

Company Registration No. 00049825  
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**THE TRURO DIOCESAN BOARD OF FINANCE LIMITED  
(LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 December 2025

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

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# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Trustees' Annual Report

For the year ended 31 December 2025

*"That each in their vocation and ministry may be an instrument of God's love"*

The prayer of the trustees of the Truro Diocesan Board of Finance Limited (the Board), who are also directors for the purpose of company law, is that "each in their vocation and ministry may be an instrument of God's love," and to that end we trust in the gifts of grace bestowed on the church through Jesus Christ. These are words from the service of welcome and installation for David Williams, the new Bishop of Truro as his ministry among us began in May 2025.

2025 saw significant changes in the leadership of the Board and diocese, we welcomed Bishop David Williams, and said farewell to Bishop Hugh Nelson and Archdeacon Kelly Betteridge, on their appointment as Bishop of Worcester and Bishop of Basingstoke respectively. Notwithstanding these changes the overall strategy of the Board remained unchanged; to support parishes towards fruitfulness and sustainability through the Diocesan Plan for Change and Renewal.

This report describes the work and performance of the Board in 2025, and to that end the five headlines are as follows:

- The trustees remained committed to **supporting strategic change** through the Diocesan Plan for Change and Renewal, this plan is based on plans made locally in each deanery.
- **Direct support for parish ministry** continued to be the core work of the Board, through the use of Board income and reserves, and through operational priorities.
- Trustees continued to **use assets to support the work of the Board**, this is in line with the Assets Strategy. The headline deficit for the year before net investment gains was below budget at £2m.
- **Income from investments, particularly from the Glebe estate** remained strong overall but was lower than in 2024.
- Income contributed by parishes through the **Mission and Ministry Fund (MMF)** was slightly up on 2024 but the **real terms value of MMF contributions was lower** when inflation is taken into account.

Key achievements in 2025 included:

- **clergy recruitment**, increasing the number of incumbent status clergy in post from 49 to 51 (Jan 2025 and Jan 2026 numbers).
- **consultation and adoption of a revised MMF formula** without disrupting the improved collection rate.
- the approval of a **revised glebe strategy**.
- **work with schools**, particularly the "Flourish" pilots and the "Flourishing Schools" programme.
- progress towards **carbon net zero**.
- successfully managing a **sharply increased safeguarding workload**.

There were areas where the Board made less progress than planned; notably in embedding new models of ministry, and implementing our "Growing Younger" plans for work with children and young people.

During 2025 the top operational priorities of the Board have been supporting parish ministry particularly through clergy recruitment, safeguarding, and "Change and Renewal" – notably to further refine deanery plans, and to develop plans for work with children and young people.

### *Unpacking the five headlines*

#### *Supporting strategic change*

The work of the Board in supporting strategic change is based in the Diocesan Plan for Change and Renewal, itself coming from the twelve deanery plans. The overall plan is supported by a number of other key documents including the Assets Strategy, a People Plan, and "Growing Younger," a plan for working with children and young people.

2025 saw significant progress in key parts of the People Plan, these included recruitment of incumbent clergy, and the appointment of and support for Strategic Rural Deans. Less progress was made towards identifying, training and commissioning "local leaders" and to this end the decision was taken to review our approach to that work as part of a revised People Plan.

A review of deanery plans was put in hand during 2025, resulting in work to significantly revise three of the twelve plans with the consequent likelihood that in 2026 the overall plan will need to be revisited. Revision of deanery plans is led at deanery level and is resourced by the Board, the resulting revised plans are approved by the relevant deanery synod and signed off by the Board and Episcopal College. Funding and support from the Board are based on the approved deanery plans.

The Board took the decision to delay a bid for Archbishops' Council funding for "Growing Younger" into the spring of 2027, this is largely based on the recognition that more thorough work would need to take place to consult and co-create plans with deanery leaders, and because of the impact on leadership capacity following the departure of Hugh Nelson and Kelly Betteridge.

#### *Direct support for parish ministry*

Most of the work of the Board continued to be devoted to supporting parish ministry through providing stipends, pensions, housing, training and other support for stipendiary parish clergy, and training and support for other ordained, licensed and commissioned ministries.

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Provision of housing for clergy continued to be a key role and major cost for the Board. During 2025 the Board invited tenders for property management services and expect the contract to be finalised early in 2026. The Board continued to invest in the property portfolio in 2025 seeing an increase in book value at the end of the year notwithstanding a reduced number of properties (with more sales than purchases) and a negative index for Cornish property values. Feedback from clergy occupiers remained positive.

Lowest Income Communities Funding (LICF) represents a major source of income for the Board, it is a grant from the Archbishops' Council. The approach of the Board is to make almost all of this funding available to parishes through deanery planning. During 2025 the need to review the use of LICF became apparent to ensure ongoing compliance with the grant terms, and to ensure that its use aligns with the priorities of the Board. This review, including a review of the use of Mission Funding, will report early in 2026.

### ***The use of assets***

The trustees remained committed to the use of assets in line with the Assets Strategy. This continues to be sustainable even with the poor performance of some investments in 2025. Overall the value of the balance sheet is above the levels projected within the strategy, but given the ongoing uncertainty in the wider economy the trustees do not propose to draw more from reserves than the amounts described within the strategy. We plan to begin a review of the assets strategy late in 2026 with work taking place in 2027 in time for any changes to be shown in the 2028 budget.

The use of reserves to support mission and ministry is about £2.5m below original projections with the pattern of spending different to that planned. In some areas the spend has been much sooner than anticipated with Net Zero being higher than budgeted, which is offset with less spend on ministry; children, young people and families; buildings; and change and renewal.

During 2025 the use of reserves was focussed on the following areas:

- pushing down on the MMF call to provide stability for parishes.
- providing mission funding to deaneries.
- net zero works in properties.
- providing support to the schools in the diocese.
- providing support to the deaneries in the implementation of the deanery plans.

The Assets Strategy describes the use of DBF reserves over ten years to support parishes and our plans for change and renewal. This approach effectively "builds in" a deficit of at least £22m over the life of the strategy up to 2032. In 2024 the deficit before net investment gains was £4.3m, in 2025 we budgeted for a deficit of £4.0m, these accounts report a headline deficit before net investment gains of £2m for 2025.

Members should note that these headline numbers for the deficit, from £4.3m in 2024 and £2m in 2025 are not directly comparable. Following the requirements of our auditor and accounting best practice we are showing grant income differently in these accounts, this is explained later in the report, but the like-for-like numbers would show the 2025 deficit as £2.9m.

The 2025 budget was to use £4.0m of reserves in 2025, as noted above this report shows a reduced call on reserves of £2.9m. Most of the £1.1m difference are costs pushed into 2026 or beyond, mainly work with children and young people and Mission Funding for parishes. This reflects a growing recognition that plans for change are taking longer than initially expected.

### ***Income from investments***

Income from investments was lower overall in 2025 than in the previous year. The main change was a fall in income from dividends and interest, and within this the very poor performance of investments managed by CCLA. The Board's Investment Management Committee will be reviewing the allocation of investments and the provision of investment management services in 2026.

In contrast to the poor performance of CCLA, our glebe management agents, Savills, performed well in 2025 with increased income, a rise in the total value of the estate, and some strong sales. During 2025 the Board invited tenders for the provision of glebe management services and expect the contract for this to be finalised early in 2026.

### ***Income from Mission and Ministry Fund contributions***

In 2025 the MMF contribution rate and the overall amount contributed were very close to the 2024 levels, which means a real value fall as like for like costs rose. Notwithstanding this, the trustees are very grateful to parishes for their contributions and recognise that in many places the contribution is underpinned by much hard work and sacrificial giving.

During 2025 trustees consulted parishes on proposals to begin to increase the MMF call above inflation from 2026, these proposals were supported by parishes and were accepted by Diocesan Synod.

Long term planning (beyond the assets strategy) anticipates that the proportion of Board income from MMF contributions will grow over time, particularly in the second half of the assets strategy (from 2028 to 2032). Beyond 2032 the trustees expect the balance sheet to continue to support the use of reserves to push down on the MMF call, but not at current levels.

The trustees present their annual report together with the audited financial statements for the year ended 31 December 2025.

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Trustees' Annual Report

For the year ended 31 December 2025

This combined report satisfies the legal requirements for:

- a Directors' Report and Strategic Report of a charitable company; and
- a Trustees' Annual Report under the Charities Act 2011.

## Legal Objects

The overall objects of the TDBF are to support and promote the work of the Church of England in the Diocese of Truro and to act as a good steward of the resources entrusted to it.

The principal objects set out in the TDBF's Articles of Association are:

- to promote and assist the work, objects and purposes of the Church of England for the advancement of the Christian religion in the Diocese of Truro, and in particular to organise and provide funds in aid of the work of the Church including:
  - training for ministry;
  - maintenance and financial support and assistance of ministry;
  - provision of pensions for the clergy and for lay workers;
  - overseeing the various properties used by the wider church, including churches, church halls, clergy houses and other buildings;
  - providing religious education through Church of England schools and colleges as well as elsewhere; and
  - financing the diocesan and central organisation.

The TDBF has the following statutory responsibilities:

- the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976;
- the repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972;
- the management of investments and the custodian of assets relating to church schools under the Diocesan Board of Education Measure 2020;
- the custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils (PCC) as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the TDBF are established by the trustees and Diocesan Synod in communication with Deanery Synods, PCCs, and the Bishop of Truro (in respect of his responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the church nationally.

## Vision, Aims and Objectives

The Diocesan Plan for Change and Renewal describes three main themes or priorities emerging from deanery plans and shaping the work of the Board;

- significant changes in patterns of ministry;
- reversing the steep decline in the number of children and young people with whom we have significant engagement; and
- shifting resources towards ministry and mission in communities experiencing deprivation.

In addition to those three headline themes five other significant priorities are clear in deanery plans and hence in diocesan planning:

- achieving the national ambition for cutting carbon emissions to net zero by 2030;
- supporting parishes in their stewardship of buildings, particularly church buildings;
- a focus on how small churches are able to flourish;
- changes to governance and leadership arising from changing patterns of ministry and to support mission; and
- achieving a sustainable financial model for local churches in partnership with the TDBF and the national church.

## Activities and achievements during the year

The overall strategic priorities for the TDBF in 2025 continued to be work towards supporting the fruitfulness and sustainability of churches in the diocese, doing this by supporting parishes and deaneries to implement deanery plans and the Diocesan Plan for Change and Renewal. The strategic focus within this is to nurture and grow and fruitful and sustainable models of ministry, and work with children, young people, and families.

Key decisions taken by trustees during 2025 included:

- approval and implementation of a strategy for the glebe estate.
- approval of a strategy for "Growing younger".

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### Activities and achievements during the year (continued)

- consultation on and approval of revisions to the MMF formula from 2026.
- agreement of the 2026 DBF budget for presentation to diocesan synod, this work included responding to significant changes in national funding.
- approval of a proposal to the Diocese Commission for the appointment of a Bishop of St Germans.

This is a much lighter list of "key decisions" than in previous years, this may reflect where we are in the planning/delivery cycle, changes in the composition of the Board, and the consolidation that took place between the translation of Philip Mounstephen to Winchester, and the appointment of David Williams to Truro.

In May 2025 the diocese welcomed David Williams as our new diocesan bishop, at the end of the year we said "thanks and farewell" to Hugh Nelson who was appointed Bishop of Worcester. In October Kelly Betteridge became Bishop of Basingstoke. These "comings and goings" represent a significant dip in senior leadership capacity over the course of the year.

### Change and Renewal

During 2025 the Change and Renewal team undertook a thorough review of the current deanery plans, this work led to significant revisions now being underway in three deaneries. Although good work has been going on in each of these places (as elsewhere) there is likely to be a 'reset' in timeframes, which presents a challenge to the assumed funding models.

A detailed RAG rating is regularly reported for each deanery, at the end of 2025 (2024 in brackets) headline RAGs were: green 6 (4), amber 3 (5), red 3 (3). There are persistent challenges in some places but more deaneries are moving into green over time. There is evidence that the process of deanery planning resourced by the trustees has supported work towards fruitfulness and sustainability.

A review of the use of Mission Funding and Lowest Income Communities Funding (LICF) has been undertaken and recommendations will be going to the trustees in 2026.

With the likelihood of significant changes in three deanery plans, and the outcome of the review of Mission Funding and LICF, the Diocesan Plan for Change and Renewal may require more than an update, this work is in hand and will follow the finalisation of the three revised deanery plans.

Plans for working with children, young people and families have been brought forward, approved in outline, and presented to Diocesan Synod during 2025, on this basis a Growing Younger lead was appointed and is focussing on resourcing the "many" workstream.

Most of the growth anticipated in the plans is expected to come from the "few" workstream and this is expected to be funded largely (not exclusively) through a bid to the national church through the Strategic Mission and Ministry Investment Board (SMMIB) process. It had been expected to proceed with this bid in 2026 (or even late in 2025) but due to a lack of leadership capacity this has been delayed to 2027. This will have a material impact on our ability to deliver the change described in the Diocesan Plan for Change and Renewal within the timeframe anticipated.

In 2025 the DBF published "Pretty Poverty" a report commissioned from Plymouth Marjon University, this enabled the beginning of a potentially significant collaboration between the DBF and statutory partners.

The review of LICF and Mission Funding shows that in every deanery there is mission and ministry supported by LICF, in many cases this is work that would otherwise be unaffordable. In most cases we can see activity enabled at least in part by LICF, there is less evidence of impact, exceptions to this include where LICF is used to support direct pastoral support for instance through CAP debt counselling or parish nurse initiatives, in these cases we can see activity *and* impact.

Work to create and consult on a plan for supporting parishes in their stewardship of church buildings began in 2025, we were expecting this to be complete in-year, but the timescale was extended partly for capacity issues but mainly to allow us to consult Diocesan Synod on proposals in the spring of 2026 before a final proposal comes to BDC in the summer.

As part of the work to support parishes, the diocese continues to be successful in attracting funding from the Archbishop's Council, and we are currently at the second stage of a bid to the National Heritage Lottery Fund.

The work on small churches was completed in 2025. Due to the limit on capacity at senior level we need to understand how this can be taken forward.

### Ordained, Licensed, and Commissioned Ministries

Supporting parish ministry is the core purpose of the TDBF, this is therefore the first priority described in the Diocesan Plan for Change and Renewal. This includes clergy, curates, licensed lay ministry, local worship leaders and local pastoral ministers. Ministry costs represent by far the largest financial commitment of the TDBF. While the TDBF is responsible for funding of clergy

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### Ordained, Licensed, and Commissioned Ministries (continued)

stipend costs, the national clergy payroll is administered by the Archbishops' Council, a charity which the TDBF reimburses monthly for the costs of stipendiary clergy deployed in the diocese.

Altogether the diocese has, as at 31 December, the following people involved in authorised ministry:

	<u>2025</u>	<u>2024</u>
Stipendiary incumbent status clergy	49	48
Self-supporting clergy	11	15
'House for Duty' clergy	3	3
Stipendiary curates	8	10
Self-supporting curates	7	6
Licensed Lay Ministers	89	91
Clergy with Permission to Officiate (incl retired and non-retired)	179	162
Local Worship Leaders	245	232
Local Pastoral Ministers	189	212

Deanery Plans describe approximately 60 stipendiary incumbent status roles. Truro is one of very few dioceses who has again in 2025 managed to increase the number of clergy being paid a stipend during 2025 (average from 58 to 59 including stipendiary curates and excluding Archdeacons), these numbers have stabilised in 2026. Pushing down the vacancy rate has been a significant achievement in the context of falling numbers of clergy available nationally.

The level of movements fell in 2025 with us welcoming 9 clergy (2025: 20) to new posts in the year. Further increasing and sustaining the stipendiary clergy headcount will be challenging. The national clergy workforce will reduce sharply over the next six years (at least) and for the medium to long term the reliance on clergy (stipendiary, self supporting and retired) will need to significantly reduce or new pathways to ordained ministry will need to be created, probably a mixture of both will happen in this diocese.

The Diocesan Plan for Change and Renewal, and Deanery Plans, assume a model of ministry with oversight ministers working in most benefices, and local leaders in most churches. The success in appointing stipendiary clergy is largely success in appointing clergy with oversight responsibility, but there continues to be a challenge in growing the number of local leaders needed for the model to be properly embedded. This area of work has become the core priority for the ministry team.

We had previously identified strong and effective deanery leadership as a vital element in implementing plans for fruitfulness and sustainability and recruited to seven of the twelve Strategic Rural Dean posts in 2025. The remaining five posts will be filled by the end of April 2026. Recruitment to the supporting "House for Duty" roles is being reviewed.

### ***Cut carbon, cherish creation, speak up!***

Work continues to deliver the Diocesan strategy to Cut Carbon, Cherish Creation and Speak Up, with very significant reductions in emissions of carbon net zero, particularly from clergy housing.

Significant progress continues to be made by the property management team with 29 properties (from 1 in 2021 (benchmark), 2024: 21) with an 'A' rated EER (Energy Efficiency Rating) and a coherent plan and growing capacity for carrying this work forward. The cost of the work has risen faster than anticipated and is requiring a careful review of the budget to prioritise impact and supporting the deployment of clergy with minimal disruption.

Funding received from the national church to give grants to churches to help them cut carbon and energy bills has continued to be a very welcome resource for parishes. These grants compliment the work of the Cut Carbon Support Officer, who has now supported over 70 churches.

There are 110 (up from 100) Creation Care Champions across the diocese. These are passionate and dedicated volunteers who are driving change locally, supported by the Creation Care Network established by the Diocesan Environment Officer. 88% (up 4%) of churches reported on their energy use via the Energy Footprint Tool, data which is being used to allocate grants and prioritise support. 99 churches are registered Eco Churches (up from 2022: 0, 2024: 80), with 2 now holding the coveted Gold award.

The challenge of Net Zero and climate justice can sometimes feel unsurmountable, but it is our missional imperative as a church to 'safeguard the integrity of creation' and we continue to seek to lead in this work and set an example for others to follow.

The national church provides us with a summary of the carbon emissions for the diocese but there is a delay on the 2024 data being circulated, this will be reported to Synod later in the year. We are still collecting data for 2025 so there is always a lag in the reporting of data.

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### **Church House**

The staffing of some of the Church House teams again increased during 2025. The core safeguarding team was increased in response to increased casework. For the last three years the safeguarding team have seen very significant increases in the number of safeguarding referrals, roughly doubling year on year. There has also been an increase in the number of serious cases that they handle. The other staffing increases are in the education and communications teams; the first is where a post was previously a consultant and transferred to being an employee during 2024, the full year effect of this occurred in 2025, the latter is a new role in 2025 to enhance the support offer to parishes. The majority of these increased costs fall to TDBF.

Trustees are alert to the challenge that comes from employing an average core lay staff of around 42 (41 in 2024) full time equivalent in a diocese of this size, and with stipendiary clergy numbers at around 60. A formal review of the Church House resource will be carried out in 2026 (the last one was 5 years ago in 2021), the results of which will feed in to the 2027 budget process. With the statutory role and duties of the TDBF and the level of change being supported throughout the diocese the level of resource may well increase following the review.

Staff continue to be focussed on providing support for parishes in their vital work of change and renewal and roles are tightly aligned to those priorities. Where possible, opportunities to use national or third-party funding continue to be taken to reduce the burden on parishes. Trustees also benchmark the size and cost of the team against other small dioceses.

### **Public benefit**

The trustees believe that, by promoting the work of the Church of England in the Diocese of Truro, the TDBF helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:

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

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

### **Work with schools**

The work of the Diocesan Board of Education (DBE) in 2025 has seen us further embed our work relating to the Strategic Commitments of the DBE. An outcome of the work of the DBE was a clear decision that our work against our Strategic Commitments needs to continue and that this will be the case as we continue through this triennium.

The work we have undertaken continues to focus on delivering on our aim which is, 'to be a significant partner in improving outcomes for all children in Cornwall and the Isles of Scilly.' The DBE works to this ambition by promoting and living out the Vision for Education of the Church of England and our own vision for our diocese.

The DBE, following consultations and input from members of Synod, school leaders and other partners, decided to continue focusing on the five core threads of our strategy (detailed below) aimed at enabling our schools, and all those in and around them, to flourish. Throughout this coming triennium, we will, as we have thus far in 2025, focus on delivering these aims with our strategic partners and deliver each of the following threads through, with and for churches, educational institutions and partners and with communities and families:

- Powerful Partnerships – partnering with others to fulfil our commitment to improve outcomes and provision for pupils, adults and school communities;
- Joining the DoTS (Diocese of Truro Schools) – ensuring meaningful connections with and for the church schools in our diocese;
- Community, Care and Connectedness – to provide for the most vulnerable through the right people, in the right place with the right purpose to support the pastoral, well-being and spiritual needs of children, young people and their families;
- Worshipping Life of Young People – to ensure flourishing, school and local communities that are committed and equipped to develop the spiritual life of the schools and young people in our communities; and
- Creation Care – to support communities in making a concerted effort to care for God's creation.

A significant piece of work has been on the continued embedding of the Flourishing Schools Programme. This sees us train strategic leaders in multi-academy trusts and schools who partner with us through networking, training and resourcing to mutually deliver the DBE Measure. Leaders who hold strategic roles in trusts are trained in governance, recruitment and induction, Religious Education and Collective Worship. These leaders support us in delivering our work and speak into the wider school improvement and support mechanisms in multi-academy trusts and schools. By the end of 2025, all trusts in which there are church schools have had strategic leaders trained. Where there has been a change in leadership, new colleagues are supported and trained.

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### *Work with schools (continued)*

Linking to this work and enabling us to ensure that those working in our schools are equipped, encouraged and enabled, we have launched a brand new programme of induction. This aims to ensure that every member of staff working in a church school is able to attend an induction session in the coming 12 months. Already, upwards of 120 colleagues across schools have been inducted with very positive feedback received. A key piece of impact here is how this enables those in our schools to better understand how they are enabling their school, our diocese and the Church of England more widely in their living out of their visions.

We continue, in partnership with colleagues in Ministry and Change & Renewal, on the delivery of the Flourish Network Pilot. This is part of a national pilot seeing our diocese selected as one of only 12 nationally and us having 3 of the 42 'worshipping communities' nationally here in our diocese. The three sites have a core aim which is to bring home, school and church together in a worshipping community driven by the school and the young people in it. The three sites in Camborne, Bodmin and St Austell, are seeing some very positive impact. As an example, the worshipping community in Camborne Science and International Academy has seen the growth of their 'Flourish Club' which, over the last 12 months, has grown from 5 students coming along to a weekly worship time to now being close to 30 young people meeting two or three times a week. Young people have been leading worship events for the community which included the school's first ever Christingle service at Christmas.

Our work as part of the wider diocese's commitment to Creation Care is something we are very proud of. By the end of 2025, we had reached an incredible milestone – over 1000 young people had engaged in Creation Care workshops with their local churches! To support this to continue and enabling those in our churches, a suite of resources, plans, 'how to' guides and videos have been created by Clare Green, our Creation Care Officer for Schools. Similarly, the work of Tom Mainwaring-Evan's work as our Cut Carbon Officer has a far-reaching impact and has seen several multi-academy trusts continue to implement trust-wide plans to cut carbon, action plans developed for each church school and support to access funding and grants.

Training for school colleagues and leaders continues in areas such as Religious Education (RE), school leadership, curriculum and Statutory Inspection of Anglican and Methodist Schools (SIAMS) preparation. Feedback from those in and around our schools has shaped this offer.

Looking ahead, we will be furthering our powerful partnerships and planning is well underway which will see the Education Team facilitating a conference for all schools across the Duchy in collaboration with the Cornwall Associations for Primary and Secondary Heads and the Local Authority.

We will also be working on finalising resources for schools to support them through bereavements, continuing to strengthen school governance and engaging in work focusing on Equity, Diversity, Inclusion and Justice (EDIJ) and belonging in schools across the diocese.

### *Volunteers*

At every level the church in Cornwall relies on people giving their time and gifts freely. Trustees 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. Within this context, the TDBF trustees greatly value the considerable time given by all the synod, board and committee members across the diocese.

## **Financial Review**

### *Financial performance*

The Statement of Financial Activities (SoFA) for the year on page 21 shows total income of £8,252k (2024: £7,099k) and total expenditure of £10,257k (2024: £11,414k), resulting in net expenditure of £2,005k (2024: £4,314k).

The increase in income of £1,153k is made up of £53k higher parish contributions, £138k higher rental income, £931k increase of grant income released due to change in policy and £229k more realised gains on disposal of assets than in 2024. This was in part offset by £314k less investment income received.

The MMF contributions given by parishes to fund the ministry costs of the diocese remain the main source of income for the diocese. In 2025 this income increased by £53k to £2,988k (2024: £2,935k). The MMF collection rate reduced slightly from 94.00% in 2024 to 93.18%, see note 3 on page 29.

Income from the Archbishops' Council represents the second largest source of income at £2,713k, nearly 91% of the amount received from parishes in the form of MMF. The breakdown of the different funding streams received can be seen in note 3.

Expenditure reduced by £1,157k. This is mainly due to resourcing ministry costing £1,664k less in 2025 when compared to 2024, with support for ministry and mission costing £131k more and expenditure on education costing £50k less. There was also £433k of losses on disposal of assets (2024: £0).

Within the resourcing ministry heading is the budget for property maintenance which reduced in 2025, by £1,711k. It was a strategic decision to reduce this budget heading as the levels of spend in the previous few years couldn't be maintained. The opportunity to carry out works (which include net zero works) while properties were empty continued, with fewer properties being

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### Financial performance (continued)

available due to a lower level of clergy turnover in 2025. There was no spend on clergy settlements in 2025 (2024: £134k) and lower resettlement and recruitment costs due to a lower level of clergy changes in 2025, £70k. These were offset by a higher spend on clergy stipends and pensions of £214k which was in part due to the annual inflationary increase and more clergy on average being in post over the 12 month period when compared to 2024.

The increase in support for ministry and mission spend is due to increases in: the cost of ordinands in training (£92k), with more ordinands being entitled to financial support whilst in training; the cost of the safeguarding team (£76k) for additional capacity to respond to an ever increasing workload; the cost of central support costs (£67k); and the cost of net zero building works (£55k). These increases are partially offset by a reduction in Mission Fund grants distributed (£135k).

The loss on disposal of assets arose from the sale of 6 Board properties in 2025.

The property market in Cornwall, according to Land Registry data, weakened in 2025 with values decreasing by an average of 2.5% (2024: an increase of 2.2%). The value of the Parsonages held on the balance sheet have, however, increased in 2025 by £0.88m. This has come about because the value of the works being carried out on some of our properties is increasing their value. This information comes from valuations on properties received when the quinquennial inspections are carried out.

The value of investments held also increased in value in 2025 with a net unrealised gain of £1.3m, being made up of a £1.7m unrealised gain on glbe and a £0.4m unrealised loss on listed and unlisted investments. Realised investment gains of £496k were also achieved.

This net gain resulted in the total fund balances again increasing from £120,050k to £120,247k.

### Significant freehold property transactions

In 2025 the TDBF sold eight properties and purchased four with net proceeds of £1.5m. Three of the properties bought were replacements for three sold, with the fourth being a new one for a House for Duty post. The remaining five properties sold were all surplus to requirements.

The TDBF policy continues to be:

- to replace unsuitable properties;
- to accommodate the changing geographical deployment of clergy within the diocese; and
- to realise development potential in some properties, thereby using resources more effectively for the ministry of the church.

Work on this strategy is continuing as the deanery plans are implemented as part of the Next Steps On the Way work.

### Balance Sheet position

The net assets at the balance sheet date totalled £120,247k (2024: £120,050k). This includes 116 (2024: 120) properties totalling £63,414k (2024: £64,689k), which are mainly used to house the stipendiary clergy. The values of the properties range from £233k to £1.2m (2024: £239k to £1.22m). Much of the remainder of the assets shown in the balance sheet are held in restricted and endowment funds and cannot necessarily be used for the general purposes of the TDBF.

The trustees are satisfied that the TDBF has adequate resources to continue to operate as a going concern and have prepared the financial statements on that basis.

### Reserves Policy

#### Free reserves

Taking into account the continuing level of change in housing, MMF contribution levels, projected operating results and our commitment to the diocesan strategy, the trustees' policy is to hold the following reserves:

	General Fund £'000	Designated Funds £'000	Pastoral Account £'000	Total £'000
Working Capital	530	-	-	530
'Cashflowing' for replacing parsonages	-	-	1,300	1,300
Provision for covering any unexpected deficit	500	-	-	500
Additional working capital for regular housing maintenance and repairs	-	-	250	250

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

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For the year ended 31 December 2025

### Reserves Policy (continued)

	100	-	-	100
Funding any future developments arising from decisions taken at the BDC				
Loans to PCCs	500	-	-	500
Designated Funds	-	14,230	-	14,230
Diocesan Pastoral Account - Benefice Accounts	-	-	3,500	3,500
<b>Total</b>	<b>1,630</b>	<b>14,230</b>	<b>5,050</b>	<b>20,910</b>

As at 31 December 2025 the amount of readily realisable assets in the General Fund required under the policy is £1,630k (2024: £1,620k), as per the table above. Actual free reserves as at 31 December 2025 amounted to £1,765k (2024: £1,174k) which is above the target amount.

### Designated funds

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be 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 to be adequate justification for their retention. A description of each fund, together with the intended use of the reserve, is set out in note 24 on page 45. At 31 December 2025 total designated reserves were £18,545k (2024: £18,072k).

### Restricted and endowment funds

As set out in note 24 the TDBF holds and administers a number of restricted and endowment funds. As at 31 December 2025 restricted funds totalled £7,717k (2024: £8,999k) and endowment funds totalled £92,220k (2024: £91,805k). None is available for the general purposes of the TDBF. At the end of the year, the amount of the Pastoral Account that must be ring-fenced pending proposed pastoral reorganisations amounted to £1,870k (2024: £3,268k).

### Fundraising Activities

The TDBF undertakes very limited fundraising activities directly with individuals. The majority of the TDBF's income comes from other charitable entities. The TDBF does not use third party professional fundraisers and did not receive any complaints about its fundraising practices during 2025.

### Investment policies

Under the Articles of Association, the TDBF has the power to make any investment which the Trustees see fit. The Investment Management Committee (the Committee) oversees the management of TDBF's investment assets (apart from the Glebe land and buildings which are the specific responsibility of the Glebe Committee). The Investment Policy sets out the practical framework of guidelines and conditions within which the Investment shall be administered and was rewritten in 2025.

It is expected that an ethical approach is adopted at all times, this encompasses the objectives of the Church of England's Ethical Investment and Advisory Group, the Diocesan Environment Policy and more recently the Church's ethical objective of 'net zero' by 2030. It should be noted that the Church of England has a target of 'net zero' 2050 for its investment portfolio. The overriding objective is to support the mission of the Church in the diocese through a portfolio that aligns strongly with the Diocesan and the Church's wider Ethical, Social and Governance (ESG) values. The priorities are the maintenance of capital in real terms, together with a sustainable and growing level of distributions. The investments are to be managed on a total return basis. The TDBF is able to take a very long term view in investment terms, accepting volatility of capital in the short-term. The resulting tolerance of risk and the ability to take a long view imply an acceptance of exposure to equities, the belief being that this asset class is likely to provide the best overall Returns over the envisaged timescale, as well as to keep pace with inflation. Other asset classes are included to moderate risk and protect our income flows.

The Committee continues to rely on external fund managers in order to obtain the appropriate degree of diversification and to ensure adherence to our ethical criteria. The Committee is very sensitive to the effects of charges on investment performance, as well as being aware that it lacks the resources to manage the Investments itself. Use of specialist charity funds ensures that the appropriate level of expertise is employed at a reasonable cost. The Committee is permitted to consider all authorized managers and types of fund, subject to the appropriate due diligence.

£1.2 million of the CCLA CBF investment fund was sold in 2025 when the markets were higher.

Investments are held in two of the CBF Church of England funds representing 60.4% of the total value of the TDBF's Investments of £30,132k (excluding Glebe) at 31 December 2025. The remaining 39.6% is held in listed investments in roughly equal amounts with Sarasin and Cazenove in their multi asset funds (see note 19 on page 42).

CCLA was put up for sale early in 2025 and this distraction appears to have resulted in unrealised losses of just short of £890,000 in the two funds the TDBF are invested in. This is to be expected in the CBF Global Equity Income Fund occasionally because it is wholly invested in equities, although with a five-year view this Fund is our most successful. In 2025 there was a Trump effect

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### **Investment policies (continued)**

which confused markets but by the end of the year the indices were at record levels and even this 'high tide' didn't generate an unrealised gain for this Fund. The CCLA CBF Investment Fund is akin to an endowment fund and the losses are almost unthinkable. The MSCI PIMFA Balanced Index rose 10.53% and the ARC Steady Growth Charity Index rose 8.63%, if we had matched these our capital funds would be more than £2 million better off. CCLA have been informed by the Committee that they are 'on watch' following their very poor performance in 2025.

The dividend income held up at nearly £860,000. It was below budget because the budget was set before the Renewables were sold in late 2024.

The Committee continue to believe that the 'responsible', ESG aligned approach being adopted remains appropriate. The managers continue to focus on companies and sectors where there are good prospects for the medium to long term, whilst ensuring a dependable income flow in the short term, believing that a responsible approach by management to its business soon feeds through to profits and share prices. Despite all this the trustees have agreed that a tender process will be carried out in 2026 with a view to moving some funds away from CCLA following the inadequate results from them in 2025.

The trustees consider these investment returns to be satisfactory and are comfortable with the asset allocation of the portfolio in the short term while a tender process is carried out.

### **Total Returns**

On 28 March 2018, the TDBF, as the sole trustee of the Diocese of Truro Stipends Fund Capital Account (SCA), made a resolution under section 104A(2) of the Charities Act 2011 to adopt a total return on investment approach to the SCA permanent endowment fund. On 28 March 2018, the TDBF identified the value of the gifts of permanent endowment as at 31 December 1999, the earliest date with reliable valuations. This set the baseline value of the gift component of the endowment to which any subsequent gifts of endowment are added. The difference between the total of endowment funds as at 28 March 2018 and the inflation-indexed baseline value of the gift component represented the opening balance of unapplied total return.

The power of total return permits the TDBF to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year.

Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains invested as part of the permanent endowment. The power allows the TDBF to decide in each year how much of the unapplied total return is transferred to income funds and so available for expenditure on stipends and other direct clergy costs. The TDBF decided to make a transfer from unapplied total return to unrestricted income funds in both 2024 and 2025. In making these decisions they took account of the investment climate, the return on investment for the year and the income needs of the charity.

In deciding on the amount to transfer to income funds, the trustees and the Bishop's Diocesan Council referred to an analysis prepared by Mike Sturgess, Trustee of the TDBF, as to the likely investment trends and the sustainability of the investment fund after considering various levels of transfer to income.

### **Grant making policy**

The Memorandum of Association explicitly permits the TDBF to make grants in pursuance of its objects, and the nature of grants made in 2025 is indicated in note 12 on page 36.

The Funds for Mission panel consider grant applications up to £5,000.

Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry, and are paid to other charitable projects which appear to the TDBF to support the furtherance of its objects.

### **Principal risks and uncertainties**

The trustees and the Bishop's Diocesan Council are responsible for the identification, mitigation and or management of risk. To achieve this, a register of all the risks identified is maintained and, alongside it, a management and mitigation strategy formed. This is subject to review by the trustees on a regular basis, with the responsibility for delivery of the mitigation strategies identified being delegated to the Finance, Assets and Risk (FAR) Committee and the Diocesan Secretary.

The risk managers meet quarterly to discuss the ongoing development of the process and each register is reviewed in detail by the FAR Committee annually on a rotating schedule.

The risk register identifies the following high risk areas where the residual likelihood of the risk occurring is 'certain or happening, almost certain, or likely' and the residual impact of the events is considered 'major or critical'. These areas and the associated mitigation strategies are:

- Finance: MMF income insufficient to meet financial commitments.
  - monthly monitoring by Finance department;
  - regular detailed MMF management information communicated to deaneries and parishes;

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

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### Principal risks and uncertainties (continued)

- proactive approach to those not making MMF contributions implemented and parishes are being contacted;
  - mechanism for agreeing cost of ministry;
  - On the Way process working with deaneries to enable fruitfulness and sustainability for parishes;
  - annual budgeting;
  - The Saints Way to lead the vision for the Diocese;
  - prudent reserves policy, which is reviewed annually;
  - Generous Giving Advisors help nurture and grow a culture of giving generously including promoting Parish Giving Scheme;
  - regular communications with the national team to understand national strategy and other dioceses challenges and experiences;
- Ministry: lack of people within congregations willing/able to take on Parish Officer responsibilities (especially Treasurers and Churchwardens).
    - training to be offered to Treasurers and other Parish Officers in both responsibility and the Christian Faith.
  - Safeguarding: failure to safeguard, care and nurture children and vulnerable adults within our church community, due to lack of PCC capacity and/or resources.
    - implementation of national and local policies and practice guidance;
    - Parish Priest and Parish Safeguarding Officers have defined responsibilities for safeguarding;
    - Diocesan Safeguarding Team in place to provide support, guidance and training;
    - the Parish Dashboard and Hub assists PCCs in monitoring governance;
    - the bi monthly newsletter sent out updating on changes, easy wins and good news stories;
    - training strategy and annual training programme (including virtual training) in place that aligns with national guidance;
    - Diocesan Safeguarding trainer and network of volunteer trainers and outsourced training in place;
    - training information reported to the TDBF and Diocesan Safeguarding Scrutiny Panel (DSSP);
    - training for senior leaders;
    - additional training capacity for leadership training sourced;
    - better data collection and analysis enabling better compliance.
  - Safeguarding: our partners at the Cathedral fail to protect the community, staff and volunteers by not complying with safeguarding policies and guidance.
    - national and local policies and guidance in place;
    - Diocesan Safeguarding Team provide training, guidance and support;
    - work in partnership through a service level agreement and information sharing protocol.
  - Safeguarding: following General Synod debate and decision regarding models 3 and 4, uncertainty has been caused as to the future structures of safeguarding which could result in focus being lost on the immediate and local set up.
    - our approach should be to continue as far as possible to implement the changes that are currently in play, in particular the Safeguarding Standards Framework, the Regional Model, and the audit, noting that IICSA reported in 2020, its proposals were widely welcomed.
  - Education: implications of the work/aims/approach/policy/reputation of the national church have an impact on our work locally within our diocese.
    - regular communication with schools regarding national messaging, practice, approach and strategy;
    - open door approach of the TDBF education team where questions can be asked;
    - relationships with the national team to ensure that we stay abreast of potential developments, issues etc
  - Environment: competing diocesan priorities.
    - dedicated budget funded from Total Return mechanism;
    - strategy in place;
    - the Diocesan Environment Committee feeds into BDC and FAR to enable frequent consideration within wider context.
  - Environment: aspirations limited by legislation or national policy.
    - actively Speak Up where appropriate.

St Paul's Church, Agar Road, is a redundant closed church in Truro city centre. Under the terms of the Mission and Pastoral Measure 2011 and other measures the TDBF has certain obligations and liabilities connected to the building and churchyard. The Church Commissioners have published a draft Scheme for the demolition of the building and the sale of the cleared site. TDBF are also currently negotiating with a neighbour regarding the reinstatement of a partially collapsed wall between the church and the neighbour's property. The TDBF may contribute to the costs of the reinstatement but at this time it is not clear that the TDBF has a legal obligation to do so, or what the quantum of any such contribution might be.

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### Structure and Governance

#### Summary Information about the Structure of the Church of England

The Diocese of Truro is part of the wider Church of England, and any description of the governance structure of the Truro Diocese and the TDBF must be set within the context of the structure of the Church of England itself.

The Church of England is organised as two provinces; each led by an archbishop (Canterbury for the Southern Province and York for the Northern). Each province comprises dioceses of which there are 42 in England.

Each diocese in England is divided into benefices, which comprises a number of parishes, although some parishes can be a benefice in their own right. Each benefice is overseen by a priest (usually called a vicar, rector or priest in charge). From ancient times through to today, they and their bishop are responsible for the 'cure of souls' in their parish. Benefices are also grouped together into deaneries, with there being twelve deaneries in the Diocese of Truro.

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

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

#### *The National Church Institutions*

The Archbishops' Council, Lambeth Palace, Bishopthorpe Palace, the Church Commissioners, the Church of England Pensions Board, National Society for Promoting Religious Education and The Church of England Central Services are called the National Church Institutions (NCIs).

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, 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 widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations.

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

#### *The Diocese of Truro*

The statutory governing body of the diocese is the Diocesan Synod. It consists of the House of Bishops, the House of Clergy and the House of Laity, with broadly equal numbers of clergy and lay people providing representation across the diocese. 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 when requested;
- deal with matters referred by General Synod; and
- provide for the financing of the diocese.

The Diocese of Truro was created in 1877. It covers the whole of the ceremonial county of Cornwall, the Isles of Scilly, plus two parishes in Devon.

#### *Archdeaconries, Deaneries, Benefices and Parishes*

The whole of the diocese is divided into parishes which for administrative and governance purposes is generally the smallest pastoral area in the Church of England. Typically, each parish has one parish church. In total there are 212 parishes in the diocese plus 2 BMOs (Bishops' Mission Order).

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

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### **Archdeaonries, Deaneries, Benefices and Parishes (continued)**

The ecclesiastical parish is governed by a PCC, which is made up of the incumbent as chair, the churchwardens and a number of elected and ex officio members. Each PCC is a charity, and all are currently 'excepted' from registration with the Charity Commission, apart from those PCCs with annual gross incomes exceeding £100,000 which are required to register under the provisions of the Charities Act 2011. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC can be obtained from the relevant PCC treasurer.

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

A deanery is a group of parishes over which a rural dean has oversight and an archdeaconry is a group of deaneries for which an archdeacon is responsible. The Diocese of Truro has two archdeaconries, each with six deaneries, the archdeaconry of Cornwall in the west, and of Bodmin in the east of the diocese.

The diocese is then the principal pastoral and in turn financial and administrative resource of the Church of England, encompassing the two archdeaconries under the spiritual leadership of the Diocesan Bishop.

### **Deanery Synods**

There are 12 deaneries in the diocese, each with its own Deanery Synod. Each Deanery Synod has two houses, laity and clergy, and the role of the synods is to:

- respond to requests from General Synod;
- give effect to the decisions made by the Diocesan Synod;
- consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;
- act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod and, conversely, to pass matters from General Synod and Diocesan Synod to the parishes;
- raise with Diocesan Synod such matters as it considers appropriate;
- elect members of the deanery to the Diocesan Synod and of the diocese to General Synod;
- allocate the deanery MMF call between their parishes and report the allocation back to the Board; and
- develop a deanery plan for the mission of the Church in the deanery.

### **Diocesan Governance**

The diocese is governed by Act of Parliament and Order in Council made in 1876. Its statutory governing body is the Diocesan Synod, which is an elected body with representation from all parts of the diocese. Membership consists of 15 ex officio members, including the Bishops and Archdeacons, 45 clergy members elected by the houses of clergy in Deanery Synods, 46 lay persons elected by the houses of laity in Deanery Synods, up to five persons who may be co-opted by each of the House of Clergy and the House of Laity and up to five ordained and five lay persons who may be nominated by the Diocesan Bishop. The Diocesan Synod meets three times a year.

The Truro Diocesan Board of Finance Limited, was formed to manage the financial affairs and hold the assets of the diocese. It was incorporated on 23 October 1896 as a charitable company limited by guarantee (No. 00049825) and its governing documents are the Memorandum and Articles of Association. The TDBF is registered with the Charity Commission (No. 248330).

Every member of Diocesan Synod is a member of the TDBF, for company law purposes, and has a personal liability limited to £10 under their guarantee as company members in the event of its being wound up. The Bishop's Diocesan Council consists of the members of the Bishop's Council and Standing Committee who are also the trustees and directors of the TDBF under law.

### **Bishop's Diocesan Council**

Diocesan Synod has delegated the following functions to the Bishop's Council and Standing Committee, via the Bishop's Diocesan Council:

- planning the business of Synod including the preparation of agendas and papers;
- initiation of proposals for action by the Diocesan Synod and provision of policy advice;
- transacting the business of the Diocesan Synod when not in session;
- management of the funds and property of the diocese;
- preparation of annual estimates of expenditure;
- advising on action needed to raise the income necessary to finance expenditure;
- oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod;
- advising Diocesan Synod of the financial aspects of its policy and on any other matters referred to it;
- appointing members of committees or nominating members for election to committees, subject to the directions of Diocesan Synod; and
- carrying out any other functions delegated by Diocesan Synod.

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

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### ***Bishop's Diocesan Council (continued)***

The TDBF has responsibility for the day-to-day financial management of the diocese.

Also within the responsibility of the Bishop's Diocesan Council are the following statutory committees of the TDBF:

- Parsonages Board, which is responsible for determining policy and making major decisions concerning the management of parsonage houses in each benefice, including setting the policy for buying, repairing, maintaining and disposing of all parsonage houses and houses owned by the TDBF;
- Glebe Committee, which is responsible for determining policy and making major decisions concerning the management of glebe property and investments for the benefit of the Diocesan Stipends fund of the diocese;
- Diocesan Mission and Pastoral Committee, which is responsible for reviewing the arrangements for pastoral supervision and care in the diocese, including the deployment of clergy, and having regard for the worship, mission and community as central to the life and work of the Church of England; and
- Diocesan Board of Education (DBE), which is responsible, under the Diocesan Board of Education Measure 2020, for the promotion of education in the diocese, being education which is consistent with the faith and practice of the Church of England; the promotion of religious education and religious worship in schools in the diocese; and the promotion of church schools in the diocese and in particular to advise the governors of such schools and trustees of church educational endowments on any matter affecting church schools in the diocese.

The members of the Bishop's Diocesan Council and the basis of their membership is shown in the Administrative section on page 16. Some senior officers have job titles incorporating the title 'Director', some of whom attend the Bishop's Diocesan Council, but they are not directors of the TDBF for the purposes of company law.

All elected members of the Bishop's Diocesan Council may serve for a maximum of six years before standing down for at least one year, but may stand for re-election thereafter.

### ***The Bishop's Diocesan Council's responsibilities***

The Bishop's Diocesan Council, as the body of trustees / directors, is responsible for preparing the Trustees' Annual Report and the financial statements, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Bishop's Diocesan Council to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the TDBF and of the incoming resources and application of resources, including the income and expenditure, of the TDBF for that period. In preparing these financial statements, the Bishop's Diocesan Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the TDBF will continue in operation.

The Bishop's Diocesan Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the TDBF and to enable it to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the TDBF and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The Bishop's Diocesan Council is responsible for the maintenance and integrity of the corporate and financial information included in the Diocese of Truro's website.

### ***Statement of disclosure to auditor***

So far as each member of the Bishop's Diocesan Council is aware, there is no relevant audit information of which the TDBF's auditor is unaware, and each member of the Bishop's Diocesan Council has taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### ***The Finance, Assets and Risk Committee***

The trustees of the TDBF have formed a committee consisting of the Chair of the Truro Diocesan Board of Finance, members of the BDC, and members co-opted on a skills basis, and has delegated to it such of its powers and responsibilities as it thinks necessary from time to time.

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

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### **Trustee recruitment, selection, induction and training**

Trustees are recruited through a mixture of ex-officio positions, elections and nominations.

All trustees receive an induction pack and the first meeting of each triennium is largely given over to induction briefings and discussions. Training opportunities are offered, around safeguarding and risk management. Further development resources are made available through the life of the triennium. There is also a focus on the process of safer recruitment ensuring that the organisation exercises safer recruitment at all levels across the board.

### **Delegation of day to day delivery**

The Bishop's Diocesan Council and the Finance, Assets and Risk Committee rely upon the Diocesan Secretary and his colleagues for the delivery of the day to day activities of the TDBF. The Diocesan Secretary is given specific and general delegated authority to deliver the business of the TDBF in accordance with the policies framed by the Trustees.

### **Remuneration of key management personnel**

Emoluments of key management personnel are determined by the Remuneration Committee, under delegated authority from the Bishop's Diocesan Council. The Committee obtains reliable up-to date information about remuneration in other organisations of comparable scale and nature.

### **Funds held as Custodian Trustee**

The TDBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the TDBF does not control them, and they are segregated from the TDBF's own assets by means of a separate accounting system. Further details of financial trust assets, whose market value amounted to £5.6m at 31 December 2025 (2024: £5.7m), are available from the TDBF on request, and are summarised in note 30 on page 56. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by the TDBF's solicitors, Veale Wasbrough Vizards LLP.

### **Funds held on behalf of schools**

The TDBF administers Devolved Formula Capital (DFC) grants for the diocese's church schools. At 31 December 2025, it held £227,832 (2024: £256,966) in designated bank accounts separate from those of the TDBF.

### **Related parties**

#### **General Synod, Church Commissioners and Archbishops' Council**

The TDBF has to comply with Measures passed by the General Synod of the Church of England and is required to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the Diocesan and Suffragan Bishops are borne by the Church Commissioners and are therefore not reflected in these financial statements.

#### **Parochial Church Councils (PCCs)**

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

PCCs are able to influence the decision-making within the TDBF and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

#### **The Cathedral**

Truro Cathedral is the mother church of the diocese and legally is constituted as a separate charity. Copies of its trustees' report and financial statements may be obtained from The Cathedral Office, The Old Cathedral School, Cathedral Close, Truro, TR1 2FQ.

#### **Connected charities**

The trustees consider the following to be a connected charity:

The Cornwall Retired Clergy, Widows of the Clergy and their Dependants Fund – a registered charity which provides financial support to clergy or their dependents in particular financial need. Specifically, support may be provided to the spouse or the dependants of deceased clergy; to retired clergy or their dependants; or to the spouse or dependants of clergy from whom the spouse is separated or divorced.

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Trustees' Annual Report

For the year ended 31 December 2025

### Pensions

Stipendiary clergy are members of the Church of England Funded Pensions Scheme which provides defined retirement benefits and is non-contributory.

On 1 April 2024, the TDBF closed its Defined Benefits Scheme and the three lay staff who were in the scheme transferred across to the Pension Builder Scheme (previously known as the Defined Contributions Scheme (DCS)), part of the Church Workers Pension Fund. All new lay staff are eligible to join this scheme which is contributory and provides limited pension guarantees.

Further details about these schemes are contained in note 28 on page 53 to the financial statements.

### Appointment of solicitors

A resolution to reappoint Veale Wasbrough Wizards LLP as solicitors to the TDBF will be proposed at the Annual General Meeting.

### Appointment of auditors

A resolution to reappoint Francis Clark LLP as auditors to the TDBF will be proposed at the Annual General Meeting.

### Administrative Information

#### Trustees

The Trustees of the Charity (for the purposes of charity law) and the directors of the Company (for the purposes of company law) who served during the year and who were members at the date of this report were as follows:

<b>Chairman (ex officio)</b>	The Rt Revd. D G Williams (appointed 28 March 2025) The Rt. Revd. H Nelson (resigned 27 March 2025)
<b>Chairman of the Truro Diocesan Board of Finance (elected by the Members)</b>	Mr J M Day
<b>Ex officio</b>	The Rt. Revd. H Nelson (resigned 27 November 2025) The Very Revd. S Robinson (The Dean) The Ven. K A Betteridge (Archdeacon of Bodmin) (resigned 14 October 2025) The Ven. C D Hogger (Archdeacon of Cornwall)

#### Elected by the relevant Houses of Diocesan Synod

<b>Chair of the House of Clergy</b>	The Revd. D P Wren (appointed 2 June 2025) The Revd. P V Zaphiriou (resigned 5 March 2025)
<b>Chair of the House of Laity</b>	Mrs M C Macinnes Mr R B Smith (resigned 17 June 2025)

#### Elected by Houses and Archdeaconry

<b>Archdeaconry of Cornwall</b>	The Revd. J E Risbridger The Revd. E M A Burke Mr J A Stuart (resigned 19 February 2026) Mr S A Taurins
<b>Archdeaconry of Bodmin</b>	Mr M J Sturgess (appointed 2 December 2025) The Revd. R J Terry

#### Bishop's Appointments

Mrs C E Irwin  
Dr A G Thompson  
The Revd. T Folland (resigned 2 December 2025)  
Mrs A Corbett  
Mrs K L Bond

**Company Secretary** The Revd. Canon S Cade

**Registered Office** The Old Cathedral School  
Cathedral Close  
Truro  
TR1 2FQ

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Trustees' Annual Report

For the year ended 31 December 2025

### Administrative Information (continued)

Telephone	01872-274351
Email address	<a href="mailto:info@truro.anglican.org">info@truro.anglican.org</a>
Website	<a href="http://www.trurodiocese.org.uk">www.trurodiocese.org.uk</a>
Company registration number	00049825 (England and Wales)
Charity registration number	248330
Diocesan registrar	Mr J Moule, Narrow Quay House, Narrow Quay, Bristol
Solicitors	Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol
Auditors	Francis Clark LLP, Sigma House, Oak View Close, Edginswell Park, Torquay, Devon
Bankers	National Westminster Bank PLC, St Nicholas Street, Truro
Investment managers	CCLA Investment Management Limited, Senator House, 85, Queen Victoria Street, London Sarasin & Partners LLP, Juxon House, 100 St Pauls Churchyard, London Cazenove Capital, 1 London Wall Place, London
Glebe estate manager	Savills, Lemon Street, Truro
Property manager	Savills, Lemon Street, Truro

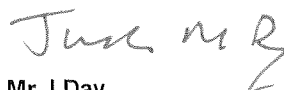
### Approval of this report

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by s.415A of the Companies Act 2006.

This report was approved by the trustees on 27 April 2026 and was signed on its behalf by:



The Rt Revd. D G Williams  
Trustee



Mr J Day  
Chairman of the Board

The Old Cathedral School  
Cathedral Close  
Truro  
TR1 2FQ

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRURO DIOCESAN BOARD OF FINANCE LIMITED (LIMITED BY GUARANTEE)

### Opinion

We have audited the financial statements of The Truro 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 related notes. 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 its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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 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.

### Opinion on other matters prescribed by the Companies Act 2006

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

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

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRURO DIOCESAN BOARD OF FINANCE LIMITED (LIMITED BY GUARANTEE)

### Matters on which we are required to report by exception (continued)

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

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

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, 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 the 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:

As part of our audit planning, we obtained an understanding of the legal and regulatory framework that is applicable to the charitable company and the sector in which it operates to identify the key laws and regulations affecting the Charity. The key laws and regulations we identified were Charity legislation, Safeguarding and Health and Safety Regulations and employment legislation. 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, the Charities SORP and Church of England Measures.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements. As part of these enquiries, we also discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.
- Reviewed Board minutes.

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risks we identified were manipulation of financial performance and we determined that the principal risks were in relation to management bias in accounting estimates and judgements and the overstatement of revenue.

In response to the identified risk, as part of our audit work, we:

- Used data analytics to test journal entries for appropriateness.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.
- Performed cut off testing in respect of revenue.

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRURO DIOCESAN BOARD OF FINANCE LIMITED (LIMITED BY GUARANTEE)

### Auditor's responsibilities for the audit of the financial statements (continued)

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. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate omissions, collusion, forgery, misrepresentations, or the override of internal controls. We are also less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

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](http://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.

Sharon Austen (Senior Statutory Auditor)

PKF Francis Clark  
Sigma House  
Oak View Close  
Edginswell Park  
Torquay  
Devon

27 April 2026

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Statement of Financial Activities

For the year ended 31 December 2025

	Notes	Unrestricted funds £	Restricted funds £	Endowments £	2025 £	2024 £
<b>Income and endowments from:</b>	3					
Donations:						
Parish contributions		2,987,880	-	-	2,987,880	2,934,729
Archbishops' Council		-	2,713,106	-	2,713,106	1,611,634
Other		98,919	64,311	-	163,230	203,997
Charitable activities – statutory fees		211,332	-	-	211,332	213,067
Other activities	4	-	363,910	-	363,910	244,867
Investments	5	422,687	50,263	1,064,706	1,537,656	1,844,924
Other	6	-	-	274,657	274,657	46,093
<b>Total</b>		<b>3,720,818</b>	<b>3,191,590</b>	<b>1,339,363</b>	<b>8,251,771</b>	<b>7,099,311</b>
<b>Expenditure on:</b>						
Raising funds	7	174,729	-	200,775	375,504	394,331
Charitable activities	8	7,306,463	2,142,351	-	9,448,814	11,019,381
Other resources expended	9	432,571	-	-	432,571	-
<b>Total</b>		<b>7,913,763</b>	<b>2,142,351</b>	<b>200,775</b>	<b>10,256,889</b>	<b>11,413,712</b>
<b>Net (outgoing) / incoming resources before realised gains</b>		<b>(4,192,945)</b>	<b>1,049,239</b>	<b>1,138,588</b>	<b>(2,005,118)</b>	<b>(4,314,401)</b>
Net gains / (losses) on investment assets	13.1	54,569	(286,586)	2,027,682	1,795,665	2,005,497
<b>Net (outgoing) / incoming resources before transfers</b>		<b>(4,138,376)</b>	<b>762,653</b>	<b>3,166,270</b>	<b>(209,453)</b>	<b>(2,308,904)</b>
Transfer between funds	14	5,680,289	(2,044,359)	(3,635,930)	-	-
<b>Net income / (outgoings) for the year</b>		<b>1,541,913</b>	<b>(1,281,706)</b>	<b>(469,660)</b>	<b>(209,453)</b>	<b>(2,308,904)</b>
Unrealised (losses) / gains on revaluation	13.2	(477,189)	-	883,960	406,771	2,435,772
<b>Net movement in funds</b>	15	<b>1,064,724</b>	<b>(1,281,706)</b>	<b>414,300</b>	<b>197,318</b>	<b>126,868</b>
Fund balances at 1 January 2025		19,245,560	8,998,861	91,805,472	120,049,893	119,923,025
<b>Fund balances at 31 December 2025</b>		<b>20,310,284</b>	<b>7,717,155</b>	<b>92,219,772</b>	<b>120,247,211</b>	<b>120,049,893</b>

The notes on pages 25 to 57 form part of these financial statements.

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

*Income and Expenditure Account,*

*For the year ended 31 December 2025*

	2025 £	2024 £
<b>Total incoming resources</b>	6,912,408	6,014,002
<b>Resources expended</b>	(10,056,114)	(11,178,634)
	_____	_____
<b>Operating deficit for the year</b>	(3,143,706)	(5,164,632)
Net (losses) / gains on investments	(232,017)	562,333
	_____	_____
<b>Net (expenditure) for the year</b>	(3,375,723)	(4,602,299)
<b>Other comprehensive income</b>		
Revaluation of fixed assets	(477,189)	503,420
Net assets transferred from endowments	3,635,930	1,601,560
	_____	_____
<b>Total comprehensive (expenditure)</b>	(216,982)	(2,497,319)
	=====	=====

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.

The notes on pages 25 to 57 form part of these financial statements.

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Balance Sheet at 31 December 2025

	Notes	2025 £	2024 £
<b>Fixed assets</b>			
Tangible assets	18	63,493,401	64,784,246
Investments	19	52,291,599	52,963,439
		<u>115,785,000</u>	<u>117,747,685</u>
<b>Current assets</b>			
Debtors	20	1,558,734	717,936
Cash at bank and in hand	21	3,825,382	2,809,592
		<u>5,384,116</u>	<u>3,527,528</u>
<b>Creditors: amounts falling due within one year</b>			
Other creditors	22	(921,905)	(1,225,320)
		<u>4,462,211</u>	<u>2,302,208</u>
<b>Net current assets</b>			
		<u>120,247,211</u>	<u>120,049,893</u>
<b>Funds employed</b>			
<b>Unrestricted funds</b>		20,310,284	19,245,560
<b>Restricted funds</b>		7,717,155	8,998,861
		<u>28,027,439</u>	<u>28,244,421</u>
Total unrestricted and restricted funds			
<b>Expendable endowment</b>			
Parsonage Houses Fund		49,128,457	49,444,144
<b>Permanent endowments</b>			
Stipends Fund Capital Account		43,091,315	42,361,328
		<u>92,219,772</u>	<u>91,805,472</u>
Total endowments			
<b>Total funds employed</b>	24.4	<u>120,247,211</u>	<u>120,049,893</u>
The <b>revaluation reserve</b> included in the above funds is:	25	<u>40,073,408</u>	<u>41,811,207</u>

The notes on pages 25 to 57 form part of these financial statements. These financial statements were approved by the Board of Trustees and authorised for issue on 27 April 2026 and signed on its behalf by:

*John Day*

Mr J Day  
Chairman of the Board

Company Registration No. 00049825

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

*Cash Flow Statement*

For the year ended 31 December 2025

	£	2025 £	£	2024 £
<b>Net cash outflow from operating activities (see below)</b>		<b>(4,502,251)</b>		<b>(6,066,502)</b>
<b>Cash flows from investing activities</b>				
Dividends, interest and rent from investments	1,537,656		1,844,924	
Proceeds from the sale of:				
Tangible fixed assets	4,193,197		432,699	
Fixed asset investments	2,540,214		7,675,567	
Purchase of:				
Tangible fixed assets for the use of the Board of Finance	(2,680,317)		(1,660,335)	
Fixed asset investments	(72,709)		(6,697,786)	
		<hr/>		<hr/>
<b>Net cash provided by investing activities</b>		<b>5,518,041</b>		<b>1,595,069</b>
		<hr/>		<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>1,015,790</b>		<b>(4,471,433)</b>
Cash and cash equivalents at 1 January 2025		2,809,592		7,281,025
		<hr/>		<hr/>
Cash and cash equivalents at 31 December 2025		<b>3,825,382</b>		<b>2,809,592</b>
		<hr/> <hr/>		<hr/> <hr/>
<b>Reconciliation of net movements in funds to net cash flow from operating activities</b>				
Net movement in funds for the year ended 31 December 2025		197,318		126,868
<b>Adjustments for:</b>				
Depreciation charges		26,822		26,421
Dividends, interest and rent from investments		(1,537,656)		(1,844,924)
Loss / (profit) on sale of functional assets		157,914		(46,093)
Gains on investments and revaluation of fixed assets		(2,202,436)		(4,441,269)
Increase / (decrease) in loans to parishes		49,750		(19,000)
Increase in debtors		(890,548)		(39,461)
(Decrease) / increase in creditors		(303,415)		170,956
		<hr/>		<hr/>
Net cash (used in) operating activities		<b>(4,502,251)</b>		<b>(6,066,502)</b>
		<hr/> <hr/>		<hr/> <hr/>
<b>Analysis of cash and cash equivalents</b>				
Cash in hand		3,825,382		2,809,592
		<hr/> <hr/>		<hr/> <hr/>

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 1. Constitution

The Truro Diocesan Board of Finance Limited is incorporated, in England and Wales (Company Registration Number 00049825), as limited by guarantee under the Companies Act 2006. The Registered Office is The Old Cathedral School, Cathedral Close, Truro, TR1 2FQ. In the event of winding up, up to the permitted maximum 124 members of the TDBF are liable to contribute a sum not exceeding £10 per member towards the debts and liabilities of the TDBF and the costs, charges and expenses of winding up. At the year end there were 82 members.

### 2. Principal accounting policies

The charity meets the definition of a Public Benefit Entity in accordance with FRS102.

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

#### Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties and investments (held as fixed assets), which are included at their market value at the balance sheet date.

The financial statements have been prepared in accordance with the Statement of Recommended Practice *Accounting and Reporting by Charities* (Second Edition, effective 1 January 2019) applicable accounting standards (FRS 102 *The Financial reporting Standard applicable in the UK and Republic of Ireland*) and the Companies Act 2006.

The financial statements have been prepared in UK sterling currency and rounded to the nearest £1.

#### Going Concern

The trustees assess whether the use of the going concern is appropriate i.e. whether there are any material uncertainties relating to events or conditions that may cast significant doubt on the ability of the TDBF to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of the authorisation for issue of the financial statements and have concluded that the TDBF has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the TDBF'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:

#### (a) Income

All income is included in the SoFA when the TDBF 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.

**Parish contributions** are recognised as income in the year in respect of which it is received.

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

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

**Grants received.** During the year the charity changed its accounting policy to align with the Charity SORP, recognising grant income when it has received notification of the grant and any substantive pre-conditions for entitlement specified by the donor have been met. In previous periods the grant income was recognised as the related expenditure was incurred. This change has resulted in additional grant income awarded in previous years of £931,484 being recognised in the 2025 accounts including accrued income included within debtors of £984,778 relating to these grants. The 2024 figures have not been adjusted as the impact would not be material. Grants received which are subject to pre-conditions for entitlement specified by the donor which have not yet been met at the year-end are included in creditors to be carried forward to the following year.

**Parochial fees** are recognised as income when receivable.

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

**Gains on disposal of fixed assets for the TDBF'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.

#### (b) Expenditure

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

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### (b) Expenditure (continued)

**Costs of raising funds** are constrained to costs relating to the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.

**Charitable expenditure** is analysed between contributions to the Archbishops' Council and expenditure on resourcing mission and ministry in the parishes of the diocese.

**Grants payable** are charged to the SoFA in the year when the offer is conveyed to the recipient except those in cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the TDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled.

Grants offered subject to such conditions which have not yet been met at the year-end are included in a designated fund as a commitment, but not accrued as expenditure.

**Support costs** consist of management, administration and governance costs. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated based on estimated usage of resources at Church House.

**Employee benefits.** Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Pension contributions.** The cost of providing pension and related benefits to the clergy and Board's lay staff is advised by The Church of England Pensions Board and is charged to the General Fund in the period in which the contributions become due for payment (for further details of the schemes in place see note 28).

Deficit funding for the pension schemes to which the TDBF participates is accrued at current value in creditors, separated between contributions falling due within one year and more than one year.

### (c) Tangible fixed assets and depreciation

#### Freehold properties

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case, and because their expected residual value is not materially less than their carrying value in the financial statements. The TDBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repairs 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. Annual impairment reviews are carried out to ensure that the carrying value is not less than the recoverable amount in accordance with FRS 102.

#### Investment properties

Glebe properties which are held for investment purposes and rented out have been included at their fair value.

#### Parsonage houses

The TDBF 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 TDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Bishop's Diocesan Council therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at their estimated current market value.

#### School properties

Aided schools are the subject either of Trusts for which the TDBF acts merely as trustee, or of the Secretary of State's Orders specifying the application of any sale proceeds to support other Church of England schools within the dioceses. Accordingly, school properties are not included in these financial statements.

The distribution of the proceeds from the sale of a redundant school may depend on an order of the Department for Education or on a scheme approved by the Charity Commission. Until approval for distribution has been granted, the sale proceeds are invested and held by the TDBF in trust. When approval for distribution is eventually granted, the TDBF's share of the proceeds is transferred to The Diocese of Truro Education Trusts which is accounted for as a restricted fund in these financial statements.

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### (c) Tangible fixed assets and depreciation (continued)

#### Closed churches

Churches closed for public worship are not included in these financial statements because, in the opinion of the Bishop's Diocesan Council, they are of negligible value. If a situation arises whereby a church is likely to be an asset rather than a liability, then it will be brought into the financial statements at the appropriate time.

**Other tangible fixed assets** are capitalised at cost and depreciated at rates of between 20% and 33 $\frac{1}{3}$ % on a straight line basis.

**Leasehold improvements** are depreciated over the term of the lease.

### (d) Fixed asset investments

Fixed asset investments are included in the balance sheet at market value and the gain or loss taken to the SoFA.

Listed investments are UK listed company shares and are valued at their quoted bid price.

Glebe comprises a portfolio of mainly agricultural property and is professionally revalued every 5 years to establish fair value. The last revaluation took place as at 31 December 2025. In the intervening years, the Bishop's Diocesan Council adjust the market value for additions and disposals and such professional advice that may be received if this is material.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

#### Financial instruments

Financial instruments are recognised in the TDBF's balance sheet when the TDBF becomes party to the contractual provisions of the instrument.

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured as the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Financial assets held at fair value comprise the listed and unlisted investments disclosed in note 19.

#### Concessionary loans

Concessionary loans are loans provided at below market rates and are recognised in the accounts at the amount due with the carrying value adjusted to reflect repayments made in subsequent periods.

### (e) Other accounting policies

#### Leasing

Rentals payable under operating leases are charged to the SoFA on a straight line basis over the lease term.

### (f) Fund balances

Fund balances are split between unrestricted (general and designated), restricted income funds and capital endowment funds.

**Unrestricted funds** are freely available for any purpose within the TDBF's objects. They include funds which have been set aside by the Bishop's Diocesan Council out of the General Fund for designated purposes.

**Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.

*Notes to the financial statements*

**(f) Fund balances (continued)**

**Endowment funds** are those held on trust as capital. In the case of the endowment funds administered by the TDBF, where there are discretionary powers to convert capital into income, these funds are classified as expendable endowments. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment. The Bishop's Diocesan Council has adopted a policy of Total Return in respect of the permanent endowment in line with section 5A of the Diocesan Stipends Funds Measure 1953.

Details of the major funds are given in note 24.

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

**(g) Critical accounting estimates and judgements**

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

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

The key estimates and assumptions made in these accounts are:

- Freehold properties are valued at the trustees' estimate which is based on cost/market valuation adjusted by a published index to reflect changes since the last valuation.
- Investment properties are valued at the trustees' estimate which is based on a market valuation completed by the property management company.
- The present value of the clergy and lay pension schemes defined benefit liabilities depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions in determining the net cost of income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of any pension liability.

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 3. Donations

#### Parish contributions

	Unrestricted funds £	Restricted funds £	Endowments £	2025 £
Current year call - asked of deaneries	4,132,566	-	-	4,132,566
Use of LICF, SDF and Mission Funding	(648,266)	-	-	(648,266)
Use of TDBF reserves	(277,760)	-	-	(277,760)
	<hr/>	<hr/>	<hr/>	<hr/>
Current year call - budgeted	3,206,540	-	-	3,206,540
Shortfall in contributions	(268,542)	-	-	(268,542)
	<hr/>	<hr/>	<hr/>	<hr/>
	2,937,998	-	-	2,937,998
Receipts for previous year	49,882	-	-	49,882
	<hr/>	<hr/>	<hr/>	<hr/>
	2,987,880	-	-	2,987,880
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Current year MMF receipts represent 91.62% of the total budgeted call (2024: 91.28%) or, when receipts for previous years are included, 93.18% of the total budgeted call (2024: 94.00%).

#### Archbishops' Council

	Unrestricted funds £	Restricted funds £	Endowments £	2025 £
Lowest Income Communities Fund (LICF)	-	980,631	-	980,631
Contribution to registrar's retainer	-	54,571	-	54,571
Strategic Development Funding (SDF) – Falmouth	-	52,639	-	52,639
Strategic Development Funding (SDF) – Phase 2	-	640,236	-	640,236
Resourcing Ministry Fund (RMF)	-	19,599	-	19,599
Generous Giving Funding	-	53,874	-	53,874
Strategic Capacity Funding (SCF) – Director of Change and Renewal	-	32,610	-	32,610
Strategic Ministry Funding (SMF)	-	-	-	-
NZ Carbon Capacity Building Starter grant	-	83,784	-	83,784
Diocesan Investment Programme grant	-	351,004	-	351,004
FLOURISH	-	139,738	-	139,738
Buildings for Mission grant - CBSO	-	77,398	-	77,398
Buildings for Mission grant – MR & I	-	95,907	-	95,907
Net Zero Quick Wins grant	-	52,115	-	52,115
Net Zero Carbon Housing Demo grant	-	54,000	-	54,000
Housing project grant	-	25,000	-	25,000
	<hr/>	<hr/>	<hr/>	<hr/>
	-	2,713,106	-	2,713,106
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

#### Other donations

	Unrestricted funds £	Restricted funds £	Endowments £	2025 £
Benefact Trust	65,738	-	-	65,738
Boiler upgrade Scheme (BUS)	-	7,500	-	7,500
Marshalls Charity	-	4,630	-	4,630
Contribution towards church schools:				
Department for Education	-	49,982	-	49,982
Donations from individuals	498	2,199	-	2,697
Other contributions	32,683	-	-	32,683
Feed in Tariff (FIT)	-	-	-	-
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	98,919	64,311	-	163,230
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 3. Donations (continued)

#### Comparative analysis for 2024

##### Parish contributions

	Unrestricted funds £	Restricted funds £	Endowments £	2024 £
Current year call - asked of deaneries	3,938,096	-	-	3,938,096
Use of LICF, SDF and Mission Funding	(547,697)	-	-	(547,697)
Use of TDBF reserves	(268,149)	-	-	(268,149)
	<hr/>	<hr/>	<hr/>	<hr/>
Current year call	3,122,250	-	-	3,122,250
Shortfall in contributions	(272,274)	-	-	(272,274)
	<hr/>	<hr/>	<hr/>	<hr/>
Receipts for previous year	2,849,976 84,753	- -	- -	2,849,976 84,753
	<hr/>	<hr/>	<hr/>	<hr/>
	2,934,729	-	-	2,934,729
	<hr/>	<hr/>	<hr/>	<hr/>

##### Archbishops' Council

	Unrestricted funds £	Restricted funds £	Endowments £	2024 £
Lowest Income Communities Fund (LICF)	947,927	-	-	947,927
Contribution to registrar's retainer	49,609	-	-	49,609
Strategic Development Funding (SDF) – Falmouth	-	37,210	-	37,210
Strategic Development Funding (SDF) – Phase 2	-	215,821	-	215,821
Resourcing Ministry Fund (RMF)	-	7,260	-	7,260
Generous Giving Funding	-	48,749	-	48,749
Strategic Capacity Funding (SCF) – Director of Change and Renewal	-	46,920	-	46,920
Strategic Ministry Funding (SMF)	-	49,948	-	49,948
NZ Carbon Capacity Building Starter grant	-	46,423	-	46,423
Diocesan Investment Programme grant FLOURISH	-	66,242	-	66,242
Buildings for Mission grant - CBSO	-	10,262	-	10,262
Buildings for Mission grant – MR & I	-	37,185	-	37,185
Net Zero Quick Wins grant	-	41,343	-	41,343
Net Zero Carbon Housing Demo grant	-	6,735	-	6,735
Housing project grant	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	997,536	614,098	-	1,611,634
	<hr/>	<hr/>	<hr/>	<hr/>

##### Other donations

	Unrestricted funds £	Restricted funds £	Endowments £	2024 £
Benefact Trust	78,260	-	-	78,260
Boiler upgrade Scheme (BUS)	-	45,000	-	45,000
Marshalls Charity	-	-	-	-
Contribution towards church schools: Department for Education	-	49,262	-	49,262
Donations from individuals	2,284	3,302	-	5,586
Other contributions	25,533	-	-	25,533
Feed in Tariff (FiT)	356	-	-	356
	<hr/>	<hr/>	<hr/>	<hr/>
	106,433	97,564	-	203,997
	<hr/>	<hr/>	<hr/>	<hr/>

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

4. Other activities	Unrestricted funds £	Restricted funds £	Endowments £	2025 £
Rents from Parsonage houses	-	350,048	-	350,048
Recoverable costs	-	13,862	-	13,862
	<u>-</u>	<u>363,910</u>	<u>-</u>	<u>363,910</u>
<b>Comparative analysis for 2024</b>				
	Unrestricted funds £	Restricted funds £	Endowments £	2024 £
Rents from Parsonage houses	-	218,586	-	218,586
Recoverable costs	-	26,281	-	26,281
	<u>-</u>	<u>244,867</u>	<u>-</u>	<u>244,867</u>
<b>5. Investment income</b>				
	Unrestricted funds £	Restricted funds £	Endowments £	2025 £
Dividends and interest	343,849	13,817	648,422	1,006,088
Rents:				
Board properties	78,838	-	-	78,838
Glebe estate	-	-	416,284	416,284
Redundant schools	-	36,446	-	36,446
	<u>422,687</u>	<u>50,263</u>	<u>1,064,706</u>	<u>1,537,656</u>
<b>Comparative analysis for 2024</b>				
	Unrestricted funds £	Restricted funds £	Endowments £	2024 £
Dividends and interest	654,849	16,004	649,635	1,320,488
Rents:				
Board properties	98,409	-	-	98,409
Glebe estate	-	-	389,581	389,581
Redundant schools	-	36,446	-	36,446
	<u>753,258</u>	<u>52,450</u>	<u>1,039,216</u>	<u>1,844,924</u>

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 6. Other incoming resources

	Unrestricted funds £	Restricted funds £	Endowments £	2025 £
Realised gains on disposal of assets for the TDBF's own use	-	-	274,657	274,657

#### Comparative analysis for 2024

	Unrestricted funds £	Restricted funds £	Endowments £	2024 £
Realised gains on disposal of assets for the TDBF's own use	-	-	46,093	46,093

### 7. Fund raising costs

	Unrestricted funds £	Restricted funds £	Endowments £	2025 £
Glebe: Outgoings	-	-	142,922	142,922
Management charges	-	-	57,853	57,853
Central support costs	174,729	-	-	174,729
	174,729	-	200,775	375,504

#### Comparative analysis for 2024

	Unrestricted funds £	Restricted funds £	Endowments £	2024 £
Glebe: Outgoings	-	-	179,926	179,926
Management charges	-	-	55,152	55,152
Central support costs	159,253	-	-	159,253
	159,253	-	235,078	394,331

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 8. Charitable activities

	Unrestricted funds £	Restricted funds £	Endowments £	2025 £
<b>Contributions to Archbishops' Council</b>				
Training for Ministry	160,188	-	-	160,188
National Church responsibilities	95,670	-	-	95,670
Grants and provisions	16,859	-	-	16,859
Mission Agency pension contributions	5,455	-	-	5,455
Retired clergy housing costs (CHARM)	69,704	-	-	69,704
	<hr/>	<hr/>	<hr/>	<hr/>
	347,876	-	-	347,876
<b>Resourcing Ministry</b>				
Parish ministry:				
Stipends and national insurance	1,435,933	716,316	-	2,152,249
Pension contributions	382,032	-	-	382,032
Clergy salary	14,883	-	-	14,883
Clergy settlements	-	-	-	-
Home/parish mileage	4,414	-	-	4,414
Sundry clergy related costs	27,574	-	-	27,574
Housing costs	2,278,759	66,130	-	2,344,889
Property management charges	219,062	-	-	219,062
Resettlement and associated costs	97,892	-	-	97,892
Other payments (including training)	326,566	-	-	326,566
Central support costs	251,001	-	-	251,001
	<hr/>	<hr/>	<hr/>	<hr/>
	5,038,116	782,446	-	5,820,562
<b>Support for ministry and mission</b>				
Mission Fund grants	200,574	343,450	-	544,024
Diocesan support for ordinands in training	216,891	12,198	-	229,089
Training and development	50,200	-	-	50,200
DMPC functions	106,178	-	-	106,178
Specialist ministries	22,160	(919)	-	21,241
Safeguarding	286,667	-	-	286,667
Diocesan Advisory Committee	40,545	-	-	40,545
Chancellor's and Registrar's retainers	37,835	-	-	37,835
Faculty fees	14,389	-	-	14,389
Communications	84,234	-	-	84,234
Closed church expenditure	-	64,414	-	64,414
General Synod members' expenses	7,471	-	-	7,471
Central support costs	523,702	54,571	-	578,273
Generous Giving Advisors	-	53,874	-	53,874
Next Steps On the Way	86,495	99,624	-	186,119
Transforming Mission (TM) – Falmouth	(32,009)	78,321	-	46,312
Transforming Mission (TM) – Phase 2	144,275	203,766	-	348,041
Children and young people incl FLOURISH	18,856	27,201	-	46,057
Net Zero building work	28,691	199,905	-	228,596
	<hr/>	<hr/>	<hr/>	<hr/>
	1,837,154	1,136,405	-	2,973,559
<b>Expenditure on Education</b>				
Support for church schools and parishes	83,317	223,500	-	306,817
	<hr/>	<hr/>	<hr/>	<hr/>
	7,306,463	2,142,351	-	9,448,814

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

8. Charitable activities (continued)

Comparative analysis for 2024

	Unrestricted funds £	Restricted funds £	Endowments £	2024 £
<b>Contributions to Archbishops' Council</b>				
Training for Ministry	158,284	-	-	158,284
National Church responsibilities	94,500	-	-	94,500
Grants and provisions	16,280	-	-	16,280
Mission Agency pension contributions	-	-	-	-
Retired clergy housing costs (CHARM)	65,840	-	-	65,840
	<u>334,904</u>	<u>-</u>	<u>-</u>	<u>334,904</u>
<b>Resourcing Ministry</b>				
Parish ministry:				
Stipends and national insurance	1,899,694	49,948	-	1,949,642
Pension contributions	370,919	-	-	370,919
Clergy salary	46,078	-	-	46,078
Clergy settlements	134,252	-	-	134,252
Home/parish mileage	9,205	-	-	9,205
Sundry clergy related costs	30,192	-	-	30,192
Housing costs	4,011,079	45,000	-	4,056,079
Property management charges	194,050	-	-	194,050
Resettlement and associated costs	168,453	-	-	168,453
Other payments (including training)	303,357	-	-	303,357
Central support costs	223,253	-	-	223,253
	<u>7,390,532</u>	<u>94,948</u>	<u>-</u>	<u>7,485,480</u>
<b>Support for ministry and mission</b>				
Mission Fund grants	678,763	-	-	678,763
Diocesan support for ordinands in training	133,147	4,092	-	137,239
Training and development	47,904	-	-	47,904
DMPC functions	117,509	-	-	117,509
Specialist ministries	38,746	5,494	-	44,240
Safeguarding	211,432	-	-	211,432
Diocesan Advisory Committee	38,834	-	-	38,834
Chancellor's and Registrar's retainers	60,383	-	-	60,383
Faculty fees	14,525	-	-	14,525
Communications	72,998	-	-	72,998
Closed church expenditure	-	24,657	-	24,657
General Synod members' expenses	7,653	-	-	7,653
Central support costs	510,505	-	-	510,505
Generous Giving Advisors	-	48,749	-	48,749
Next Steps On the Way	105,050	113,162	-	218,212
Transforming Mission (TM) – Falmouth	25,954	27,388	-	53,342
Transforming Mission (TM) – Phase 2	136,545	232,191	-	368,736
Children and young people incl FLOURISH	2,671	10,262	-	12,933
Net Zero building work	35,486	138,150	-	173,636
	<u>2,238,105</u>	<u>604,145</u>	<u>-</u>	<u>2,842,250</u>
<b>Expenditure on Education</b>				
Support for church schools and parishes	98,087	258,660	-	356,747
	<u>10,061,628</u>	<u>957,753</u>	<u>-</u>	<u>11,019,381</u>

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 9. Other resources expended

	Unrestricted funds £	Restricted funds £	Endowments £	2025 £
Realised loss on disposal of assets for the TDBF's own use	432,571	-	-	432,571

### Comparative analysis for 2024

	Unrestricted funds £	Restricted funds £	Endowments £	2024 £
Realised loss on disposal of assets for the TDBF's own use	-	-	-	-

### 10. Analysis of expenditure including allocation of support costs

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total costs 2025 £
Raising funds	200,775	-	174,729	375,504
Charitable activities:				
Contributions to Archbishops' Council	-	347,876	-	347,876
Resourcing parish ministry	5,402,065	167,496	251,001	5,820,562
Support for ministry and mission	1,732,761	662,525	578,273	2,973,559
Education	306,817	-	-	306,817
	7,642,418	1,177,897	1,004,003	9,824,318
<b>Comparative analysis for 2024</b>				
	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total costs 2024 £
Raising funds	235,078	-	159,253	394,331
Charitable activities:				
Contributions to Archbishops' Council	-	334,904	-	334,904
Resourcing parish ministry	7,134,928	127,299	223,253	7,485,480
Support for ministry and mission	1,594,737	737,008	510,505	2,842,250
Education	356,747	-	-	356,747
	9,321,490	1,199,211	893,011	11,413,712

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 11. Analysis of support costs

	Unrestricted Funds		Restricted Funds £	Endowment Funds £	Total 2025 £
	General £	Designated £			
Central administration	979,703	-	-	-	979,703
Governance:					
External audit	24,300	-	-	-	24,300
Registrar and Chancellor	37,835	-	-	-	37,835
Synodical costs	7,471	-	-	-	7,471
	<u>1,049,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,049,309</u>

### Comparative analysis for 2024

	Unrestricted Funds		Restricted Funds £	Endowment Funds £	Total 2024 £
	General £	Designated £			
Central administration	868,491	-	-	-	868,491
Governance:					
External audit	24,520	-	-	-	24,520
Registrar and Chancellor	60,383	-	-	-	60,383
Synodical costs	7,653	-	-	-	7,653
	<u>961,047</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>961,047</u>

The Registrar, Chancellor and Synodical costs are not included in the support costs in note 10.

### 12. Analysis of grants made

	Number	Individuals £	Institutions £	2025 £	2024 £
<b>From unrestricted funds for National Church responsibilities:</b>					
Contributions to Archbishops' Council	4	-	347,876	347,876	334,904
<b>From unrestricted funds:</b>					
Resettlement and first incumbency grants	15	45,021	-	45,021	85,258
Ordinands in training	8	113,363	-	113,363	38,428
Clergy for training	22	6,038	-	6,038	3,510
Mission initiatives in parishes	21	2,874	197,700	200,574	678,763
Clergy hardship grants	-	-	-	-	-
	<u>66</u>	<u>167,296</u>	<u>197,700</u>	<u>364,996</u>	<u>805,959</u>
<b>From restricted funds for various purposes:</b>					
Mission initiatives in parishes	39	200	464,825	465,025	54,348
Overseas mission work	-	-	-	-	4,000
Clergy hardship grants	-	-	-	-	-
	<u>39</u>	<u>200</u>	<u>464,825</u>	<u>465,025</u>	<u>58,348</u>
	<u>109</u>	<u>167,496</u>	<u>1,010,401</u>	<u>1,177,897</u>	<u>1,199,211</u>

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 12. Analysis of grants made (continued)

#### Comparative analysis for 2024

	Number	Individuals £	Institutions £	2024 £	2023 £
<b>From unrestricted funds for National Church responsibilities:</b>					
Contributions to Archbishops' Council	4	-	334,904	334,904	333,306
<b>From unrestricted funds:</b>					
Resettlement and first incumbency grants	30	85,258	-	85,258	42,610
Ordinands in training	5	38,428	-	38,428	22,298
Clergy for training	14	3,510	-	3,510	4,607
Mission initiatives in parishes	32	103	678,660	678,763	633,534
Clergy hardship grants	-	-	-	-	5,700
	81	127,299	678,660	805,959	708,749
<b>From restricted funds for various purposes:</b>					
Mission initiatives in parishes	24	-	54,348	54,348	-
Overseas mission work	1	-	4,000	4,000	10,000
Clergy hardship grants	-	-	-	-	-
	25	-	58,348	58,348	10,000
	110	127,299	1,071,912	1,199,211	1,052,055

### 13. Other gains and losses on revaluation

#### 13.1. Net gains on investment assets

	Unrestricted funds £	Restricted funds £	Endowments £	2025 £
Revaluation of fixed asset investments (note 19)	54,569	(286,586)	1,530,747	1,298,730
Realised gains on sale of fixed asset investments	-	-	496,935	496,935
	54,569	(286,586)	2,027,682	1,795,665
<b>Comparative analysis for 2024</b>				
	Unrestricted funds £	Restricted funds £	Endowments £	2024 £
Revaluation of fixed asset investments (note 19)	29,672	329,215	1,298,443	1,657,330
Realised gains on sale of fixed asset investments	5,811	197,635	144,721	348,167
	35,483	526,850	1,443,164	2,005,497

The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

Notes to the financial statements

13. Other gains and losses on revaluation (continued)

13.2 Unrealised gains on revaluation

	Unrestricted funds £	Restricted funds £	Endowments £	2025 £
Revaluation of land and buildings	(477,189)	-	883,960	406,771

Comparative analysis for 2024

	Unrestricted funds £	Restricted funds £	Endowments £	2024 £
Revaluation of land and buildings	503,420	-	1,932,352	2,435,772

14. Transfer between funds

	Unrestricted funds £	Restricted funds £	Endowments £
Property repairs	2,244,515	(2,244,515)	-
Payments to acquire property	-	(77,454)	77,454
Receipts from sale of property	-	1,551,758	(1,551,758)
Total Return spend	2,161,626	-	(2,161,626)
Transfer Board properties to be funded by Diocesan Pastoral Account	1,353,283	(1,353,283)	-
Transfer Board properties to Parsonages	-	-	-
Transfer LInC from unrestricted	(79,135)	79,135	-
	5,680,289	(2,044,359)	(3,635,930)

Comparative analysis for 2024

	Unrestricted funds £	Restricted funds £	Endowments £
Property repairs	3,965,322	(3,965,322)	-
Payments to acquire property	-	(170,678)	170,678
Receipts from sale of property	-	432,698	(432,698)
Total Return spend	1,949,641	-	(1,949,641)
Transfer Board properties to be funded by Diocesan Pastoral Account	-	-	-
Transfer Board properties to Parsonages	-	(610,101)	610,101
Transfer LInC from unrestricted	-	-	-
	5,914,963	(4,313,403)	(1,601,560)

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 15. Net movement in funds

	2025	2024
	£	£
This is stated after charging:		
Staff costs (note 16)	1,778,592	1,658,334
Auditor's remuneration - audit fee (excluding VAT)	20,250	20,433
- other services	-	1,500
Realised losses on disposals of tangible fixed assets	432,571	-
Operating leases - land and buildings	31,200	60,752
- other	2,398	3,305
Depreciation of tangible fixed assets	26,822	26,421
	<u>1,778,592</u>	<u>1,658,334</u>

	2025	2024
	£	£
This is stated after crediting:		
Realised gains on disposals of tangible fixed assets	274,657	46,093
Realised gains on disposals of investment fixed assets	496,935	348,167
	<u>771,592</u>	<u>394,260</u>

### 16. Staff costs

Employee costs during the year were as follows:

	2025	2024
	£	£
Wages and salaries	1,590,628	1,479,732
Social security costs	187,964	135,567
Pension contributions	-	43,035
	<u>1,778,592</u>	<u>1,658,334</u>

The TDBF took a pension holiday from 1 April 2024, amounting to £193,962 (2024 £134,200).

The average number of persons employed during the year:

	2025	2024
Administration and financial management	18	17
Communications	2	1
Discipleship & Ministry, Stewardship	15	16
Safeguarding & inclusion	5	4
Education	3	2
Transforming Mission	3	6
Change & Renewal	7	6
	<u>53</u>	<u>52</u>

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

	2025	2024
Administration and financial management	15	15
Communications	2	1
Discipleship & Ministry, Stewardship	11	12
Safeguarding & inclusion	4	3
Education	3	2
Transforming Mission	2	4
Change & Renewal	5	4
	<u>42</u>	<u>41</u>

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 16. Staff costs (continued)

Remuneration of higher paid employees were as follows:

	2025 £	2024 £
£60,001 - £70,000	1	-
£70,001 - £80,000	2	2
	<u>          </u>	<u>          </u>

#### Remuneration of key management personnel

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

Diocesan Secretary and Company Secretary	Simon Cade
Director of Education	Lee Moscato
Director of Finance and Assets	Sophie Eddy

For these 3 (2024: 3) employees remuneration and pensions amounted to £274,410 (2024: £259,308). Expenses were £6,899 (2024: £6,242).

#### Related party transaction

The spouse of a trustee worked for the TDBF and earned £825 during the year (2024: £9,601).

#### Trustees' emoluments

No trustee received any remuneration for services as trustee. 9 trustees (2024: 12) received travelling and out of pocket expenses, totalling £11,019 (2024: £12,224) in respect of General Synod duties, duties as archdeacon or area/rural dean, and other duties as trustees.

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

	Stipend	Housing
The Rt. Revd. H Nelson	No	Yes
The Ven. K A Betteridge	Yes	Yes
The Ven. C D Hogger	Yes	Yes
The Revd. T Folland	Yes	Yes
The Revd. D P Wren	Yes	Yes
The Revd. E M A Burke	Yes	Yes

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

The TDBF paid an average of 61 (2024: 60) stipendiary clergy (including 2 Archdeacons) as office holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2025 £	2024 £
Stipends	1,939,221	1,783,922
National insurance contributions	213,502	161,335
Pension costs	394,843	385,691
Apprenticeship Levy	8,903	8,274
	<u>          </u>	<u>          </u>
	<b>2,556,469</b>	<b>2,339,222</b>
	<u>          </u>	<u>          </u>

The stipends of the Diocesan Bishop and Suffragan Bishops were paid and funded by the Church Commissioners and are in the range £41,951 - £53,470 (2024 range £39,953 - £51,421). The annual rate of stipend, funded by the TDBF, paid to Archdeacons in 2025 was £43,359 (2024 range £40,968 - £41,792) and other clergy who were Trustees were paid £32,548 (2024 range £31,061 - £31,372).

The TDBF paid clergy settlements amounting to £0 (2024: £134,252).

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 17. Taxation

The TDBF is a registered charity and is not liable to UK corporation tax.

### 18. Tangible fixed assets

#### 18.1 Freehold land and buildings

	Board property £	Parsonage houses £	Total £
<i>At valuation</i>			
At 1 January 2025	15,244,584	49,444,144	64,688,728
Additions	2,592,368	77,454	2,669,822
Disposals	(3,074,011)	(1,277,101)	(4,351,112)
Revaluation adjustment	(477,189)	883,960	406,771
Transfer	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2025</b>	<b>14,285,752</b>	<b>49,128,457</b>	<b>63,414,209</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All of the properties in the balance sheet are freehold and are vested in the TDBF, except for benefice houses (parsonages) which are vested in the incumbent but still included as TDBF assets in accordance with the accounting policies. Land and buildings at 31 December 2025 are included at valuation. Properties are subject to a five-year cycle of survey and consequent repairs are charged as expenditure.

The corresponding historical cost figures are:

	Board property £	Parsonage houses £	Total £
<i>At cost</i>			
At 1 January 2025	10,004,163	12,873,358	22,877,521
Additions	2,592,368	77,454	2,669,822
Disposals	(2,187,649)	(18,893)	(2,206,542)
Transfer	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2025</b>	<b>10,408,882</b>	<b>12,931,919</b>	<b>23,340,801</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

#### 18.2 Leasehold premises

	£
<i>At cost</i>	
At 1 January 2025	91,804
Additions	6,524
Disposals	-
	<hr/>
<b>At 31 December 2025</b>	<b>98,328</b>
	<hr/> <hr/>
<i>Depreciation</i>	
At 1 January 2025	20,639
Disposals	-
Charge for year	19,666
	<hr/>
<b>At 31 December 2025</b>	<b>40,305</b>
	<hr/> <hr/>
<i>Net book value</i>	
<b>At 31 December 2025</b>	<b>58,023</b>
	<hr/> <hr/>
At 31 December 2024	71,165
	<hr/> <hr/>

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 18. Tangible fixed assets (continued)

#### 18.3 Office equipment

	£
<i>At cost</i>	
At 1 January 2025	128,037
Additions	3,972
Disposals	(57,170)
	<hr/>
<b>At 31 December 2025</b>	<b>74,839</b>
	<hr/>
<i>Depreciation</i>	
At 1 January 2025	103,684
Disposals	(57,170)
Charge for year	7,156
	<hr/>
<b>At 31 December 2025</b>	<b>53,670</b>
	<hr/>
<i>Net book value</i>	
<b>At 31 December 2025</b>	<b>21,169</b>
	<hr/>
At 31 December 2024	24,353

#### 18.4 Total tangible fixed assets

	2025 £	2024 £
<i>Net book value</i>		
Freehold land and buildings	63,414,209	64,688,728
Leasehold premises	58,023	71,165
Office equipment	21,169	24,353
	<hr/>	<hr/>
	<b>63,493,401</b>	<b>64,784,246</b>
	<hr/>	<hr/>

### 19. Fixed asset investments

	Freehold investment property (Glebe and other) £	Listed investments £	Unlisted investments £	Total £
<i>At valuation</i>				
At 1 January 2025	21,275,000	11,431,546	20,256,893	52,963,439
Additions	72,709	5,988,246	-	6,060,955
Disposals	(885,431)	(5,988,246)	(1,157,848)	(8,031,525)
Revaluation adjustment	1,697,722	488,897	(887,889)	1,298,730
Transfer	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2025</b>	<b>22,160,000</b>	<b>11,920,443</b>	<b>18,211,156</b>	<b>52,291,599</b>
	<hr/>	<hr/>	<hr/>	<hr/>

Glebe property was professionally valued as at 31 December 2025 by Savills (UK) Limited, on a Fair Value – International Valuation Standards basis. Glebe property was vested in the TDBF in 1978 under the Endowments and Glebe Measure 1978. Further advice is considered in the intervening period and the valuation adjusted by the trustees accordingly.

Listed investments substantially comprise shares in funds managed by Sarasin and Cazenove. Unlisted investments comprise shares in funds managed by The CBF Church of England Funds.

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 20. Debtors

	2025 £	2024 £
<i>Amounts falling due within one year</i>		
Trade debtors	75,395	53,789
Concessionary loans to parishes and others	97,250	115,000
Other debtors including prepayments and accrued income	1,360,589	491,647
	<u>1,533,234</u>	<u>660,436</u>
<i>Amounts falling due after more than one year</i>		
Concessionary loans to parishes and others	25,500	57,500
	<u>25,500</u>	<u>57,500</u>
	<u>1,558,734</u>	<u>717,936</u>

Concessionary interest free loans are made to parishes with no security. At the year-end there were amounts committed to but not drawn of £25,000 (2024: £50,000). The repayment terms of the loans range from 5 months to 5 years.

### 21. Cash at bank and in hand

	2025 £	2024 £
The CBF Church of England Deposit Fund	3,616,613	2,539,809
COIF Charities Deposit Fund	412,122	387,539
Barclays Bank PLC	4,638	2,884
National Westminster Bank PLC	251,021	607,388
Savills Client Account	189,743	84,553
Cash in hand	-	19
	<u>4,474,137</u>	<u>3,622,192</u>
Less: attributable to local trust funds	(648,755)	(812,600)
	<u>3,825,382</u>	<u>2,809,592</u>

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 22. Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	308,493	363,611
Other creditors (including taxation and social security)	90,155	221,011
Accruals and deferred income (note 23)	523,257	640,698
	<u>921,905</u>	<u>1,225,320</u>

### 23. Deferred income

	2025 £	2024 £
Deferred income is included within: Creditors due within one year	237,102	293,598
Deferred income as at 1 January 2025	293,598	206,460
Released from previous years Resources deferred in the year	(203,788) 147,292	(116,448) 203,586
Deferred income as at 31 December 2025	<u>237,102</u>	<u>293,598</u>

Included within deferred income of £237,102 (2024: £293,598) are the following balances: £74,228 (2024: £72,977) in respect of glebe deferred income, £20,535 (2024: £17,685) in respect of parsonages deferred income, £88,798 (2024: £88,798) in respect of glebe service charges, £12,541 (2024: £12,360) received in advance of entitlement and £38,489 (2024: £42,723) received on behalf of schools.

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 24. Funds employed

#### 24.1 Summary of fund movements

At 31 December 2025:

	Balance brought forward £	Incoming resources £	Resources expended £	Gains and losses £	Transfers £	Balance carried forward £
<b>Unrestricted funds</b>						
General Fund	1,173,930	3,720,818	(6,751,883)	54,569	3,567,735	1,765,169
<i>Designated funds:</i>						
Board Houses Fund	15,244,584	-	(432,571)	(477,189)	(49,072)	14,285,752
Church House Fund	272,773	-	(32,631)	-	-	240,142
TM - Falmouth	101,651	-	32,010	-	-	133,661
TM – Phase 2	398,785	-	(144,275)	-	-	254,510
Mission grants	1,425,879	-	(479,062)	-	290,225	1,237,042
Clergy Settlements	-	-	-	-	-	-
Next Steps on the Way	342,266	-	(86,495)	-	-	255,771
Children, young people and families	285,692	-	(18,856)	-	1,871,401	2,138,237
	<u>19,245,560</u>	<u>3,720,818</u>	<u>(7,913,763)</u>	<u>(422,620)</u>	<u>5,680,289</u>	<u>20,310,284</u>
<b>Restricted funds</b>						
Pastoral Account	8,418,435	363,911	(63,478)	(266,768)	(2,123,494)	6,328,606
Diocesan Council for Mission & Unity	30,615	2,199	919	-	-	33,733
Education Trusts	520,308	100,245	(223,501)	(19,879)	-	377,173
Lowest Income Communities Fund (LInC)	-	980,631	(1,059,766)	-	79,135	-
Resourcing Ministry Fund (RMF)	2,004	19,599	(12,198)	-	-	9,405
Contribution to Registrar costs	-	54,571	(54,571)	-	-	-
SDF – TM Falmouth	25,680	52,639	(78,319)	-	-	-
SDF – Phase 2	(16,503)	640,235	(203,767)	-	-	419,965
Strategic Ministry Fund	-	-	-	-	-	-
Generous Giving Fund	-	53,874	(53,874)	-	-	-
SCF–Dir Change & Renewal	-	32,610	(32,610)	-	-	-
Bishop Phillpotts Library	11,811	-	-	-	-	11,811
Bishop Phillpotts Prize Fund	6,511	-	-	61	-	6,572
NZ Carbon Capacity Building Starter grant	-	83,784	(57,742)	-	-	26,042
Boiler Upgrade Scheme	-	7,500	(7,500)	-	-	-
Diocesan Investment Programme (DIP) grant	-	351,004	(67,014)	-	-	283,990
FLOURISH	-	139,738	(27,201)	-	-	112,537
Buildings for Mission – CBSO	-	77,398	(43,158)	-	-	34,240
Buildings for Mission – MR & I	-	95,907	(76,835)	-	-	19,072
Net Zero Quick Wins grant	-	52,115	(22,170)	-	-	29,945
Marshalls Charity	-	4,630	(4,630)	-	-	-
Net Zero Carbon Housing Demonstrator grant	-	54,000	(54,000)	-	-	-
Housing Project grant	-	25,000	(936)	-	-	24,064
	<u>8,998,861</u>	<u>3,191,590</u>	<u>(2,142,351)</u>	<u>(286,586)</u>	<u>(2,044,359)</u>	<u>7,717,155</u>
<b>Expendable endowment</b>						
Parsonage Houses Fund	49,444,144	274,657	-	883,960	(1,474,304)	49,128,457
<b>Permanent endowment</b>						
Stipends Fund Capital Account	42,361,328	1,064,706	(200,775)	2,027,682	(2,161,626)	43,091,315
<b>Total endowments</b>	<u>91,805,472</u>	<u>1,339,363</u>	<u>(200,775)</u>	<u>2,911,642</u>	<u>(3,635,930)</u>	<u>92,219,772</u>
<b>Total</b>	<u>120,049,893</u>	<u>8,251,771</u>	<u>(10,256,889)</u>	<u>2,202,436</u>	<u>-</u>	<u>120,247,211</u>

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 24. Funds employed (continued)

#### 24.2 Prior year comparative summary of fund movements

At 31 December 2024:

	Balance brought forward £	Incoming resources £	Resources expended £	Gains and losses £	Transfers £	Balance carried forward £
<b>Unrestricted funds</b>						
General Fund	2,553,453	5,005,023	(9,616,189)	35,483	3,196,160	1,173,930
<i>Designated funds:</i>						
Board Houses Fund	13,972,002	-	-	503,420	769,162	15,244,584
Church House Fund	341,959	-	(69,186)	-	-	272,773
TM – Falmouth	127,605	-	(25,954)	-	-	101,651
TM – Phase 2	535,330	-	(136,545)	-	-	398,785
Mission grants	227,203	-	(161,135)	-	1,359,811	1,425,879
Clergy Settlements	-	-	(134,252)	-	134,252	-
Next Steps on the Way	250,000	-	(74,949)	-	167,215	342,266
Children, young people and families	-	-	(2,671)	-	288,363	285,692
	<u>18,007,552</u>	<u>5,005,023</u>	<u>(10,220,881)</u>	<u>538,903</u>	<u>5,914,963</u>	<u>19,245,560</u>
<b>Restricted funds</b>						
Pastoral Account	11,998,009	244,867	(24,657)	513,619	(4,313,403)	8,418,435
Diocesan Council for Mission & Unity	32,807	3,302	(5,494)	-	-	30,615
Education Trusts	664,060	101,712	(258,660)	13,196	-	520,308
Lowest Income Communities Fund (LInC)	-	-	-	-	-	-
Resourcing Ministry Fund (RMF)	(1,164)	7,260	(4,092)	-	-	2,004
Contribution to Registrar costs	-	-	-	-	-	-
SDF- TM Falmouth	15,858	37,210	(27,388)	-	-	25,680
SDF – Phase 2	(133)	215,821	(232,191)	-	-	(16,503)
Strategic Ministry Fund	-	49,948	(49,948)	-	-	-
Generous Giving Fund	-	48,749	(48,749)	-	-	-
SCF–Dir Change & Renewal	-	46,920	(46,920)	-	-	-
Bishop Phillpotts Library	11,811	-	-	-	-	11,811
Bishop Phillpotts Prize Fund	6,476	-	-	35	-	6,511
NZ Carbon Capacity Building Starter grant	6,464	46,423	(52,887)	-	-	-
Boiler Upgrade Scheme	-	45,000	(45,000)	-	-	-
Diocesan Investment Programme (DIP) grant	-	66,242	(66,242)	-	-	-
FLOURISH	-	10,262	(10,262)	-	-	-
Buildings for Mission – CBSO	-	37,185	(37,185)	-	-	-
Buildings for Mission – MR & I	-	41,343	(41,343)	-	-	-
Net Zero Quick Wins grant	-	6,735	(6,735)	-	-	-
Marshalls Charity	-	-	-	-	-	-
Net Zero Carbon Housing Demonstrator grant	-	-	-	-	-	-
Housing Project grant	-	-	-	-	-	-
	<u>12,734,188</u>	<u>1,008,979</u>	<u>(957,753)</u>	<u>526,850</u>	<u>(4,313,403)</u>	<u>8,998,861</u>
<b>Expendable endowment</b>						
Parsonage Houses Fund	47,117,618	46,093	-	1,932,352	348,081	49,444,144
<b>Permanent endowment</b>						
Stipends Fund Capital Account	42,063,667	1,039,216	(235,078)	1,443,164	(1,949,641)	42,361,328
<b>Total endowments</b>	<u>89,181,285</u>	<u>1,085,309</u>	<u>(235,078)</u>	<u>3,375,516</u>	<u>(1,601,560)</u>	<u>91,805,472</u>
<b>Total</b>	<u>119,923,025</u>	<u>7,099,311</u>	<u>(11,413,712)</u>	<u>4,441,269</u>	<u>-</u>	<u>120,049,893</u>

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 24. Funds employed (continued)

#### 24.3 Purposes of funds

##### Unrestricted funds

The General Fund supports the day to day activities of the TDBF.

The Board Houses Fund is represented by the book value of board properties. Additions to and disposals from the Fund are financed by or credited to the General Fund respectively.

The following other funds have been set aside by the trustees for purposes which the trustees themselves have designated:

The Church House Fund was created to fund the aggregate charges payable under the terms of the non-cancellable lease agreement for the office premises at Church House, Threemilestone. During 2024 this lease terminated and a new lease was entered into at the Old Cathedral School, Truro. This fund will pay for the charges under this new lease.

The Transforming Mission Funds (TM) are for the TDBF's contributions to assist with financing the Transforming Mission project in Falmouth, Camborne, Truro, St Austell and Liskeard. There is a restricted fund for this work which is funded by the Archbishops' Council.

The mission grants fund is for mission initiatives included in the deanery plans. The balance at the end of the year is the amount that is yet to be paid across to deaneries, who are aware of this funding and must have plans approved before the funds can be claimed.

The clergy settlements fund is for the payments made to clergy as part of the deanery implementation process.

The Next Steps on the Way fund is the TDBF's contributions to assist with financing the Change and Renewal team. There is a restricted fund (DIP) for this work which is funded by the Archbishops' Council.

The Children, Young People and Families fund is funding this area of work included in the Diocesan Plan for Change and Renewal.

##### Restricted funds

The Pastoral Account mainly represents the proceeds of sale of redundant parsonage houses which may be applied for the extensive purposes permitted by section 94 of the Mission and Pastoral Measure 2011. During 2025 the TDBF used it for the first time to purchase a couple of houses as the General Fund was not adequate to fund this. The funds will be replenished when pastoral reorganisations take place. Note 14 includes more detail about the use of the Fund. £1.9m is ringfenced pending pastoral reorganisations.

The Truro Diocesan Council for Mission and Unity funds are managed by the World Church Committee (a sub committee of the TDBF) for the purposes of enabling the diocese to be a vibrant part of the world-wide church. Specifically, it actively promotes formal links with other dioceses, currently with the Diocese of Strangnas in Sweden. (The link with the Diocese of Mzimvubu in South Africa ceased in 2013 but, the diocese continues to support the feeding of orphans' and vulnerable children's programme in Mzimvubu).

The Diocese of Truro Education Trusts are governed by Schedule 36 of the Education Act 1996. The fund mainly represents the unspent sale proceeds of redundant Church of England school properties. The objects of the trusts are widely drawn to allow trust assets to be used for a variety of educational purposes. This fund also includes transactions relating to the Private Finance Initiative (PFI) contract in relation to Mawnan Smith Church of England School.

The Lowest Income Communities Fund (LInC) is received from the Archbishops' Council to support and develop mission in communities with the most deprived populations. This funding was previously treated as unrestricted but in 2025 it was changed to restricted with a balance unspent in 2024 being transferred into this fund.

Resourcing Ministerial Formation (RMF) (formerly Resourcing Ministerial Education (RME)) is a grant, received from the Archbishops' Council to fund some elements of the training of ordinands in the diocese.

The contributions to Registrar costs is funding received from the Archbishops' Council towards the costs of the work of the Registrar in the diocese.

The Strategic Development Fund (SDF) TM Falmouth restricted fund is grant funding received from the Archbishops' Council to assist with financing the Transforming Mission project in Falmouth. There is an unrestricted fund which is funded by TDBF.

The Strategic Development Fund (SDF) TM Phase 2 is grant funding received from the Archbishops' Council to assist with financing the Transforming Mission project in Camborne, Truro, St Austell and Liskeard. There is an unrestricted fund which is funded by TDBF.

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

The Strategic Ministry Fund is grant funding received from the Archbishops' Council to assist with financing curates.

## *Notes to the financial statements*

### 24. Funds employed (continued)

#### 24.3 Purposes of funds (continued)

##### **Restricted funds (continued)**

The Generous Giving Fund is grant funding received from the Archbishops' Council to assist with financing Generous Giving Advisors.

The Strategic Capacity Fund (SCF) – Director of Change & Renewal is grant funding received from the Archbishops' Council to assist in funding the new post which is leading the Next Steps On the Way delivery.

Bishop Phillpotts Library may be used to fund the resource of the library which is located at the Old Cathedral School in Truro.

Bishop Phillpotts' Prize Fund may be used to award school prizes in religious education.

The Net Zero (NZ) Carbon Capacity Building Starter grant is grant funding received from the Archbishops' Council and is being used to resource net zero work in our schools and church buildings.

The Boiler Upgrade Scheme is grant funding received from national government to assist with costs of upgrading boilers in our properties to renewable heating.

The Diocesan Investment Programme (DIP) grant is funding received from the Archbishops' Council to assist with financing the Change and Renewal team.

The FLOURISH grant is funding received from the Archbishops' Council to establish of a networks of 40 worshipping communities in schools and FE colleges across the UK.

The Buildings for Mission – Church Buildings Support Officer (CBSO) grant is funding received from the Archbishops' Council towards the costs of employing a CBSO to assist the parishes with work to their buildings.

The Buildings for Mission – Minor Repairs and Improvements (MR & I) grant is funding received from the Archbishops' Council to distribute as small grants to parishes for urgent and necessary repair or improvement projects on their church buildings.

The Net Zero Quick Wins grant is funding received from the Archbishops' Council to help fund small scale decarbonisation projects in the parishes.

The Marshalls Charity funding is received towards the maintenance and improvement of clergy housing within the Church of England.

The Net Zero Carbon Housing Demonstrator grant is funding received from the Archbishop's Council towards energy efficiency and decarbonisation works on clergy housing adopting a whole house approach.

The Housing Project grant is funding received from the Archbishop's Council towards the predevelopment works funding for an almshouse scheme at the site of St Paul's Church, Truro.

##### **Endowment funds**

The Parsonage Houses Fund is represented by the book value of parsonage houses and team vicarages. Additions to and disposals from the Fund are financed by or credited to the Pastoral Account respectively.

The Stipends Fund Capital Account is mainly represented by the book value of Glebe property and other investment assets. The fund generates income for the payment of stipends and can only be invested or applied to the capital purposes permitted by the Endowments and Glebe Measure 1976 and the Miscellaneous Provisions Measure 1992. Following Charity Commission approval of a total return approach to investments, the Trustees may transfer to income all or part of the unapplied total return, also to be used for payment of stipends. An analysis of the fund is given overleaf.

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 24. Funds employed (continued)

#### 24.3 Purposes of funds (continued)

##### Endowment funds (continued)

Stipends Fund Capital Account analysis:

	Trust for Investment £	Unapplied Total Return £	Total Endowment £
At 1 January 2024	10,495,862	31,567,805	42,063,667
Movements in the year:			
Investment return: dividends and interest	-	1,039,216	1,039,216
Investment return: unrealised gains / (losses)	-	1,443,164	1,443,164
Investment return: fund raising costs	-	(235,078)	(235,078)
Transfer from Stipends Fund Capital Account to designated fund	-	(1,949,641)	(1,949,641)
Indexation on base value of investment	269,939	(269,939)	-
	<hr/>	<hr/>	<hr/>
Net movements in 2024	269,939	27,722	297,661
	<hr/>	<hr/>	<hr/>
At 1 January 2025	10,765,801	31,595,527	42,361,328
	<hr/>	<hr/>	<hr/>
Movements in the year:			
Investment return: dividends and interest	-	1,064,706	1,064,706
Investment return: unrealised gains / (losses)	-	2,027,682	2,027,682
Investment return: fund raising costs	-	(200,775)	(200,775)
Transfer from Stipends Fund Capital Account to designated fund	-	(2,161,626)	(2,161,626)
Indexation on base value of investment	357,273	(357,273)	-
	<hr/>	<hr/>	<hr/>
Net movements in 2025	357,273	372,714	729,987
	<hr/>	<hr/>	<hr/>
At 31 December 2025			
Gift component of the permanent endowment	5,763,991	-	5,763,991
Accumulated inflation since original gift	5,359,083	-	5,359,083
Unapplied total return	-	31,968,241	31,968,241
	<hr/>	<hr/>	<hr/>
	11,123,074	31,968,241	43,091,315
	<hr/>	<hr/>	<hr/>

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 24. Funds employed (continued)

#### 24.4 Analysis of net assets between funds

At 31 December 2025:

	Tangible fixed assets £	Investments £	Net current assets/ (liabilities) £	Total £
<b>Unrestricted funds</b>				
General Fund	79,192	904,659	781,318	1,765,169
<i>Designated funds:</i>				
Board Houses Fund	14,285,752	-	-	14,285,752
Church House Fund	-	-	240,142	240,142
TM – Falmouth	-	-	133,661	133,661
TM – Phase 2	-	-	254,510	254,510
Mission grants	-	-	1,237,042	1,237,042
Clergy settlements	-	-	-	-
Next Steps on the Way	-	-	255,771	255,771
Children, young people and families	-	-	2,138,237	2,138,237
	<u>14,364,944</u>	<u>904,659</u>	<u>5,040,681</u>	<u>20,310,284</u>
<b>Restricted funds</b>				
Pastoral Account	-	6,733,718	(405,112)	6,328,606
Diocesan Council for Mission & Unity	-	-	33,733	33,733
Education Trusts	-	477,370	(100,197)	377,173
Lowest Income Communities Fund (LInC)	-	-	-	-
Resourcing Ministry Fund (RMF)	-	-	9,405	9,405
Contribution to Registrar costs	-	-	-	-
Strategic Development Fund – TMF	-	-	-	-
Strategic Development Fund – Phase 2	-	-	419,965	419,965
Strategic Ministry Fund	-	-	-	-
Generous Giving Fund	-	-	-	-
SCF–Dir Change & Renewal	-	-	-	-
Bishop Phillpotts Library	-	-	11,811	11,811
Bishop Phillpotts' Prize Fund	-	969	5,603	6,572
NZ Carbon Capacity Building Starter grant	-	-	26,042	26,042
Boiler Upgrade Scheme	-	-	-	-
Diocesan Investment Programme (DIP) grant	-	-	283,990	283,990
FLOURISH	-	-	112,537	112,537
Buildings for Mission – CBSO	-	-	34,240	34,240
Buildings for Mission – MR & I	-	-	19,072	19,072
Net Zero Quick Wins grant	-	-	29,945	29,945
Marshalls Charity	-	-	-	-
Net Zero Carbon Housing Demonstrator grant	-	-	-	-
Housing Project grant	-	-	24,064	24,064
	<u>-</u>	<u>7,212,057</u>	<u>505,098</u>	<u>7,717,155</u>
<b>Expendable endowment</b>				
Parsonage Houses Fund	49,128,457	-	-	49,128,457
<b>Permanent endowment</b>				
Stipends Fund Capital Account	-	44,174,883	(1,083,568)	43,091,315
<b>Total endowments</b>	<u>49,128,457</u>	<u>44,174,883</u>	<u>-</u>	<u>92,219,772</u>
<b>Total</b>	<u>63,493,401</u>	<u>52,291,599</u>	<u>4,462,211</u>	<u>120,247,211</u>

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 24. Funds employed (continued)

#### 24.5 Prior year comparative summary of fund movements

At 31 December 2024:

	Tangible fixed assets £	Investments £	Net current assets/ (liabilities) £	Total £
<b>Unrestricted funds</b>				
General Fund	95,518	850,090	228,322	1,173,930
<i>Designated funds:</i>				
Board Houses Fund	15,244,584	-	-	15,244,584
Church House Fund	-	-	272,773	272,773
TM - Falmouth	-	-	101,651	101,651
TM – Phase 2	-	-	398,785	398,785
Mission grants	-	-	1,425,879	1,425,879
Clergy settlements	-	-	-	-
Next Steps on the Way	-	-	342,266	342,266
Children, young people and families	-	-	285,692	285,692
	<u>15,340,102</u>	<u>850,090</u>	<u>3,055,368</u>	<u>19,245,560</u>
<b>Restricted funds</b>				
Pastoral Account	-	9,778,245	(1,359,810)	8,418,435
Diocesan Council for Mission & Unity	-	-	30,615	30,615
Education Trusts	-	589,740	(69,432)	520,308
Lowest Income Communities Fund (LInC)	-	-	-	-
Resourcing Ministry Fund (RMF)	-	-	2,004	2,004
Contribution to Registrar costs	-	-	-	-
Strategic Development Fund – TMF	-	-	25,680	25,680
Strategic Development Fund – Phase 2	-	-	(16,503)	(16,503)
Strategic Ministry Fund	-	-	-	-
Generous Giving Fund	-	-	-	-
Transition Funding	-	-	-	-
SCF–Dir Change & Renewal	-	-	-	-
Archbishop mission grant	-	-	-	-
Bishop Phillpotts Library	-	-	11,811	11,811
Bishop Phillpotts' Prize Fund	-	908	5,603	6,511
NZ Carbon Capacity Building Starter grant	-	-	-	-
Boiler Upgrade Scheme	-	-	-	-
PCR2	-	-	-	-
Diocesan Investment Programme (DIP) grant	-	-	-	-
FLOURISH	-	-	-	-
Buildings for Mission – CBSO	-	-	-	-
Buildings for Mission – MR & I	-	-	-	-
Net Zero Quick Wins grant	-	-	-	-
	<u>-</u>	<u>10,368,893</u>	<u>(1,370,032)</u>	<u>8,998,861</u>
<b>Expendable endowment</b>				
Parsonage Houses Fund	49,444,144	-	-	49,444,144
<b>Permanent endowment</b>				
Stipends Fund Capital Account	-	41,744,456	616,872	42,361,328
	<u>49,444,144</u>	<u>41,744,456</u>	<u>616,872</u>	<u>91,805,472</u>
<b>Total endowments</b>	<u>49,444,144</u>	<u>41,744,456</u>	<u>616,872</u>	<u>91,805,472</u>
<b>Total</b>	<u>64,784,246</u>	<u>52,963,439</u>	<u>2,302,208</u>	<u>120,049,893</u>

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 25. Revaluation reserve

The revaluation reserve is required by the Companies Act 2006 and represents the amount by which tangible fixed assets exceed their historical cost.

	Balance brought forward £	Realised on transfers £	Unrealised surplus in year £	Realised on disposals £	Balance carried forward £
Board Houses Fund	5,240,421	-	(477,189)	(886,362)	3,876,870
Parsonage Houses Fund	36,570,786	-	883,960	(1,258,208)	36,196,538
	<u>41,811,207</u>	<u>-</u>	<u>406,771</u>	<u>(2,144,570)</u>	<u>40,073,408</u>
Comparative analysis for 2024					
	Balance brought forward £	Realised on transfers £	Unrealised surplus in year £	Realised on disposals £	Balance carried forward £
Board Houses Fund	4,737,001	-	503,420	-	5,240,421
Parsonage Houses Fund	34,669,215	-	1,932,352	(30,781)	36,570,786
	<u>39,406,216</u>	<u>-</u>	<u>2,435,772</u>	<u>(30,781)</u>	<u>41,811,207</u>

### 26. Capital commitments

	2025 £	2024 £
<i>Capital expenditure</i>		
Expenditure contracted for but not provided for:		
Church Schools (through Private Finance Initiative funding):		
Contract due to expire in 2031	35,162	40,715
Repairs to properties	590,156	477,169
	<u>625,318</u>	<u>517,884</u>

Private Finance Initiative (PFI) payments are due in half-yearly instalments. The payments cover the TDBF's (through the Diocese of Truro Education Trusts) share of the building costs, the costs of financing the scheme and a small share of ongoing maintenance costs. The amounts shown are the total costs over the period of the scheme.

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

27.

### 27.1 Operating leases - lessee

Total commitments under non-cancellable operating leases are as follows:

	2025 £	2024 £
<b>Land and buildings</b>		
Within one year of the balance sheet date	31,200	31,200
In the second to fifth years inclusive of the balance sheet date	52,000	83,200
Beyond 5 years of the Balance Sheet date	-	-
	<u>83,200</u>	<u>114,400</u>
<b>Other operating leases</b>		
Within one year of the balance sheet date	2,398	4,063
In the second to fifth years inclusive of the balance sheet date	2,789	8,932
	<u>5,187</u>	<u>12,995</u>

### 27.2 Operating leases – lessor

The total of future minimum property lease rentals receivable is as follows:

	2025 £	2024 £
Not later than one year	234,685	309,700
Later than one year and not later than five years	513,690	693,626
Later than 5 years	592,477	624,179
	<u>1,340,852</u>	<u>1,627,505</u>

### 28. Pensions

#### Clergy

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £394,843 in 2025 (2024: £385,691), plus any figures arising from contributions in respect of any Schemes deficit.

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

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

- an average discount rate of 6.0% per annum;
- Retail Price Index inflation of 3.4% per annum (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.7% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- increase in pensionable stipends in line with CPIH; and
- mortality in accordance with 90% of the S4NA\_L tables, with allowance for improvements in mortality rates from 2017 in line with the CMI2023 extended model with a long term annual rate of improvement of 1.5%, a smoothing

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 28. Pensions (continued)

parameter of 7, an initial addition to mortality improvements of 0.5% per annum and an allowance for 2020 and 2021 data of 20% (ie  $w = 20\%$ ).

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

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

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

#### Lay

The TDBF participates in the Church Workers Pension Fund (CWPF) which has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

#### Defined Benefits Scheme (DBS)

The TDBF participates in the DBS section of the CWPF for lay staff, which is now closed to future accrual. The scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers. The DBS section of the CWPF provides benefits for lay staff 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 does not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the General Reserve and all pensions and death benefits are paid from the General Reserve.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the General Reserve, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2025: £0, 2024: £7,078), plus the figures in relation to the DBS deficit as being recognised in the SoFA, giving a total charge of £0 for 2025 (2024: £7,078).

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

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

The next valuation is due as at 31 December 2025.

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

Over the year to 31 December 2025, £193,962 of surplus assets from the DBS has been used to fund contributions in Pensions Builder Classic for Truro DBF (DBS).

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 2024 or 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 Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 28. Pensions (continued)

Following consultation with the three employees for whom the TDBF were still contributing into the DBS scheme, it was decided to close the TDBF section of the DBS scheme from 31 March 2024. The employees moved into the Pension Builder Scheme, see below.

#### Pension Builder Scheme (PBS)

For employees who commenced employment after 1 February 2010, the TDBF participates in the PBS section of the CWPF for lay staff. The scheme is administered by the Church of England Pensions Board which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The PBS of the CWPF is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefits schemes. The TDBF does not have any members in the Pension Builder 2014 scheme.

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

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 PBS's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable (2025: £0, 2024: £35,957). The TDBF took a pension holiday from 1 April 2024, amounting to £193,962 in 2025 (2024 £134,200).

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

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

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

Over the year to 31 December 2025, £193,962 of surplus assets from the DBS has been used to fund contributions in Pensions Builder Classic for Truro DBF (DBS).

The next valuation is due 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 the failed employer's pension liabilities.

### 29. Transactions with Trustees

The trustees derive no financial benefit for their services as trustees other than the re-imbursment of their out-of-pocket expenses. In 2025, 9 trustees were paid £11,019 (2024: 12 trustees £12,224).

The TDBF enters into transactions, on a regular basis, with other autonomous organisations within the Church of England e.g. parishes (including the Cathedral), the Archbishops' Council and the Church Commissioners. From time to time, certain trustees may serve on committees of other bodies, or on the General Synod. It is not considered appropriate to report the detail of such transactions since no individual or group of individuals so serving has any significant influence over any material transactions.

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 30. Funds held on behalf of others

The TDBF is custodian trustee for the following investment assets held on behalf of Parochial Church Councils in accordance with the Parochial Church Councils (Powers) Measure 1956.

	2025 £	2024 £
At valuation:		
Freehold land and buildings	205,200	205,200
Other investments	5,420,150	5,507,614
	<u>5,625,350</u>	<u>5,712,814</u>
At cost:		
Freehold land and buildings	6,200	6,200
Other investments	2,731,282	2,582,903
	<u>2,737,482</u>	<u>2,587,103</u>

The TDBF also acts as custodian trustee in relation to other, non-investment PCC property. These assets are held separately to those of the TDBF.

The TDBF also administers Devolved Formula Capital (DFC) grants (DFC grants provide the diocese's church schools with direct funding to invest in their buildings, grounds and ICT equipment). Consequently, for those individual schools which have appointed the TDBF as their agent, the TDBF receives their DFC grants direct from the Department for Education and defrays qualifying expenditure according to their instructions. At 31 December 2025, the TDBF held £227,832 (2024: £256,966) in designated bank accounts separate from those of the TDBF.

# The Truro Diocesan Board Of Finance Limited (Limited By Guarantee)

## Notes to the financial statements

### 31. Prior year comparative SoFA

	Unrestricted funds £	Restricted funds £	Endowments £	2024 £
<b>Income and endowments from:</b>				
Donations:				
Parish contributions	2,934,729	-	-	2,934,729
Archbishops' Council	997,536	614,098	-	1,611,634
Other	106,433	97,564	-	203,997
Charitable activities – statutory fees etc	213,067	-	-	213,067
Other activities	-	244,867	-	244,867
Investments	753,258	52,450	1,039,216	1,844,924
Other	-	-	46,093	46,093
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>5,005,023</b>	<b>1,008,979</b>	<b>1,085,309</b>	<b>7,099,311</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Expenditure on:</b>				
Raising funds	159,253	-	235,078	394,331
Charitable activities	10,061,628	957,753	-	11,019,381
Other resources expended	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>10,220,881</b>	<b>957,753</b>	<b>235,078</b>	<b>11,413,712</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Net incoming resources before realised gains</b>	<b>(5,215,858)</b>	<b>51,226</b>	<b>850,231</b>	<b>(4,314,401)</b>
Net gains on investment assets	35,483	526,850	1,443,164	2,005,497
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net incoming resources before transfers</b>	<b>(5,180,375)</b>	<b>578,076</b>	<b>2,293,395</b>	<b>(2,308,904)</b>
Transfer between funds	5,914,963	(4,313,403)	(1,601,560)	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net income for the year</b>	<b>734,588</b>	<b>(3,735,327)</b>	<b>691,835</b>	<b>(2,308,904)</b>
Unrealised gains on revaluation	503,420	-	1,932,352	2,435,772
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>	<b>1,238,008</b>	<b>(3,735,327)</b>	<b>2,624,187</b>	<b>126,868</b>
Fund balances at 1 January 2024	18,007,552	12,734,188	89,181,285	119,923,025
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances at 31 December 2024</b>	<b>19,245,560</b>	<b>8,998,861</b>	<b>91,805,472</b>	<b>120,049,893</b>
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