His will gave a legacy to the BDBF to establish an endowment fund for the benefit of ordinands in training in the CofE Birmingham. The income derived from the capital endowment may be used to contribute to the maintenance grants of those in training.

Restricted Funds

Sites and Buildings This fund was originally created under a scheme of the Charity Commissioners by the Worcester Diocese in November 1906, when Birmingham was first being established as an independent Diocese (Birmingham being formed mostly from parishes previously part of either the Diocese of Worcester or Lichfield). The objectives of that fund were to assist the proposed new Diocese in providing sites for and building new churches and mission rooms. The fund was absorbed into the Annual Reports of the CofE Birmingham during the years following the First World War and in 1951 the Charity Commissioners' consent was obtained to replacing individual trustees by the Birmingham Diocesan Board of Finance. This fund continues to be used to provide income for making grants to PCCs for the maintenance or extension of churches, and loans at reduced interest rates for new churches or (more usually) major repair projects.

Pastoral Fund The diocesan pastoral fund represents the proceeds of redundant churches. The funds may be used for the acquisition and development of parsonages and other clergy houses and the provision, restoration, improvement and repair of churches once the legal obligations for redundant church buildings vested in the BDBF for disposal are met. When these funds have been used to purchase or improve property this has been charged to the Pastoral Fund in the year of expenditure. Proceeds of sale have been credited as income in the year of receipt. Where the BDBF has used the funds to purchase or improve properties in its corporate capacity, these have been included as fixed assets in these financial statements. This fund was treated as a designated fund in the 2024 accounts – following a review, it was agreed that this fund should be treated as a Restricted fund and the balance was transferred accordingly as at the end of 2025 to reflect this.

Church Schools Fund This fund comprises the accumulated capital proceeds arising from the sale of closed Church Schools. Under section 86 of the 1944 Education Act (now section 554 of the 1996 Act), part or all of the proceeds arising on the sale of closed schools will have been directed to this fund under a Determination Order by the Secretary of State for Education. These proceeds in Birmingham are held under the terms of a Uniform Statutory Trust. The income deriving from the deposits and investments (mainly Common Investment Funds) is applied for the benefit of existing voluntary aided schools by way of grants and or loans for building projects and repairs.

Action in the City Fund This fund is the surplus funds raised by churches in the CofE Birmingham against the target set to create the endowment fund that set up the Church Urban Fund (CUF). CUF was set up in response to the *Faith in the City* report in the wake of the social unrest that manifested itself in the England's inner cities in the early 1980s. Its residual capital and income continue to be used to support parishes engaged in community regeneration activities.

The Malawi Partnership Fund This relates to monies raised by individuals and parishes across the Birmingham diocese to provide support to link dioceses and their parishes in Malawi.

The Boliva Partnership Fund This relates to monies raised by individuals and parishes across the Birmingham diocese to provide support to parishes in Bolivia.

Training for Ministry Fund This fund relates to the Resourcing Ministerial Education Block Grant that the BDBF receives from Archbishop's Council to fund training costs of ordinands. The income to this fund only relates to book allowances paid to ordinands – all other training costs are now met directly by Archbishops' Council. During 2024, grants received over the life of the Block Grant programme but not expended amounting to £104,000 were repaid to Archbishops' Council.

Strategic Ministry Fund – Curates Training This fund relates to funding received from Archbishops' Council to support the training of additional curates.

Strategic Ministry Fund – Post of First Responsibility This fund relates to funding received from Archbishop's Council to support the stipend and housing costs of a first time incumbent in a parish that would not otherwise have warranted a full-time post.

Historic England – Places of Worship Officer This fund relates to match funding provided by Historic England towards our Places of Worship Support Officer.

People & Places Capacity and Development These funds relate to our *People & Places* Strategic framework which was funded by grants from the Church Commissioners and our own resources. This fund relates to the monies from Church Commissioners. This programme completed during 2025.

Programme Management Fund This relates to a grant from the Church Commissioners to support the project management team who support the delivery of our active projects.

Church Planting (Shirley and Pype Hayes) Fund This relates to a Strategic Development Funding grant from the Church Commissioners to support the establishment of new church plants (and related infrastructure) within the CofE Birmingham in the specific areas of Shirley and Pype Hayes.

Context Ministry and Church Planting Fund This relates to a Strategic Development Funding grant from the Church Commissioners to support the development of our strategic approach to context ministry and church planting within the diocese as part of our wider transformational vision for the CofE Birmingham.

Longbridge and Anglo-Catholic Mission Fund This relates to a Strategic Development Funding grant from the Church Commissioners to support the development of a new church (including a community centre) in Longbridge and a project to develop our strategic approach to anglo-catholic ministry across the diocese as part of our wider transformational vision for the CofE Birmingham.

Safe Spaces Innovation Fund This relates to an Innovation grant from the Church Commissioners to support the development of safe spaces for young people as part of our Community Regeneration work.

21 Movements in funds (continued)

Net Zero Carbon Initiatives Funding This relates to short time limited funding from the Archbishop's Council to support various initiatives as we work towards meeting the Net Zero Carbon target by 2030.

WM Racial Justice Collaboration Fund This relates to funding from the Racial Justice Unit of the Church Commissioners for a collaborative programme to promote racial justice across Birmingham and the other five Midlands dioceses (Lichfield, Hereford, Coventry, Worcester and Gloucester).

Readers Fund This relates to the funds previously held independently by the Birmingham Readers Council. This was transferred to the BDBF for administrative simplification in 2022. The fund provides additional support to Readers in their ministry.

Buildings for Mission Fund This relates to the funding received from the Church Commissioners to provide small grants to parishes for minor building projects carried out by parishes.

Diocesan Investment Programme Fund ❶ This relates to Strategic Capacity and Development Funding grants from the Church Commissioners (awarded in 2024) to support the strategic recovery of the diocese over the next ten years. Some of the funds will provide capacity support for our strategic growth plans and some funding will be used to support our Strategic Mission Fund as we return to financial sustainability.

Diocesan Investment Programme Fund ❷ This relates to Strategic Capacity and Development Funding grants from the Church Commissioners (awarded in 2025) to support the strategic recovery of the diocese over the next ten years. Some of the funds will provide capacity and buildings support for our strategic growth plans and some funding will be used to support our Strategic Mission fund as we return to financial sustainability.

Flourish Fund This relates to a grant from the National Society for the Promotion of Religious Education to support the development of partnerships between schools or colleges and their local churches, aiming to engage a large number of children, young people, and their families.

Oak Foundation Grant This relates to a grant from the Oak Foundation to support the Church of England Coming Home Affordable Homes initiative. BDBF is working with Gloucester Diocesan Board of Finance through their subsidiary, Church Development Agency to develop sites for affordable housing in both dioceses. The grants are made to enable sites to be worked up to planning permission stage before funding is identified for build programmes from external agencies (such as housing associations).

Historic England – St Michael's Handsworth This fund relates to match funding provided by Historic England towards critical repair works at the church of St Michael's, Handsworth. This fund is now closed.

Other small restricted funds This includes funds received from:

- ***St Martin's Trust Fund*** to enable us to: ❶ make small grants to clergy for sabbatical costs; ❷ make small grants to support youth projects across the diocese, and; ❸ support the development of a diocesan pastoral support scheme
- ***Empowering Disciples Fund*** relates to donations collected at the annual ordination service which is then available to make small grants to further vocations and discipleship
- ***Giving Advisor Fund*** Church Commissioner funding to support a giving advisor to work with our parishes

Unrestricted funds

Pastoral Fund The diocesan pastoral fund represents the proceeds of redundant churches. The funds may be used for the acquisition and development of parsonages and other clergy houses and the provision, restoration, improvement and repair of churches once the legal obligations for redundant church buildings vested in the BDBF for disposal are met. When these funds have been used to purchase or improve property this has been charged to the Pastoral Fund in the year of expenditure. Proceeds of sale have been credited as income in the year of receipt. Where the BDBF has used the funds to purchase or improve properties in its corporate capacity, these have been included as fixed assets in these financial statements. Following a review, it was agreed that this fund should be treated as a restricted fund and the balance was transferred accordingly as at the end of 2025 to reflect this.

Strategic Mission Fund This is a designated fund that has been created using proceeds from unrestricted property disposals. The fund will be used for intentional strategic mission investments.

During 2020, Bishop's Council agreed a proposal to release back to general unrestricted funds such monies as were necessary to deliver a balanced budget on unrestricted activities. A release was made in respect of the year ended 31 December 2023, but no other releases have been required due to the receipt of funding from national church.

General Fund The general fund is the BDBF's unrestricted, undesignated fund available for any of the Board's purposes without restriction.

Details of inter-fund transfers in 2025 are as follows:	Unrestricted general £'000	Unrestricted designated £'000	Restricted £'000	Endowment £'000	Total £'000
General Fund to Strategic Ministry – Curates Training ❶	172	-	(172)	-	-
General Fund to Strategic Ministry – Post First Responsibility ❶	60	-	(60)	-	-
General Fund to Historic England – Places of Worship Officer Fund ❷	(15)	-	15	-	-
Pastoral Fund – transfer from designated to restricted fund ❸	-	(1,226)	1,226	-	-
Diocesan Investment Programme Fund ❷ to General Fund ❹	1,571	-	(1,571)	-	-
Pastoral Fund to Restricted Fund ❺	-	(12)	12	-	-
TOTAL	**1,788**	**(1,238)**	**(550)**	**-**	**-**

❶ Transfer of costs from unrestricted funds to restricted funds in respect of Strategic Ministry Funding (Curates and Post First Responsibility).

❷ This represents the transfer of unrestricted and designated funds to cover restricted costs not covered by grant receivable.

❸ This represents the transfer of the Pastoral Fund from Designated funds to Restricted funds

❹ This represents the use of the Diocesan Investment Programme fund (2) to cover the 2025 shortfall in unrestricted funds.

❺ This represents the use of the Pastoral Fund to cover a shortfall in funds for urgent church repairs.

Details of inter fund transfers in 2024 are as follows:	Unrestricted general £'000	Unrestricted designated £'000	Restricted £'000	Endowment £'000	Total £'000
General Fund to Strategic Ministry – Curates training ❶	313	-	(313)	-	-
General Fund to Strategic Ministry – Post First Responsibility ❶	35	-	(35)	-	-
General Fund to Historic England – Places of Worship Officer Fund ❷	(11)	-	11	-	-
Strategic Mission Fund to *Shaping the Future* Fund ❷	-	(40)	40	-	-
Parsonage Fund to General Fund ❸	77	-	-	(77)	-
Gas Street Fabric fund to General Fund ❹	42	-	(42)	-	-
General Fund to Strategic Mission Fund ❺	(1,293)	1,293	-	-	-
Diocesan Investment Programme Fund to General Fund ❻	1,490	-	(1,490)	-	-
TOTAL	**(653)**	**1,253**	**(1,829)**	**(77)**	**-**

❶ Transfer of costs from unrestricted funds to restricted funds in respect of Strategic Ministry Funding (Curates and Post First Responsibility).

❷ This represents the transfer of designated funds to cover restricted costs not covered by grant receivable.

❸ This represents the transfer of book values in relation to parsonage land sold surplus to requirements.

❹ This represents the transfer of restricted funds to cover costs met by unrestricted funds in prior years.

❺ These represent the transfer of property disposal proceeds to the Strategic Mission Fund to fund intentional strategic mission investments.

❻ This represents the use of the Diocesan Investment Programme fund to cover the 2024 shortfall in unrestricted funds.

22 Commitments

At 31 December 2025 the BDBF had £nil of capital commitments which were contracted for but not provided in the financial statements (2024: £nil).

The BDBF has parish loan facilities amounting to £nil approved during the year which have not been drawn down by the parishes concerned as at 31 December 2025 (2024: £nil).

23 Pension costs

Employees – *Church Workers Pension Fund*

The BDBF participates in the *Church Workers Pension Fund* (CWPF) for lay staff. The fund is administered by the Church of England Pensions Board, which holds the assets of the fund separately from those of the employer.

The CWPF has two sections:

1. The *Defined Benefits Scheme*
2. The *Pension Builder Scheme*, which has two subsections:
   a. A deferred annuity section known as *Pension Builder Classic*
   b. A cash balance section known as *Pension Builder 2014*

Defined Benefits Scheme

The *Defined Benefits* section (DBS) of the CWPF provides benefits to lay employees based on final pensionable salaries.

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. This 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.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. There are no costs charged to the SOFA in the year in relation to this scheme (2024: £nil).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, 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 having taken advice from the Actuary.

A valuation of the DBS is carried out once every three years. At the most recently finalised valuation as at 31 December 2022 there was a surplus of £73.6m. The next actuarial valuation is due at 31 December 2025. In 2024, the Church of England Pensions Board entered into a full buy-in agreement with Aviva to insure all accrued benefits within the DBS of the CWPF.

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

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

Pension Builder Scheme

With effect from April 2012, it was agreed to make all future non-clergy pension arrangements through the *Pension Builder* section (PBS) of the CWPF.

For eligible salaried employees who commenced employment after 1 January 2006 the BDBF participates in the PBS, the assets of which are held separately from those of the BDBF and the other participating employers.

Both sections of the PBS are classed as defined benefit schemes. The BDBF contributes to the *Pension Builder Classic* section. The *Pension Builder Classic* provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment, based on terms set and reviewed by the Church of England Pensions Board from time to time. Pension contributions are recorded in an account for each member. Discretionary increases may also be added, depending on investment returns and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the *Pension Builder Scheme's* assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are the contributions payable (2025: £270,000 (2024: £275,000)).

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2022. This revealed a deficit of £34.8m on the ongoing assumptions used. At the most recent annual review as at 1 January 2026, the Board chose to grant a discretionary bonus of 10% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 1997 service so that the pension increase was also 10% (where usually it would be calculated based on inflation up to an annual cap of 5% for pensions in payment in respect of service prior to April 2006 and 2.5% for pensions in payment in respect of service post April 2006). This followed improvements in the funding position over 2025. There is no requirement for deficit payments at the current time.

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

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

The BDBF also contributes to a Group Personal Pension Plan organised by Friends Life for certain employees. This is a defined contribution, money purchase arrangement. The pension cost for the year shown in the financial statements is equal to the total contributions. The total contributions for the year were £nil (2024: £429).

23 Pension costs (continued)

Stipendiary Clergy

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

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body and this means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year (2025: £887,000, 2024: £978,000).

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 31 December 2024, and also showed the Scheme to be fully funded; as such in 2025 the deficit contributions paid were £nil (2024: £nil).

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

- An average discount rate of 6.0% pa
- RPI inflation of 3.4% pa (and pension increases consistent with this)
- CPIH inflation in line with RPI less 0.7% pre 2030 moving to RPI with no adjustments 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 in line with the CIMI2023 extended model projections, with a long term annual rate of improvement of 1.5%, a ;smoothing parameter' of 7 and an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 and 2023 data of 20% (i.e. w2020=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 any agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2025 and 2024 is £nil.

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

24 Commitments under operating leases

At 31 December 2025 the charity was committed to making the following payments under non-cancellable operating leases:

	Land and buildings 2025 £'000	Land and buildings 2024 £'000
OPERATING LEASES WHICH EXPIRE		
Within one year	**226**	226
Within one to two years	**226**	226
Within two to five years	**678**	678
More than five years	**339**	565
	1,469	**1,695**

25 Reconciliation of net expenditure to net cashflow from operating activities

	2025 £'000	2024 £'000
NET (EXPENDITURE) / INCOME FOR THE YEAR ENDED 31 DECEMBER	**(290)**	2,773
Depreciation charges	**12**	23
Dividends, interest and rent from investments	**(798)**	(787)
Interest payable on loans	**1**	2
(Profit) on sale of fixed assets	**(329)**	(1,710)
(Profit) on sale of investments	**(9)**	(68)
(Increase) in debtors	**(138)**	(3,176)
Increase in creditors	**1,156**	1,518
Change in fair value of investments	**30**	(597)
NET CASH (USED IN) OPERATING ACTIVITIES	**(365)**	**(2,022)**

NOTES TO THE ACCOUNTS

26 Analysis of cash and cash equivalents

	At 1 January 2025	Cash flow	At 31 December 2025
	£'000	£'000	£'000
Cash in hand and at bank	1,285	713	1,998
Cash held on deposit	6,175	(2,447)	3,728
	7,460	(1,734)	5,726

Cash held on deposit requires notice of less than three months to access.

27 Analysis of changes in net debt

	At 1 January 2025	Cash flow	Other non-cash changes	At 31 December 2025
	£'000	£'000	£'000	£'000
Cash in hand and at bank	1,285	713	-	1,998
Cash equivalents	6,175	(2,447)	-	3,728
Loans falling due within one year	(18)	10	-	(8)
Loans falling due after more than one year	(24)	8	-	(16)
	7,418	(1,716)	-	5,702

28 Related party transactions

No trustee received any remuneration for services as a director. The trustees in their role as trustees received travelling and out of pocket expenses totalling £nil (2024: £nil). Four trustees received travelling and out of pocket expenses (2024: 2) totalling £6,582 (2024: £5,034) in respect of duties as archdeacon or area / women's dean. These amounts are in line with the BDBF usual practice and are not in relation to their roles as trustees.

The spouse of one trustee (elected clergy member) was appointed to a BDBF post during the year following a formal recruitment exercise (in line with our standard recruitment policy and process). He received a total salary during the year amounting to £35,985 (plus employer's National Insurance and pension contributions) at the benchmarked rate for his post.

The BDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The BDBF is also responsible for the provision of housing for stipendiary clergy in the diocese, including suffragan bishops but excluding diocesan bishop and cathedral staff. The following table gives details of the trustees who were in receipt of a stipend and housing provided by the BDBF during the year:

	Stipend	Housing
The Bishop of Aston	No	Yes
The Archdeacon of Birmingham	Yes	Yes
The Archdeacon of Aston	Yes	Yes
The Revd Toby Crowe	Yes	Yes
The Revd Bekah Clark	Yes	Yes
The Revd Sarah Hayes	Yes	Yes
The Revd Geoff Lanham	Yes	Yes
The Revd Canon Louise Shaw	Yes	Yes
The Revd Canon Bamidele Sotonwa	Yes	Yes
The Revd Dr Katie Stock	Yes	Yes

The stipend of the Suffragan Bishop was funded by the Church Commissioners. The annual rate of stipend funded by the BDBF, paid to Archdeacons in 2025 was £42,349 (2024: £40,924) and for other clergy who were trustees the diocesan stipend rate was £30,646 (2024: £29,615).

The Cathedral shared office space with the BDBF in the year ended 31 December 2024 and an amount of £2,250 was payable for this space.

The Cathedral paid Common Fund of £75,128 to the BDBF for the year ended 31 December 2025 (2024: £70,902).

The BDBF contributed £3,000 (2024: £3,000) towards the office costs of Thrive Together Birmingham, the Church Urban Fund joint venture with the Bishop of Birmingham and BDBF.

Five clergy trustees received continuing ministerial development grants to support study and development needs and resettlement and removal grants totalling £3,580 (2024: £4,290 for three clergy trustees) during the year ended 31 December 2025. These grants were unconnected with their role as BDBF trustees.

For the purposes of this disclosure note transactions with parochial church councils where there may be a relationship between members of Bishop's Council as they are trustees of these bodies, have not been included.

29 Funds administered as agent

	2025 £'000	2024 £'000
Government grants received in respect of school capital projects	790	799
Contributions from church school governors for school capital projects	82	158
Total received in	872	957
Amounts paid out on school capital projects	(742)	(1,369)
NET POSITION FOR THE YEAR	**130**	**(412)**

The Board of Education (as incorporated within the Diocesan Board of Finance) receives contributions from governors of church schools in the diocese in connection with major repair and capital projects to church schools and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes the appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as incoming resources or resources expended in the Statement of Financial Activities. Any monies held or due at the balance sheet date are recognised within the balance sheet and contained within the Church Schools Fund.

30 Prior year comparative statement of financial activities

		Restricted funds		Unrestricted funds		
	Note	Endowment funds £'000	Other funds £'000	Designated funds £'000	Undesignated funds £'000	Total funds 2024 £'000
INCOME						
INCOME AND ENDOWMENTS FROM						
Donations:	2					
Parish contributions		-	19	-	4,669	4,688
Archbishops' Council		-	4,193	-	1,954	6,147
Other donations		-	810	-	755	1,565
Charitable activities	3	-	64	-	259	323
Other trading activities	4	-	39	-	443	482
Investments	5	30	232	26	567	855
Other income	6	530	-	-	1,180	1,710
TOTAL INCOME		560	5,357	26	9,827	15,770
EXPENDITURE ON						
Raising funds	7	27	-	-	84	111
Charitable activities	8	16	2,956	157	10,349	13,478
Other	9	-	-		5	5
TOTAL EXPENDITURE		43	2,956	157	10,438	13,594
Net income / (expenditure) before investment gains and losses		517	2,401	(131)	(611)	2,176
Net gains / (losses) on investments		384	98	1	114	597
NET INCOME / (EXPENDITURE)		901	2,499	(130)	(497)	2,773
Transfers between funds	21	(77)	(1,829)	1,253	653	-
NET MOVEMENT IN FUNDS		824	670	1,123	156	2,773
Total funds brought forward	21	29,707	7,465	4,189	4,307	45,668
TOTAL FUNDS CARRIED FORWARD	21	30,531	8,135	5,312	4,463	48,441

THE CHURCH OF ENGLAND BIRMINGHAM

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