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THE CHURCH OF ENGLAND DIOCESE OF NEWCASTLE Seeking. Sharing. Sending.

The Newcastle Diocesan Board of Finance Limited

(A company limited by guarantee)

Annual Report & Financial Statements

Year ended 31 December 2025

Company number	00650977
Registered charity number	247233

A large print version is available on request from

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THE NEWCASTLE DIOCESAN BOARD OF FINANCE LIMITED

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

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Mission Statement

*With our outward-facing values of **seeking**, **sharing**, and **sending** we are further seeking to grow younger and more diverse. God calls us all to follow Christ, and in baptism the whole Church is summoned to witness to God's love and to work for the coming of his kingdom. This is the shared vocation of all God's people: we are all called to mission and ministry as part of what it means to follow Jesus together as his disciples.*

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THE NEWCASTLE DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2025. The Directors/Trustees are one and the same and in signing as Trustees they are also signing the strategic report sections in their capacity as Directors.

This combined report satisfies the legal requirements for:

- a Directors Report of a charitable company,
- a Strategic Report under the Companies Act 2006; and
- a Trustees Annual Report under the Charities Act 2011.

LEGAL OBJECTS

The objects of the Diocese of Newcastle cover the local authorities of Northumberland, Newcastle, and North Tyneside and also small parts of County Durham and Cumbria.

The Newcastle Diocesan Board of Finance Limited ("NDBF")'s principal object is to promote, assist and advance the work of the Church of England in the Diocese of Newcastle by acting as the financial executive of the Newcastle Diocesan Synod.

The NDBF has the following statutory responsibilities:

i. the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Glebe Measure 1976; and
ii. the repair of benefice houses as the Diocesan Parsonage Board under the Repair of Benefice Buildings Measure 1972.

The main role of the NDBF is to identify and manage the financial aspects of the provision of ministry within the Diocese so as to provide appropriate personnel and financial resources to assist the Diocesan Synod, the Bishop's Council, deaneries and parishes to further the mission and strategic priorities throughout the Diocese of Newcastle.

The strategic priorities of the company are established by the Diocesan Synod in consultation with Deanery Synods, Parochial Church Councils, and the Bishop of Newcastle (in respect of the Bishop's responsibility for the provision of the cure of souls).

STRATEGIC AIMS AND OBJECTIVES

The Diocese of Newcastle aims to be a church which is Jesus Christ centred and outward facing in mission. The witness and mission of the diocese is focused on three priorities of Seeking, Sharing, Sending. In living out these three values the Diocese of Newcastle is seeking to become a church of missionary disciples which fosters a mixed ecology of church with a vision of becoming confident Christians turning outwards in mission, enabling more and different people to experience the love of God.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

Leadership

The Diocese is led by the Bishop of Newcastle: Rt Revd Dr Helen-Ann Hartley who is an ex-officio trustee of the NDBF, supported by the Dean at Newcastle Cathedral: Very Revd Lee Batson and the Bishop of Berwick: Rt Revd Mark Wroe.

The appointment of Chris Elder as the interim Diocesan Secretary was made substantive. Other key changes include the appointment of a Programme Manager for Net Zero, Marion Schooler.

The Christian Presence

Our licensed ministers form a central part in the life of churches in the Newcastle Diocese and carry out important roles in communities. As well as engaging in a wide variety of community and church projects, we carry out around 283 weddings, 1,192 funerals and 1,050 baptisms throughout the year.

In 2025 the Lighthouse project, in the heart of Byker, opened to enable around 1,500 young people and their families to access a wide variety of community activities and services. This is funded through an award of £300k from Lord Crewe's Trustees, £4.2m from the Department for Culture, Media and Sport's Youth Investment Fund and a grant from the Squires Foundation.

While the NDBF is responsible for the funding of clergy stipend costs, the national clergy payroll is administered by the Church Commissioners whom the NDBF reimburses monthly for the costs of stipendiary clergy deployed in the Diocese. Caring for the licensed clergy and lay workers in the Diocese is a priority of the NDBF and represents by far its largest financial commitment. Although the NDBF does not employ the parish clergy, it is responsible for ministerial formation, continued ministerial development and, where applicable, resourcing the stipend and paying into the pension fund.

In 2025 there was an average of 71 full-time equivalent (FTE) paid clergy, holding incumbent, priest-in-charge, team vicar or associate clergy roles in post (2024: 71 FTE). On average, throughout the year, there were 10 FTE incumbent status posts vacant (in interregnum).

In addition to the above establishment there were an average of 16FTE paid curates in training posts (2024: 16FTE), 2FTE Archdeacons; 1.2FTE paid chaplains, 1FTE pioneer minister serving at Seaton Hirst; 1FTE Missioner serving at Denton and 2FTE serving in Ashington as part of the Beyond Youth initiative.

45 licensed Readers, 2 house for duty clergy, 17 self-supporting clergy and 110 Authorised Lay Ministers also served in parishes across the Diocese in 2025.

The NDBF extends its gratitude to all those who have helped to provide worship during interregnums in 2025, particularly to Area Deans and Churchwardens who work closely to ensure scheduled services and other activities within the community continue uninterrupted.

For many, the clergy house represents the domestic heart of the parish, serving not only as a home but also as a base for ministry. The NDBF recognises the importance of a safe, secure and well-maintained house. Through the Houses & Glebe Committee the NDBF strives to continue with this work as well as carrying out programmed refurbishments and improvements, as available money allows.

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Our housing policy continues to:

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

Church Buildings – 2025

The Diocesan Advisory Committee ('DAC') held 8 meetings in 2025 and considered a wide range or work. It reviewed 72 faculty applications and offered informal advice on 23 cases. Outside of the Committee, there is work that can be authorised by the Archdeacon but which still requires a review by a DAC member. There were 136 of these applications. The combined applications in 2025 totalled 208, an increase from 163 cases in 2024. The Committee also considered the appointment of 16 architects to new parishes for Quinquennial Inspections and members carried out 12 site visits to churches. These are useful opportunities to discuss forthcoming work and longer term projects. In terms of membership we welcomed the renewed Synod appointments of Revd Simon White and Mr Aidan Evans as well as the new appointment of Revd Chris Minchin. We also said goodbye to Mr Peter Derham who had served on the Committee for many years but had moved away from the area. We are very grateful to our volunteer DAC members as the work of the Committee could not function without their continuing effort and support.

The Church Building Support Officer ('CBSO') administered the Minor Repairs and Improvements Grant Fund awarding 29 grants to parishes towards repairs to rainwater goods, roofs, and masonry, as well as building improvements around accessibility and facilities to enable mission. Two of the repair grants will help facilitate the removal of two churches from the Heritage At Risk Register. The CBSO also assisted several church buildings projects, helping PCCs to access external funding and develop their vision, as well as working with partners such the Lottery and Historic England to advocate for church buildings in the Diocese.

Routemap to Net Zero

Two part-time members of staff were recruited, a *programme manager* and a *renewable heating and energy adviser*. Twenty churches were supported throughout the year with reducing emissions and becoming more sustainable, with a further three high-emitting churches receiving free energy audits. The newly appointed energy adviser has visited eleven churches in response to queries on potential renewable heating options.

Two churches secured Boiler Hardship grants towards replacing fossil fuel boilers with renewable systems, and Hexham Abbey were awarded a Demonstrator grant to engage experts to identify how to progress towards net zero. A partnership has been created with Community Action Northumberland, focusing on churches looking to install solar panels, which led to a grant application being submitted to the GB Community Energy Fund to carry out ten church roof surveys.

The CBSO continues to run the Quick Wins grants which are awarded directly to parishes for lowering emissions, and a bid to extend this from 2026-28 was successful.

A Safer Church Open to All

In April 2025 the Diocese welcomed a new safeguarding team; a group of four professionals with extensive safeguarding experience within the NHS, Social Care and Education. The creation of this team was key to the Diocese meeting their commitment towards a *Safer Church.*

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The INEQE audit team had been clear about the direction and pace of progress needed to keep people safe in the Diocese whilst being able to recognise and respond to the ever-evolving safeguarding landscape. They made thirty-eight recommendations to the diocese across a broad range of safeguarding agenda's including training and governance, thirty-seven were accepted by the Director of Safeguarding. To date, thirty of those actions are now complete, leaving seven outstanding, with three current workstreams that will result in completion of all recommendations by the end of April 2026, exactly one year after the team came to existence.

The team has a dedicated training and learning advisor, this is essential to facilitate the "recognition" element within our shared duty to "recognise and respond" to safeguarding issues. We continue to offer a hybrid model of training but with a greater emphasis on face-to-face training, sessions are tailored to capture the geographical context of the area in which they are delivered. We are piloting a new one-day leadership course following feedback from people in our Diocese and are one of only three dioceses nationally to be involved with the creation and piloting the new leadership course. We can report an 81% increase in the issue of safeguarding training certificates since the creation of the team, making 91% clergy fully compliant with all safeguarding training, with work ongoing to move that to 100% by end Q4 2026.

Safeguarding casework continues to rise in number as the team become more visible in parishes. We choose to log all activity that comes into the safeguarding team to ensure that enquiries are triaged appropriately and addressed promptly, either within the Diocese or with referrals to our statutory agency partners. To date we have received over one thousand contacts recorded in ten months. We have on average 55 open active safeguarding cases at any one time and all cases are reviewed monthly by the Director of Safeguarding and caseworker. We are somewhat of a victim of our success as our current team capacity is rapidly becoming inadequate to meet the demands on the service and we have secured funding to expand our team to maintain safety and meet demand.

Community Engagement

Our churches are embedded in their communities and, as a result, have developed trusting relationships and networks, enabling churches to play an important part in responding to the challenges faced by neighbourhoods and communities today.

In 2025, the Lord Crewe's Trustees generously provided funding to the NDBF to continue a partnership with Transforming Communities Together: Tyne to Tweed ("TCTTT"). This partnership supports the development of connections and relationships with congregations with TCTTT acting as a resource to churches, individuals and groups that are wanting to get involved in some form of community activity as part of their mission and commitment to community engagement and social action.

Other related parties

The major related parties with whom the NDBF works include:

- **The Archbishops' Council** to which the NDBF pays a donation based on an apportionment system agreed by the Church of England's General Synod for funding national training of ordinands and the activities of the various national boards and councils, as well as the costs of the General Synod. In 2025, the NDBF paid £367k to the Archbishops' Council to help to fund these costs.
- **The Church Commissioners**, from which the NDBF receives grants and which acts on behalf of clergy with HM Revenue and Customs. The NDBF reimburses the Commissioners for the stipends of those clergy office holders in stipendiary appointments in the Diocese of Newcastle.

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- **The Church of England Pensions Board**, to which the NDBF pays retirement benefit contributions for stipendiary clergy and employees. The Pensions Board also offers schemes to provide housing for clergy in retirement**.**

Volunteers

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

Within this context, the NDBF values the considerable time given by all members of Parochial Church Councils, the deanery synods, boards, committees, and the Newcastle Diocesan Synod in pursuit of the mission of the Church of England in the Diocese of Newcastle.

FUTURE PLANS

All 12 deaneries continued to engage in the work of the Deanery Planning process. This process empowers each deanery to develop their vision and mission plans, consistent with the overall values and priorities discerned by the diocese, for the deployment of our clergy and lay ministry appropriate to the local context of each deanery. The work continues, supported by the Archdeacons and the local Deanery Development Groups, to meet the competing demands of mission and ministry in each locale against a challenging financial context.

Public Benefit

The diocesan vision of **seeking, sharing and sending** is instrumental in promoting the whole mission of the church (pastoral, evangelistic, social and ecumenical). The Trustees are confident (having had regard to Charity Commission guidance) that NDBF delivers public benefit through community engagement and supporting those in need both spiritually and physically.

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FINANCIAL REVIEW

Financial performance

Parish Share, the financial contribution given by parishes to the Diocese to fund mission and ministry, was the main incoming resource for the Diocese. Excluding the arrears received from earlier years, share increased in cash terms by £61k compared to 2024. The total share received in 2025 (before prior year arrears) when expressed as a percentage of the overall share offered was 99% (2024: 98%).

The Trustees extend their gratitude to all the parishes who completed their parish share contributions during 2025. The Trustees are thankful to parishes that were able to make their parish share contributions by monthly instalments which helped the NDBF to resource the monthly financial responsibilities associated with the payment of clergy stipends and the salaries of those employed by the NDBF.

The balance on the General Unrestricted Fund increased by £1,616k in 2025 to £2,446k. There was an overall unrestricted deficit of £42k and there was a net loss in our investment in equities, held with CCLA Investment Management Ltd (CCLA) and RBC Brewin Dolphin, of £148k. Overall, before fund transfers and after investment gains, we saw a net deficit of £541k.

The Trustees have prepared a budget for 2026 which includes a deficit of £501k and parish share of £4.03m.

Overall the NDBF's funds have decreased in 2025 by £541k. This breaks downs as an operating surplus on unrestricted funds of £853k after transfers (£122k deficit before transfers), and net outgoing resources on restricted and endowment funds of £1,394k (after transfers).

Significant property transactions

During 2025 two properties, 4 Woodthorne Road, Newcastle Upon Tyne and 24 Lindsey Close, Cramlington, were sold as they were surplus to ministry requirements. Proceeds of 4 Woodthorne Close were credited to the DBF general fund and proceeds from 24 Lindsey Close were credited to the Diocesan Pastoral Account. During the year there were also two property purchases, 27 Carnoustie Close, Ashington and 11 The Chase, Hexham, both using diocesan funds. Detail on these property transactions is as follows:

- Sales receipts £611k
- Book value £115k
- Accounting surplus £496k
- Purchases £753k

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Balance sheet position

The Trustees consider that the balance sheet together with details in note 21 show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £26.107m (2024: £26.637m) it must be remembered that included in this total are properties, mostly in use for the ministry, whose value amounted to £18.521m (2024: £17.897m). Much of the remainder of the assets shown in the balance sheet are held in restricted funds, and cannot necessarily be used for the general purposes of the NDBF.

Reserves policy

Free reserves

Having considered financial risk, liquidity requirement and the timing of cash flows throughout the year, the Trustees' policy is to aim to maintain c.£2m in investments for future income generation (2025 actual £2.3m) with an additional 3 months expenditure (c. £2m) held in readily realisable assets (2025 actual £2m). The Trustees are satisfied with reserves at the current level in line with the aims of the policy.

Reserves tied up in fixed assets

The general fund comprises net assets amounting to £2,457k of which £10k is tied up in tangible fixed assets.

Designated funds

The Trustees may, with the approval of the board, designate unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed from time to time 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 reserve together with the intended use of the reserve is set out in note 22. At 31 December 2025 total designated reserves were £5.94m (2024: £6.7m).

Restricted and endowment funds

As set out in note 21, NDBF holds and administers a number of restricted and endowment funds. As at 31 December 2025 restricted funds totalled £859k (2024: £1.48m) and endowment funds totalled £16.9m (2024: £17.6m). Neither are available for the general purposes of the NDBF.

Going concern

The Trustees have considered the 2026 operating environment and availability of reserves and cash and the impact upon the going concern basis of preparation of these financial statements. At the time of writing the 2026 cashflow forecast, based on the approved budget and reporting from parishes on what they feel able to contribute in parish share during 2026, projects a fall in cash of £501k during 2026. The Trustees are keeping the operating environment under constant review and consequent impacts on general reserves. If the operating environment becomes more challenging than expected, it is possible that the Board would need to consider reducing operations in order to limit expenditure, consider utilising certain restricted reserves beyond the budgeted amount, or realising assets. The Trustees are comfortable that these measures, along with the current levels of cash and short-term deposits, are sufficient to allow the Diocese to continue to operate as a going concern for the foreseeable future.

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Grant making policy

The Memorandum of Association of the NDBF explicitly permits the NDBF to make grants in pursuance of its objects, and the nature of grants made in 2025 is indicated in note 11. Certain grants are built into the Diocesan Budget which is approved by the Diocesan Synod, whilst others are overseen by the Bishop's Council, the Diocesan Finance Group and the Diocesan Mission and Pastoral Committee.

Investment policy

The Memorandum and Articles of Association of the charity permit wide powers of investment. NDBF's investment policies are based on two key criteria:

- Ethical investment: this includes ensuring that investments are held in companies which have high standards of corporate governance and act in a responsible way towards stakeholders.
- Long-term responsibilities: the Trustees are aware of their long-term responsibilities in respect of endowed funds and as a result follow a correspondingly prudent approach to investment decisions.

These policies are achieved by holding the NDBF funds with CCLA and Brewin Dolphin. The Newcastle Diocesan Society holds one portfolio with RBC Brewin Dolphin for the NDBF. This was received as part of a legacy from the late Bishop Alec Graham. All funds held for the NDBF by the Diocesan Society conform to the guidance given by the Church's Ethical Investment Advisory Group.

Investment policy for long-term funds is aimed primarily at generating a sustainable income with due regard to the need for the preservation of capital value and the possible need to realise investments to meet operational needs.

Glebe investments are held for the purpose of raising income to achieve the maximum contribution possible to clergy stipends on an on-going basis. Unrestricted and restricted fund investments are invested to balance income, liquidity and the maintenance of capital.

As part of the Diocesan Synod's ongoing pledge to tackle the climate emergency and become net-zero carbon by 2030, the NDBF has confirmed its commitment not to invest in companies involved in the extraction of fossil fuels, and pledged not to invest in fossil fuel companies in future. The NDBF supports *Operation Noah* : a Christian charity that works with the Church to inspire action on the climate crisis and is calling on all UK churches to divest from fossil fuels and invest in clean alternatives.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the identification, mitigation and 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 an annual basis with the responsibility for delivery of the mitigation strategies identified by it being delegated to the Diocesan Secretary. In 2025 the Finance Group, a sub-committee of the Bishop's Council, reviewed the Risk Register.

The receipt of voluntary financial contributions from parishes through Parish Share remains the major risk to the Board's overall performance. The Trustees have put in place a framework of support, including regular communication, active management through the Finance Group and budget consultation to mitigate this risk.

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STRUCTURE AND GOVERNANCE

Summary Information about the structure of the Church of England

The Church of England is the established church and HM The King is the Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 Dioceses. Each Diocese is under the care of a Diocesan Bishop who is charged with the cure of souls of all the people within that geographical area. This charge is shared with priests within benefices and parishes which are sub-divisions of the Diocese.

The National Church has a General Synod comprised of ex-officio members and elected representations from each Diocese. In 2021 six representatives from the Diocese of Newcastle (three lay and three clergy) were elected to serve on the General Synod for the current quinquennium. The General Synod agrees, and lays before Parliament, Measures for the governance of the church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pensions Board administers the pension schemes for clergy and lay workers. Within each Diocese, overall leadership lies with the Diocesan Bishop, who exercises that input as Bishop within the Diocesan Synod.

The Diocese of Newcastle is divided into twelve deaneries, each with its own Deanery Synod and within each parish there is a Parochial Church Council which shares with the parish priest responsibility for the mission of the church in that place, in a similar way to that in which the Bishop shares responsibilities with the Diocesan Synod.

Whilst each Diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each Diocese to seek support from and application for partnership with neighbouring Dioceses.

Organisational structure

NDBF is a company incorporated in England, limited by guarantee (No. 00650977) and a registered charity (No. 247233) governed by its Memorandum and Articles of Association. The company's principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Newcastle. It was established in its present form in 1882.

Governance and policy of the NDBF is the responsibility of the Trustees, who are also members of the company and Trustees for the purposes of charity law. There are nine ex-officio Trustees and six lay members and three clergy members elected from and by the members of Diocesan Synod every three years. The most recent elections were held in October 2024. The next elections to the NDBF and Bishop's Council are scheduled to be held in Autumn 2027. The details of Trustees who served during 2025 are set out on page 16.

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the Bishop's Staff Team. The Synod's membership is elected every three years, the last elections having been in July 2024. The next elections to the Diocesan Synod are scheduled to take place in June 2027. Whilst the NDBF is a separate legal entity, with clear responsibilities under both company and charity law, as well as a governing memorandum and articles of association, by virtue of the National Institutions Measure 2000 the NDBF is subject to the direction of the Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

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Decision making structure

Corporate priorities and the overall financial strategy for the Diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Newcastle are set by the Diocesan Synod, and the NDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary. The members of the company meet once a year in general meeting to receive and approve the annual report and financial statements and to appoint the auditors. The Diocesan Synod each year receives and agrees the annual budget, prepared and approved by the NDBF. The Trustees, meeting within the context of the Bishop's Council & Standing Committee, hold up to seven meetings during the year to formulate and coordinate policies on mission, ministry and finance by:

- Initiating proposals for action by the Synod and advising it on matters of policy;
- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with Synod Standing Orders;
- Acting as the Trustees of the NDBF;
- Planning the business of the Synod, preparing the agenda for its session, and circulating to members information about matters for discussion;
- Advising the Bishop on any matters she may refer to the committee;
- Initiating consideration of any restructuring of Synod Committees and Departments which may appear necessary and for the establishment of ad hoc review groups, their terms of reference and membership;
- Carrying out such other functions as the Synod delegates to it;
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod.

The Trustees are assisted in their work by four sub-committees:

Finance Group: responsible for considering the financial affairs of the Diocese. Amongst other things, it draws up draft budgets for approval by the Trustees prior to submission to Diocesan Synod and monitors expenditure and income. The group comprises 8 members of whom 5 are Trustees.

Houses & Glebe Committee: responsible for advising on policy concerning the management of parsonage houses in each benefice of the Diocese of Newcastle, including setting the policy for buying, repairing, maintaining and disposing of all parsonage houses, team vicarages and houses owned by NDBF, together with responsibility for determining policy and making decisions concerning the management of glebe property and investments for the benefit of the Diocesan Stipends Fund of NDBF. The committee comprises 7 members of whom 2 are Trustees.

Diocesan Mission & Pastoral Committee: responsible for advising on pastoral reorganisation in the Diocese of Newcastle, taking account of available clergy numbers and making use of new patterns of ministry. The Committee also advises on the finding of appropriate alternative uses for churches closed to regular public worship. The committee comprises 10 members of whom 4 are Trustees.

Diocesan Advisory Committee: advises on matters affecting churches and places of worship in the Diocese such as granting of faculties, architecture, archaeology, art and history of places of worship, the use and care of places of worship and their contents and the care of churchyards. The committee comprises 17 members of whom 3 are Trustees.

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Trustee recruitment, selection and induction

The Trustees are the members of the Bishop's Council. There are ex-officio members, elected members, with elections taking place every three years, and there is provision for co-opted members. Trustees are given induction at the outset of the triennium and at other times as appropriate. They are informed about the role and function of the Bishop's Council before seeking membership. All Trustees are required to sign the code of practice and maintain their entry in the declarations of interest and loyalty.

Remuneration of key management personnel

Emoluments of higher-paid employees are determined by the Bishop of Newcastle, the Chair of the Board of Finance and the Human Resources Manager with reference to appraisals and remuneration and salary benchmarking.

Delegation of day to day delivery

The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities rely upon the Diocesan Secretary and his colleagues for the delivery of the day to day activities of the company. The Diocesan Secretary is given specific and general delegated authority to deliver the business of the NDBF in accordance with the policies framed by the Trustees.

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TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the NDBF and of the surplus or deficit of the NDBF for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation.

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the NDBF and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the NDBF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the NDBF's website. Legislation in England/Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITORS

So far as the Trustees are aware:

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

APPOINTMENT OF AUDITORS

The auditor is deemed to be reappointed under section 487 (2) of the Companies Act 2006 until otherwise resolved at a general meeting of the company.

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THE NEWCASTLE DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

ADMINISTRATIVE DETAILS

Ex officio Trustees

The Bishop of Newcastle, the Right Reverend Dr H-A Hartley
The Suffragan Bishop of Berwick, the Right Reverend M Wroe
The Dean of Newcastle, the Very Reverend L Batson
The Archdeacon of Lindisfarne, the Venerable Dr C A Sourbut Groves
The Archdeacon of Northumberland, the Venerable R A Wood
The Chair of the Diocesan Board of Finance, Canon S R Harper
The Chair of the House of Clergy, the Reverend Robert Lawrance (appointed 01/01/2025)
The Chair of the House of Laity, Canon I McDonald-Booth (re-elected 01/01/2025)
The Chair of the Diocesan Mission and Pastoral Committee, The Reverend L Taylor-Kenyon

Elected Trustees

Dr JC Appleby (re-elected 01/01/2025)
Mrs E Doran (resigned 12/02/2026)
Mr J Jee (appointed 01/01/2025)
C Griffiths (appointed 01/01/2025)
The Reverend B Doolan (appointed 01/01/2025)
Mr D Llewellyn (appointed 01/01/2025)
Mrs G Mckenzie (appointed 01/01/2025)
The Reverend D Glover (appointed 01/01/2025)
The Reverend C Maxim (appointed 01/01/2025)

Secretary

C Elder

Auditors:	UNW LLP, Chartered Accountants & Statutory Auditors, Citygate, St. James' Boulevard, Newcastle upon Tyne, NE1 4JE
Bankers:	Barclays Bank plc, Barclays House, 5 Queen Ann's Street, Newcastle upon Tyne, NE1 3DX
Solicitors:	Sintons LLP, The Cube, Barrack Road, Newcastle upon Tyne, NE4 6DB
Investment Manager:	CCLA Investment Management Ltd, Senator House, 85 Queen Victoria Street, London EC4V 4ET Brewin Dolphin, 12 Smithfield Street, London, EC1A 9LA
Glebe Agent:	Galbraith, Blagdon Estate Office Seaton Burn, Newcastle upon Tyne, NE13 6DE
Insurers:	Ecclesiastical, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ
Registered Office:	Church House, St John's Terrace, North Shields, NE29 6HS Telephone: 0191 270 4100 Website: www.newcastle.anglican.org E-mail: info@newcastle.anglican.org

Company registration number:	00650977
Registered charity number:	247233

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THE NEWCASTLE DIOCESAN BOARD OF FINANCE LIMITED

TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

In approving this Trustees' Report, the Trustees are also approving the Strategic Report within their capacity as company Directors.

BY ORDER OF THE TRUSTEES

Signed by:
Simon Harper
A6701F6DD016466...

Canon S Harper

Chair

30 April 2026

Signed by:
Chris Elder
84E760D91A0C471...

C Elder

Secretary

30 April 2026

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Independent Auditor's Report to the members of The Newcastle Diocesan Board of Finance Limited

Opinion

We have audited the financial statements of The Newcastle Diocesan Board of Finance Limited ('the charitable company') for the year ended 31 December 2025, which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, Statement of Cash Flows 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, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity'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.

Respective responsibilities of Trustees and auditor

The other information comprises the information included in the Trustees annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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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' report for which the financial statements are prepared is consistent with the financial statements, and
- the Directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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's 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.

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

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Extent to which the audit was considered capable of detecting irregularities, including fraud

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. However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

We obtain and update our understanding of the charitable company, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the charitable company is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance with laws and regulations related to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pension legislation and UK tax legislation. In addition, the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We considered the extent to which non-compliance with laws and regulations might have a material effect on the financial statements and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We also evaluated managements' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to manipulate financial results, management bias in accounting estimates, as well as improper revenue recognition which includes fraudulent posting of journal entries to revenue.

Audit procedures performed by the engagement team included:

- Inquiry of management and those charged with governance regarding actual and potential litigation or claims as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing meeting minutes to identify reported frauds and any potential non-compliance with laws and regulations;
- Identifying journal entries based on risk criteria and testing the identified entries to supporting documentation, in particular journal entries with unusual account combinations; and
- Challenging assumptions and judgments made by management in their significant accounting estimates and evaluating whether there was any evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

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INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Anne Hallowell
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Anne Hallowell BSC DChA FCA (Senior Statutory Auditor)
For and on behalf of UNW LLP, Statutory Auditor
Newcastle upon Tyne

30 April 2026

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THE NEWCASTLE DIOCESAN BOARD OF FINANCE LIMITED

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2025 £	Total Funds 2024 £
Income from						
Donations						
Parish contributions	2	3,841,553	-	-	**3,841,553**	3,790,033
Archbishops' Council	2	1,176,552	44,138	-	**1,220,690**	1,170,562
Other donations	2	726,057	594,878	-	**1,320,935**	1,259,407
Charitable activities	3	264,868	680	-	**265,548**	294,453
Other activities	4	632,953	-	-	**632,953**	525,055
Investments	5	176,428	23,124	72,848	**272,400**	347,478
Other	6	315,250	180,800	-	**496,050**	294,000
Total income		**7,133,661**	**843,620**	**72,848**	**8,050,129**	7,680,988
Expenditure on						
Raising funds	7	(72,141)	-	-	**(72,141)**	(81,209)
Charitable activities	8	(7,092,549)	(870,586)	(396,144)	**(8,359,279)**	(7,983,355)
Total expenditure		**(7,164,690)**	**(870,586)**	**(396,144)**	**(8,431,420)**	(8,064,564)
Net incoming/(outgoing) resources before investment gains		**(31,029)**	**(26,966)**	**(323,296)**	**(381,291)**	(383,576)
Net gains on investments	15	(79,874)	-	(68,529)	**(148,403)**	90,303
Net income/(expenditure)		**(110,903)**	**(26,966)**	**(391,825)**	**(529,694)**	(293,273)
Transfers between funds	13	975,309	(600,000)	(375,309)	**-**	-
Net movement in funds		**864,406**	**(626,966)**	**(767,134)**	**(529,694)**	(293,273)
Reconciliation of funds						
Total funds brought forward		7,530,533	1,486,376	17,620,346	26,637,255	26,930,528
Total funds at 31 December 2025	20	**8,394,939**	**859,410**	**16,853,212**	**26,107,561**	26,637,255

All incoming resources and resources expended relate to continuing activities.

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THE NEWCASTLE DIOCESAN BOARD OF FINANCE LIMITED

INCOME AND EXPENDITURE ACCOUNT
FOR YEAR ENDED 31 DECEMBER 2025

	Total 2025 £	Total 2024 £
Total incoming resources	7,977,281	7,620,889
Resources expended	(8,035,276)	(8,048,436)
Operating surplus for the year	(57,995)	(427,547)
Net (losses)/gains on investments	(79,874)	51,946
Net deficit for the year	(137,869)	(375,601)
Total comprehensive expenditure	(137,869)	(375,601)

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.

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BALANCE SHEET AS AT 31 DECEMBER 2025

	Note	£	£
Fixed assets			
Tangible assets	14	**18,521,091**	17,917,291
Investments	15	**5,593,796**	5,742,199
		24,114,887	23,659,490
Current assets			
Debtors	16	**278,795**	268,514
Investments	17	**1,719,705**	2,560,695
Cash at bank		**306,765**	471,154
		2,305,265	3,300,363
Creditors: amounts falling due within one year	18	**(309,083)**	(317,554)
Net current assets		**1,996,182**	2,982,809
Total assets less current liabilities		**26,111,069**	26,642,299
Creditors: amounts falling due after more than one year	19	**(3,508)**	(5,044)
Net assets		**26,107,561**	26,637,255
The funds of the charity:			
Endowment funds	21	**16,853,212**	17,620,346
Restricted income funds	21	**859,410**	1,486,376
Unrestricted income funds:			
General funds	21	**2,457,302**	830,273
Designated funds	21	**5,937,637**	6,700,260
Total funds		**26,107,561**	**26,637,255**

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 30 April 2026 and signed on their behalf by:

Signed by:
Simon Harper
A6701F6DD016466

Canon SR Harper
Chair
Company registered number: 00650977

The notes on pages 25 to 50 form part of these financial statements.

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THE NEWCASTLE DIOCESAN BOARD OF FINANCE LIMITED

STATEMENT OF CASH FLOWS
FOR YEAR ENDED 31 DECEMBER 2025

	2025	2024
Cash flows from operating activities		£
Net cash used in operating activities	(1,498,332)	(1,065,258)
Cash flows from investing activities		
Dividends, interests and rents from investments	632,953	525,055
Proceeds from the sale of tangible fixed assets	611,000	-
Proceeds from sale of investments	2,994,619	-
Purchase of tangible fixed assets	(752,500)	(971,890)
Purchase of investments	(2,994,619)	-
Repayment of loans	1,500	-
Net cash used in investing activities	492,953	(446,835)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(1,005,379)	(1,512,093)
Cash and cash equivalents at the beginning of the year	3,031,849	4,543,942
Cash and cash equivalents at the end of the year	2,026,470	3,031,849

Reconciliation of net movement in funds to net cash flow from operating activities

	2025	2024
	£	£
Net income/(expenditure) for the year (as per Statement of Financial Activities)	(529,694)	(293,273)
Adjustments for:		
Depreciation charges	33,710	31,651
(Gain)/loss on investments	148,403	(90,303)
Dividends, interests and rents from investments	(632,953)	(525,055)
Increase in debtors	(11,781)	(80,098)
Decrease in creditors	(10,007)	(108,180)
Profit on sale of fixed assets	(496,010)	-
Net cash used in operating activities	(1,498,332)	(1,065,258)

Analysis of cash and cash equivalents

	2025
	£
Cash in hand	306,765
Deposits (less than 3 months)	1,719,705
	2,026,470

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NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2025

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties and fixed asset investments. The majority of freehold properties are shown at their 1995 valuation, based on a desk-top study carried out by a Chartered Surveyor working for Black Horse Agencies. Property additions since 1995 are shown at cost or at a lower fair value where the Trustees consider that this is appropriate. Fixed asset investments are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015), the Companies Act 2006 and applicable accounting standards (FRS 102).

NDBF meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling which is the functional currency of the charity and are rounded to the nearest £1.

The principal accounting policies and estimation techniques are as follows.

a) Income

All income is included in the Statement of Financial Activities (SOFA) when the NDBF 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.

i. **Parish Share** is recognised as income of the year in respect of which it is receivable.

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

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

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

v. **Parochial fees** are recognised as income of the year to which they relate.

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

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

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

b) Expenditure

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

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

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

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

iv. **Support costs** consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.

v. **Pension contributions**. The NDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pensions Scheme (see note 23). The pension costs charged as resources expended represent the NDBF's contributions payable in respect of the accounting period, in accordance with FRS 102. Deficit funding for the pension schemes to which NDBF participates is accrued at current value within creditors.

c) Going concern

The Trustees have considered the 2026 operating environment and availability of reserves and cash and the impact upon the going concern basis of preparation of these financial statements. At the time of writing the 2025 cashflow forecast, based on the approved budget and reporting from parishes on what they feel able to contribute in parish share during 2026, projects a fall in cash of £501k during 2026. The Trustees are keeping the operating environment under constant review and consequent impacts on general reserves. If the operating environment becomes more challenging than expected, it is possible that the Board would need to consider reducing operations in order to limit expenditure, consider utilising certain restricted reserves beyond the budgeted amount, or realising assets. The Trustees are comfortable that these measures, along with the current levels of cash and short-term deposits, are sufficient to allow the Diocese to continue to operate as a going concern for the foreseeable future.

d) Tangible fixed assets and depreciation

Freehold properties

Depreciation is not routinely provided on buildings except in those few cases where the Trustees feel that the net book value is higher than the fair value. In such cases annual depreciation is charged, on a straight-line basis, at an amount equivalent to 2% of the excess of net book value over fair value. For the vast majority of properties depreciation is not regarded as a material amount due to the very long expected remaining useful economic life in each case, and because the expected residual value is not materially less than the carrying value. The NDBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value. The Trustees perform annual impairment reviews in accordance with the requirements of FRS 102 to ensure that the carrying value is not more than the recoverable amount.

Investment properties

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

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Parsonage houses

The NDBF 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 NDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to capitalise as endowed assets at cost. Parsonage houses are not routinely revalued. Depreciation is not routinely provided on Parsonage houses except in those few cases where the Trustees feel that the net book value is higher than the fair value. In such cases annual depreciation is charged, on a straight-line basis, at an amount equivalent to 2% of the excess of net book value over fair value.

e) Other tangible fixed assets

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

Computers and printers	25% per annum	straight line basis
Equipment, fixtures and fittings	10-25% per annum	straight line basis

f) Fixed asset investments

Listed investments, which have been classified as fixed assets investments, are measured initially and subsequently at fair value. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

g) Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any trade discounts due.

h) Cash at bank and in hand

Cash at bank and in hand includes cash and highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

i) Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. When the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

j) Financial instruments

The company only enters into financial instruments transactions that result in the recognition of basic debt financial assets and liabilities like trade and other accounts receivable and payable, cash and bank balances and loans to or from related parties. All such instruments are due within one year, and are measured, initially and subsequently at the transaction price.

At the end of each reporting period debt financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the statement of financial activities.

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k) Fund balances

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

- **Unrestricted funds** are the NDBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the NDBF. There are two types of unrestricted funds:
  - **General funds** which the NDBF intends to use for the general purposes of the NDBF; and
  - **Designated funds** set aside out of unrestricted funds by the NDBF for a purpose specified by the Trustees.
- **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.
- **Endowment funds** are those held on trust to be retained for the benefit of the charitable company as a capital fund. In the case of the endowment funds administered by the NDBF (Stipends Fund Capital, Parsonage Houses Fund but not the St Aidan's Fund), there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

l) Estimates and judgments

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

In preparing these financial statements the Trustees do not consider there were any significant areas of judgment that were required in applying the company's policies as set out above.

Estimates within these financial statements include depreciation and asset valuations (for example agricultural land). None of the estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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2 DONATIONS

Parish Contributions

	Unrestricted Funds	Restricted Funds	Endowment Funds	**Total Funds 2025**	Total Funds 2024
	£	**£**	**£**	**£**	£
Parish share					
Current year's allocation	3,880,130	-	-	**3,880,130**	3,866,984
Shortfall	(39,977)	-	-	**(39,977)**	(87,674)
Parish contributions	3,840,153	-	-	**3,840,153**	3,779,310
Arrears for previous years	1,400	-	-	**1,400**	10,723
	3,841,553	**-**	**-**	**3,841,553**	3,790,033

Archbishops' Council

	Unrestricted Funds	Restricted Funds	Endowment Funds	**Total Funds 2025**	Total Funds 2024
	£	**£**	**£**	**£**	£
Lowest Income Communities funding	1,134,952	-	-	**1,134,953**	1,170,562
Giving advisor funding	41,600	-	-	**41,600**	-
Net zero quick wins	-	44,138	-	**44,137**	-
	1,176,552	**44,138**	**-**	**1,220,690**	1,170,562

In 2024, all income related to unrestricted funds.

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2 DONATIONS (continued)

Other donations

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2025	Total Funds 2024
	£	£	£	£	£
All Churches Trust grant	76,484	-	-	**76,484**	91,053
Lord Crewe's Charity grant	264,060	-	-	**264,060**	187,289
Grants received for Resource Church Project	-	506,915	-	**506,915**	463,867
Church Commissioners - restructure funding	-	-	-	**-**	(144,479)
Church Commissioners - Safeguarding Funding	-	-	-	**-**	101,862
Church Commissioners - strategic development funding	-	-	-	**-**	218,533
Newcastle Diocesan Society	11,100	-	-	**11,100**	13,892
Newcastle St Andrew	29,811	-	-	**29,811**	28,978
Durham Diocesan Board of Finance	29,751	-	-	**29,751**	50,986
Ely Diocesan Board of Finance	-	-	-	**-**	39,213
Archbishops' Council Housing Demonstrator Fund	-	-	-	**-**	71,470
Archbishops' Council – Church support	136,697	-	-	**136,697**	27,898
Archbishops Council - Net Zero Capacity Building	-	76,667	-	**76,667**	-
Oxford Diocese - Mutuality funding	110,000	-	-	**110,000**	-
Other	68,154	11,296	-	**79,450**	108,845
	726,057	**594,878**	**-**	**1,320,935**	1,259,407

The following funds were restricted in 2024, Grants received for Resource Church Project of £463,867, Church Commissioners - restructure funding of (£144,479), Church Commissioners - strategic development funding of £218,533, Archbishops' Council Housing Demonstrator Fund of £71,470 and £4,234 of the other donations were also restricted in prior year, totalling £613,625 with the balance of £645,782 being unrestricted.

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3 CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2025	Total Funds 2024
	£	£	£	£	£
Statutory fees (funerals, weddings)	212,402	680	-	**213,082**	242,515
Chaplaincy income	52,466	-	-	**52,466**	51,938
	264,868	**680**	**-**	**265,548**	294,453

In 2024, £585 of the Statutory fees income was restricted.

4 OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2025	Total Funds 2024
	£	£	£	£	£
Rental of houses	468,263	-	-	**468,263**	499,705
Contributions for use of Church House	74,669	-	-	**74,669**	25,350
Other contributions	90,021	-	-	**90,021**	-
	632,953	**-**	**-**	**632,953**	525,055

In 2024 all income related to unrestricted funds.

5 INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2025	Total Funds 2024
	£	£	£	£	£
Income from UK listed investments	69,979	944	72,848	**143,771**	113,969
Bank interest receivable	88,449	12,430	-	**100,879**	207,009
Rents from Glebe	18,000	9,750	-	**27,750**	26,500
	176,428	**23,124**	**72,848**	**272,400**	347,478

In 2024, £19,818 bank interest receivable and £6,500 rents from Glebe were restricted (total £26,318), £60,099 of listed investment income was endowed with the balance of £261,061 being unrestricted.

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6 OTHER INCOMING RESOURCES

	Unrestricted Funds	Restricted Funds	Endowment Funds	**Total Funds 2025**	Total Funds 2024
	£	**£**	**£**	**£**	£
Profit on sale of assets	315,250	180,800	-	**496,050**	-
Pension surplus on scheme closure (see note 23)	-	-	-	**-**	294,000
	315,250	**180,800**	**-**	**496,050**	294,000

In 2024, all income related to restricted funds.

7 FUNDRAISING COSTS

	Unrestricted Funds	Restricted Funds	Endowment Funds	**Total Funds 2025**	Total Funds 2024
	£	**£**	**£**	**£**	£
Glebe costs	507	-	-	**507**	**3,000**
Parsonage rental costs	71,634	-	-	**71,634**	**78,209**
	72,141	**-**	**-**	**72,141**	**81,209**

In 2024, all expenditure related to unrestricted funds.

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8 CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	**Total Funds 2025 £**	Total Funds 2024 £
Contributions to Archbishops' Council					
Training for ministry	170,685	-	-	**170,685**	171,387
National church responsibilities	101,939	-	-	**101,939**	93,796
Grants and provisions	17,964	-	-	**17,964**	17,627
Mission agency pension contributions	5,812	-	-	**5,812**	-
Retired clergy housing costs (CHARM)	74,272	-	-	**74,272**	71,290
Pooling of ordinand candidates' costs	(3,224)	-	-	**(3,224)**	13,895
	367,448	**-**	**-**	**367,448**	367,995
Resourcing Ministry and Mission					
Parish Ministry					
Stipends and national insurance	3,185,256	18,738	-	**3,203,994**	3,041,291
Pension contributions	596,068	526	-	**596,594**	633,473
Housing costs	448,769	98,998	384,960	**932,727**	960,705
Removal, resettlement and grants	94,061	-	-	**94,061**	98,116
Other expenses	76,437	38,068	-	**114,505**	92,774
	4,400,591	156,330	384,960	**4,941,881**	4,826,359
Support for parish ministry	2,324,510	714,256	11,184	**3,049,950**	2,789,001
	6,725,101	**870,586**	**396,144**	**7,991,831**	7,615,360
	7,092,549	**870,586**	**396,144**	**8,359,279**	7,983,355

In 2024, £582,443 of expenditure related to restricted, £16,128 to endowment and £7,384,784 to unrestricted funds.

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9 ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly £	Grant Funding of Activities £	Support Costs £	Total costs 2025 £	Total costs 2024 £
Raising funds	72,141	-	-	**72,141**	81,209
Charitable activities:					
Contributions to Archbishops' Council	-	367,448	-	**367,448**	367,995
Resourcing parish ministry	6,556,377	269,626	1,165,828	**7,991,831**	7,615,360
	6,628,518	**637,074**	**1,165,828**	**8,431,420**	8,064,564

10 ANALYSIS OF SUPPORT COSTS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total costs 2025 £	Total costs 2024 £
Central administration	677,299	300,068	11,184	**988,551**	976,117
Governance					
External audit	26,100	-	-	**26,100**	22,850
Registry and other legal costs	142,526	2,205	-	**144,731**	124,112
Synodical costs	6,446	-	-	**6,446**	8,672
	852,371	**302,273**	**11,184**	**1,165,828**	1,131,751

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11 ANALYSIS OF GRANTS MADE

	Number	Individuals £	Institutions £	Total costs 2025 £
From unrestricted funds to support national Church responsibilities				
Contributions to Archbishops' Council	5	-	367,448	**367,448**
From unrestricted funds				
Support for ordinands	4	39,643	-	**39,643**
Shepherds Dene Retreat House	6	-	9,916	**9,916**
Continuing Ministerial Development grants	71	26,268	-	**26,268**
Readers Board	1	-	4,375	**4,375**
Minor improvements and repairs	32	-	153,657	**153,657**
Other grants	6	-	8,264	**8,264**
	120	65,911	176,212	**242,123**
From restricted funds				
Support for ordinands	4	6,193	-	**6,193**
Net zero quick wins	7	-	21,310	**21,310**
	11	6,193	21,310	**27,503**
Total Grants Made	**136**	**72,104**	**564,970**	**637,074**

Grant funding of activities in previous year	2024 No. of grants	2024 £
From unrestricted funds		
Contributions to Archbishops' Council	5	367,995
Contributions to Diocesan-based charities		
Other grants	76	135,669
From restricted funds		
Other grants	12	24,933
	93	528,597

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12 STAFF COSTS

	2025	2024
	£	£
Employee costs during the year were as follows:		
Wages and salaries	1,530,959	1,509,305
National insurance contributions	182,836	140,608
Pension costs	182,437	162,310
	1,896,232	**1,812,223**

The average number of persons employed during the year:	**2025 Number**	2024 Number
Administration and financial management	16	17
Supporting mission & ministry	19	17
Property	2	2
Safeguarding	5	3
Newcastle St Thomas', Diocesan Resource Church	9	10
	51	49

The average number of persons employed during the year based on full-time equivalents	**2025 Number**	2024 Number
Administration and financial management	14	12
Supporting mission & ministry	15	14
Property	2	2
Safeguarding	4	2
Newcastle St Thomas', Diocesan Resource Church	7	8
	42	38

The Diocesan Resource Church excludes the 2 full-time office holders (Leader & Curate)

The number of staff whose emoluments (including benefits in kind but excluding pension contributions) amounted to more than £60,000 were as follows:	**2025 Number**	2024 Number
£60,000 - £70,000	**2**	-
£110,000- £120,000	**-**	1

Pension payments of £13,339 (2024: £18,957) were made for these employees.

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	2025	2024
	£	£
Stipends	2,868,438	2,797,623
National insurance contributions	316,818	243,668
Pension costs - current year	596,594	633,473
	3,781,850	**3,674,764**

Remuneration of key management personnel

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

Diocesan Secretary	Chris Elder
Property Manager	Ian D Beswick MSc, MRICS
Head of Finance	Thomas Royle ACMA, CGMA

Remuneration, pensions and expenses for these employees amounted to £223,265 (2024: £336,993).

Trustees' emoluments

No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out of pocket expenses totalling £9,073 and this sum was paid out to 6 Trustees in respect of General Synod duties, duties as Archdeacon or Area Dean, and other duties as Trustees. (In 2024 £10,783 was paid out to Trustees).

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

	Stipend	Housing
The Right Revd M Wroe	No	Yes
The Venerable R A Wood	Yes	Yes
The Venerable Dr C A Sourbut Groves	Yes	Yes
The Revd Robert Lawrance	Yes	Yes
The Revd David Glover	Yes	Yes
The Revd Ben Doolan	Yes	Yes
The Revd Claire Maxim	Yes	Yes
The Revd L Taylor-Kenyon	Yes	Yes

The funding of stipends for the Bishop of Newcastle, the Bishop of Berwick, the Dean and two Residentiary Canons at Newcastle Cathedral is a responsibility of the Church Commissioners. The NDBF is responsible for funding the stipends of all other licensed stipendiary clergy in the Diocese of Newcastle. Where eligible, the NDBF is responsible for the provision of housing for serving clergy, including the Bishop of Berwick. The NDBF is not responsible for the provision of the See House for the Bishop of Newcastle or for the provision of housing for the Dean and two Residentiary Canons at Newcastle Cathedral.

In 2025 the NDBF paid stipends to an average of 96.4 (2024: 97.9) clergy ministering in incumbent status posts, training curacy posts and the posts of archdeacon.

The stipends of the Bishop of Newcastle and the Bishop of Berwick were funded by the Church Commissioners and were in the range of £42,350- £53,470 (2024: range £42,350-£51,910). The annual rate of stipend funded

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by the NDBF paid to Archdeacons in 2025 was in the range £41,792-£44,810 (2024: range £39,508 - £41,792) and other clergy who were Trustees were paid in the range £30,638-£31,558) (2024: range £28,890-£30,638)

13 TRANSFER BETWEEN FUNDS

Analysis of transfers between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2025 £
Stipends capital and glebe income transfer	539,526	-	(539,526)	**-**
Pastoral account transfer	600,000	(600,000)	-	**-**
Parsonage Houses fund correction	(164,217)		164,217	
	975,309	**(600,000)**	**(375,309)**	**-**

14 TANGIBLE FIXED ASSETS

	Unrestricted funds		Endowment funds		
	Property £	Office Equipment £	Parsonages £	Glebe Property £	TOTAL £
At cost or valuation					
At 1 January 2025	4,222,201	167,155	15,237,778	1,797,045	**21,424,179**
Additions	752,500	-	-	-	**752,500**
Disposals	(75,000)	-	(60,000)	-	**(135,000)**
At 31 December 2025	**4,899,701**	**167,155**	**15,177,778**	**1,797,045**	**22,041,679**
Accumulated depreciation					
At 1 January 2025	569,549	147,092	2,500,864	289,383	**3,506,888**
Charge for the year	17,078	10,143	6,489	-	**33,710**
Disposals	(9,210)	-	(10,800)	-	**(20,010)**
At 31 December 2025	**577,417**	**157,235**	**2,496,553**	**289,383**	**3,520,588**
Net book value at 31 December 2025	**4,322,284**	**9,920**	**12,681,225**	**1,507,662**	**18,521,091**
Net book value at 31 December 2024	3,652,652	20,063	12,736,914	1,507,662	**17,917,291**

Property

These properties were purchased using either unrestricted reserves, the Pastoral Account or the Stipends Capital and Glebe Fund. Included in this category is £429k (2024: £429k) which is attributable to the Bishop Bilbrough Fund, being part of the cost of the new Church House office accommodation paid for from the proceeds of the former Church House building. The balance of the cost of Church House is held within the Mary Wilkinson Legacy Fund. The other NDBF properties are included in the NDBF Houses Fund, an unrestricted fund.

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Parsonage houses
Rectories and vicarages (other than team vicarages) are vested in individual benefices. However, the NDBF is responsible for the maintenance and repair of all parsonage houses and carries substantially all the risks of ownership. Following a scheme for pastoral reorganisation the net proceeds of the sale of a parsonage house may be credited to the Diocesan Pastoral Account, which is recognised as an asset of the NDBF.

Glebe team vicarages
Team vicarages are included as glebe but they are not held as investments. The proceeds of any sale must be credited to the Stipends Capital Account.

15 FIXED ASSET INVESTMENTS

	Investment property	Listed investments	Cash account	TOTAL
	£	£	£	£
Within the United Kingdom				
At 1 January 2025	1,706,537	4,035,662	-	**5,742,199**
Additions	-	2,990,800	3,819	**2,994,619**
Disposals	-	(3,057,797)	-	**(3,057,797)**
Revaluation	-	(85,225)	-	**(85,225)**
At 31 December 2025	**1,706,537**	**3,883,440**	**3,819**	**5,593,796**
Cost at 31 December 2025	1,450,042	2,490,183	3,819	3,944,044

Investment Properties
An estimate of the value of Glebe land and properties held as investments at the end of the year is £1,706,537. This figure has been provided by the Diocesan Property Manager, Mr I Beswick MRICS.

Listed investments
Listed investments are valued at bid market value at the year-end.

16 DEBTORS

	2025	2024
	£	£
Due within one year		
Church Commissioners: sundry debtors	4,065	4,065
Loans for parish buildings	24,000	25,500
Other debtors	250,730	105,649
Pension surplus	-	133,300
	278,795	**268,514**

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17 CURRENT ASSET INVESTMENTS

	2025	2024
	£	£
Deposit fund	1,719,705	2,560,695

18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Taxation and social security	42,629	30,433
Other creditors	30,678	19,681
Accruals and deferred income	215,999	250,735
Pension liabilities	19,777	16,705
Falling due within one year	**309,083**	**317,554**

Deferred Income

	2025	2024
	£	£
Deferred income at 1 January	227,885	239,083
Resources deferred during the year	54,540	(121,358)
Amounts released from previous periods	(92,526)	110,160
	189,899	**227,885**

19 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025	2024
	£	£
Deposit held on glebe property	3,508	5,044
Falling due after more than one year	**3,508**	5,044

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20 SUMMARY OF FUND MOVEMENTS

	Balance at 1 Jan 2025 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 Dec 2025 £
Unrestricted Funds						
General Unrestricted Fund	830,273	5,125,575	(6,518,196)	2,757,614	262,036	**2,457,302**
Designated Funds:						
Mary Wilkinson Fund	358,932	515	-	-	-	**359,447**
DBF Houses Fund	4,401,180	-	(127,965)	-	-	**4,273,215**
Bishop Bilbrough Fund	790,871	-	-	-	(19,283)	**771,588**
Strategic Mission Fund	29,705	5,127	-	-	(7,377)	**27,455**
Building Grants and Loans Fund	122,489	5,001	-	(111,863)	-	**15,627**
Benefact trust	235,636	76,484	(79,060)	-	-	**233,060**
Clergy Expenses Fund	4,370	-	-	-	-	**4,370**
Lowest Income Communities Fund	583,515	1,184,952	(8,019)	(1,760,448)	-	**-**
Lord Crewe Fund	48,961	264,060	(222,255)	-	-	**90,766**
Diocesan Communications Network	59,901	20,000	(4,093)	-	-	**75,808**
Net Zero EV Charging	64,700	-	(16,647)	-	-	**48,053**
Open and Sustainable Church Buildings	-	-	(4,848)	-	-	**(4,848)**
Church Buildings Support	-	136,697	(183,607)	90,006	-	**43,096**
	7,530,533	**6,818,411**	**(7,164,690)**	**975,309**	**235,376**	**8,394,939**
Restricted Funds						
Partners Fund	49,740	5,930	(10,252)			**45,418**
New Church Building Fund	164,572	6,202	-			**170,774**
Diocesan Pastoral Fund	487,713	747	(1,658)	(600,000)	180,800	**67,602**
Archdeacons Fund	66,685	2,836	-			**69,521**
Training for Ordinands Fund	122,543	-	(38,895)			**83,648**
Botswana Donations Fund	7,953	540	-			**8,493**
Church House Wallsend Fund	9,056	9,750	(9,338)			**9,468**
Resourcing Ministerial Education Fund	3,430	8,415	(6,193)			**5,652**
Resource Church Project Fund	390,558	507,595	(553,664)	(20,104)		**324,385**
Resource Church Giving Fund	(20,104)	-	-	20,104		**-**
Net Zero Capacity Building Fund	-	76,667	(25,222)			**51,445**
Housing Demonstrator Fund	70,930	-	(70,754)			**176**
Pension surplus restricted fund	133,300	-	(133,300)	-	-	**-**
Net Zero Quick Wins Fund	-	44,138	(21,310)		-	**22,828**
	1,486,376	**662,820**	**(870,586)**	**(600,000)**	**180,800**	**859,410**
Endowment Funds						
Stipends Capital and Glebe Fund	5,018,217	72,848	(389,655)	(539,526)	(65,385)	**4,096,499**
Parsonages Houses Fund	12,523,497	-	(6,489)	164,217	-	**12,681,225**
St Aidan's Fund	78,632	-	-	-	(3,144)	**75,488**
	17,620,346	**72,848**	**(396,144)**	**(375,309)**	**(68,529)**	**16,853,212**
	26,637,255	**7,554,079**	**(8,431,420)**	**-**	**347,647**	**26,107,561**

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21 SUMMARY OF ASSETS BY FUND

	Fixed assets Tangible	Fixed assets Investments	Net current assets	Long term liabilities	Net assets
	£	£	£	£	£
Unrestricted Income Funds:					
General Unrestricted Fund	9,920	1,796,243	654,647	(3,508)	**2,457,302**
Designated Funds					
Mary Wilkinson Fund	352,486	-	6,961	-	**359,447**
DBF Houses Fund	3,625,116	648,099	-	-	**4,273,215**
Bishop Bilbrough Fund	313,914	457,674	-	-	**771,588**
Strategic Mission Fund	-	27,455	-	-	**27,455**
Building Grants and Loans Fund	-	-	15,627	-	**15,627**
Benefact Trust	30,768	-	202,292	-	**233,060**
Clergy Expenses Fund	-	-	4,370	-	**4,370**
Lowest Income Communities Fund	-	-	-	-	**-**
Lord Crewe Fund	-	-	90,766	-	**90,766**
Diocesan Communications Network	-	-	75,808	-	**75,808**
Net Zero EV Charging	-	-	48,053	-	**48,053**
Open and Sustainable Church Buildings	-	-	(4,848)	-	**(4,848)**
Minor repairs and improvements grant	-	-	43,096	-	**43,096**
	4,332,204	2,241,621	1,988,839	(3,508)	**8,394,939**
Restricted Income Funds:					
Partners Fund	-	-	45,418	-	**45,418**
New Church Building Fund	-	-	170,774	-	**170,774**
Diocesan Pastoral Fund	-	-	67,602	-	**67,602**
Archdeacons Fund	-	-	69,521	-	**69,521**
Training for Ordinands Fund	-	-	83,648	-	**83,648**
Botswana Donations Fund	-	-	8,493	-	**8,493**
The Church House Wallsend Fund	-	-	9,468	-	**9,468**
Resourcing Ministerial Education Fund	-	-	5,652	-	**5,652**
Resource Church Project Fund	-	-	324,385	-	**324,385**
Resource Church Giving Fund	-	-	-	-	**-**
Net Zero Capacity Building Fund	-	-	51,445	-	**51,445**
Housing Demonstrator Fund	-	-	176	-	**176**
Pension surplus restricted fund	-	-	-	-	**-**
Net Zero Quick Wins Fund			22,828		**22,828**
	-	**-**	**859,410**	**-**	**859,410**
Endowment Funds:					
Stipends Capital and Glebe Fund	1,507,662	2,588,837	-		4,096,499
Parsonages Houses Fund	12,681,225		-		12,681,225
St Aidan's Fund		75,488	-		75,488
	14,188,887	**2,664,325**	**-**	**-**	**16,853,212**
Total Funds	**18,521,091**	**5,593,796**	**1,996,182**	**(3,508)**	**26,107,561**

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NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2025

Summary of assets by fund (2024 comparatives)

	Fixed assets Tangible £	Fixed assets Investments £	Current assets £	Long term liabilities £	Net assets £
Unrestricted Income Funds:					
General Unrestricted Fund	20,063	208,926	606,328	(5,044)	**830,273**
Designated Funds					
Mary Wilkinson Fund	352,486	-	6,446	-	**358,932**
DBF Houses Fund	2,955,484	1,445,696	-	-	**4,401,180**
Bishop Bilbrough Fund	313,914	482,345	(5,388)	-	**790,871**
Strategic Mission Fund	-	184,527	(154,822)	-	**29,705**
Building Grants and Loans Fund	-	-	122,489	-	**122,489**
The Allchurches Grant Fund	30,768	-	204,868	-	**235,636**
Clergy Expenses Fund	-	-	4,370	-	**4,370**
Lowest Income Communities Fund	-	-	583,515	-	**583,515**
Lord Crewe Fund	-	-	48,961	-	**48,961**
Diocesan Communications Network	-	-	59,901	-	**59,901**
Net Zero EV Charging	-	-	64,700	-	**64,700**
	3,762,714	**2,321,495**	**2,463,961**	**(5,044)**	**7,530,533**
Restricted Income Funds:					
Partners Fund	-	-	49,740	-	**49,740**
New Church Building Fund	-	-	164,572	-	**164,572**
Diocesan Pastoral Fund	-	-	487,713	-	**487,713**
Archdeacons Fund	-	-	66,685	-	**66,685**
Training for Ordinands Fund	-	-	122,543	-	**122,543**
Botswana Donations Fund	-	-	7,953	-	**7,953**
The Church House Wallsend Fund	-	-	9,056	-	**9,056**
Resourcing Ministerial Education Fund	-	-	3,430	-	**3,430**
Resource Church Project Fund	-	-	390,558	-	**390,558**
Resource Church Giving Fund	-	-	(20,104)	-	**(20,104)**
Net Zero Capacity Building Fund	-	-	-	-	**-**
Housing Demonstrator Fund	-	-	70,930	-	**70,930**
Pension Surplus Restricted Fund	-	-	133,300	-	**133,300**
	-	**-**	**1,486,376**	**-**	**1,486,376**
Endowment Funds:					
Stipends Capital and Glebe Fund	1,509,662	3,342,072	166,483	-	**5,018,217**
Parsonages Houses Fund	12,736,914	-	(213,417)	-	**12,523,497**
St Aidan's Fund	-	78,632	-	-	**78,632**
	14,244,576	**3,420,704**	**(44,934)**	**-**	**17,620,346**
Total Funds	**17,917,291**	**5,742,199**	**2,982,809**	**(5,044)**	**26,637,255**

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22 DESCRIPTION OF FUNDS

The General or **Unrestricted Fund** is available for any purpose within the objects of the Board. It is principally used for payment of stipends, national insurance, pension contributions and housing costs of clergy and licensed lay-workers in parish ministry. It also provides the assets and liquidity for the NDBF to carry out its objectives, including statutory compliance and administration of funds.

The Mary Wilkinson Fund is a bequest fund which can be used for general purposes. It has been used to provide part of the costs for buying, modifying and fitting out Church House. In 2015 the fund was used to purchase the Church House caretaker's bungalow from the Newcastle Diocesan Education Board.

The DBF Houses Fund is a designated fund for holding those houses which are neither parsonages nor team vicarages.

The Bishop Bilbrough Fund is a bequest which can be used for general purposes. It has been used to provide part of the costs for buying, modifying and fitting out Church House.

The Strategic Mission Fund was set up as a designated fund in order that the NDBF could set aside funds to bid for matched project funding from the National Church.

The Building Grants and Loans Fund is a designated fund to make loans and grants to parishes to enable them to carry out work on their existing church buildings.

The Allchurches Grant Fund is a designated fund which uses grant income from Benefact Trust to support and resource the NDBF's mission and ministry activity expenditure.

The Clergy Expenses Fund is a designated fund set up to help ensure that clergy can be reimbursed the level of expenses they are entitled to, particularly those working in more deprived areas.

The Lowest Income Communities Fund is a designated fund representing funding from the National Church to help resource ministry in the most deprived areas of the Diocese.

The Lord Crewe Fund is a designated fund representing funding from the Lord Crewe Charity awarded to the Board of Finance for agreed workstreams.

The Diocesan communications network (Diocesan and Cathedrals Digital Community) (DC2) is an unincorporated association for and run by dioceses and cathedrals of the Church of England. It allows dioceses and cathedrals to work together to create, evolve and develop a common web platform by sharing knowledge and resources, rather than each member commissioning the creation of their own website. Every year, each diocese and cathedral who are Members of the community pay a financial contribution which collectively funds continuing development of our websites by the web developer Church Edit. This means functionality can be scoped and built once rather than multiple times. As a goodwill gesture, NDBF has agreed to hold and manage DC2's funds. The association is democratic with each Member (diocese or cathedral) nominating a Representative to vote on their behalf, and the association conducts itself in accordance with their agreed set of rules.

Net zero EV charging - NDBF designated part of the proceeds from the sale of a NDBF property to fund the installation of electric vehicle (EV) charging points at vicarages and other property held for clergy. The installation rollout is underway.

The Partners Fund is a restricted fund used for making relatively small grants to community-based projects.

The New Church Building Fund is a restricted fund used, but not frequently, for making grants and loans to parishes to enable them to acquire new church buildings.

The Diocesan Pastoral Fund includes the proceeds of redundant churches and parsonages. The purposes for which the account may be used are laid down in Section 94 of the Mission and Pastoral Measure 2011.

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The Archdeacons' Fund is a restricted fund which is spent at the discretion of the Archdeacons to help clergy who experience financial difficulties.

The Training for Ordinands Fund, formerly the McFarlane Bequest Fund, is a restricted fund used to help provide for clergy training. A sum in excess of £100,000 was left to the NDBF in 2015. In 2019 a donation of £25,000 was received from Mrs Shirley Chamney.

The Botswana Fund receives donations from parishes and individuals which are used to assist projects within our partner Diocese of Botswana.

The Church House Wallsend Fund was set up when the Wallsend Church House building was recognised as a glebe asset in the NDBF accounts. At the same time, accumulated rental income was passed across to NDBF from Wallsend Parish. Rental income is paid into the fund and expenditure relating to the Wallsend property is charged against the fund.

The Resourcing Ministerial Education Fund receives Block Grants from the Archbishops' Council for ministerial education training for the ordinands sponsored by the Diocese of Newcastle. The Grants may only be expended on initial ministerial education pathways which have been approved by the Archbishops' Council's Ministry Division at accredited Theological Education Institutions (TEIs).

The Resource Church Project Fund holds the income and expenditure of the Resource Church project.

The Resource Church Giving Fund receives donations which are contributions to St Thomas' Newcastle, the Diocesan Resource Church. Funds will be transferred to the legal body for St Thomas' once the legal body is established.

Net zero capacity building fund - The National Church awarded NDBF an amount of funding to be used on developing a net zero carbon action plan.

Housing Demonstrator Fund- The housing demonstrator grant funds energy efficiency and decarbonisation works adopting a whole house approach. It considers things such as ventilation and air tightness, fabric thermal efficiency and fossil fuel free heating systems. The funds are to be used at The Rectory, Bellingham and from part of our plan to be net zero carbon.

The Rural Churches for Everyone Fund receives grant funding for a fixed-term project supported by Heritage Lottery Funding.

The Stipends Capital and Glebe Fund is governed by the Diocesan Stipends Measure 1953. The income of this endowment fund is used to fund clergy stipends and, since 1993, capital can be applied for improvements to parsonage houses.

The Parsonage Houses Fund is an endowment fund. The balance represents the book value of the benefice houses (parsonages) in the Diocese. The fund also holds a cash balance, the proceeds from the sale of a parsonage house, and a liability which relates to the deficit on the clergy pension scheme.

The St Aidan's Fund is an endowment fund. The balance is held as units in the Central Board of Finance Investment Fund. Dividend income is paid into the unrestricted fund and is used for ordination training.

Open and Sustainable Church Buildings is an designated fund. This is a Lottery-funded diocesan strategic partnership aimed at keeping our church buildings open and sustainable in the long term. This is to be achieved by addressing long-term heritage skills and capacity shortfalls, working with church building and community-based activities, particularly focusing on young people. It seeks to leverage the needs of our church buildings to achieve longer-term PCC, and local, resilience, and engagement with wider communities.

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Minor repairs and improvements grant is an designated fund. This is funding from the Archbishops' Council under the building for mission project. Funds distributed as grants towards urgent and necessary minor repairs of church fabric and up to half to be distributed as grants towards improvements to church buildings,

Pension Surplus Restricted Fund is an restricted fund. A fund holding the pension asset arising from the closure of the Church Worker Defined Benefit Scheme to be offset against future staff pension liabilities.

Net Zero Quick Wins Fund is an restricted fund. The balance is funding offered by the Archbishops' Council under the Net Zero Carbon programme. This is to cover works selected from the Practical Path to Net Zero Carbon for Churches, improving electric connections, to enable electric heating and temporary heating solutions

23 PENSIONS

Clergy

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £596,594 in 2025 (2024: £633,473), plus any figures arising from contributions in respect of any Scheme deficit.

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

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

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

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

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Lay staff

NDBF (DBS) participates in the Defined Benefits Scheme section of CWPF for lay staff. 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.

CWPF has two sections:

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

Defined Benefits Scheme

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

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

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

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

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

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

The next actuarial valuation is due at 31 December 2025.

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

Over the year to 31 December 2025, £247,072.22 of surplus assets from the DBS has been used to fund contributions in Pensions Builder Classic for NDBF (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

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obligation recognised as a liability within the Employer's financial statements as at 31 December 2023 or 31 December 2024.

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

Pension Builder Scheme
Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

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

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable 2025: £182k (2024: £161k).

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

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

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

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

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

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

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24 CONTINGENT ASSET

During the prior year, the Pensions Board confirmed that the NDBF's section of the Church Workers Defined Benefit Scheme was in an asset position on closure, and usable assets of £294k were attributed to the NDBF and recognised as income in that year. These assets were recorded as debtors to be drawn down against future pension liabilities.

During the year, the NDBF fully drew down the remaining balance of these assets to offset pension contributions. As a result, no balance remains held as a debtor at the reporting date.

The Pensions Board has not provided any further update regarding the final settlement of scheme liabilities. There remains a possibility that additional assets may be attributed to the NDBF once the final liabilities of the scheme have been confirmed; however, no reliable estimate of any further amount can yet be made. Accordingly, no additional income has been recognised in the current year.

25 RELATED PARY TRANSACTIONS

During the year NDBF received £30,305 (2024: £32,816) from Newcastle Diocesan Society (NDS), a charity connected by virtue of common trustees. The grants were from various funds held by NDS for the benefit of NDBF and were to assist with payment of stipends and to cover certain administrative costs.