THE ROCHESTER DIOCESAN SOCIETY AND BOARD OF FINANCE

England & Wales · Charity number 249339

Details

Other names	DIOCESE OF ROCHESTER, ROCHESTER DIOCESE
Status	Registered
Legal form	Charitable company
Company number	00140656
Registered	1966-09-26
Register	View on the Charity Commission register

Contact

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Activities

Objects: TO PROMOTE AND ASSIST THE WORK AND PURPOSES OF THE CHURCH OF ENGLAND IN THE DIOCESE OF ROCHESTER (FOR FULLER DETAILS SEE MEMORANDUM OF ASSOCIATION)

Activities: ADMINISTRATIVE SUPPORT FOR THE CHURCH OF ENGLAND IN THE AREAS OF WEST KENT AND SOUTH EAST LONDON, WITH SUPPORT BEING GIVEN TO PARISHES, PEOPLE AND ORGANISATIONS IN THOSE AREAS

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Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** DIOCESE OF ROCHESTER
- Bexley
- Bromley
- Kent
- Medway

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£12,655,460	£14,449,693	£82,150,000	58
2023-12-31	£11,594,800	£14,099,106	£80,824,872	56
2022-12-31	£11,456,558	£13,724,099	£77,652,681	59
2021-12-31	£11,872,531	£13,374,317	£82,195,446	59
2020-12-31	£11,795,000	£12,939,000	£78,034,000	58

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Trustees

Name	Role	Appointed
David Roy Fitzpatrick		2024-05-08
Diane Joan McKenzie-Boyle		2025-01-01
PETER ANTHONY HARLOW		2025-01-01
Rev Alison Mary Kerr		2024-05-08
Rev Andrew David McClellan		2025-01-01
Rev Dane Christopher Batley-Gladden		2025-01-01
Rev Gordon Edward James Taylor		2025-01-01
Rev JEREMY BLUNDEN		2024-05-08
Rev Nicholas Simon Cornell		2025-02-23
Sarah Poole		2024-05-08
Stephen Smith		2024-07-01
The Right Reverend SIMON DAVID BURTON-JONES		2024-05-08
The Rt Rev Dr Jonathan Robert Gibbs		2024-05-08
The Ven Sandra Sheron McCalla		2025-02-23
The Very Rev. Dr. Philip John Hesketh		2024-05-08

Linked charities

- BISHOP OF ROCHESTERS FUND FOR MISSION (249339-1)

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THE ROCHESTER DIOCESAN SOCIETY AND BOARD OF FINANCE

England & Wales - Charity number 249339

Accounts

Diocese of Rochester
called together

Growing God's kingdom

The Annual Report and Accounts for the Diocese of Rochester 2024

We are the Church of England operating in the Diocese of Rochester in the area of Medway, north and west Kent, and the London Boroughs of Bromley and Bexley. A diverse and vibrant community of faith, we serve a population of some 1.3 million people, including 211 parishes and 3 Bishops Mission Orders, 90 schools, and numerous chaplains. We enjoy companion links with the Anglican Dioceses of Harare in Zimbabwe, and Kondoa and Mpwapwa in Tanzania as well as an ecumenical link with the Evangelical Lutheran Church of Estonia.

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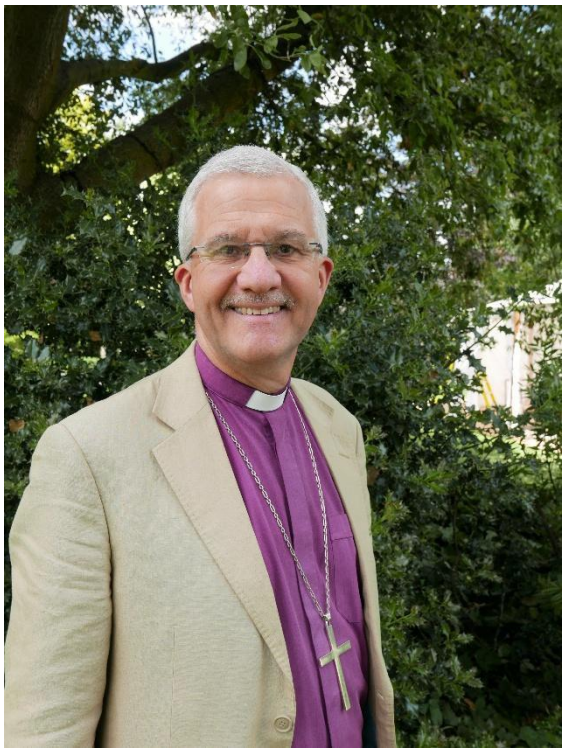
A message from the Bishop of Rochester



As a diocesan-family we are a people who are called and sent out by God to bring the light and life of Christ to the people of the world.

That is our primary calling as the Church of Jesus Christ.

I have been constantly struck throughout this year, by the dedication of clergy and lay people alike in every corner of the diocese to this calling - the worship of God, to the making of disciples and to service in and for our local communities.

Despite the many challenges we face, growth is happening and can further happen still. Indeed, many of our churches experienced an increase in attendance over the Christmas season.

My belief is that this is indicative of the way in which many people, not least in the younger generation, are beginning to look for spiritual answers to many of the challenges that we are facing in today's world.

That's why our shared diocesan vision is a hope-filled one and builds on the fantastic work already taking place in parishes and diocesan teams.

It has been such an encouragement – and a real joy – to see how enthusiastically people have responded to the vision and how keen they are to engage with it.

We are also clear that we have a commitment to putting the growing of safe and healthy cultures at the centre of everything we do.

As events in the wider Church have shown over this last year, there is a profound need for a change of culture across the Church as a whole, moving towards greater transparency and accountability at all levels.

I believe that this moment of crisis could yet become a moment of spiritual opportunity, if we will seize it and allow God to do his work of renewal in us and through us.

As such, I want to give thanks for all that God is doing amongst us in the Diocese of Rochester and pray that he will enable us to become more and more a Church that truly reflects his glory and his compassion to the world he came to save.

A message from the Diocesan Secretary

As I reflect on the last year and the one to come, I am struck by the remarkable journey we have been on as a diocesan family.

Some headlines include:

- A reinvigorated and approved diocesan vision for transforming mission and ministry in all our parishes
- A fully costed vision and strategy bid which was submitted to the Church Commissioners in early 2025 – and which successfully received £11million of funding.
- A completed Parish Offer Review process in which we met with nearly 200 church colleagues across the Diocese
- Securing funding of £2.2m this year as part of our continued investment in projects large and small

All this at a time when we continue to live through a cost-of-living crisis, global instability, and a Church rocked and shamed by its systemic failure to safeguard others, as laid out in full and horrific detail in the Makin review.

It has been a tough and potentially demoralising time, however, there has been no sign of any let up in the commitment to seeking God's kingdom on the ground in parishes, or among colleagues in the diocesan support teams.

I therefore want to pay tribute to all those working and volunteering in our parishes for all they are doing to bear witness to the love of God in their communities, and for their ongoing constructive and fruitful engagement with all of us in the diocesan office.

I want to express my sincere gratitude as well to all my colleagues in the diocesan support teams for the care, commitment and diligence with which they undertake their work in support of parishes.

It is clear that when we channel our actions towards a common purpose and for the glory of God, we can change things for the better, and with our renewed diocesan vision, I am filled with hope for the future of God's kingdom in this Diocese.

Matthew Girt
Diocesan Secretary

A message from the Chair of the Board of Finance

This is my first Message as Chair of the Board of Finance

The Diocese's mantra of Change, Serve, Grow strongly resonated with me. In previous work nationally I had seen the Holy Spirit in action in transforming parishes around the country and had come to believe that growth is possible, there is hope.

I felt called to the DBF Chair role to contribute to the Vision and Strategy and was therefore honoured to be granted that opportunity when Diocesan Synod approved my appointment.

Yet the Finance Review that follows makes clear substantial challenges remain.

Aggregate reserves have risen to £82.1million through effective stewardship of investments in a buoyant market, but the recent extreme market volatility is a reminder that we cannot rely on the markets for ever.

The Common Fund deficit after reserve movements has reduced from last year but has not recorded an annual surplus for over 10 years. This is not generationally long term sustainable.

The announcement of the Vision and Strategy is a vital step in setting a framework and mobilising all in the Diocese to achieve long term missional and financial sustainability, with the two entwined, reinforcing each other.

To that end my focus will be on five key areas, with 2024 seeing largely encouraging progress:

1. Maintain the number of parish clergy posts, the bedrock of mission in the parishes: Post numbers were maintained in 2024 and, notwithstanding financial pressures, stipends were increased by 5%. However, the national shortage of clergy meant the vacancy rate rose to 15%, which is missionally challenging.

2. Thriving parishes and thereby increasing Parish Offers at least in line with stipends to enable the Diocese to fund mission in communities, whatever their means.

   Latest data is encouraging, indicating that parish attendances continued to recover in 2023 from Covid lows. Parish Offers also finally stabilised in 2024.

   However, with only 47% of parishes covering the cost of their clergy there is obviously some way to go. Recognising the importance of parish confidence in the management of

Diocesan finances, the Finance Team is enhancing engagement with parishes through revising the Indicative Offer methodology for 2025 to reflect parish feedback and in 2025 continuing the Finance Conferences for parish leaders to ensure Diocesan finances are seen to be transparent and to provide a venue for open discussion.

3. Contain Diocesan overheads. In 2024 held within the lay salary increase, with the increase in headcount funded by National Church Strategic Development and Capacity Funding.

4. Responsibly managing market and property investments that in 2024 delivered returns that beat benchmarks, and Unapplied Total Return from endowments of almost £1.5million used to support parish ministry through the Common and Restricted Funds.

5. Secure External Funding: £3million donations and grants and the £11million Strategic Mission and Ministry Investment Board funding, providing the necessary investment to enable parishes to flourish, albeit this will inevitably take time to take effect.

The focus for the forthcoming year will be to ensure that the Vision and Strategy and associated SMMIB funding is implemented well in partnership with parishes In addition, the National Church's Diocesan Finance Review findings, due to be reported to General Synod in July 2025, may provide additional support before the investments in the Vision and Strategy start to payoff.

After a year as DBF Chair my thanks go to the Finance Team for their work in producing these accounts and to all the Diocesan team, led by Matthew Girt for their commitment in prosecuting the significant agenda facing the diocese.

But most importantly I give grateful thanksgiving for the service and sacrificial giving of parish clergy and laity across the Diocese as we work to collectively to fulfil the Lord's Great Commission to take the Word to every community in the Diocese whatever their means.

Stephen Smith
Chair of the Diocesan Board of Finance

STRATEGIC REPORT

Photo: Holy Redeemer Lamorbey, Community 'Green Day'

Vision and objectives

Our renewed Called Together vision was overwhelmingly approved by Diocesan Synod this year.

When Bishop Jonathan Gibbs came to the Diocese in 2022, he arrived with the words change, serve, grow – three words he felt had been placed on his heart as Diocesan Bishop.

Much work has taken place since then to understand what these three themes mean for the life and work of the Diocesan family, what its priorities should be, and what and where resources need to be allocated to deliver on them.

Throughout 2024, this work has included:

- understanding the challenges facing the Diocese
- learning from what is going well
- listening to church leaders, church teams, and diocesan support colleagues
- listening to the call of the Holy Spirit

What has been heard and understood is that *growth is happening and can happen, and there is much to be hopeful about.*

Out of this listening and learning, an exciting and integrated diocesan-wide vision has been developed which understands that:

Seeking first the Kingdom of God, we are called together by God to change, serve and grow with compassion, courage, and creativity.

At the heart of the vision and strategy is a commitment to creating and supporting a **flourishing and well-resourced parish structure to grow God's kingdom** across Medway, north and west Kent, and the London Boroughs of Bromley and Bexley.

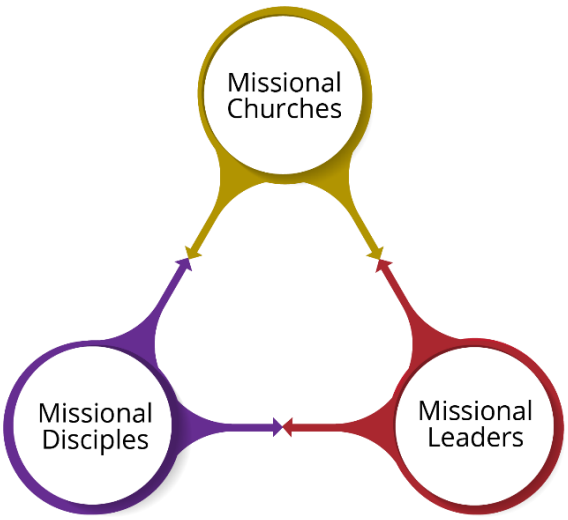
Three objectives have been identified to help guide work over the coming years.

They are to grow **missional churches**, with **missional leaders** and **missional disciples**, which are:

- Growing a safe and healthy culture for all
- Growing younger and more diverse
- Growing spiritually and numerically
- Impacting their communities
- Planting and growing new missional churches
- Releasing financial resources for mission

The three objectives represent a 'virtuous circle' in which missional churches encourage and develop missional leaders and disciples, missional leaders inspire and lead their missional churches and disciples, and missional disciples grow into missional leaders and churches.

Each connects with and nurtures the other.



Activities and performance

To enable strategic decision and actions to be made on resources and deployment in line with our vision and objectives significant work has taken place this year to develop a new Mission and Ministry plan.

Within that plan, four workstreams have been identified to help focus work to grow God's Kingdom and ensure a flourishing and well-resourced parish structure. These are:

- Missional Leadership Development
- Children and young people
- Missionally healthy churches
- Revitalising fragile churches

Each are to be seen through the lens of growing safe and healthy cultures because, if we are truly seeking God's Kingdom, then we must reflect its values of righteousness, peace, wholeness, and fullness of life for all.

Next steps

The vision cannot be realised all at once, and so it will be phased over the next 9 years.

The Diocesan budget for 2025 has been planned to support as much of the work as possible. Financial support will also be needed from elsewhere to see it carried out in full.

This has particularly included a substantial bid to the Church Commissioners, worked on through 2024 and submitted in February 2025.

We were delighted to learn in March 2025 that the bid had been successful, and that the Diocese is set to receive £11 million from the national church in support of the vision and strategy.

Other identified work

We identified several other key areas that required attention to help us meet our vision objectives as outline in the table below.

. Governance 1. Reviewing the work of the Archdeaconry Steering Groups and seeking to release the Archdeacons to be able to pick up a more missional role	1. The archdeacons have reviewed the terms of reference and membership of the Archdeaconry Mission and Pastoral Working Groups, so they are better equipped to take on their strategic decision-making function.
Finance 1. External funding applications for net zero status.	

2. Ensuring best use of property investment. 3. The utilisation of funds made available by the adoption of Total Return accounting. 4. Increasing communication on finance. 5. Review the Indicative Offer process.	1. Achieved, and recruitment of staff underway. 2. Ongoing, we continue to ensure that our property portfolio meets our needs, where appropriate disposing of properties which don't meet our requirements. 3. We continued to utilise Total Return to enable investment in parish ministry. 4. We continued to publish Money Matters. We rebranded our Treasurer Workshops as Finance Conferences, extending invitations to attend to clergy, Churchwardens and PCC Secretaries as well as Treasurers. 5. Achieved; following a lengthy consultation process Bishop's Council agreed several adjustments to the Indicative Offer system which directly addressed the concerns expressed by parishes.
Data and analysis 1. Making increasing use and analysis of the data we currently have and utilising other data sources to help inform decisions and priorities	1. We have developed a data-informed framework and process to enable us to assess the health of our 175 benefices both financially and missionally. Our data sources include statistics for mission, parish finance returns, and contextual and relational knowledge. These have been actively used to identify our challenges and then develop our four workstreams to address them.
Strategic planning 1. Drawing up the strategic mission and ministry plan, and looking at how to deliver which phase, over what period	1. This has been undertaken throughout 2024 and has led to the identification of our three missional objectives, and the focus of our four workstreams. 2. An accompanying budget was approved by Bishop's Council in December this year. 3. Alongside this, a bid proposal was prepared for the national church's Strategic Mission and Ministry Investment Board for submission in early 2025.

Growing **missional churches**

We are committed to working alongside churches, so they have the people, resources and support they need to serve their communities and be a positive Christian presence in the world.

Supporting community outreach

The Kingdom of God comes to fruition as much through the care and attention given to people's physical needs as their spiritual ones. In fact, the two are intertwined, as churches, through their welcome and worship, building of relationships, and meeting people where their needs are, offer an encounter with the love of God, and therefore a chance to foster faith.

To help, the Diocese's Community Engagement and Social Action Adviser is on hand to work with parishes who would like to explore their community outreach, whether through a parish-driven initiative or through a partnership with an external organisation which is an expert in responding to a particular social issue.

For example, churches have continued to meet the challenges posed by the cost-of-living crisis, with the Lead Community Engagement and Social Action Adviser in supportive contact with around 40 church-based community hubs and warm spaces, offering food, welcome, warmth and companionship, often not just through the winter months.

A series of partnership projects with churches have also been initiated this year, allowing them to offer support to communities on issues such as, parenting, health and wellbeing, addiction, money and debt advice, youth advocacy. Other churches are exploring wellbeing, fitness, and sports initiatives to engage with people, such as movement classes, football, wellness walks, and gardening.

Pictures: (Top to bottom: Open Doors Café at All Saints with Christ Church, Snodland, Genesis Football, St John's Chatham, Warm Welcome at St Mary's Church, Hayes)

To further support this partnership working, a successful bid for £100,000 was made to the Colyer Fergusson Charitable Trust, this is being used to deliver a programme of initiatives in churches to support vulnerable and disadvantaged people across Kent and Medway.

This includes at Christ Church, Luton, where the church is hosting The Recovery Course – a free 15-week course for adults, offering guided teaching, practical insights, and support for anyone seeking freedom from addiction of all kinds.

The church is seeing lives changed, with many of the group choosing to join the church's Alpha course – a Christian discipleship course - as they do not want to stop meeting.

'To me, this is the Gospel in glorious technicolour, offering freedom to the captives and recovery of sight for the blind. The Recovery Course has significantly changed the lives of at least four people already.'

The Rev Andrea Leonard, Vicar of Christ Church Luton and host of The Recovery Course

In addition to this partnership working, and with support from Diocesan support colleagues, six estate-based parishes were supported this year to sign up to the Church Urban Fund (CUF) Academy.

This one-year pilot scheme aims to offer professional development for clergy and lay leaders working in parishes with the highest indices of multiple deprivation to encourage outreach and therefore, the life outcomes for people in these areas.

Growing God's kingdom

There is much fantastic work taking place on the ground in parishes, often quietly and without fanfare, but dedicated, daily parish ministry that is growing God's Kingdom.

Anecdotally, churches are sharing stories of growing connections with schools, the joy of baptisms and confirmations, as well as everyday small encounters where through a regular club, café or just being a visible presence in the community, people are exploring and asking questions about God.

Photo: Baptism at St Justus, Rochester

Some of this ministry has been supported with targeted funding from Strategic Development Fund (SDF) money received by the Diocese in 2019, including: St John's Chatham, St Augustine's Slade Green, St Augustine's, Gillingham, St Francis, Strood, and Christ Church, Erith. Often the grants have been used to employ a dedicated youth worker or pioneer minister. These projects are feeding back encouraging signs of connection, growth and impact. The learning projects have been used to help inform the new vision and strategy.

Spotlight on: Strategic Development funded churches

At St. Augustine's Parish Church, Slade Green a new Sensory Church for children with neurodiverse abilities, is the latest in a series of activities the church has developed as part of its mission to serve all members of the community.

Through partnerships with local organisations, the church is extending its reach beyond its walls, providing essential support such as Messy Church, the Welcome Café and Foodbank.

Thanks to generous funding from the Diocese through the national church's Strategic Development Fund, the church has focused resources to support the spiritual development of its younger members.

This has included the hiring of a dedicated staff member, Jacki Clements, as their Children's and Families Pioneer. Working three days a week, Jacki's role is to develop worship communities for children and ensure their active participation in church life.

Alongside Sensory Church, this has included developing Junior and Toddler Church, they also go into local schools and offer a Bible Club, to spread the Gospel.

This intentional work is bearing fruit, says Jim, with the church witnessing a notable increase in interest from local families, with St Augustine's connecting with 30 to 40 families a week.

An afterschool bible-study club, a games night, and a regular older-person's lunch club is just some of the outreach underway at Christ Church and St John the Baptist Church in Erith, another area that has received SDF targeted funding.

"I want our churches to be places where everyone feels they belong, no matter their background or stage of life," says the Rev Anthea Harris-Faulkner, Vicar of the churches of Christ Church and St John the Baptist in Erith.

Sundays at both churches bring additional opportunities for children to explore and grow in their faith through the Junior Church programs.

Meanwhile, at St John's Church, older residents are finding friendship and joy through the Silver Birch Club. Run in partnership with Home Instead, care professionals, St John's Church offers a meal for attendees, while Home Instead brings in entertainment, offering a lively social experience that brings joy to members and fosters friendship.

By hosting regular occasions for people to meet, the church is aiming to create opportunities for community members to connect beyond traditional worship settings.

Anthea says, *"When we take the time to care for each other, we reflect God's love in the most tangible way. I'm so proud of how our congregations are stepping up to make a difference."*

Buildings to better enable welcome

A successful alteration or extension to a church can be a further enhancement to allowing a church to better offer welcome, hospitality and encounters with Jesus.

Diocesan support colleagues have continued to work hard this year to secure external funding to help churches improve their buildings so they can better serve their communities. This has included securing another year of funding from Marshalls Charity for the Diocesan Missional Property Fund.

This grant scheme facilitates parish building projects to improve mission and outreach, whether through a new flooring and layout scheme to improve accessibility, or installation of a practical kitchen area and toilet facilities.

In addition, the Church Commissioners have awarded £96,000 over 2 years to fund minor repairs and improvements for church buildings to ensure they can remain hospitable and structurally secure places for worship.

All these grants and funds bring additional support to parishes at no cost to them.

To further support parishes with the care of their church buildings and churchyards, Diocesan Advisory Committee (DAC) colleagues have held 10 DAC surgeries over the year, supporting 14 churches with initial advice and help with Online Faculty Applications. They also made 13 site visits which further helped parishes with the next steps of their projects.

Spotlight on: Missional Property Funded buildings

St Margaret's, Horsmonden
For the first time in its 700-year history, St Margaret's Church is enjoying running water, as it celebrates the opening of its new kitchen and toilet extension. The improvements mean the Grade I listed church has the modern facilities it needs to allow the church team to extend more easily, welcome and hospitality to the community and visitors.

St Nicholas, Strood
A transformation 20 years in the making, the aim was to transform the church into a welcoming community space. The interior makeover was extensive, with key areas such as the vestries, toilet facilities, windows, and flooring upgraded to enhance accessibility. New seating and a more open layout allow the church to host various groups and events that bring people together.

St. Mark's Church, Gillingham
A comprehensive refurbishment project was completed, aimed at enhancing the church's facilities to better serve the community. It included the installation of a new kitchen, AV desk, and increased storage capacity. Relocation of the foodbank ensures better accessibility and efficiency in meeting the needs of those facing food insecurity.

As well as church buildings, we have responsibility to maintain clergy housing. The Diocesan Property team aims to make it as comfortable and as easy to live in a clergy house as possible.

Indeed, a comfortable place to live and work means improved wellbeing, and one less thing to worry about, allowing the member of clergy to focus on their ministry.

Much of the Property Team's work involves visiting clergy and other PCC representatives, to solve issues when they arise, and when possible, to make positive improvements. The range of work this year has been vast and has included asbestos removal, bathroom and kitchen works to Quinquennial works to Roof works to name a few.

The care and attention of the team makes a real difference to clergy and their families.

With the Church of England setting the ambitious target to be net zero carbon by 2030, as part of work towards this goal, the Property Team has progressed a Retrofit Demonstrator project.

'A home means a lot and having a delightful situation to live in, accommodate friends and relatives and host parish functions has been a great treasure. In addition, the team has always been a delight to work along with the colleagues you have had in your department.'

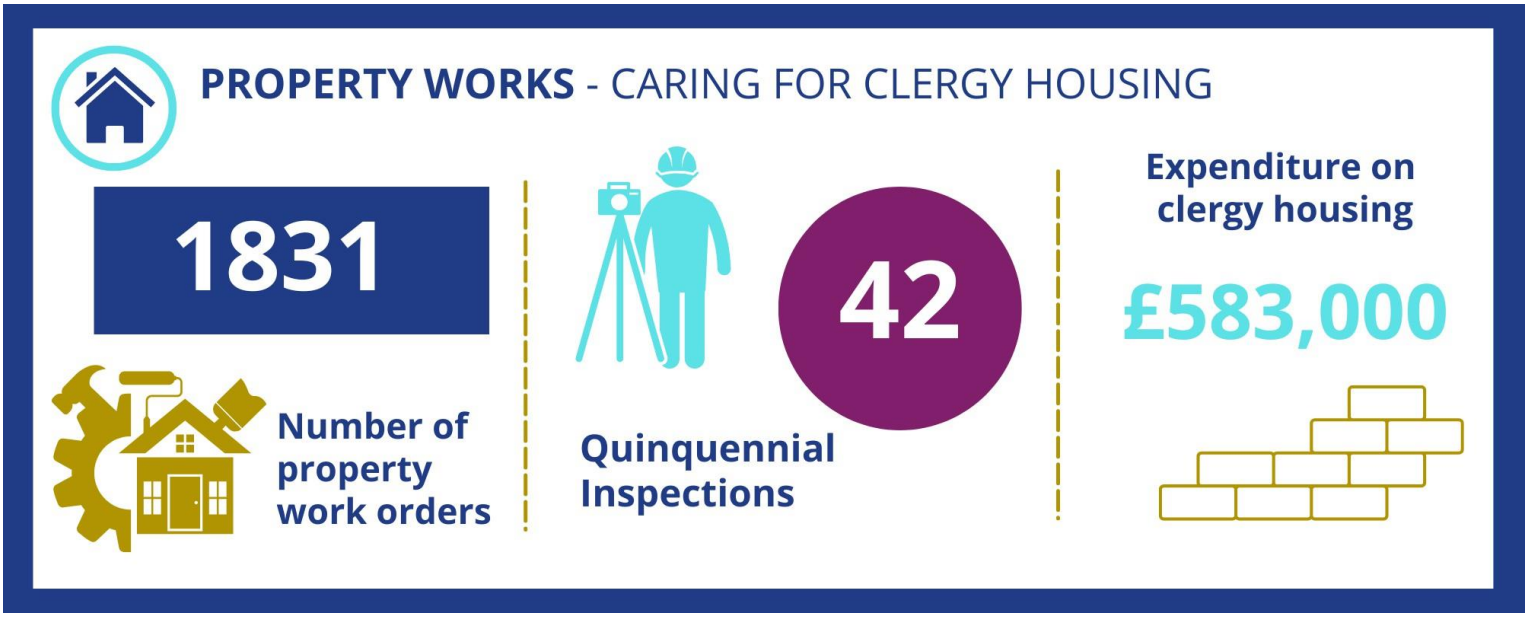
Member of clergy

This has included the fitting of an 'air source heat pump' into a property to replace an oil boiler, together with solar panels and storage batteries. The results of these demonstrator projects will be shared with all dioceses and will help direct future actions

Supporting cultures of generosity

Encouraging cultures of generosity is an important way to help churches flourish and grow, as it ensures their continued financial and missional sustainability.

To assist with this, the Diocesan Finance Team has continued to publish *Money Matters,* it's regular e-bulletin.



Its purpose is to share resources and good practice to help parishes manage and grow their finances, as well as improve understanding and transparency around how the money given generously by churches into the Common Fund, is used to support ministry and outreach on the ground.

For 2024, the Treasurers' Workshops were also re-envisioned as 'Finance Conferences', and the invitation to attend widened to PCC Treasurers, PCC Secretaries, Churchwardens and parish clergy.

Three Conferences were held in October, giving attendees the opportunity to meet the Diocesan Secretary and Finance Team, hear more about the budget and diocesan vision, as well as learn about some key financial resources. Over the course of the three events, the team met 175 PCC members from across the diocese - the best ever attendance at these conferences.

With many people turning to digital forms of money, the focus on helping churches get on board with facilitating digital forms of giving has also continued.

As part of this, parishes came into the Diocesan Office this year to collect their contactless card reader; 42 of which had been made available to Rochester diocese as part of a national project to encourage digital giving in the Church of England. *(Photo top right).*

These devices, which were free to parishes, were generating extra income just a few weeks after set-up, thanks to support from members of the Diocesan Finance Team.
In addition, the Diocese's Generous Giving Adviser has been out in parishes, engaging with church teams and congregations on the matter of generosity – not just in terms of finance, but in generosity of time, skills and welcome to others.

This year, she has worked with 16 parishes on giving campaigns - that is up from 10 parishes in 2023. The response has been very positive with many parishes seeing an encouraging uplift in the planned giving to their church.

'Following on from your visit to our church to promote our stewardship campaign, we had 40 people respond with a total increase in planned giving of £9,672.5 per annum. We also had 3 new people sign up to give and several one-off donations... We also had a good response to our requests for help. Thank you for all your help.'
PCC member

Part of her work has also been about encouraging uptake of the Parish Giving Scheme – a simple and secure way for churches to receive financial donations by Direct Debit, Credit and Debit Cards, Apple and Google Pay methods.

The impact is clear, with an increase in the uptake of parishes using the Parish Giving Scheme – with £708,744 received through the Scheme this year (£208, 220 more than last year).

In addition, the three-year project, *Preaching Generosity,* initiated by the Generous Giving Adviser, is now complete. Plans are now underway to publish these short weekly sermon starters on the theme of generosity into a book**.**

Lifting the burden of the day to day

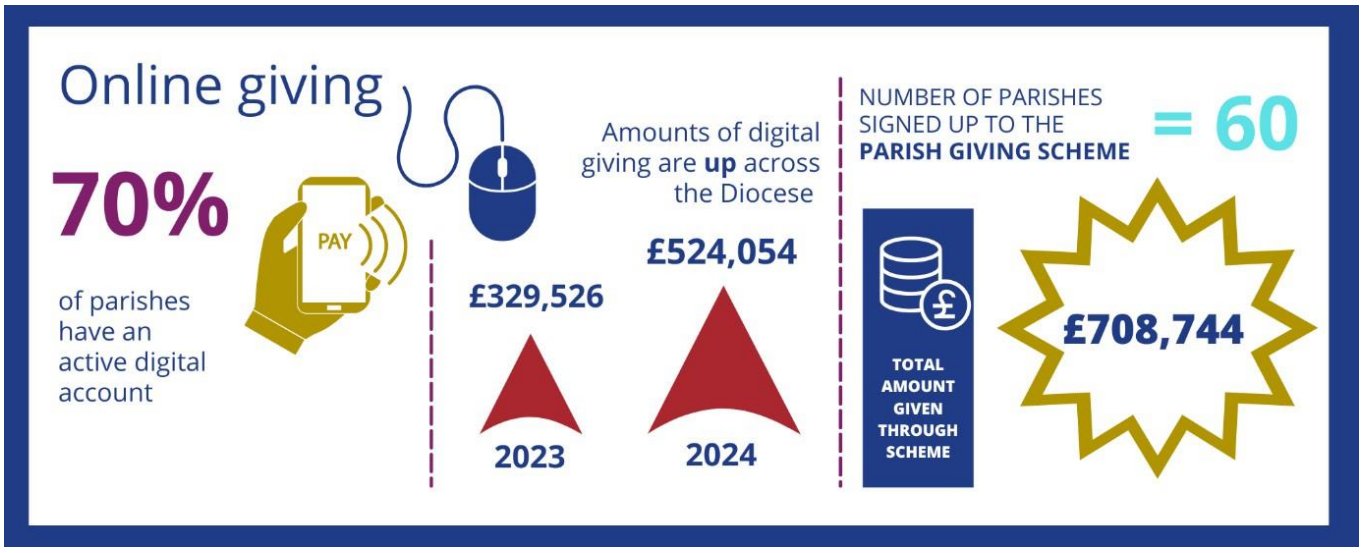
Some of the money from the Common Fund - the pot of money generously paid into by parishes - is used to pay for the central services provided by Diocesan Office colleagues.

From support with safeguarding, HR, legal matters, property, historic buildings, and communications, to guidance on fundraising, and expertise to bring in external funding for projects, this vital support aims to help parishes maintain and grow their presence in their communities, as well as meet their statutory responsibilities.

The fact that all these services continue to be managed by the modest level of staffing within the Diocesan support teams, is a testament to the quality of the people employed and the amount of effort they put into their roles every day.

> 'It's been really helpful to be able to go to the safeguarding team for expert advice and say, 'what do we do in this situation?' or 'There's this thing that we're not quite sure about.' That's been superb and we couldn't have resourced that from within ourselves.'
>
> The Rev Tim Edwards, Vicar of St Katharine's and St Margaret's, Knockholt

As the work aligned with the diocesan vision mobilises, data from resources like the Statistics for Mission and the Archdeacons Articles of Enquiry are being used to help inform what additional support is needed, and to develop funding bids so that as much additional support can be funded in as cost neutral a way to parishes way as possible.



Additional diocesan support available to parishes this year includes a new HR Adviser for Parishes funded by national church grant. Since coming on board, they have been able to assist with 48 issues arising from 32 different parishes, meaning supporting with an average of 6 new issues per month.

During the year, all parishes were offered the chance to participate in an HR Health-Check, with a total of 24 health-check questionnaires requested and sent out. The reports were sent back to parishes to review and consider within their PCC's.

In addition, several new Guidance notes and Advice Guides have been produced and updated to further help parishes in the area of people and volunteer management.

'Siân has provided our parish with essential advice on our obligations under UK Employment Law. The advice was communicated with compassion, knowledge and authority. It was enormously helpful in moving the issue forward and improving governance within the Parish.'

PCC member

Photo: Christian family support charity, Welcare - supported by local churches in Bromley – is working hard to build up the resilience of young people and their families, including in a local church school.

Growing **missional leaders**

Through training, ongoing support, and attention to wellbeing, we seek to equip our church leaders, both lay and ordained, to be able to grow God's kingdom in their context.

Ordained and lay ministry

Growing missional leaders is an imperative in the face of the national shortage of clergy which the Church of England is currently experiencing.

This has led to clergy vacancy rates in the Diocese being much higher than would be wished. However, in the face of such challenge, this year saw a former investment banker and a Taekwondo instructor among the 16 people ordained deacon or priest into the Diocese.

Seven people were also admitted and licensed as Lay Ministers to serve in parishes across the Diocese.

The types of roles, responsibilities, and duties carried out by a Licensed Lay Minister (LLM) can vary according to the gifts and abilities of the individual, the needs of their parish or ministry setting, and the context of their life.

There are currently 19 people in their first year of lay ministry training, and a further 17 across the second and third years of training.

All these students represent the diversity of the Diocese and come from a range of churches across the archdeaconries. To support them, we have over 32 volunteer tutors and learning advisers.

This year, Mandy Holloway was announced and welcomed as the new Warden of Lay Ministry, following the retirement of the previous postholder, Karen Senior.

As part of the work to help people explore and responds to God's call in their lives, the Vocations Team held three *'It's Your Calling'* days across the Diocese, with 56 people attending across the year.

Some of the attendees went on to meet with Vocation Advisors, to participate in a short course, or start the Bishop's Certificate. Six people have also started training for ordination.

'It was a truly wonderful day! I felt so blessed to be with such a diverse group of people all seeking God's calling.'

It's Your Calling day participant

Supporting those in ministry

To better prepare for and facilitate the work to grow missional leaders as expressed in the Diocesan vision, a new Mission and Ministry Development Team was formed this year.

The team brings together the Diocese's children and young people work, alongside that of formation and ministry. Andrew Dunlop was announced as the new Director of Mission and Ministry and will take up his post in January 2025.

As we seek to become more diverse in the widest meaning of the word, two people from our Diocese took part in a pilot of the national "Enabling Leaders" programme - a scheme that encourages and develops the participation of clergy and lay people with disabilities in leadership roles.

Support for clergy in the diocese doesn't just happen at the start of their ministries, with two new Archdeaconry Retired Clergy Officers appointed to help support the 150 or so retired clergy in the Diocese.
A pre-retirement residential course was also held to help prepare clergy and spouses for the next phase of their life and ministry.

Supporting children, young people and family workers

Doubling the number of children and young active disciples in the Church of England by 2030 is the first stated bold outcome of the Vision and Strategy for the Church nationally - it's also a key objective of the Diocese to grow younger and more diverse.

With over 70 engagement opportunities undertaken, from PCC visits, consultations with a parish about recruiting a dedicated CYPF Minister, to parish visits, the Children, Young People and Families (CYPF) team has been busy throughout this year, encouraging parishes to explore their outreach and discipleship of young people. It's bearing fruit, with six newly recruited CYPF Ministers to parishes, and some 25 young leaders trained and now successfully serving in their parishes

Another success has been *Catalyst*, a new course run by the Diocese's Children and Young People and Families Team in conjunction with Ridley Hall theological college in Cambridge. *(Photo bottom right)*

Open to anyone involved in children and youth work in their church - from a volunteer in a toddler group to a paid children's and young people's worker - it aims to deepen knowledge, hone skills and allow people to develop God's call in their lives for ministry and mission with children and young people. Seventeen people graduated this year, and a Catalyst Network created to offer ongoing support ministry.

The team's focus on helping churches explore how they might admit children to Communion before Confirmation has also continued this year, with 11 consultation meetings, and 3 new parishes now admitting children.

Photo: This year we celebrated 30 years of women's priestly ministry, with a special service in Rochester Cathedral and a series of films and stories featuring some of those women ordained in Rochester Diocese in 1994.

Growing **missional disciples**

We are committed to helping people grow in their personal relationship with God and in confidence, so they can use their faith to be a positive Christian influence in the world.

Deepening relationships with God

We give thanks to God for the vibrancy and resilience which is evident in our church communities right across the Diocese.

In so many places we see congregations living out the Great Commission in their communities, and it is this commitment which our diocesan strategy builds on in the *growing missional disciples* workstream.

With prayer and reflection vital ways for people to grow in their personal relationship with God, the Diocese's Spirituality Network has continued its work to support people with their spiritual lives.

Since the beginning of the year, the Network has worked in partnership with the St Benedict's Centre in West Malling, to offer spiritual events, quiet days and teaching days. The partnership has boosted the numbers of those attending and given a wider range of training possibilities for those interested in spirituality.

This year also saw the completion of the two-year Spiritual Direction course. This means there are now 16 new spiritual directors available who are helping with the ever-growing demand for spiritual direction in the Diocese.

This year, the Spirituality Coordinator for the Diocese was delighted to see to fruition the publication of the *Diocesan Prayer Pack Book*, designed to nurture people's personal prayer journey wherever they are. Developed over eight years, this resource, now available in accessible book form, offers 12 unique ways for someone to pray within the comfort of their own home or church community.

Each chapter outlines a method of prayer in simple steps, with space for your reflections and notes. Plus, a 'Review of Prayer' section encourages growth and reflection.

> 'My hope for the Prayer Pack is that it will be an accessible resource and guide to help a person deepen their personal prayer life"
>
> The Rev Canon Susanne Carlsson, Spirituality Coordinator for the Diocese and Editor of the Prayer Pack

Encouraging Everyday faith

Bishop Simon has continued to play a leading role in supporting people to recognise God's call in their daily work, roles and activities.

This has included conducting several anointing services in churches, where people are invited to come forward, name their role in life, and receive a blessing and anointing with oil.

The regular Everyday Faith section in the quarterly printed Diocesan magazine has continued to highlight the testimonies of a range of people, from a Parish Safeguarding Officer, a farmer, to a social worker.

These stories aim to encourage the reader to recognise their own God-given talents and gifts, and how they can be used as part of their Christian witness each and every day.

Supporting the faith of children and young people

Allowing young lives to be shaped and to flourish through having the opportunity to encounter the love and goodness of Jesus Christ, is a key area of work for the Diocesan Children, Young People and Families team.

Part of this is about ensuring the voice of children and young people is heard at every level in churches and giving them the confidence and opportunity to be equal partners within the life and governance of the diocesan family.

The Diocesan Youth Council is one such initiative that allows this to happen. It has seen a real revitalisation this year, meeting 4 times, including a 3-day residential with the theme of *Young Leaders: Being chosen and equipped by God.*

The team has also organised several events to connect young people across the parishes of the Diocese, including hosting the National Church's Thy Kingdom Come Event for Young People attended by over 120 young people and many more online. Messy Cathedral was a further new initiative attended by 150 people with several different churches involved in running activity stations.

Pictures (Top to bottom), Thy Kingdom Come event at St Margaret's in Rainham, Apprenticeship scheme at St Francis Church in Strood, School work experience with the vicar at St Philip and St James', Walderslade.

Supporting the spirituality of older people

Anna Chaplaincy is a dedicated ministry focused on equipping churches to better support older people in their congregations and communities, and to ensure their spiritual and pastoral needs are met.

This is achieved through a network of 40 Anna Chaplains and 27 Anna Friends across the area of Kent and Medway, two-thirds of whom have a ministry that extends beyond their parish.

A large proportion of Anna Chaplains are ministering in care homes, and in older people's own homes, as well as to people with dementia. *(Photo top right)*

This year also marked 10 years since the first Anna Chaplain was commissioned nationally. To celebrate this milestone, and to raise further awareness of the range of Anna Chaplaincy taking place across the Diocese, Julia Burton Jones, Anna Chaplaincy Lead and Dementia Specialist for Rochester and Canterbury Dioceses, set out on '10 for 10' challenge. Her challenge saw her visit 10 Anna Chaplains across Kent, walking with them in the places they serve, and hearing and sharing their stories.

'Listening, offering spiritual support to those with no, little or strong faith, hearing their stories, end of life care, prayer, home or hospital communions amongst other things can all make my heart sing.'

Anna Chaplain

Overseas friendships

Our diocese enjoys overseas links with the Anglican dioceses of Harare in Zimbabwe, and Kondoa and Mpwapwa in Tanzania. We have a similar, flourishing partnership with the Evangelical Lutheran Church of Estonia.

These friendships grow and deepen faith by allowing members of each diocese to explore each other's history and tradition, share spiritual and material resources, and advance the Kingdom of God within one another's dioceses through prayer and action.

These friendships thrive thanks to a committed and volunteer-run Overseas Partnerships Team, who arrange visits and partnerships between schools and parishes.

This year, two bishops from our overseas link diocese of Tanzania enjoyed hospitality and friendship as part of a visit to the Diocese. From services to coffee mornings, Bishop Given, the Bishop of Kondoa, and Bishop Luzineth, the Bishop of Mpwapwa, attended several of the churches that have links with their parishes in Tanzania.

While here, they updated churches on some of the projects and issues facing their communities back home.

'These links are a true blessing and bring so much shared richness and fulfilment to all those involved.'

The Rev Christine Allen, Overseas Link Coordinator

Church schools

There was joy and delight at the official opening of Rochester Riverside Church of England Primary this year. This new Church of England primary school has been built as part of a new housing development in the city.

The opening of this new school is a story of transformation and new life in this part of Rochester, and to have the Church of England at the heart of this development, is a real sign of the Diocese's commitment to the flourishing of children and young people across the communities we serve

This year also saw the opening and blessing of a new extension at St Nicholas Church of England Primary School, Strood. The new building marks the final stage in the school's transition from an infant into a primary school, with the extension allowing the current one-form entry school of 152 pupils, to grow by 30 pupils each year, per year group.

Photo: Bishop Jonathan opens the new Rochester Riverside School

Growing safe and healthy cultures

The healthier the cultures we can develop, the more likely we are to embed positive and safe practices into the way we work, worship, and behave.

The safeguarding failures of the Church of England were in the headlines throughout 2024. The retraumatising effect on victims and survivors of abuse, and on the morale of parishes – even though not directly connected to the cases highlighted – must be recognised.

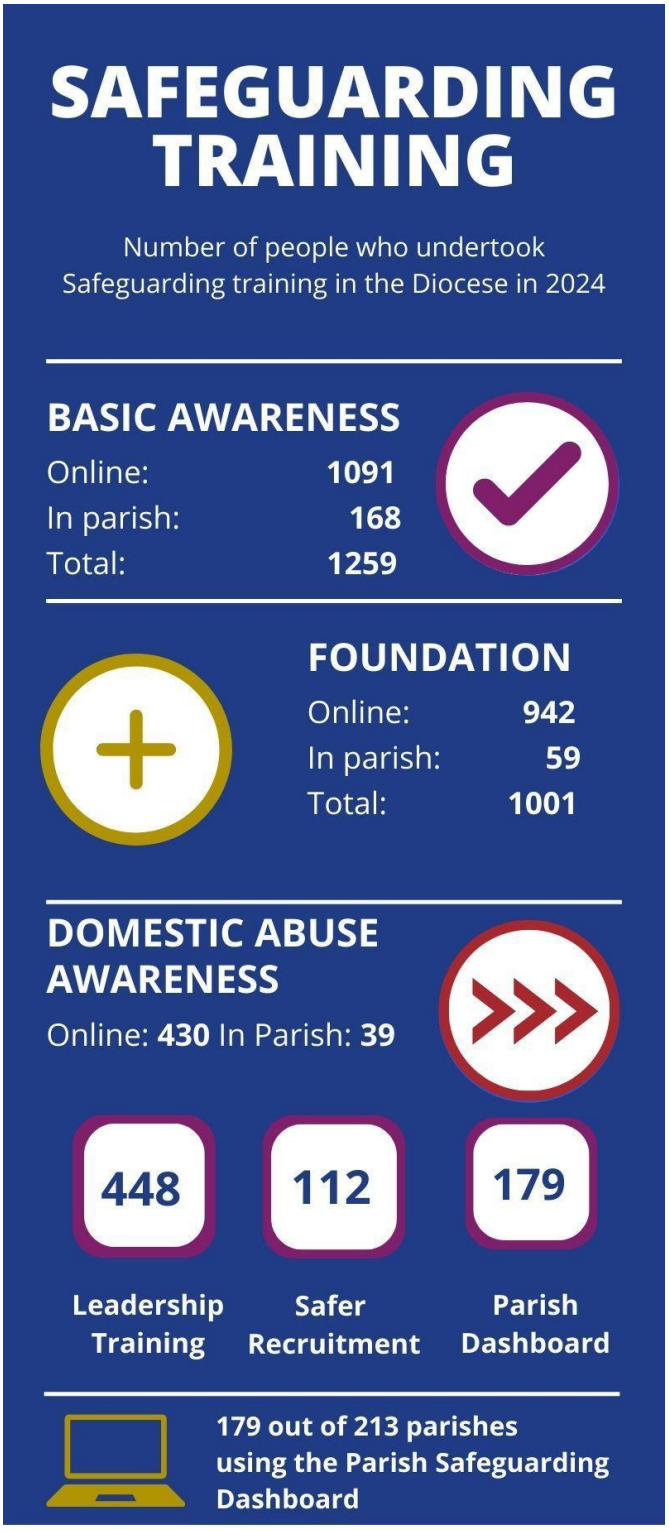
Signposting to support and acknowledging the hurt caused by the failings of the institution has therefore been a key focus of the senior leadership of the Diocese, as well as the Diocesan Safeguarding Team.

'...at the local level in our parishes and dioceses and at the national level, there has been huge change around the culture and practice of safeguarding, and I am so grateful for all the clergy and lay people across this diocese are doing as part of that.

'However, as recent events have shown, there is still a profound need for a change of culture across the Church as a whole, moving towards greater transparency and accountability at all levels.'

Bishop Jonathan Gibbs, Bishop of Rochester

A Clergy Drop-in with Bishop Jonathan and the Diocesan Safeguarding Team also took place to allow space for discussion and reflection on the issues raised in the Makin Report into the abuse perpetrated by John Smyth.



Diocese of Rochester
called together

The national context has helped further galvanise commitment within the Diocesan leadership team to give more attention to culture across the Diocese, whether in parishes or in the diocesan office.

It is clear that creating safe and health cultures is not just the preserve of the Safeguarding Team, but must been seen as being everyone's responsibility and about how we engage and work with one another on a daily basis and has therefore been written clearly into the diocesan vision as the lens through which all work must be viewed.

In spite of all that has happened, the day-to-day diligent work of parishes, parish safeguarding officers and the Diocesan Safeguarding Team has continued.

Some parishes in our dioceses had contact this year with a survivor and campaigner who was monitoring churches' compliance with the expectations set out in the Parish Safeguarding Handbook.

This included checking whether the Safer Church poster was displayed, if there was safeguarding information clearly accessible on the website, and if all the safeguarding contact details were correct and up to date.

The Diocese of Rochester came in the top three of all dioceses for compliance - meaning 94 per cent of churches compliant.

'We can never be complacent, and the culture of a church needs to work alongside availability of safeguarding information, however, this was a fantastic achievement and a huge sign of the commitment we know is present within each and every parish to be a safe and welcoming place.'

Greg Barry, Lead Diocesan Safeguarding Adviser

Changing culture around safeguarding

People are working hard across the diocese to help keep everyone safe. For these efforts to be most effective, they need to be embedded in a good culture - a safe and healthy culture - and that's where each and every person can make a difference.

Raising awareness of our shared responsibility in these matters is a year-round endeavour. Notwithstanding this, for several years, churches have been encouraged to engage with Safeguarding Sunday.

Organised by the Christian charity thirty-one:eight, it is a chance for reflection on safeguarding and the culture of a place, to give thanks for those working hard in parishes to ensure good safeguarding practice is undertaken, and to remind everyone where to go for help and support if they need it.

Each year, more and more parishes have become involved with this year being no exception, with activities ranging from:

- Prayer and reflection for victims and survivors of abuse
- Talks by Parish Safeguarding Officers
- Child-appropriate activities to help raise awareness of who to talk to if they need help

- Addresses in parishes by the Diocesan Lead Safeguarding Adviser and also Bishop Jonathan.

The Diocese has also contributed to the national debate about safeguarding in the Church, as in December, Diocesan Synod, the decision-making body for the Diocese, backed a motion of 'no confidence' in the Archbishops' Council's oversight of safeguarding (The Archbishops' Council provides leadership and holds executive responsibility for Safeguarding within the national institutions of the Church of England).

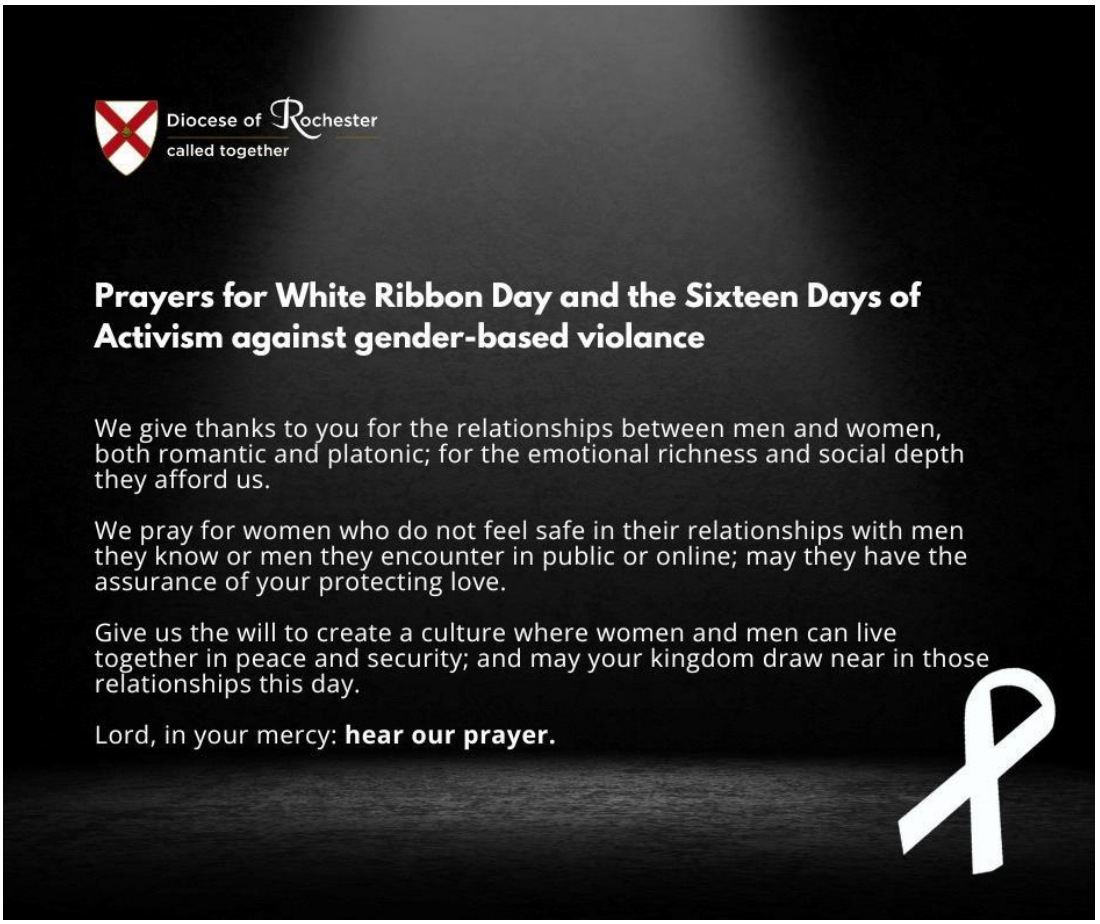
The motion followed the publication of the Makin Review into the abuse of John Smyth – a report which led to the resignation of the Archbishop of Canterbury, Justin Welby. Following the passing of the motion, the Archbishops' Council is seeking to engage in further dialogue with Diocesan Synod to better understand the concerns that have been raised. This will be actively pursued in 2025.

A prophetic voice for justice

Senior clergy and diocesan support teams have also continued to speak up for justice, and to be open to hear the prophetic voice ourselves, for the Church has much it needs to put right.

This has included ongoing activity to raise awareness of issues such as modern slavery, domestic abuse and gender-based violence, poverty, racial justice, and care for the environment.

A series of webinars hosted this year by Bishop Simon and convened by the Diocese's Community Engagement and Social Action Lead Adviser, gave churches the opportunity to learn more about some of the ways they could respond to issues such as poverty, homelessness and modern slavery, as well as some of the partner organisations that could work with them.



Bishop Simon also shared messages and prayers, through video and in the diocesan magazine, encouraging men to take a stand against male violence towards women and girls, in support of the White Ribbon campaign. This was followed by his speaking at the London Borough of Bexley's 16 Days of Activism Against Gender-Based Violence conference.

This campaign was further supported through the sharing of information and links on the diocese's social media channels to charities working to address, and support those experiencing, domestic abuse and gender-based violence throughout the 16 Days season. A new support page was also set up on the diocesan website signposting to support for those experiencing or affected by domestic abuse.

Net zero carbon

Supporting churches in the Christian imperative to care for God's creation has also been a key objective, particularly around encouraging churches to engage with the Eco Church award scheme, and to take up the opportunity to learn more about their carbon emissions through the national church's Energy Footprint Tool.

To help, encourage and inspire churches, stories were shared during the season of Creationtide in September about some of simple steps being taken at parish level to address carbon emissions and protect nature, as well as ways churches were using the Eco Church scheme to help shape and guide their efforts.

Alongside this, a series of Energy Footprint Tool surgeries were hosted by the Diocesan Advisory Team to help churches to complete the tool. The result is that this year saw a large increase in the number of churches completing the tool, 56 per cent compared to 26 per cent in 2023, with data this year submitted for 145 church buildings and halls.

During the year we also secured funding for a Carbon Net Zero Programme Manager and two Advisers through a joint bid to the Church Commissioners along with the Diocese of Canterbury. These posts have been recruited, and the post-holders joined the staff team in early 2025. These posts are all fully funded by the Church Commissioners, so the services to parishes which these posts will provide come at no cost to the parishes or the DBF.

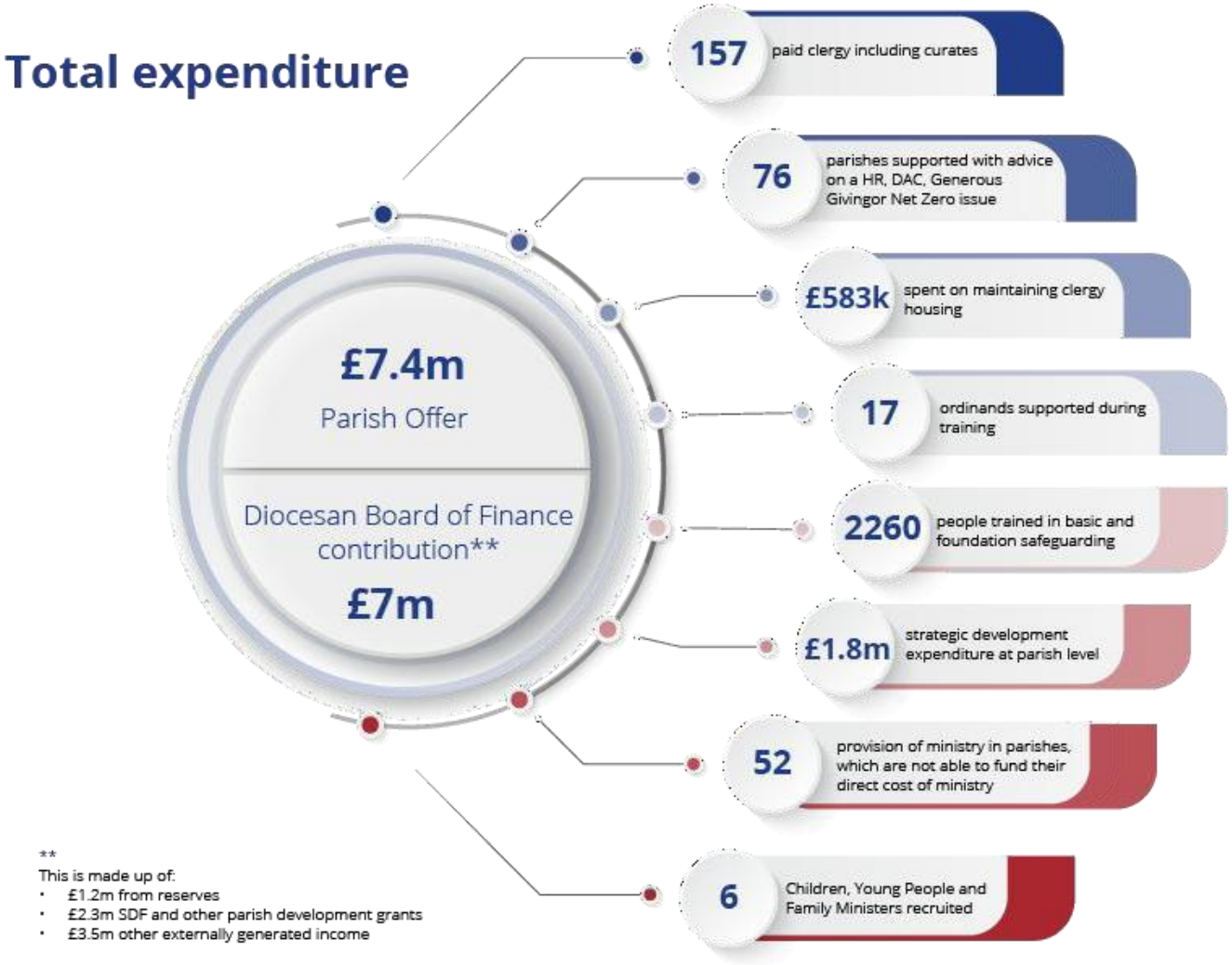
St Stephen's Church, Tonbridge
The church has saved over £2,500 on its energy bills since making the switch to LED lighting throughout the building, and now, they are planning on installing solar panels to help reach net zero carbon by 2030. The church's proactive approach to reducing their energy use is because they believe it is a way to actively practice their wider mission of caring for the planet, now and for the future.

Holy Trinity, Twydall
Now a Silver Award Eco Church, one of this church's most visible and impactful projects is the creation of its Wild Garden. Quickly becoming a cherished sanctuary for both people and wildlife alike, whatwas once an overgrown and neglected plot behind the church hall has been transformed into a thriving ecosystem, brimming with wildflowers, bee-friendly plants, and insect habitats.

The Holy Redeemer Lamorbey
As a Gold Award Eco Church, Holy Redeemer, is keen to share its learning and enthusiam with others. Its Green Open Day saw Eco church reps from churches across the Diocese drop in to share green ideas, solve eco problems, gather resources and find out about A Rocha UK. The local community also enjoy nature trails and other eco-inspired activties.

What has been spent and what has been achieved

In 2024, total expenditure was £14.4 million. Thanks to the generosity of parishes alongside contribution from the Diocesan Board of Finance, this is some of what was supported and achieved in partnership over the last year.



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This is made up of:

- £1.2m from reserves
- £2.3m SDF and other parish development grants
- £3.5m other externally generated income

Future plans

2025 will see the launch and mobilisation of our new Diocesan Strategy. Activities will take place across several workstreams funded from the Diocesan budget in partnership with the grant from the Church Commissioners under the Strategic Mission and Ministry Investment Board.

	Planned Activity for next 12 months	Contribution to Intended outcomes
Missional leadership	Recruit roles to support parish engagement, social action, and practical support for office holders	Strengthens local leadership by equipping parishes with practical tools for mission and governance, contributing to parish health and sustainability
	Refresh and relaunch leadership development pathways for clergy and lay leaders	Provides accessible and relevant development opportunities aligned with diocesan priorities for missional leadership
	Launch new Learning Communities for clergy and lay leaders	Embeds a culture of reflective practice, shared learning and peer support to strengthen local mission
	Scope and plan targeted initiatives to support leadership in specific missional contexts (e.g. estates, rural, new housing)	Lays the foundation for future context-specific leadership support, with delivery anticipated from 2027

	Planned Activity for next 12 months	Contribution to Intended outcomes
Revitalising Fragile Churches	Design phased approach for pilot delivery of Fragile Churches support	Lays the groundwork for a sustainable and scalable model of support tailored to parish needs
	Develop and begin implementation of data-informed framework for identifying fragile churches	Establishes a clear and consistent method to target support and resources effectively
	Review and refine the diocesan Health & Vitality process	Provides dedicated capacity to deliver strategic support to parishes identified as most in need
	Recruit full-time clergy post to lead on Fragile Churches support	Provides dedicated capacity to deliver strategic support to parishes identified as most in need

	Planned Activity for next 12 months	Contribution to Intended outcomes
Children, Young People & Families	Onboard 3 Areas of Focus parishes	Strengthen existing CYP ministry, build community connections, and create peer support pathways for wider parish engagement
	Recruit Schools Engagement Advisor and begin implementation of workplan	Initiate a local schools network and begin development of a parish-facing toolkit to support schools engagement
	Expand the Enhanced Learning Pathway by contracting new delivery partners and onboarding candidates for Catalyst Year 3, Children's Ministry Essentials, and new clergy training (e.g. Launchpad, Project)	Extend and embed a sustainable CYP leadership development offer for both lay and ordained leaders, building capacity and confidence across parishes

	Planned Activity for next 12 months	Contribution to Intended outcomes
Missionally healthy places	Support the delivery of 8 Missionally Healthy Place projects, including recruitment to key roles in parishes such as Pioneers, a Chaplain, and an Operations Manager."	Early missional activity in local contexts, including relationship-building, listening, and identifying opportunities for growth and discipleship
	Implement agreed contextual mission plans in each parish, including establishing new worshipping communities	Tailored strategies for mission and ministry that support local church growth and align with diocesan priorities
	Begin tracking progress and capturing learning across projects	Contribute to shared learning across the programme; gain further insights into what supports parish renewal and sustainable growth

	Planned Activity for next 12 months	Contribution to Intended outcomes
Programme support	Build the capacity to serve the delivery of coordination and oversight across all workstreams to enable parish based delivery. Head of Programmes to start in role.	Strengthened programme infrastructure and capacity to support delivery, learning, and strategic alignment, all enabling parish delivery and learning.
	Establish project boards for each workstream, with regular reporting to the Programme Board	Clear governance, improved accountability, and effective decision-making at all levels of the programme
	Develop and implement programme-wide monitoring and reporting systems	Enable consistent tracking of progress, gain further learning across the programme, and support adaptive implementation
	Develop and implement a plan to support parishes in building financial resilience through tailored engagement, support and advice	Strengthens long-term sustainability by helping parishes connect financial health with missional growth, and encourages greater confidence and generosity in giving

FINANCIAL REVIEW

Photo: Bromley Schools' Festival at Bromley Parish Church

Diocesan finances comprise a complex set of relationships between the DBF, parishes, the National Church Institutions, external funders and trading partners. These relationships are both financial and non-financial in nature. We gratefully acknowledge not only the continued sacrificial support of so many parishes across the diocese, but also the unfailing efforts of the many clergy and volunteers who contribute so much to the life and work of our parishes as well as supporting the work of the DBF in many and varied ways. We are also grateful to our external funding partners, whose financial commitment is a clear demonstration of the confidence which they have in RDSBF and its aims and ambitions.

FINANCIAL PERFORMANCE

The Statement of Financial Activities on page 61 shows an overall net surplus (all funds) before the movement in pension scheme liabilities of £1.5m (2023: £3.3m). The net surplus after revaluation of pension scheme liabilities was £1.3m (2023: £3.2m). This reduction is largely due to a fall in gains on endowment investments (1.7m in 2024 v £4m in 2023) following the large gains in 2023 which arose from the sale of the Beckenham properties.

Total income was £12.7m (2023: £11.6m). Parish offers have stabilised following nine years of constant decline, while investment income was £1.7m (2023: £1.9m).

Table 1: Investment and investment yields

Total costs for clergy stipends, pensions and national insurance were £6.2m (2023: £6.4m), reflecting a higher than anticipated vacancy rate which counteracted the 5% rise in stipends from 1st April 2024. Staff costs were £2.3m (2023: £2.2m), as we again had vacancies at senior staff level which depressed the overall cost despite a 5% salary rise in April 2024.

BALANCE SHEET POSITION

Total net assets at 31st December 2024 were £82.2m (2023: 80.8m). This includes properties mostly used for ministry, the book value of which amounted to £52.7m (2023: £52.1m).

The trustees consider the market value of these properties to be considerably more than the book value, and this market value is realised as and when a property disposal takes place.

Market investments held at 31 December 2024 were £26.2m (2023 £21.7m); investing the final tranche of the proceeds from the sale of the Upper Beckenham properties accounts for £2m of this increase. The 2024 value includes £112k investments with Charles Stanley in respect of the Bishop of Rochester Fund for Mission, which has been consolidated within the RDSBF accounts for the first time in 2024 as a restricted fund. Investment properties were valued at £7.7m (2023: £7.5m) (see Note 10).

The investments held and their return during the year is set out in the table below which shows an overall net income yield on

	At 31/12/2024 £K	At 31/12/2023 £K	2024 %	2023 %	2024 Income Yield	2023 Income Yield	2024 Total Return	2023 Total Return
Glebe Investment Properties	7,687	7,465	22.74%	25.56%	2.01%	3.91%	4.90%	37.23%
Market Investments *	26,109	21,739	77.26%	74.44%	2.16%	2.52%	12.28%	10.23%
	33,796	29,204	100.00%	100.00%	2.12%	3.01%	10.50%	19.67%

investments (including investment properties) of 2.12% (2023: 3.0%) and total return of 10.50% (2023: 19.7%).

Cash and short-term deposits at 31st December 2024 were £6.2m (2023: £10.2m). During 2024, the final £2m from the sale proceeds of the Upper Beckenham properties was placed with Mercer, thereby reducing short term deposits by that figure. Realisable market investments (i.e. excluding private equity) were £24.3m (2023: £20.2m), meaning that total realisable liquid assets stood at £30.5m at the year end (2023: £30.4m).

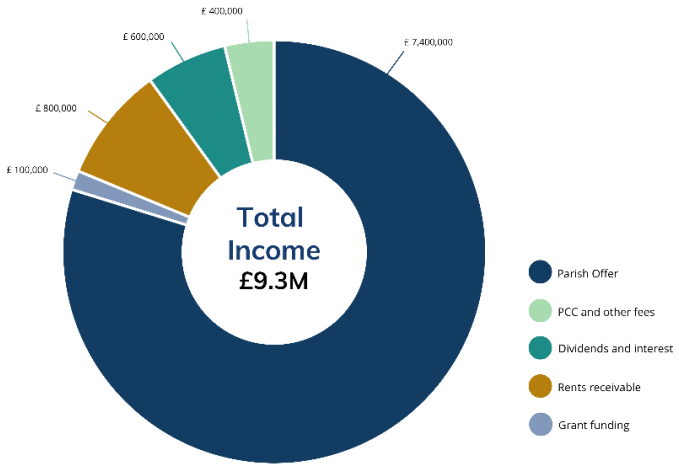
£71.7m of the total net assets shown in the balance sheet of £82.2m are held in restricted funds and cannot necessarily be used for the general purposes of the RDSBF.

COMMON FUND

The Common Fund is the principal unrestricted fund of the DBF which deals with the general income and expenditure of our Diocese. In most charities it would be known as the General Fund. The term "Common Fund" reflects who we are – an interconnected family or fellowship of Christians dependent upon, supportive of and with a shared concern for, one another.

This partnership is expressed by parishes through the Offer which they pay to the Common Fund each year. Thanks to the generous and often sacrificial contributions of parishes into the fund, we are able to ensure that:

- Ministers, ordained and lay, stipendiary and self-supporting, are available across the geographical area of the Diocese, allowing us to maintain a vital presence in our communities
- that the mission of the local church is supported through the provision of central services, such as Safeguarding, resourcing Children & Youth ministry, property maintenance and advice e.g. DAC, HR and Finance consultancy
- that new vocations to ministry are discerned and developed
- that we make our fair contribution to the costs of the National Church.



The present system of providing an *Indicative Offer* to parishes was established in 2019 to assist parishes as they consider their contribution to the Common Fund. Whilst retaining the voluntary nature of Parish Offers, the Indicative Offer enables parishes to assess their pledged offers against the total mission and ministry funding requirement of the whole Diocese.

During 2024 a review of the Offer system was carried out, commencing in February with a series of consultation meetings where over the course of four events, we met with almost 200 people from across the diocese.

Following an extensive consultation exercise and a detailed review of the results, four recommendations were made.

1	The fundamental nature of the system, whereby a PCC is free to set its offer at a level of its own determination, guided by an Indicative Offer provided by the DBF, remains unchanged
2	When calculating unrestricted income, legacies will be excluded
3	The Cap will be removed in the pursuit of simplification
4	The Indicative Offer calculation will continue to be done at benefice level.

These recommendations affirmed the elements of the system which were considered to be working well, whilst also addressing common criticisms which were raised during the consultations.

They were accepted by Bishop's Council and incorporated into the 2025 Parish Offer process.

Total Parish Offers received during the year were £7.437m, with those attributable to the Common Fund £7.380m. This represents a stabilisation in the level of parish offers, and indications are that 2025 will see Offers start to increase once more.

The 2024 collection rate against amounts offered was 100.8%, reflecting the fact that a number of PCCs made additional gifts over and above the amounts which they had offered.

RDSBF is immensely grateful to all the parishes of the diocese which have sacrificially supported mission and ministry in the diocese in this way.

GRANTS RECEIVED

The RDSBF gratefully acknowledges all grants received. During 2024, the Common Fund received £110k from Benefact (formerly All churches Trust) and £17k from the Archbishops' Council's Strategic Ministry Fund.

Table 2: Parish Offer history

The Church Commissioners' sustainability grant funding came to an end in 2023, contributing to the Common Fund grant income reduction of £426k.

INVESTMENT INCOME AND RENTS RECEIVABLE

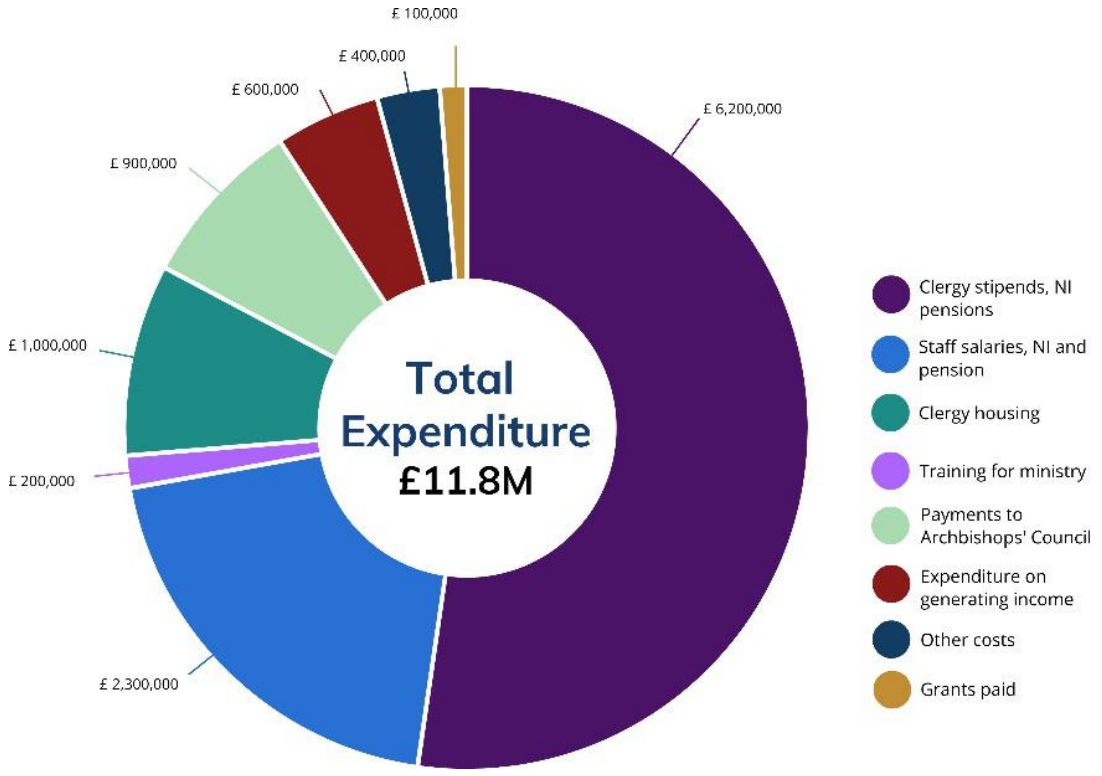
Dividends receivable by the Common Fund were £282k (2023: £438k); this reduction is due to a change in the accounting treatment of Stipends Capital Account dividends during 2024 – in prior years these were credited directly to the Common Fund, but in 2024 they have been credited to the SCA and then transferred to the Common Fund as a Reserve Movement in the SoFA.

Rents receivable by the Common Fund were £0.8m (2023: £1.0m) reflecting the first full year without the rental income from the Upper Beckenham properties. It should also be noted that the reduction in rents receivable was more than offset by market gains on investments and the increases in Unapplied Total Return.

EXPENDITURE

Close control of costs across all of RDSBF's activities resulted in costs (as reported in the December management accounts) being £1.2m better than budget. This was helped by roles funded from the Capacity Fund being charged to the restricted account rather than the Common Fund as budgeted.

Clergy stipends were increased by 5% in April 2024. Despite this, an increase in the vacancy rate and a reduction in the clergy pension contribution rate meant that clergy costs finished the year £0.2m lower than in 2023. Expenditure on maintenance of clergy houses was maintained at £1.6m, but we were able to capitalise £0.5m of this compared to £0.4m in 2023, thereby reducing the amount charged to the Common Fund by £0.1m.



Staff salaries were increased by 5% in April 2024. Payments to the Archbishops' Council reduced by £0.1m compared to 2023.The reserve balance on the Common Fund was £1.2m as at 31 December 2024 (2023: £1.7m).

COST OF SUPPORTING PARISH MINISTRY

The ministry, mission and services provided by the Common Fund are channelled in a purposeful way thanks to our shared Called Together vision. The following table shows how much it costs to provide clergy and central support services to parishes.

Table 3: Cost of supporting parish ministry

Annualised Cost of Full Time Incumbent	**£**
Stipend	31,000
National Insurance	3,000
Pension	8,000
Parsonage upkeep	9,000
	51,000
Diocesan Support Costs	
Clergy removals and support	2,000
Other ministry support *	4,000
Parish support costs **	2,000
Administration and governance costs ***	7,000
	15,000
Cost of Mission, Futuire Ministry and National Church	
Curates stipends/ national insurance / pensions	4,000
Training and maintenance of ordinands	3,000
Contribution to national church	3,000
	10,000
Full cost attributable to a parish with one full time incumbent	**76,000**

** Other ministry support includes the cost of the Formation and Ministry team, Youth and Children's department and Community and Social Engagement department*

*** Parish support costs include Safeguarding and DAC*

**** Administration and governance costs include Finance and Stewardship, IT, Communications and Legal and Secretariat*

In the above analysis, Diocesan Support Costs and the Cost of Mission, Future Ministry and National Church are divided equally across the 171 benefices.

DESIGNATED FUNDS

The Trustees may designate unrestricted reserves to be retained for an agreed purpose. Such designated reserves are reviewed on an annual basis and returned to the Common Fund in the event that there is no further need to retain them for the purpose of their designation. A description of each reserve together with its intended use is set out in Note 16.

There was little movement on the Designated Funds during the year, with a £4k gain on sale of property being posted to the Designated Property Fund, along with a capital transfer of £73k from the Common Fund and a transfer of £34k back to the Common Fund in respect of the 2023 Sustainability grant. Total designated reserves at 31 December 2024 were £9.2m (2023: £9.2m). These reserves are predominantly held in property assets.

RESTRICTED AND ENDOWMENT FUNDS

The RDSBF holds and administers a large number of restricted and endowment funds. None of these funds are available for the general purposes of the RDSBF, although the income of endowed funds may be used for certain restricted or unrestricted purposes in accordance with the terms of the fund. As at 31 December 2024, restricted funds totalled £42.8m (2023: £41.5m) and endowment funds totalled £28.9m (2023: £28.4m).

RESTRICTED FUNDS

During the year, a grant of £407k was awarded by the Archbishops' Council in respect of Capacity Funding. This and the associated expenditure had been budgeted in the Common Fund. At the year end, £192k had been drawn down from the fund (and recognised in the SoFA) against £192k of expenditure.

During the year, the Bishop of Rochester Fund for Mission became a linked charity, meaning that it has been brought into the RDSBF's accounts as an additional restricted fund. The value of the fund at 31st December was £216k. This has been shown as Grant income in the SoFA.

RDSBF is very grateful to the continuing support of a number of grant-making organisations, including Trust for London, Benefact Trust, Colyer Fergusson, Marshalls Charity, National Lottery Heritage Fund, and the Medway Council Future High Streets Fund. Significant restricted grant income from these and other sources during the year was:

Table 4: Significant restricted expenditure

Fund	£000	Nature of expenditure
Diocesan Pastoral Account	188	Grants and other support for parish ministry
RME	75	Ordinand course fees and grants
Thames Gateway	131	Grants
Link Dioceses	139	Grants
Chatham Town Centre	1,515	Capital expenditure on St John's Chatham
SDF Called to Grow	185	Support for parish ministry
Capacity Funding	167	Support for diocesan ministry

Significant restricted expenditure during the year was:

Table 5: Restricted expenditure

Fund	£000
Trust for London	243
Link Dioceses	150
Chatham Town Centre (including Medway Council Future High Streets Fund, Benefact Trust and National Lottery Heritage Fund)	1,818
SDF Called to Grow	299
Capacity Funding	192
Colyer Fergusson	50

ENDOWMENT FUNDS

The only significant movements on the endowment funds have been income received by the Stipends Capital Account of £212k and income received by the Goodwin Legacy of £36k. Transfers from the Stipends Capital Account were £717k to the Benefice Property Fund in relation to property capitalisations, and £769k to the Common Fund.

SIGNIFICANT PROPERTY TRANSACTIONS

During the year three (2023: 4) property sales were completed, generating total proceeds of £1.1m (2023: £2.23m) and realising a surplus over book value of £0.7m (2023: £1.26m).

There were no properties bought in 2024 (2023: 0).

FINANCIAL SUSTAINABILITY

The kingdom of God is an eternal kingdom. This means that the DBF must be financially sustainable in the long-term. We remain focused on doing this by growing the Common Fund through:

- developing parish offers
- bringing on stream complementary sources of funding for growth projects, in particular taking full advantage of new monies being made available by the Church Commissioners for the development of mission and ministry
- maintaining tight cost control

Parish offers have declined consistently over the last 10 years, falling from £9.2m in 2015 to £7.4m in 2024. Since 2020, costs have risen by 23%, principally due to the Covid-19 pandemic and more latterly global instability.

Together, these have put a strain on diocesan resources, but thanks to careful stewardship of our assets, significant success in raising external funds, tight cost control and increases in asset values, we have been able to grow our total reserves (all funds) from £78.03m to £82.2m over that same period.

Indeed, had our costs risen in line with inflation over the last five years, the accounts would have shown an operating deficit of £3.3m, a Common Fund operating deficit before re-evaluations of 1.45m actually recorded in 2024 .

RDSBF recognises that the key to achieving financial sustainability is to grow the Common Fund so that it becomes self-supporting at the operating level. To do this we need to nurture and sustain the parish structure of ministry, reimagining it where necessary.

This includes the reinvigoration of established parish churches while also focusing on investing in fresh mission opportunities and the emerging church. We need to be able to invest in areas of new developments where the population is growing, and where due to cultural change and diversity, different styles of church may be required.

Our Diocesan Strategy, launched in December 2024, sets out our plans to achieve these goals. A critical part of this is to take full advantage of the new funding streams being made available by the Church Commissioners to support mission and ministry across the dioceses, and to this end we have put in a bid covering a nine-year period, 2025 – 2033, split into phase 1 (2025 to 2029) and phase 2 (2030 - 2033) amounting to £16.6m under the Diocesan Investment Programme (DIP).

In March 2025 it was announced that our bid in respect of phase 1 had been successful and a grant of £11m had been awarded. The DIP Board encouraged us to reapply for phase 2 in 2028/29, by which time there would be greater clarity over the total amount of funding available.

The budget for 2025 was built on an assumption that Parish Offers would be £7.9m. This would represent a recovery against 2024 but would still be below the 2024 budget of £8.0m.

There is good reason to be confident that a recovery in parish offers has begun; nevertheless, achieving the 2025 budget will still be challenging. Despite this, the DBF is pressing ahead with the implementation of its strategic vision, knowing that investment is vital to the restoration of financial stability.

LIQUIDITY POLICY

The RDSBF's liquidity policy is to maintain minimum liquid reserves of £2.75m, defined as monies either on current account or on bank deposits of up to 35 days' notice, of which £1m should be in cash or on bank deposits of up to seven days.

This comprises £2.0m for the purposes of working capital and a further £0.75m representing just under 10% of total deposits by parishes for the Church Repair Fund (CRF) and Diocesan Loan Fund (DLF) to cover potential withdrawals from those funds. In addition, 10% to 15% of funds available for investment, is to be held in cash under the terms of the Cash Deposits Policy, subject to a maximum of £2.5m.

The Trustees are confident that the RDSBF has a sufficient asset base to cover liquidity needs in the foreseeable future.

The overall cash balances at the 2024 year-end stood at £6.2m (2023: £10.2m), comfortably above the current policy level for minimum liquidity and cash reserves of £5.25m.

RESERVES POLICY

The RDSBF requires reserves to:

- cover short-term excesses of expenditure over income
- fund recognised future infrastructure and strategic programmes which will require resources, such as changing the form of ministry and the deployment of clergy
- ensure resilience to materially adverse unexpected events

To assess resilience the Trustees have therefore modelled sensitivities to such events as material economic disruption leading to reductions in Parish Offers, as occurred through the Covid pandemic and the impact of severe market movements in the values of our property and market investment portfolios

In order to cover such eventualities it is the RDSBF's policy to maintain free reserves in excess of £5m. Free reserves are defined as the balance on the Common Fund, plus the value of those designated funds where the capital value can be freely accessed.

Common Fund reserves at the year-end stood at £1.2m (2023: £1.7m. In considering the level of Common Funds of £1.2millon against the policy amount the Trustees noted that the Common Fund can if necessary draw on the proceeds from property disposals from the Designated fund in the forthcoming year, Unapplied Total Return and for certain expenditures the Diocesan Pastoral Account.

The movement in the Common Fund can be analysed as follows:

Table 6: Common Fund reserves

	£m
Balance on Common fund at 1st January 2024	1.711
Operating deficit	(2,544)
Realised and unrealised gains and revaluations	937
Transfers	1,085
Balance on Common Fund at 31st December 2024	1,189

In May 2022, Bishop's Council approved a Total Return approach to the accounting for permanent endowments applied to the Diocesan Stipends Fund. This took effect from 1 January 2022. At the year-end, Unapplied Total return, excluding the £3.4m attributable to operational ministry properties, amounted to £12.2m (2023: £12.4m). Note 23 to the accounts provides further details on the calculation and application of the Total Return in the year.

INVESTMENT POLICY

The Board's investment policy is based on the two key principles of Preserving Inter-generational Equity and Ethical Investment.

PRESERVING INTER-GENERATIONAL EQUITY

The Trustees are aware of their long-term responsibilities in respect of endowment funds and as a result follow an investment approach which balances the necessity of generating income with the need to preserve and grow the capital value of the funds.

The investment policy for long-term funds is aimed primarily at generating a sustainable income and capital return but with due regard to the possible need to realise investments to meet operational needs.

Unrestricted and restricted investments are invested to balance income, liquidity and the maintenance of capital, and are held in managed funds comprising listed and unlisted equities and funds and fixed interest bonds.

The Bishop's Council has agreed to seek an appropriate minimum total return of at least CPI plus 3%, whilst at least maintaining the capital value of its non-property investments in real terms.

ETHICAL INVESTMENT

RDSBF follows the guidance of the Ethical Advisory Group of the National Investing Bodies of the Church of England. In practice, this means applying an ethical screen to the portfolio which precludes direct investment in companies which have more than 10% of their turnover in armaments, pornography or tobacco. It also looks to invest in companies which have high standards of corporate governance and act in a responsible way towards stakeholders.

RSDBF has no holding in fossil fuel companies as a response to the growing challenge of climate change.

FUND MANAGERS

In January 2020, the RDBF transferred its investment portfolio (excluding property investments) to Mercer Global Investment Management Ltd. ("Mercer"). Mercer's investment platform provides the Investment Committee of Bishop's Council with a greater level of flexibility to align the portfolio with the overall objectives of the Diocese and the flexibility for Mercer to respond to market changes and changes in the performance of specific funds and fund sub-managers. The current portfolio includes allocations in a broad range of asset classes.

GRANT MAKING POLICY

The Memorandum of Association of the RDSBF explicitly permits the RDSBF to make grants in pursuance of its objects. Details of grants made in 2024 are shown in Notes 6 and 8.

RDSBF operates a Missional Property Fund to support projects which enable parishes to make their church buildings more suitable for mission.

Grants are paid to other connected charities and to other charitable projects which RDSBF considers align with its own charitable objects. Grants are made to our Companion Dioceses of Mpwapwa and Kondoa in Tanzania and Harare in Zimbabwe from monies collected by church congregations and from other restricted donations, as well as to support links with the Evangelical Lutheran Diocese of Estonia.

PROPERTY

The RDSBF owns three categories of property: glebe investments (land and buildings forming part of the diocese's historic endowment); clergy houses; and RDSBF-owned corporate property held for operational purposes.

The RDSBF will consider the disposal of property for the following reasons:

- To replace unsuitable parsonages
- To respond to the changing geographical deployment of clergy within the Diocese
- To realise the development potential in properties, releasing funds to invest in mission
- To rebalance the glebe investment portfolio and to reduce exposure in direct property investments

CLERGY HOUSES STRATEGY

Inspired by the Called Together vision, RDSBF operates a Clergy Houses Strategy which sets out the Clergy Houses Committee's approach to clergy housing for the coming years. Clergy houses play a vital role in clergy wellbeing

and are often focal points for the church and local community.

Key objectives over the coming years are that clergy housing should:

- Be fit for purpose whilst also not over-committing diocesan funds
- Be affordable for the occupant and practical as a home and working environment
- Facilitate mission and ministry across the Diocese
- Achieve good standards of environmental sustainability

The Trustees commit significant capital reserves to the purchase and improvement of housing for clergy. The RDSBF is also responsible for housing its training curates (currently 18). The Clergy Houses Committee oversees the repair and maintenance of clergy houses.

In its role as the Diocesan Parsonages Board and as the housing provider, RDSBF is responsible for the provision, management, maintenance and improvement of approximately 230 houses, principally for the benefit of clergy.

The Finance Committee approves proposals for any purchase or disposal of property. It will additionally consider, on the advice of the Archdeacons, whether rental of property is particularly appropriate in individual circumstances.

FUNDRAISING

The RDSBF does not engage with any direct marketing activities, nor does it share or purchase any donor data with or from third parties. The RDSBF rarely engages with independent professional fundraisers, and if it does, it will always ensure there is an appropriate contract in place.

VOLUNTEERS

The RDSBF 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 RDSBF greatly values the considerable time given by all committee members and other volunteers across the Diocese in whatever capacity they are working in pursuit of the Church's mission.

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

FUNDS HELD AS CUSTODIAN TRUSTEE

The RDSBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the RDSBF does not control them.

Further details of financial trust assets, whose cost value amounted to £2.2m at 31 December 2024 (2023: £2.5m), are available from the RDSBF on request, and are summarised in Note 21.

Where properties are held in trust, the deeds are identified as such and held in safe custody by the RDSBF.

RELATED PARTIES

The RDSBF does not identify any organisations as Related Parties according to the Charities SORP definition. However, it has key relationships with the following organisations:

- The Archbishops' Council (charity number 1074857), from which RDSBF receives grants and to which it makes a contribution based on the apportionment system for funding national activities.
- The Church Commissioners for England (charity number 1140097), from which RSDBF receives grants and to which it makes payments for clergy stipends and national insurance.
- The Church of England Pensions Board (charity number 236627), to which RDSBF pays retirement benefit contributions for stipendiary clergy and certain ordained employees. It also offers schemes to provide housing for clergy in retirement.
- The Dean and Chapter of Rochester Cathedral: Some diocesan events held in the Cathedral are paid for by the RDSBF. The RDSBF rents car parking space from the Dean and Chapter and provides safeguarding support to the Chapter under a service level agreement.
- The Rochester Diocesan Board of Education (charity number 1031550), whose Principal Office is located at the Diocesan Office. The Board of Education supports and encourages churches and parishes across the Diocese of Rochester through the education of children and young people. The Bishop of Rochester is President of the Board of Education, and the Bishop of Tonbridge serves as Chair. The RDSBF undertakes the accounting function for the Board of Education under a service level agreement.
- St Augustine's College of Theology, which is located on the Malling Abbey estate owned by the RDSBF and is a lessee. Ordinands, Curates and Lay Workers from the Diocese are trained by the College.
- St Benedict's Centre, which is located on the Malling Abbey estate owned by the RDSBF and is a lessee. By virtue of office, the Bishop of Rochester and the Diocesan Secretary are each a Trustee and Director. The Centre offers non-residential facilities for individuals or groups to go on retreat, study or meet.

Certain individuals, principally the trustees and members of their immediate families are regarded as related parties for disclosure purposes.

Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements. Where materiality of transactions merits more detailed disclosure, this is given in Note 15 to the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

BISHOP'S COUNCIL RESPONSIBILITY

Bishop's Council is responsible for ensuring that effective and adequate risk management and internal control systems are in place to manage the major risks to which the Diocese is exposed. It has a clear mechanism for obtaining assurance on the management of risks. It agrees the approach to risk including overseeing the process to identify and assess key risks and understanding how those risks are managed and mitigated.

The Trustees annually consider, evaluate and record the major areas of risk to which the RDSBF is exposed, assessing the likelihood and impact of those risks crystallising, together with measures in place to manage and mitigate such risks.

During 2024 RDSBF carried out a comprehensive review of the format and structure of its risk register, along with reviewing the individual risks themselves.

Risks are now assessed on three criteria namely Likelihood, Financial Impact and Operational/Reputational Impact. Each risk is scored on a scale of 1 – 5 for each criterion, with 1 being very low and 5 being very high. The overall risk score is calculated as: *Likelihood x higher of Financial and Operational Risk.*

Thirty-seven separate risks have been identified under seven categories:

Category	Number of risks
Business Continuity and Cyber risks	1
Financial risks	7
IT risks	4
Mission and Ministry risks	8
National church risks	1
Operational risks (property, legal etc)	11
Safeguarding risks	5

Of the 37 separate risks identified, these have the highest scores:

Risk category	Safeguarding
Risk description	Implementation of Jay report adversely affects Safeguarding function
Mitigation	Dedicated team who will continue to work to provide a professional service

Risk category	Mission and Ministry
Risk description	Parishes experience stagnant or declining membership
Mitigation	Capacity and other funding streams support Mission and Ministry across the diocese

Risk category	Financial
Risk description	Continued operating deficits leading to

	breakdown in trust with parishes and the inability to maintain support for ministry across the diocese
Mitigation	Adoption of Total Return accounting. Success in finding alternative sources of funding to support growth. Improved communications with parishes. Giving Adviser working with parishes

GOVERNANCE, STRUCTURE AND MANAGEMENT

The Trustees, who are also directors for the purposes of company law, present their trustees' report together with the financial statements and auditor's report for the charitable company – the Rochester Diocesan Society and Board of Finance Limited (RDSBF) for the year ended 31 December 2024. The financial statements comply with current statutory requirements of the Charities Act 2011, the Statement of Recommended Practice for Charities 2015 (SORP 2015) (Second Edition, effective 1 January 2019) and the Companies Act 2006.

Registered & Principal Office: Diocesan Office St Nicholas Church Boley Hill Rochester Kent ME1 1SL

Directors and Members of the Bishop's Council

(Directors and Trustees):
The Bishop of Rochester (Chair)
The Rt Rev Dr Jonathan Gibbs
The Bishop of Tonbridge - The Rt Rev Simon Burton-Jones
The Chair of the Board of Finance - Canon Nigel Pope (retired 22/6/2024)
The Chair of the Board of Finance – Mr Stephen Smith *(appointed 22/6/2024)*

Ex-officio:
The Archdeacon of Bromley & Bexley
The Ven Allie Kerr
Archdeacon of Rochester
The Ven Andrew Wooding Jones (resigned 30/9/2024)
The Archdeacon of Tonbridge
The Ven Sharon Copestake (resigned 12/11/2024)
The Dean of Rochester
The Very Rev Dr Philip Hesketh
The Chair of the House of Laity
Mrs Sarah Poole
The Chair of the House of Clergy
The Rev Canon Jeremy Blunden
The Chair of the Board of Education
The Rt Rev Simon Burton-Jones

Elected – House of Clergy:
The Rev Canon Mark Barker
The Rev Dr Julie Bowen
The Rev Martyn Saunders

Elected – House of Laity:
Mr David Fitzpatrick
Mr Philip French

Senior Staff (not Directors for legal purposes):
Diocesan Secretary (and Company Secretary) - Mr Matthew Girt
Director of Finance – Mr John Jackson
Head of Property – Mr Chris McCormick (01/2025)
Director of Mission and Ministry Development – The Rev Dr Andrew Dunlop (01/2025)
Director of Diocesan Board of Education - Mr John Constanti

Advisors:
Auditors: HaysMac LLP 10 Queen Street Place, London EC4R 1AG

Registrar: Mrs Patti Russell
Winckworth Sherwood LLP Minerva House, 5 Montague Close, London SE1 9BB

Bankers: Barclays Bank Plc, 2nd floor, 30 Tower View, Kings Hill, West Malling, Kent ME19 4WA

Property Adviser and Glebe Agent:
Savills plc 74 High Street, Sevenoaks, TN13 1JR
Investment Advisers: Mercer Global Investment Management Ltd. 1 Tower Place West, Tower Place, London, EC3R 5BU

Insurers: Ecclesiastical Insurance Office plc Beaufort House, Brunswick Road, Gloucester GL1

The Rochester Diocesan Society and Board of Finance is a company Limited by Guarantee Registered Charity No. 249339 Registered in England No. 140656

LEGAL FRAMEWORK

The objects of the Rochester Diocesan Society and Board of Finance are:
"To promote, carry on, and assist the work of the Church of England (hereinafter referred to as "the Church") in the Diocese of Rochester (hereinafter referred to as "the Diocese") or elsewhere, whatever for the time being shall be the status or constitution of the Church, and to establish, set on foot, become a member of, support, take over, take part in, subscribe to, develop, become affiliated with, organise, administer, manage, terminate or reconstruct any association, society, charity, community, school, object or movement, interested in or calculated in any way to promote or assist any branch or activity of such work, and whether or not in connection with or forming a branch or agency of a like body or organisation existing or carrying on work wholly or partly outside the Diocese".

Its function is to serve as the corporate body of the Church of England in the diocese, responsible for the financial stewardship of the Diocese through performing, working and transacting business in connection with the Church and Diocese.

It is the Diocesan Board of Finance for the purpose of the Diocesan Boards of Finance Measure 1925 and other legislation. Through its Clergy Houses Committee, it may act as the Parsonages Board for the Diocese within the meaning of the Repair of Benefices Buildings Measure 1972.

The RDSBF has the following statutory responsibilities:

- the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Church Property Measure 2018
- the repair of benefice houses as the Diocesan Parsonages Board under the Repair of Benefice Buildings Measure 1972
- the custody of permanent endowment and real property assets relating to trusts held by Incumbents and Churchwardens and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the company are established by the Diocesan Synod in communication with deanery synods, PCCs, and the Bishop of Rochester (in respect of his responsibility for the provision of the cure of

souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the Church nationally, including consultations on specific matters relating to the priorities for the forthcoming year.

PUBLIC BENEFIT

The Trustees are aware of the Charity Commission's guidance on public benefit, "The Advancement of Religion for the Public Benefit", and have regard to that guidance in their administration of the charity.

As described more fully throughout the report, the RDSBF provides funds to support ministers of religion in the Diocese, and the maintenance of many buildings including parsonages and churches, many of which form an important part of the historic fabric and architectural heritage of the area.

The ministry of the parishes within the Diocese includes the provision of public worship, spiritual support and guidance, and involvement in a wide range of community projects; together these represent a substantial contribution to the wider public benefit.

Access to Church of England churches is available to anyone irrespective of race, creed, gender or sexual orientation.

THE STRUCTURE OF THE CHURCH OF ENGLAND

The Church of England is organised as two provinces: each led by an archbishop (Canterbury for the Southern Province and York for the Northern Province). Each province comprises dioceses, of which there are 41. Each diocese in England is divided into parishes. Each parish is typically overseen by a parish priest (usually called a Vicar or Rector).

From ancient times through to today, the parish priest and their bishop are jointly responsible for the 'cure of souls' in their parish. His Majesty the King, who is the Supreme Governor of the Church of England, appoints archbishops, bishops and deans of cathedrals on the advice of the Prime Minister. The two archbishops and 24 senior bishops sit in the House of Lords.

The Church of England is episcopally-led (there are over 100 bishops, including diocesan bishops and assistant or suffragan bishops). It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches.

General Synod passes Measures which, if accepted by Parliament, have the effect of acts of Parliament. It is made up of three groups or houses of members: the Houses of Bishops, of Clergy and of Laity.

NATIONAL CHURCH INSTITUTIONS (NCIs)

There are seven national administration bodies which work together to support the mission and ministries of the church, and which together comprise the National Church Institutions (NCIs):

- The Archbishops' Council
- The Church Commissioners
- The Church of England Pensions Board
- Lambeth Palace
- Bishopsthorpe Palace

- National Society for Promoting Religious Education
- The Church of England Central Services

The Archbishops' Council was established in 1999 to co-ordinate, aid and further the mission of the Church of England. Its task is to give a sense of direction to the Church of England nationally and support the Church of England locally in parishes and dioceses.

The Church Commissioners manage the historic assets of the Church of England, and use the income to fund mission in churches, dioceses and cathedrals throughout the Church of England. The Commissioners meet the cost of clergy pensions earned in service until the end of 1997, after which time the responsibility has passed to DBFs.

The stipend, housing and office costs of the Bishop of Rochester are met by the Church Commissioners. In the case of the Bishop of Tonbridge, the stipend and office costs are met by the Church Commissioners, with the housing costs being met by the RDSBF.

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

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

Lambeth Palace and Bishopsthorpe Palace are respectively the offices of the Archbishops of Canterbury and York. They employ their own staff who provide both administrative and ministerial services to and on behalf of the archbishops.

The National Society for Promoting Religious Education promotes education in schools, colleges and universities that allows children and young people to flourish in the widest sense.

Church of England Central Services provides support services to the other NCIs and the wider church in such areas as Finance, Technology, HR, Records Management, Legal and Communications.

THE CATHEDRAL

The Cathedral is the 'mother church' of the Diocese and legally constituted as a separate charity, being registered on 5th February 2024. Copies of its trustees' report and financial statements may be obtained from the Chapter Office, Garth House, Rochester ME1 1SX.

The information about the General Synod, the NCIs and Rochester Cathedral is included as background only. The financial transactions of these bodies do not form part of these financial statements.

THE DIOCESE'S DIOCESAN SYNOD

The statutory governing body of the Diocese is the Diocesan Synod which is elected with

representation across the Diocese with broadly equal numbers of clergy and lay people meeting together with the two bishops. Elections occurred in 2021 for the 2022 to 2024 triennium.

Its role is to:

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

RDSBF is empowered to act as a committee of the Diocesan Synod, responsible for providing the secretariat and other corporate services of the Diocese and also for raising and disbursing money and employing staff.

DEANERY SYNOD

A deanery synod has two houses, laity and clergy, and its role is to:

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

BISHOP'S COUNCIL

The Bishop's Council acts as:

- the Board of Directors and Trustees of the RDSBF
- the Diocesan Mission and Pastoral Committee
- the Diocesan Parsonages Board.

Elections occurred during 2021 for the 2022 to 2024 triennium.

PAROCHIAL CHURCH COUNCIL (PCC)

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area of the Church of England. Typically, each parish has one church.

The PCC is made up of the incumbent or priest-in-charge as chair, the churchwardens and a number of elected and ex-officio members.

Each PCC is a charity, but those with an annual income below £100,000 are currently excepted from the need to register with the Charity Commission; all others are now required to register. Except where shown, the transactions of PCCs do not form part of these financial statements.

PASTORAL UNITS

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

A deanery is a group of parishes over which an area dean has oversight, and an archdeaconry is a group of deaneries for which an archdeacon is responsible. There are seventeen deaneries and three archdeaconries in the Diocese.

The diocese is the principal pastoral, financial and administrative organisation within the Church of England at local level, comprising its constituent archdeaconries under the spiritual leadership of the diocesan Bishop.

THE DIOCESE OF ROCHESTER

The Diocese of Rochester has existed in West Kent since 604. Since then, the historic county of Kent has been shared between the two Dioceses of Canterbury and Rochester.

The Rochester part of Kent, however, changed significantly during the 19th and 20th centuries, largely as a result of the expansion of London.

The Diocese serves a population of some 1.4 million, which is expected to increase by 300,000 over the next 20+ years. We have 136 (2023: 143) full-time equivalent substantive stipendiary parochial clergy, and 27 (2023: 27) substantive self-supporting clergy. Additionally, there are 16 (2023: 18) stipendiary and 14 (2023: 17) self-supporting curates in training.

Other licensed clergy and lay ministers serve as chaplains and in diocesan and Cathedral roles. This population is also served by 90 Church of England schools, with significant local involvement also in community schools.

The communities of the Diocese are characterised by increasing diversity of varying kinds. The Diocese covers some of the most affluent areas in England, and also some of the most deprived wards in the South-East. With the expansion of London and adjoining communities, it is increasingly urban and suburban, yet still retains significant rural areas, including designated Areas of Outstanding Natural Beauty in the Kent Downs and High Weald National Landscapes.

The Ebbsfleet Garden City development will have a new population of some 45,000 people – it is one of the largest single housing developments in Europe.

Ethnic and religious diversity is a growing feature of our communities, and this is reflected in many of our congregations.

Our diocesan-level world Church partnerships are an important element of who we are. We have very active relationships with the Dioceses of Mpwapwa and Kondoa in Tanzania, the Diocese of Harare in Zimbabwe and with the Evangelical Lutheran Church of Estonia. These partnerships are expressed through parish and school links, as well as at diocesan level.

ORGANISATIONAL AND DECISION-MAKING STRUCTURE

The RDSBF was incorporated on 14 June 1915 as a company limited by guarantee (No. 140656) and its governing documents are its Memorandum and Articles of Association. The RDSBF is a registered charity (No. 249339).

The RDSBF was formed to manage the financial affairs and hold the assets of the Diocese. Its principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Rochester.

Governance and policy of the RDSBF is the responsibility of the Trustees, who are directors of the company and trustees for the purposes of charity law.

The members of Bishop's Council are the Board of Directors (the Board) of the RDSBF, and the members of the Diocesan Synod are the members of the RDSBF.

The Board has delegated responsibility for the day-to-day management of the company to the Diocesan Secretary who is supported by the Finance Director, the Property Director (vacant during 2024), the Communications Manager, and the HR and Governance Manager, and their respective staff. These together form the Operations Management Team. The Diocesan Secretary is also a member of the Bishop's Leadership Team, which meets regularly throughout the year.

The statutory governing body of the Diocese is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Its legal basis is the Synodical Government Measure 1969. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in deanery synods; lay persons elected by the houses of laity in deanery synods, being up to 163 persons including 5 that may be co-opted by each of the House of Clergy and the House of Laity and 10 members who may be nominated by the Bishop of Rochester. The Diocesan Synod typically meets three times a year during February, June and October.

There are a number of committees which assist the Board by carrying out detailed work:

- The Finance Committee
- The Investment Committee
- The Investment Property Sub-Committee
- The Archdeaconry Missional and Pastoral Working Groups

TRUSTEE RECRUITMENT, SELECTION AND INDUCTION

The Board includes:

- Ex-officio Trustees
- Trustees who have been elected by Diocesan Synod to serve for three years, and
- Trustees appointed by the Bishop of Rochester for the same term.

Trustees are given induction as appropriate. They are also informed, before seeking membership and at all other relevant times, of the role and function of the Board, including a Code of Conduct for Trustees and Committee Members.

Some senior staff have job titles incorporating the title 'Director', however they are not directors of the company for the purposes of company law.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Diocesan grading and salary structure is benchmarked against similar roles in the local charity sector as well as the wider Church of England context. All roles within the Diocese are graded according to the

skills, experience and professional qualifications required for the role.

Details of the aggregate remuneration of the key management personnel is shown in Note 7 to the accounts.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under company law the Trustees have elected to prepare the financial statements in accordance with 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).

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 RDSBF and of the surplus or deficit of the RDSBF 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 RDSBF and enable them to ensure that the financial statements comply with United Kingdom Generally Accepted Accounting Practice. They are also responsible for safeguarding the assets of the RDSBF 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 RDSBF'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

The Trustees have taken all the necessary steps to ensure that they are aware, as trustees, of any relevant audit information and to establish that the auditors are aware of that information.

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

APPOINTMENT OF AUDITORS

The appointment of HaysMac LLP as auditors to the RDSBF will be proposed at the Annual General Meeting.

In approving this Trustees' report, the Trustees are also approving the Strategic Report included on pages 9 to 33 in their capacity as company directors.

BY ORDER OF THE TRUSTEES

Matthew Girt

Mr Matthew Girt
Diocesan Secretary

Stephen G. Smith

Mr Stephen Smith
Chair of Rochester Diocesan Society and Board of Finance

10 June 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCHESTER DIOCESAN SOCIETY AND BOARD OF FINANCE

OPINION

We have audited the financial statements of the Rochester Diocesan Society and Board of Finance for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

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

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or

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

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on pages 69-70, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to fund accounting, including transfers between funds, and revenue recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud
- Evaluating management's controls designed to prevent and detect irregularities
- Identifying and testing journals, in particular journal postings by unusual users or with unusual descriptions
- Challenging assumptions and judgements made by management in their critical accounting estimates
- Testing transfers between funds
- Cut-off testing in respect of revenue.

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

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

This description forms part of our auditor's report.

USE OF OUR REPORT

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

Jane Askew 10 July 2025

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

FINANCIAL STATEMENTS

Photo: Banner at Christ Church, Orpington

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2024

	Note	Unrestricted Common £'000	Unrestricted Designated £'000	Restricted £'000	Endowment £'000	Total 2024 £'000	*Total 2023 £'000*
Income							
Donations:							
- Parish Offers		7,380	-	57	-	7,437	*7,524*
- Other	2	135	-	3,058	1	3,194	*1,793*
Investment income	3	1,387	-	41	248	1,676	*1,904*
Charitable activities	4	348	-	-	-	348	*374*
Total income		9,250	-	3,156	249	12,655	*11,595*
Expenditure							
Generating income	5	(585)	-	(10)	(1)	(596)	*(592)*
Charitable activities	6	(11,209)	-	(2,638)	(7)	(13,854)	*(13,507)*
Total Expenditure		(11,794)	-	(2,648)	(8)	(14,450)	*(14,099)*
Operating (Deficit)/Surplus:		**(2,544)**	**-**	**508**	**241**	**(1,795)**	***(2,504)***
Profit/(losses) on sale of property		238	4	448	-	690	*1,256*
Gains/(losses) on investments	10	855	-	-	1,731	2,586	*4,576*
Net Income before revaluation of fixed assets and pension scheme liabilities and transfers between funds		**(1,451)**	**4**	**956**	**1,972**	**1,481**	***3,328***
Reserve Movements:							
Net Income		(1,451)	4	956	1,972	1,481	*3,328*
Revaluation of pension scheme liabilities	22	(156)	-	-	-	(156)	*(156)*
Transfers between funds	19	316	39	(355)	-	-	*-*
Transfers between funds - Total Unapplied Return	19/23	769	-	717	(1,486)	-	*-*
Net movement in funds		**(522)**	**43**	**1,318**	**486**	**1,325**	***3,172***
Reserve balances at 1st January 2024		1,711	9,201	41,485	28,428	80,825	*77,653*
Reserve balances at 31st December 2024		**1,189**	**9,244** note 16	**42,803** note 17	**28,914** note 18	**82,150**	***80,825***

All income and expenditure relates to continuing activities.

The Companies Act 2006 requires a separate income and expenditure account to be prepared to exclude transactions relating to Endowment Funds. No such income and expenditure account has been included in these statements as the relevant exclusions from this Statement of Financial Activities are all clearly shown above. These are: Endowment Fund income – £249k (2023 : £31k); Endowment Fund expenditure - £8k (2023 : £0k); Profit on Sale of Property - £0k (2023 : £18k); and Endowment Fund gains on investments - £1,731k (2023 : £3,953k).

BALANCE SHEET
For the year ended 31 December 2024

Rochester Diocesan Society and Board of Finance(The)
Company registration number 140656

	Note	Total 2024 £'000	*Total 2023 £'000*
FIXED ASSETS			
Tangible assets	9	52,689	*52,054*
Investments	10	33,908	*29,204*
		86,597	*81,258*
CURRENT ASSETS			
Debtors	11	1,548	*823*
Short term deposits		5,113	*9,047*
Cash at bank		1,119	*1,170*
		7,780	*11,040*
CREDITORS: Amounts falling due within one year			
Bank overdraft		69	*23*
Creditors	12	11,458	*10,670*
		11,527	*10,693*
NET CURRENT ASSETS/(LIABILITIES)		(3,747)	*347*
TOTAL ASSETS LESS CURRENT LIABILITIES		82,850	*81,605*
CREDITORS: Amounts falling due after more than one year	12		
Pensions liability		-	*-*
Other creditors		700	*780*
NET ASSETS		82,150	*80,825*
Unrestricted		10,433	*10,912*
Restricted	17	42,803	*41,485*
Endowment	18	28,914	*28,428*
FUNDS	20	82,150	*80,825*

The Statement of Cash Flows and the Notes form part of these financial statements.

The financial statements were approved by the Board of Trustees and authorised for issue on 10 June 2025 and signed on behalf of the Board by:

Stephen G. Smith

Mr Stephen Smith

Chair of Rochester Diocesan Society and Board of Finance

STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	£'000	2024 £'000	£'000	2023 £'000
Net cash outflow from operating activities		(3,643)		*(4,289)*
Cash flows from investing activities				
Investment income	1,676		*1,904*	
Proceeds from the sale of:				
Tangible fixed assets	1,149		*2,042*	
Fixed asset investments	-		*7,633*	
Purchase of:				
Tangible fixed assets	(1,095)		*(619)*	
Fixed asset investments	(2,118)		*(3,025)*	
Net cash provided by investing activities		(388)		*7,935*
Cash flows from financing activities				
Proceeds from long term debt	-		-	
Net cash provided by financing activities		-		-
Change in cash and cash equivalents in the reporting period		(4,031)		*3,646*
Cash and cash equivalents at 1 January		10,194		*6,548*
Cash and cash equivalents at 31 December		6,163		*10,194*

Reconciliation of net movement in funds to net cash outflow from operating activities	**2024 £'000**	**2023 £'000**
Net movement in funds for the year ended 31 December	**1,325**	***3,172***
Adjustments for:		
Investment income	(1,676)	*(1,904)*
Depreciation	1	*1*
Gain on disposal of fixed assets	(690)	*(1,256)*
Loss/(gain) on sale of investments	19	*(3,062)*
Unrealised gain on investments	(2,370)	*(1,376)*
Revaluation of investment property	(235)	*(138)*
Write off of Assets Under Construction to Restricted Fund	-	*433*
Increase in creditors: falling due within one year	788	*(69)*
Increase in debtors	(725)	*(90)*
Decrease in creditors: falling due after one year	(80)	-
Net cash used in operating activities	(3,643)	*(4,289)*

Analysis of movements in net debt

	2023 £'000	Cash Flows £'000	New Borrowing £'000	2024 £'000
Cash on deposit	9,047	(3,934)	-	5,113
Cash at bank	1,170	(51)	-	1,119
Less overdraft	(23)	(46)	-	(69)
Total cash and cash equivalents	10,194	(4,031)	-	6,163
CCLA Loan falling due after one year	*(500)*	-	-	(500)
Equity Share loans due after one year	*(180)*	80	-	(100)
Value Linked Loans due after one year	*(100)*	-	-	(100)
Total	9,414	(3,951)	-	5,463

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

1) ACCOUNTING POLICIES

a) Accounting convention and basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared inaccordance with the Statement of Recommended Practice for Charities (SORP 2019, Second edition), the Companies Act 2006 and applicable accounting standards (FRS102).

b) Going concern

The Trustees consider that there are no material uncertainties regarding the RDSBF's ability to continue as a going concern. The RDSBF aims to achieve a financially sustainable position. The RDSBF has net assets of £82.2m (2023 : £80.8m) and the Trustees believe that there is sufficient liquidity in these assets to ensure that the charitable company can meet its obligations for the next 12 months and beyond.

c) Income

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

- **I)** **Parish Offer** 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 creditors to be carried forward to the following year.
- **V)** **Parochial fees** that relate to the RDSBF are recognised as diocesan income in the year in respect of which they are receivable.
- **VI)** **Donations** other than grants are recognised when receivable or in the case of material legacies, when the conditions for recognition under the Charities SORP have been met.

d) Expenditure

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

- **I)** **Cost of raising funds -** relate to costs incurred in the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
- **II)** **Charitable expenditure -** analysed according to Diocese's main areas of activity.
- **III)** **Grants payable -** charged in the year when the grant is approved and conveyed to the recipient except those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the RDSBF, 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 of support costs 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 usage basis.
- **V)** **Pension contributions** – pension schemes in which the RDSBF participates are described in Note 22. Pension costs are charged as resources expended and represent the RDSBF's contributions payable in respect of the accounting period in accordance with FRS102. Deficit funding for the pension schemes to which RDSBF participates and which are unpaid at this year-end, is accrued at current value in creditors, distinguished between contributions due within one year and after more than one year.
- **VI)** **Short term employee benefits** - short term benefits including holiday pay are recognised as an expense in the period in which the service is received.
- **VII)** **Employee termination benefits** - termination benefits are accounted for on an accrual basis and in line with FRS 102.
- **VIII)** **Tangible fixed assets and depreciation** - tangible fixed assets are shown in note 9 to the financial statements.

Freehold properties

The RDSBF measures all freehold property assets at historical cost as allowed by FRS102.

Depreciation is no longer provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case and because the expected residual value is not materially less than the carrying value. The RDSBF has a policy of regular structural inspection, repair and maintenance, which in the case of parsonage properties is in accordance with the Repair of Benefice 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 the carrying value. Where the Trustees believe that the value of an asset might have been impaired, an annual impairment review is carried out in accordance with the requirements of FRS102, to ensure that the carrying value is not more than the recoverable amount.

Properties subject to value linked loans

Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated using the value of the related loan at the balance sheet date. Each year end the respective property and loan are carried at their historical value.

Investment properties

Glebe properties which are held for investment purposes have been included at their market value.

Parsonage Houses

The RDSBF has followed the requirements of FRS102 in its accounting treatment of benefice houses. FRS102 requires the accounting treatment to follow the substance of arrangements rather than strict legal form. The RDSBF is 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 relevant incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as restricted assets and carry them at their historical cost.

IX) Other tangible fixed assets

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. All capital expenditure on computer and office equipment over £1k is capitalised and depreciated over 3 years.

X) Project Costs

Expenditure in relation to projects is capitalised where there is likelihood that the project will become an income-bearing asset. The value of newly constructed or significantly renovated church buildings is not reflected on the DBF's balance sheet. All projects are subject to an annual impairment review.

e) Other accounting policies

- **I) Fixed asset investments -** included in the balance sheet at market value (ex dividend) and the gain or loss taken to the Statement of Financial Activities.
- **II) Realised gains/(losses) on sale of investments -** represent proceeds of sale less the appropriate proportion of the opening carrying value and are shown in the Statement of Financial Activities.
- **III) Leases** – the RDSBF has entered into operating lease agreements the rental for which is charged in full as expenditure in the year to which it relates.
- **IV) Financial instruments** - the RDSBF only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at either amortised cost or fair value.

V) **Debtors** - trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired, an impairment loss is recognised in the Statement of Financial Activities.

VI) **Cash** - cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity.

VII) **Creditors** - basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at transaction price.

f) Fund balances

Fund balances are split between unrestricted (common and designated), restricted and endowment funds.

Unrestricted funds are the RDSBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the RDSBF.

There are two types of unrestricted funds:

- **Common fund** which the RDSBF intends to use for the general purposes of the RDSBF.
- **Designated funds** set aside out of unrestricted funds by the RDSBF for a purpose specified by the Trustees.

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

ii) **Endowment funds** are those held on trust to be retained for the benefit of the charitable company as a capital fund. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment. See note 23 for details on the application of Total return accounting to the Stipend Capital Fund.

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

g) Judgments and Estimates

In the application of the accounting policies, the Trustees are required to make judgments, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

i) **Significant judgments** - valuation of any liabilities arising from the charity's obligation to meet deficit reduction payments for its multi-employer defined benefit pension schemes - these liabilities are revalued at each year-end using discount rates which are reassessed annually.

ii) **Residual values of freehold properties** - the Trustees consider that residual value of freehold properties is sufficiently high that depreciation would not be material.

iii) **Sources of estimation uncertainty** - in the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

2) INCOME FROM DONATIONS

(Donations, Legacies and similar income)	Unrestricted Common	Unrestricted Designated	Restricted	Endowment	Total 2024
	£'000	£'000	£'000	£'000	£'000
Trust for London (formerly City Parochial Foundation)	-	-	243	-	243
Archbishops' Council - SMF Curate Grant	17	-	-	-	17
Archbishops' Council - RME Ordinands Grants	-	-	28	-	28
Archbishops' Council - Strategic Development Funding - Called to Grow	-	-	299	-	299
Archbishops' Council - Capacity Funding	-	-	192	-	192
Archbishops' Council - Chatham Town Centre	-	-	61	-	61
Medway Council Future High Streets Fund - Chatham Town Centre	-	-	944	-	944
Listed Places of Worship - Chatham St John	-	-	29	-	29
National Heritage - Chatham St John	-	-	689	-	689
Benefact Trust - Chatham St John	-	-	87	-	87
Friends of Kent Churches - Chatham St John	-	-	8	-	8
Bishop of Rochester Fund for Mission	-	-	216	-	216
Called to Grow re Anerley Parish	-	-	20	-	20
Benefact Trust - annual distribution	110	-	-	-	110
Partnership Fund appeals, confirmations, licensing & induction collections	-	-	150	-	150
Poverty & Hope Appeal	-	-	19	-	19
Colyer Fergusson re Children and Young People Fund	-	-	50	-	50
Guaranteed annuities	6	-	-	-	6
Giving Advisor Grant from Church Commissioners	-	-	13	-	13
Dartford Borough Council - Warm Spaces Grant	-	-	6	-	6
Tonbridge and Malling Borough Council - Warm Spaces Grant	-	-	4	-	4
Readers' Fees	1	-	-	-	1
Other sundry items	1	-	-	1	2
	135	-	3,058	1	3,194

(Donations, Legacies and similar income)	*Unrestricted Common*	*Unrestricted Designated*	*Restricted*	*Endowment*	*Total 2023*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
Trust for London (formerly City Parochial Foundation)	*-*	*-*	*341*	*-*	*341*
Archbishops' Council - Sustainability Grant	*300*	*-*	*-*	*-*	*300*
Archbishops' Council - SMF Curate Grant	*33*	*-*	*-*	*-*	*33*
Archbishops' Council - RME Ordinands Grants	*-*	*-*	*175*	*-*	*175*
Archbishops' Council - Strategic Development Funding - Called to Grow	*-*	*-*	*231*	*-*	*231*
Archbishops' Council - Net Zero Carbon Starter Grant	*-*	*-*	*15*	*-*	*15*
Archbishops' Council - Past Cases Review	*-*	*-*	*2*	*-*	*2*
Archbishops' Council - Chatham Town Centre	*-*	*-*	*143*	*-*	*143*
Medway Council Future High Streets Fund - Chatham Town Centre	*-*	*-*	*146*	*-*	*146*
All Churches Trust - annual distribution	*128*	*-*	*-*	*-*	*128*
Partnership Fund appeals, confirmations, licensing & induction collections	*-*	*-*	*136*	*-*	*136*
Poverty & Hope Appeal	*-*	*-*	*22*	*-*	*22*
Guaranteed annuities	*9*	*-*	*-*	*-*	*9*
Readers' Fees	*1*	*-*	*-*	*-*	*1*
Donation from Greenhithe parishioner	*25*	*-*	*-*	*-*	*25*
Giving Advisor Grant from Church Commissioners	*-*	*-*	*21*	*-*	*21*
Legacy - Vera Constance Walsh	*65*	*-*	*-*	*-*	*65*
	561	*-*	*1,232*	*-*	*1,793*

3) INVESTMENT INCOME

	Unrestricted Common £'000	Unrestricted Designated £'000	Restricted £'000	Endowment £'000	Total 2024 £'000
Rents receivable	814	-	29	-	843
Dividends receivable	282	-	11	212	505
Interest on deposits receivable	291	-	1	36	328
	1,387	-	41	248	1,676

	Unrestricted Common £'000	*Unrestricted Designated £'000*	*Restricted £'000*	*Endowment £'000*	*Total 2023 £'000*
Rents receivable	*1,000*	*-*	*28*	*-*	*1,028*
Dividends receivable	*438*	*-*	*13*	*-*	*451*
Interest on deposits receivable	*394*	*-*	*-*	*31*	*425*
	1,832	*-*	*41*	*31*	*1,904*

4) INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Common £'000	Unrestricted Designated £'000	Restricted £'000	Endowment £'000	Total 2024 £'000
Diocesan Board of Finance element of Parochial Fees	337	-	-	-	337
Professional fees	11	-	-	-	11
	348	-	-	-	348

	Unrestricted Common £'000	*Unrestricted Designated £'000*	*Restricted £'000*	*Endowment £'000*	*Total 2023 £'000*
Diocesan Board of Finance element of Parochial Fees	*369*	*-*	*-*	*-*	*369*
Professional fees	*5*	*-*	*-*	*-*	*5*
	374	*-*	*-*	*-*	*374*

5) EXPENDITURE ON GENERATING INCOME

	Unrestricted		Restricted	En dowment	Total
	Common	Designated			2024
	£'000	£'000	£'000	£'000	£'000
Glebe management costs	18	-	-	-	18
Non glebe commissions	45	-	-	-	45
Rental property maintenance	327	-	-	-	327
Cost of income generation	195	-	10	1	206
	585	-	10	1	596

	Unrestricted		*Restricted*	*En dowment*	*Total*
	Common	*Designated*			*2023*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
Glebe management costs	*53*	*-*	*-*	*-*	*53*
Non glebe commissions	*49*	*-*	*-*	*-*	*49*
Rental property maintenance	*305*	*-*	*-*	*-*	*305*
Cost of income generation	*180*	*-*	*5*	*-*	*185*
	587	*-*	*5*	*-*	*592*

6) ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Unrestricted General £'000	Unrestricted Designated £'000	Restricted £'000	Endowment £'000	Total 2024 £'000
Bringing people to faith in Christ					
Mission & Community Engagement (50%)	69	-	-	-	69
Formation & Ministry (50%)	164	-	-	-	164
Youth & Children	115	-	-	-	115
Allocated support costs	308	-	16	1	325
	656	-	16	1	673
A priestly presence in every community					
Stipend costs	6,157	-	57	-	6,214
Apprenticeship levy	22	-	-	-	22
Grants	317	-	103	-	420
Parsonage maintenance & improvements	547	-	-	-	547
Ministry houses - housing costs	23	-	13	-	36
Curate and Associate Clergy Costs	111	-	-	-	111
National Church - training for ministry	483	-	-	-	483
Formation & Ministry (50%)	164	-	-	-	164
Stewardship, Legal, Accounts Advisors & other	105	-	-	-	105
Diocesan appointments	276	-	-	-	276
Allocated support costs	1,176	-	59	4	1,239
	9,381	-	232	4	9,617
Engagement with the community					
Grants	14	-	362	-	376
Mission & Community Engagement (50%)	69	-	-	-	69
Communications	22	-	-	-	22
Faculty & inspection fees	74	-	-	-	74
Diocesan committees	9	-	-	-	9
National Church grant/allocation	296	-	-	-	296
Partnership Dioceses & Church Urban Fund	-	-	4	-	4
Chatham Town Centre	-	-	1,540	-	1,540
Called to Grow - SDF Funding	-	-	224	-	224
Called to Grow - Other Funding	-	-	17	-	17
Capacity Funding	-	-	193	-	193
Giving Advisor	-	-	13	-	13
Net Carbon Zero Advice	-	-	2	-	2
Allocated support costs	688	-	35	2	725
	1,172	-	2,390	2	3,564
	11,209	-	2,638	7	13,854

Support costs comprise administration and governance costs which includes the audit fee of £31k (2023 : £29k).

Support costs include interest payable of £400k (2023 : £339k) on i) £500k loan with CCLA ii) Parish Church Repair Fund and iii) Diocesan Loan Fund balances.

6) ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS (continued)

	Unrestricted		Restricted	Endowment	Total
	General	Designated			2023
	£'000	£'000	£'000	£'000	£'000
Bringing people to faith in Christ					
Mission & Community Engagement (50%)	72	-	-	-	72
Formation & Ministry (50%)	183	-	-	-	183
Youth & Children	108	-	-	-	108
Allocated support costs	283	-	8	-	291
	646	-	8	-	654
A priestly presence in every community					
Stipend costs	6,397	-	-	-	6,397
Apprenticeship levy	22	-	-	-	22
Actuarial gains/losses on clergy pension scheme	11	-	-	-	11
Grants	334	-	191	-	525
Parsonage maintenance & improvements	765	-	-	-	765
Ministry houses - housing costs	22	-	9	-	31
Curate and Associate Clergy Costs	112	-	-	-	112
National Church - training for ministry	482	-	-	-	482
Formation & Ministry (50%)	183	-	-	-	183
Stewardship, Legal, Accounts Advisors & other	90	-	-	-	90
Diocesan appointments	274	-	-	-	274
Allocated support costs	1,079	-	31	-	1,110
	9,771	-	231	-	10,002
Engagement with the community					
Grants	6	-	644	-	650
Mission & Community Engagement (50%)	72	-	-	-	72
Communications	20	-	-	-	20
Faculty & inspection fees	71	-	-	-	71
Diocesan committees	7	-	-	-	7
National Church grant/allocation	311	-	-	-	311
Partnership Dioceses & Church Urban Fund	-	-	4	-	4
Chatham Town Centre	-	-	824	-	824
Called to Grow - SDF Funding	-	-	214	-	214
Called to Grow - Other Funding	-	-	6	-	6
Giving Advisor	-	-	21		21
Allocated support costs	632	-	19	-	651
	1,119	-	1,732	-	2,851
	11,536	-	1,971	-	13,507

7) STAFF COSTS

		2024 £'000	2023 £'000
Ordained Diocesan Officials stipends		254	284
Other Lay Diocesan Personnel salaries		1,694	1,493
National Insurance		183	179
Life Insurance Policy		29	26
Pension Costs	- Lay Diocesan Personnel	139	127
	- Diocesan Clergy	47	61
		2,346	2,170

During the year the RDSBF made employment termination payments totalling £6,173 (2023 : £Nil)

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

	2024 Number	2023 Number
Common Fund		
Administration and financial management	29	28
Training	8	9
Mission and Community Engagement	5	5
Diocesan Appointments	7	7
	49	49
Called to Grow (funded by Strategic Development Fund)	6	7
Capacity Funding from Church Commissioners	3	-
	58	56

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

	2024 Number	2023 Number
Common Fund		
Administration and financial management	25	24
Training	5	6
Mission and Community Engagement	4	4
Diocesan Appointments	5	5
	39	39
Called to Grow (funded by Strategic Development Fund)	5	5
Capacity Funding from Church Commissioners	2	-
	46	44

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

	2024 Number	2023 Number
£60,000 - £70,000	2	1
£70,000 - £80,000	2	1
£80,000 - £90,000	-	-
£90,000 - £100,000	1	1

7) STAFF COSTS (continued)

Remuneration of Key Management Staff

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 2024, they were:

Diocesan Secretary	Mr Matthew Girt
Finance Director	Mr John Jackson
Property Director (resigned March 2024)	Ms Stephanie Shea
Diocesan Surveyor	Mr Mark Trevett

Remuneration, pensions, national insurance contributions and expenses for these 4 (2023:7) employees amounted to £331,848 (2023 : £393,939).

Trustees' Emoluments

No trustee received any remuneration for services as a Trustee. Six Trustees received travelling and out of pocket expenses (2023 : 5), totalling £16,878 (2023 : £18,467) in respect of General Synod duties, duties as archdeacon or area/rural dean and other duties as Trustees.

The table below gives details of the Trustees who were in receipt of a stipend and/or housing provided by the RDSBF (or the Church Commissioners where shown *) during the year:

	Stipend	**Housing**
The Bishop of Rochester – The Right Reverend Dr Jonathon Gibbs	Yes*	Yes*
The Bishop of Tonbridge – The Right Reverend Simon Burton-Jones	Yes*	Yes
The Dean of Rochester Cathedral – Very Reverend Philip Hesketh	Yes*	Yes*
The Archdeacon of Bromley and Bexley – The Venerable Allie Kerr	Yes	Yes
The Archdeacon of Tonbridge – The Venerable Sharon Copestake	Yes	Yes
The Archdeacon of Rochester – The Venerable Andrew Wooding-Jones	Yes	Yes
The Chair of the House of Clergy – The Reverend Canon Jeremy Blunden	Yes	Yes
The Reverend Canon Mark Barker	Yes	Yes
The Reverend Dr Julie Bowen	Yes	Yes
The Reverend Martyn Saunders	Yes	Yes

The RDSBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy of the Diocese, other than bishops and cathedral staff. The RDSBF is also responsible for the provision of housing for stipendiary clergy in the Diocese including the suffragan bishop but excluding the diocesan bishop and cathedral staff.

7) STAFF COSTS (continued)

	2024 £'000	*2023 £'000*
Parish Stipends, National Insurance & Pension Costs		
Parish Stipends	4,734	*4,828*
National Insurance	390	*378*
Pension Costs	1,090	*1,203*
	6,214	*6,409*
Number of parish clergy in post as at 31 December (Full-time equivalent)	157	*168*

8) ANALYSIS OF GRANTS MADE

	Source	No.	Individuals £'000	Institutions £'000	Total 2024 £'000
From unrestricted funds:					
Ordinands in training	Common Fund	15	180	-	180
Clergy training	Common Fund	23	11	-	11
Clergy removal grants	Common Fund	14	30	-	30
Clergy resettlement grants	Common Fund	12	32	-	32
Clergy first appointment grants	Common Fund	14	39	-	39
Kent Workplace Mission	Common Fund	1	-	4	4
Lay Ministry Support	Common Fund	1	-	14	14
Archdeacons' discretionary grants	Common Fund	-	12	9	21
From restricted funds:					
Ministry Division Ordinand Block Grants	Ministry Division Fund	28	28	75	103
Overseas Partnership: Harare	Companion Diocese Fund	6	-	13	13
Overseas Partnership: Tanzania	Companion Diocese Fund	38	5	120	125
Parochial Church Councils	Pastoral Account	5	-	52	52
Christian Aid	Poverty & Hope Appeal	1	-	5	5
Church Mission Society	Poverty & Hope Appeal	1	-	3	3
United Society (formerly USPG)	Poverty & Hope Appeal	1	-	3	3
Amos Trust	Poverty & Hope Appeal	1	-	3	3
Clergy grants	Trust for London	10	4	-	4
Parochial Church Councils	Church Extension Fund	2	-	10	10
Mental Health First Aid England	£500k CYP Fund	1	-	3	3
Parochial Church Councils	Thames Gateway Capital Fund	3	-	131	131
Parochial Church Councils	CESA Warm Spaces Fund	14	-	10	10
					796

8) ANALYSIS OF GRANTS MADE (continued)

	Source	No.	Individuals £'000	Institutions £'000	Total 2023 £'000
From unrestricted funds:					
Ordinands in training	Common Fund	21	207	-	207
Clergy training	Common Fund	26	13	-	13
Clergy removal grants	Common Fund	14	28	-	28
Clergy resettlement grants	Common Fund	16	34	-	34
Clergy first appointment grants	Common Fund	14	35	-	35
Kent Workplace Mission	Common Fund	1	-	4	4
Lay Ministry Support	Common Fund	1	-	14	14
Archdeacons' discretionary grants	Common Fund	-	3	2	5
From restricted funds:					
Ministry Division Ordinand Block Grants	Ministry Division Fund	39	37	154	191
Overseas Partnership: Harare	Companion Diocese Fund	7	-	15	15.461
Overseas Partnership: Tanzania	Companion Diocese Fund	26	6	104	109.754
Parochial Church Councils	Pastoral Account	5	-	79	79
Christian Aid	Poverty & Hope Appeal	1	-	5	5
Church Mission Society	Poverty & Hope Appeal	1	-	4	4
United Society (formerly USPG)	Poverty & Hope Appeal	1	-	4	4
Clergy grants	Trust for London	4	17	-	17
Parochial Church Councils	Church Extension Fund	6	-	43	43
Parochial Church Councils	£500k CYP Fund	1	-	4	4
Clergy hardship grants	Ministry Hardship Fund	95	29	-	29
Parochial Church Councils	Thames Gateway Capital Fund	2	-	322	322
Parochial Church Councils	Local Church Urban Fund	1	-	12	12
					1,175

9) TANGIBLE FIXED ASSETS

	Board Property		Equity Sharing Property		Benefice Property		Assets Held For Sale		Assets in course of construction	Computer & Phone Equipment	Total
	Land £'000	Buildings £'000	Land £'000	Buildings £'000	Land £'000	Buildings £'000	Land £'000	Buildings £'000	£'000	£'000	£'000
Cost or valuation											
Balance 1 January 2024	5,669	8,543	123	174	19,321	21,283	171	176	2,026	136	57,622
Additions	-	74	-	-	-	717	-	-	301	3	1,095
Disposals	(28)	(59)	(46)	(41)	(170)	(191)	-	-	-	-	(535)
Transfers	(74)	(75)	-	-	92	32	(18)	43	-	-	-
Balance 31 December 2024	5,567	8,483	77	133	19,243	21,841	153	219	2,327	139	58,182
Depreciation											
Balance 1 January 2024	-	1,086	-	52	-	4,242	-	52	-	136	5,568
Charge for the year	-	-	-	-	-	-	-	-	-	1	1
Disposals	-	(14)	-	(12)	-	(50)	-	-	-	-	(76)
Transfers	-	(9)	-	-	-	9	-	-	-	-	-
Balance 31 December 2024	-	1,063	-	40	-	4,201	-	52	-	137	5,493
Net book values											
At 31 December 2024	5,567	7,420	77	93	19,243	17,640	153	167	2,327	2	52,689
At 31 December 2023	*5,669*	*7,457*	*123*	*122*	*19,321*	*17,041*	*171*	*124*	*2,026*	*-*	*52,054*

Following the introduction of Financial Reporting Standard 15 "Tangible Fixed Assets", all fixed asset land and buildings, excluding investment properties, were crystallised at their carrying value on 1 January 2000. The land proportion for each property was estimated and depreciation at 2% was applied to the remaining portion in respect of the building content. The land content was estimated to be between 40% and 51% of the carrying value as at 1 January 2000.

Depreciation is no longer provided on buildings as any provision would not be material due to the very long expected remaining useful economic life in each case and because their expected residual value is not materially less than their carryingvalue.

(a) Freehold Land and Buildings

The land and buildings are shown divided between Board Property, purchased from the Board's own funds, and Equity Sharing Property, which is purchased partially or wholly by a loan from the Church Commissioners. Although title to properties under the Equity Sharing Scheme rests with the Board, any profit or loss on sale is apportioned between the Board and Church Commissioners in proportion to the original funding.

(b) Equity Sharing Properties

Equity sharing properties are part owned by the Board and are included as fixed assets land and buildings. In each case there is a loan with the interest being paid by the parish for which the property is provided. On disposal, the Board receives only its share of the equity.

(c) Benefice Property

Properties not owned by the Board but from which the Board derives the benefit and incurs the obligation of ownership are included in the accounts at historical cost or market value on 1st January 2000. The proceeds of any sales are available to the Board.

10) FIXED ASSET INVESTMENTS

	2024 Cost £'000	2024 Market Value £'000	2023 Cost £'000	2023 Market Value £'000
Investments				
Mercer Global Investment Management	21,774	26,109	*19,774*	*21,739*
Charles Stanley - see below	112	112		*-*
Investment Properties		7,687		*7,465*
Total Fixed Asset Investments		33,908		*29,204*

	£'000	£'000
At 1 January 2024	29,204	*29,236*
Additions	2,118	*3,025*
Disposals - Net Book Value	(19)	(4,571)
Realised losses/(gains)	19	(3,062)
Sale proceeds	-	*(7,633)*
Net gains on investments	2,586	*4,576*
At 31 December 2024	33,908	*29,204*

Net gains on investments shown in the Statement of Financial Activities of £2,586k (2023: £4,576k) comprise unrealised gains of £2,605k (2023 : £1,514k) and realised losses £19k (2023 : £3,062k gains) as a result of disposals realising proceeds of £Nil (2023 : £7,633k). Additions included £112k in Charles Stanley which was transferred in due to the Bishop of Rochester Fund for Mission (BFFM) becoming a linked charity of the RDSBF during the year.

The investments are held by Mercer Global Investment Management and, with the exception of £1,850k (2023 : £1,544k) held in Private Markets, can be converted into cash within one month of application.

Investment properties include Glebe and other properties, the income from which is included in the Board accounts. Investment Properties are carried at open market value based on valuation advice from Savills. The historical cost of these properties is not available.

11) DEBTORS

	2024 Amounts falling due within one year £'000	2024 Amounts due after more than one year £'000	2023 Amounts falling due within one year £'000	2023 Amounts due after more than one year £'000
Diocesan Parishes - Loans to parishes	70	10	*93*	*21*
Diocesan Parishes - Other amounts due	190	-	*261*	*-*
Sundry Debtors	1,278	-	*446*	*2*
	1,538	10	*800*	*23*

The loans to 6 parishes (2023 : 6) are generally unsecured, repayable over a period of five years with interest charged at 0% for loans from the Church Repair Fund and at various rates for loans from the Diocesan Loans Fund. Sundry Debtors include £793k of grant income owing from the Church Commissioners. This was received during the first quarter of 2025.

12) CREDITORS

	2024		2023	
	Amounts falling due within one year £'000	Amounts due after more than one year £'000	*Amounts falling due within one year £'000*	*Amounts due after more than one year £'000*
Related Party Balances:				
Amount due to Diocesan Board of Education	23	-	*57*	*-*
Other Balances:				
Amount due to Other Trust Funds	2	-	*6*	*-*
Equity Sharing Loans	-	200	*-*	*280*
Deposits - Diocesan Loans Fund (Parishes)	5,365	-	*4,747*	*-*
Deposits - Diocesan Loans Fund (Other)	35	-	*34*	*-*
Deposits - Church Repair Fund	4,975	-	*4,846*	*-*
CCLA Loan	-	500	*-*	*500*
Sundry Creditors	1,058	-	*980*	*-*
	11,458	700	*10,670*	*780*

The Equity Sharing Loans are made by the Church Commissioners and are secured on property with interest charged at a commercial rate and repayable on the sale of the related property.

The parish deposits in the Church Repair Fund and Diocesan Loan Fund are repayable on demand and they are therefore classified as 'falling due within one year'. These deposits are placed in bank deposits and other assets. The likelihood of all parishes wishing to withdraw all of their funds at the same time is highly unlikely as Church Repair Fund deposits are generally intended to pay for repairs arising from quinquennial surveys.

The CCLA loan was obtained in 2020 and is an unsecured interest only loan repayable after 10 years. The interest rate is variable and tracks 0.55% above the CBF Church of England deposit rate which is currently 4.45%.

Sundry creditors includes £793k of restricted grant income which was received by the end of February 2025 and was therefore accrued for in 2024. £665k (2023 : nil) was in respect of the National Lottery Heritage Fund for Chatham High Street and £128k (2023 : £231k) from the Church Commissioner's Strategic Development Funding for Called to Grow projects.

13) MEMBERS' LIABILITY

The Board is a company limited by Guarantee. At 31 December 2024 there were 110 (2023 : 116) members who are liable to contribute £1 each in the event of the company being wound up.

14) OPERATING LEASES

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

	2024 £'000	*2023 £'000*
Lease payments - other operating lease:		
Not later than one year after the balance sheet date	7	*7*
In the second to fifth years after the balance sheet date	14	*22*
	21	*29*

15) RELATED PARTY TRANSACTIONS

During the year the following related party transactions took place:

Related Party	**Relationship**		**2024 £'000**	***2023 £'000***
Mrs Julia Burton-Jones	Wife of Bishop of Tonbridge	Professional fees in respect of work on Dementia Friendly Church Project.	17	*17*
Trustees		Total restricted donations made to the RDSBF.	8	*17*
Rochester Diocesan Board of Education		Amounts due to RDBE.	23	*57*

The outstanding balances with related parties at 31 December 2024 are included in note 12.

There were no other related party transactions during the year or prior year.

Details of related parties can be found in the Trustees Report.

16) DESIGNATED FUNDS

	Balance at 1 January 2024 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2024 £'000
Central Church Funding	112	-	-	-	(34)	78
Property Fund	9,089	4	-	-	73	9,166
	9,201	**4**	**-**	**-**	**39**	**9,244**

Central Church Funding
These funds have been received from the Church Commissioners for designated purposes and so have been retained within a specific designated fund. A transfer of £34k (2023 : £34k) was made in respect of sustainability funding received in 2023 year that was designated to fund specific work in the coming year.

Property Fund
This fund has been set aside by the Trustees for the purpose of funding Board property acquisitions and development. The transfer of £73k (2023 : £95k) represents capitalisation of works undertaken on Board properties during the year.

	Balance at 1 January 2023 £'000	*Income £'000*	*Expenditure £'000*	*Investment Movements £'000*	*Transfers £'000*	*Balance at 31 December 2023 £'000*
Central Church Funding	*77*	*-*	*-*	*-*	*35*	*112*
Property Fund	*9,015*	*-*	*-*	*(21)*	*95*	*9,089*
	9,092	***-***	***-***	***(21)***	***130***	***9,201***

17) RESTRICTED FUNDS

	Balance at 1 January 2024 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2024 £'000
Poverty & Hope Appeal	17	19	(13)	-	(8)	15
Committee Amongst Deaf	23	-	-	-	-	23
Local Church Urban Fund	38	12	-	-	-	50
Diocesan Pastoral Account	291	126	(197)	-	379	599
Trust for London (formerly City Parochial Foundation)	256	243	(8)	-	(311)	180
Benefice Property	36,362	-	-	-	522	36,884
Thames Gateway	7	-	-	-	-	7
Thames Gateway Capital Fund	135	-	(131)	-	-	4
Parsonage Building Fund	3,195	349	-	-	(184)	3,360
Church Extension Fund	836	-	(20)	-	-	816
Companion Diocese Funds	41	150	(143)	-	8	56
Ministry Division RME Ordinand's Grant	77	28	(103)	-	-	2
Children & Young People £500K Fund	83	-	(3)	-	(44)	36
Chatham Town Centre	-	1,818	(1,515)	-	-	303
Children & Young People misc. funds	1	-	-	-	-	1
Cobham and Gravesend Churches Fund	57	-	-	-	-	57
Called to Grow - Strategic Development Funding	22	299	(224)	-	-	97
Covid Winter Grant - CESA	5	-	-	-	-	5
Luton Memorial Meadow	12	2	-	-	-	14
Giving Advisor	-	13	(13)	-	-	-
Ministry Hardship Fund	12	-	-	-	-	12
SDF Anerley	-	20	(17)	-	-	3
Warm Spaces Grant - CESA	-	10	(10)	-	-	-
Net Carbon Zero Starter	15	-	(2)	-	-	13
Capacity Funding	-	192	(192)	-	-	-
CYP - Colyer Ferguson	-	50	-	-	-	50
Parish Offer (Ephesian Fund)	-	57	(57)	-	-	-
Bishop of Rochester Fund for Mission	-	216	-	-	-	216
	41,485	**3,604**	**(2,648)**	**-**	**362**	**42,803**

Poverty and Hope Appeal
Money raised by an annual appeal and passed on in grants to various missionary and relief agencies. The transfer of £8k (2023 : £6k) was made to the Companion Diocese Funds.

Committee Amongst the Deaf
Specific donations received for use by this committee.

Local Church Urban Fund
The income arising from the appeal capital is used to pay grants in support of specified projects in urban priority areas within the Diocese.

Diocesan Pastoral Account
Capital monies originally received under the Pastoral Measure 1983 and is restricted thereby. Income arises from rental income of £27k (2023 : £25k) and net proceeds of £99k (2023 : nil) from a Deed of Release for St George's Bickley. Expenditure includes a £10k (2023 - nil) grant to Dartford St Edmund PCC to assist with their day to day operations, a £6k (2023 : £14k) grant to Kemsing

17) RESTRICTED FUNDS (continued)

PCC to help with hall insurance costs, a £10k (2023: nil) grant to Gillingham Holy Trinity PCC to help with insurance costs, £6k (2023 : nil) to Beckenham St James for their garden area, £66k (2023 : nil) for quinquennial works to the Diocesan Office, £20k (2023 : £20k) to the Bishop's Discretionary Fund and £79k (2023 : £68k) for Diocesan project costs. The net transfer credit of £379k (2023 : £252k debit) includes a £494k credit (2023 : £234k) from the Parsonage Building Fund for proceeds no longer required for a new parsonage for Beckenham St James and a £115k debit (2023 : nil) moving properties to Benefice Property fund.

Trust for London
An annual allocation from the Foundation to use within the Archdeaconry of Bromley and Bexley. The transfer of £311k (2023 : £200k) represents contributions to community and children's projects, training, stipends and administration.

Benefice Property
The fund value represents the capital value of parsonage houses less depreciation. The net transfer of £522k (2023 : £401k) relates to the capitalisation of parsonage improvement projects of £717k (2023 : £401k), less the transfer of the net book value of 2 The Grange, East Malling of £310k (2023 : nil) to the Parsonage Building Fund plus £115k (2023 : nil) moving available for sale properties of £115k back to Benefice Property.

Thames Gateway
Money given by Tonbridge Deanery towards specific projects in the Thames Gateway area.

Thames Gateway Capital
Money initially collected through the parish share specifically to raise £1m over 10 years towards capital projects in the Thames Gateway area. Expenditure represents grants to Erith St John PCC of £131k (2023 : £122k) towards refurbishment costs for their hall.

Parsonage Building Fund
Money held by the RSDBF, under s5(3) of the Parsonages Measure 1938 (amended), from the sale of a parsonage or other parsonage land held in trust for the benefice concerned. The income of £349k (2023 : £1,060k) represents the profit on the sale of the 2 The Grange, East Malling which is being held to provide a new parsonage for the Bradbourne Benefice. The net transfer of £184k (2023 : £234k) represents £494k (2023 : £234k) to the Diocesan Pastoral Account re Beckenham St James excess proceeds and £310k (2023 : nil) from Benefice Property for the net book value of 2 The Grange, East Malling.

Church Extension Fund
Monies given under an appeal in 1956 for the purchase or improvement of churches, halls, parsonages, curate houses and other property. The fund includes 4 houses in various parishes with a net book value of £250k. The expenditure of £20k (2023 : £46k) includes Missional Property Fund grants made to two parishes for building projects.

Companion Diocese Funds
This represents collections taken at Confirmation services and other income for the purpose of maintaining and developing partnerships with overseas link Dioceses. The transfer of £8k (2023 : £6k) came from the Poverty and Hope Fund.

Ministry Division RME Ordinand's Grant
Block grant received from the Archbishop's Council Ministry Division to fund ordinand training.

Children and Young People 500K Fund
Fund established as part of the Called Together initiative. The expenditure of £3k (2023 : £4k) represents a grant made to Mental Health First Aid England for their Instructor Training Programme and the transfer of £44k (2023 : nil) is to the Common Fund to support the costs of the CYP Team.

Chatham Town Centre
Grants totalling £1.818m (2023 : £289k) received from the Church Commissioners, Medway Council Future High Streets Fund, National Heritage, Benefact Trust, Friends of Churches in Kent and the Listed Places of Worship Grant Scheme to help fund redevelopment of St John's Church, Chatham Town Centre. The expenditure of £1.515m (2023 : £814k) represents current year costs of the project.

17) RESTRICTED FUNDS (continued)

Children and Young People Funds
This represents 1 small grant specifically for the Children and Young People Projects, Listen to Learn.

Cobham and Gravesend Churches Fund
Fund to be used for purposes connected with the social responsibility mission of churches in the Cobham and Gravesend area.

Called to Grow
In late June 2019, the Strategic Investment Board of the Church Commissioners agreed to award funding, on behalf of the Archbishops' Council, of £1,388K. This was the full amount of the RDSBF's Stage Two application and facilitates growth enablement projects in five focus parishes. In particular, this support is to evangelistic activities in Anerley, Erith, Gillingham and Strood. The funding is over 5 years, 2019-2024.

Covid Winter Grant – CESA
Grants received to help the homeless in the Medway area.

Luton Memorial Meadow
Rental income received to be used in relation to expenditure to this property.

Giving Advisor
Grant from the Church Commissioners to cover 50% of the costs of providing a Giving Advisor over a period of 5 years.

Ministry Hardship Grant
Grant received from the Church Commissioners to help clergy with rising energy costs.

SDF Anerley
Contribution from Anerley PCC, being one of the parishes being supported by Called to Grow, towards their Freedom Forum Pastor.

Warm Spaces Grant – CESA
Grants received from Dartford Borough Council and Tonbridge and Malling Borough Council to fund small grants to 14 parishes for the provision of warm spaces within their communities.

Net Carbon Zero Starter
Grant received from the Archbishop's Council in 2023 to enable the Diocese to employ people to assist parishes in moving towards Net Carbon Zero. The expenditure of £2k (2023 : nil) represents the costs of recruitment for two new Net Carbon Zero roles.

Capacity Funding
Funding made available by the Church Commissioners to enable DBF's to invest in resources which promote growth in parishes.

CYP/CESA Colyer Ferguson
Grant to fund a programme of outreach activities to help tackle factors met by vulnerable and disadvantaged people living in the Rochester and Tonbridge Archdeaconries.

Parish Offer (Ephesian Fund)
Parish offers paid with the stipulation that they can only be used to support ministry in parishes which subscribe to the Church of England Evangelical Council's basis of faith.

Bishop of Rochester Fund for Mission
A restricted fund arising from the consolidation of the Bishop of Rochester's Fund for Mission (original charity number 1015300 now a linked charity of the RDSBF) into the main RDSBF accounts.

17) RESTRICTED FUNDS (continued)

	Balance at 1 January 2023 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2023 £'000
Poverty & Hope Appeal	13	23	(13)	-	(6)	17
Committee Amongst Deaf	23	-	-	-	-	23
Local Church Urban Fund	37	13	(12)	-	-	38
Diocesan Pastoral Account	669	25	(151)	-	(252)	291
Trust for London (formerly City Parochial Foundation)	139	341	(24)	-	(200)	256
Benefice Property	35,961	-	-	-	401	36,362
Thames Gateway	7	-	-	-	-	7
Thames Gateway Capital Fund	457	-	(322)	-	-	135
Parsonage Building Fund	1,901	-	-	1,060	234	3,195
Church Extension Fund	753	-	(46)	-	129	836
Companion Diocese Funds	28	136	(129)	-	6	41
Ministry Division RME Ordinand's Grant	93	175	(191)	-	-	77
Children & Young People £500K Fund	87	-	(4)	-	-	83
Chatham Town Centre	525	289	(814)	-	-	-
Children & Young People misc. funds	1	-	-	-	-	1
Cobham and Gravesend Churches Fund	57	-	-	-	-	57
Called to Grow - Strategic Development Funding	56	231	(215)	-	(50)	22
Past Cases Review	-	2	-	-	(2)	-
Covid Winter Grant - CESA	5	-	-	-	-	5
Luton Memorial Meadow	10	2	-	-	-	12
Giving Advisor	-	21	(21)	-	-	-
Ministry Hardship Fund	40	-	(28)	-	-	12
SDF Anerley	6	-	(6)	-	-	-
Net Carbon Zero Starter	-	15	-	-	-	15
	40,868	**1,273**	**(1,976)**	**1,060**	**260**	**41,485**

18) ENDOWMENT FUNDS

	Balance at 1 January 2024 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2024 £'000
Stipends Capital Account	6,383	-	-	-	161	6,544
Unapplied Total Return - SCA	15,729	212	(8)	1,267	(1,647)	15,553
Training	1,525	-	-	149	-	1,674
Pensions & Retired Clergy	1,526	1	-	67	-	1,594
Buildings	85	-	-	9	-	94
Parsonages	704	-	-	69	-	773
Local Church Urban Fund	521	-	-	51	-	572
Social Mission	1,226	-	-	119	-	1,345
David Goodwin Legacy	729	36	-	-	-	765
	28,428	**249**	**(8)**	**1,731**	**(1,486)**	**28,914**

Stipends Capital Account/Unapplied Total Return
Investments held under the Endowments and Glebe Measure 1976. Income is credited to the Common Fund and used for stipend purposes. The main movements in the year relate to investment gains of £1.267m (2023 : £3.622m) and capitalisation of works to parsonages of £717k (2023 : £401k) plus repairs to parsonages of £209k (2023 : nil) funded through Unapplied Total Return and net investment gains. Transfers also included £212k (2023 : nil) of dividend income transferred to the Common Fund to support clergy stipends. In previous years the income was directly credited to the Common Fund (2023 : £126k) but the adoption of Total Return necessitated a change of accounting treatment. Unapplied Total Return of £348k (2023 : £258k) was also transferred to the Common Fund for bringing investment yield to 4%. The Unapplied Total Return balance includes operational properties with a value of £3.3m (2023 : £3.3m) which have been ringfenced therefore leaving £12.3m (2023 : £12.4m) available for draw down. Note 23 shows full details of movements in the year.

Training
Mainly a legacy to provide a contribution towards the cost of training ordinands. Some small funds also for general training of clergy and readers. Income arising in the year has been applied to the Common Fund to offset the full costs incurred.

Pensions and Retired Clergy
Legacies and the result of an appeal for the provision of housing for the retired clergy. Income from investments arising in the year has been applied to the Common Fund to offset pension costs incurred.

Buildings
Comprises of two funds, the first to support the fabric of the Diocesan Office and the second to provide income for grants to PCC's. Income arising has been applied to the Common Fund to offset the full costs incurred.

Parsonages
An endowment transferred from the Church Commissioners upon setting up of the Parsonage Scheme. Income arising has been applied to the Common Fund to offset full costs incurred.

Local Church Urban Fund
The initial capital of £250k was raised by appeal. The income is used to pay grants in support of specified projects in urban priority areas within the Diocese.

Social Mission
Comprised of four funds Oakhurst, Ravensbourne, Hollywood Manor and Council for Social Aid (formerly Rock Avenue). Income from the funds may be applied for the general purposes of social mission in the Diocese.

18) ENDOWMENT FUNDS (continued)

David Goodwin Legacy

A residuary estate held in trust by the RDSBF as a Capital Fund and the interest thereon being applied for Ecclesiastical or charitable purposes of the parish of St Peter with St Margaret, Rochester, being known as the 'Parish of Rochester'. The capital sum is owned by the RDSBF. The members of the RDSBF are the charity trustees, being the persons who have the general control and management of the administration of the capital and make decisions about how the income is spent, or the development of a reserves policy.

	Balance at 1 January 2023 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2023 £'000
Stipends Capital Account	5,794	-	-	-	589	6,383
Unapplied Total Return - SCA	13,355	-	-	3,622	(1,248)	15,729
Training	1,413	-	-	112	-	1,525
Pensions & Retired Clergy	1,476	-	-	50	-	1,526
Buildings	78	-	-	7	-	85
Parsonages	652	-	-	52	-	704
Local Church Urban Fund	483	-	-	38	-	521
Social Mission	1,136	-	-	90	-	1,226
David Goodwin Legacy	698	31	-	-	-	729
	25,085	**31**	**-**	**3,971**	**(659)**	**28,428**

19) TRANSFERS BETWEEN FUNDS

	Note	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000
Parsonage and ministry house movements		(73)	73	-	-
Transfers from Trust for London		311	-	(311)	-
CYP Staff Costs Support		44	-	(44)	-
Sustainability Funding		34	(34)	-	-
Transfers before Total Unapplied Return		316	39	(355)	-
Total Unapplied Return	23	769	-	717	(1,486)
Total transfers as at 31 December 2024		1,085	39	362	(1,486)

The transfers summarised above are described in notes 16-18.

19) TRANSFERS BETWEEN FUNDS (continued)

	Note	*Common Fund £'000*	*Designated Funds £'000*	*Restricted Funds £'000*	*Endowment Funds £'000*
Parsonage and ministry house movements		*(224)*	*95*	*129*	*-*
Transfer to Archdeacons' Discretionary Funds		*20*	*-*	*(20)*	*-*
Transfers from Trust for London		*200*	*-*	*(200)*	*-*
SDF Support Function/CESA Staff Costs		*50*	*-*	*(50)*	*-*
Sustainability Funding		*(35)*	*35*	*-*	*-*
Transfers before Total Unapplied Return		*11*	*130*	*(141)*	*-*
Total Unapplied Return	*23*	*258*	*-*	*401*	*(659)*
Total transfers as at 31 December 2023		*269*	*130*	*260*	*(659)*

20) NET ASSETS BETWEEN FUNDS

	Note	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	9	2,326	9,180	37,335	3,848	52,689
Investments	10	9,625	404	112	23,767	33,908
Current assets		1,265	(140)	5,356	1,299	7,780
Creditors		(11,527)	-	-	-	(11,527)
Creditors > 1 year		(500)	(200)	-	-	(700)
As at 31 December 2024		1,189	9,244	42,803	28,914	82,150

20) NET ASSETS BETWEEN FUNDS (continued)

	Note	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	*9*	*2,025*	*9,253*	*36,928*	*3,848*	*52,054*
Investments	*10*	*8,770*	*404*	*-*	*20,030*	*29,204*
Current assets		*2,109*	*(176)*	*4,557*	*4,550*	*11,040*
Creditors		*(10,693)*	*-*	*-*	*-*	*(10,693)*
Creditors > 1 year		*(500)*	*(280)*	*-*	*-*	*(780)*
As at 31 December 2023		*1,711*	*9,201*	*41,485*	*28,428*	*80,825*

21) ASSETS HELD AS CUSTODIAN TRUSTEE

	2024 £'000	2023 £'000
Investments (at cost)	708	*703*
Property	648	*648*
Cash at bank	908	*1,290*
	2,264	*2,641*

22) PENSION SCHEMES

a. Revaluation of Pension Scheme Liabilities

The revaluation shown in the Statement of Financial Activities comprises revaluations of both the clergy scheme and the lay scheme as follows:-

	2024 £'000	2023 £'000
Clergy Scheme (see note 22b below)	-	-
Lay Scheme (see note 22d below)	(156)	*(156)*
	(156)	*(156)*

b. The Church of England Funded Pension Scheme (for clergy)

RDSBF 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

22) PENSION SCHEMES (continued)

Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year. The 2021 valuation showed the Scheme to be fully funded and as such in 2024, following the valuation results being agreed, the deficit contributions paid were nil (2023 : nil).

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

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH; and
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates from 2013 in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% p.a. and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.
The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

	% of pensionable stipends
31 December 2021	7.1% payable from January 2021 to December 2022
31 December 2022	Nil
31 December 2023	Nil
31 December 2024	Nil

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

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

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

	2024	2023
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	-	-
Balance sheet liability at 31 December	-	-

* Comprises change in agreed deficit recovery plan and change in discount rate and inflation assumptions between year-ends. The legal structure of the scheme is such that if another Responsible Body fails, RDSBF could become responsible for paying a share of that Responsible Body's pension liabilities.

22) PENSION SCHEMES (continued)

c. Defined Contribution Scheme (for lay personnel)

A defined contribution scheme is operated for the majority of current RDSBF staff. The RDSBF contributes 5% of base salary into the Scheme and employees also contribute 5% (after tax). The Scheme is administered by Scottish Widows.

Amounts payable in the year to this scheme by the RDSBF amount to £68,596 (2023 : £60,383) and the amount owed to the scheme at 31 December 2024 was nil (2023 : nil).

d. Staff Defined Benefit Scheme (for lay personnel)

RDSBF (the Employer) operates a defined benefit pension arrangement called the Rochester Diocesan Staff Retirement Scheme (the Scheme). The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death. This is a closed scheme to new employees and presently has five current employees of the RDSBF and one current employee of the Rochester Diocesan Board of Education who are beneficiaries of the Scheme.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Employer must agree with the Trustees of the Scheme the contributions to be paid to meet the Statutory Funding Objective.

The most recent comprehensive actuarial valuation of the Scheme as at 31 March 2024 and is currently underway and will be completed shortly. In the event that the valuation reveals a larger deficit than expected the RDSBF may be required to increase contributions above those set out in the existing Schedule of Contributions. Conversely, if the position is better than expected, it is possible that contributions may be reduced.

The RDSBF expects to pay accrual contributions of £84k in the year to 31 December 2025 based on the existing contribution rate of 23.5% of pensionable salaries paid annually by the RDSBF. The RDSBF's contribution rate is expected to reduce following the completion of the 31 March 2024 valuation and therefore RDSBF contributions are expected to be lower in practice. This is also based on salaries between 31 December 2023 and 31 December 2024 – if members have left or retired then this number would be expected to reduce.

The Scheme is managed by a board of Trustees appointed in part by the RDSBF and part from elections by members of the Scheme. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The Trustees delegate some of these functions to their professional advisers where appropriate.

There were no plan amendments, curtailments or settlements through the period.

At 31 December 2024 the FRS102 valuation, which is based on different underlying assumptions to the actuarial valuation, calculated a surplus in the Scheme of £2,836k (2023 : £2,609k). Under FRS102 the Employer is only allowed to recognise such assets in its balance sheet to the extent that it can recover the surplus either through reduced contributions in the future or through refunds from the plan. As RDSBF is unable to recover the surplus, the asset value of the Scheme at 31 December 2024 reflected in these accounts is nil. This compares to an asset value of nil at the previous review date.

Profile of Defined Benefit Obligation

The weighted average duration of the defined benefit obligation is 15 years.

22) PENSION SCHEMES (continued)

Principal Actuarial Assumptions	31 December 2024	*31 December 2023*
Discount rate	5.50%	*4.45%*
Inflation (RPI)	3.40%	*3.30%*
Inflation (CPI)	2.90%	*2.60%*
Salary increases	3.40%	*3.30%*
Pension increase (Increases in payment to Post 1992 benefits in excess of GMP (RPI max 5%))	3.20%	*3.15%*
Pension increase (Increases in payment to Post 2016 benefits in excess of GMP (CPI max 2.5%))	2.00%	*2.00%*
Pension increase (Revaluation in deferment (benefits in excess of GMP))	2.90%	*2.60%*
Post-retirement mortality	95% of the S3PA tables with CMI 2023 projections using a long-term improvement rate of 1.25% p.a.	*95% of the S3PA tables with CMI 2020 projections using a long-term improvement rate of 1.25% p.a.*
Commutation	90% of members are assumed to take the maximum tax free cash possible	*70% of members are assumed to take the maximum tax free cash possible*

The current asset split is as follows:

	Bid values as at 31 December 2024 £'000	***Bid values as at 31 December 2023 £'000***
Global Equities	2,129	*2,104*
Fixed Interest Gilts	1,375	*1,455*
Index Linked gilts	3,312	*3,581*
Cash	224	*167*
Total assets	7,040	***7,307***

Balance sheet	**At 31 December 2024 £'000**	***At 31 December 2023 £'000***
Fair value of assets	7,040	*7,307*
Present value of funded obligations	(4,204)	*(4,698)*
Surplus/(deficit) in scheme	**2,836**	*2,609*
Impact on limit of recognisable surplus	(2,836)	*(2,609)*
Net defined benefit asset/(liability)	**-**	*-*

22) PENSION SCHEMES (continued)

Amount recognised in Statement of Financial Activities (SOFA)	**Period to 31 December 2024 £'000**	***Period to 31 December 2023 £'000***
Current service cost	43	*36*
Administration costs	-	*12*
Interest on liabilities	208	*202*
Interest on assets	(326)	*(329)*
Past service costs	-	*-*
Settlement and curtailment cost	-	*-*
Total charge to SOFA	(75)	*(79)*

Remeasurements over the year	**Period to 31 December 2024 £'000**	***Period to 31 December 2023 £'000***
Loss/(gain) on assets in excess of interest	643	*98*
Experience losses/(gains) on liabilities	-	*22*
Losses/(gains) from changes to demographic assumptions	(37)	*-*
Losses/(gains) from changes to financial assumptions	(677)	*124*
Total remeasurements	(71)	***244***

Change in value of the assets	**Period to 31 December 2024 £'000**	***Period to 31 December 2023 £'000***
Fair value of assets at start	**7,307**	*7,057*
Interest on assets	326	*329*
Company contributions	81	*77*
Contributions by Scheme participants	27	*26*
Benefits paid	(58)	*(72)*
Administration costs	-	*(12)*
Change due to settlements and curtailments	-	*-*
Return on assets less interest	(643)	*(98)*
Fair value of assets at end	**7,040**	*7,307*

Actual return on assets	**(317)**	***231***

22) PENSION SCHEMES (continued)

Change in value of DB liabilities	Period to 31 December 2024 £'000	*Period to 31 December 2023 £'000*
Value of liabilities at start	**4,698**	*4,360*
Current service cost	43	*36*
Contributions by scheme participants	27	*26*
Past service costs	-	*-*
Interest on liabilities	208	*202*
Benefits paid	(58)	*(72)*
Change due to settlements or curtailments	-	*-*
Experience (gain)/loss on liabilities	-	*22*
Changes to demographic assumptions	(37)	*-*
Changes to financial assumptions	(677)	*124*
Value of liabilities at end	**4,204**	***4,698***

Projected Profit & Loss account for next year	Period to 31 Dec 2025 £'000
Current service cost	33
Administration costs	-
Interest on liabilities	230
Interest on assets	(389)
Settlement and curtailment costs	-
Past service cost	-
Total	(126)

The above estimate is based on the assumptions adopted at the Review Date and assumes the following:

i Cashflows to and from the pension scheme are broadly the same as for the current period.

ii There are no events (other than those already notified to the Scheme Actuary) that would give rise to a settlement, curtailment or past service cost.

22) PENSION SCHEMES (continued)

e. Church Workers Pension Fund (CWPF)

RDSBF participates in the Pension Builder Scheme section of CWPF for one member of lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

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

Pension Builder Scheme

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SofA in the year are the contributions payable being £12k (2023 : £11k).

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 2025, the Board chose to grant a discretionary bonus of 6.7% 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 2006 service so that the pension increase was 2.7% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2024. There is no requirement for deficit payments at the current time.

The next valuation is due as at 31 December 2025.

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

23) TOTAL RETURN ACCOUNTING

From the 1 January 2022 the RDSBF adopted a total return approach to investments and property with regard to the Stipends Capital Fund (SCF). Under the Diocesan Stipends Capital Fund (Amendment) Measure S104b of the Charities Act 2011 the Stipends Capital Account may be split into capital funds and unapplied total return (UTR).

Total return accounting policy was approved by Bishop's Council on 25 May 2022 with final calculations being completed and approved by Haysmacintyre in their letter of 31 May 2022. The initial base value of Intergenerational Equity for implementing total return was determined at 1 January 2022 being £6.0m for the SCF. The UTR was set at £14.5m with £2.9m being attributable to operational ministry properties which are not immediately realisable within the SCF.

Following realised and unrealised investment gains of £1,267k (2023 : £3,622k), UTR was drawn down in the year as follows:

- £348k (2023 : £258k) – transfer to common fund to maintain investment yield at 4%.
- £717k (2023 : £401k) – utilised for parsonage capital improvements.
- £209k (2023 : nil) – utilized for parsonage repairs.

Intergenerational equity saw an uplift of £161k for indexation (2023 : £228k). Investment income of £212k (2023 : nil) was credited to the fund and then transferred to the Common Fund to support clergy stipend costs, as permissible use of income generated by the SCF. The amount of UTR attributable to operational ministry properties within the SCF remained at £3.3m (2023 : £3.3m). Therefore the amount of realisable UTR at 31 December 2024 was £12.3m (2023 : £12.4m).

Movements and balances as at the 31 December 2024 were as follows:

	Note	Intergenerational Equity £'000	Unapplied Total Return £'000	Total 2024 £'000
At 1 January 2024				
Opening Intergenerational Equity		6,383	-	6,383
Opening Unapplied total return		-	15,729	15,729
Total		6,383	15,729	22,112
Movements during the year				
Intergenerational Equity uplift re indexation		161	(161)	-
Investment Income		-	212	212
Investment Management Costs		-	(8)	(8)
Investment movements: realised and unrealised gains/(losses)		-	1,267	1,267
		161	1,310	1,471
Unapplied total return transferred to Common Fund re Investment Yield	19	-	(348)	(348)
Unapplied total return transferred to Common Fund re Investment Income	19	-	(212)	(212)
Unapplied total return transferred to Common Fund re Parsonage Repairs	19	-	(209)	(209)
Unapplied total return utilised on Parsonage capital expenditure	19	-	(717)	(717)
		-	(1,486)	(1,486)
Net movement during the year:		161	(176)	(15)
Closing Intergenerational Equity		6,544	-	6,544
Closing Unapplied total return		-	15,553	15,553
Total at 31 December 2024		6,544	15,553	22,097

23) TOTAL RETURN ACCOUNTING (continued)

	Note	Intergenerational Equity £'000	Unapplied Total Return £'000	Pension Liability £'000	Total 2023 £'000
At 1 January 2023					
Opening Intergenerational Equity		*5,794*	*-*	*-*	*5,794*
Opening Unapplied total return		*-*	*13,355*	*-*	*13,355*
Opening Pension Liability		*-*	*-*	*-*	*-*
Total		*5,794*	*13,355*	*-*	*19,149*
Movements during the year					
Intergenerational Equity uplift re indexation		*228*	*(228)*	*-*	*-*
Transfers to/(from) Intergenerational Equity		*361*	*(361)*	*-*	*-*
Investment movements: realised and unrealised gains/(losses)		*-*	*3,622*	*-*	*3,622*
		589	*3,033*	*-*	*3,622*
Unapplied total return transferred to Common Fund re Investment Yield	*19*	*-*	*(258)*	*-*	*(258)*
Unapplied total return utilised on Parsonage capital expenditure	*19*	*-*	*(401)*	*-*	*(401)*
		-	*(659)*	*-*	*(659)*
Net movement during the year:		*589*	*2,374*	*-*	*2,963*
Closing Intergenerational Equity		*6,383*	*-*	*-*	*6,383*
Closing Unapplied total return		*-*	*15,729*	*-*	*15,729*
Total at 31 December 2023		*6,383*	*15,729*	*-*	*22,112*

24) STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Common £'000	Unrestricted Designated £'000	Restricted £'000	Endowment £'000	Total 2023 £'000
Income						
Donations:						
- Parish Offers		7,524	-	-	-	7,524
- Other	2	561	-	1,232	-	1,793
Investment income	3	1,832	-	41	31	1,904
Charitable activities	4	374	-	-	-	374
Total income		10,291	-	1,273	31	11,595
Expenditure						
Generating income	5	(587)	-	(5)	-	(592)
Charitable activities	6	(11,536)	-	(1,971)	-	(13,507)
Total Expenditure		(12,123)	-	(1,976)	-	(14,099)
Operating (Deficit)/Surplus:		**(1,832)**	**-**	**(703)**	**31**	**(2,504)**
Profit/(losses) on sale of property		178	-	1,060	18	1,256
Gains/(losses) on investments	10	644	(21)	-	3,953	4,576
Net Income before revaluation of fixed assets and pension scheme liabilities and transfers between funds		**(1,010)**	**(21)**	**357**	**4,002**	**3,328**
Reserve Movements:						
Net Income		(1,010)	(21)	357	4,002	3,328
Revaluation of pension scheme liabilities	22	(156)	-	-	-	(156)
Transfers between funds	19	11	130	(141)	-	-
Transfers between funds - Total Unapplied Return	19/23	258	-	401	(659)	-
Net movement in funds		**(897)**	**109**	**617**	**3,343**	**3,172**
Reserve balances at 1st January 2023		2,608	9,092	40,868	25,085	77,653
Reserve balances at 31st December 2023		**1,711**	**9,201**	**41,485**	**28,428**	**80,825**
			note 16	note 17	note 18	

CUSTODIAN TRUSTEESHIP FUNDS – BALANCE SHEET
For the year ended 31 December 2024

This page does not form part of the audited financial statements

	2024		2023	
	Capital £'000	**Revenue £'000**	***Capital £'000***	***Revenue £'000***
Investments at cost (see below)	705	3	*699*	*3*
Freehold property	645	-	*645*	*-*
Freehold interest in leased properties	3	-	*3*	*-*
Cash				
National Savings Bank	11	1	*11*	*1*
CCLA Investment Management Ltd - Deposit Fund				
Miscellaneous	809	85	*1,178*	*95*
Church Commissioners Deposit Account				
Barclays Bank - Current Account	-	2	*-*	*6*
	820	88	*1,189*	*102*
Total Assets	2,173	91	*2,536*	*105*
Representing				
Parochial Funds	2,154	85	*2,517*	*97*
Non-Parochial Funds	19	6	*19*	*8*
Total Funds	2,173	91	*2,536*	*105*

INVESTMENTS NOTE	2024		2023	
	Cost £'000	**Market value £'000**	***Cost £'000***	***Market value £'000***
CAPITAL				
Quoted Investments	5	174	*5*	*160*
Unlisted Investments				
CCLA Investment Management Ltd				
Investment Fund Income Shares				
199,661 (2023 199,421 shares)	554	4,617	*548*	*4,508*
Fixed Interest Fund Income Shares				
44,806 (2023 44,806 shares)	72	67	*72*	*65*
Global Equity				
25,919 (2023 25,919 shares)	30	83	*30*	*78*
Property Fund				
34,935 (2023 34,935 shares)	44	42	*44*	*43*
	700	4,809	*694*	*4,694*
	705	4,983	*699*	*4,854*
REVENUE				
Unlisted Investments				
CCLA Investment Management Ltd				
Investment Fund Income Shares	3	49	*3*	*48*
2,127 (2023 2,127 shares)				

PARISH LOAN AND DEPOSITS FUND
For the year ended 31 December 2024

This page does not form part of the audited financial statements

	2024 £'000	*2023 £'000*		2024 £'000	*2023 £'000*
Deposits by Parishes with Diocese:			Use of Funds Deposited by Parishes with Diocese:		
Parochial Funds	4,975	*4,846*	Parish Loans	13	*18*
			Funds on Deposit and other assets	4,962	*4,828*
	4,975	*4,846*		4,975	*4,846*

LOANS FUND BALANCES
As at 31 December 2024

	2024 £'000	*2023 £'000*		2024 £'000	*2023 £'000*
Deposits by Parishes with Diocese:			Use of Funds Deposited by Parishes with Diocese:		
Parochial Funds	5,365	*4,747*	Parish & Clergy - Loans	66	*95*
Other Sources	35	*34*	Other Loans	4	*6*
			Funds on Deposit and other assets	5,330	*4,680*
	5,400	*4,781*		5,400	*4,781*

The Church Repair Fund and Loans Fund have been consolidated in the Financial Statements of the Rochester Diocesan Society and Board of Finance.

THE ROCHESTER DIOCESAN SOCIETY AND BOARD OF FINANCE

England & Wales - Charity number 249339

Accounts

Diocese of Rochester

called together

Forward with ambition and vision

Annual Report and Accounts 2023

We are the Church of England operating in the Diocese of Rochester in the area of Medway, north and west Kent, and the London Boroughs of Bromley and Bexley. A diverse and vibrant community of faith, we serve a population of some 1.3 million people, including 211 parishes and 3 Bishops Mission Orders, 90 schools, and numerous chaplains. We enjoy companion links with the Anglican Dioceses of Harare in Zimbabwe, and Kondoa and Mpwapwa in Tanzania as well as an ecumenical link with the Evangelical Lutheran Church of Estonia.

The Trustees, who are also directors for the purposes of company law, present their trustees' report together with the financial statements and auditor's report for the charitable company – the Rochester Diocesan Society and Board of Finance Limited (RDSBF) for the year ended 31 December 2023. The financial statements comply with current statutory requirements of the Charities Act 2011, the Statement of Recommended Practice for Charities 2015 (SORP 2015) (Second Edition, effective 1 January 2019) and the Companies Act 2006.

Registered & Principal Office: Diocesan Office St Nicholas Church Boley Hill Rochester Kent ME1 1SL

Directors and Members of the Bishop's Council
(Directors and Trustees):
The Bishop of Rochester (Chair)
The Rt Rev Dr Jonathan Gibbs
The Bishop of Tonbridge - The Rt Rev Simon Burton-Jones
The Chair of the Board of Finance - Canon Nigel Pope

Ex-officio:
The Archdeacon of Bromley & Bexley
The Ven Katrina Barnes (appointed to 23/04/2023)
The Ven Allie Kerr (appointed 23/4/2023)
Archdeacon of Rochester
The Ven Andrew Wooding Jones
The Archdeacon of Tonbridge
The Ven Sharon Copestake
The Dean of Rochester
The Very Rev Dr Philip Hesketh
The Chair of the House of Laity
Mrs Sarah Poole
The Chair of the House of Clergy
The Rev Canon Jeremy Blunden
The Chair of the Board of Education
The Rt Rev Simon Burton-Jones

Elected – House of Clergy:
The Rev Canon Mark Barker
The Rev Dr Julie Bowen
The Rev Martyn Saunders

Elected – House of Laity:
Mr David Fitzpatrick
Mr Philip French
Mrs Cath Johnston
Mr Jeremy King
Mr Gerald O'Brien
Mr Alan Strachan

The Rochester Diocesan Society and Board of Finance is a company Limited by Guarantee Registered Charity No. 249339 Registered in England No. 140656

Senior Staff:
Diocesan Secretary (and Company Secretary)
Mr Matthew Girt
Director of Finance – Rev Richard Williams (retired 4/1/2023)
Director of Finance – Mr John Jackson (appointed 10/8/2023)
Director of Property - Mr Stephen Hoad (resigned 21/6/2023)
Director of Property - Ms Stephanie Shea (appointed 27/11/23, resigned 3/3/24)
Director of Formation and Ministry - The Rev Canon Chris Dench (resigned 3/9/2023)
Interim Director of Formation and Ministry, The Rev Canon Jane Winter (appointed 3/9/2023)
Director of Diocesan Board of Education - Mr John Constanti
Bishop's Chaplain - The Rev Canon June Lawson *(appointed 11/9/2023)*

Advisors:
Auditors: Haysmacintyre LLP 10 Queen Street Place, London EC4R 1AG

Registrar: Mr Owen Carew-Jones (to 31/3/2023)
Mrs Patti Russell (appointed 4/11/2023)
Winckworth Sherwood LLP Minerva House, 5 Montague Close, London SE1 9BB

Bankers: Barclays Bank Plc, 2nd floor, 30 Tower View, Kings Hill, West Malling, Kent ME19 4WA

Property Adviser and Glebe Agent:
Savills plc 74 High Street, Sevenoaks, TN13 1JR

Investment Advisers: Mercer Global Investment Management Ltd. 1 Tower Place West, Tower Place, London, EC3R 5BU

Insurers: Ecclesiastical Insurance Office plc Beaufort House, Brunswick Road, Gloucester GL1

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A message from Bishop Jonathan

It is now nearly two years since I became the Bishop of Rochester. A great deal has happened in that time, and particularly over the last year.

I love travelling around the Diocese and seeing first hand all that is taking place. What has struck me most is the dedication of clergy and lay people alike in every corner of the Diocese to the worship of God, to the making of disciples and to service in and for our local communities.

As is reflected in this report, there is so much in which to rejoice, and for which to be encouraged. Yet at the same time, never in the forty years I have served in the Church of England have I known such a time of anxiety, uncertainty, and fear, both within the Church and in our wider world.

Given the challenges that we are facing, it would be tempting to feel overwhelmed and retreat into the comfort of doing 'what we have always done'.

However, this is not the case here in Rochester Diocese. If anything, we have continued to build on our confidence in God and in one another, by beginning in earnest the work we need to ensure we have a flourishing and hopeful future.

One which is focused on seeking first the kingdom of God, and listening to how we are being guided by God in this task in the areas of Medway, north and west Kent, and the London Boroughs of Bromley and Bexley.

Indeed, I remain confident that the three themes that God laid on my heart as I was called to this ministry here in Rochester: Change, Serve, Grow, offer us a framework for addressing many of the huge challenges that our churches and communities are facing in fruitful and productive ways.

I am hugely grateful for all those who are supporting this vision across the Diocese, and who are faithfully seeking to be a sign to the world of a different way of being, demonstrating the life of the kingdom of God by the way we love one another, serve the people and communities around us, and together bring the hope of Christ to an often fearful and lost generation.

The Rt Rev Dr Jonathan Gibbs
Bishop of Rochester

A message from the Diocesan Secretary

With ambition and vision sums up 2023. As we moved from the year of transitions in 2022 to a year of delivery, or review and of planning and resource acquisition in 2023 and forward into 2024.

2023 has seen us engage on what a vision for the future should look like, and the plan needed to bring it about. Keeping our eyes set on 'seeking first the Kingdom of God', we have analysed the data we have on missional and ministry health and viability across the diocese, using funds secured in 2022, to build a stronger picture of what a sustainable and growing diocese will look like.

Direct investment of externally secured resources to complement those hard given resources at a parish level, and diocesan investment fund returns, has seen projects across the diocese benefit, whether that be for work to buildings, or missional projects.

Using this work, the year has also seen us look at and review the successful work of the Formation and Ministry team, and with the Children and Young People team, joining them in the new Mission and Ministry Development Team with a focus on developing missional leaders, lay and ordained.

As I have spoken to many people across the diocese during the year, I have a sense of both the strain that many have been under, but also now the looking forward with new energy and hope. The staff team at Diocesan Office see themselves as supports for all the work and ambition that exists in the hearts and actions locally in parishes. We remain committed to serving, to increasing the service, and improving what we do wherever possible.

I would like to thank my colleagues in the staff team at Diocesan Office for their dedication, and joy in serving. As you will see from the interview with Paul later on in this report, we are fortunate to have such positive and committed team members who look to support the success and challenges in parishes.

Whilst we do all of this, it is clear that without the work, funding, and commitment locally in parishes and chaplaincies, without the thousands and thousands of hours of volunteer time, the impact would be small.

I remain humbled and thankful to the many, many people who are looking to the future through their service now who are filled with that ambition and vision for God's love to be seen and known,

Thank you for your partnership in the Gospel.

Matthew Girt
Diocesan Secretary

A message from the Chair of the Board of Finance

Financially, 2023 was a mixed year for the Diocese. Our main source of income, parish offers, reduced by 2 per cent compared to 2022 which was disappointing – we had hoped for and budgeted for an increase of 4 percent.

Parish offers remain key to the financial sustainability of the Diocese going forward and we have started consultation within the Diocese on improvements that can be made to its communication and calculation.

It is a credit to the Diocesan team that, despite the lower than hoped for parish offers, overall, our operating deficit in 2023 was contained within budget with tight cost control and maximizing income from our assets and grant income.

Our investment portfolio performed well in 2023 with an overall total return of nearly 20 per cent. The most significant contribution to this was the sale at auction of our largest property asset, the Upper Beckenham estate, realising a surplus of £3m. This was an exceptional result. The surplus enabled Unapplied Total Return (see note 23) at the year end to increase by nearly £3m. Under Total Return Accounting, which the Diocese adopted in 2022, this will be available for investment into parish ministry and mission and growth in the Diocese going forward.

I will be stepping down as Chair of the Board of Finance in June 2024 after five years. Financially for the Diocese, the last five years have been a challenging time. As I look back, there are however, many positive aspects. A few that stand out for me are:

- We have been successful in maintaining strong levels of cash and other liquid assets to ensure that we are financially resilient.
- Faced with operating deficits, we have maintained our objective to continue to invest in and support parish ministry and sustain clergy numbers overall.
- The adoption of Total Return Accounting in 2022 has increased our financial flexibility to facilitate investment in growing the Kingdom of God going forward.
- Our focus on maximizing our returns from Diocesan assets to support the overall Diocesan vision and objectives has been successful.

Looking forward, while growing parish offers remains key, I feel strongly that it is time for the very significant funds held by the Church Commissioners to be shared with Dioceses in a fairer way.

There is a review being carried out of the financial position of dioceses across England and the fairness of the current grant and cost allocation position from the Church Commissioners and I believe Rochester Diocese ought to be a significant beneficiary of that review; there are also moves to petition for significant funds held by the Church Commissioners to be transferred to Dioceses to strengthen their financial position which I would certainly support.

We have a very strong Diocesan team full of exceptional people who are led very well by Matthew Girt, and I have very much enjoyed working with him. We have a fantastic finance team too and are blessed with many dedicated and skilled volunteers who serve on our financial committees - I have very much appreciated their skill and dedication.

It has been a privilege to serve God as Chair of the Board of Finance and it has been great to see the many ways that God is blessing us with across the Diocese. I will of course continue to worship in the Diocese and look forward to seeing the fruits of our mission as together we seek first the Kingdom of God.

Canon Nigel Pope
Chair of the Diocesan Board of Finance

STRATEGIC REPORT

Our vision and objectives

This year, Bishop Jonathan has continued to lead the development and evolution of our shared **Called Together** vision around the three key themes of **Change, Serve, Grow.**

These three words were 'placed upon his heart' when he joined us as the new Bishop of Rochester in 2022.

Much work has taken place throughout this year to understand what these three themes mean for the life of the Diocese and our priorities, and to define what and where resources will need to be allocated to deliver them.

Through prayerful engagement and discernment, what has begun to emerge is an understanding that we are a community **seeking first the Kingdom of God.**

It is with compassion, courage and creativity that we are called together by God to Change, Serve and Grow, and that within this overall vision, our key objectives are to **grow missional churches, missional leaders and missional disciples that are themselves:**

- Growing younger and more diverse,
- Growing numerically, spiritually, and financially
- Impacting their communities, and so are in turn planting and growing new missional churches

This is the latest phase in developing our strategic plans, which is vital to our hope and belief in a sustainable future for the Church across the areas of Medway, north and west Kent, and the London Boroughs of Bromley and Bexley.

To help us move work on our vision and priorities forward, we applied for and were successful in being granted a total of £714,130, which will be received over three years, from the national church. The funding is aimed at increasing our capacity to help us develop our vision and strategic plan.

Capacity will be increased to serve parishes in the areas of the Archdeacons, Property, Fundraising, Communications and HR, so work on the vision can continue as well as offering direct support to parishes.

Alongside this developmental work, diocesan support teams have continued to work with church leaders and parishes in support of our current five priorities of

Enabling each church to be mission minded
Helping resource parishes to understand their community and to build assurance in people that they can tell their own story of God's love in Christ; that there is a time and a place to share this with others.
Helping children, young people and adults live out everyday faith in Jesus
Whether a person is drawn to lay or ordained ministry in the Church, or is called to living out their faith right where they are.

Supporting loving service in local communities
Understanding that our mission is to the whole person and every initiative to meet human need is a sign of the coming kingdom of God.
Speaking and responding to the prophetic voice of justice and peace
To speak up for justice, to speak up for peace, and to be open to hear the prophetic voice ourselves, for the Church has much it needs to put right.
Protecting creation's life for future generations
As part of our prophetic calling, we commit to speak about our role in caring for God's creation, to work for the protection of the natural world and to equip Christians and churches to care for it.

OUR STORY AND PROGRESS IN 2023

Enabling each church to be mission minded

To help resource parishes to understand their community and to build assurance in people that they can tell their own story of God's love in Christ; that there is a time and a place to share this with others.

Funding missional buildings

Church buildings can often be one of the most visible signs of a Christian presence in a community. Not only are they places of worship and fellowship, but they also offer a wonderful opportunity for mission and outreach

For many churches, however, the care and maintenance of their buildings, while a privilege, is also a challenge both in terms of time, finance, and their ability to offer welcome to worshippers and visitors alike.

To help, Diocesan support teams have continued to work hard to secure external funding to boost the support available to parishes in relation to church buildings.

This is in addition to the Common Fund – the shared pot of money paid into by parishes - which remains the main source of income to support mission and ministry across the Diocese.

In 2023, colleagues were successful in obtaining just over £285,000 in external funding to support churches with their buildings. The external funding raised this year means that, since 2018, support from the Diocesan Office has drawn in over **£8 million** of external funding to directly support mission and ministry across all areas of the Diocese at parish level.

Attracting funding like this is great news, not just for the local churches affected, but the whole diocesan family. This is because it demonstrates to potential future donors what the Church can achieve, as well as our proven track record in partnership working.

ST JOHN'S CHATHAM - £2.3 million from the National Lottery Heritage Fund for capital works and an innovative community programme was the latest exciting step for the reopened St John's, Chatham this year.

A church that until 2017 had stood closed for around 25 years, St John's is now open and engaging in transformative outreach into the community; it's very much at the heart of the wider plan and vision for growth and outreach across the Diocese.

A partnership with The Church Army – a national Christian organisation committed to tackling social deprivation, and ensuring everyone has an opportunity to encounter God – is also crucial to the regeneration and growth taking place at St John's, Chatham.

Key projects include Medway Oaks, a drop in church on Sunday afternoons for over 18s, and an expanding programme of children and family outreach.

Increasing numbers of lives are being changed by knowledge of God's love and grace, and an encounter with Jesus through the outreach work. For instance, last September there were 10 baptisms and reaffirmations of baptismal vows, 8 of which came out of initiatives run by Church Army.

Caring for church buildings

The care and maintenance of our church buildings, their contents, and churchyards, is vitally important now, and for future growth, outreach and mission.

Advice and support for parishes in this area is provided by the Diocesan Advisory Committee for the Care of Churches (DAC)

To increase the support and expertise available to parishes going forward, the Diocese has been awarded:

- Just over **£90,000** from the Church of England's, *Buildings for Mission* fund to finance a Church Buildings Support Officer (CBSO), who will directly support parishes.

- A further **£96,000** from the Church of England enabling the Diocese to offer grants of up to £12,000 for repairs and improvements to churches. This will sit within the Diocese's existing Missional Property Fund.

Sitting alongside our existing dedicated but small church buildings support team, this additional officer and grant capacity will make a real difference in helping churches manage this responsibility.

Missional Property Fund

The Missional Property Fund was established in 2018 with the primary aim to support projects which allow parishes to open-up their church buildings for mission and welcome.

The Fund is made possible by generous support from Marshalls Charity, which confirmed this year it would be committing a further £97,500 into the Missional Property Fund in 2024/25. In 2023, 28 applications were received. Thirteen of these were funded to a total of £105,500.

Photo: St, Mildred Church, Nurstead had a faculty for a waterless composting toilet granted in March 2023. This enabled new toilet facilities to be created despite there being no water supply or drainage in the churchyard, and so improving the welcome and outreach the church can offer.

Encouraging a culture of generosity

Generosity is rooted in our relationship with one another and with God. That generosity gives everyone an opportunity to share in the mission of Christ and the ministry which supports that mission.

The activity of the Diocese's Generous Giving Adviser in 2023 has therefore focused on increasing giving in parishes by:

- Offering support on the running of giving campaigns
- Promoting the Parish Giving Scheme
- Encouraging parishes to engage with digital giving.
- Holding workshops on promoting legacy giving.

Parish Giving Scheme

The Parish Giving Scheme (PGS) is an established service for managing One-Off and Direct Debit giving, designed to support churches to fund their mission and ministry. It reduces the burden of work on church volunteers and provides a simple and secure service to givers.

Thanks to continued effort and encouragement, 50 parishes are now signed up to the scheme, with the average gift (including Gift Aid) being £21.72 per week.

Digital Giving

Online and contactless forms of giving have also seen substantial growth in both the number of active accounts and the funds flowing through them

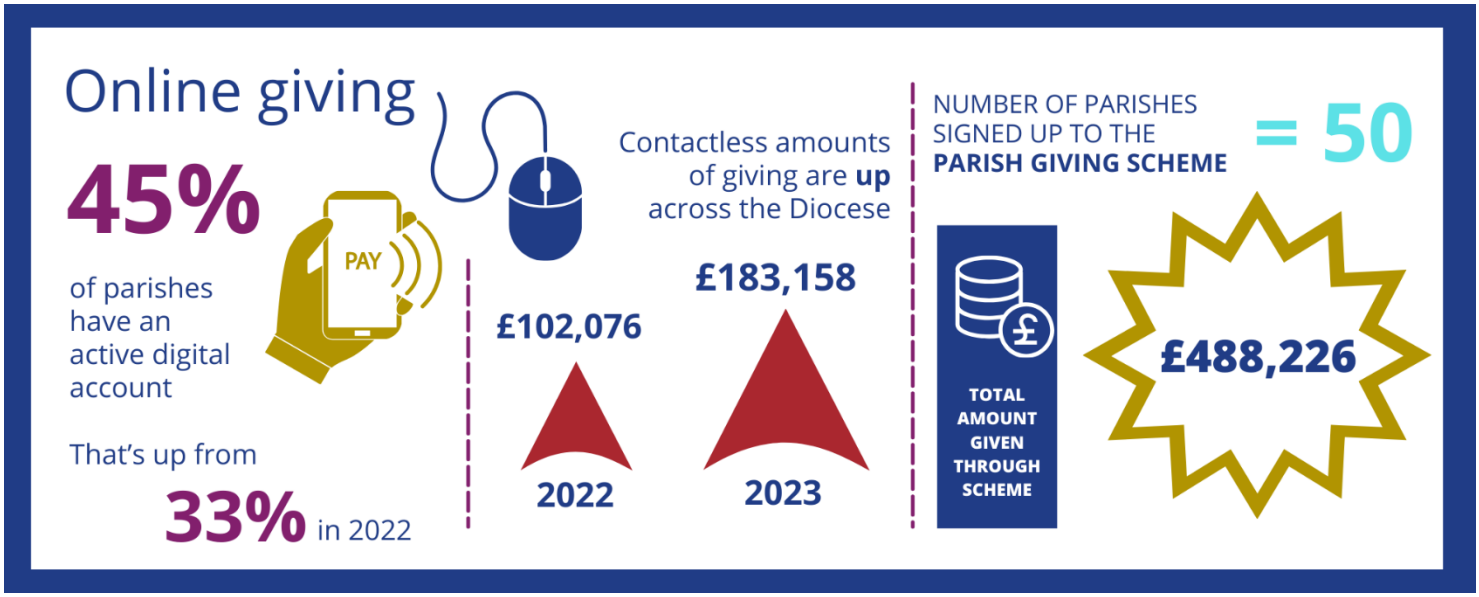
Forty-five percent of parishes in the Diocese have an active digital account. That is up from 33 per cent of parishes in 2022.

Preaching Generosity

This is an ongoing project to encourage church leaders, and all those with a preaching ministry, to talk about generosity.

Each week, a short sermon idea is drawn from one of that week's Common Worship lectionary readings by a range of high calibre contributors.

It is reaching about 7,000 people weekly through Digest, the St Augustine's College of Theology e-bulletin, and individual subscribers.



Flourishing overseas links

Our diocese enjoys overseas links with the Anglican dioceses of Harare in Zimbabwe, and Kondoa and Mpwapwa in Tanzania. It has a similar, flourishing partnership with the Evangelical Lutheran Church of Estonia. to learn about each other's history and tradition,

- to share our spiritual and material resources and to build strong and lasting friendships, and
- to advance the Kingdom of God within our dioceses.

These links have continued to thrive throughout the year in various ways, whether through visits, or WhatsApp groups and regular Zoom meetings.

New connections have been made with St James School at Grain developing a link with St Peter and St Paul school in Kondoa. The chairs of the Estonia group have now been taken up by Jess Heeb and Laurence Powell.

In August, Bishop Jonathan also paid his first visit to Tanzania as Diocesan Bishop. As part of his visit, he attended the enthronement of the new bishop of Mpwapwa, visited a range of sustainability projects, as well as enjoying hospitality, friendship, and taking part in the spiritual life of the Church there.

Photo: Bishop Jonathan takes part in a confirmation service in Kondoa

"It was a huge joy and privilege to visit our brothers and sisters in Kondoa and Mpwapwa. The visit helped me to appreciate more fully the amazing work that is being done by our partners there as well as the importance of the partnership for us as well as for them. I pray that this will help to strengthen our bonds and our cooperation in the years to come."

Bishop Jonathan Gibbs, Bishop of Rochester

Ongoing parish Support

Money from the Common Fund pays for the central services provided by Diocesan Office colleagues to help parishes maintain and grow their presence in the community, as well as meet their statutory responsibilities.

The fact that these are managed by the modest level of staffing within the Diocesan support teams, a level that has remained consistent since 2019, even with the increasing costs of statutory and safeguarding responsibilities, is a testament to the quality of the people employed and the amount of effort which they put into their roles every day.

As the diocesan vision continues to evolve, data from resources like the Statistics for Mission and the Archdeacons Articles of Enquiry are being used to help inform what additional support is needed, and to developing funding bids as appropriate.

Helping children, young people and adults live out everyday faith in Jesus

whether a person is drawn to lay or ordained ministry in the Church, or is called to living out their faith right where they are.

Growing missional leaders

Seventeen men and women were ordained priest or deacon at Rochester Cathedral in September 2023.

For the nine deacons, it was the fruition of many years of exploration, discernment, and training.

From a qualified rugby referee and a professional musician to a former journalist and mental health care professional, each of our deacons brings with them a diverse range of skills and experiences.

"This year's cohort of ordinands are a wonderful group of people who give great hope for the future of the church. As Director of Ordinands, along with Assistant DDOs and Vocation Advisers, it has been a privilege to accompany them through this part of the journey. "

The Rev Canon Pamela Ive, Diocesan Director of Ordinands and Vocations.

The service was livestreamed to allow the whole diocesan family and the wider community to be part of this significant event in the life of the diocese. A social media campaign also shared the stories of the candidates with an invitation for others to consider how God may be calling them.

Eight people came forward for ordination in 2023 compared to seven in 2022.

ENCOURAGING CALLING "God has bestowed gifts on each and every one of us. Whether you are frontline staff, a teacher, a doctor, an engineer. God has plans for you. I would encourage everyone to think about what that plan might be for them."
The Rev Rob Byrne, Deacon

During the year, four *It's Your Calling* days were held, offering people an opportunity to explore God's plan for them. This year saw a pleasing increase in the numbers attend from before the pandemic:

- 2022 – 29 people
- 2023 – 38 people

It has been a wonderful year too for celebrating lay ministry in the Diocese, affirming the diverse ways God is calling people across the Diocese.

Rochester Cathedral was the setting for the licensing of 12 people as Licensed Lay Ministers in June - a distinctive role in the Diocese for someone called to serve their Church and their community in a leadership role but not to be ordained.

In May we also saw the licensing and commissioning of 12 Children, Young People, and Family Workers whose roles covered a breadth of knowledge, experience and expertise, but most importantly, dedication to serving their local communities, especially those in the younger age ranges.

In addition, five new Anna Chaplains were commissioned by Bishop Jonathan, a pioneering ministry in the Diocese to ensure the pastoral and spiritual needs of older people, and those with dementia, are met.

Nine students also received their Bishop's Certificate. This qualification is open to anyone who has an active involvement in their local church and who wishes to gain knowledge and skills to give a firm foundation to their Christian life and service. It can be the start of a journey towards licensed lay ministry

Outstanding training review

Licensed Lay Ministry (LLM) formation is part of a wider programme of vocational discernment and formation for lay ministers.

This year, the Lay Ministry Formation programme received an outstanding review from the National Church's Ministry Development Team.

The aim of the review is to provide an external check of each training body against national standards and expectations for ministerial training and formation.

Photo*:* In May, twelve new Lay Ministers were license in a service held in Rochester Cathedral.

The Lay Ministry Formation Programme was given an overall rating of 'Confidence' – the highest grading possible. Read the report

'Rochester continues to provide the highest quality formation for our lay ministers and the lay ministers are evidence of this in the ministry and mission they engage with across our parishes and local communities.

Canon Jane Winter, Interim Director of Mission and Ministry Development

The recommendations in the report will help us continue to shape the lay ministry programme and the delivery of teaching as we move forward, growing the church to respond to a changing culture, and sharing the good news of Jesus Christ in diverse ways.

Bishops Certificate

In September 2023 seven people started the Bishops Certificate programme and nine continued into year 2, four of whom will be Licensed as Lay Ministers in 2024.

In June 2023, seven people were candidated for Licensed Lay Ministry, and will be licensed in 2025.

We have candidates who are developing ministries with older people, in evangelism and chaplaincy.

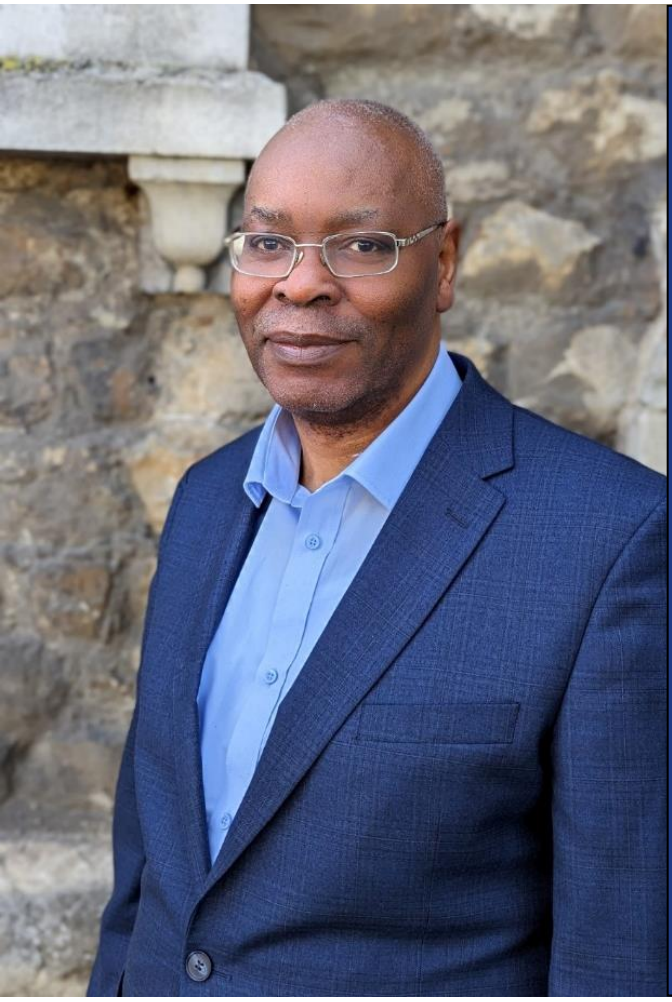
Students continue to enjoy the learning environment of St Benedict's Centre and are grateful for the prayerful support of the Sisters living in the Benedictine community at the Abbey.

Affirming everyone's calling

We continue to find opportunities to encourage all people to recognise God's calling in their daily lives.

Bishop Simon has continued to play a leading role in supporting this strand of our vision. He has conducted several anointing services in churches, where people are invited to come forward, name their role in life, and receive a blessing and anointing with oil. These services seek to value and honour the different jobs and activities people undertake in their day to day, and symbolise the blessing God's gives to them.

Our regular Everyday Faith section in the Diocesan magazine has highlighted the testimonies of a range of people, from a member of the Diocesan Finance Team, a gospel worship leader, to a young member of a church committed to the environment. These stories aim to encourage the reader to recognise their own God-given talents and gifts, and how they can be used a part of their Christian witness each and everyday.



YOUR WORK GLADDENS GOD

A chance email brought Paul Ogunlade to his new role as Financial Accountant in the Diocesan Office.

It's just another example for Paul of a God who is directly involved in his daily life, and how for Christians, each day brings an opportunity to be an example of Christ's love and peace to others. He says, "If you are a person of faith, I think the Holy Spirit is always opening up opportunities for us to live out our faith. Even getting this role I believe was guided by God.

"I think if you care about your work then God rejoices in that. If it gladdens you, it gladdens God too and amazing things can happen.

"There was a time in a previous place of work where a colleague came up to me and said that she had noticed that I was always happy and smiling, and that I always seem focused on my work. She wanted to know what drove me.

"I explained that I had a source from where my happiness was derived, and that was Christ. That because of Christ, I knew that whatever was thrown at me, I could overcome it. I wasn't looking to evangelise I was just minding my own business, but in that moment, she gave her life to Christ.

"I don't think we as Christians always realise the impact we can have on the people around us, but we actually have chances every day to be an expression of God's love."

Growing faith in children and young people

The Church nationally has committed to a bold aim to double the number of children and young active disciples in the Church of England by 2030.

As a Diocese we are equally ambitious to grow and nurture the presence of children and young people in our churches.

"One of my key priorities is to see more children and young people come to faith and to grow as disciples of Jesus Christ, and churches are at the forefront of this mission and ministry of the Church in this Diocese."

Bishop Jonathan Gibbs, Bishop of

The Children and Young People Team continue to encourage and support our churches in this area of their mission and outreach.

A particular focus of the Children and Young People Team has therefore been to provide opportunities to younger members to play a more active role in the leadership of not only their own churches but the Diocesan decision-making processes as well.

As part of this, a reconvening and reinvigorating of the Diocesan Youth Council has been underway, starting with a residential which saw 16 young people plus leaders attend Kingswood Centre to explore the theme of Peter the Rock and building on a solid foundation. Several meetings have taken place online and some of the young people helped as young leaders at the Cathedral Christingle service.

Diocesan Youth Council members have also attended Diocesan Synod, and several parishes have, or are setting up, their own children/young people's councils at parish level which is exciting.

Photo: JAM (Jesus And Me) at St George's Gravesend is an intergenerational service where families come together for worship. It continues to thrive since starting in Covid.

There has also been a focus on supporting churches to explore admitting children to communion. Three services have taken place where children have been admitted to communion, with advisory support from the Diocesan team beforehand.

The team has been encouraged to see more and more parishes becoming interested in this ministry. They are also encouraged by the amount of creativity among parishes for youth work.

For instance, one parish is piloting Bubble Church for under 7's as a new worshipping community, and three new youth worship events called FUSE, were held as part of a joint venture with the Diocese of Canterbury.

Deepening people's relationship with God

A partnership between the Diocese's Spirituality Network and the St Benedict's Centre is creating more opportunities for people to explore and develop their spiritual lives.

During the year, the Spirituality Network moved from Chatham to the Centre in West Malling, which has allowed the Network's programme of events to be included in the St Benedict's bulletin and on their social media channels.

This has broadened the reach of the people seeing the range of events available and is starting to bear fruit, with a recent Away Day on how to meditate bringing together 30 people who were keen to learn about Christian Meditation.

There has also been an exciting development with a key Spirituality Network resource called *The Prayer Pack.* The pack seeks to provide inspiration to those searching for ways to pray that suit them by offering twelve fresh approaches to pray and is available online to download and print.

During the pandemic the Spirituality Network received an anonymous donation, and it was decided to use the donation to publish 'The Prayer Pack' in a different format.

Work during the year to turn the pack into a published book has gone well and the book will be available in May 2024 as part of the Diocese's offering for the global prayer initiative, *Thy Kingdom Come.*

Sports and wellbeing

Sport is a big part of many people's lives, and the Diocese believes that faith can and should be integrated with this.

To assist this work, Ian Simpson, a member of the Church of The Good Shepherd, Borough Green, was appointed as the new Sports and Wellbeing Ambassador for the Diocese.

This is a voluntary role, which sees Ian help promote and develop the use of sport as a means of mission and ministry across the Diocese of Rochester.

"Sports and well-being activities draw people together and when people are together, there are opportunities to show the grace of Jesus and to show people our faith."

Ian Simpson, Sports and Wellbeing Ambassador

From healthy walks and mobility exercise sessions to cycling groups and sports club chaplains, many churches across the Diocese are already exploring ways they can be a positive and encouraging presence in people's sporting lives.

A Sports and Wellbeing Mission workshop run by Bishop Simon Burton-Jones, the Bishop of Tonbridge, in November, and hosted by St Gabriel's Kings Hill, saw 13 churches represented.

It provided a great opportunity for those present to discuss what sports and wellbeing ministry is about, what is happening in churches already, and what churches would like to happen in the future.

Projects highlighted included Kick, a football initiative in Barming, and Sports chaplaincy in Kings Hill.

Throughout the year, various national days and occasions were also used as opportunities to encourage churches to think about how they could engage with people through sport and wellbeing.

Bishop Simon wrote a set of prayers to encourage churches and individuals to pray for those involved in sport and wellbeing activities.

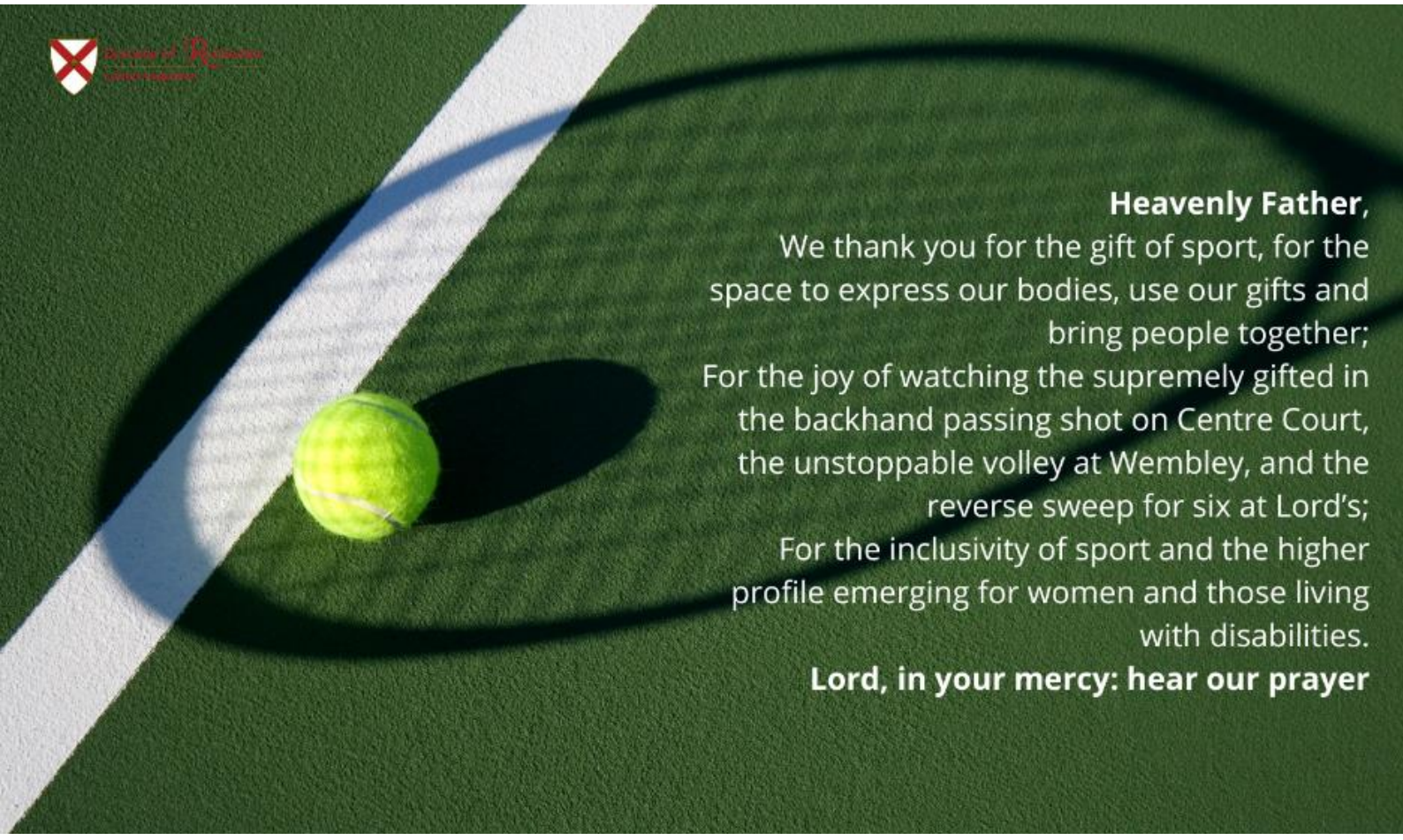
The National Sports and Wellbeing Project, which Rochester Diocese has been part of the since 2020, is now nearing completion with a report due to be published shortly. We are engaged with other dioceses to establish the best way to continue the national initiative and supportive relationships in the future.

Spirituality of older people

Anna Chaplaincy is a pioneering ministry in the Diocese aiming to equip churches to support older people and convey the message that people with dementia and their carers are welcome in our churches.

There are now over 30 church-based groups and activities aimed at people living with dementia and their carers across Rochester Diocese, most delivered with Anna Chaplaincy involvement.

There are also 70 Anna Chaplains and Anna Friends in the Diocese visiting seniors in their own homes and care homes, bringing spiritual care and a sense of belonging at a time of life when frailty can easily cut people off from church and community life.



Supporting loving service in local communities

Understanding that our mission is to the whole person and every initiative to meet human need is a sign of the coming kingdom of God.

Warm Spaces

With the support of the Diocese's Community Engagement and Social Action Adviser, churches across the diocese have been busy strengthening their outreach to their local communities.

As one of the ways to help address the cost-of-living crisis, many local churches offered warm spaces again this winter, both during the day and early evening, so that people from their local community could find sanctuary and hospitality in a safe warm place.

The provision varied depending on the church and the local community, but always focused on offering a safe place to keep warm, socialise, engage in an activity (board games, craft, quizzes, etc), as well as enjoy free refreshments.

A diocesan survey confirmed that guests who attended warm spaces mostly came from the local community and were a mix of single adults, families with children and pensioners.

The main social issues affecting warm spaces guests were loneliness, fuel poverty, food poverty and mental health. When necessary, guests were signposted to partners and other specialist agencies.

Warm spaces were supported by Dartford and Tonbridge and Malling Borough Councils who, following an evaluation report demonstrating the positive impact warm spaces offered in their respective boroughs during the winter of 2022, offered generous contributions of £6,000 and £3,500

Photo: Community Larder, St John, Beckenham

respectively to support local churches with warm spaces expenses.

Warm spaces across the diocese were also supported by some dedicated budget from the Community Engagement and Social Action Team.

The Diocese has been working in partnership with the Warm Welcome Network. This has included introducing a pilot with UK Power Network (UKPN)

through raising awareness of the Priority Register. UKPN breakfast /lunch learning sessions will soon be offered by a few Warm Spaces and Community Hubs.

Community Hubs

Community hubs are about offering a holistic approach to the community in order to accompany guests and visitors on their journey on from a difficult matter or situation that they are facing.

Churches are very much engaged with this form of outreach, with the form they take varying across the diocese. They range from community cafes and community larders, to a community cupboard, fridge or independent foodbank.

The Community Hubs Leaders Network within the diocese is a growing and useful forum for learning and sharing experiences with others.

The network's online meetings have taken on a new format and are proving a great platform for inviting guest speakers from partner agencies (Warm Welcome Network, UPPN, ACTS435), as well as a useful forum to learn about grant opportunities.

A face to face training session on Active Listening is planned for next July.

Partnership working

With community engagement and social action, partnerships are key.

A few of the partnership opportunities that have arisen over the year include:

- ACTS 435
- Citizens Advice Bureau video kiosks
- Fundraising mentoring from *Funding For All*

Photo: The opening of the Community Fridge, St Paulinus Church, Crayford

All have in their own way enriched the offer from churches and helped people in the community.

In addition, partnerships have been maintained on a strategic level with some of the local authorities, voluntary sector groups and other organisations, and our Community Engagement and Social Action Lead Adviser has encouraged parishes to explore setting up partnerships related to specific social issues.

Responding to poor mental health

Supporting those suffering from mental ill health remained a priority over the year.

Local churches continued to support members from their local community by offering specific activities that promote mental wellbeing, as well as by offering courses.

Christ Church Luton, began offering *The Recovery Course* in February. This 15-week course looking at addiction was well attended and is proving successful with local community members.

The *Be Well Churches Project* is in its early stages, and is an endeavour between Citizens UK and some churches in Bromley and Bexley who are seeking to promote better mental health and well-being for their community.

Speaking and responding to the prophetic voice of justice and peace

To speak up for justice, to speak up for peace, and to be open to hear the prophetic voice ourselves, for the Church has much it needs to put right.

Safeguarding

As a Diocese we take our safeguarding responsibilities very seriously and we are committed to ensuring that our churches and buildings are safe places for all.

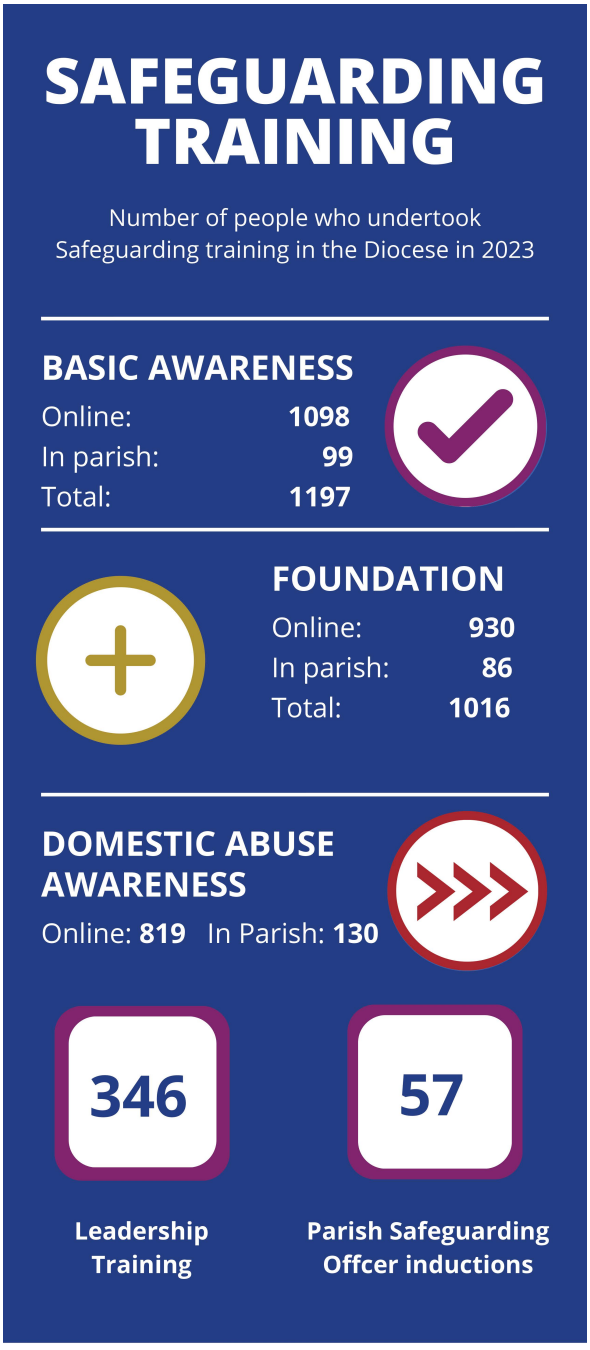
Alongside delivering a full and demanding programme of required safeguarding training, the Safeguarding Team has continued to handle an increasing workload of enquiries and case management, as well as carrying out clergy inductions, Parish Safeguarding Officer meetings, and DBS checks.

The safeguarding pages of the diocesan website are regularly checked and reviewed to ensure they contain up to date information, as well as accessible and appropriate material for a range of users, including children and young people, adults, and parish officers.

This year, a new page for victims and survivors of abuse, outlining the various ways the diocesan team and other agencies can support them, was created as part of our commitment to keeping victims and survivors at the heart of what we do.

Safeguarding Sunday

There are many people working hard across the Diocese to help keep everyone safe. They are doing things like being careful about who undertakes a role in a church or at a church activity, learning how to work in the safest way possible, or stepping up to be Parish Safeguarding Officer.



Diocese of Rochester called together

For these things to work, however, there needs to be a good culture - a safe and healthy culture, and that's where each and every person can make a difference.

To support this, over the last few years, the Diocesan Safeguarding Team has encouraged churches to take part in Safeguarding Sunday.

Organised by the Christian charity, Thirtyone:eight, Safeguarding Sunday, offers an opportunity each November – or at any time convenient - for churches to highlight and give thanks for all the work being undertaken to help keep people safe.

It's also a chance for churches to remind congregations and the wider community, that safeguarding is everyone's responsibility and that we all have a part to play in creating healthy, safer cultures.

This year saw a significant increase in the number of churches across the Diocese getting involved, and in creative ways, including sketches, talks, and videos

Many Parish Safeguarding Officers (PSO) took the opportunity to talk to their church congregations about their roles and how people could support them.

"I am delighted to see not just the level of response, but also the many different and creative ways churches within the Diocese have engaged with Safeguarding Sunday this year. This can only be a positive sign of how awareness and culture around safeguarding is changing across the Church."

Archdeacon Andy Wooding Jones, Bishop's Lead for Safeguarding

The Diocesan Safeguarding Team was also busy, with Greg Barry, Lead Diocesan Safeguarding Adviser, invited to St Peter's Bexleyheath to talk about his role and the importance of safeguarding.

The church is now in the process of refreshing all of their display materials and resources to include child friendly support and guidance for adult support locally and nationally.

Photo: Roarry the Thirtyone:eight Safeguarding Sunday lion, makes a special visit to Rochester Cathedral's Sunday Club

Domestic abuse and gender-based violence

Awareness-raising around the issue domestic abuse and gender-based violence has continued this year.

In support of the UN's 16 Days of Activism Against Gender-Based violence, material from a range of Domestic Abuse charities was shared on diocesan social media channels and as well as in diocesan newsletters.

The Mother's Union's new RISE UP campaign to raise awareness about domestic abuse, was also promoted among churches and diocesan office colleagues.

As a further sign of the commitment to improving awareness and response to the issue, the Diocesan Office signed up to EIDA, which was shared with colleagues.

In addition, the Diocese actively supported The White Ribbon Campaign's White Ribbon Day. Although aware that domestic abuse can happen within all kinds of relationships, the campaign particularly focuses on men by encouraging them to promise not to use, excuse, or remain silent about men's violence against women.

As part of our support for these campaigns, Bishop Simon prepared a set of prayers about the issue of domestic abuse and gender-based violence, as an ongoing resource for churches.

Racial Justice

Racial justice work is progressing in the Diocese and remains a key area of work, which we know we need to do more on to help understanding about this area of justice.

The role of the Rev Jeremy Blunden, Bishop's Advisor for UKME and Global Majority Heritage matters was broadened this year to take into account the *From Lament to Action* report.

Photo: Bishop Simon visits the Kent-based Protection Against Stalking Team

From *Lament to Action* (FLTA) is a national report of the Archbishops' Anti-Racism Taskforce first published in 2021.

Calling out institutional racism within the Church, it proposes a suite of changes to begin bringing about a change of culture in the life of the Church of England.

A working group was set up in the Diocese to respond to the report and they have now produced an action plan. Among the key actions identified are:

- Build a picture of current racial diversity in Rochester Diocese
- Ensure all appointment panels undertake online training of the anti-racism module provided by National Church Institutions
- Build recruitment processes which improve racial diversity
- Review and update training and recruitment processes for schools to ensure more UKME and GMH teachers, leaders and governors
- Create a written policy for embedding anti-racism practices
- Review of use of racial justice resources

To support this work, we are in the process of recruiting a Racial Justice Officer to help drive our work in this area of justice forward.

We have also been working on addressing recruitment and historic and current underrepresentation of UKME/GMH colleagues, particularly within senior leadership posts.

This year the Diocese initiated use of a positive action statement in order to attract UKME/GMH candidates in its recruitment process.

The Diocese is also heavily invested in the Bishop Wilfred Wood Leadership Programme, with our Bishop's Advisor for UKME/GMH Affairs one of the organisers of the programme.

This strategic leadership programme is aimed at addressing such historic and current underrepresentation, particularly within senior leadership posts.

Over the course of a year a programme of professional and personal development will seek to refine, promote and nurture amongst GMH priests the skills, confidence, experience and knowledge base needed to serve in senior roles.

The Bishop's Leadership Team also spent a fruitful time during its annual residential watching, discussing and reflecting upon the documentary, *After the Flood*.

Photo: Diocesan Office colleagues crocheted purple hearts in support of the Mothers' Union RISEUp domestic abuse awareness campaign.

This film, produced by the Church of England's Racial Justice Network, explores the national church's historic links to transatlantic chattel slavery.

The leadership team were indebted to the Rev Jeremy Blunden, Bishop's Adviser for UKME/GMH Matters, for his openness and vulnerability in sharing and facilitating their time of reflection upon the film.

Poverty and Hope Appeal

Along with its links to Companion Dioceses in Estonia, Tanzania and Zimbabwe, the Diocese continues to demonstrate global responsibility and share God's blessings through its Poverty and Hope Appeal.

There have been two important and encouraging new developments in 2023. First, the three companion dioceses in Africa have benefitted from funding for small projects which commenced in October 2022 and are linked to irrigation and agricultural diversification.

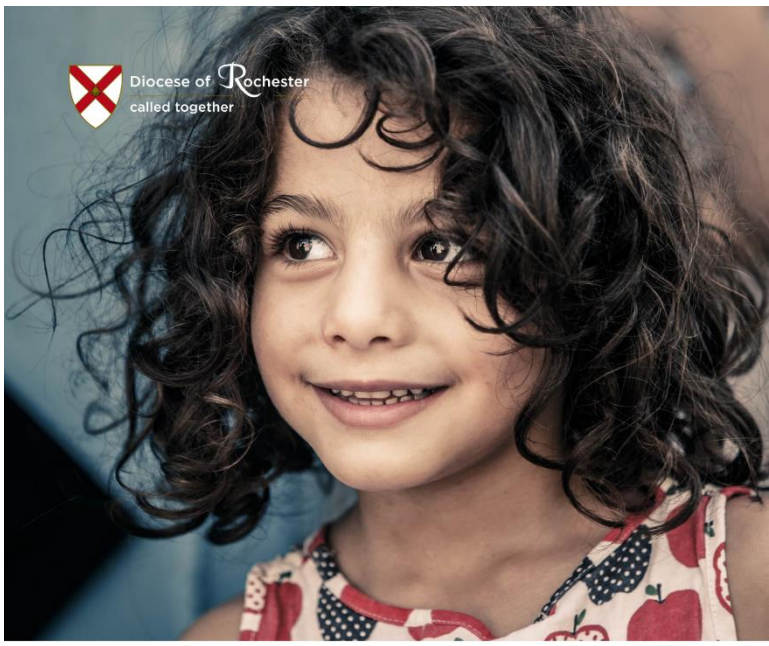
This year these have literally been bearing fruit.

In Harare Diocese, a pilot bee keeping project in four parishes has had a first honey harvest, while in Tanzania the focus in Kondoa and Mpwapwa has been on improved irrigation and farming methods through training and the provision of equipment and small loans; land which was once barren is now yielding a variety of fruit and vegetables.

The second major step has been the new link established with Amos Trust, a small London-based Christian charity with a strong focus on justice and reconciliation in the Occupied Palestinian Territories.

Through Amos we will be supporting four local organisations providing training, support and hope in the Bethlehem area. Independently of our relationship, Amos has recently also been very successful in delivering emergency relief through its contacts in Gaza.

The Diocesan leadership is most grateful for the support of many parishes and individuals in the Diocese who have continued to donate between £20,000 and £25,000 a year to keep these efforts going.



Protecting creation's life for future generations

As part of our prophetic calling, we commit to speak about our role in caring for God's creation, to work for the protection of the natural world and to equip Christians and churches to care for it.

Eco Churches

The diocesan support team continues to try and maximise its impact on this vital piece of work within existing limited resources.

The current approach is to focus on encouraging churches to consider signing up to the Eco Church initiative.

Many churches are working very hard to live out our Christian imperative to care of God's creation, and we have been delighted to see the number signed up to the Eco Church plan growing. This year we were also delighted to see the first Gold Award achieved in the Diocese by The Holy Redeemer Church, Lamorbey.

A successful joint bid with Canterbury Diocese for £234,000 to the Church Commissioners' Net Zero Carbon fund, means we will be able to finance a full-time role in each diocese to provide advice to parishes on their net zero work, as well as a shared role across both dioceses to maximise the learning across parishes.

It is hoped that these new colleagues will provide us and our parishes with much needed expertise in this area to help us focus, get to grips with our data, and plan our approach.

GOLD MEANS GOING GREEN: The Holy Redeemer Church in Lamorbey has become the first church within the Diocese to achieve Eco Church Gold status.

Far from the end of their environmental journey, they are keen that their next steps include sharing their learning with others.

The Rev Mell Jemmett, vicar of The Holy Redeemer says: *"God's calling around the environment began with a building project at the church, but the work of the Spirit in the hearts of the people I serve shaped my ministry on this special Eco journey."*

She is clear that the church's environmental work has very much been led by the passion and belief of a team of people within the congregation, which has gone on to inspire the whole community:

"The assessment team couldn't believe we had 12 plus people, including me as Vicar, on the 'Green Team'. It's one of biggest teams they have ever seen."

Divestment

A decision by the Bishop's Council this year regarding the management of the Diocese's investments has seen the Diocese commit to having no direct investments in fossil fuels across its entire portfolio, now or in the future.

It also agreed to reduce indirect exposures to fossil fuels to levels of below 0.1% by the end of 2023 across the entire portfolio.

The Bishop's Council confirmed that it would continue its investment in 'positive impact' renewable energy assets, such as solar / wind farms, and to providing capital to early-stage technology companies that support a sustainable transition.

Photo: The King's Garden, a new community wildlife garden at St George's Church, Sevenoaks Weald is about showcasing God's creation.

"Our Diocesan financial investments provide much needed income to support mission and ministry across the Diocese and will provide some of the funds needed to make energy efficiency improvements to our clergy housing which will help us reach the target of carbon net zero emissions."

Matthew Girt, Diocesan Secretary

Greening our clergy housing

As part of our journey towards Net Zero, our project surveying Energy Performance Certificates (EPC) to establish the energy efficiency or otherwise of all parsonages within the Diocese was completed in 2023. Once fully reviewed the information will be used to provide recommendations to improve efficiency.

An insulation 'pilot' scheme was also completed this year, with 15 properties benefitting from an upgrade to their insulation at a total cost of £30k.

First and foremost, however, a clergy house is a home for the clergy person and their family.

Our Property and surveying team therefore works hard to ensure these houses are maintained to the best standard possible.

Feedback shows they are consistently providing an excellent and much appreciated service.

"I have to say that, in the two and half years I've been here, I've found Rochester Diocese to have the most responsive and caring property department."

Our future plans

As we move forward into 2024 and beyond, we are using the data capturing, capacity building, listening, and engagement we have been undertaking to understand and shape more fully what we believe God is calling us to as a Diocesan family here across Medway, north and west Kent, Bromley and Bexley.

What is clear is that we are ambitious and hope-filled for the people and places of the Diocese as, s*eeking first the kingdom of God, we are called together by God to Change, Serve and Grow with compassion, courage and creativity.*

We believe we are commissioned by Jesus to 'Go and make disciples', not just so that our churches can grow but so that people can discover and experience for themselves the fulness of life that Jesus came to bring.

It is clear from work done in recent years that change is needed to be able to grow, develop and deliver our work, and this includes the use of finances to bring us to a sustainable position, one which we are not yet at, even with the decreases we have achieved in operating deficit year on year.

A new Mission and Ministry plan

To help us realise our ambition, we are developing a new Mission and Ministry plan to enable strategic decisions and actions to be made about resources and deployment, with transparency and focus on our priorities.

Having a clear and defined plan will also allow us to attract external partnerships and funding.

We have identified several other key areas that require attention to help us develop this plan, define our priorities, and to bring about the Kingdom of God.

They are:

- **Governance** – Reviewing the work of the Archdeaconry Steering Groups and seeking to release the Archdeacons to be able to pick up a more missional role.

- **Finance** – External funding applications for net zero status, ensuring best use of property investment, the utilisation of funds made available by the adoption of Total Return accounting, increasing communication on finance, and a review of the Indicative Offer process

- **Data and Analysis** – Making increasing use and analysis of the data we currently have and utilising other data sources to help inform decisions and priorities

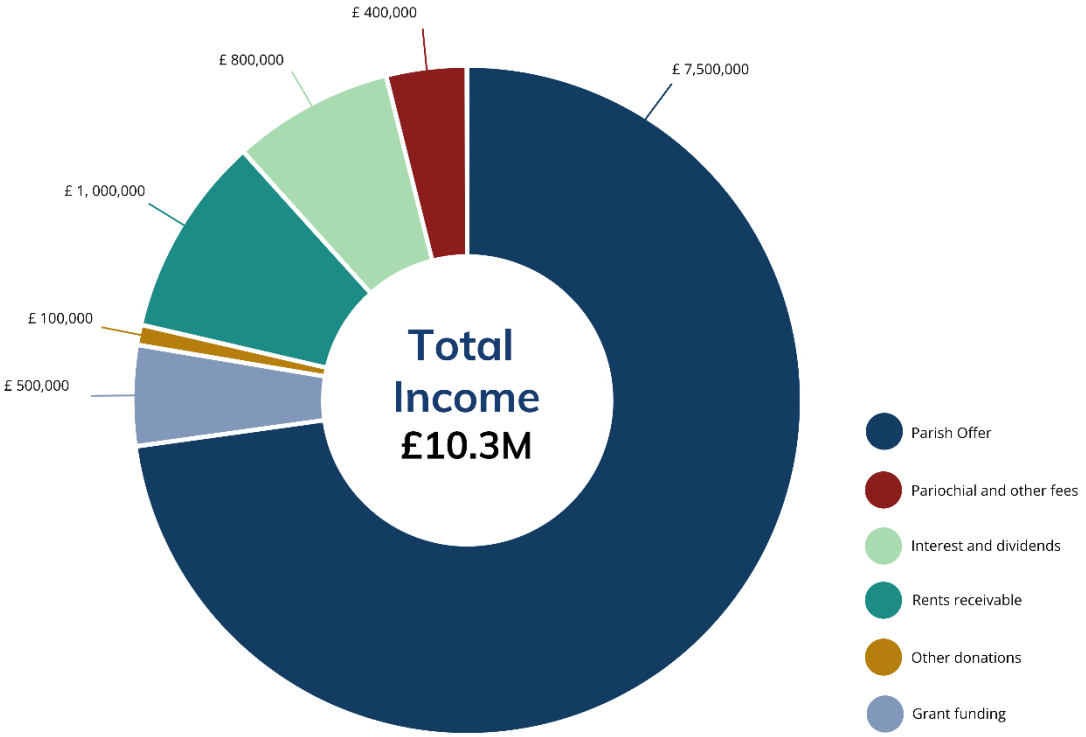
- **Strategic Planning** – Drawing up the strategic mission and ministry plan, and looking at how to deliver which phase, over what period

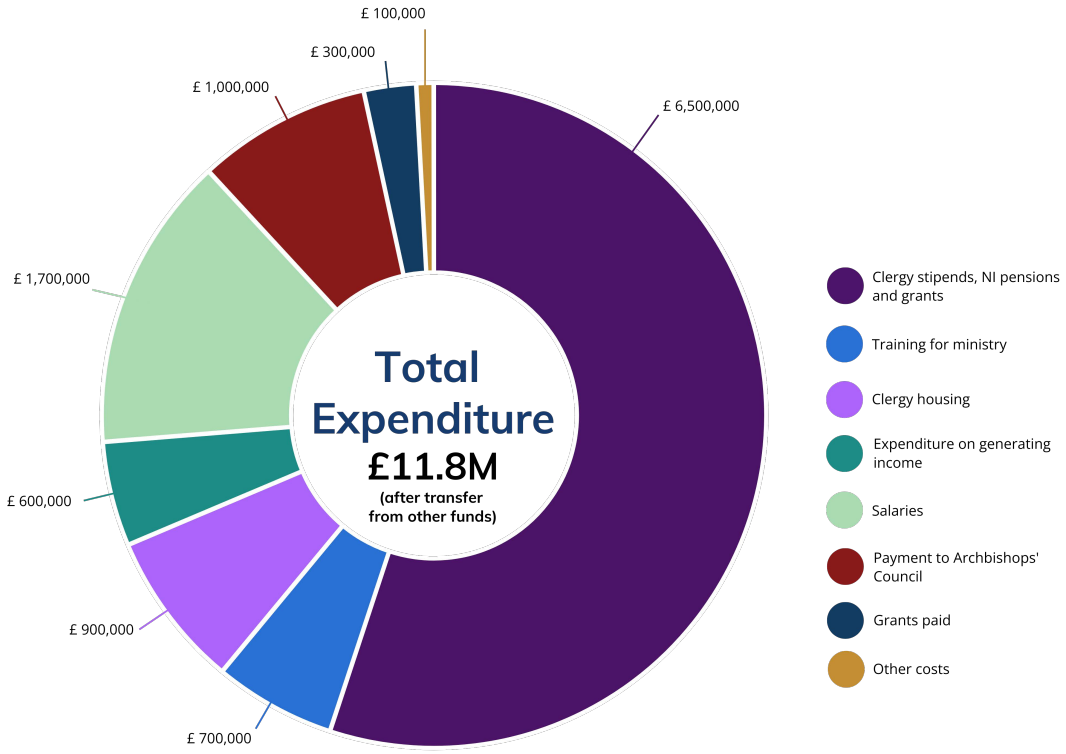
Paramount to the success of our strategic work will be prayer, and our cultivating of healthy and safe cultures, good communications, good engagement.

It will also be dependent on how we engage together with the world around us in compassionate and prophetic action, how we relate to one another within the Church, including when we disagree strongly about issues that matter profoundly and personally to each of us, and how we continue to listen to what God is seeking for us.

TOTAL INCOME AND EXPENDITURE

We are reliant on the generous giving of parishes, through their Parish Offers, into the Common Fund. This, together with DBF fees, represents a significant amount of our income. Income from parishes via the Parish Offer, however, continues to fall, with Offers received in 2023 £7.5m.





PARISH SUPPORT COSTS

The ministry, mission, and services provided by the Common Fund are channelled in a purposeful way thanks to our shared Called Together vision. The table below shows how much it costs to provide clergy and central services support to parishes.

	£
Annualised Cost of FT Incumbent	
Stipend	30,000
NI	3,000
Pension	8,000
Parsonage upkeep	6,000
	47,000
Diocesan Support Costs	
Clergy removals and support costs	3,000
Other ministry support costs *	5,000
Parish support costs **	2,000
Administration and governance costs ***	4,000
	14,000
Cost of Mission, Future Ministry and National Church	
Curates stipend/NI/pension	5,000
Training and maintenance of Ordinand	4,000
Contribution to National Church	3,000
	12,000
Full cost attributable to a parish with one full-time incumbent	73,000

** Other ministry supoport costs include the cost of the Formation and Ministry team, Youth and Children's department and Community & Social Engagement department*

*** Parish support costs include Safeguarding and DAC*

**** Administration and governance costs include Finance and Stewardship, IT, Communications and Legal and Secretariat*

In the above analysis, Diocesan Support Costs and Cost of Mission, Future Ministry and National Church costs are divided equally across the 171 benefices.

FINANCIAL REVIEW

FINANCIAL SUSTAINABILITY

The DBF's Financial Strategy is to achieve a financially sustainable position through growing the Common Fund by:

- developing parish offers;
- bringing on stream complementary sources of funding for growth projects, in particular taking full advantage of new monies being made available by the Church Commissioners for the development of mission and ministry;
- maintaining tight cost control.

Parish offers have declined consistently over the last 10 years, falling from £9.34m in 2013 to £7.52m in 2023. Since 2020, costs have risen sharply, principally due to global instability. Together, these have put a strain on diocesan resources, but thanks to careful stewardship of our assets, significant success in raising external funds tight cost control and increases in asset values, we have been able to grow reserves from £78.03m to £80.83m over that same period.

The DBF recognises that the key to achieving financial sustainability is to grow the Common Fund so that it becomes self-supporting at the operating level. To do this we need to nurture and sustain the parish structure of ministry, reimagining it where necessary. This includes the reinvigoration of established parish churches while also focusing on investing in fresh mission opportunities and the emerging church. We need to be able to invest in areas of new developments where the population is growing, and where due to cultural change and diversity, different styles of church may be required.

By doing these things we underpin the Diocesan Strategy of Called Together, providing the finances to enable it come to fruition.

COMMON FUND AND INDICATIVE OFFERS

The Common Fund is the principal unrestricted fund of the DBF which deals with the general income and expenditure of our Diocese. In most charities it would be known as the General Fund. The term "Common Fund" reflects who we are – an interconnected family or fellowship of Christians dependent upon, supportive of and with a shared concern for, one another.

Thanks to the generous and often sacrificial contributions of parishes into the fund each year, we are able to ensure a number of things including:

- that ministers, ordained and lay, stipendiary and self-supporting, are available across the geographical area of the Diocese;
- that the mission of the local church is supported through the provision of central services, allowing us to maintain a vital presence in our communities;
- that new vocations to ministry are discerned and developed; and
- that we make our fair contribution to the costs of the National Church.

The present system of Indicative Offers for parishes was established in 2019 to provide a starting point for parishes as they consider their contribution to the Common Fund. Whilst retaining the voluntary nature of

Parish Offers, the Indicative Offer enables parishes to assess their pledged offers against the total mission and ministry funding requirement of the whole Diocese.

During 2023 it was agreed that a review of the Offer system would be carried out, and this commenced in February 2024 with a series of consultation meetings to which PCC members from every parish in the diocese were invited.

2024 BUDGET AND OUTLOOK FOR 2024

The budget for 2024 was built on an assumption that Parish Offers would be maintained at £8.0m. It is now clear that the recovery in parish offers is slower than was envisaged at the time the budget was set, and that for 2024 only marginal growth over the 2023 level of £7.5m is expected. Clearly this has the potential to negatively impact the 2024 operating result; nevertheless the management team intend to press ahead with planned investments in mission and ministry support as these are seen as critical for improving the DBF's financial robustness.

LIQUIDITY POLICY

The RDSBF's liquidity policy is to maintain minimum liquid reserves of £2.75m, defined as monies either on current account or on bank deposits of up to 35 days' notice, of which £1m should be in cash or on bank deposits of up to seven days. This comprises £2.0m for the purposes of working capital and a further £0.75m representing just under 10% of total deposits by parishes for the Church Repair Fund (CRF) and Diocesan Loan Fund (DLF) to cover potential withdrawals from those funds. In addition, 10% to 15% of available funds for investment, subject to a maximum of £2.5m, is to be held in cash under the terms of the Cash Deposits Policy.

The Trustees are confident that the RDSBF has a sufficient asset base to cover liquidity needs in the foreseeable future.

The overall cash balances at the 2023 year-end stood at £10.2m (2022: £6.5m) i.e. above the current policy level of minimum liquidity and cash reserves of £5.0m.

RESERVES POLICY

The RDSBF requires reserves to:

- cover short-term excesses of expenditure over income;
- provide funds for expenditure with long-life horizons; and to
- fund recognised future infrastructure and strategic programmes which will require resources, such as changing the form of ministry and the deployment of clergy.

In order to cover such eventualities it is the RDSBF's policy to maintain free reserves in excess of £5m.

Common Fund reserves at the year-end stood at £1.7m (2022: £2.6m). This is due to the operating deficit in 2023 of £1.8m, revaluations of investments of £0.6m and transfers from other funds (including total return) of £0.3m. This is £3.3m below the policy amount.

In May 2022, Bishop's Council approved a Total Return approach to the accounting for permanent endowments applied to the Diocesan Stipends Fund. This took effect from 1 January 2022. At the year-end, Unapplied Total return, excluding the £3.4m attributable to operational ministry

properties, amounted to £12.3m (2022: £9.7m). Note 23 to the accounts provides further details on the calculation and application of the Total Return in the year.

DESIGNATED RESERVES

The Trustees may designate unrestricted reserves to be retained for an agreed purpose. Such designated reserves are reviewed on an annual basis and returned to the Common Fund in the event that there is no further need to retain them for the purpose of their designation. A description of each reserve together with its intended use is set out in Note 16. Total designated reserves at 31 December 2023 were £9.2m (2022: £9.1m). These reserves are predominantly held in property assets.

RESTRICTED AND ENDOWMENT FUNDS

As set out in Notes 17 and 18, the RDSBF holds and administers a number of restricted and endowment funds. None of these funds are available for the general purposes of the RDSBF, although the income of endowed funds may be used for certain restricted or unrestricted purposes in accordance with the terms of the fund. Total restricted funds at 31 December 2023 were £41.5m (2022: £40.9m), and total endowment funds were £28.4m (2022: £25.1m).

INVESTMENT POLICY

The Board's investment policy is based on the two key principles of Preserving Inter-generational Equity and Ethical Investment.

Preserving Inter-generational Equity

The Trustees are aware of their long-term responsibilities in respect of endowment funds and as a result follow an investment approach which balances the necessity of generating income with the need to preserve and grow the capital value of the funds.

The investment policy for long-term funds is aimed primarily at generating a sustainable income and capital return but with due regard to the possible need to realise investments to meet operational needs.

Unrestricted and restricted investments are invested to balance income, liquidity and the maintenance of capital, and are held in managed funds comprising listed and unlisted equities and funds and fixed interest bonds.

The Bishop's Council has agreed to seek an appropriate minimum total return of at least CPI plus 3%, whilst at least maintaining the capital value of its non-property investments in real terms.

Ethical Investment

RDSBF follows the guidance of the Ethical Advisory Group of the National Investing Bodies of the Church of England. In practice, this means applying an ethical screen to the portfolio which precludes direct investment in companies which have more than 10% of their turnover in armaments, pornography or tobacco. It also looks to invest in companies which have high standards of corporate governance and act in a responsible way towards stakeholders.

During the year, RSDBF has disinvested entirely in fossil fuels as a response to the growing challenge of climate change.

Fund Managers

In January 2020, the Diocese transferred its investment portfolio (excluding property investments) to Mercer Global Investment Management Ltd. ("Mercer"). Mercer's investment platform provides the

Investment Committee of Bishop's Council with a greater level of flexibility to align the portfolio with the overall objectives of the Diocese and the flexibility for Mercer to respond to market changes and changes in the performance of specific funds and fund sub-managers. The current portfolio includes allocations in a broad range of asset classes.

GRANT MAKING POLICY

The Memorandum of Association of the RDSBF explicitly permits the RDSBF to make grants in pursuance of its objects. Details of grants made in 2023 are shown in Notes 6 and 8.

Grants are made to the National Church to cover a proportion of its central costs including training for ministry (see Note 6).

RSDBF operates a Missional Property Fund to support projects which enable parishes to make their church buildings more suitable for mission.

Grants are paid to other connected charities and to other charitable projects which RDSBF considers align with its own charitable objects. Grants are made to our Companion Dioceses of Mpwapwa and Kondoa in Tanzania and Harare in Zimbabwe from monies collected by church congregations and from other restricted donations, as well as to support links with the Evangelical Lutheran Diocese of Estonia.

The RDSBF set up an Energy Costs Support Fund in 2022 to support parishes with increasing energy prices. Two rounds of hardship grants were made to members of clergy experiencing hardship because of the cost of living crisis in 2022 and a further round was made in 2023.

PROPERTY

The RDSBF owns three categories of property: glebe investments (land and buildings forming part of the diocese's historic endowment); clergy houses; and RDSBF owned corporate property held for operational purposes.

The RDSBF will consider the disposal of property for the following reasons:

- To replace unsuitable parsonages;
- To respond to the changing geographical deployment of clergy within the Diocese;
- To realise the development potential in properties, releasing funds to invest in mission; and
- To rebalance the glebe investment portfolio and to reduce exposure in direct property investments.

CLERGY HOUSES STRATEGY

Inspired by the Called Together vision, RDSBF operates a Clergy Houses Strategy which sets out the Clergy Houses Committee's approach to clergy housing for the coming years. Clergy houses play a vital role in clergy wellbeing, and are often focal points for the church and local community.

Key objectives over the coming years are that clergy housing should:

- Be fit for purpose whilst also not over-committing diocesan funds;
- Be affordable for the occupant and practical as a home and working environment;
- Facilitate mission and ministry across the Diocese; and

- Achieve good standards of environmental sustainability.

The Trustees commit significant capital reserves to the purchase and improvement of housing for clergy. The RDSBF is also responsible for housing its training curates (currently 18). The Clergy Houses Committee oversees the repair and maintenance of clergy houses.

In its role as the Diocesan Parsonages Board and as the housing provider, RDSBF is responsible for the provision, management, maintenance and improvement of approximately 230 houses, principally for the benefit of clergy.

The Finance Committee approves proposals for any purchase or disposal of property. It will additionally consider, on the advice of the Archdeacons, whether rental of property is particularly appropriate in individual circumstances.

FINANCIAL RESILIENCE AND STEWARDSHIP

Each parish faces significant challenges as the financial regulatory environment imposes ever more stringent requirements upon PCCs.

The Finance Team in Diocesan Office supports parishes in relation to compliance with the Charity Commission and accounting. PCCs are becoming increasingly aware of due diligence in their financial affairs and the need to demonstrate to their congregations that they are obtaining value for money.

The Generous Giving Adviser continues to run stewardship programmes and provides materials to help parishes raise income levels.

Parishes are encouraged to take advantage of the various central purchasing schemes run by the National Church.

FUNDRAISING

The RDSBF does not engage with any direct marketing activities, nor does it share or purchase any donor data with or from third parties. The RDSBF rarely engages with independent professional fundraisers, and if it does, it will always ensure there is an appropriate contract in place. We have not received any complaints about our fundraising practices in the year.

VOLUNTEERS

The RDSBF 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 RDSBF greatly values the considerable time given by all committee members and other volunteers across the Diocese in whatever capacity they are working in pursuit of the Church's mission.

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

RELATED PARTIES

Related parties include:

- The Archbishops' Council (charity number 1074857), from which RSDBF receives grants and to which it makes a contribution based on the apportionment system for funding national activities.
- The Church Commissioners for England (charity number 1140097), from which RSDBF receives grants and to which it makes payments for clergy stipends and national insurance.
- The Church of England Pensions Board (charity number 236627), to which RDSBF pays retirement benefit contributions for stipendiary clergy and certain ordained employees. It also offers schemes to provide housing for clergy in retirement.
- The Dean and Chapter of Rochester Cathedral: Some diocesan events held in the Cathedral are paid for by the RDSBF. The RDSBF rents car parking space and housing for diocesan clergy from the Dean and Chapter and provides safeguarding services to the Chapter under a service level agreement.
- The Rochester Diocesan Board of Education (charity number 1031550), whose Principal Office is located at the Diocesan Office. The Board of Education supports and encourages churches and parishes across the Diocese of Rochester through the education of children and young people. The Bishop of Rochester is President of the Board of Education and the Bishop of Tonbridge serves as Chair. The RDSBF undertakes the accounting function for the Board of Education under a service level agreement.
- St Augustine's College of Theology, which is located on the Malling Abbey estate owned by the RDSBF and is a lessee. Ordinands, Curates and Lay Workers from the Diocese are trained by the College.
- St Benedict's Centre, which is located on the Malling Abbey estate owned by the RDSBF and is a lessee. By virtue of office, the Bishop of Rochester and the Diocesan Secretary are each a Trustee and Director. The Centre offers non-residential facilities for individuals or groups to go on retreat, study or meet.

Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements.

Where materiality of transactions merits more detailed disclosure, this is given in Note 15 to the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

BISHOP'S COUNCIL RESPONSIBILITY

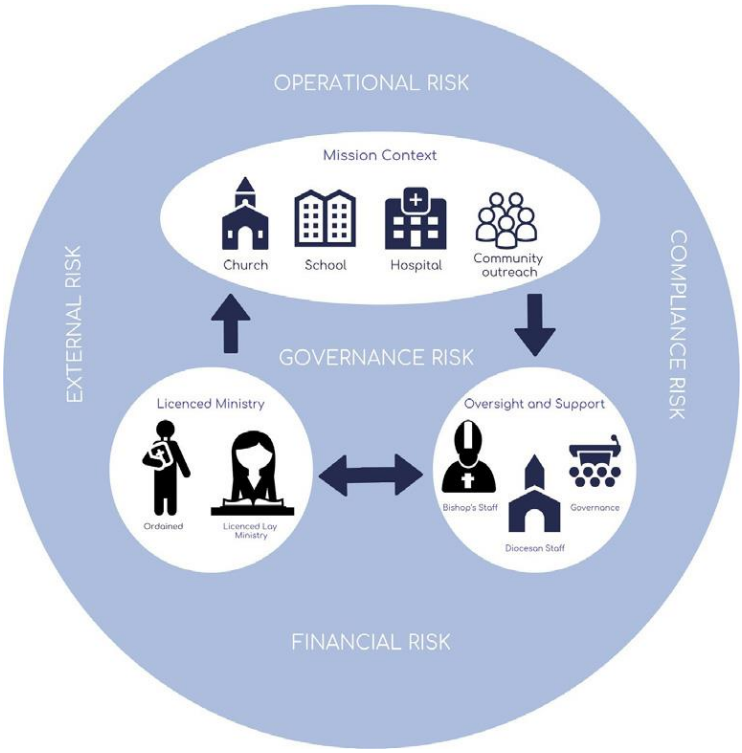
Bishop's Council is responsible for ensuring that effective and adequate risk management and internal control systems are in place to manage the major risks to which the Diocese is exposed.

It has a clear mechanism for obtaining assurance on the management of risks. It agrees the approach to risk including overseeing the process to identify and assess key risks and understanding how those risks are managed and mitigated.

The Trustees annually consider, evaluate and record the major areas of risk to which the RDSBF is exposed, assessing the likelihood and impact of those risks crystallising, together with measures in place to manage and mitigate such risks (see below).

RISK ASSESSMENT MODEL

To support the identification and evaluation of our key risks, we use a risk assessment model which incorporates our key activities of mission and ministry as shown in the diagram below.



The five key areas of risk considered and the mitigation measures in place relating to the risks identified are then described, with any particular measures in the process of being implemented and the timing and the risk owner identified as responsible for managing this risk.

RISK MANAGEMENT FRAMEWORK

Risk is managed effectively through an appropriate risk management framework designed to support informed decision-making regarding the risks that affect our ability to achieve our mission objectives.

The framework provides a consistent approach to identifying, assessing and dealing with the risks facing us to ensure that they do not exceed the level of risk we are willing to assume.

The framework is designed to manage, rather than to eliminate, the risks to our objectives.

PRINCIPAL RISKS

The risks in the Risk Register are ranked using a 'traffic light' scheme (red/amber/green) based on a score reached by multiplying the score for 'Likelihood', the average of the 'Financial Impact' plus 'Reputational Impact' score, and the 'Risk Tolerance' score. The key risks in red are identified as those which have high likelihood and overall impact.

The risks which are currently assessed as scoring highest, and the outline mitigating strategies to address them, are as follows:

RISK AREA	MITIGATION STRATEGY
• Safeguarding. The reporting of non-recent and current cases of abuse of children or vulnerable adults in the Diocese, resulting in a breach of trust and negative impact on the victims/survivors, impacting the church's reputation and potentially leading to litigation and compensation claims which are not covered by insurance. New cases may be reported because of the publication of reviews of safeguarding cases in faith organisations, including the Government commissioned Independent Inquiry into Child Sexual Abuse. • Remedial work created by the Past Cases Review impacts on the effectiveness of the Diocesan Safeguarding Team. • Capacity of Diocese to respond to current safeguarding concerns, and/or to continue to develop safeguarding practice.	• An appropriate response that is victim/survivor focussed, especially respects the dignity of victims responding with transparency, humility and contrition. Investigations to be thorough and in compliance with current guidance, ensuring sound coordination and communication between individuals and teams in the Diocese as well as external agencies and NCIs. • Provision of an electronic case management system. • An independently audited and resourced safeguarding team, which is professionally supported and supervised with constant review of resources, including increase of staff time and the appointment of a Safeguarding Trainer in 2022. • Team supervision in place and reduction of Cathedral commitments for the Lead DSA has released time and increased investment required by the DBF. • Communications strategies well-rehearsed and co-ordinated with Church House, Westminster & Lambeth Palace. • Provision of satisfactory training and safe recruitment and management of all those engaged in contact with children, young people and adults at risk of harm.

	• Adoption of Parish Safeguarding Dashboards ensuring parishes have adequate level of safeguards in place. • Diocesan Safeguarding Advisory Panel (DSAP), which is independently chaired, maintaining strategic oversight including monitoring of safeguarding action plan. • New website increasing accessibility and visibility both internally and externally.
• Impact from a prolonged epidemic resulting in the closure of churches, the cessation of worship and the reduction of income of parishes, and thereby impacting Parish Offers and the income of the RDSBF, the loss of dividend and property rental income and substantial reductions in underlying investments valuations.	• Maintaining a conservative liquidity policy with sufficient cash reserves to weather the impact on income and cash withdrawals of parishes' funds, seeking access to debt finance and National Church assistance with liquidity, and an adequate reserves policy to deal with reductions in income. Crisis management through the duration of the crisis that engages with parishes and provides advice and where necessary liquidity through loans and grants.
• Parishes experiencing stagnant or declining membership, impacting the ability to conduct viable mission or growth initiatives at a local level and increasingly being unable to pay for ministry being provided and/or donate as generously as they would wish.	• Strategic Framework, Called Together, applied. New strategy and operational plan of resource allocation begun with the new Bishop in 2023. Effective monitoring of mission goals through deanery reviews, with assessment of the financial impact of the consequences. Supporting parishes by implementing local plans and providing support to reverse decline and building resilient and growing churches.
• LLF and other nationally divisive issues leading to loss of clergy and/or congregations and finances and impacting the church's reputation.	• Strong episcopal leadership and professional support in handling difficult issues and sensitive negotiation with churches concerning the pastoral, operational and financial implications.
• Deployment of clergy that involves altering the ministerial oversight in local churches.	• Archdeaconry Steering Groups. Implementation of the Ministerial Deployment Tool. Legal process for pastoral reorganisation, involving extensive consultation. • Developing plans for investment in parish system through Total Return and larger investment from Church Commissioners.

• Financial operating deficit leading to breakdown in trust with parishes and the inability to maintain support to legally committed ministry.	• Financial Strategy that sets out the approach to achieve a financially sustainable position, regular financial planning and budgetary control. • Implementation of Total Return to enable investment. • 2024 review of Parish Offers. • Development of new Budget and 5-Year Projections by new Finance Director. • Aiming to continue to increase Parish Offer payments and improvement of communications on the Common Fund purpose. • Working to increase grant income from the NCIs.
• Information security, IT systems availability and performance, staff proficiency in using IT systems.	• Implementation of upgraded Network infrastructure with enhanced endpoint, AV and VPN elements of the network architecture. • Update of security and network policies. • Appointment of new IT Manager in 2023 and security review undertaken. • Higher level of wifi security in place. • Software upgrades for MS Business Premium, including implementation of increased factor authentication. • Implementation of closer management of Node 4, who maintain the Cloud network.

During 2023 a fundamental review of the Risk Register commenced and is continuing into 2024. This is taking in a review of the method of assessing and measuring the severity of an individual risk, as well as revisiting the risks themselves to ensure that they remain complete and relevant. This review is expected to be complete by the early summer of 2024 and the results will be incorporated into the risk register at that point.

FINANCIAL PERFORMANCE – INCOME AND EXPENDITURE

The Statement of Financial Activities shows an overall net surplus before revaluation of fixed assets and movement in pension scheme liabilities of £3.3m (2022: deficit £4.6m). The net surplus after revaluations was £3.2m (2022: deficit £4.5m).

The Common Fund shows an operating deficit for the year of £1.8m (2022: £2.1m), and a negative net movement in funds after revaluations and transfers of £0.9m (2022: £2.5m). Despite a relatively poor performance on Parish Offer, the Common Fund result was boosted by a £300k sustainability grant from the Church Commissioners and tight cost control.

Income from parishes via the Parish Offer continues to fall. In 2019, Offers received were £9.1m, compared to £7.5m in 2023. This represents a significant diminution of RSDBF's income, made even more serious when the high levels of inflation experienced in 2022 and 2023 are taken into account. (It should be noted that in 2020 the DBF started collecting its share of PCC fees, which until 2019 it had allowed parishes to retain.)

Property rental income also ended the year lower than budgeted, due to the sale of the Upper Beckenham estate mid-way through the year, which realised £7.88m.

Total expenditure from the Common Fund was £12.1m (2022: £12.0m) and from all funds was £14.1m (2022: £13.7m).

During the year, the RDSBF paid stipends and associated costs totalling £6.4m (2022: £6.6m) for incumbents, curates and other clergy. The total number of full-time equivalent clergy in post fell from 174 to 168.

Contributions are made to the Archbishops' Council to cover a proportion of its central costs relating to the activities of the various national boards and councils, as well as the General Synod, and to cover a proportion of the cost of national training for ministry (see 6 to the financial statements).

95 grants totalling £29k (2022: £64k) were made to members of clergy experiencing hardship as a result of the cost of living crisis.

INVESTMENT INCOME

Market investments held at 31 December 2023 were £21.7m (2022 £17.4m) and investment properties were valued at £7.5m (2022: £11.9m) (see Note 10). Dividends receivable by the Common Fund were £438k (2022: £522k) and rents receivable by the Common Fund were £1.0m (2022: £1.06m).

The investments held and their return during the year is set out in the table below which shows an overall net income yield on investments of 3.0% (2022: 3.0%) and total return of 19.7% (2022: -5.7%). The total return on Glebe investment properties, part of the overall investment portfolio, was 37% which was generated mainly from a £3m gain on the sale of the Upper Beckenham estate.

	At 31/12/23 £k	At 31/12/22 £k	2023 %	2022 %	2023 Income Yield	2022 Income Yield	2023 Total Return	2022 Total Return
Glebe Investment Properties	7,465	11,873	25.6%	40.6%	3.9%	3.5%	37.2%	4.8%
Market Investments	21,739	17,363	74.4%	59.4%	2.5%	2.7%	10.2%	-12.0%
	29,204	29,236	100%	100%	3.0%	3.0%	19.7%	-5.7%

GRANTS RECEIVED

The RDSBF gratefully acknowledges all grants received including Trust for London £341k (2022: £359k) and All Churches Trust £128k (2022: £144k).

The RDSBF gratefully received the following grants from the Archbishops' Council:

- £300k (2022: £nil) Sustainability grant.
- £231k (2022: £164k) Strategic Development Funding towards Called to Grow.
- £143k (2022: £60k) Strategic Development Funding towards Chatham Town Centre.
- £175k (2022: £292k) block grant for ordinands' training fees and expenses under the Resourcing Ministerial Education process.
- £33k (2022: £38k) Strategic Ministry Fund toward two additional curates.
- £2k (2022: £30k) Past Cases Review.
- £15k (2022: £nil) Net Zero Carbon starter grant.

SIGNIFICANT PROPERTY TRANSACTIONS

During the year, one property, the Upper Beckenham estate, was sold (2022: 4 properties) for £7.88m (2022: £0.99m), realising a surplus of £3.06m (2022: loss £41k).

During the year four (2022: 3) property sales were completed, generating total proceeds of £2.23m (2022: £1.34m) and realising a surplus over book value of £1.26m (2022: £0.45m).

There were no properties bought in 2023 (2022: 1, cost £870k).

BALANCE SHEET POSITION

Net assets at the balance sheet date totalled £80.8m (2022: £77.7m).

This includes properties which are mostly in use for ministry, the book value of which amounted to £52.1m as at 31 December 2023 (2022: £52.7m).

The Trustees consider the market value of these properties to be considerably more than the book value, and this market value is

realised as and when a property disposal takes place.

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 RDSBF.

The cash and short-term deposits position at 31 December 2023 stood at £10.2m (2022: £6.5m). The increase over the 2022 figure is principally due to the sale of the Upper Beckenham estate for £7.88m. Including market investments provides realisable liquid assets at 31 December 2023 of £30.4m (2022: £23.1m).

COMMON FUND

The reserve balance on the Common Fund was £1.7m as at 31 December 2023 (2022: £2.6m), which is below the requirement under the reserves policy of £5m (see Reserves Policy under Financial Strategy on page 31).

DESIGNATED FUNDS

The balance of designated funds as at 31 December 2023 was £9.2m (2022: £9.1m).

RESTRICTED AND ENDOWMENT FUNDS

The RDSBF holds and administers a large number of restricted and endowment funds. As at 31 December 2023, restricted funds totalled £41.5m (2022: £40.9m) and endowment funds totalled £28.4m (2022: £25.1m).

FUNDS HELD AS CUSTODIAN TRUSTEE

The RDSBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the RDSBF does not control them.

Further details of financial trust assets, whose market value amounted to £2.6m at 31 December 2023 (2022: £2.1m), are available from the RDSBF on request, and are summarised in Note 21. Where properties are held in trust, the deeds are identified as such and held in safe custody by the RDSBF.

GOVERNANCE, STRUCTURE AND MANAGEMENT

LEGAL FRAMEWORK

The company's principal object is to promote, assist and advance the work of the Church of England within the Diocese of Rochester by acting as the financial executive of the Rochester Diocesan Synod.

The RDSBF has the following statutory responsibilities:

- the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Church Property Measure 2018;
- the repair of benefice houses as the Diocesan Parsonages Board under the Repair of Benefice Buildings Measure 1972; and
- the custody of permanent endowment and real property assets relating to trusts held by Incumbents

and Churchwardens and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the company are established by the Diocesan Synod in communication with deanery synods, PCCs, and the Bishop of Rochester (in respect of his responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the Church nationally, including consultations on specific matters relating to the priorities for the forthcoming year.

PUBLIC BENEFIT

The Trustees are aware of the Charity Commission's guidance on public benefit, "The Advancement of Religion for the Public Benefit", and have regard to that guidance in their administration of the charity.

As described more fully throughout the report, the RDSBF provides funds to support ministers of religion in the Diocese, and the maintenance of many buildings including parsonages and churches, many of which form an important part of the historic fabric and architectural heritage of the area.

The ministry of the parishes within the Diocese includes the provision of public worship, spiritual support and guidance, and involvement in a wide range of community projects; together these represent a substantial contribution to the wider public benefit.

Access to Church of England churches is available to anyone irrespective of race, creed, gender or sexual orientation.

THE STRUCTURE OF THE CHURCH OF ENGLAND

The Church of England is organised as two provinces; each led by an archbishop (Canterbury for the Southern Province and York for the Northern Province). Each province comprises dioceses, of which there are 42. Each diocese in England is divided into parishes. Each parish is typically overseen by a parish priest (usually called a Vicar or Rector).

From ancient times through to today, the parish priest and their bishop are jointly responsible for the 'cure of souls' in their parish. His Majesty the King, who is the Supreme Governor of the Church of England, appoints archbishops, bishops and deans of cathedrals on the advice of the Prime Minister. The two archbishops and 24 senior bishops sit in the House of Lords.

The Church of England is episcopally-led (there are over 100 bishops, including diocesan bishops and assistant or suffragan bishops). It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches.

General Synod passes Measures which, if accepted by Parliament, have the effect of acts of Parliament. It is made up of three groups or houses of members: the Houses of Bishops, of Clergy and of Laity.

NATIONAL CHURCH INSTITUTIONS

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

The Archbishops' Council was established in 1999 to co-ordinate, aid and further the mission of the Church of England. Its task is to give a sense of direction to the Church of England nationally and support the Church of England locally in parishes and dioceses. Its goals are: Contributing to the Common Good; Going for Growth (both numerically and spiritually) and Reimagining Ministry (both lay and ordained).

The Church Commissioners manage the historic assets of the Church of England, spending most of their income on pensions for clergy. The stipend, housing and office costs of the Bishop of Rochester are met by the Church Commissioners. In the case of the Bishop of Tonbridge, the stipend and office costs are met by the Church Commissioners, with the housing costs being met by the RDSBF.

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

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

THE CATHEDRAL

The Cathedral is the 'mother church' of the Diocese and legally constituted as a separate charity currently exempt from Charity Commission registration and supervision. For Rochester Cathedral copies of its trustees' report and financial statements may be obtained from the Chapter Office, Garth House, Rochester ME1 1SX.

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

THE DIOCESE'S DIOCESAN SYNOD

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation across the Diocese with broadly equal numbers of clergy and lay people meeting together with the two bishops. Elections occurred in 2021 for the 2022 to 2024 triennium.

Its role is to:

- consider matters affecting the Church of England in the Diocese;
- act as a forum for debate of Christian opinion on matters of religious or public interest;
- advise the Bishop of Rochester where requested;

• deal with matters referred by General Synod; and

• provide for the financing of the Diocese.

DEANERY SYNOD

A deanery synod has two houses, laity and clergy, and its role is to:

• respond to requests from General Synod;

• give effect to decisions made by the Diocesan Synod;

• consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;

• act as a channel of communication to express the views of parishes to Diocesan Synod and through it to General Synod;

• raise with Diocesan Synod such matters as it considers appropriate;

• elect members of the deanery to the Diocesan Synod and of the Diocese to General Synod.

BISHOP'S COUNCIL

The Bishop's Council acts as:

• the Board of Directors and Trustees of the RDSBF

• the Diocesan Mission and Pastoral Committee

• the Diocesan Parsonages Board.

Elections occurred during 2021 for the 2022 to 2024 triennium.

PAROCHIAL CHURCH COUNCIL (PCC)

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area of the Church of England. Typically, each parish has one church.

The PCC is made up of the incumbent or priest-in-charge as chair, the churchwardens and a number of elected and ex-officio members.

Each PCC is a charity, but those with an annual income below £100,000 are currently excepted from the need to register with the Charity Commission; all others are now required to register. Except where shown, the transactions of PCCs do not form part of these financial statements.

PASTORAL UNITS

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

A deanery is a group of parishes over which an area dean has oversight, and an archdeaconry is a group of deaneries for which an archdeacon is responsible. There are seventeen deaneries and three archdeaconries in the Diocese.

The Diocese is then the principal pastoral, financial and administrative resource of the Church of England, encompassing the various archdeaconries under the spiritual leadership of the Bishop of Rochester.

THE DIOCESE OF ROCHESTER

The Diocese of Rochester has existed in West Kent since 604. Since then, the historic county of Kent has been shared between the two Dioceses of Canterbury and Rochester.

The Rochester part of Kent, however, changed significantly during the 19th and 20th centuries, largely as a result of the expansion of London.

The Diocese serves a population of some 1.3 million, which is expected to increase by 300,000 over the next 20+ years. We have 174 (2021: 180) full-time equivalent substantive stipendiary parochial posts, and 25 (2021: 23) substantive self-supporting posts and there are 17 (2021: 19) stipendiary and 13 (2021: 14) self-supporting curates in training.

Other licensed clergy and lay ministers serve as chaplains and in diocesan and Cathedral roles. This population is also served by 90 Church of England schools, with significant local involvement also in community schools.

The communities of the Diocese are characterised by increasing diversity of varying kinds. It covers some of the most affluent areas in England, and also some of the most deprived wards in the South-East. With the expansion of London and adjoining communities, it is increasingly urban and suburban, yet still retains places which see themselves as rural.

The Ebbsfleet Garden City development will have a new population of some 45,000 people – it is the largest single housing development in England.

Ethnic and religious diversity is a growing feature of our communities, and this is reflected in many of our congregations.

Our diocesan-level world Church partnerships are an important element of who we are. We have very active relationships with the Dioceses of Mpwapwa and Kondoa in Tanzania, the Diocese of Harare in Zimbabwe and with the Evangelical Lutheran Church of Estonia. These partnerships are expressed through parish and school links, as well as at diocesan level.

ORGANISATIONAL AND DECISION-MAKING STRUCTURE

The RDSBF was incorporated on 14 June 1915 as a company limited by guarantee (No. 140656) and its governing documents are its Memorandum and Articles of Association. The RDSBF is a registered charity (No. 249339).

The RDSBF was formed to manage the financial affairs and hold the assets of the Diocese. Its principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Rochester.

Governance and policy of the RDSBF is the responsibility of the Trustees, who are directors of the company and trustees for the purposes of charity law.

The members of Bishop's Council are the Board of Directors (the Board) of the RDSBF, and the members of the Diocesan Synod are the members of the RDSBF. Additionally, there is the Finance Committee of the Bishop's Council, acting for and assisting the Board in its more detailed work.

The Board has delegated responsibility for the day-to-day management of the company to the Diocesan Secretary who is supported by the Finance Director, the Property Director, the Communications Manager, and the HR and Governance Manager, and their respective staff. These together form the Operations Management Team. The

Diocesan Secretary is also a member of the Bishop's Leadership Team, which meets regularly throughout the year.

The statutory governing body of the Diocese is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Its legal basis is the Synodical Government Measure 1969. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in deanery synods; lay persons elected by the houses of laity in deanery synods, being up to 163 persons including 5 that may be co-opted by each of the House of Clergy and the House of Laity and 10 members who may be nominated by the Bishop of Rochester. The Diocesan Synod typically meets three times a year during February, June and October.

TRUSTEE RECRUITMENT, SELECTION AND INDUCTION

The Board includes:

- Ex-officio Trustees
- Trustees who have been elected by Diocesan Synod to serve for three years, and
- Trustees appointed by the Bishop of Rochester for the same term.

Trustees are given induction at the outset of the triennium and at other times as appropriate. They are also informed, before seeking membership and at all other relevant times, of the role and function of the Board, including a Code of Conduct for Trustees and Committee Members.

Some senior staff have job titles incorporating the title 'Director' but they are not directors of the company for the purposes of company law.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Diocesan grading and salary structure is benchmarked against similar roles in the local charity sector as well as the wider Church of England context. All roles within the Diocese are graded according to the skills, experience and professional qualifications required for the role.

Details of the aggregate remuneration of the key management personnel is shown in Note 7 of the accounts.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under company law the Trustees have elected to prepare the financial statements in accordance with 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).

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 RDSBF and of the surplus or deficit of the RDSBF 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; and
- 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 RDSBF and enable them to ensure that the financial statements comply with United Kingdom Generally Accepted Accounting Practice. They are also responsible for safeguarding the assets of the RDSBF 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 RDSBF'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

The Trustees have taken all the necessary steps to ensure that they are aware, as trustees, of any relevant audit information and to establish that the auditors are aware of that information.

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

APPOINTMENT OF AUDITORS

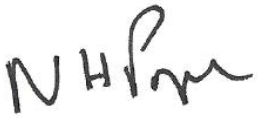
The appointment of Haysmacintyre LLP as auditors to the RDSBF will be proposed at the Annual General Meeting.

In approving this Trustees' report, the Trustees are also approving the Strategic Report included on pages 1 to xx in their capacity as company directors.

BY ORDER OF THE TRUSTEES

Mr Matthew Girt
Diocesan Secretary

Canon Nigel Pope
Chair of Rochester Diocesan Society and Board of Finance



28 May 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCHESTER DIOCESAN SOCIETY AND BOARD OF FINANCE

OPINION

We have audited the financial statements of the Rochester Diocesan Society & Board of Finance for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

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

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or

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

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on pages 69-70, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fund accounting, including transfers between funds, and revenue recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

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

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

USE OF OUR REPORT

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

Jane Askew

For and on behalf of Haymacintyre LLP, Statutory Auditors
10 Queen Street Place London EC4R 1AG

6 June 2024

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2023

	Note	Unrestricted Common	Unrestricted Designated	Restricted	Endowment	Total 2023	*Total 2022*
		£'000	£'000	£'000	£'000	£'000	*£'000*
Income							
Donations:							
- Parish Offers		7,524	-	-	-	7,524	*7,671*
- Other	2	561	-	1,232	-	1,793	*1,704*
Investment income	3	1,832	-	41	31	1,904	*1,657*
Charitable activities	4	374	-	-	-	374	*425*
Total income		10,291	-	1,273	31	11,595	*11,457*
Expenditure							
Generating income	5	(587)	-	(5)	-	(592)	*(642)*
Charitable activities	6	(11,536)	-	(1,971)	-	(13,507)	*(13,082)*
Total Expenditure		(12,123)	-	(1,976)	-	(14,099)	*(13,724)*
Operating (Deficit)/Surplus:		**(1,832)**	**-**	**(703)**	**31**	**(2,504)**	***(2,267)***
Profit/(losses) on sale of property		178	-	1,060	18	1,256	*451*
Gains/(losses) on investments	10	644	(21)	-	3,953	4,576	*(2,822)*
Net Income before revaluation of fixed assets and pension scheme liabilities and transfers between funds		**(1,010)**	**(21)**	**357**	**4,002**	**3,328**	***(4,638)***
Reserve Movements:							
Net Income		(1,010)	(21)	357	4,002	3,328	*(4,638)*
Revaluation of pension scheme liabilities	22	(156)	-	-	-	(156)	*96*
Transfers between funds	19	11	130	(141)	-	-	*-*
Transfers between funds - Total Unapplied Return	19/23	258	-	401	(659)	-	*-*
Net movement in funds		**(897)**	**109**	**617**	**3,343**	**3,172**	***(4,542)***
Reserve balances at 1st January 2023		2,608	9,092	40,868	25,085	77,653	*82,195*
Reserve balances at 31st December 2023		**1,711**	**9,201** note 16	**41,485** note 17	**28,428** note 18	**80,825**	***77,653***

All income and expenditure relates to continuing activities.

The Companies Act 2006 requires a separate income and expenditure account to be prepared to exclude transactions relating to Endowment Funds. No such income and expenditure account has been included in these statements as the relevant exclusions from this Statement of Financial Activities are all clearly shown above. These are: Endowment Fund income – £31k (2022 : £12k); Endowment Fund expenditure - £0k (2022 : £0k); Profit on Sale of Property - £18k (2022 : £0k); and Endowment Fund gains on investments - £3,953k (2022 : £1,452k losses).

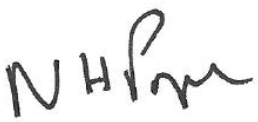
BALANCE SHEET
For the year ended 31 December 2023

Rochester Diocesan Society and Board of Finance(The)
Company registration number 140656

	Note	Total 2023 £'000	*Total 2022 £'000*
FIXED ASSETS			
Tangible assets	9	52,054	*52,655*
Investments	10	29,204	*29,236*
		81,258	*81,891*
CURRENT ASSETS			
Debtors	11	823	*733*
Short term deposits		9,047	*4,314*
Cash at bank		1,170	*2,255*
		11,040	*7,302*
CREDITORS: Amounts falling due within one year			
Bank overdraft		23	*21*
Creditors	12	10,670	*10,739*
		10,693	*10,760*
NET CURRENT ASSETS/(LIABILITIES)		347	*(3,458)*
TOTAL ASSETS LESS CURRENT LIABILITIES		81,605	*78,433*
CREDITORS: Amounts falling due after more than one year	12		
Pensions liability		-	*-*
Other creditors		780	*780*
NET ASSETS		80,825	*77,653*
Unrestricted		10,912	*11,700*
Restricted		41,485	*40,868*
Endowment		28,428	*25,085*
FUNDS	20	80,825	*77,653*

The Statement of Cash Flows and the Notes form part of these financial statements.

The financial statements were approved by the Board of Trustees and authorised for issue on 28 May 2024 and signed on behalf of the Board by:



Canon Nigel Pope
Chair of Rochester Diocesan Society and Board of Finance

STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Net cash outflow from operating activities		(4,289)		*(3,180)*
Cash flows from investing activities				
Investment income	1,904		*1,657*	
Proceeds from the sale of:				
Tangible fixed assets	2,042		*1,311*	
Fixed asset investments	7,633		*893*	
Purchase of:				
Tangible fixed assets	(619)		*(1,575)*	
Fixed asset investments	(3,025)		*(190)*	
Net cash provided by investing activities		7,935		*2,096*
Cash flows from financing activities				
Proceeds from long term debt	-		-	
Net cash provided by financing activities		-		-
Change in cash and cash equivalents in the reporting period		3,646		*(1,084)*
Cash and cash equivalents at 1 January		6,548		*7,632*
Cash and cash equivalents at 31 December		10,194		*6,548*

Reconciliation of net movement in funds to net cash outflow from operating activities	**2023 £'000**	**2022 £'000**
Net movement in funds for the year ended 31 December	**3,172**	***(4,542)***
Adjustments for:		
Investment income	(1,904)	*(1,657)*
Depreciation	1	-
Gain on disposal of fixed assets	(1,256)	*(451)*
Gain on sale of investments	(3,062)	*40*
Unrealised gain on investments	(1,376)	*2,982*
Revaluation of investment property	(138)	*(200)*
Write off of Assets Under Construction to Restricted Fund	433	-
Decrease in creditors: falling due within one year	(69)	*859*
Increase in debtors	(90)	*99*
Decrease in creditors: falling due after one year	-	*(310)*
Net cash used in operating activities	(4,289)	*(3,180)*

Analysis of movements in net debt

	2022 £'000	Cash Flows £'000	New Borrowing £'000	2023 £'000
Cash on deposit	4,314	4,733	-	9,047
Cash at bank	2,255	(1,085)	-	1,170
Less overdraft	(21)	(2)	-	(23)
Total cash and cash equivalents	6,548	3,646	-	10,194
CCLA Loan falling due after one year	*(500)*	-	-	(500)
Equity Share loans due after one year	*(180)*	-	-	(180)
Value Linked Loans due after one year	*(100)*	-	-	(100)
Total	5,768	3,646	-	9,414

1. ACCOUNTING POLICIES

a) Accounting convention and basis of preparation

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

b) Going concern

The Trustees consider that there are no material uncertainties regarding the RDSBF's ability to continue as a going concern. The RDSBF aims to achieve a financially sustainable position. The RDSBF has net assets of £80.8m (2022 : £77.7m) and the Trustees believe that there is sufficient liquidity in these assets to ensure that the charitable company can meet its obligations for the next 12 months and beyond.

c) Income

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

i) **Parish Offer** 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 creditors to be carried forward to the following year.
v) **Parochial fees** that relate to the RDSBF are recognised as diocesan income in the year in respect of which they are receivable.
vi) **Donations** other than grants are recognised when receivable or in the case of material legacies, when the conditions for recognition under the Charities SORP have been met.
vii) **Stipends fund income**. The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included an the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

d) Expenditure

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

i) **Cost of raising funds -** relate to costs incurred in the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
ii) **Charitable expenditure -** analysed according to Diocese's main areas of activity.
iii) **Grants payable -** charged in the year when the grant is approved and conveyed to the recipient except those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the RDSBF, 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 of support costs 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 usage basis.
v) **Pension contributions** – pension schemes in which the RDSBF participates are described in Note 22. Pension costs are charged as resources expended and represent the RDSBF's contributions payable in respect of the accounting period in accordance with FRS102. Deficit funding for the pension schemes to which RDSBF participates and which are unpaid at this year-end, is accrued at current value in creditors, distinguished between contributions due within one year and after more than one year.
vi) **Short term employee benefits** - short term benefits including holiday pay are recognised as an expense in the period in which the service is received.
vii) **Employee termination benefits** - termination benefits are accounted for on an accrual basis and in line with FRS 102.
viii) **Tangible fixed assets and depreciation** - tangible fixed assets are shown in note 9 to the financial statements.

Freehold properties
The RDSBF measures all freehold property assets at historical cost as allowed by FRS102.

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case and because the expected residual value is not materially less than the carrying value. The RDSBF has a policy of regular structural inspection, repair and maintenance, which in the case of parsonage properties is in accordance with the Repair of Benefice 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 the carrying value. Where the Trustees believe that the value of an asset might have been impaired, an annual impairment review is carried out in accordance with the requirements of FRS102, to ensure that the carrying value is not more than the recoverable amount.

Properties subject to value linked loans
Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated using the value of the related loan at the balance sheet date. Each year end the respective property and loan are carried at their historical value.

Investment properties
Glebe properties which are held for investment purposes have been included at their market value.

Parsonage Houses
The RDSBF has followed the requirements of FRS102 in its accounting treatment of benefice houses. FRS102 requires the accounting treatment to follow the substance of arrangements rather than strict legal form. The RDSBF is 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 relevant incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as restricted assets and carry them at their historical cost.

ix) Other tangible fixed assets
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. All capital expenditure on computer and office equipment over £1k is capitalised and depreciated over 3 years.

x) Project Costs
Expenditure in relation to projects is capitalised where there is likelihood that the project will become an income-bearing asset.

e) Other accounting policies

i) Fixed asset investments - included in the balance sheet at market value (ex dividend) and the gain or loss taken to the Statement of Financial Activities.

ii) Realised gains/(losses) on sale of investments - represent proceeds of sale less the appropriate proportion of the opening carrying value and are shown in the Statement of Financial Activities.

iii) Leases – the RDSBF has entered into operating lease agreements the rental for which is charged in full as expenditure in the year to which it relates.

iv) Financial instruments - the RDSBF only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at either amortised cost or fair value.

v) Debtors - trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired, an impairment loss is recognised in the Statement of Financial Activities.

vi) Cash - cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity.

vii) Creditors - basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at transaction price.

f) Fund balances
Fund balances are split between unrestricted (common and designated), restricted and endowment funds.

i) Unrestricted funds are the RDSBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the RDSBF.

There are two types of unrestricted funds:

- **Common fund** which the RDSBF intends to use for the general purposes of the RDSBF.
- **Designated funds** set aside out of unrestricted funds by the RDSBF for a purpose specified by the Trustees.

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

iii) **Endowment funds** are those held on trust to be retained for the benefit of the charitable company as a capital fund. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

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

g) Judgments and Estimates

In the application of the accounting policies, the Trustees are required to make judgments, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

i) **Significant judgments** - valuation of liabilities arising from the charity's obligation to meet deficit reduction payments for its multi-employer defined benefit pension schemes - these liabilities are revalued at each year-end using discount rates which are reassessed annually.

ii) **Residual values of freehold properties** - the Trustees consider that residual value of freehold properties is sufficiently high that depreciation would not be material.

iii) **Sources of estimation uncertainty** - in the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. INCOME FROM DONATIONS

(Donations, Legacies and similar income)	Unrestricted Common	Unrestricted Designated	Restricted	Endowment	Total 2023
	£'000	£'000	£'000	£'000	£'000
Trust for London (formerly City Parochial Foundation)	-	-	341	-	341
Archbishops' Council - Sustainability Grant	300	-	-	-	300
Archbishops' Council - SMF Curate Grant	33	-	-	-	33
Archbishops' Council - RME Ordinands Grants	-	-	175	-	175
Archbishops' Council - Strategic Development Funding - Called to Grow	-	-	231	-	231
Archbishops' Council - Net Zero Carbon Starter Grant	-	-	15	-	15
Archbishops' Council - Past Cases Review	-	-	2	-	2
Archbishops' Council - Chatham Town Centre	-	-	143	-	143
Medway Council Future High Streets Fund - Chatham Town Centre	-	-	146	-	146
All Churches Trust - annual distribution	128	-	-	-	128
Partnership Fund appeals, confirmations, licensing & induction collections	-	-	136	-	136
Poverty & Hope Appeal	-	-	22	-	22
Guaranteed annuities	9	-	-	-	9
Readers' Fees	1	-	-	-	1
Donation from Greenhithe parishioner	25	-	-	-	25
Giving Advisor Grant from Church Commissioners	-	-	21	-	21
Legacy - Vera Constance Walsh	65	-	-	-	65
	561	-	1,232	-	1,793

(Donations, Legacies and similar income)	Unrestricted Common	Unrestricted Designated	Restricted	Endowment	Total 2022
	£'000	£'000	£'000	£'000	£'000
Trust for London (formerly City Parochial Foundation)	-	-	359	-	359
Archbishops' Council - SMF Curate Grant	38	-	-	-	38
Archbishops' Council - RME Ordinands Grants	-	-	292	-	292
Archbishops' Council - Strategic Development Funding - Called to Grow	-	-	164	-	164
Called to Grow re Anerley Parish	-	-	9		9
Archbishops' Council - Energy Costs Support Grant	-	-	249		249
Energy Costs Support Fund	-	-	27	-	27
Archbishops' Council - Ministry Hardship Fund	-	-	77		77
Archbishops' Council - Past Cases Review	-	-	30	-	30
Archbishops' Council - Chatham Town Centre	-	-	60	-	60
Listed Places of Worship - Chatham St John	-	-	8	-	8
National Heritage - Chatham St John	-	-	25	-	25
All Churches Trust - annual distribution	146	-	-	-	146
Partnership Fund appeals, confirmations, licensing & induction collections	-	-	142	-	142
Poverty & Hope Appeal	-	-	22	-	22
Guaranteed annuities	14	-	-	-	14
Readers' Fees	2	-	-	-	2
Giving Advisor Grant from Church Commissioners	-	-	34	-	34
Dartford Borough Council - Warm Spaces Grant	-	-	4		4
Other sundry items	1	-	1	-	2
	201	-	1,503	-	1,704

3. INVESTMENT INCOME

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2023
	£'000	£'000	£'000	£'000	£'000
Rents receivable	1,000	-	28	-	1,028
Dividends receivable	438	-	13	-	451
Interest on deposits receivable	394	-	-	31	425
	1,832	-	41	31	1,904

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2022
	£'000	£'000	£'000	£'000	£'000
Rents receivable	1,064	-	26	-	1,090
Dividends receivable	522	-	33	-	555
Interest on deposits receivable	-	-	-	12	12
	1,586	-	59	12	1,657

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2023
	£'000	£'000	£'000	£'000	£'000
Diocesan Board of Finance element of Parochial Fees	369	-	-	-	369
Professional fees	5	-	-	-	5
	374	-	-	-	374

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2022
	£'000	£'000	£'000	£'000	£'000
Diocesan Board of Finance element of Parochial Fees	414	-	-	-	414
Professional fees	11	-	-	-	11
	425	-	-	-	425

5. EXPENDITURE ON GENERATING INCOME

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2023
	£'000	£'000	£'000	£'000	£'000
Glebe management costs	53	-	-	-	53
Non glebe commissions	49	-	-	-	49
Rental property maintenance	305	-	-	-	305
Cost of income generation	180	-	5	-	185
	587	-	5	-	592

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2022
	£'000	£'000	£'000	£'000	£'000
Glebe management costs	100	-	-	-	100
Non glebe commissions	36	-	-	-	36
Rental property maintenance	349	-	-	-	349
Cost of income generation	152	-	5	-	157
	637	-	5	-	642

6. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Unrestricted		Restricted	Endowment	Total
	General	Designated			2023
	£'000	£'000	£'000	£'000	£'000
Bringing people to faith in Christ					
Mission & Community Engagement (50%)	72	-	-	-	72
Formation & Ministry (50%)	183	-	-	-	183
Youth & Children	108	-	-	-	108
Allocated support costs	283	-	8	-	291
	646	-	8	-	654
A priestly presence in every community					
Stipend costs	6,397	-	-	-	6,397
Apprenticeship levy	22	-	-	-	22
Actuarial gains/losses on clergy pension scheme	11	-	-	-	11
Grants	334	-	191	-	525
Parsonage maintenance & improvements	765	-	-	-	765
Ministry houses - housing costs	22	-	9	-	31
Curate and Associate Clergy Costs	112	-	-	-	112
National Church - training for ministry	482	-	-	-	482
Formation & Ministry (50%)	183	-	-	-	183
Stewardship, Legal, Accounts Advisors & other	90	-	-	-	90
Diocesan appointments	274	-	-	-	274
Allocated support costs	1,079	-	31	-	1,110
	9,771	-	231	-	10,002
Engagement with the community					
Grants	6	-	644	-	650
Mission & Community Engagement (50%)	72	-	-	-	72
Communications	20	-	-	-	20
Faculty & inspection fees	71	-	-	-	71
Diocesan committees	7	-	-	-	7
National Church grant/allocation	311	-	-	-	311
Partnership Dioceses & Church Urban Fund	-	-	4	-	4
Chatham Town Centre	-	-	824	-	824
Called to Grow - SDF Funding	-	-	214	-	214
Called to Grow - Other Funding	-	-	6	-	6
Giving Advisor	-	-	21		21
Allocated support costs	632	-	19	-	651
	1,119	-	1,732	-	2,851
	11,536	-	1,971	-	13,507

Support costs comprise administration and governance costs which includes the audit fee of £29k (2022 : £27k).

Support costs include interest payable of £339k (2022 : £16k) on a £500k loan with CCLA and interest payable on parish Church Repair Fund and Diocesan Loan Fund balances.

6. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS (continued)

	Unrestricted		Restricted	Endowment	Total
	General	Designated			2022
	£'000	£'000	£'000	£'000	£'000
Bringing people to faith in Christ					
Mission & Community Engagement (50%)	89	-	-	-	89
Formation & Ministry (50%)	194	-	-	-	194
Youth & Children	100	-	-	-	100
Allocated support costs	240	-	8	-	248
	623	-	8	-	631
A priestly presence in every community					
Stipend costs	6,580	-	-	-	6,580
Apprenticeship levy	22	-	-	-	22
Actuarial gains/losses on clergy pension scheme	11	-	-	-	11
Grants	322	27	291	-	640
Parsonage maintenance & improvements	713	-	-	-	713
Ministry houses - housing costs	15	-	23	-	38
Curate and Associate Clergy Costs	129	-	-	-	129
National Church - training for ministry	453	-	-	-	453
Formation & Ministry (50%)	194	-	-	-	194
Stewardship, Legal, Accounts Advisors & other	83	-	-	-	83
Diocesan appointments	265	-	-	-	265
Allocated support costs	913	-	32	-	945
	9,700	27	346	-	10,073
Engagement with the community					
Grants	4	-	836	-	840
Mission & Community Engagement (50%)	89	-	-	-	89
Communications	16	-	-	-	16
Faculty & inspection fees	81	-	-	-	81
Diocesan committees	6	-	-	-	6
National Church grant/allocation	304	-	-	-	304
Partnership Dioceses & Church Urban Fund	-	-	4	-	4
Youth Work	-	-	2	-	2
Diocesan Magazine	-	-	2	-	2
Chatham Town Centre	-	-	103	-	103
Growth Enablers	-	-	108	-	108
Called to Grow - SDF Funding	-	-	217	-	217
Called to Grow - Other Funding	-	-	3	-	3
Giving Advisor	-	-	51	-	51
Allocated support costs	533	-	19	-	552
	1,033	-	1,345	-	2,378
	11,356	27	1,699	-	13,082

7. STAFF COSTS

		2023 £'000	2022 £'000
Ordained Diocesan Officials stipends		284	273
Other Lay Diocesan Personnel salaries		1,493	1,571
National Insurance		179	193
Life Insurance Policy		26	24
Pension Costs	- Lay Diocesan Personnel	127	125
	- Diocesan Clergy	61	88
		2,170	2,274

During the year the RDSBF made employment termination payments totalling £Nil (2022 : £32,698)

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

	2023 Number	2022 Number
Common Fund		
Administration and financial management	28	28
Training	9	10
Mission and Community Engagement	5	6
Diocesan Appointments	7	7
	49	51
Called to Grow (funded by Strategic Development Fund)	7	8
Growth Enablers (funded by Diocesan Pastoral Account)	-	2
	56	61

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

	2023 Number	2022 Number
Common Fund		
Administration and financial management	24	25
Training	6	6
Mission and Community Engagement	4	5
Diocesan Appointments	5	5
	39	41
Called to Grow (funded by Strategic Development Fund)	5	6
Growth Enablers (funded by Diocesan Pastoral Account)	-	2
	44	49

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

	2023 Number	2022 Number
£60,000 - £70,000	1	1
£70,000 - £80,000	1	1
£80,000 - £90,000	-	2
£90,000 - £100,000	1	1

7. STAFF COSTS (continued)

Remuneration of Key Management Staff

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 2023, they were:

Diocesan Secretary	Mr Matthew Girt
Finance Director (retired January 2023)	The Rev Richard Williams
Finance Director (appointed August 2023)	Mr John Jackson
Property Director (resigned June 2023)	Mr Stephen Hoad
Property Director (appointed December 2023)	Ms Stephanie Shea
Director of Formation and Ministry (resigned August 2023)	The Rev Canon Chris Dench
Diocesan Surveyor	Mr Mark Trevett

Remuneration, pensions, national insurance contributions and expenses for these 7 employees amounted to £393,939 (2022 : £436,604).

Trustees' Emoluments

No trustee received any remuneration for services as a Trustee. Five Trustees received travelling and out of pocket expenses (2022 : 5), totalling £18,467 (2022 : £16,771) in respect of General Synod duties, duties as archdeacon or area/rural dean and other duties as Trustees.

The table below gives details of the Trustees who were in receipt of a stipend and/or housing provided by the RDSBF (or the Church Commissioners where shown *) during the year:

	Stipend	Housing
The Bishop of Rochester – The Right Revered Dr Jonathon Gibbs	Yes*	Yes*
The Bishop of Tonbridge – The Right Reverend Simon Burton-Jones	Yes*	Yes
The Dean of Rochester Cathedral – Very Reverend Philip Hesketh	Yes*	Yes*
The Archdeacon of Bromley and Bexley – The Venerable Allie Kerr	Yes	Yes
The Archdeacon of Tonbridge – The Venerable Sharon Copestake	Yes	Yes
The Archdeacon of Rochester – The Venerable Andrew Wooding-Jones	Yes	Yes
The Chair of the House of Clergy – The Reverend Canon Jeremy Blunden	Yes	Yes
The Reverend Canon Mark Barker	Yes	Yes
The Reverend Dr Julie Bowen	Yes	Yes
The Reverend Martyn Saunders	Yes	Yes

The RDSBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy of the Diocese, other than bishops and cathedral staff. The RDSBF is also responsible for the provision of housing for stipendiary clergy in the Diocese including the suffragan bishop but excluding the diocesan bishop and cathedral staff.

	2023 £'000	*2022 £'000*
Parish Stipends, National Insurance & Pension Costs		
Parish Stipends	4,828	*4,767*
National Insurance	378	*391*
Pension Costs	1,203	*1,434*
	6,409	*6,592*
Number of parish clergy in post as at 31 December (Full-time equivalent)	168	*174*

8. ANALYSIS OF GRANTS MADE

	No.	Individuals £'000	Institutions £'000	Source	2023 £'000
From unrestricted funds:					
Ordinands in training	21	207	-	Common Fund	207
Clergy training	26	13	-	Common Fund	13
Clergy removal grants	14	28	-	Common Fund	28
Clergy resettlement grants	16	34	-	Common Fund	34
Clergy first appointment grants	14	35	-	Common Fund	35
Kent Workplace Mission	1	-	4	Common Fund	4
Lay Ministry Support	1	-	14	Common Fund	14
Archdeacons' discretionary grants	-	3	2	Common Fund	5
From restricted funds:					
Ministry Division Ordinand Block Grants	39	37	154	Ministry Division Fund	191
Overseas Partnership: Harare	7	-	15	Companion Diocese Fund	15
Overseas Partnership: Tanzania	26	6	104	Companion Diocese Fund	110
Parochial Church Councils	5	-	79	Pastoral Account	79
Christian Aid	1	-	5	Poverty & Hope Appeal	5
Church Mission Society	1	-	4	Poverty & Hope Appeal	4
United Society (formerly USPG)	1	-	4	Poverty & Hope Appeal	4
Clergy grants	4	17	-	Trust for London	17
Parochial Church Councils	6	-	43	Church Extension Fund	43
Parochial Church Councils	1	-	4	£500k CYP Fund	4
Clergy hardship grants	95	29	-	Ministry Hardship Fund	29
Parochial Church Councils	2	-	322	Thames Gateway Capital Fund	322
Parochial Church Councils	1	-	12	Local Church Urban Fund	12
					1,175

8. ANALYSIS OF GRANTS MADE (continued)

	No.	Individuals £'000	Institutions £'000	Source	2022 £'000
From unrestricted funds:					
Ordinands in training	17	177	-	Common Fund	177
Clergy training	27	13	-	Common Fund	13
Clergy removal grants	18	35	-	Common Fund	35
Clergy resettlement grants	16	32	-	Common Fund	32
Clergy first appointment grants	22	43	-	Common Fund	43
Kent Workplace Mission	1	-	4	Common Fund	4
Lay Ministry Support	1	-	13	Common Fund	13
Archdeacons' discretionary grants	1	5	3	Common Fund	8
Clergy energy grants	-	27	-	Mininstry and Mission Support	27
From restricted funds:					
Ministry Division Ordinand Block Grants	42	43	248	Ministry Division Fund	291
Parochial Church Councils	257	-	446	Energy Costs Support Fund	446
Overseas Partnership: Harare	8	-	19	Companion Diocese Fund	19
Overseas Partnership: Tanzania	25	5	110	Companion Diocese Fund	115
Beckenham St Michael	1	-	28	Pastoral Account	28
Parochial Church Councils	3	-	20	Pastoral Account	20
Christian Aid	1	-	5	Poverty & Hope Appeal	5
Church Mission Society	1	-	5	Poverty & Hope Appeal	5
Commonwork Land Trust	1	-	5	Poverty & Hope Appeal	5
United Society (formerly USPG)	1	-	5	Poverty & Hope Appeal	5
Harare Diocese	1	-	2	Poverty & Hope Appeal	2
St Philips Theoplogical College Mpwapwa	1	-	2	Poverty & Hope Appeal	2
Kondoa Diocese	1	-	2	Poverty & Hope Appeal	2
Parochial Church Councils	4	-	25	Trust for London	25
Bishop of Rochester Discretionary Fund	1	-	2	Trust for London	2
Clergy grants	12	31	-	Trust for London	31
Parochial Church Councils	2	-	4	Church Extension Fund	4
Parochial Church Councils	2	-	2	Cobham and Gravesend Churches	2
Parochial Church Councils	34	-	78	£500k CYP Fund	78
Clergy hardship grants	108	37	-	Ministry Hardship Fund	37
Parochial Church Councils	4	-	4	CESA Warm Spaces Fund	4
					1,480

9. TANGIBLE FIXED ASSETS

	Board Property		Equity Sharing Property		Benefice Property		Assets Held For Sale		Assets in course of	Computer & Phone	
	Land £'000	Buildings £'000	Land £'000	Buildings £'000	Land £'000	Buildings £'000	Land £'000	Buildings £'000	construction £'000	Equipment £'000	Total £'000
Cost or valuation											
Balance 1 January 2023	5,669	8,445	123	174	19,321	20,882	591	609	2,339	136	58,289
Additions	-	98	-	-	-	401	-	-	120	-	619
Disposals	-	-	-	-	-	-	(420)	(433)	-	-	(853)
Write off to Restricted Fund	-	-	-	-	-	-	-	-	(433)	-	(433)
Balance 31 December 2023	5,669	8,543	123	174	19,321	21,283	171	176	2,026	136	57,622
Depreciation											
Balance 1 January 2023	-	1,086	-	52	-	4,242	-	119	-	135	5,634
Charge for the year	-	-	-	-	-	-	-	-	-	1	1
Disposals	-	-	-	-	-	-	-	(67)	-	-	(67)
Balance 31 December 2023	-	1,086	-	52	-	4,242	-	52	-	136	5,568
Net book values											
At 31 December 2023	5,669	7,457	123	122	19,321	17,041	171	124	2,026	-	52,054
At 31 December 2022	*5,669*	*7,359*	*123*	*122*	*19,321*	*16,640*	*591*	*490*	*2,339*	*1*	*52,655*

Following the introduction of Financial Reporting Standard 15 "Tangible Fixed Assets", all fixed asset land and buildings, excluding investment properties, were crystallised at their carrying value on 1 January 2000. The land proportion for each property was estimated and depreciation at 2% was applied to the remaining portion in respect of the building content. The land content was estimated to be between 40% and 51% of the carrying value as at 1 January 2000.

Depreciation is no longer provided on buildings as any provision would not be material due to the very long expected remaining useful economic life in each case and because their expected residual value is not materially less than their carryingvalue.

(a) Freehold Land and Buildings

The land and buildings are shown divided between Board Property, purchased from the Board's own funds, and Equity Sharing Property, which is purchased partially or wholly by a loan from the Church Commissioners. Although title to properties under the Equity Sharing Scheme rests with the Board, any profit or loss on sale is apportioned between the Board and Church Commissioners in proportion to the original funding.

(b) Equity Sharing Properties

Equity sharing properties are part owned by the Board and are included as fixed assets land and buildings. In each case there is a loan with the interest being paid by the parish for which the property is provided. On disposal, the Board receives only its share of the equity.

(c) Benefice Property

Properties not owned by the Board but from which the Board derives the benefit and incurs the obligation of ownership are included in the accounts at historical cost or market value on 1st January 2000. The proceeds of any sales are available to the Board.

10. FIXED ASSET INVESTMENTS

	2023 Cost £'000	2023 Market Value £'000	2022 Cost £'000	2022 Market Value £'000
Investments				
Mercer Global Investment Management	19,774	21,739	*16,774*	*17,363*
Investment Properties		7,465		*11,873*
		29,204		*29,236*
		£'000		***£'000***
At 1 January 2023		29,236		*32,761*
Additions		3,025		*190*
Disposals	(4,571)		(933)	
Realised gains	(3,062)		40	
Sale proceeds		(7,633)		*(893)*
Net gains/(losses) on investments		4,576		*(2,822)*
At 31 December 2023		29,204		*29,236*

Net gains on investments shown in the Statement of Financial Activities of £4,576k (2022: £2,822k losses) comprise unrealised gains of £1,514k (2022 : £2,782k losses) and realised gains £3,062k (2022 : £40k losses) as a result of disposals realising proceeds of £7,633k (2022 : £893k).

The investments are held by Mercer Global Investment Management and, with the exception of £1,544k (2022 : £836k) held in Private Markets, can be converted into cash within one month of application.

Investment properties include Glebe and other properties, the income from which is included in the Board accounts. Investment Properties are carried at open market value based on valuation advice from Savills. The historical cost of these properties is not available.

11. DEBTORS

	2023 Amounts falling due within one year £'000	2023 Amounts due after more than one year £'000	2022 Amounts falling due within one year £'000	2022 Amounts due after more than one year £'000
Diocesan Parishes - Loans to parishes	93	21	*75*	*16*
Diocesan Parishes - Other amounts due	261	-	*161*	*-*
Sundry Debtors	446	2	*476*	*5*
	800	23	*712*	*21*

The loans to 6 parishes (2022 : 6) are generally unsecured, repayable over a period of five years with interest charged at 0% for loans from the Church Repair Fund and at various rates for loans from the Diocesan Loans Fund.

12. CREDITORS

	2023		2022	
	Amounts falling due within one year £'000	Amounts due after more than one year £'000	*Amounts falling due within one year £'000*	*Amounts due after more than one year £'000*
Related Party Balances:				
Amount due to Diocesan Board of Education	57	-	*37*	*-*
Other Balances:				
Amount due to Other Trust Funds	6	-	*6*	*-*
Equity Sharing Loans	-	280	*-*	*280*
Deposits - Diocesan Loans Fund (Parishes)	4,747	-	*4,397*	*-*
Deposits - Diocesan Loans Fund (Other)	34	-	*33*	*-*
Deposits - Church Repair Fund	4,846	-	*4,733*	*-*
CCLA Loan	-	500	*-*	*500*
Sundry Creditors	980	-	*1,533*	*-*
	10,670	780	*10,739*	*780*

The Equity Sharing Loans are made by the Church Commissioners and are secured on property with interest charged at a commercial rate and repayable on the sale of the related property.

The parish deposits in the Church Repair Fund and Diocesan Loan Fund are repayable on demand and they are therefore classified as 'falling due within one year'. These deposits are placed in bank deposits and other assets. The likelihood of all parishes wishing to withdraw all of their funds at the same time is highly unlikely as Church Repair Fund deposits are generally intended to pay for repairs arising from quinquennial surveys.

The CCLA loan was obtained in 2020 and is an unsecured interest only loan repayable after 10 years. The interest rate is variable and tracks 0.55% above the CBF Church of England deposit rate which is currently 4.05%.

13. MEMBERS' LIABILITY

The Board is a company limited by Guarantee. At 31 December 2023 there were 116 (2022 : 120) members who are liable to contribute £1 each in the event of the company being wound up.

14. OPERATING LEASES

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

	2023 £'000	*2022 £'000*
Lease payments - other operating lease:		
Not later than one year after the balance sheet date	7	*7*
In the second to fifth years after the balance sheet date	22	*17*
	29	*24*

15. RELATED PARTY TRANSACTIONS

During the year the following related party transactions took place:

Related Party	Relationship		2023 £'000	2022 £'000
Mrs Julia Burton-Jones	Wife of Bishop of Tonbridge	Professional fees in respect of work on Dementia Friendly Church Project.	17	17
Trustees		Total restricted donations made to the RDSBF.	17	21
Rochester Diocesan Board of Education		Amounts due to RDBE.	57	37

The outstanding balances with related parties at 31 December 2023 are included in note 12.

There were no other related party transactions during the year or prior year.

Details of related parties can be found in the Trustees Report.

16. DESIGNATED FUNDS

	Balance at 1 January 2023 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2023 £'000
Central Church Funding	77	-	-	-	35	112
Property Fund	9,015	-	-	(21)	95	9,089
	9,092	**-**	**-**	**(21)**	**130**	**9,201**

Central Church Funding
These funds have been received from the Church Commissioners for designated purposes and so have been retained within a specific designated fund. A transfer of £34k (2022 : nil) was made is respect of sustainability funding received in the year that was designated to fund specific work in the coming year.

Property Fund
This fund has been set aside by the Trustees for the purpose of funding Board property acquisitions and development. The transfer of £96k (2022 : nil) represents capitalization of works undertaken on Board properties during the year.

16. DESIGNATED FUNDS (continued)

	Balance at 1 January 2022 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2022 £'000
Central Church Funding	99	-	(27)	-	5	77
Property Fund	9,015	-	-	-	-	9,015
	9,114	**-**	**(27)**	**-**	**5**	**9,092**

17. RESTRICTED FUNDS

	Balance at 1 January 2023 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2023 £'000
Poverty & Hope Appeal	13	23	(13)	-	(6)	17
Committee Amongst Deaf	23	-	-	-	-	23
Local Church Urban Fund	37	13	(12)	-	-	38
Diocesan Pastoral Account	669	25	(151)	-	(252)	291
Trust for London (formerly City Parochial Foundation)	139	341	(24)	-	(200)	256
Benefice Property	35,961	-	-	-	401	36,362
Thames Gateway	7	-	-	-	-	7
Thames Gateway Capital Fund	457	-	(322)	-	-	135
Parsonage Building Fund	1,901	-	-	1,060	234	3,195
Church Extension Fund	753	-	(46)	-	129	836
Companion Diocese Funds	28	136	(129)	-	6	41
Ministry Division RME Ordinand's Grant	93	175	(191)	-	-	77
Children & Young People £500K Fund	87	-	(4)	-	-	83
Chatham Town Centre	525	289	(814)	-	-	-
Children & Young People misc. funds	1	-	-	-	-	1
Cobham and Gravesend Churches Fund	57	-	-	-	-	57
Called to Grow - Strategic Development Funding	56	231	(215)	-	(50)	22
Past Cases Review	-	2	-	-	(2)	-
Covid Winter Grant - CESA	5	-	-	-	-	5
Luton Memorial Meadow	10	2	-	-	-	12
Giving Advisor	-	21	(21)	-	-	-
Ministry Hardship Fund	40	-	(28)	-	-	12
SDF Anerley	6	-	(6)	-	-	-
Net Carbon Zero Starter	-	15	-	-	-	15
	40,868	**1,273**	**(1,976)**	**1,060**	**260**	**41,485**

Poverty and Hope Appeal
Money raised by an annual appeal and passed on in grants to various missionary and relief agencies. The transfer of £6k (2022 : nil) was made to the Companion Diocese Funds.

Committee Amongst the Deaf
Specific donations received for use by this committee.

Local Church Urban Fund
The income arising from the appeal capital is used to pay grants in support of specified projects in urban priority areas within the Diocese.

Diocesan Pastoral Account
Capital monies originally received under the Pastoral Measure 1983 and is restricted thereby. Income arises from rental income of £25k (2022 : £24k). Expenditure includes a £6k (2022 - £6k) grant to Strood St Nicholas PCC to assist with their Called to Grow administration costs, a £14k (2022 : nil) grant to Kemsing PCC to help with hall insurance costs, a £35k (2022: nil) grant to Stone PCC to help with costs for their new hall, £20k (2022 : £20k) to the Bishop's Discretionary Fund and £68k (2022 : £41k) Diocesan project costs. The net transfer of £252k includes £234k (2022 : nil) to the Parsonage Building Fund re a new parsonage for Beckenham St James and provision of the Archdeacon's Discretionary Funds of £20k (2022 : £20k).

17. RESTRICTED FUNDS (continued)

Trust for London
An annual allocation from the Foundation to use within the Archdeaconry of Bromley and Bexley. The transfer of £200k (2022 : £442k) represents contributions to community and children's projects, training, stipends and administration.

Benefice Property
The fund value represents the capital value of parsonage houses less depreciation. The net transfer of £401k (2022 : £462k) relates to the capitalisation of parsonage improvement projects.

Thames Gateway
Money given by Tonbridge Deanery towards specific projects in the Thames Gateway area.

Thames Gateway Capital
Money initially collected through the parish share specifically to raise £1m over 10 years towards capital projects in the Thames Gateway area. Expenditure of £322k represents grants to Erith St John PCC of £122k (2022 : nil) towards refurbishment costs for their hall and £200k (2022 : nil) to Stone PCC for their new hall.

Parsonage Building Fund
Money held by the RSDBF, under s5(3) of the Parsonages Measure 1938 (amended), from the sale of a parsonage or other parsonage land held in trust for the benefice concerned. The income of £1,060k (2022 : nil) represents the profit on the sale of the old parsonage at Beckenham St James and the transfer of £234k (2022 : nil) is with regard to the net book value of this property meaning net proceeds of £1,294k are being held to fund the construction of the new parsonage.

Church Extension Fund
Monies given under an appeal in 1956 for the purchase or improvement of churches, halls, parsonages, curate houses and other property. The fund includes 4 houses in various parishes with a net book value of £250k. The expenditure of £46k (2022 : £4k) includes Missional Property Fund grants made to six parishes for building projects.

Companion Diocese Funds
This represents collections taken at Confirmation services and other income for the purpose of maintaining and developing partnerships with overseas link Dioceses. The transfer of £6k (2022 : nil) came from the Poverty and Hope Fund.

Ministry Division RME Ordinand's Grant
Block grant received from the Archbishop's Council Ministry Division to fund ordinand training.

Children and Young People 500K Fund
Fund established as part of the Called Together initiative. The expenditure of £4k (2022 : £78k) represents a grant made to Dartford St Edmund PCC for their Children and Youth project.

Chatham Town Centre
Grants received from the Church Commissioners to help fund redevelopment of Chatham Town Centre. The expenditure of £814k (2022 : £89k) represents current year costs of the project but also the off set of historic costs which were being held in Assets Under Construction of £433k (2022 : nil).

Children and Young People Funds
This represents 1 small grant specifically for the Children and Young People Projects, Listen to Learn.

Cobham and Gravesend Churches Fund
Fund to be used for purposes connected with the social responsibility mission of churches in the Cobham and Gravesend area.

Called to Grow
In late June 2019, the Strategic Investment Board of the Church Commissioners agreed to award funding, on behalf of the Archbishops' Council, of £1,388K. This was the full amount of the RDSBF's Stage Two application and facilitates growth enablement projects in five focus parishes. In particular, this support is to evangelistic activities in Anerley, Erith, Gillingham and Strood. The funding is over 5 years, 2019-2024.

17.RESTRICTED FUNDS (continued)

Past Cases Review
The Past Cases Review, was a comprehensive safeguarding review across churches and key institutions within the Diocese of Rochester. The purpose of the Review was to help find out whether all known cases of concern about the behaviour of clergy and church officers towards children and vulnerable adults had been considered, risk assessed and dealt with appropriately. Independent reviewers carried out the Review which completed in 2021. The anticipated cost was expected to be divided between the Bishop, the Diocesan Pastoral Account and the Church Commissioners. A further £2k (2022 : £30k) was received from the Church Commissioners which was transferred back to the DPA.

Covid Winter Grant – CESA
Grants received to help the homeless in the Medway area.

Luton Memorial Meadow
Rental income received to be used in relation to expenditure to this property.

Giving Advisor
Grant from the Church Commissioners to cover 50% of the costs of providing a Giving Advisor over a period of 5 years.

Ministry Hardship Grant
Grant received from the Church Commissioners to help clergy with rising energy costs. Grants of £300 (2022 : £340) were made to 95 (2022 : 108) clergy people experiencing hardship due to rising energy costs.

SDF Anerley
Contribution from Anerley PCC, being one of the parishes being supported by Called to Grow, towards their Freedom Forum Pastor.

Net Carbon Zero Starter
Grant received from the Archbishop's Council to enable the Diocese to employ people to assist parishes in moving towards Net Carbon Zero.

17. RESTRICTED FUNDS (continued)

	Balance at 1 January 2022 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2022 £'000
Poverty & Hope Appeal	17	22	(26)	-	-	13
Committee Amongst Deaf	23	-	-	-	-	23
Local Church Urban Fund	21	16	-	-	-	37
Diocesan Pastoral Account	1,121	24	(224)	-	(252)	669
Diocesan Pastoral Account re Sale of Beckenham St Michael Hall	27	-	(27)	-	-	-
Trust for London (formerly City Parochial Foundation)	285	359	(63)	-	(442)	139
Benefice Property	35,499	-	-	-	462	35,961
Thames Gateway	7	-	-	-	-	7
Thames Gateway Capital Fund	457	-	-	-	-	457
Parsonage Building Fund	1,901	-	-	-	-	1,901
Church Extension Fund	757	-	(4)	-	-	753
Companion Diocese Funds	24	142	(138)	-	-	28
Ministry Division RME Ordinand's Grant	92	292	(291)	-	-	93
Children & Young People £500K Fund	122	18	(78)	-	25	87
Chatham Town Centre	522	92	(89)	-	-	525
Children & Young People misc. funds	3	-	(2)	-	-	1
Cobham and Gravesend Churches Fund	59	-	(2)	-	-	57
Together Magazine	1	-	(1)	-	-	-
Called to Grow - Strategic Development Funding	110	164	(218)	-	-	56
Past Cases Review	18	30	-	-	(48)	-
Covid 19 Emergency Relief/Energy Costs Support	22	276	(446)	-	148	-
Covid Winter Grant - CESA	4	1	-	-	-	5
Luton Memorial Meadow	8	2	-	-	-	10
Giving Advisor	17	34	(51)	-	-	-
Ministry Hardship Fund	-	77	(37)	-	-	40
SDF Anerley	-	9	(3)	-	-	6
Warm Spaces Grant - CESA	-	4	(4)	-	-	-
	41,117	**1,562**	**(1,704)**	**-**	**(107)**	**40,868**

18. ENDOWMENT FUNDS

	Balance at 1 January 2023 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2023 £'000
Stipends Capital Account	5,794	-	-	-	589	6,383
Unapplied Total Return	13,355	-	-	3,622	(1,248)	15,729
Training	1,413	-	-	112	-	1,525
Pensions & Retired Clergy	1,476	-	-	50	-	1,526
Buildings	78	-	-	7	-	85
Parsonages	652	-	-	52	-	704
Local Church Urban Fund	483	-	-	38	-	521
Social Mission	1,136	-	-	90	-	1,226
David Goodwin Legacy	698	31	-	-	-	729
	25,085	**31**	**-**	**3,971**	**(659)**	**28,428**

Stipends Capital Account/Unapplied Total Return
Investments held under the Endowments and Glebe Measure 1976. Income is credited to the Common Fund and used for stipend purposes. The main movements in the year relate to capitalisation of works to parsonages of £401k funded through Unapplied Total Return and net investment gains. Transfers also included Unapplied Total Return of £258k to the Common Fund for bringing investment yield to 4%. The Unapplied Total Return balance includes operational properties with a value of £3.4m which have been ringfenced therefore leaving £12.3m available for draw down. Note 23 shows full details of movements in the year.

Training
Mainly a legacy to provide a contribution towards the cost of training ordinands. Some small funds also for general training of clergy and readers. Income arising in the year has been applied to the Common Fund to offset the full costs incurred.

Pensions and Retired Clergy
Legacies and the result of an appeal for the provision of housing for the retired clergy. Income from investments arising in the year has been applied to the Common Fund to offset pension costs incurred.

Buildings
Comprises of two funds, the first to support the fabric of the Diocesan Office and the second to provide income for grants to PCC's. Income arising has been applied to the Common Fund to offset the full costs incurred.

Parsonages
An endowment transferred from the Church Commissioners upon setting up of the Parsonage Scheme. Income arising has been applied to the Common Fund to offset full costs incurred.

Local Church Urban Fund
The initial capital of £250k was raised by appeal. The income is used to pay grants in support of specified projects in urban priority areas within the Diocese.

Social Mission
Comprised of four funds Oakhurst, Ravensbourne, Hollywood Manor and Council for Social Aid (formerly Rock Avenue). Income from the funds may be applied for the general purposes of social mission in the Diocese.

18. ENDOWMENT FUNDS (continued)

David Goodwin Legacy
A residuary estate held in trust by the RDSBF as a Capital Fund and the interest thereon being applied for Ecclesiastical or charitable purposes of the parish of St Peter with St Margaret, Rochester, being known as the 'Parish of Rochester'. The capital sum is owned by the RDSBF. The members of the RDSBF are the charity trustees, being the persons who have the general control and management of the administration of the capital and make decisions about how the income is spent, or the development of a reserves policy.

	Balance at 1 January 2022 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2022 £'000
Stipends Capital Account	5,665	-	-	-	129	5,794
Unapplied Total Return	14,505	-	-	(696)	(454)	13,355
Training	1,647	-	-	(243)	9	1,413
Pensions & Retired Clergy	1,581	-	-	(109)	4	1,476
Buildings	92	-	-	(14)	-	78
Parsonages	760	-	-	(112)	4	652
Local Church Urban Fund	563	-	-	(83)	3	483
Social Mission	1,322	-	-	(195)	9	1,136
David Goodwin Legacy	686	12	-	-	-	698
	26,821	**12**	**-**	**(1,452)**	**(296)**	**25,085**

19. TRANSFERS BETWEEN FUNDS

	Note	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000
Parsonage and ministry house movements		(224)	95	129	-
Transfer to Archdeacons' Discretionary Funds		20	-	(20)	-
Transfers from Trust for London		200	-	(200)	-
SDF Support Function/CESA Staff Costs		50	-	(50)	-
Sustainability Funding		(35)	35	-	-
Transfers before Total Unapplied Return		11	130	(141)	-
Total Unapplied Return	23	258	-	401	(659)
Total transfers as at 31 December 2023		269	130	260	(659)

The transfers summarised above are described in notes 16-18.

19. TRANSFERS BETWEEN FUNDS (continued)

	Note	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000
Transfer of funds to reduce the clergy pension deficit		(337)	-	-	337
Parsonage and ministry house movements		250	-	(250)	-
Transfer to Archdeacons' Discretionary Funds		20	-	(20)	-
Transfers from Trust for London		417	-	(417)	-
SDF Support Function/CESA Staff Costs		30	-	(30)	-
Transfer of Designated Fund Balance		(5)	5	-	-
Mercer Management Fees Capitalised		(60)	-	-	60
Energy Support Grants to parishes		(148)	-	148	-
Transfers before Total Unapplied Return		167	5	(569)	397
Total Unapplied Return	23	231	-	462	(693)
Total transfers as at 31 December 2022		398	5	(107)	(296)

20. NET ASSETS BETWEEN FUNDS

	Note	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	9	2,025	9,253	36,928	3,848	52,054
Investments	10	8,770	404	-	20,030	29,204
Current assets		2,109	(176)	4,557	4,550	11,040
Creditors		(10,693)	-	-	-	(10,693)
Creditors > 1 year		(500)	(280)	-	-	(780)
As at 31 December 2023		1,711	9,201	41,485	28,428	80,825

20. NET ASSETS BETWEEN FUNDS (continued)

	Note	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	9	2,339	9,349	36,761	4,206	52,655
Investments	10	8,127	425	-	20,684	29,236
Current assets		3,381	(402)	4,107	195	7,281
Creditors		(10,739)	-	-	-	(10,739)
Creditors > 1 year		(500)	(280)	-	-	(780)
As at 31 December 2022		2,608	9,092	40,868	25,085	77,653

21. ASSETS HELD AS CUSTODIAN TRUSTEE

	2023 £'000	*2022 £'000*
Investments (at cost)	703	*707*
Property	648	*648*
Cash at bank	1,290	*872*
	2,641	*2,227*

22. PENSION SCHEMES

a. Revaluation of Pension Scheme Liabilities

The revaluation shown in the Statement of Financial Activities comprises revaluations of both the clergy scheme and the lay scheme as follows:-

	2023 £'000	*2022 £'000*
Clergy Scheme (see note 22b below)	-	*140*
Lay Scheme (see note 22d below)	(156)	*(44)*
	(156)	*96*

b. The Church of England Funded Pension Scheme (for clergy)

RDSBF 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

22. PENSION SCHEMES (continued)

Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year. The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were zero (2022 : £197k).

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

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH; and
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates from 2013 in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a. and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

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

The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

	% of pensionable stipends
31 December 2021	7.1% payable from January 2021 to December 2022
31 December 2022	Nil
31 December 2023	Nil

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2023 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2023	2022
Balance sheet liability at 1 January	-	337
Deficit contribution paid	-	(197)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	-	(140)
Balance sheet liability at 31 December	-	-

* Comprises change in agreed deficit recovery plan and change in discount rate and inflation assumptions between year-ends.

22. PENSION SCHEMES (continued)

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2022 onwards as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2023	December 2022	December 2021
Discount rate	n/a	n/a	0.0% pa
Price inflation	n/a	n/a	n/a
Increase to total pensionable payroll	n/a	n/a	(1.5)% pa

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

c. Defined Contribution Scheme (for lay personnel)

A defined contribution scheme is operated for the majority of current RDSBF staff. The RDSBF contributes 5% of base salary into the Scheme and employees also contribute 5% (after tax). The Scheme is administered by Scottish Widows.

Amounts payable in the year to this scheme by the RDSBF amount to £60,383 (2022 : £57,795) and the amount owed to the scheme at 31 December 2023 was nil (2022 : nil).

d. Staff Defined Benefit Scheme (for lay personnel)

RDSBF (the Employer) operates a defined benefit pension arrangement called the Rochester Diocesan Staff Retirement Scheme (the Scheme). The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death. This is a closed scheme to new employees and currently has five current employees of the RDSBF and one current employee of the Rochester Diocesan Board of Education who are beneficiaries of the Scheme.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Employer must agree with the Trustees of the Scheme the contributions to be paid to meet the Statutory Funding Objective.

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31 March 2021 and the next valuation of the Scheme is due as at 31 March 2024. In the event that the valuation reveals a larger deficit than expected the RDSBF may be required to increase contributions above those set out in the existing Schedule of Contributions. Conversely, if the position is better than expected, it is possible that contributions may be reduced.

The RDSBF expects to pay accrual contributions of £79k in the year to 31 December 2024 (based on salaries between 31 December 2022 and 31 December 2023 – if members have left or retired then this number would be expected to reduce).

The Scheme is managed by a board of Trustees appointed in part by the RDSBF and part from elections by members of the Scheme. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The Trustees delegate some of these functions to their professional advisers where appropriate.

There were no plan amendments, curtailments or settlements through the period.

At 31 December 2023 the FRS102 valuation, which is based on different underlying assumptions to the actuarial valuation, calculated a surplus in the Scheme of £2,609k (2022 : £2,697k). Under FRS102 the Employer is only allowed to recognise such assets in its balance sheet to the extent that it can recover the surplus either through reduced contributions in the future or through refunds from the plan. As RDSBF is unable to recover the surplus, the asset value of the Scheme at 31 December 2023 reflected in these accounts is £nil. This compares to an asset value of £nil at the previous review date.

22. PENSION SCHEMES (continued)

Principal Actuarial Assumptions	31 December 2023	*31 December 2022*
Discount rate	4.45%	*4.65%*
Inflation (RPI)	3.30%	*3.35%*
Inflation (CPI)	2.60%	*2.55%*
Salary increases - From 31/3/2021 – 31/3/2022 - From 1/4/2022 – 31/3/2023 - From 1/2/2024 onwards	 1.00% 2.00% 3.30%	 *1.00%* *2.00%* *3.35%*
Increases in payment to Post 1992 benefits in excess of GMP (RPI max 5%)	3.15%	*3.25%*
Increases in payment to Post 2016 benefits in excess of GMP (CPI max 2.5%)	2.00%	*1.90%*
Revaluation in deferment (benefits in excess of GMP)	2.60%	*2.60%*
Post-retirement mortality	95% of the S3PA tables with CMI 2020 projections using a long-term improvement rate of 1.25% p.a.	*95% of the S2PA tables with CMI 2020 projections using a long-term improvement rate of 1.25% p.a.*
Commutation	70% of members are assumed to take the maximum tax free cash possible	*70% of members are assumed to take the maximum tax free cash possible*

The current asset split is as follows:

	Bid values as at 31 December 2023 £'000	*Bid values as at 31 December 2022 £'000*
Global Equities	2,104	*2,102*
Fixed Interest Gilts	1,455	*1,368*
Index Linked gilts	3,581	*3,443*
Cash	167	*144*
Total assets	7,307	***7,057***

The following amounts at 31 December 2023 and 31 December 2022 were measured in accordance with the requirements of FRS102:

Balance sheet	At 31 December 2023 £'000	*At 31 December 2022 £'000*
Fair value of assets	7,307	*7,057*
Present value of funded obligations	(4,698)	*(4,360)*
Surplus/(deficit) in scheme	**2,609**	*2,697*
Impact on limit of recognisable surplus	(2,609)	*(2,697)*
Net defined benefit asset/(liability)	**-**	***-***

22. PENSION SCHEMES (continued)

Amount recognised in Statement of Financial Activities (SOFA)	**Period to 31 December 2023 £'000**	***Period to 31 December 2022 £'000***
Current service cost	36	*90*
Administration costs	12	*-*
Interest on liabilities	202	*128*
Interest on assets	(329)	*(183)*
Past service costs	-	*-*
Settlement and curtailment cost	-	*-*
Total charge to SOFA	(79)	*35*

Remeasurements over the year	**Period to 31 December 2023 £'000**	***Period to 31 December 2022 £'000***
Loss/(gain) on assets in excess of interest	98	*2,798*
Experience losses/(gains) on liabilities	22	*442*
Losses/(gains) from changes to demographic assumptions	-	*-*
Losses/(gains) from changes to financial assumptions	124	*(3,037)*
Total remeasurements	244	***203***

Change in value of the assets	**Period to 31 December 2023 £'000**	***Period to 31 December 2022 £'000***
Fair value of assets at start	**7,057**	***9,638***
Interest on assets	329	*183*
Company contributions	77	*78*
Contributions by Scheme participants	26	*20*
Benefits paid	(72)	*(64)*
Administration costs	(12)	*-*
Change due to settlements and curtailments	-	*-*
Return on assets less interest	(98)	*(2,798)*
Fair value of assets at end	**7,307**	*7,057*

Actual return on assets	**231**	***(2,615)***

22. PENSION SCHEMES (continued)

Change in value of DB liabilities	Period to 31 December 2023 £'000	*Period to 31 December 2022 £'000*
Value of liabilities at start	**4,360**	*6,781*
Current service cost	36	*90*
Contributions by scheme participants	26	*20*
Past service costs	-	*-*
Interest on liabilities	202	*128*
Benefits paid	(72)	*(64)*
Change due to settlements or curtailments	-	*-*
Experience (gain)/loss on liabilities	22	*442*
Changes to demographic assumptions	-	*-*
Changes to financial assumptions	124	*(3,037)*
Value of liabilities at end	**4,698**	***4,360***

Projected Profit & Loss account for next year	Period to 31 Dec 2024 £'000
Current service cost	39
Administration costs	-
Interest on liabilities	208
Interest on assets	(326)
Settlement and curtailment costs	-
Past service cost	-
Total	(79)

The above estimate is based on the assumptions adopted at the Review Date and assumes the following:

i Cashflows to and from the pension scheme are broadly the same as for the current period.

ii There are no events (other than those already notified to the Scheme Actuary) that would give rise to a settlement, curtailment or past service cost.

22. PENSION SCHEMES (continued)

e. Church Workers Pension Fund (CWPF)

RDSBF participates in the Pension Builder Scheme section of CWPF for one member of lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

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

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SofA in the year are the contributions payable being £11k (2022 : £11k).

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 2019. The next valuation was due as at 31 December 2022. Calculations for this are currently underway.

For the Pension Builder Classic section, the 2019 valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2024, the Board chose to grant a discretionary bonus of 6.7% 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 2006 service so that the pension increase was 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2023. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the 2019 valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

23. TOTAL RETURN ACCOUNTING

From the 1 January 2022 the RDSBF adopted a total return approach to investments and property with regard to the Stipends Capital Fund (SCF). Under the Diocesan Stipends Capital Fund (Amendment) Measure S104b of the Charities Act 2011 the Stipends Capital Account may be split into capital funds and unapplied total return (UTR).

Total return accounting policy was approved by Bishop's Council on 25 May 2022 with final calculations being completed and approved by Haysmacintyre in their letter of 31 May 2022. The initial base value of Intergenerational Equity for implementing total return was determined at 1 January 2022 being £6.0m for the SCF. The UTR was set at £14.5m with £2.9m being attributable to operational ministry properties which are not immediately realisable within the SCF.

Following realised and unrealised investment gains of £3,622k (2022 : £696k losses), UTR was drawn down in the year as follows:

- £258k (2022 : £83k) – transfer to common fund to maintain investment yield at 4%.
- £401k (2022 : £462k) – utilised for parsonage capital improvements.

Intergenerational equity saw an uplift of £228k for indexation (2022 : £631k) and £361k (2022 : £462k) was transferred back to Intergenerational equity following the sale of Hathaway Court, Rochester, being a temporary parsonage for the parish of Rochester initially purchased with funds from the Stipends Capital Fund. Consequently, the amount of UTR attributable to operational ministry properties within the SCF decreased to £3.3m (2022 : £3.7m). Therefore the amount of realisable UTR at 31 December 202 was £12.4m (2022 : £9.7m).

Movements and balances as at the 31 December 2023 were as follows:

	Note	Intergenerational Equity £'000	Unapplied Total Return £'000	Pension Liability £'000	Total 2023 £'000
At 1 January 2023					
Opening Intergenerational Equity		5,794	-	-	5,794
Opening Unapplied total return		-	13,355	-	13,355
Opening Pension Liability		-	-	-	-
Total		5,794	13,355	-	19,149
Movements during the year					
Intergenerational Equity uplift re indexation		228	(228)	-	-
Transfers to/(from) Intergenerational Equity		361	(361)	-	-
Investment movements: realised and unrealised gains/(losses)		-	3,622	-	3,622
		589	3,033	-	3,622
Unapplied total return transferred to Common Fund re Investment Yield	19	-	(258)	-	(258)
Unapplied total return utilised on Parsonage capital expenditure	19	-	(401)	-	(401)
		-	(659)	-	(659)
Net movement during the year:		589	2,374	-	2,963
Closing Intergenerational Equity		6,383	-	-	6,383
Closing Unapplied total return		-	15,729	-	15,729
Total at 31 December 2023		6,383	15,729	-	22,112

23. TOTAL RETURN ACCOUNTING (continued)

	Intergenerational Equity £'000	Unapplied Total Return £'000	Pension Liability £'000	Total 2022 £'000
At 1 January 2022				
Opening Intergenerational Equity	6,002	-	-	6,002
Opening Unapplied total return	-	14,505	-	14,505
Opening Pension Liability	-	-	(337)	(337)
Total	6,002	14,505	(337)	20,170
Movements during the year				
Intergenerational Equity uplift re indexation	631	(631)	-	-
Transfers to/(from) Intergenerational Equity	(870)	870	-	-
Investment movements: realised and unrealised gains/(losses)	-	(696)	-	(696)
Investment movements: capitalisation of management fees	31	-	-	31
Write back of pension liability	-	-	337	337
	(208)	(457)	337	(328)
Unapplied total return transferred to Common Fund re Investment Yield	-	(83)	-	(83)
Unapplied total return transferred to Common Fund re Stipends	-	(148)	-	(148)
Unapplied total return utilised on Parsonage capital expenditure	-	(462)	-	(462)
	-	(693)	337	(693)
Net movement during the year:	(208)	(1,150)	337	(1,021)
Closing Intergenerational Equity	5,794	-	-	5,794
Closing Unapplied total return	-	13,355	-	13,355
Closing Pension Liability			-	
Total at 31 December 2022	5,794	13,355	-	19,149

24. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Common £'000	Unrestricted Designated £'000	Restricted £'000	Endowment £'000	Total 2022 £'000
Income						
Donations:						
- Parish Offers		7,671	-	-	-	7,671
- Other	2	201	-	1,503	-	1,704
Investment income	3	1,586	-	59	12	1,657
Charitable activities	4	425	-	-	-	425
Total income		9,883	-	1,562	12	11,457
Expenditure						
Generating income	5	(637)	-	(5)	-	(642)
Charitable activities	6	(11,356)	(27)	(1,699)	-	(13,082)
Total Expenditure		(11,993)	(27)	(1,704)	-	(13,724)
Operating (Deficit)/Surplus:		**(2,110)**	**(27)**	**(142)**	**12**	**(2,267)**
Profit/(losses) on sale of property		451	-	-	-	451
Gains/(losses) on investments	10	(1,370)	-	-	(1,452)	(2,822)
Net Income before revaluation of fixed assets and pension scheme liabilities and transfers between funds		**(3,029)**	**(27)**	**(142)**	**(1,440)**	**(4,638)**
Reserve Movements:						
Net Income		(3,029)	(27)	(142)	(1,440)	(4,638)
Gains on revaluation of fixed assets		-	-	-	-	-
Revaluation of pension scheme liabilities	22	96	-	-	-	96
Transfers between funds	19	167	5	(569)	397	-
Transfers between funds - Total Unapplied Return	19/23	231	-	462	(693)	-
Net movement in funds		**(2,535)**	**(22)**	**(249)**	**(1,736)**	**(4,542)**
Reserve balances at 1st January 2022		5,143	9,114	41,117	26,821	82,195
Reserve balances at 31st December 2022		**2,608**	**9,092**	**40,868**	**25,085**	**77,653**
			note 16	note 17	note 18	

CUSTODIAN TRUSTEESHIP FUNDS – BALANCE SHEET
For the year ended 31 December 2023

This page does not form part of the audited financial statements

	2023		*2022*	
	Capital £'000	**Revenue £'000**	***Capital £'000***	***Revenue £'000***
Investments at cost (see below)	699	3	*704*	*3*
Freehold property	645	-	*645*	*-*
Freehold interest in leased properties	3	-	*3*	*-*
Cash				
National Savings Bank	11	1	*11*	*1*
CCLA Investment Management Ltd - Deposit Fund Miscellaneous	1,178	95	*759*	*95*
Church Commissioners Deposit Account				
Barclays Bank - Current Account	-	6	*-*	*6*
	1,189	102	*770*	*102*
Total Assets	2,536	105	*2,122*	*106*
Representing				
Parochial Funds	2,518	98	*2,104*	*99*
Non-Parochial Funds	19	8	*18*	*7*
Total Funds	2,536	105	*2,122*	*106*

INVESTMENTS NOTE	2023		*2022*	
	Cost £'000	**Market value £'000**	***Cost £'000***	***Market value £'000***
CAPITAL				
Quoted Investments	5	160	*5*	*147*
Unlisted Investments				
CCLA Investment Management Ltd				
Investment Fund Income Shares 199,421 (2022 201,735 shares)	548	4,508	*553*	*4,168*
Fixed Interest Fund Income Shares 44,806 (2022 44,806 shares)	72	65	*72*	*61*
Global Equity 25,919 (2022 25,919 shares)	30	78	*30*	*68*
Property Fund 34,935 (2022 34,935 shares)	44	43	*44*	*46*
	694	4,694	*699*	*4,343*
	699	*4,854*	*704*	*4,490*
REVENUE				
Unlisted Investments				
CCLA Investment Management Ltd				
Investment Fund Income Shares 2,127 (2022 2,127 shares)	3	48	*3*	*44*

PARISH FUND BALANCES
For the year ended 31 December 2023

This page does not form part of the audited financial statements

CHURCH REPAIR FUND BALANCES

As at 31 December 2023

	2023 £'000	2022 £'000		2023 £'000	2022 £'000
Deposits by Parishes with Diocese:			Use of Funds Deposited by Parishes with Diocese:		
Parochial Funds	4,846	4,733	Parish Loans	18	3
			Funds on Deposit and other assets	4,828	4,730
	4,846	4,733		4,846	4,733

LOANS FUND BALANCES

As at 31 December 2023

	2023 £'000	2022 £'000		2023 £'000	2022 £'000
Deposits by Parishes with Diocese:			Use of Funds Deposited by Parishes with Diocese:		
Parochial Funds	4,746	4,396	Parish & Clergy - Loans	95	87
Other Sources	33	33	Other Loans	5	8
			Funds on Deposit and other assets	4,679	4,334
	4,779	4,429		4,779	4,429

The Church Repair Fund and Loans Fund have been consolidated in the Financial Statements of the Rochester Diocesan Society and Board of Finance.

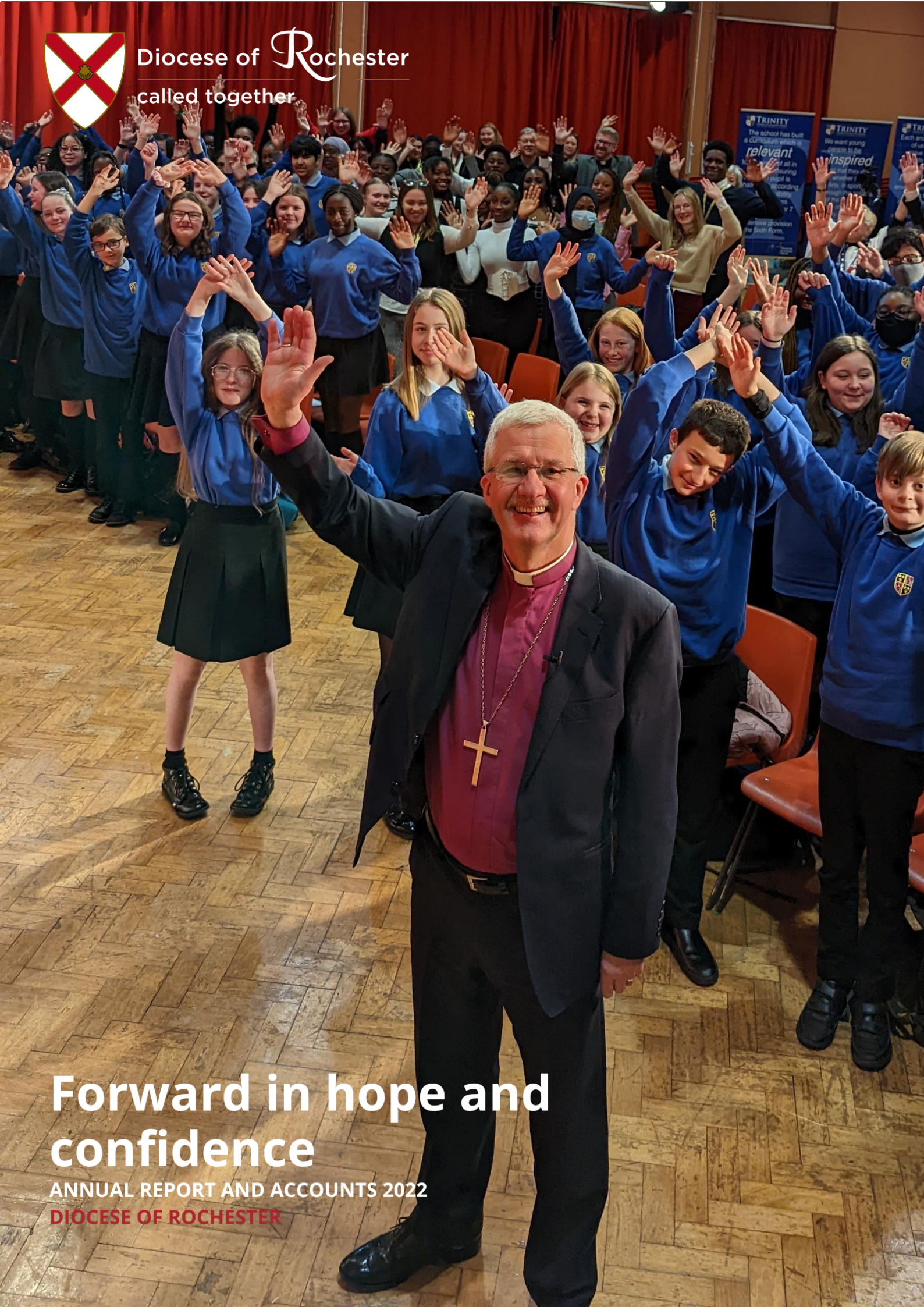
THE ROCHESTER DIOCESAN SOCIETY AND BOARD OF FINANCE

England & Wales - Charity number 249339

Accounts

Diocese of Rochester

called together



Forward in hope and confidence

ANNUAL REPORT AND ACCOUNTS 2022

DIOCESE OF ROCHESTER

We are the Church of England operating in the Diocese of Rochester in the area of Medway, north and west Kent, and the London Boroughs of Bromley and Bexley. A diverse and vibrant community of faith, we serve a population of some 1.3 million people, including 211 parishes and 3 Bishops Mission Orders, 90 schools, and numerous chaplains. We enjoy companion links with the Anglican Dioceses of Harare in Zimbabwe, and Kondoa and Mpwapwa in Tanzania as well as an ecumenical link with the Evangelical Lutheran Church of Estonia.

The Trustees, who are also directors for the purposes of company law, present their trustees' report together with the financial statements and auditor's report for the charitable company – the Rochester Diocesan Society and Board of Finance Limited (RDSBF) for the year ended 31 December 2022. The financial statements comply with current statutory requirements of the Charities Act 2011, the Statement of Recommended Practice for Charities 2015 (SORP 2015) (Second Edition, effective 1 January 2019) and the Companies Act 2006.

Registered & Principal Office: Diocesan Office St Nicholas Church Boley Hill Rochester Kent ME1 1SL

Directors and Members of the Bishop's Council
(Directors and Trustees):
The Bishop of Rochester (Chair)
The Rt Rev Dr Jonathan Gibbs
(confirmation of election 24/5/2022)
The Bishop of Tonbridge - The Rt Rev Simon Burton-Jones
The Chair of the Board of Finance - Mr Nigel Pope

Ex-officio:
The Archdeacon of Bromley & Bexley
The Ven Dr Paul Wright (retired 31/03/2022)
The Ven Katrina Barnes (appointed 01/03/2022)
Archdeacon of Rochester
The Ven Andrew Wooding Jones
The Archdeacon of Tonbridge
The Ven Sharon Copestake (appointed 16/01/2022)
The Dean of Rochester
The Very Rev Dr Philip Hesketh
The Chair of the House of Laity
Mrs Sarah Poole
The Chair of the House of Clergy
The Rev Canon Jeremy Blunden
The Chair of the Board of Education
The Rt Rev Simon Burton-Jones

Elected – House of Clergy:
The Rev Canon Mark Barker
The Rev Dr Julie Bowen
The Rev Martyn Saunders

Elected – House of Laity:
Mr David Fitzpatrick
Mr Philip French
Mrs Cath Johnston
Mr Jeremy King
Mr Gerald O'Brien
Mr Alan Strachan

Senior Staff:
Diocesan Secretary (and Company Secretary)
Mr Matthew Girt
Director of Finance - The Rev Richard Williams
(retired December 2022)
Director of Property - Mr Stephen Hoad
Director of Formation and Ministry - The Rev Canon Chris Dench
Director of Diocesan Board of Education - Mr John Constanti
Bishop's Chaplain - The Rev Lindsay Llewellyn-MacDuff
(resigned 18/12/2022)

Advisors:
Auditors: Haysmacintyre LLP 10 Queen Street Place, London EC4R 1AG

Registrar: Mr Owen Carew-Jones, Winckworth Sherwood LLP Minerva House, 5 Montague Close, London SE1 9BB

Bankers: Barclays Bank Plc, 2nd floor, 30 Tower View, Kings Hill, West Malling, Kent ME19 4WA

Property Adviser and Glebe Agent:
Savills plc 74 High Street, Sevenoaks, TN13 1JR

Investment Advisers: Mercer Global Investment Management Ltd. 1 Tower Place West, Tower Place, London, EC3R 5BU

Insurers: Ecclesiastical Insurance Office plc Beaufort House, Brunswick Road, Gloucester GL1

The Rochester Diocesan Society and Board of Finance is a company Limited by Guarantee Registered Charity No. 249339 Registered in England No. 140656

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***Cover photo**: Bishop Jonathan joins students at Trinity Church of England School, Belvedere for his announcement as the new Bishop of Rochester.*

Forward in hope and confidence

As our nation continues to emerge from a pandemic that has hurt so many through bereavement, illness, and lost employment, as we endure the realities of war in Europe, and as we face a cost of living crisis, it does seem that as a Church and Diocese, we too are at a key moment in our shared life.

There is pastoral work to be done with those who have endured loss, community engagement where care for other people needs to be organised, and evangelism to do as we both listen to others and share with them the hope we have in Christ.

What we have seen throughout this year is a resilience among our parishes and support teams.

This report offers a snapshot of the story of how we as a diocesan family are moving forward around our Called Together vision and priorities - despite the challenges - and walking alongside our communities, with the hope and confidence we find in the resurrected Jesus.

Ordination of priests in September.

OUR YEAR IN BRIEF

Some of the key moments we shared in together this year.

Jan

We welcomed Archdeacon Sharon Copestake as the new Archdeacon of Tonbridge.

Feb

The war in Ukraine begins and churches quickly mobilise to stand in solidarity with Ukraine.

Mar

Bishop Jonathan Gibbs is announced as our new Bishop and is taken on a tour around the archdeaconries.

Apr

Ordained and lay members of the diocesan family gather for the Chrism Eucharist - the first to be held in the Cathedral since 2019, due to the pandemic.

May

Fourteen new Lay Ministers are licensed at a service in Rochester Cathedral.

Jun

Poverty and Hope, our annual Fundraising Appeal supporting projects around the world, is launched.

Churches celebrate the Platinum Jubilee with their communities.

OUR YEAR IN BRIEF

Sept

The ordination of priests and deacons takes place in the Cathedral.

The death of Her Late Majesty The Queen is marked across the Diocese with books of condolence, services, and spaces for quiet reflection.

Bishop Jonathan and his wife Toni are officially welcomed to the Diocese in a special service at Rochester Cathedral.

Oct

A package of grants is launched to help churches and clergy with the rising cost of energy and living.

Nov

We marked Safeguarding Sunday with the creation of a set of materials to help encourage healthier, safer cultures across our Diocesan family.

Dec

To raise awareness of domestic violence, Bishop Simon shares a pre-match World Cup message encouraging men not to bring violence home.

Planning permission is approved for the first new church building to be built in the Diocese for 20 years at a site in Kings Hill.

Thank you to everyone who helped make these moments possible.

A message from Bishop Jonathan

It has been a huge privilege for me to begin ministry as the Bishop of Rochester over the last year. I have enjoyed enormously getting to know people and places around our wonderful and diverse Diocese, and I am so grateful for all that is being done by clergy and lay people in our parishes, chaplaincies, deaneries, and at Diocesan level.

I am profoundly conscious of the stresses and strains that we have all faced over the last few years, with the COVID pandemic and now the cost-of-living crisis, but at the same time I have been greatly encouraged by the enthusiasm and resilience of so many people across the Diocese who are committed to finding new and imaginative ways of expressing God's love to their communities and of sharing the Good News of Jesus Christ.

Our shared vision is that we are Called Together to serve the cause of God's kingdom in the communities of Kent, Medway, Bromley, and Bexley. I have sought to focus that vision around the three themes of Change, Serve, and Grow, which I see as key priorities for taking forward God's work in this Diocese, and it has been great to see people engaging with these themes in their local contexts.

I am confident that God has great things in store for us and for his Church!

As you will see from the Annual Report, a huge amount of work has gone into ensuring that our resources are used wisely and well. Over the next few years, we will continue to channel these resources as effectively as possible into supporting the ministry of our churches and chaplaincies to promote numerical, financial, and spiritual growth across the Diocese, in order to release all God's people for mission and ministry.

Thank you for all your support and for all that you are doing to share in this work. May God's blessing rest upon you in the year to come.

The Rt Rev Dr Jonathan Gibbs
Bishop of Rochester

A message from the Diocesan Secretary

2022 was in many ways a transitional year. A year in which we moved from Vacancy in See by welcoming our new diocesan bishop, Jonathan, and also moved from vacancy with the Archdeacon of Tonbridge, to welcoming Sharon Copestake to the role.

At the same time, we have moved on from the last of the lockdowns to the ability to plan ahead, even if there seems less to plan with in some places. With this in mind we have looked at ways we can unlock funding to invest in ministry locally and that works alongside the important and generous contributions through Parish Offers.

The result has been the adoption by Bishops Council of a policy of Total Return - a way of accessing the profit from the investments in our inherited endowment while maintaining the original capital. This way we protect for future generations, while ensuring there will be future generations by investing in mission now.

This ability to draw on the successful stewardship of resources will allow us to back and invest in that which will emerge through the drawing together in the coming year of locally led plans that enable us to Change, Serve and Grow.

Being in transition can often feel messy as the ground shifts again and again. I am therefore astounded and grateful for the huge commitment on the ground. The hours and hours of volunteer time given by so many, and at the same time, by so few people.

Whether that be in maintenance of buildings, ministry to the young, or care through safeguarding, or any of the other many aspects of ministry. The staff team at Diocesan Office often comment on the excellent work and determination locally in parishes, and for that I want to pass on our combined thanks.

I am also hugely grateful to my colleagues in the Diocesan Office who have continued to work so hard this year to support and facilitate parishes in their mission and ministry – their dedication and expertise is so appreciated.

Our role as a diocesan support team in serving those in the parishes means we look to the day to day, but we are also looking to the future, and doing so in hope and confidence.

Thank you for your partnership in the Gospel.

Matthew Girt
Diocesan Secretary

A message from the Chair of the Board of Finance

This has proven to be another challenging year financially. The squeeze being felt nationally and globally has been most noticeable for us in the two areas we rely most heavily upon for income and funding: Parish Offers and Investments.

Eighty-two per cent of our income is based on the generous giving of parishes to the Common Fund, for which we continue to be incredibly grateful, and which in 2022 has totalled £7.67m. However, despite this incredible effort and contribution, this is a fall of £0.2m from 2021 and is £0.6m less than we had budgeted for in 2022.

Our investment portfolio too - containing both market investments and Glebe property investments - has been impacted due to the difficult market conditions, managing an overall return of -5.8%. And, although we contained our operating deficit to £1.4m, (having budgeted for a deficit in 2022 of £1.5m), we ended the year with the Common Fund at £2.6m, below our policy of £5m.

This is a sobering picture indeed, but there are signs of hope.

Our cash position, for instance, remains strong, with cash and short term deposits at the end of the year totalling £6.6m. We also have several property sales planned for 2023 which overall will both strengthen our cash position and also our Common Fund reserves.

Not being complacent about the future, we have moved to a Total Return basis for managing the main Diocesan endowment fund, the Stipends Capital Account, which will afford us greater flexibility in its use going forward.

I am pleased that despite our deficit, we have continued to prioritise the welfare of our clergy, awarding a 5% increase in stipends from 1 April 2022, and making available some hardship grants during the year. Clergy housing has also been kept in good repair, with a total spend of £1.43M on improvements and repairs to parsonages this year.

Despite our prudent planning and clear fiscal strategy, it remains clear that how much finance there is to support ministers and parishes into the future remains heavily dependent on how we in our parishes, respectively and collectively, respond to God's own generosity in sending his son to die for us, through our collective giving into the Common Fund.

In closing we must note that Richard Williams, who served as Finance Director from 2017, retired in December 2022 - we thank him for his service. His successor will join the Diocese later in 2023. In the meantime, Matthew Girt, Diocesan Secretary, Amanda Reardon, the Diocesan Head of Finance, and her team, have done an outstanding job in managing a significant additional workload, which is much appreciated.

Nigel Pope
Chair of the Diocesan Board of Finance

Enabling each church to be mission minded

Helping resource parishes to understand their community and to build assurance in people that they can tell their own story of God's love in Christ; that there is a time and a place to share this with others.

Growing missional communities

Despite the pandemic, our strategic plan for growth across the Diocese is broadly on track. *Called to Grow* is the umbrella under which sits three key elements ensure our actions around growth are intentional

These are: Planning, Growth Projects, and development of a Learning Community

Planning

This has initially been led by the work of three Growth Enablers, through whom good progress has been made towards engaging parishes in growth planning.

- **One hundred and twenty eight** out of 185 incumbents have welcomed some level of growth planning.
- **Sixteen plans** have been reviewed at Archdeaconry Steering Group level.

The three-year funded Growth Enabler posts reached completion during this year. We are incredibly grateful for the work of each Growth Enabler in placing growth planning on such a good footing.

Growth projects

Our strategic plan for growth includes support for 5 priority projects in the deprived parishes of Anerley, Gillingham, Erith, Strood, and Slade Green.

These projects are funded by the Church Commissioners' Strategic Development Fund (£1.38m received in 2019).

PARISH PROJECT OVERVIEW

Anerley The Boxing Club recently became affiliated and renamed Christ Church Anerley Boxing Club. Boxing sessions have begun at two local schools and additional volunteer coaches are being safely recruited.

Gillingham Regular monthly Gospel Nights at St Mark's Church as well as external community performances that bring together the Kids Choir, Community Choir and Gospel Choir.

Erith Toddler and Messy Church - Noticing the same people gathering at Toddler and Messy Church. Messy Church is growing.

Strood Messy Church and Ignite outreach. Significant relationship building with community partners, serving the Welcome Café and Ukrainian Sunflower Café.

Slade Green Running consistent weekly Toddler Church and Messy Church with over 40 children at the Mothering Sunday service.

Each of these five priority parishes now has project workers in place and activity is ongoing.

Despite challenges, eleven of the twelve planned New Worshipping Communities (NWC) within these parishes continue to be developed, with interim support for those without leaders.

Learning community
The aim has been to set up a collaborative learning environment where parishes can share challenges and potential solutions for growth.

Membership is made up of incumbents from five priority parishes and a further three incumbents from growing churches.

The next phase for the *Called to Grow* project is to understand the impact these new communities are having on their members, moving on from gathering attendance figures to understanding and measuring changes in beliefs, behaviours, and experiences for all.

DARRELL'S STORY

Around our local church area in Anerley, South London, the knife and gun crime is terrible. As someone who has been involved in this violence and who knows the pain and destruction it causes, I wanted to set up the boxing club to allow the local teens to come and learn boxing. To have a place where they can let out steam and aggression in a controlled disciplined manner.

Here, they also learn to see fighting as a skill and something that is to be controlled and not just to have outbursts of rage. They learn to lose yet still respect their opponents.

At the end of every session, we offer a talk about Jesus and invite people to respond to him. We are currently setting up a mini church plant off the back of the boxing.

Many of the people who attend have been involved in drug dealing, prison, and gang violence and the boxing has really helped.

Darrell Mcleish *is the Freedom Forum Pastor at Anerley*

Creating missional buildings

Our church buildings are one of our greatest assets in helping facilitate opportunities for welcome and encounters with God. They can also be very challenging.

The Missional Property Fund has continued to support projects that allow parishes to open up their church buildings for mission.

The Fund has been made possible by generous support from Marshalls Charity, match funded by the Diocese of Rochester from restricted funds.

This year, grants totalling £118,500 were awarded to churches the length and breadth of the Diocese, supporting projects such as heating improvements, providing kitchen facilities to enable generous hospitality, and work to toilets and other facilities to make them fully accessible to all who visit.

Kings Hill

In December the community at St Gabriel's in Kings Hill learned that planning permission had been approved for their new church building.

Once completed, it will be the first new Church of England church built within the Diocese of Rochester for almost 20 years, providing an exciting opportunity to contribute a lasting legacy to growing community of Kings Hill.

Its central location means it will be easily accessible on foot, cycle/scooter, public transport, and with plenty of nearby parking for those who need it. It also means that the congregation can continue walking to worship as they do now.

At the heart of the project is care for the environment, with the building designed to have as low an environmental impact as possible.

Designed to be a modern, flexible space, the Rev Mark Montgomery, Mission Leader at St Gabriel's, says that the new building won't just be a place of worship, but a community space as well.

> **"The vision for the building is to create a place of community for all people. "**
> The Rev Mark Montgomery, Mission Lead St Gabriel's

Caring for church buildings
The care and maintenance of our church buildings, their contents, and churchyards, is vitally important now, and for future growth, outreach and mission.

Advice and support for parishes in this area is provided by the Diocesan Advisory Committee for the Care of Churches (DAC).

This small but dedicated diocesan support team has continued to assist parishes throughout the year, advising on permissions - known as faculties - for work within church buildings as well as around maintenance issues.

46
Petitions submitted

44
Faculties granted

9
DAC Committee meetings

11
Site visits

An accessible entrance was the outcome of work undertaken at St Peter and St Paul, Edenbridge, which included the creation of a new external porch and a level entrance. A new wooden framed door with an automatic opening was inserted in the porch to improve views into the church and reduce heat loss.

Financing future growth

The pandemic, and now the rising cost of living, has hit parishes and individuals hard, particularly financially.

During 2022, the Diocesan Leadership Team has sought to offer targeted support and make strategic financial decisions that will support mission and growth into the future, despite the current challenges.

Adopting a Total Return policy

We are incredibly grateful for, and reliant upon, the income raised by the generous giving of parishes into the Common Fund, which supports the current ministry across the Diocese.

As our shared diocesan Called Together vision evolves, it is clear that we need to invest more in mission and growth in the Diocese, in order to ensure we are not passing on an ever-growing endowment to a smaller and smaller number of future beneficiaries.

To ensure this, the Bishop's Council agreed to adopt a Total Return approach to its investments this year.

Total Return is a way for a charity to benefit from the increased value over time of a permanent endowment – such as a gift of money or a legacy – by releasing that increase in value so it can be spent (used as income) in the present day. The original gift is not compromised but is retained for future generations and beneficiaries.

Total Return gives us the extra investment we feel God is calling us to, in order to fund future investments in growth.

Generating a culture of generous giving

Church teams have continued to be generous with their time and energy. As we begin our recovery from the pandemic, encouraging a culture of generous giving is more vital than ever.

This kind of culture takes time, support and above all prayer, to grow. To help, the Diocese launched a new package of wraparound support this year to equip church teams to encourage generous giving in their local context.

The support includes:

- Free access to the Parish Giving Scheme, an initiative to make receiving direct debits easier.
- A new weekly bite-sized preaching resource on generosity.
- Training sessions to build confidence in encouraging others to be generous in their giving.

Implementation of the Parish Giving Scheme, supported by giving campaigns, and encouraging the use of digital giving in as many parishes as effectively as possible, will continue to be priorities over the coming year.

Parish Giving Scheme

Rochester Diocese joined this national Direct Debit scheme in March 2022 after a pilot with a small number of parishes.

There are now 30 parishes signed up, with an average gift per head per week of £24.50, excluding Gift Aid (the average across the Church of England is £19.13).

Digital Giving
Income gathered in 2022 from digital giving was £233,567 – a sizeable increase from the £26,775 in 2019. Compared to other dioceses in the Church of England, we are ranked at 16th in terms of numbers of parishes actively engaged with digital.

Giving Campaigns
Our giving adviser has worked with ten parishes on giving campaigns in 2022. Of those reporting results, the average increase in planned giving was 15%, with those who followed up non-responders achieving the highest increase.

Preaching Generosity
This weekly bite-sized preaching resource, using a diverse group of contributors from the Diocese of Rochester and further afield, aims to draw out themes of generosity in the Common Worship Lectionary and inspire preachers to do likewise in their sermons.

It is reaching about 7,000 people every week, mostly through The Digest and the newsletter of St Augustine's College of Theology, with whom we have partnered.

In addition, we are finding that other dioceses publicise it when contributors from their area are featured, and we have 200 direct subscribers to an email list.

Grants to help with the tough times
The cost of energy is among the many financial pressures churches and clergy have faced in these current times of high inflation and economic uncertainty.

CHURCHES WITH DIGITAL ACCOUNTS

100

AVERAGE GIFT FROM CARD READERS

£8.53

AVERAGE GIFT FROM ONLINE DONATIONS

£36.47

It is hard to think about mission and growth when you are unable to heat your building. In response, the Diocese reacted quickly by offering grants from a new Energy Costs Support Fund**.**

The money for the fund was drawn together from a number of places:

- The National Church (£249,000)
- The repurposing of our previous Covid Support Grants fund
- Some designated and restricted funds
- Releasing some of the historic gains we have made on investing through our Total Return approach

Aware of the pressure the cost of living was having on clergy households too, a Hardship Grant of £300 was made available in February 2022 for all stipendiary clergy and those for whom the Diocese provides housing.

The Diocese was a pioneer in this regard, being the first diocese to offer such grants to clergy. Having observed more was needed, a second round was offered in the autumn.

This additional support was made possible thanks to a grant drawn down from the Church Commissioners, bringing the total amount of hardship funding offered to £640.

In total, 91 grants were made of £300, and 108 of £340.

Nurturing overseas friendships

As a Diocese, we enjoy flourishing links with Anglican communities in Harare in Zimbabwe, and Kondoa and Mpwapwa in Tanzania, as well as a friendship link with the Evangelical Estonian Lutheran Church.

These links allow us to support and encourage each other in God's mission, to share our spiritual and material resources, to build strong and lasting friendships, and to advance the Kingdom of God within our dioceses.

This year we welcomed the Rev Christine Allen, Priest in Charge of Grain with Stoke, as the new Diocesan Companion Link Coordinator.

She joined a small but dedicated team of volunteers who each lead on nurturing parish and school links with a particular companion link.

Existing links have been strengthened through visits and regular zoom catch-ups, as well as new links forged.

The team has made progress in setting up many things for the first time this year, including:

- A QR code, text code, and updated information for insertion into Confirmation service sheets to promote the work of the companion links and encourage donations.
- New information for the diocesan website and adding a link for online donations.
- Invitations sent to all deaneries asking if they would like one of the team to speak at a deanery or chapter meeting about what the companion diocese links are and how they could get involved.

The first Overseas Companion Link Celebration Service to be held in three years took place in August, at St Michael's and All Angels, Wilmington. Bishop Given, the Bishop of Kondoa and his wife, the Rev Lilian Gaula, were able to be in attendance.

SYLVIE AND STEPHEN'S STORY

Our overseas connections are a great blessing to each as they support and encourage each other in God's mission. They are also about being there in the good and bad times, as we discovered on a recent trip to Tanzania.

The trip was an opportunity to see how work on projects supported by parishes in our Companion Diocese had progressed since our last pre-covid visit in 2019. Projects such as those at Mkwala village, where Crockham Hill Parish has generously funded restoration work to an existing water harvesting system at the link school, and a new borehole.

One thousand children now have water during the day, and over 700 local families have water for personal use and agriculture. The school plans to start a vegetable garden, income from which will be used to better equip the school. Then tragedy struck, as six days after his consecration as bishop, Bishop George (pictured centre) suddenly died of a heart attack.

Our bond as a companion link showed its strength, as Bishops Jonathan and Simon shared a message of condolence and support with the people of Mpwapwa Diocese.

This, along with many prayers of support, was appreciated by our brothers and sisters in Mpwapwa, who drew strength from knowing they were not, and are not, walking alone now or in the future.

***Sylvie and Stephen Barbor**, are the Chairs of the Rochester Mpwapwa Group*

Helping children, young people and adults live out everyday faith in Jesus

Whether a person is drawn to lay or ordained ministry in the Church or is called to living out their faith right where they are.

Ordained and Lay ministry

In September, 18 men and women were ordained as deacons or priests into the Diocese, each bringing with them a variety of talents and perspectives, adding to the diversity of the Diocese.

Among them this year were a motor sports enthusiast and computer business entrepreneur, an animal scientist, and a psychiatrist.

"It is always a complete joy to see those whom you have supported on their journey to ministry, take their next step at ordination. We all have unique gifts and talents that God gives us to use in whatever setting we find ourselves. They are all valuable in God's sight, whether you are called to ordained ministry, lay ministry, or to use your calling in your everyday work and life."
The Rev Canon Pamela Ive, Director of Ordinands and Vocations

Fourteen new Lay Ministers were also licensed to serve in 11 parishes across the Diocese this year. Licensed Lay Ministers (LLMs) are not ordained but hold a leadership role in their parish.

Many of those licensed as LLMs this year are in paid employment and very much see their working week as

ESTHER'S STORY

"It took seven years of discernment, waiting, and studying and now I wear an amazing piece of plastic around my neck. It is amazing to me because people have stopped me on the street to ask me questions. That never happened before!" The Rev Esther Bevan was among those ordained a priest, having served her curacy year in the parishes of St Edmund King and Martyr, and St Alban, Dartford. As a British Sign Language (BSL) interpreter, she offered the first BSL service for Deaf people at St Alban's Church, which was held on Easter Sunday, and is now holding regular BSL services.

part of their ministry, just as much as their Sunday church service involvement.

Within this year's cohort are teachers, a farmer, people newly retired, parents-to-be, and grandparents.

Continuing Ministerial Development
Continuing Ministerial Development for clergy has very much focussed on some of the themes raised in Ministerial Development Reviews, which has included managing conflict and wellbeing.

Reflective Practice Groups, now referred to as Pastoral Supervision Groups for clergy, continue to offer an opportunity to reflect on any challenging experiences or relationships in a safe, supportive, and confidential space.

This allows a chance to enrich pastoral practice, deepen awareness of self and other, build resilience, and increase awareness of group dynamics in ways which can help in managing conflict and engaging creatively with diversity. These groups meet nine times a year.

As a result of a review of Curate Formation in 2021, it was agreed that Pastoral Supervision Groups are now mandatory for curates as part of their curacy formation, which fully aligns with a recommendation in the Covenant on Clergy Wellbeing.

Lay formation and training
The formation programme for lay ministry continues to provide a grounded foundational programme of learning for those discerning a vocation to lay ministry.

The Licensing service for Lay Minsters takes place in Rochester Cathedral.

Each year the programme is reviewed by the Assistant Director of Formation and Ministry, and tutors, to ensure that we provide appropriate content and maintain high standards of learning.

In this past year, the assessment processes have been revised to ensure that no one is disadvantaged in accessing learning and to reduce the requirements for students. This required some additional work for tutors but has been well received by students.

A shorter version of the ten-day Rochester Leadership Programme was introduced for Lay Ministers comprising an introductory morning and two residential weekends.

The aim of the programme is to enable participants to grow in knowledge of themselves, God, and the wider-social context, to nurture a style of leadership that empowers and equips others.

Many have commented on how both their personal formation and their ministry have developed in their original settings because of the course, and this has given them confidence to explore wider areas of ministry.

Bishop's Certificate

The Bishop's Certificate programme is the start of our Licensed Lay Ministry training with students drawn from across the Diocese.

The course is open to anyone who has an active involvement in their local church, and who wishes to gain knowledge and skills to give a firm foundation to their Christian life and service.

In 2022, the programme had 10 students in the first year, 15 in the second year and 11 on the Licensed Lay Ministry track in the third year.

All of our 36 tutors and learning advisers are volunteers and students speak with deep appreciation of the care they receive through the programme as well as for the level of teaching.

They are deeply grateful for the learning environment at St. Benedict's Centre and the prayerful support of the Sisters.

'I am using so much of what I have learned in my parish.'
(Bishop's Certificate student)

Growing faith in children and young people

A key milestone in the work of the Children, Young People and Families Mission and Ministry Team this year, has been the completion of the Children and Young People Fund.

It was established five years ago to offer small to medium seed corn grants to support children and youth focused ideas across the Diocese.

From band equipment and mental health projects to bike repair initiatives and art therapy, 121 projects have been supported over that time.

Information gathered this year through a survey of project recipients shows that 72 per cent of the projects are now self-sustaining.

Exciting plans are now underway to use any underspend within the Children and Young People Fund to offer Mental Health First Aid Training to develop a network of mental health advocates and to support young people with their wellbeing.

Alongside the oversight of the Fund, the Team has continued to support youth and family workers within parishes through numerous training events, visits, away days, retreats, regular bulletins, lending of equipment, and offering best practice and guidance consultations.

A supporting grant from the Children and Young People Fund, alongside generous fundraising among the congregation, saw the choral tradition revived at St Mary's, West Malling, with the establishment of their award-winning Choral and Organ Scholars programme.

School celebration days made a welcome return this year, with Year 6 and Year 5 pupils welcomed back to Church Schools Celebration Days in Rochester Cathedral (Yr 6) and at Bromley Parish Church (Yr 5) in June - the first since before the pandemic.

Affirming everyone's calling

The Bishop of Tonbridge has continued to lead on the Everyday Faith agenda, taking every opportunity to talk about how we have an individual vocation and witness that is valued and precious in the sight of God - whether you are a parent, bus driver, officer worker, accountant, or however you identify.

This has included offering numerous anointing services at which people are invited to come and be affirmed and blessed for the work they do.

A dedicated Everyday Faith section promoted directly on the diocesan website homepage underlines the central commitment of the Diocese to affirm everyone's gifts and talents, and the calling they can live out in their everyday life and work.

Additionally, the diocesan magazine, *Together,* features a regular Everyday Faith section, in which personal stories of faith and calling are celebrated as an encouragement to others to recognise the same in their own lives.

CHICHI'S STORY *'In my role, I can express my faith by showing the love of Christ sincerely through hospitality, to all our guests, many of whom have no faith.'* Chichi Nwandu is the Bursar at St Benedict's Centre in West Malling.

Sports Ministry
Sport is a big part of many people's everyday lives, and work has continued in the Diocese this year to encourage churches to explore how they can use sport and wellness to help people of all ages to live out their everyday faith in Jesus.

From healthy walks and mobility exercise sessions to cycling groups and sports club chaplains, churches across the Diocese are being creative in showing how they can be a positive and encouraging presence in people's sporting lives.

In the lead up to Sports Sunday in May, a new video was created highlighting some of the ways local churches are becoming a Godly presence in people's sporting lives, so as to encourage others to consider doing the same.

"Too often we haven't connected our love for sport and well-being with our love for God or to see it as a wonderful divine gift for human expression."
Bishop Simon Burton-Jones

Left to right: Genesis Football - St John Chatham, Healthy Walks – St Mary Platt, Pilates for Ukrainian women – Christ Church Chislehurst, Mobility Classes, St Mary Shortlands

Deepening people's relationship with God

The Diocese offers a number of avenues to help people explore and deepen their faith and prayer life.

This work is supported by the Diocese's Spirituality Network. Within the Network are people who give retreats, offer spiritual accompaniment, quiet days, and talks on various subjects to do with spirituality.

Additionally, there are also longer more in-depth opportunities available, such as *Closer.* This is a one-year experiential course in Christian Spirituality allowing participants to:

- Explore and develop their own relationship with God.
- Try new ways of praying.
- Learn about different Christian Spiritualities.

During the pandemic the course was trialled on Zoom. This proved very successful and so, despite the lifting of restrictions, it has continued to be delivered in this way. Doing so appears to be helpful in allowing participants to establish a place and a routine for prayer, and the deepening of their spiritual lives in their own home.

The Network has also continued this year to offer *Training in Spiritual Accompaniment* with the Diocese of Canterbury. This is a two-year in person programme consisting of six Saturdays per year and a residential weekend in year two. The course is a mixture of theory and practice and there is a requirement for ongoing study and regular meetings with tutors between the study days.

Fifteen people completed the course in 2022 and 17 have been offered places for 2023. Those who have completed the course and who want to offer the ministry of spiritual accompaniment are required to attend regular supervision groups with other practitioners where they reflect on this ministry.

Attending to the spiritual needs of older people

Anna chaplaincy is a pioneering ministry in the Diocese working with older people and those with dementia.

It aims to equip churches to better support older people in their congregations and communities, and to ensure their spiritual and pastoral needs are met.

Dementia Friendly service, St Justus, Strood

JUDI'S STORY

As part of a series of films about safeguarding, the Rev Judi Hammil, Vicar at St James', Tunbridge Wells, spoke about her work with older people through Anna Chaplaincy. She says, *"I've really enjoyed working with the Anna Chaplains in putting together the Hope Services that are designed especially for people who live with dementia and other long-term conditions. I've also enjoyed going into our local care homes and getting to know many of the residents there. Elderly people whose minds and bodies don't work as well as they once did are really dear to me because my dad suffers from Alzheimer's."*

During this year, six new Anna Chaplains have been recruited, trained and commissioned in the Diocese, bringing the total number to 37.

There are now also 29 Anna Friends – these are trained volunteers who give a few hours of their time to offer support and friendship to older people and their carers to help meet their spiritual needs

The first annual get together for Anna Chaplains and Anna Friends across Rochester and Canterbury Dioceses was held in September. It was attended by 33 participants who benefitted from keynote speakers on 'Personal Resilience and Wellbeing', and 'Singing with Older People'.

A new short course for Anna Chaplains to train their teams on ageing and dementia was also piloted this year and is set to be rolled out later in 2023.

St Benedict's Centre

St Benedict's Centre, based in the grounds of Malling Abbey, provides space for day retreats, quiet days and learning opportunities for individuals and groups.

The single most important aspect of St Benedict's Centre is the relationship with the sisters at Malling Abbey who have gifted the use of buildings for the work of the Centre and who support the activity through daily prayer and participation in some of the events.

The Diocese uses the Centre for the Lay Ministry Formation programme and much of the Continuing Ministerial Development programme.

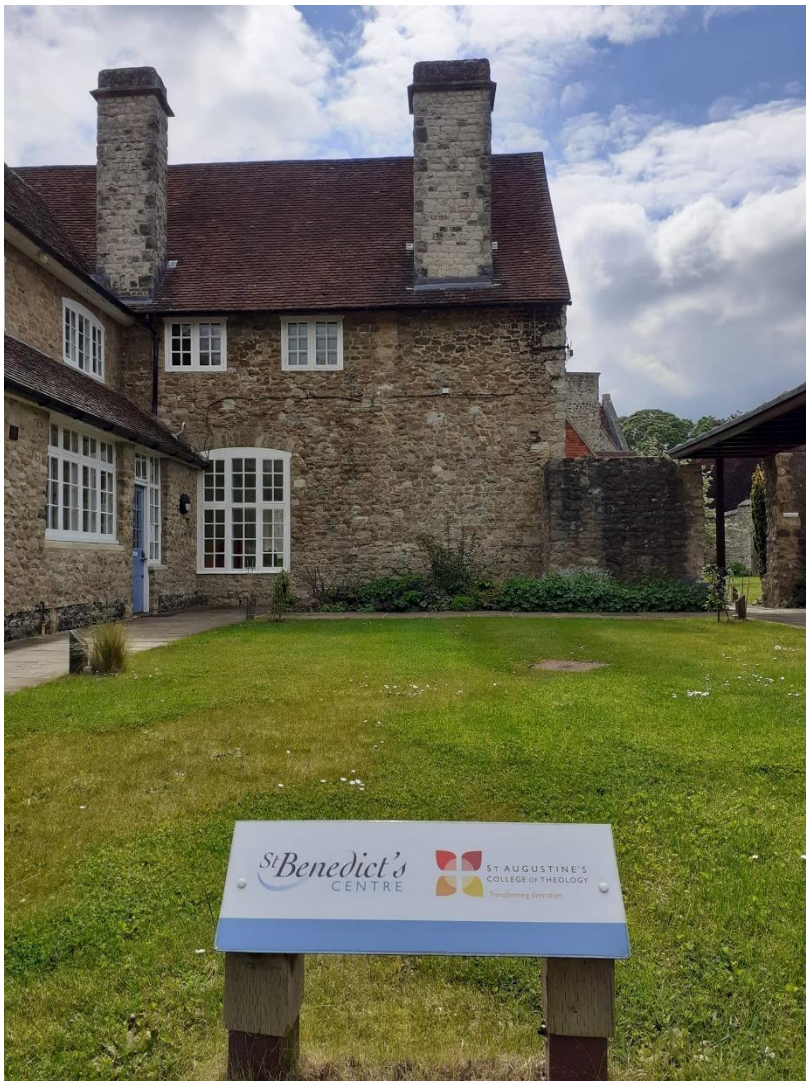
Other diocesan groups, including the DAC, Board of Education and the Safeguarding Team, use the facilities for meetings. Clergy and lay leaders are encouraged to use the individual study rooms for day retreats or space to work. Parish groups enjoy using the space for vision days, quiet days and for team planning.

St Augustine's College of Theology is a resident guest of the Centre which provides office and library space as well as teaching facilities.

During the past year the Centre has established a bespoke programme of events grounded in the Benedictine principles of stability, hospitality and silence. These events are designed to attract a wide range of people.

“We look forward to growing this relationship and continuing to embed spirituality in the life of the Diocese.”

The Rev Canon Jane Winter, Centre Manager



The programme includes traditional quiet days, wisdom days where participants contribute to shared learning, walking days based on using the Lectio Divina method of hearing the bible and arts days. The series of days exploring Benedictine wisdom have proved very popular.

During the course of this year, the trustee body has been reconfigured with a new chair person, new bishop and a new bishop’s visitor for the Abbey. This body is now in a position to develop the vision for the centre, now that the Benedictine principles are well established and shape the culture of the centre.

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Supporting loving service in local communities

Understanding that our mission is to the whole person and every initiative to meet human need is a sign of the coming kingdom of God.

Seeking to be God's eyes, hands and feet

As Christians, we are called to love our neighbour as ourselves. One expression of that is how churches and individuals serve their communities.

The legacy of the pandemic has continued to challenge churches around their capacity to engage in community outreach because of volunteer burnout, changed local needs, and a lack of financial resources.

Into this context, Licensed Lay Minister, Magali van der Merwe, joined the Diocese as the new Lead Community Engagement and Social Action Adviser this year. She has hit the ground running to help churches identify the needs in their communities, as well as navigate the things that might hinder them in engaging in community outreach.

Responding to Ukraine

As news of the invasion of Ukraine broke, churches in the Diocese quickly mobilised to offer support. From prayer vigils to donation drops, the response of churches was one of compassion and generosity.

Many churches found ways to stand in solidarity with the Ukrainians already in their midst – and the bonds from their initial response has continued.

Photos from Top to bottom of page: Donation drop and English classes, St John's Sidcup - Prayer day, Holy Trinity, Coxheath – Donation drop and family drop-in, King Charles the Martyr, Tunbridge Wells

Aware that each and every church, and person's, situation and capacity, was different, the Community Engagement and Social Action Team created online guidance offering a range of suggestions that individuals and churches could consider.

A process and guidance were also developed for clergy who wished to offer lodging for refugees in their own home as part of the Government's Homes for Ukraine scheme.

Space for English classes and creativity was made available to Ukrainian women at St Benedict's Centre, West Malling

Responding to the rising cost of living
According to Church of England research published at the end of 2022, nearly three million adults in the UK are estimated to have sought help from churches or other religious organisations as a result of the cost of living crisis.

In the Diocese, the Community Engagement and Social Action (CESA) team held a webinar on Warm Spaces/Warm Banks in early September to share ideas, highlight areas of concern, and to begin to build a network of churches looking to respond in practical ways, which over 60 people attended.

The overall message was to 'do more of what was already on offer, rather than creating something new.' Churches were encouraged to open buildings for longer periods of time but also meet other community needs through extension of current provisions.

There was also a strong encouragement to work with other partners in the community, such as other churches, community groups, and local authorities, to help with access to more volunteers and funding.

Through the CESA Lead Adviser, Local Authority contacts were kept updated on church plans, particularly as any additional government funding was likely to be distributed through Borough and District councils.

Warm spaces grant
Over 70 churches applied to the Diocese's Warm Space Grant Scheme, developed to enable churches to support their communities throughout the winter

From simply offering a warm, safe space to go, to providing warm drinks and food, to supplying warm coats and other clothing, a variety of responses were developed. Central to every offer was dignity and welcome, with many churches now seeking to provide this outreach on an ongoing basis.

A WARM WELCOME
At St Peter and St Paul, Aylesford, longer hours were added to their Place of Welcome café as part of a package of warm and welcoming support which includes an established food bank and now, a new Dementia Café. The Rev Ruth Peet says there is a delicate balance to be struck between letting people know that they are welcome to something like the café, without it appearing like they are receiving charity. *"It's about offering company and welcome first."*

Responding to food and financial poverty
From community larders and community cupboards to food banks and community fridges, a variety of initiatives aimed at helping feed communities have been developed by parishes.

An approach to support those facing debt was also drawn up by the CESA team which included:

- Raising financial awareness and upskilling local churches'
- congregations through talks, online resources and a Jesus Money resource.
- Specific financial and budgeting training aimed at community hub leaders and church leaders with an interest in helping others suffering from debt.

Responding to poor mental health
Local churches are keen to support those suffering from mental ill health, either by themselves or with partner agencies.

From offering courses such as Kingtsugi Hope, and The Recovery Course, or putting on activities that promote mental wellbeing such as:

- gardening
- craft
- healthy walks

The training of Mental Health First Aiders has continued, with now just over 100 across the Diocese.

The Gardening Club runs as part of Thrive Thursdays at St Augustine, Gillingham

Mourning our monarch Churches were focal points in their communities for prayer, reflection and remembrance on the death of Her Majesty The Queen. *(Photo credit: Roger Vaughan)*

Speaking and responding to the prophetic voice of justice and peace

To speak up for justice, to speak up for peace, and to be open to hear the prophetic voice ourselves, for the Church has much it needs to put right.

Safeguarding

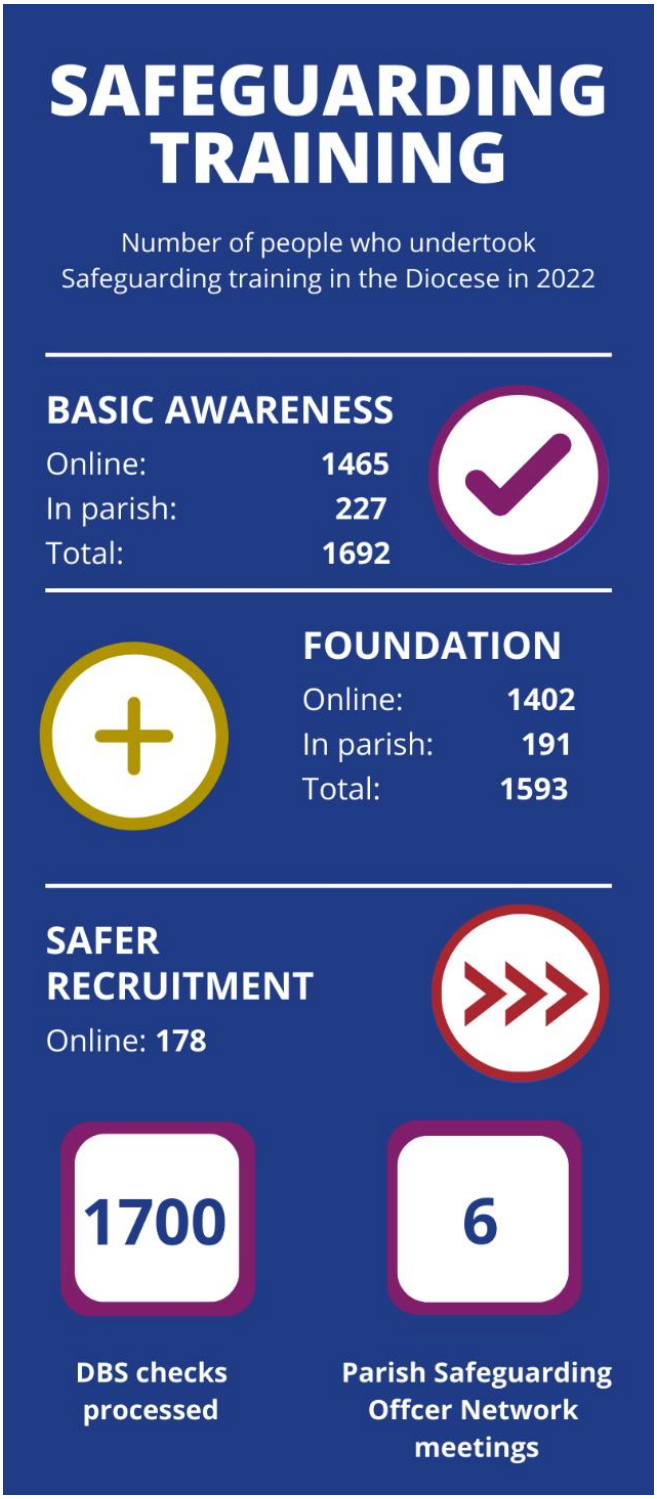
As a Diocese we take our safeguarding responsibilities very seriously and we are committed to ensuring that our churches and buildings are safe places for all.

Alongside delivering a full and demanding programme of required safeguarding training, the Safeguarding Team has continued to handle an increasing workload of enquiries and case management, as well as carrying out clergy inductions, Parish Safeguarding Officer meetings, and DBS checks.

The safeguarding pages of the diocesan website are regularly checked and reviewed to ensure they contain up to date as well as accessible and appropriate material for a range of users, including children and young people, adults, and victims and survivors of abuse.

A joint safeguarding conference was held with the Diocese of Canterbury bringing Parish Safeguarding Officers and others together for a time of shared learning and encouragement.

Additionally, a number of major safeguarding reviews and reports involving or connected to the Diocese were published this year, including the Past Cases Review 2.



Past Cases Review 2
This year our Bishops welcomed the publication of a major, national Church of England report reviewing safeguarding information across the Church nationally.

Called the Past Cases Review 2, its purpose was to identify both good practice and institutional failings in relation to how allegations of abuse have been handled, to assess any identified risks and respond to these where appropriate, and to provide recommendations to the Church that will lead to improvements in its safeguarding work.

More than 70,000 written and electronic records were independently scrutinised across the Church of England for any reference to a safeguarding matter or concern.

The national report was informed by independent reviews undertaken in each of the 42 dioceses of the Church of England, including our own Diocese.

As part of the process undertaken within our Diocese:

- **Over 3,700 files**, records and pieces of information were examined.
- **An appeal for information** on all previously known safeguarding incidents was made to parishes and other organisations, to ensure that a record of the incident was held by the Diocesan Safeguarding Team, and to check appropriate action had been taken.
- **Personal files of clergy, lay ministers and employed staff**, including the files of those no longer holding office and those of deceased clergy were reviewed.

On completion of the Review in our Diocese it was confirmed that:

- **100% of parishes** returned declarations.
- **One new case ** was identified from the parish returns** – this led to a referral to the police and an investigation by the Diocesan Safeguarding Team.
- **Thirty-six files were identified as requiring further work** by the Diocesan Safeguarding Team to bring the file up to the required modern standard of safeguarding practice, and to enable the file to be closed. In each of these files, the reviewers subsequently agreed that all actions had been taken and that the case could be closed.

'The Church has a long and shameful history of failure when it comes to how we have responded to allegations of abuse, and to victims and survivors of abuse. This is true in our own Diocese, for which I am deeply sorry. However, apology must be accompanied by change and action.'
Rt Rev Simon Burton-Jones, the Bishop of Tonbridge responds to PCR2

A full overview of the findings and recommendations of the Diocese's independent Past Cases Review 2 is available on the diocesan website.

***A new case is defined as any information identified through the PCR2 process pertaining to an individual or a concern that was previously unknown by the Diocesan Safeguarding Team.*

Creating Healthy, Safe Cultures
Across the Diocese, there are people working very hard in churches and within the support teams to help keep everyone safe.

They are undertaking things like being careful about who carries out a role in a church or at a church activity, learning how to work in the safest way possible, or stepping up to be a Parish Safeguarding Officer.

For these things to work, there needs to be a good culture - a safe and healthy culture - and that's where each and every person can make a difference. To help, we used Safeguarding Sunday in November as an opportunity to start talking about the culture within churches and other settings, and to think about the part everyone plays in creating that culture and keeping it going.

As part of this, new materials were launched on the diocesan website to help churches and all church role-holders to have conversations about culture. The material included sections on:

- Talking about what a healthy culture is and might look like in a church or other setting.
- Hearing and valuing the voice of victims and survivors of church-context abuse.
- Raising awareness of important contemporary safeguarding issues.
- Thanking and praying for those who coordinate safeguarding in a church or other setting.

The pages can be explored at any time and will continue to be added to.

Safeguarding Dashboard
The Parish Safeguarding Dashboard is an online tool to assist parishes in making safeguarding administration simpler.

Introduced in December 2021, the Safeguarding Team has continued to promote the tool to parishes and encourage uptake.

As of December 2022, there are now 144 out of 211 parishes and 3 Bishop Mission Orders, registered with the tool. One hundred and nine of those are actively using their dashboard.

'I think the Dashboard is a brilliant tool. I find using it helps enormously, especially when I am reporting to PCC and asking for discussion and approval of various procedural matters, as it helps me to focus on the things which need doing, and not leave anything out.'
Naomi Welling, Parish Safeguarding Officer, St John's Church Centre, Tunbridge Wells

Domestic abuse and violence against women

The Diocese continued its awareness-raising work around domestic abuse and gender-based violence this year.

In support of the UN's 16 Days of Activism Against Gender-Based violence, we actively shared and promoted a National Church campaign highlighting the issue. Two of our own Safeguarding Team also led national webinars on grooming and trauma informed practice, as well as domestic violence.

In addition, we actively supported The White Ribbon Campaign's White Ribbon Day. Although aware that domestic abuse can happen within all kinds of relationships, the campaign particularly focuses on men by encouraging them to promise not to use, excuse, or remain silent about men's violence against women.

This year, White Ribbon Day (25 November) fell in the same week as the start of the FIFA men's World Cup. To tie in with this, the Bishop of Tonbridge, released a pre-match video message asking men not to bring violence home that World Cup season.

From Lament to Action

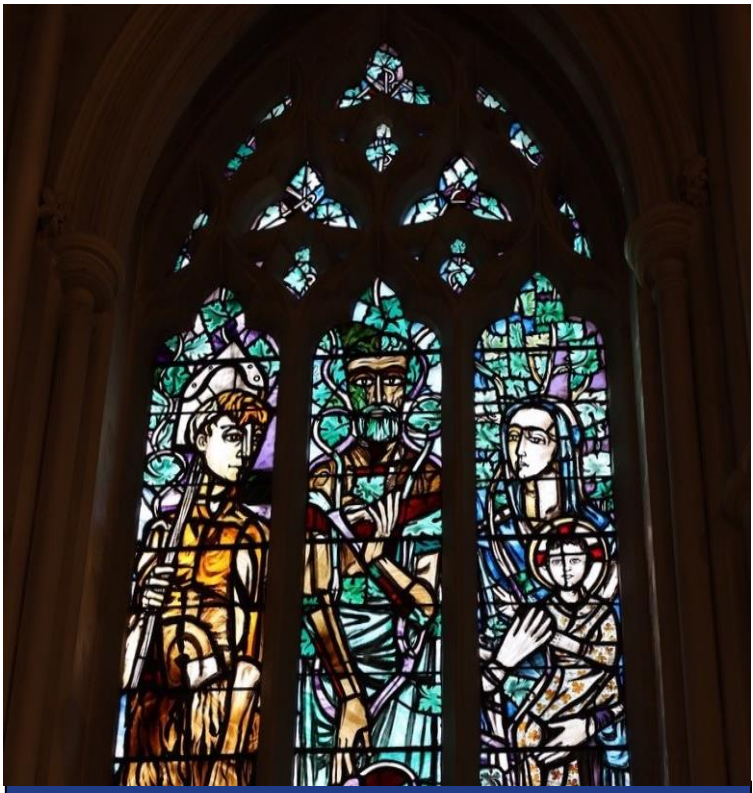
From Lament to Action (FLTA) is a national report published by the Archbishops' Anti-Racism Taskforce. Calling out institutional racism within the Church, it proposes a suite of changes to begin bringing about a change of culture in the life of the Church of England.

In 2022, a working group was established in the Diocese to:

- Identify the different recommendations that should be taken forward in the Diocese.
- Identify the key person or people responsible for implementing these recommendations.
- Contribute to the implementation of recommendations by active support and enabling of those responsible for implementation.

The proposed working group and its remit was discussed with clergy and lay colleagues who self-identify as BAME, at West Malling at the beginning of February.

The working group will report back to the Bishop's Council with progress, and with the timeframes for their review work. Following this, the Working Group will come back to the Council with recommendations for implementation, including any resources required.



CONFRONTING CONTESTED HERITAGE

St George Church, Beckenham has taken steps to understand and confront the contested heritage - memorials and objects that are symbols of injustice or sources of pain - quite literally upon their walls. The family names of all those on the memorials were researched. Then, with the extent of the Contested Heritage established, the committee decided that, rather than try to remove the memorials, they would be open and transparent about their presence and use them as an opportunity for learning and to challenge injustice. A statement explaining the church's position is prominently displayed around the church.

Poverty and Hope

The Diocese of Rochester's Poverty and Hope Appeal is our annual fundraising opportunity to express our Christian belief in justice for the poor.

This year it launched seeking to raise money for projects supporting:

- People living in the slums of Brazil
- Children's education in rural Myanmar
- Left behind minorities in Bangladesh

To these were added exciting initiatives in three of our companion dioceses; providing clean water in Kondoa and girls' education in Mpwapwa, both in Tanzania, and beekeeping and fish farming in Harare, Zimbabwe.

Over £23,000 was raised in the 2022 Appeal, and £25,000 was distributed to our six partners by drawing down funds carried forward from the previous year. Over 50 parishes made donations and in many cases these were part of a regular yearly pattern of generous giving.

Living in Love and Faith

Living in Love and Faith is a learning and listening process that has taken place across the Church of England over the last five years. It has encouraged individuals, parishes, deaneries, and dioceses to explore questions about how identity, sexuality, relationships, and marriage fit within the bigger picture of the good news of Jesus Christ.

Parishes, groups and individual across the Diocese have engaged with the materials, including the Diocesan Synod in March. The whole process closed to responses in April and the findings, 'Listening to the Whole Church' were published in September.

There followed a process of discernment by the College of Bishops leading to the creation of a set of proposals by the House of Bishops, which were considered at the February 2023 General Synod.

In Mpwapwa Diocese, Tanzania, £2,000 was released to St Philip's Theological College to fund a solar panel array to power their borehole, helping irrigate crops, as well as increasing the acreage of agricultural projects at the college.

GIOVANNI'S STORY

For me the most important issue of justice is hunger. It is an issue that has been with us for a very long time and which is very difficult to resolve.

Food insecurity is something that we have seen more as we come out from the pandemic. Individuals and families are suffering with this issue. It's not surprising to see our local councils, schools, community groups, charities and churches to try to tackle it.

As we see more individuals and families unemployed, we see that more and more they come through our doors asking for food.

My prayer is that in looking at this issue we voice up this basic need to our local governments, to our local councils, that we work together: community groups, churches, alongside with the council, and the government and try to supply this basic need.

My prayer is also that we will allow God to act divinely through us.

Giovanni Parrales is the Estates Evangelist at St Francis' Church, Strood. He shared his most pressing issue of social justice as part of our contribution to the national #EmbracingJustice Lent campaign.

Protecting creation's life for future generations

As part of our prophetic calling, we commit to speak about our role in caring for God's creation, to work for the protection of the natural world and to equip Christians and churches to care for it.

Working towards net zero

The diocesan support team is trying to maximise its impact on this vital piece of work within existing limited resources.

The current approach is to focus on encouraging churches to measure their carbon emissions using the Energy Footprint Tool, and to look at ways to measure and improve the energy efficiency of our clergy housing.

The pandemic has slowed our progress, however, 61 churches in the Diocese have now registered for Eco Church status (including LEPs which count for both denominations), of which 13 have reached the bronze award level and 2 the silver award level.

Additionally, opportunities are regularly communicated to parishes to engage on creation care issues, including around COP26, the Churches Count on Nature week, and National Church environmental webinars.

We have engaged key internal stakeholders and responded to the National Church's consultation on a draft Route Map To Net Zero.

Monitoring our carbon emissions

We have continued to encourage churches to use the Energy Footprint Tool, which enables them to work out what their carbon emissions are and then work out how to reduce them.

BRONZE ECO-CHURCH ACHIEVED

St Mary the Virgin Church in Stone was awarded a Bronze level Eco-Church award, as well Fairtrade Church status, as part of their efforts to care for the environment. Steps taken include an Eco-Church display board in the church, information and tips on ways to care for the environment included weekly pew sheets and social media platforms. Bird and bat boxes, a bug hotel, and bird feeders were installed in the churchyard.

Provisional headline data from 2021 that has come to us in 2022 shows that:

- Thirty three percent of churches completed or partially completed the Energy Footprint Tool (up from 23% in 2020)

- The net CO2 emissions for churches was 2,187 tonnes in 2021 compared to 3,100 tonnes in 2020 (a reduction of 913 tonnes)
- With the inclusion of schools, housing, offices and other buildings our total emissions were 6,676 tonnes in 2021, compared to 7650 tonnes in 2020 (a reduction of 974)

We know that for much of the preceding winter, church buildings were closed, so energy emissions would be less than 'usual'.

We also know we still have more work to do on our environmental impact, however, working out our current carbon emissions will enable us to measure the impact of the changes we make.

Clergy housing
Earlier this year, as part of our journey towards Net Zero, the Diocese began a review of all properties.

This included Energy Performance Certificates (EPC) surveys being undertaken for all parsonages within the Diocese; this information, coupled with the Property Team's knowledge of the portfolio, will be reviewed to enable recommendations to be brought to the requisite boards at the appropriate time.

While some access issues have delayed progress, to date, 37 properties have been completed. Inspections are ongoing with EPCs.

Once the surveys have been completed the data will be reviewed and analysed to enable the Diocese to plan for what investment is needed and where over a set period to reduce the impact of our housing.

Insulation pilot
Alongside the energy surveys, an insulation pilot scheme has been undertaken with 16 identified properties which will benefit from improved insulation during the winter months, aiming to mitigate against energy costs.

The first eight properties that have been surveyed will be proceeding with roof and cavity wall insulation once access has been agreed.

Feedback from one of the first recipients of the insulation confirms the benefits.

'We had new insulation installed the other week and we are already noticing the difference it has made.'
The Rev Roger Bristow, Holy Trinity, Bromley Common.

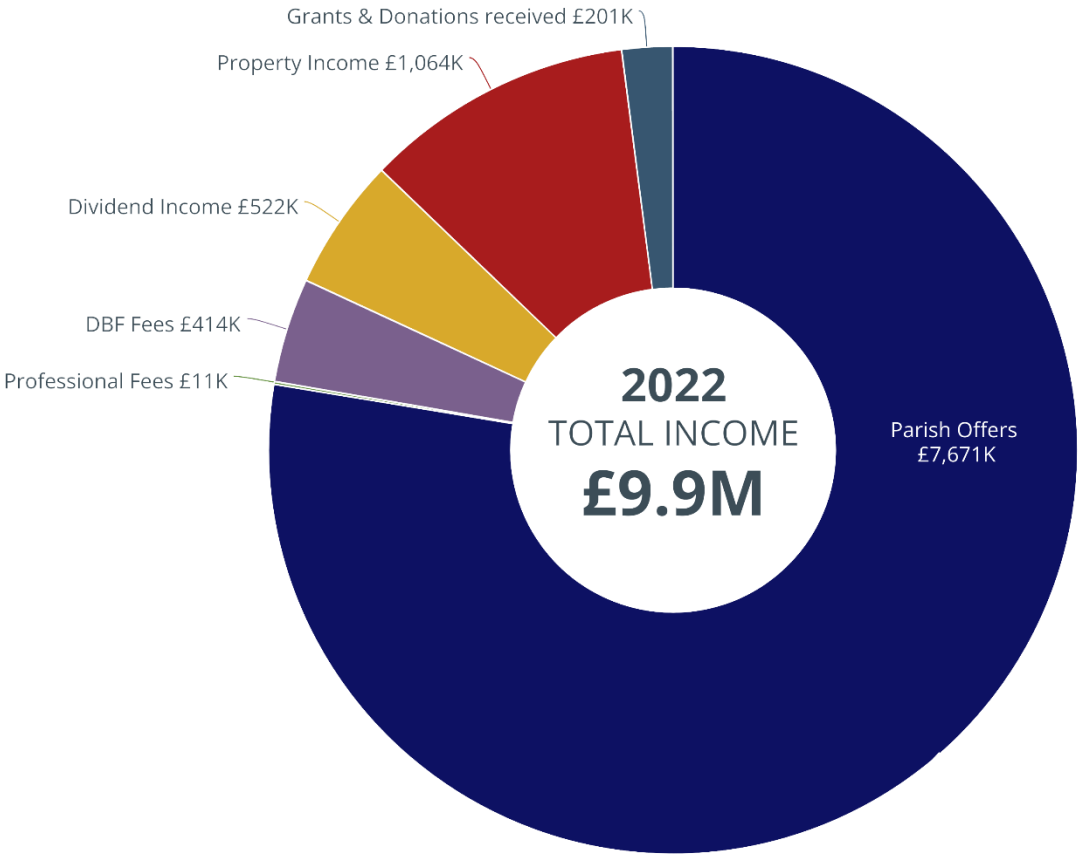
KAYLEIGH'S STORY

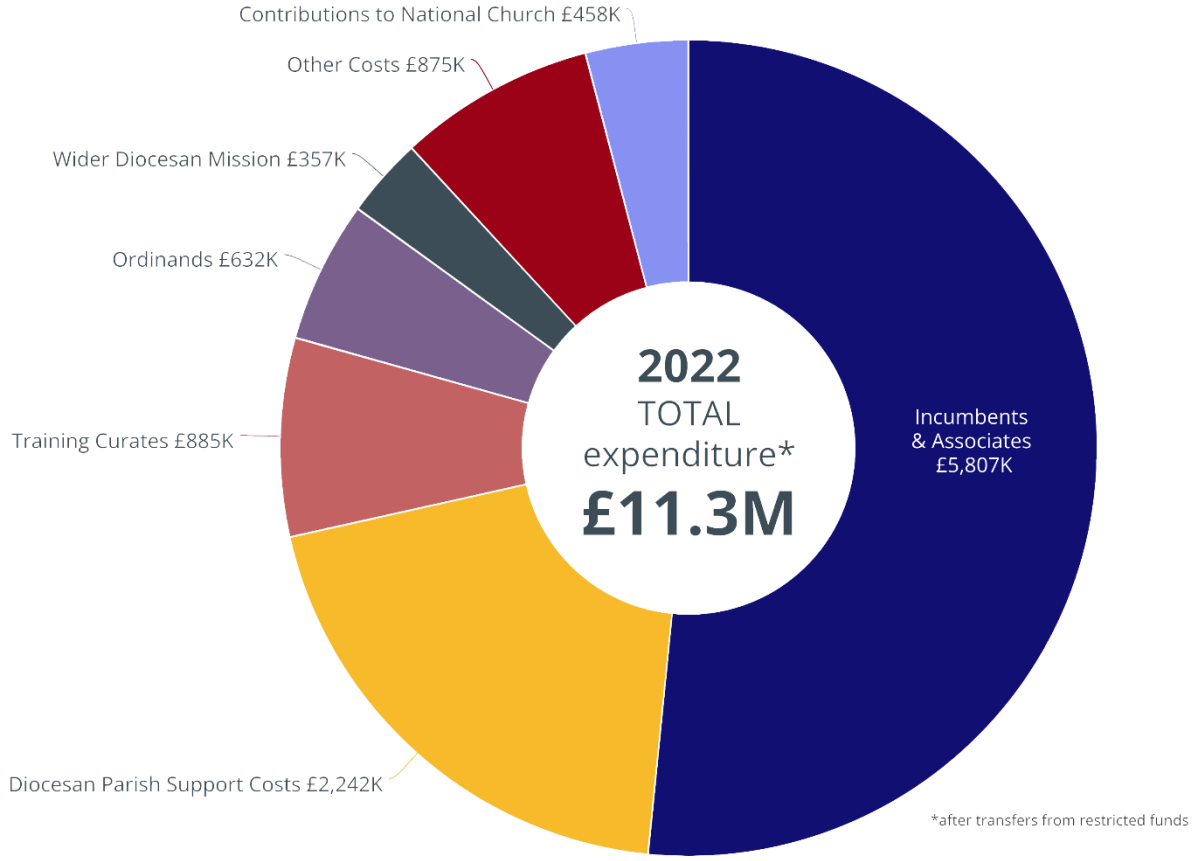
When things get tough, or when God feels a million miles away, what brings me back is connecting with nature.
Speaking out about the climate crisis can be tough.
Through the Eco Hub I've got my dream - a family, a little tribe of people who feel the same - and it feels really nice because it's really changed my mindset and my sense of how I live out my faith.
As a group, we've planted 2,700 trees, we talk in schools, and monitor the air quality around the town. In fact, the non-church people often think it is quite cool that the Church is doing things around the environment but I am not sure the Church more widely always realises this.
But for me, acting on climate change, well if that is not proclaiming the name of Jesus, I don't know what is.

Kayleigh Ward *is the co-founder of the Eco-Hub that runs out of St Margaret's Church, Rainham*

TOTAL COMMON FUND INCOME AND EXPENDITURE

We spent £11.3m in 2022. This was funded by donations from the church community into the Common Fund and income from other sources. This page illustrates where funds came from to finance the level of expenditure during the year.





*after transfers from restricted funds

SUPPORT COSTS FOR PARISHES

With over 550 clergy and licensed lay ministers, we are reliant on the generous giving of parishes, through their Parish Offers, into the Common Fund, which together with DBF fees represents 82% (2021:81%) of our income.

Annualised Cost of a Full-time Incumbent (£)	Apr-22	Apr-23	2023		2023 Cost per benefice
Current Stipend (from April 2023)	*27,805*	*29,195*	28,848		
National Insurance 13.8% over £9,100			2,725		
Pension 26%			7,500		
Parsonage Upkeep budgeted for 2023 (2022B: £5,494)	*£980,034*	*160*	6,125		
Cost of a Full-time Incumbent			**45,198**		**£45.2K**

Diocesan Support Costs (ex Parsonage Upkeep) (£K)	2020	2021	2022A	2023B	
	1,851	**1,892**	**2,138**	**1,985**	
Number of benefices	**181**	**179**	**176**	**172**	**£11.5K**
Cost per benefice					

Costs of Mission, Future Ministry and National Church (£K)	2020	2021	2022A	2023B	
Curates	862	809	885	1,006	
Ordinands	650	694	632	750	
Wider Diocesan Mission	395	344	357	350	
Contributions to National Church	508	490	458	434	
	2,415	**2,337**	**2,331**	**2,540**	**£14.8K**

Contribution required for 114 (2021: 115) benefices unable to cover the allocated cost of a wte Incumbent and Diocesan Support Costs (£K)	**1,982**	**1,844**		**£10.7K**

Average Contribution required from Benefices **£82.2K**

FINANCIAL STRATEGY

The financial strategy is the achievement of a financially sustainable position and to successfully underpin the diocesan strategy of called together.

FINANCIAL SUSTAINABILITY

The Financial Strategy is the achievement of a financially sustainable position to underpin the Diocesan Strategy of Called Together and enable it to come to fruition.

This entails sustaining the parish structure of ministry and, where required, investing in the reinvigoration of established parish churches. Alongside this, we are increasingly focussed on investing in fresh mission opportunities and the emerging church. This approach demands a delicate balance between current investment and the preservation of capital for the future, all the while seeking to maintain our existing funding of the parish system.

We need to be able to invest in areas of new developments where the population is growing, and increasingly are focused on reaching out to the unchurched and de-churched and in areas of demographic and cultural change and diversity, where different styles of church may be required. We also need to support this in our recruitment and training of clergy and lay ministry, and in the oversight of establishing fresh expressions of church and church planting.

COMMON FUND AND INDICATIVE OFFERS

The Common Fund is the principal unrestricted fund that deals with the general income and expenditure of our Diocese. The management of the finances and resources are framed in such a way which reflects who we are – an interconnected family or fellowship of Christians dependent upon and supportive of one another. This connection brings with it a shared concern and responsibility for one another.

Thanks to the generous and often sacrificial contributions of parishes into the fund each year, we are able to ensure a number of things including:

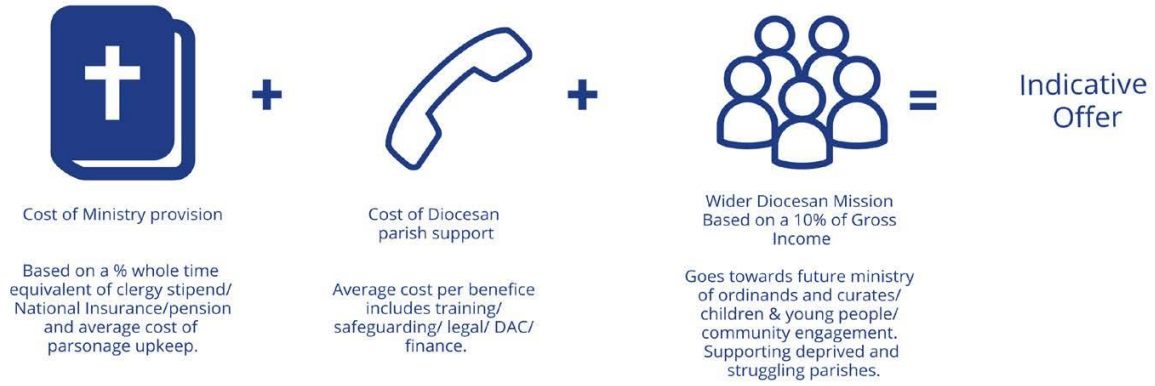
- that ministers, ordained and lay, stipendiary and self-supporting are available across the area of the Diocese;
- that the mission of the local church is supported, allowing us to retain a vital presence in our communities;
- that new vocations to ministry are discerned and developed; and
- that we make our fair contribution to the costs of the National Church.

The system of Indicative Offers for parishes was established in 2019 to help inform parishes as they consider their contribution to the Common Fund and to

apportion contributions on as fair a basis as possible. Whilst retaining the voluntary nature of Parish Offers, the Indicative Offer enables parishes to assess their pledged offers based on the total mission and ministry funding requirement of the whole Diocese.

It is hoped that the system of Indicative Offers together with targeted and supportive follow-up with key parishes by the Archdeacons and Area Deans, assisted by the Finance Team, will enable the level of Parish Offers be maintained at a sufficient level to meet our mission and deployment plans.

A parish's Indicative Offer is calculated as shown in the diagram below.



There are several exceptions to the basic calculation. For example, benefices which in the previous year were unable to contribute sufficiently to cover the cost of the Ministry Cost and Diocesan Support Cost are provided with a total Indicative Offer that is capped at 50% of Gross Income (unrestricted).

PARISH OFFER REVIEW PANEL

In rolling out the new Indicative Offer system, we sought to establish a more formal system for receiving and responding to Parish Offers.

This support needs to be in looking with the parish at the resources it has, and in some cases hasn't, so that where there is a challenging situation it is known and shared.

In achieving a fair level of offer which adequately reflects the cost of ministry and support that a parish receives, the emphasis is on collaboration and support. Where there are concerns of hardship these need to be seen and dealt with, not become another weight for the parish to carry.

Equally, if a parish is able to meet its share, but doesn't, it needs to be clear that others including its neighbours will be picking up the cost. With this in mind, we introduced a Parish Offer Review Panel, a sub-committee of the Finance Committee comprising clergy and laity, which will deal with issues from parishes concerning the level of Parish Offers.

FINANCIAL IMPLICATIONS POST COVID-19 AND COST OF LIVING CRISIS

The Covid pandemic had a significant impact on the funding of the Diocese. We incurred significant operating deficits over the last three years. It has been a difficult time for all concerned and we are hugely grateful for the ongoing generosity of our parishes; their sacrificial support in maintaining contributions has been vital to the ongoing maintenance of our mission and ministry.

We understand that parishes have been severely challenged with their income post Covid-19 as congregations gradually come back to church and with current energy cost increases. We are asking parishes to do all they can to maintain Parish Offers, which are largely used to support the clergy stipends.

2023 BUDGET AND OUTLOOK FOR 2023

The budget for 2023 was built on an assumption that Parish Offers will recover to £8.0M (2022: £7.67M) with the anticipation and hope that underlying parish income levels will recover as the face-to-face worship resumed and that Parish Offers would recover in kind. However, the recovery was slower than envisaged at the time the budget was set and is likely to be compounded by the impact of inflation on the economy and more particularly the disposable income of parishioners.

The level of parish contributions anticipated is clearly uncertain and dependent on the speed of recovery from the Covid-19 pandemic and cost of living increases. Whilst parish contributions, in the circumstances, held up remarkably well over the last two years, largely because many parishes were able to utilise reserves, it remains to be seen how close offers will be able to return to the level of and exceed pre-pandemic levels.

DIOCESAN OFFICE SUPPORT

Much of the expenditure for the Diocesan Office is related to staff that we employ. The budgeted Diocesan Office Support Staff is stable at 35.6 full-time equivalents (FTE), although there have been changes in the roles to support parishes in what they need through this period.

Overall headcount of Diocesan payroll is for FTE of 47.8 (2021A: 49.7). The Diocesan payroll headcount includes 5.8 staff on the RDSBF payroll who are not funded by the Common Fund (10 in 2021). This includes 5.6 staff funded by the Strategic Development Fund of the Church Commissioners (6.2 in 2021).

LIQUIDITY POLICY

The RDSBF's liquidity policy has been to maintain minimum liquid reserves of £2.75m (defined as monies either on current account or on bank deposits of up to 35 days' notice, of which £1M should be in cash or on bank deposits of up to seven days); being £2.0M for the purposes of working capital and a sum of £0.75m (representing just under 10% of total deposits by parishes for the Church Repair Fund (CRF) and Diocesan

Loan Fund (DLF)) to cover potential withdrawals from the CRF and DLF.

In addition, for prudent "risk" reasons (as opposed to liquidity considerations), at least 10% to 15% of available funds for investment, subject to a maximum of £2.5m, should also be held in cash under the terms of the Cash Deposits Policy - in this case through a range of maturities up to one year may be utilised.

The Trustees are confident that the RDSBF has a sufficient asset base to cover liquidity needs in the foreseeable future. The overall cash balances at the 2022 year-end stood at £6.5M (2021: £7.6M) (being more than the current policy level of minimum liquidity and cash reserves of £5.0M).

RESERVES POLICY

The Trustees require reserves to:

- meet short-term excesses of expenditure over income;
- provide funds for expenditure with long-life horizons; and
- fund recognised future infrastructure and strategic policies which will require resources, such as the changing form of ministry and the deployment of clergy.

It is the RDSBF's policy in order to cover such eventualities, reviewed in March 2019, to maintain free reserves in excess of £5M. Common Fund reserves at the year-end stood at £2.6M (2021: £5.1M).

The Trustees consider it important to carry additional reserves to cover unforeseen eventualities and the possibility of future operating deficits. However, the Covid 19 pandemic and cost of living crisis have meant reserves have had to be called upon. In addition, investments attributable to the Common Fund saw a write down of £1.4M during the year. It is anticipated and expected that the Common Fund reserve balance will recover in 2023 due partly to some planned property disposals.

In May 2022, Bishop's Council approved a Total Return approach to the accounting for permanent endowments applied to the Diocesan Stipends Fund, which took effect from 1 January 2022. It is anticipated that the normal annual income provided from the Stipends Capital Fund to support the existing Common Fund budgetary requirements will at least be maintained.

Total Return is proposed on the assumption that Parish Offers are made in accordance with the current Indicative Offers system, so that additional funds may be released for fresh investment to support mission across parishes in the Diocese.
See note 23 for further details on Total Return accounting in the year.

DESIGNATED RESERVES

The Trustees may designate unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the Common Fund in the event that there is

no further need to retain them for the purpose of their designation.

A description of each reserve together with its intended use is set out in Note 16. Total designated reserves at 31 December 2022 were £9.1M (2021: £9.1M). These reserves are predominantly held in property assets .

RESTRICTED AND ENDOWMENT FUNDS

As set out in Notes 17 and 18, the RDSBF holds and administers a number of restricted and endowment funds. None of these funds are available for the general purposes of the RDSBF, although the income of endowed funds may be used for certain restricted or unrestricted purposes. Total restricted funds at 31 December 2022 were £40.9M (2021: £44.1M), and total endowment funds were £25.1M (2021: £26.8M).

INVESTMENT POLICY

The Board's investment policy is based on the two key principles of Preserving Inter-generational Equity and Ethical Investment:

Preserving Inter-generational Equity

The Trustees are aware of their long-term responsibilities in respect of endowment funds and as a result follow a correspondingly prudent approach to investment decisions.

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.

Unrestricted and restricted investments are invested to balance income, liquidity and the maintenance of capital, and are held in listed and unlisted equities and funds and fixed interest bonds in managed funds.
The Bishop's Council has agreed to seek an appropriate minimum total return of at least CPI plus 3%, whilst at least maintaining the capital value of its non-property investments in real terms.

Ethical Investment

RDSBF follows the guidance of the Church of England Ethical Advisory Group. In practice, this means applying an ethical screen to the portfolio which precludes direct investment in companies which have more than 10% of their turnover in armaments, pornography or tobacco. It also looks to invest in companies which have high standards of corporate governance and act in a responsible way towards stakeholders.

Fund Managers

In January 2020, the Diocese transferred its investment portfolio (excluding property investments) to Mercer Global Investment Management Ltd. ("Mercer"). Mercer's investment platform provides the Investment Committee of Bishop's Council with a greater level of flexibility to align the portfolio with the overall objectives of the Diocese and the flexibility for Mercer to respond to market changes and changes in the performance of specific funds and fund

managers. The current portfolio includes allocations to a broad range of asset classes, with a strong focus on sustainability issues.

GRANT MAKING POLICY

The Memorandum of Association of the RDSBF explicitly permits the RDSBF to make grants in pursuance of its objects, and the nature of grants made in 2022 is indicated in Notes 6 and 8. Grants are made to the National Church to cover a proportion of its central costs and also to cover training for ministry (see Note 6).

For five years through to the end of 2022 the Diocese operated a Children & Young People Fund, to fund youth ministry initiatives, and it continues to operate a Missional Property Fund, to support projects which allow parishes to open up church buildings for mission. To be successful an application must clearly state how the changes are missional and link with the activities and plans for their community.

Grants are paid to other connected charities and to other charitable projects which appear to RDSBF to support the furtherance of RDSBF's objects, including grants to assist our Companion Dioceses of Mpwapwa and Kondoa in Tanzania, Harare in Zimbabwe, and to promote links with the Evangelical Lutheran Diocese of Estonia.

The RDSBF also set up a Energy Costs Support Fund to support parishes with increasing energy prices and two rounds of hardship grants were made to members of clergy experiencing hardship because of the cost of living crisis. As far as we are aware Rochester was the first diocese in the country to offer support to clergy in this way.

PROPERTY

There are three types of property that the RDSBF owns: glebe investments (historic land and buildings), clergy houses, and RDSBF owned corporate property held for operational purposes. The RDSBF will consider the disposal of property for the following reasons:

- To replace unsuitable parsonages;
- To accommodate the changing geographical deployment of clergy within the Diocese;
- To realise the development potential in some properties, thereby releasing funds to invest in our mission; and
- To rebalance our overall glebe investment portfolio and to reduce our exposure to specific direct property investments.

CLERGY HOUSES STRATEGY

Inspired by the Called Together vision, RDSBF operates a Clergy Houses Strategy. It sets out the Clergy Houses Committee's approach to clergy housing for the coming years and reaffirms the work and aspiration of the Committee.

The strategic approach to our property requirements is worked in close association with the Archdeacons. Clergy houses often hold a significant place in the hearts and minds of the local church and community, as well as

our ministers that live and serve within them. The ambition is for an approach to housing which, while mindful of this, is also:

- Flexible
- realistic, and
- responsible.

Key objectives over the coming years are that clergy housing should:

- Be suitable and appropriate in its use of diocesan funds;
- Be affordable for the occupant and practical as a home and working environment;
- Facilitate mission and ministry across the Diocese; and
- Achieve good standards of environmental sustainability.

The Trustees commit significant capital reserves to the purchase and improvement of housing for clergy. The RDSBF is also responsible for housing its training curates (currently 17) at any one time. The Clergy Houses Committee oversees the repair and maintenance of clergy houses.

In its role as the Diocesan Parsonages Board and as the housing provider, RDSBF is responsible for the provision, management, maintenance and improvement of approximately 230 houses, principally for the benefit of clergy.

During the year, in total £1.43M (2021: £1.26M) was spent on properties under the Clergy Property Measure 2018 and the Repair of Benefice Buildings Measure 1972; incorporating quinquennial building surveys and arranging for repair or improvement by contract or by order, and supervising and administering such works of repair or improvement. This includes £250k (2021 £250K) catch-up work funded from the Diocesan Pastoral Account. The majority of the operational property assets are held for the long-term use of the RDSBF, rather than for re-sale, and are carried in the accounts at their deemed cost in accordance with the provisions of Financial Reporting Standard 102.

The Diocesan Surveyor manages and maintains an ordering system, a 10-year rolling repair programme, and monitors and controls the annual budget. The scope of the work includes all day-to-day and responsive and programmed repairs, including quinquennial works, and day-to-day repairs to (for example) roofs, windows, kitchens, bathrooms, electrics and plumbing.

The Property Team maintains a property database and advises on the retention and sale of each property as and when Archdeacons and the Clergy Houses Committee have identified former ministry housing as being surplus to requirements.

The Finance Committee approves proposals for any purchase or disposal of property. It will additionally consider, on the advice of the Archdeacons, whether rental of property is particularly appropriate in individual circumstances.

FINANCIAL RESILIENCE AND STEWARDSHIP

Each parish faces significant challenges as the financial regulatory environment imposes ever more stringent requirements upon PCCs.

The Finance Team in Diocesan Office supports parishes in relation to compliance with the Charity Commission and accounting. PCCs are becoming increasingly aware of due diligence in their financial affairs and the need to demonstrate to their congregations that they are obtaining value for money.

Stewardship training and support is provided to help parishes to raise income levels. Church finances would be transformed if the level of giving by church members were raised from its present level of 3.4% of personal income to the national aspiration of 5%. Parishes are encouraged to take advantage of the various central purchasing schemes run by the National Church.

FUNDRAISING

The RDSBF provides parishes with guidance to encourage them to adhere to best practice in their fundraising activities. It drives one-off campaigns around specific and strategic fundraising needs and supports and enables strategic relationship management.

The RDSBF does not engage with any direct marketing activities, nor does it share or purchase any donor data with or from third parties. The RDSBF rarely engages with independent professional fundraisers and, if so, will always ensure there is an appropriate contract in place.

VOLUNTEERS

The RDSBF 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 RDSBF greatly values the considerable time given by all committee members and other volunteers across the Diocese in whatever capacity they are working in pursuit of the Church's mission.

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

RELATED PARTIES

There are a number of related parties with whom the RDSBF has financial links and/or has financial transactions with, including the General Synod, Church Commissioners and Archbishops' Council.

The RDSBF has to comply with Measures passed by the General Synod of the Church of England and also makes certain annual payments to the Archbishops' Council towards the running costs of the National Church. As disclosed in Note 7, certain costs of the bishops, including stipends and pension contributions, are borne by the Church Commissioners.

PAROCHIAL CHURCH COUNCILS (PCCs)

The RDSBF is required by Measure to be custodian trustee in relation to certain PCC property, but has no control over PCCs, which are independent registered or excepted charities.
The accounts of PCCs and deaneries do not form part of these financial statements. PCCs are able to influence the decision making within the RDSBF and at diocesan synod level through representation to those bodies and through the input of their deanery synods.

OTHER RELATED PARTIES

- The Church of England Pensions Board: To which the RDSBF pays retirement benefit contributions for stipendiary clergy and certain ordained employees. It also offers schemes to provide housing for clergy in retirement.

- The Dean and Chapter of Rochester Cathedral: Some diocesan events held in the Cathedral are paid for by the RDSBF. The RDSBF rents car parking space and housing for diocesan clergy from the Dean and Chapter and provides safeguarding services to the Chapter under a service level agreement.

- The Rochester Diocesan Board of Education: The Principal Office is located at the Diocesan Office. The Board of Education supports and encourages churches and parishes across the Diocese of Rochester through the education of children and young people. The Bishop of Rochester is President of the Board of Education and the Bishop of Tonbridge serves as Chair. The RDSBF undertakes the accounting function for the Board of Education under a service level agreement.

- St Augustine's College of Theology: The College is located on the Malling Abbey estate owned by the RDSBF and is a lessee. Ordinands, Curates and Lay Workers from the Diocese are trained by the College.

- St Benedict's Centre: The Centre is located on the Malling Abbey estate owned by the RDSBF and is a lessee. By virtue of office, the Bishop of Rochester and the Diocesan Secretary are each a Trustee and Director. The Centre offers non-residential facilities for individuals or groups to go on retreat, study or meet.

- Emmaus Developments Limited (the trading subsidiary of St Mary & St John, Chatham PCC): The company has its registered office at the Diocesan Office.

- A number of discretionary trust funds administered by employees of the RDSBF.

Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements.

Where materiality of transactions merits more detailed disclosure, this is given in Note 15 to the financial statements.

Mitigation of risks and uncertainties

BISHOP'S COUNCIL RESPONSIBILITY

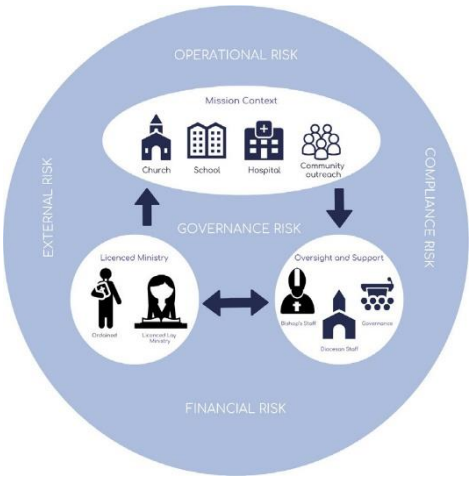
Bishop's Council is responsible for ensuring that effective and adequate risk management and internal control systems are in place to manage the major risks to which the Diocese is exposed.

It has a clear mechanism for obtaining assurance on the management of risks. It agrees the approach to risk including overseeing the process to identify and assess key risks and understanding how those risks are managed and mitigated.

The Trustees annually consider, evaluate and record the major areas of risk to which the RDSBF is exposed, assessing the likelihood and impact of those risks crystallising, together with measures in place to manage and mitigate such risks (see below).

RISK ASSESSMENT MODEL

To support the identification and evaluation of our key risks, we use a risk assessment model which incorporates our key activities of mission and ministry as shown in the diagram below.



The five key areas of risk considered and the mitigation measures in place relating to the risks identified are then described, with any particular measures in the process of being implemented and the timing and the risk owner identified as responsible for managing this risk

RISK MANAGEMENT FRAMEWORK

Risk is managed effectively through an appropriate risk management framework designed to support informed decision-making regarding the risks that affect our ability to achieve our mission objectives.

The framework provides a consistent approach to identifying, assessing and dealing with the risks facing us to ensure that they do not exceed the level of risk we are willing to assume.
The framework is designed to manage, rather than to eliminate, the risks to our objectives.

PRINCIPAL RISKS

The risks in the Risk Register are ranked using a 'traffic light' scheme (red/amber/green) based on a score reached by multiplying the score for 'Likelihood', the average of the 'Financial Impact' plus 'Reputational Impact' score, and the 'Risk Tolerance' score. The key risks in red are identified as those which have high likelihood and overall impact. The risks which are currently assessed as scoring highest, and the outline mitigating strategies to address them, are as follows:

RISK AREA	MITIGATION STRATEGY
• Safeguarding. The reporting of non-recent and current cases of abuse of children or vulnerable adults in the Diocese, resulting in a breach of trust and negative impact on the victims/survivors, impacting the church's reputation and potentially leading to litigation and compensation claims which are not covered by insurance. New cases may be reported because of the publication of reviews of safeguarding cases in faith organisations, including the Government commissioned Independent Inquiry into Child Sexual Abuse. • Remedial work created by the Past Cases Review impacts on the effectiveness of the Diocesan Safeguarding Team. • Capacity of Diocese to respond to current safeguarding concerns, and/or to continue to develop safeguarding practice.	• An appropriate response that is victim/survivor focussed, especially respects the dignity of victims responding with transparency, humility and contrition. Investigations to be thorough and in compliance with current guidance, ensuring sound coordination and communication between individuals and teams in the Diocese as well as external agencies and NCIs. • Provision of an electronic case management system. An independently audited and resourced safeguarding team, which is professionally supported and supervised with constant review of resources (increase of staffing in 2020 and 2021). • An independently audited and resourced safeguarding team, which is professionally supported and supervised with constant review of resources, including increase of staff time and the appointment of a Safeguarding Trainer in 2022. • Team supervision in place and reduction of Cathedral commitments for the Lead DSA has released time and increased investment required by the DBF. • Provision of satisfactory training and safe recruitment and management of all those engaged in contact with children, young people and adults at risk of harm.

RISK AREA	MITIGATION STRATEGY
	• Communications strategies well-rehearsed and co-ordinated with Church House, Westminster & Lambeth Palace. • Adoption of Parish Safeguarding Dashboards ensuring parishes have adequate level of safeguards in place. • Diocesan Safeguarding Advisory Panel (DSAP), which is independently chaired, maintaining strategic oversight including monitoring of safeguarding action plan. • New website increasing accessibility and visibility both internally and externally.
• Impact from a prolonged epidemic resulting in the closure of churches, the cessation of worship and the reduction of income of parishes, and thereby impacting Parish Offers and the income of the RDSBF, the loss of dividend and property rental income and substantial reductions in underlying investments valuations.	• Maintaining a conservative liquidity policy with sufficient cash reserves to weather the impact on income and cash withdrawals of parishes' funds, seeking access to debt finance and National Church assistance with liquidity, and an adequate reserves policy to deal with reductions in income. Crisis management through the duration of the crisis that engages with parishes and provides advice and where necessary liquidity through loans and grants.
• Parishes experiencing stagnant or declining membership, impacting the ability to conduct viable mission or growth initiatives at a local level and increasingly being unable to pay for ministry being provided and/or donate as generously as they would wish.	• Strategic Framework, Called Together, applied. New strategy and operational plan of resource allocation begun with the new Bishop in 2023. Effective monitoring of mission goals through deanery reviews, with assessment of the financial impact

RISK AREA	MITIGATION STRATEGY
	of the consequences. Supporting parishes by implementing local plans and providing support to reverse decline and building resilient and growing churches.
• LLF and other nationally divisive issues leading to loss of clergy and/or congregations and finances and impacting the church's reputation.	• Strong episcopal leadership and professional support in handling difficult issues and sensitive negotiation with churches concerning the pastoral, operational and financial implications.
• Deployment of clergy that involves altering the ministerial oversight in local churches.	• Archdeaconry Steering Groups. Implementation of the Ministerial Deployment Tool. Legal process for pastoral reorganisation, involving extensive consultation. • Developing plans for investment in parish system through Total Return and larger investment from Church Commissioners.
• Financial operating deficit leading to breakdown in trust with parishes and the inability to maintain support to legally committed ministry.	• Financial Strategy that sets out the approach to achieve a financially sustainable position, regular financial planning and budgetary control. The operation of the Common Fund and the system of Indicative Offers. • Providing guidelines for Indicative Offers. Strategic Review in 2021/22 leading to strategic planning under the new Bishop in 2023. • Implementation of Total Return to enable investment.

RISK AREA	MITIGATION STRATEGY
• Information security, IT systems availability and performance, staff proficiency in using IT systems.	• Development of new Budget and 5-Year Projections by new Finance Director. • Aiming to continue to increase Parish Offer payments and improvement of communications on the Common Fund purpose. • In response to the increasing risk in this area, work to further improve our security measures to protect unauthorised access to IT systems and safeguards against potential vulnerabilities in the IT network. • Implementation of upgraded Network infrastructure with enhanced endpoint, AV and VPN elements of the network architecture. • Update of security and network policies. • Appointment of new IT Manager in 2023 and security review undertaken. • Higher level of wifi security in place. • Software upgrades for MS Business Premium, including implementation of increased factor authentication. • Implementation of closer management of Node 4, who maintain the Cloud network.

Financial review

There was a Net Income deficit for the year of £4.6M (2021: £4.1M SURPLUS). Net movement in funds was £4.5M (2021: £4.2M). The Common Fund shows an operating deficit for the year of £2.11M (2021: £1.83M), which is £1.37m (2021: £1.6M) after deducting transfers from Restricted Funds in respect of Restricted Expenditure. The reserve balance on the Common Fund was £2.6M as at 31 December 2022 (2021: £5.1M), which is below the requirement under the reserves policy.

FINANCIAL PERFORMANCE – INCOME AND EXPENDITURE

The Statement of Financial Activities (on page 75) shows an overall deficit of Net Income (before revaluation of fixed assets and pension scheme liabilities and transfers between funds) for the year of £4.6M (2021: £4.1M surplus) after profits on the sale of property of £0.5M (2021: £1.8M) and losses on investments of £2.8M (2021: £3.8M gain).

The Common Fund shows an operating deficit for the year of £2.11M (2021: £1.83M), which is £1.37M (2021: £1.6M) after deducting transfers from restricted funds in respect of restricted expenditure. This compares to a budgeted operating deficit (after deducted restricted fund transfers) of £1.54M (2021: £1.81M deficit).

After taking account of loss on investments of £1.4M (2021: £1.3M gain) and a gain of £0.5M on the sale of properties (2021: £0.4M), the Common Fund showed a deficit of Net Income (before revaluation of fixed assets and pension scheme liabilities and transfers between funds) for the year of £3.0M (2021: £0.22M deficit).

Designated Funds showed a Net expenditure of £27K (2021: £88K) representing hardship grants to clergy of £27K (2021: £nil) , profit on sale of properties of £nil (2021: £94K) and loss on investments of £nil (2021: £63K).

Restricted Funds show an operating deficit of £0.14M (2021: £0.32M) and a Net Income deficit of £0.14M (2021: £0.87M surplus) after profits on sale of properties of £nil (2021: £55K) and gains on investments of £nil (2021: £nil). Endowment Funds had an operating surplus of £12K (2021: £13K) and a Net Income deficit of £1.4M (2021: £2.6M surplus) after loss on investments of £1.4M (2021: £2.6M gain).

The main income of the Diocese is Parish Offers, the money given by parishes to the Diocese to fund mission and ministry and in particular the costs of clergy stipends, pensions, housing and training, which are charged to the Common Fund.

Income from Parish Offers was £7.67M (2021: £7.88M), and £8.09M (2021: £8.33M) including DBF Fees of £414K (2021: £458K). This compares to the pre-pandemic level in 2019 for Parish Offers at £9.06M (excluding DBF Fees, which

before 2020 were retained by parishes) representing a decline of 10.7%. This compares to the decline compared to pre-pandemic levels of 8.5% in parish share experienced across the Church of England. Parish Offers together with DBF Fees represented 82% (2021: 81%) of the RDSBF's unrestricted operating income.

The other main sources of income in the year were donations and property and investment income. Donations (including grants) were £201K (2021: £478K), and property rentals and investment income of £1.59M (2021: £1.42M). Total expenditure on the Common Fund was £12.0M (2021: £12.1M) and in all funds was £13.7M (2021: £13.4M).

During the year, the RDSBF paid stipends and associated costs totalling £6.59M (2021: £6.73M) for incumbents, curates and other clergy. The total number of full-time equivalent clergy in post fell from 180 to 174. A detailed breakdown of income and expenditure on the Common Fund and a breakdown of the support costs for a parish are set out on pages 44 of the Trustees' Report. Contributions are made to the Archbishops' Council to cover a proportion of its central costs relating to the activities of the various national boards and councils, as well as the General Synod, and to cover a proportion of the cost of national training for ministry (see note 6 to the financial statements).

During the year the Energy Costs Support fund made 257 grants to parishes struggling with rising energy prices totalling £446K (2021: £nil) and 199 grants totalling £64k (2021: £nil) were made to members of clergy experiencing hardship as a result of the cost of living crisis.

INVESTMENT INCOME

Market investments held at 31 December 2022 were £17.4M (2021: £20.2M) and investment properties were valued at £11.9M (2021: £12.5M) (see Note 10). Dividends receivable for the Common Fund were £522K (2021: £463K) and rents receivable for the Common Fund were £1,064K (2021: £954K).

The investments held and their return during the year is set out in the table below which shows an overall yield on investments of 3.0% (2021: 2.8%) and total return of -5.7% (2021: 16.0 %).

	At 31/12/22 £K	At 31/12/21 £K	2022 %	2021 %	2022 Income Yield	2021 Income Yield	2022 Total Return	2021 Total Return
Glebe Investment Properties	11,873	12,528	40.6%	38.2%	3.5%	2.8%	4.8%	12.5%
Market Investments	17,363	20,233	59.4%	61.8%	2.7%	2.8%	-12.0%	18.1%
	29,236	32,761	100.0 %	100.0 %	3.0%	2.8%	-5.7%	16.0%

GRANTS RECEIVED

The RDSBF gratefully acknowledges all grants received including those from Trust for London for £359K (2021: £642K); All Churches Trust for £146K (2021: £144K); and direct parish contributions £27k (2021: £nil) for the Energy Costs Support fund .

The RDSBF gratefully received the following grants from the Church Commissioners:

- £164K (2021: £231K) Strategic Development Funding towards Called to Grow.
- £60K (2021: £7K) Strategic Development Funding towards Chatham Town Centre.
- £292K (2021: £365K) block grant for ordinands' training fees and expenses under the Resourcing Ministerial Education process.
- £249K (2021: £nil) Energy Costs Support Grant.
- £38K (2021: £13k) Strategic Ministry Fund toward two additional curates.
- £77K (2021: £nil) Ministry Hardship Fund.
- £25K (2021: £nil) National Heritage towards Chatham St John.

SIGNIFICANT PROPERTY TRANSACTIONS

During the year nil (2021: 1) parsonages were sold generating total proceeds of £nil (2021: £0.8M), realising a surplus over book value of £nil (2021: £0.55M).

During the year 3 (2021: 6) unrestricted Common Fund and designated fund property sales were made in the year generating total proceeds of £1.34M (2021: £1.68M), realising a surplus over book value of £0.45M (2021: £1.29M). And also during the year 4 (2021: nil) investment properties were sold for a total of £0.99M (2021: £nil), realising a total loss of £41K (2021: £nil).

There was 1 property bought in 2022 (2021: 1) at a total cost of £870K (2021: £573k) (purchase costs plus ingoing works), as follows:
33 Hawthorndene, Hayes – temporary parsonage.

BALANCE SHEET POSITION

Net assets at the balance sheet date totalled £77.7M (2021: £82.2M).
This includes properties which are mostly in use for ministry; the book value of which amounted to £52.7M as at 31 December 2022 (2021: £51.9M).

The Trustees consider the market value of these properties to be considerably more than the book value, and this market value is realised as and when a property disposal takes place. 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 RDSBF.

The cash and short-term deposits position at 31 December 2022 stands at £6.55M (2021: £7.63M) and including market investments provides realisable liquid assets at 31 December 2022 of £23.1M (2021: £27.5M).

COMMON FUND

The reserve balance on the Common Fund was £2.6M as at 31 December 2022 (2021: £5.1M), which is below the requirement under the reserves policy of £5M (see Reserves Policy under Financial Strategy on page 31).

DESIGNATED FUNDS

The balance of designated funds as at 31 December 2022 was £9.1M (2021: £9.1M).

RESTRICTED AND ENDOWMENT FUNDS

The RDSBF holds and administers a large number of restricted and endowment funds. As at 31 December 2022, restricted funds totalled £40.9M (2021: £41.1M) and endowment funds totalled £25.1M (2021: £26.8M).

FUNDS HELD AS CUSTODIAN TRUSTEE

The RDSBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the RDSBF does not control them.

Further details of financial trust assets, whose market value amounted to £2.2M at 31 December 2022 (2021: £2.2M), are available from the RDSBF on request, and are summarised in Note 21. Where properties are held in trust, the deeds are identified as such and held in safe custody by the RDSBF.

Governance, Structure and Management

LEGAL FRAMEWORK

The company's principal object is to promote, assist and advance the work of the Church of England within the Diocese of Rochester by acting as the financial executive of the Rochester Diocesan Synod.

The RDSBF has the following statutory responsibilities:

- the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Church Property Measure 2018;
- the repair of benefice houses as the Diocesan Parsonages Board under the Repair of Benefice Buildings Measure 1972; and
- the custody of permanent endowment and real property assets relating to trusts held by Incumbents and Churchwardens and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the company are established by the Diocesan Synod in communication with deanery synods, PCCs, and the Bishop of Rochester (in respect of his responsibility for the provision of the cure of souls).

To this end, significant time and effort is committed to communication between and with these bodies, as well as with the Church nationally, including consultations on specific matters relating to the priorities for the forthcoming year.

PUBLIC BENEFIT

The Trustees are aware of the Charity Commission's guidance on public benefit, "The Advancement of Religion for the Public Benefit", and have regard to that guidance in their administration of the charity.

The RDSBF believes that this report provides evidence of the public benefit of the charity's work in 2022.

As described more fully throughout the report, the RDSBF provides funds to support ministers of religion in the Diocese, and the maintenance of many buildings including parsonages and churches, many of which form an important part of the historic fabric and architectural heritage of the area.

The ministry of the parishes within the Diocese, actively involved in a wide range of community projects and supporting ministries, represents a substantial contribution to the wider public benefit.

The vast majority of churches are available to the public at large and none is restricted to members of the Church of England.

THE STRUCTURE OF THE CHURCH OF ENGLAND

The Church of England is organised as two provinces; each led by an archbishop (Canterbury for the Southern Province and York for the Northern Province). Each province comprises dioceses, of which there are 42. Each diocese in England is divided into parishes. Each parish is typically overseen by a parish priest (usually called a Vicar or Rector).

From ancient times through to today, the parish priest and their bishop are jointly responsible for the 'cure of souls' in their parish. His Majesty the King, who is the Supreme Governor of the Church of England, appoints archbishops, bishops and deans of cathedrals on the advice of the Prime Minister. The two archbishops and 24 senior bishops sit in the House of Lords.

The Church of England is episcopally-led (there are over 100 bishops, including diocesan bishops and assistant or suffragan bishops). It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes Measures which, if accepted by Parliament, have the effect of acts of Parliament. It is made up of three groups or houses of members: the Houses of Bishops, of Clergy and of Laity.

NATIONAL CHURCH INSTITUTIONS

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

The Archbishops' Council was established in 1999 to co-ordinate, aid and further the mission of the Church of England. Its task is to give a sense of direction to the Church of England nationally and support the Church of England locally in parishes and dioceses. Its goals are: Contributing to the Common Good; Going for Growth (both numerically and spiritually) and Reimagining Ministry (both lay and ordained).

The Church Commissioners manage the historic assets of the Church of England, spending most of their income on pensions for clergy. The stipend, housing and office costs of the Bishop of Rochester are met by the Church Commissioners. In the case of the Bishop of Tonbridge, the stipend and office costs are met by the Church Commissioners, with the housing costs being met by the RDSBF.

The Church of England Pensions Board was established in 1926 as the Church of England's pension authority and to administer the pension scheme for the clergy. Subsequently, it has been given wider powers, in respect of discretionary benefits and accommodation, both for those retired from stipendiary ministry and for widow(er)s of those who have served in

that ministry, and to administer pension schemes for lay employees of Church of England organisations.

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

THE CATHEDRAL

The Cathedral is the 'mother church' of the Diocese and legally constituted as a separate charity currently exempt from Charity Commission registration and supervision. For Rochester Cathedral copies of its trustees' report and financial statements may be obtained from the Chapter Office, Garth House, Rochester ME1 1SX.

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

THE DIOCESE'S DIOCESAN SYNOD

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation across the Diocese with broadly equal numbers of clergy and lay people meeting together with the two bishops. Elections occurred in 2021 for the 2022 to 2024 triennium.

Its role is to:

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

DEANERY SYNOD

A deanery synod has two houses, laity and clergy, and its role is to:

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

BISHOP'S COUNCIL

The Bishop's Council acts as:

- the Board of Directors and Trustees of the RDSBF
- the Diocesan Mission and Pastoral Committee
- the Diocesan Parsonages Board.

Elections occurred during 2021 for the 2022 to 2024 triennium.

PAROCHIAL CHURCH COUNCIL (PCC)

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area of the Church of England. Typically, each parish has one church.

The PCC is made up of the incumbent or priest-in-charge as chair, the churchwardens and a number of elected and ex-officio members.

Each PCC is a charity, but those with an annual income below £100,000 are currently excepted from the need to register with the Charity Commission; all others are now required to register. Except where shown, the transactions of PCCs do not form part of these financial statements.

PASTORAL UNITS

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

A deanery is a group of parishes over which an area dean has oversight, and an archdeaconry is a group of deaneries for which an archdeacon is responsible. There are seventeen deaneries and three archdeaconries in the Diocese. The Diocese is then the principal pastoral, financial and administrative resource of the Church of England, encompassing the various archdeaconries under the spiritual leadership of the Bishop of Rochester.

THE DIOCESE OF ROCHESTER

The Diocese of Rochester has existed in West Kent since 604. Since then, the historic county of Kent has been shared between the two Dioceses of Canterbury and Rochester.

The Rochester part of Kent, however, changed significantly during the 19th and 20th centuries, largely as a result of the expansion of London.

The Diocese serves a population of some 1.3 million, which is expected to increase by 300,000 over the next 20+ years. We have 174 (2021: 180) full-time equivalent substantive stipendiary parochial posts, and 25 (2021: 23) substantive self-supporting posts and there are 17 (2021: 19) stipendiary and 13 (2021: 14) self-supporting curates in training.

Other licensed clergy and lay ministers serve as chaplains and in diocesan and Cathedral roles. This population is also served by 90 Church of England schools, with significant local involvement also in community schools.

The communities of the Diocese are characterised by increasing diversity of varying kinds. It covers some of the most affluent areas in England, and also some of the most deprived wards in the South-East. With the expansion of London and adjoining communities, it is increasingly urban and suburban, yet still retains places which see themselves as rural.

The Ebbsfleet Garden City development will have a new population of some 45,000 people – it is the largest single housing development in England. Ethnic and religious diversity is a growing feature of our communities, and this is reflected in many of our congregations.

Our diocesan-level world Church partnerships are an important element of who we are. We have very active relationships with the Dioceses of Mpwapwa and Kondoa in Tanzania, the Diocese of Harare in Zimbabwe and with the Evangelical Lutheran Church of Estonia. These partnerships are expressed through parish and school links, as well as at diocesan level.

ORGANISATIONAL AND DECISION-MAKING STRUCTURE

The RDSBF was incorporated on 14 June 1915 as a company limited by guarantee (No. 140656) and its governing documents are its Memorandum and Articles of Association. The RDSBF is a registered charity (No. 249339).

The RDSBF was formed to manage the financial affairs and hold the assets of the Diocese. Its principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Rochester.

Governance and policy of the RDSBF is the responsibility of the Trustees, who are directors of the company and trustees for the purposes of charity law. The members of Bishop's Council are the Board of Directors (the Board) of the RDSBF, and the members of the Diocesan Synod are the members of the RDSBF. Additionally, there is the Finance Committee of the Bishop's Council, acting for and assisting the Board in its more detailed work.

The Board has delegated responsibility for the day-to-day management of the company to the Diocesan Secretary who is supported by the Finance Director, the Property Director, the Communications Manager, and the HR and Governance Manager, and their respective staff. These together form the Operations Management Team. The Diocesan Secretary is also a member of the Bishop's Leadership Team, which meets regularly throughout the year. The statutory governing body of the Diocese is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Its legal basis is the Synodical Government Measure 1969.

Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in deanery synods; lay persons elected by the

houses of laity in deanery synods, being up to 163 persons including 5 that may be co-opted by each of the House of Clergy and the House of Laity and 10 members who may be nominated by the Bishop of Rochester. The Diocesan Synod typically meets three times a year during February, June and October.

TRUSTEE RECRUITMENT, SELECTION AND INDUCTION

The Board includes:

- Ex-officio Trustees
- Trustees who have been elected by Diocesan Synod to serve for three years, and
- Trustees appointed by the Bishop of Rochester for the same term.

Trustees are given induction at the outset of the triennium and at other times as appropriate. They are also informed, before seeking membership and at all other relevant times, of the role and function of the Board, including a Code of Conduct for Trustees and Committee Members.

Some senior staff have job titles incorporating the title 'Director' but they are not directors of the company for the purposes of company law.

Remuneration of Key Management Personnel

The Diocesan grading and salary structure is benchmarked against similar roles in the local charity sector as well as the wider Church of England context. All roles within the Diocese are graded according to the skills, experience and professional qualifications required for the role. Details of the aggregate remuneration of the key management personnel is shown in Note 7 of the accounts.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations. Company law requires the Trustees (as Directors) to prepare financial statements for each financial year.

Under company law the Trustees have elected to prepare the financial statements in accordance with 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).

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 RDSBF and of the surplus or deficit of the RDSBF 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; and
- 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 RDSBF and enable them to ensure that the financial statements comply with United Kingdom Generally Accepted Accounting Practice. They are also responsible for safeguarding the assets of the RDSBF 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 RDSBF'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

The Trustees have taken all the necessary steps to ensure that they are aware, as trustees, of any relevant audit information and to establish that the auditors are aware of that information. As far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware.

APPOINTMENT OF AUDITORS

The appointment of Haysmacintyre LLP as auditors to the RDSBF will be proposed at the Annual General Meeting.

In approving this Trustees' report, the Trustees are also approving the Annual Strategic Review included on pages 1 to 44 in their capacity as company directors.

BY ORDER OF THE TRUSTEES

Mr Matthew Girt
Diocesan Secretary

Mr Nigel Pope
Chair of Rochester Diocesan Society and Board of Finance

31 May 2023

Independent auditor's report to the members of Rochester Diocesan Society and Board of Finance

OPINION

We have audited the financial statements of the Rochester Diocesan Society & Board of Finance for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on page 77, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), and

we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and Church of England Measures.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fund accounting, including transfers between funds, and revenue recognition.

Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation.

This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an

Auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Halsey (Charities Partner)

**

May 2023
For and on behalf of Haymacintyre LLP, Statutory Auditors
10 Queen Street Place London EC4R 1AG

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2022

	Note	Unrestricted Common	Unrestricted Designated	Restricted	Endowment	Total 2022	*Total 2021*
		£'000	£'000	£'000	£'000	£'000	*£'000*
Income							
Donations:							
- Parish Offers		7,671	-	-	-	7,671	*7,875*
- Other	2	201	-	1,503	-	1,704	*2,040*
Investment income	3	1,586	-	59	12	1,657	*1,480*
Charitable activities	4	425	-	-	-	425	*478*
Total income		9,883	-	1,562	12	11,457	*11,873*
Expenditure							
Generating income	5	(637)	-	(5)	-	(642)	*(549)*
Charitable activities	6	(11,356)	(27)	(1,699)	-	(13,082)	*(12,825)*
Total Expenditure		(11,993)	(27)	(1,704)	-	(13,724)	*(13,374)*
Operating (Deficit)/Surplus:		**(2,110)**	**(27)**	**(142)**	**12**	**(2,267)**	***(1,501)***
Profit/(losses) on sale of property		451	-	-	-	451	*1,846*
Gains/(losses) on investments	10	(1,370)	-	-	(1,452)	(2,822)	*3,794*
Net Income before revaluation of fixed assets and pension scheme liabilities and transfers between funds		**(3,029)**	**(27)**	**(142)**	**(1,440)**	**(4,638)**	***4,139***
Reserve Movements:							
Net Income		(3,029)	(27)	(142)	(1,440)	(4,638)	*4,139*
Gains on revaluation of fixed assets		-	-	-	-	-	*-*
Revaluation of pension scheme liabilities	22	96	-	-	-	96	*22*
Transfers between funds	19	167	5	(569)	397	-	*-*
Transfers between funds - Total Unapplied Return	19/23	231	-	462	(693)	-	
Net movement in funds		**(2,535)**	**(22)**	**(249)**	**(1,736)**	**(4,542)**	***4,161***
Reserve balances at 1st January 2022		5,143	9,114	41,117	26,821	82,195	*78,034*
Reserve balances at 31st December 2022		**2,608**	**9,092** note 16	**40,868** note 17	**25,085** note 18	**77,653**	***82,195***

All income and expenditure relates to continuing activities.

The Companies Act 2006 requires a separate income and expenditure account to be prepared to exclude transactions relating to Endowment Funds. No such income and expenditure account has been included in these statements as the relevant exclusions from this Statement of Financial Activities are all clearly shown above. These are: Endowment Fund income – £12k (2021 : £13k); Endowment Fund expenditure - £0k (2021 : £0k); Profit on Sale of Property - £0k (2021 : £0k); and Endowment Fund losses on investments - £1,452k (2021 : £2,597k gains).

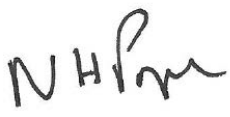
BALANCE SHEET
For the year ended 31 December 2022

Rochester Diocesan Society and Board of Finance(The)
Company registration number 140656

	Note	Total 2022 £'000	*Total 2021 £'000*
FIXED ASSETS			
Tangible assets	9	52,655	*51,940*
Investments	10	29,236	*32,761*
		81,891	*84,701*
CURRENT ASSETS			
Debtors	11	733	*832*
Short term deposits		4,314	*4,302*
Cash at bank		2,255	*3,383*
		7,302	*8,517*
CREDITORS: Amounts falling due within one year			
Bank overdraft		21	*53*
Creditors	12	10,739	*9,880*
		10,760	*9,933*
NET CURRENT LIABILITIES		(3,458)	*(1,416)*
TOTAL ASSETS LESS CURRENT LIABILITIES		78,433	*83,285*
CREDITORS: Amounts falling due after more than one year	12		
Pensions liability		-	*295*
Other creditors		780	*795*
NET ASSETS		77,653	*82,195*
Unrestricted		11,700	*14,257*
Restricted		40,868	*41,117*
Endowment		25,085	*26,821*
FUNDS	20	77,653	*82,195*

The Statement of Cash Flows and the Notes form part of these financial statements.

The financial statements were approved by the Board of Trustees and authorised for issue on 31 May 2023 and signed on behalf of the Board by:



Nigel Pope
Chair of Rochester Diocesan Society and Board of Finance

STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Net cash outflow from operating activities		(3,180)		*(4,209)*
Cash flows from investing activities				
Investment income	1,657		*1,480*	
Proceeds from the sale of:				
Tangible fixed assets	1,311		*2,383*	
Fixed asset investments	893		*107*	
Purchase of:				
Tangible fixed assets	(1,575)		*(1,018)*	
Fixed asset investments	(190)		*(160)*	
Net cash provided by investing activities		2,096		*2,792*
Cash flows from financing activities				
Proceeds from long term debt	-		-	
Net cash provided by financing activities		-		-
Change in cash and cash equivalents in the reporting period		(1,084)		*(1,417)*
Cash and cash equivalents at 1 January		7,632		*9,049*
Cash and cash equivalents at 31 December		6,548		*7,632*

Reconciliation of net movement in funds to net cash outflow from operating activities	**2022 £'000**	**2021 £'000**
Net movement in funds for the year ended 31 December	**(4,542)**	***4,161***
Adjustments for:		
Investment income	(1,657)	*(1,480)*
Depreciation	-	*2*
Gain on disposal of fixed assets	(451)	*(1,846)*
Gain on sale of investments	40	-
Unrealised loss on investments	2,982	*(2,691)*
Revaluation of investment property	(200)	*(1,103)*
Increase/(decrease) in creditors: falling due within one year	859	*(1,123)*
Decrease in debtors	99	*188*
Decrease in creditors: falling due after one year	(310)	*(317)*
Net cash used in operating activities	(3,180)	*(4,209)*

Analysis of movements in net cash

	2021 £'000	Cash Flows £'000	New Borrowing £'000	2022 £'000
Cash on deposit	4,302	12	-	4,314
Cash at bank	3,383	(1,128)	-	2,255
Less overdraft	(53)	32	-	(21)
Total cash and cash equivalents	7,632	(1,084)	-	6,548
CCLA Loan falling due after one year	*(500)*	-	-	(500)
Total	7,132	(1,084)	-	6,048

1. ACCOUNTING POLICIES

a) Accounting convention and basis of preparation
The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019, Second edition), the Companies Act 2006 and applicable accounting standards (FRS102).

b) Going concern
The Trustees consider that there are no material uncertainties regarding the RDSBF's ability to continue as a going concern. The RDSBF aims to achieve a financially sustainable position. The RDSBF has net assets of £77.7m (2021 : £82.2m) and the Trustees believe that there is sufficient liquidity in these assets to ensure that the charitable company can meet its obligations for the next 12 months and beyond.

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

i) **Parish Offer** 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 creditors to be carried forward to the following year.
v) **Parochial fees** that relate to the RDSBF are recognised as diocesan income in the year in respect of which they are receivable.
vi) **Donations** other than grants are recognised when receivable or in the case of material legacies, when the conditions for recognition under the Charities SORP have been met.

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

i) **Cost of raising funds -** relate to costs incurred in the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
ii) **Charitable expenditure -** analysed according to Diocese's main areas of activity.
iii) **Grants payable -** charged in the year when the grant is approved and conveyed to the recipient except those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the RDSBF, 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 of support costs 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 usage basis.
v) **Pension contributions** – pension schemes in which the RDSBF participates are described in Note 22. Pension costs are charged as resources expended and represent the RDSBF's contributions payable in respect of the accounting period in accordance with FRS102. Deficit funding for the pension schemes to which RDSBF participates and which are unpaid at this year-end, is accrued at current value in creditors, distinguished between contributions due within one year and after more than one year.
vi) **Short term employee benefits** - short term benefits including holiday pay are recognised as an expense in the period in which the service is received.
vii) **Employee termination benefits** - termination benefits are accounted for on an accrual basis and in line with FRS 102.
viii) **Tangible fixed assets and depreciation** - tangible fixed assets are shown in note 9 to the financial statements.

Freehold properties
The RDSBF measures all freehold property assets at historical cost as allowed by FRS102.

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case and because the expected residual value is not materially less than the carrying value. The RDSBF has a policy of regular structural inspection, repair and maintenance, which in the case of parsonage properties is in accordance with the Repair of Benefice 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 the carrying value. Where the Trustees believe that the value of an asset might have been impaired, an annual impairment review is carried out in accordance with the requirements of FRS102, to ensure that the carrying value is not more than the recoverable amount.

Properties subject to value linked loans
Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated using the value of the related loan at the balance sheet date. Each year end the respective property and loan are carried at their historical value.

Investment properties
Glebe properties which are held for investment purposes have been included at their market value.

Parsonage Houses
The RDSBF has followed the requirements of FRS102 in its accounting treatment of benefice houses. FRS102 requires the accounting treatment to follow the substance of arrangements rather than strict legal form. The RDSBF is 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 relevant incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as restricted assets and carry them at their historical cost.

ix) Other tangible fixed assets
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. All capital expenditure on computer and office equipment over £1k is capitalised and depreciated over 3 years.

x) Project Costs
Expenditure in relation to projects is capitalised where there is likelihood that the project will become an income-bearing asset.

e) Other accounting policies

i) Fixed asset investments - included in the balance sheet at market value (ex dividend) and the gain or loss taken to the Statement of Financial Activities.

ii) Realised gains/(losses) on sale of investments - represent proceeds of sale less the appropriate proportion of the opening carrying value and are shown in the Statement of Financial Activities.

iii) Leases – the RDSBF has entered into operating lease agreements the rental for which is charged in full as expenditure in the year to which it relates.

iv) Financial instruments - the RDSBF only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at either amortised cost or fair value.

v) Debtors - trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired, an impairment loss is recognised in the Statement of Financial Activities.

vi) Cash - cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity.

vii) Creditors - basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at transaction price.

f) Fund balances
Fund balances are split between unrestricted (common and designated), restricted and endowment funds.

i) Unrestricted funds are the RDSBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the RDSBF.

There are two types of unrestricted funds:

- **Common fund** which the RDSBF intends to use for the general purposes of the RDSBF.
- **Designated funds** set aside out of unrestricted funds by the RDSBF for a purpose specified by the Trustees.

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

iii) **Endowment funds** are those held on trust to be retained for the benefit of the charitable company as a capital fund. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

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

g) Judgments and Estimates

In the application of the accounting policies, the Trustees are required to make judgments, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

i) **Significant judgments** - valuation of liabilities arising from the charity's obligation to meet deficit reduction payments for its multi-employer defined benefit pension schemes - these liabilities are revalued at each year-end using discount rates which are reassessed annually.

ii) **Residual values of freehold properties** - the Trustees consider that residual value of freehold properties is sufficiently high that depreciation would not be material.

iii) **Sources of estimation uncertainty** - in the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. INCOME FROM DONATIONS

(Donations, Legacies and similar income)	Unrestricted Common	Unrestricted Designated	Restricted	Endowment	Total 2022
	£'000	£'000	£'000	£'000	£'000
Trust for London (formerly City Parochial Foundation)	-	-	359	-	359
Archbishops' Council - SMF Curate Grant	38	-	-	-	38
Archbishops' Council - RME Ordinands Grants	-	-	292	-	292
Archbishops' Council - Strategic Development Funding - Called to Grow	-	-	164	-	164
Called to Grow re Anerley Parish	-	-	9		9
Archbishops' Council - Energy Costs Support Grant	-	-	249		249
Energy Costs Support Fund	-	-	27	-	27
Archbishops' Council - Ministry Hardship Fund	-	-	77		77
Archbishops' Council - Past Cases Review	-	-	30	-	30
Archbishops' Council - Chatham Town Centre	-	-	60	-	60
Listed Places of Worship - Chatham St John	-	-	8	-	8
National Heritage - Chatham St John	-	-	25	-	25
All Churches Trust - annual distribution	146	-	-	-	146
Partnership Fund appeals, confirmations, licensing & induction collections	-	-	142	-	142
Poverty & Hope Appeal	-	-	22	-	22
Guaranteed annuities	14	-	-	-	14
Readers' Fees	2	-	-	-	2
Giving Advisor Grant from Church Commissioners	-	-	34	-	34
Dartford Borough Council - Warm Spaces Grant	-	-	4		4
Other sundry items	1	-	1	-	2
	201	-	1,503	-	1,704

(Donations, Legacies and similar income)	Unrestricted Common	Unrestricted Designated	Restricted	Endowment	Total 2021
	£'000	£'000	£'000	£'000	£'000
Trust for London (formerly City Parochial Foundation)	-	-	642	-	642
Archbishops' Council - Sustainability Grant	296	-	-	-	296
Archbishops' Council - SMF Curate Grant	13	-	-	-	13
Archbishops' Council - RME Ordinands Grants	-	-	365	-	365
Archbishops' Council - Strategic Development Funding - Called to Grow	-	-	231	-	231
Archbishops' Council - Chatham Town Centre	-	-	7	-	7
HMRC Furlough Grant	3	-	9	-	12
Covid 19 Emergency Relief Fund	-	-	9	-	9
All Churches Trust - annual distribution	144	-	-	-	144
Partnership Fund appeals, confirmations, licensing & induction collections	-	-	106	-	106
Poverty & Hope Appeal	-	-	20	-	20
Guaranteed annuities	14	-	-	-	14
Colyer Fergusson re Children and Young People Fund	-	-	50	-	50
Historic England re Chatham Town Centre	-	-	19	-	19
John Marshall Grant re Chatham Town Centre	-	-	37	-	37
Readers' Fees	3	-	-	-	3
Giving Advisor Grant from Church Commissioners	-	-	44	-	44
Covid Winter Grant - CESA	-	-	9	-	9
David Godwin Legacy	-	-	-	13	13
Parish Donations re Pioneer Minister	3	-	-	-	3
Other sundry items	2	-	1	-	3
	478	-	1,549	13	2,040

3. INVESTMENT INCOME

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2022
	£'000	£'000	£'000	£'000	£'000
Rents receivable	1,064	-	26	-	1,090
Dividends receivable	522	-	33	-	555
Interest on deposits receivable	-	-	-	12	12
	1,586	-	59	12	1,657

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2021
	£'000	£'000	£'000	£'000	£'000
Rents receivable	954	-	34	-	988
Dividends receivable	463	-	29	-	492
	1,417	-	63	-	1,480

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2022
	£'000	£'000	£'000	£'000	£'000
Diocesan Board of Finance element of Parochial Fees	414	-	-	-	414
Professional fees	11	-	-	-	11
	425	-	-	-	425

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2021
	£'000	£'000	£'000	£'000	£'000
Diocesan Board of Finance element of Parochial Fees	458	-	-	-	458
Professional fees	20	-	-	-	20
	478	-	-	-	478

5. EXPENDITURE ON GENERATING INCOME

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2022
	£'000	£'000	£'000	£'000	£'000
Glebe management costs	100	-	-	-	100
Non glebe commissions	36	-	-	-	36
Rental property maintenance	349	-	-	-	349
Cost of income generation	152	-	5	-	157
	637	-	5	-	642

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2021
	£'000	£'000	£'000	£'000	£'000
Glebe management costs	103	-	-	-	103
Non glebe commissions	32	-	-	-	32
Rental property maintenance	262	-	-	-	262
Cost of income generation	147	-	5	-	152
	544	-	5	-	549

6.ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Unrestricted		Restricted	Endowment	Total
	General	Designated			2022
	£'000	£'000	£'000	£'000	£'000
Bringing people to faith in Christ					
Mission & Community Engagement (50%)	89	-	-	-	89
Formation & Ministry (50%)	194	-	-	-	194
Youth & Children	100	-	-	-	100
Allocated support costs	240	-	8	-	248
	623	-	8	-	631
A priestly presence in every community					
Stipend costs	6,580	-	-	-	6,580
Apprenticeship levy	22	-	-	-	22
Actuarial gains/losses on clergy pension scheme	11	-	-	-	11
Grants	322	27	291	-	640
Parsonage maintenance & improvements	713	-	-	-	713
Ministry houses - housing costs	15	-	23	-	38
Curate and Associate Clergy Costs	129	-	-	-	129
National Church - training for ministry	453	-	-	-	453
Formation & Ministry (50%)	194	-	-	-	194
Stewardship, Legal, Accounts Advisors & other	83	-	-	-	83
Diocesan appointments	265	-	-	-	265
Allocated support costs	913	-	32	-	945
	9,700	27	346	-	10,073
Engagement with the community					
Grants	4	-	836	-	840
Mission & Community Engagement (50%)	89	-	-	-	89
Communications	16	-	-	-	16
Faculty & inspection fees	81	-	-	-	81
Diocesan committees	6	-	-	-	6
National Church grant/allocation	304	-	-	-	304
Partnership Dioceses & Church Urban Fund	-	-	4	-	4
Youth Work	-	-	2	-	2
Diocesan Magazine	-	-	2	-	2
Chatham Town Centre	-	-	103	-	103
Growth Enablers	-	-	108	-	108
Called to Grow - SDF Funding	-	-	217	-	217
Called to Grow - Other Funding	-	-	3	-	3
Giving Advisor	-	-	51		51
Allocated support costs	533	-	19	-	552
	1,033	-	1,345	-	2,378
	11,356	27	1,699	-	13,082

Support costs comprise administration and governance costs which includes the audit fee of £27k (2021 : £24k).

Support costs include interest payable of £16k (2021 : £7k) on deferred stipend payments to the Church Commissioners, a £500k loan with CCLA and net interest payable on parish Church Repair Fund and Diocesan Loan Fund balances less interest income on cash and short term deposits.

6. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS (continued)

	Unrestricted		Restricted	Endowment	Total
	General	Designated			2021
	£'000	£'000	£'000	£'000	£'000
Bringing people to faith in Christ					
Mission & Community Engagement (50%)	80	-	3	-	83
Formation & Ministry (50%)	174	-	-	-	174
Youth & Children	90	-	-	-	90
Allocated support costs	246	-	8	-	254
	590	-	11	-	601
A priestly presence in every community					
Stipend costs	6,717	-	-	-	6,717
Apprenticeship levy	22	-	-	-	22
Actuarial gains/losses on clergy pension scheme	11	-	-	-	11
Grants	336	-	309	-	645
Parsonage maintenance & improvements	747	-	-	-	747
Ministry houses - housing costs	22	-	29	-	51
Curate and Associate Clergy Costs	140	-	-	-	140
National Church - training for ministry	508	-	-	-	508
Formation & Ministry (50%)	174	-	-	-	174
Stewardship, Legal, Accounts Advisors & other	102	-	-	-	102
Diocesan appointments	226	-	-	-	226
Allocated support costs	889	-	28	-	917
	9,894	-	366	-	10,260
Engagement with the community					
Grants	4	-	438	-	442
Mission & Community Engagement (50%)	80	-	3	-	83
Communications	10	-	-	-	10
Faculty & inspection fees	69	-	-	-	69
Diocesan committees	6	-	-	-	6
National Church grant/allocation	340	-	-	-	340
Partnership Dioceses & Church Urban Fund	-	-	3	-	3
Ebbsfleet Youth Worker	-	-	22	-	22
Chatham Town Centre	-	-	57	-	57
Past Cases Review	-	-	8	-	8
Growth Enablers	-	-	133	-	133
Called to Grow - SDF Funding	-	-	203	-	203
Giving Advisor	-	-	27		27
Allocated support costs	543	-	18	-	561
	1,052	-	912	-	1,964
	11,536	-	1,289	-	12,825

7.STAFF COSTS

		2022 £'000	*2021 £'000*
Ordained Diocesan Officials stipends		264	*259*
Other Lay Diocesan Personnel salaries		1,571	*1,468*
National Insurance		190	*172*
Life Insurance Policy		24	*20*
Pension Costs	- Lay Diocesan Personnel	123	*116*
	- Diocesan Clergy	85	*102*
		2,257	*2,137*

During the year the RDSBF made employment termination payments totalling £32,698 (2021 : £nil)

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

	2022 Number	*2021 Number*
Common Fund		
Administration and financial management	28	*27*
Training	10	*10*
Mission and Community Engagement	6	*7*
Diocesan Appointments	5	*4*
	49	*48*
Called to Grow (funded by Strategic Development Fund)	8	*8*
Growth Enablers (funded by Diocesan Pastoral Account)	2	*3*
	59	*59*

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

	2022 Number	*2021 Number*
Common Fund		
Administration and financial management	25	*23*
Training	6	*7*
Mission and Community Engagement	5	*5*
Diocesan Appointments	4	*4*
	40	*39*
Called to Grow (funded by Strategic Development Fund)	6	*6*
Growth Enablers (funded by Diocesan Pastoral Account)	2	*3*
	48	*48*

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

	2022 Number	*2021 Number*
£60,000 - £70,000	1	*1*
£70,000 - £80,000	1	*2*
£80,000 - £90,000	2	*-*
£90,000 - £100,000	1	*1*

7.STAFF COSTS (continued)

Remuneration of Key Management Staff

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 2022, they were:

Diocesan Secretary	Mr Matthew Girt
Finance Director	The Rev Richard Williams
Property Director	Mr Stephen Hoad
Director of Formation and Ministry	The Rev Canon Chris Dench
Diocesan Surveyor	Mr Mark Trevett

Remuneration, pensions, national insurance contributions and expenses for these 5 employees amounted to £436,604 (2021 : £412,555).

Trustees' Emoluments

No trustee received any remuneration for services as a Trustee. Five Trustees received travelling and out of pocket expenses (2021 : 4), totalling £16,771 (2021 : £12,358) in respect of General Synod duties, duties as archdeacon or area/rural dean and other duties as Trustees.

The table below gives details of the Trustees who were in receipt of a stipend and/or housing provided by the RDSBF (or the Church Commissioners where shown *) during the year:

	Stipend	**Housing**
The Bishop of Rochester – The Right Revered Dr Jonathon Gibbs	Yes*	Yes*
The Bishop of Tonbridge – The Right Reverend Simon Burton-Jones	Yes*	Yes
The Dean of Rochester Cathedral	Yes*	Yes*
The Archdeacon of Bromley and Bexley – The Venerable Katerina Barnes	Yes	Yes
The Archdeacon of Tonbridge – The Venerable Sharon Copestake	Yes	Yes
The Archdeacon of Rochester – The Venerable Andrew Wooding-Jones	Yes	Yes
The Chair of the House of Clergy – The Reverend Canon Jeremy Blunden	Yes	Yes
The Reverend Canon Mark Barker	Yes	Yes
The Reverend Dr Julie Bowen	Yes	Yes
The Reverend Martyn Saunders	Yes	Yes

The RDSBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy of the Diocese, other than bishops and cathedral staff. The RDSBF is also responsible for the provision of housing for stipendiary clergy in the Diocese including the suffragan bishop but excluding the diocesan bishop and cathedral staff.

	2022 £'000	***2021 £'000***
Parish Stipends, National Insurance & Pension Costs		
Parish Stipends	4,767	*4,880*
National Insurance	391	*387*
Pension Costs	1,434	*1,463*
	6,592	*6,730*
Number of parish clergy in post as at 31 December (Full-time equivalent)	174	*180*

8. ANALYSIS OF GRANTS MADE

	No.	Individuals £'000	Institutions £'000	Source	2022 £'000
From unrestricted funds:					
Ordinands in training	17	177	-	Common Fund	177
Clergy training	27	13	-	Common Fund	13
Clergy removal grants	18	35	-	Common Fund	35
Clergy resettlement grants	16	32	-	Common Fund	32
Clergy first appointment grants	22	43	-	Common Fund	43
Kent Workplace Mission	1	-	4	Common Fund	4
Lay Ministry Support	1	-	13	Common Fund	13
Archdeacons' discretionary grants	1	5	3	Common Fund	8
Clergy energy grants	-	27	-	Mininstry and Mission Support	27
From restricted funds:					
Ministry Division Ordinand Block Grants	42	43	248	Ministry Division Fund	291
Parochial Church Councils	257	-	446	Energy Costs Support Fund	446
Overseas Partnership: Harare	8	-	19	Companion Diocese Fund	19
Overseas Partnership: Tanzania	25	5	110	Companion Diocese Fund	115
Beckenham St Michael	1	-	28	Pastoral Account	28
Parochial Church Councils	3	-	20	Pastoral Account	20
Christian Aid	1	-	5	Poverty & Hope Appeal	5
Church Mission Society	1	-	5	Poverty & Hope Appeal	5
Commonwork Land Trust	1	-	5	Poverty & Hope Appeal	5
United Society (formerly USPG)	1	-	5	Poverty & Hope Appeal	5
Harare Diocese	1	-	2	Poverty & Hope Appeal	2
St Philips Theoplogical College Mpwapwa	1	-	2	Poverty & Hope Appeal	2
Kondoa Diocese	1	-	2	Poverty & Hope Appeal	2
Parochial Church Councils	4	-	25	Trust for London	25
Bishop of Rochester Discretionary Fund	1	-	2	Trust for London	2
Clergy grants	12	31	-	Trust for London	31
Parochial Church Councils	2	-	4	Church Extension Fund	4
Parochial Church Councils	2	-	2	Cobham and Gravesend Churches	2
Parochial Church Councils	34	-	78	£500k CYP Fund	78
Clergy hardship grants	108	37	-	Ministry Hardship Fund	37
Parochial Church Councils	4	-	4	CESA Warm Spaces Fund	4
					1,480

8. ANALYSIS OF GRANTS MADE (continued)

	No.	Individuals £'000	Institutions £'000	Source	2021 £'000
From unrestricted funds:					
Ordinands in training	17	183	-	Common Fund	183
Clergy training	22	11	-	Common Fund	11
Clergy removal grants	23	35	-	Common Fund	35
Clergy resettlement grants	17	36	-	Common Fund	36
Clergy first appointment grants	29	64	-	Common Fund	64
Kent Workplace Mission	1	-	4	Common Fund	4
				Common Fund	
Archdeacons' discretionary grants	34	8	-	Common Fund	8
From restricted funds:					
Ministry Division Ordinand Block Grants	48	43	265	Ministry Division Fund	308
Parochial Church Councils	19	-	95	Covid 19 Emergency Relief Fund	95
Overseas Partnership: Harare	4	-	7	Companion Diocese Fund	7
Overseas Partnership: Tanzania	27	4	85	Companion Diocese Fund	89
Beckenham St Michael	1	-	8	Pastoral Account	8
Bishop of Rochester Discretionary Fund	1	-	20	Pastoral Account	20
Strood St Francis PCC	1	-	6	Pastoral Account	6
Christian Aid	1	-	11	Poverty & Hope Appeal	11
Church Mission Society	1	-	5	Poverty & Hope Appeal	5
Commonwork Land Trust	1	-	5	Poverty & Hope Appeal	5
United Society (formerly USPG)	1	-	5	Poverty & Hope Appeal	5
Parochial Church Councils	11	-	47	Trust for London	47
Other Organisations	1	-	3	Trust for London	3
Clergy grants	9	22	-	Trust for London	22
Parochial Church Councils	4	-	71	Church Extension Fund	71
Parochial Church Councils	24	-	44	£500k CYP Fund	44
					1,087

9. TANGIBLE FIXED ASSETS

	Board Property		Equity Sharing Property		Benefice Property		Assets Held For Sale		Assets in course of	Computer & Phone	
	Land £'000	Buildings £'000	Land £'000	Buildings £'000	Land £'000	Buildings £'000	Land £'000	Buildings £'000	construction £'000	Equipment £'000	Total £'000
Cost or valuation											
Balance 1 January 2022	5,955	8,697	123	174	19,321	20,420	309	314	2,156	171	57,640
Additions	-	61	-	-	-	447	-	-	1,066	1	1,575
Disposals	(438)	(452)	-	-	-	-	-	-	-	(36)	(926)
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Transfer	152	139	-	-	-	15	282	295	(883)	-	-
Balance 31 December 2022	5,669	8,445	123	174	19,321	20,882	591	609	2,339	136	58,289
Depreciation											
Balance 1 January 2022	-	1,142	-	52	-	4,242	-	93	-	171	5,700
Charge for the year	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	(30)	-	-	-	-	-	-	-	(36)	(66)
Transfer	-	(26)	-	-	-	-	-	26	-	-	-
Balance 31 December 2022	-	1,086	-	52	-	4,242	-	119	-	135	5,634
Net book values											
At 31 December 2022	5,669	7,359	123	122	19,321	16,640	591	490	2,339	1	52,655
At 31 December 2021	*5,955*	*7,555*	*123*	*122*	*19,321*	*16,178*	*309*	*221*	*2,156*	*-*	*51,940*

Following the introduction of Financial Reporting Standard 15 "Tangible Fixed Assets", all fixed asset land and buildings, excluding investment properties, were crystallised at their carrying value on 1 January 2000. The land proportion for each property was estimated and depreciation at 2% was applied to the remaining portion in respect of the building content. The land content was estimated to be between 40% and 51% of the carrying value as at 1 January 2000.

Depreciation is no longer provided on buildings as any provision would not be material due to the very long expected remaining useful economic life in each case and because their expected residual value is not materially less than their carrying value.

(a) Freehold Land and Buildings

The land and buildings are shown divided between Board Property, purchased from the Board's own funds, and Equity Sharing Property, which is purchased partially or wholly by a loan from the Church Commissioners. Although title to properties under the Equity Sharing Scheme rests with the Board, any profit or loss on sale is apportioned between the Board and Church Commissioners in proportion to the original funding.

(b) Equity Sharing Properties

Equity sharing properties are part owned by the Board and are included as fixed assets land and buildings. In each case there is a loan with the interest being paid by the parish for which the property is provided. On disposal, the Board receives only its share of the equity.

(c) Benefice Property

Properties not owned by the Board but from which the Board derives the benefit and incurs the obligation of ownership are included in the accounts at historical cost or market value on 1st January 2000. The proceeds of any sales are available to the Board.

10. FIXED ASSET INVESTMENTS

	2022 Cost £'000	2022 Market Value £'000	*2021 Cost £'000*	*2021 Market Value £'000*
Investments				
Mercer Global Investment Management	16,774	17,363	*16,662*	*20,233*
Investment Properties		11,873		*12,528*
		29,236		*32,761*
		£'000		***£'000***
At 1 January 2022		32,761		*28,914*
Additions		190		*160*
Disposals	(933)		(107)	
Realised losses	40		-	
Sale proceeds		(893)		*(107)*
Net (losses)/gains on investments		(2,822)		*3,794*
At 31 December 2022		29,236		*32,761*

Net losses on investments shown in the Statement of Financial Activities of £2,822k (2021: £3,794k gains) comprise unrealised losses of £2,782k (2021 : £3,794k gains) and realised losses £40k (2021 : £0k) as a result of disposals realising proceeds of £893k (2021 : £107k).

The investments are held by Mercer Global Investment Management and, with the exception of £836k (2021 : £617k) held in Private Markets, can be converted into cash within one month of application.

Investment properties include Glebe and other properties, the income from which is included in the Board accounts. Investment Properties are carried at open market value based on valuation advice from Savills. The historical cost of these properties is not available.

11. DEBTORS

	2022 Amounts falling due within one year £'000	2022 Amounts due after more than one year £'000	*2021 Amounts falling due within one year £'000*	*2021 Amounts due after more than one year £'000*
Diocesan Parishes - Loans to parishes	75	16	*97*	*34*
Diocesan Parishes - Other amounts due	161	-	*129*	*-*
Sundry Debtors	476	5	*565*	*7*
	712	21	*791*	*41*

The loans to 6 parishes (2021 : 7) are generally unsecured, repayable over a period of five years with interest charged at 0% for loans from the Church Repair Fund and at various rates for loans from the Diocesan Loans Fund.

12. CREDITORS

	2022		*2021*	
	Amounts falling due within one year £'000	**Amounts due after more than one year £'000**	***Amounts falling due within one year £'000***	***Amounts due after more than one year £'000***
Related Party Balances:				
Amount due to Diocesan Board of Education	37	-	*2*	*-*
Other Balances:				
Amount due to Other Trust Funds	6	-	*3*	*-*
Equity Sharing Loans	-	280	*-*	*295*
Deposits - Diocesan Loans Fund (Parishes)	4,397	-	*4,181*	*-*
Deposits - Diocesan Loans Fund (Other)	33	-	*32*	*-*
Deposits - Church Repair Fund	4,733	-	*4,673*	*-*
Pension Scheme Liabilities	-	-	*42*	*295*
CCLA Loan	-	500	*-*	*500*
Sundry Creditors	1,533	-	*947*	*-*
	10,739	780	*9,880*	*1,090*

The Equity Sharing Loans are made by the Church Commissioners and are secured on property with interest charged at a commercial rate and repayable on the sale of the related property.

The parish deposits in the Church Repair Fund and Diocesan Loan Fund are repayable on demand and they are therefore classified as 'falling due within one year'. These deposits are placed in bank deposits and other assets. The likelihood of all parishes wishing to withdraw all of their funds at the same time is highly unlikely as Church Repair Fund deposits are generally intended to pay for repairs arising from quinquennial surveys.

The CCLA loan was obtained in 2020 and is an unsecured interest only loan repayable after 10 years. The interest rate is variable and tracks 0.55% above the CBF Church of England deposit rate which is currently 4.05%.

13. MEMBERS' LIABILITY

The Board is a company limited by Guarantee. At 31 December 2022 there were 120 (2021 : 122) members who are liable to contribute £1 each in the event of the company being wound up.

14. OPERATING LEASES

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

	2022 £'000	***2021 £'000***
Lease payments - other operating lease:		
Not later than one year after the balance sheet date	7	*11*
In the second to fifth years after the balance sheet date	17	*3*
	24	*14*

15. RELATED PARTY TRANSACTIONS

During the year the following related party transactions took place:

Related Party	Relationship		2022 £'000	*2021 £'000*
Mrs Julia Burton-Jones	Wife of Bishop of Tonbridge	Professional fees in respect of work on Dementia Friendly Church Project.	17	*14*
Trustees		Total restricted donations made to the RDSBF.	21	*13*

The outstanding balances with related parties at 31 December 2022 are included in note 12.

There were no other related party transactions during the year or prior year.

Details of related parties can be found in the Trustees Report.

16. DESIGNATED FUNDS

	Balance at 1 January 2022 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2022 £'000
Central Church Funding	99	-	(27)	-	5	77
Property Fund	9,015	-	-	-	-	9,015
	9,114	**-**	**(27)**	**-**	**5**	**9,092**

Central Church Funding
These funds have been received from the Church Commissioners for designated purposes and so have been retained within a specific designated fund. Expenditure of £27k represents grants of £300 made to 91 clergy people experiencing hardship due to rising energy costs. A transfer of £5k was made to settle a debit balance within the fund.

Property Fund
This fund has been set aside by the Trustees for the purpose of funding Board property acquisitions and development.

16. DESIGNATED FUNDS (continued)

	Balance at 1 January 2021 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2021 £'000
Central Church Funding	99	-	-	-	-	99
Property Fund	8,135	943	-	(63)	-	9,015
	8,234	**943**	**-**	**(63)**	**-**	**9,114**

17. RESTRICTED FUNDS

	Balance at 1 January 2022 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2022 £'000
Poverty & Hope Appeal	17	22	(26)	-	-	13
Committee Amongst Deaf	23	-	-	-	-	23
Local Church Urban Fund	21	16	-	-	-	37
Diocesan Pastoral Account	1,121	24	(224)	-	(252)	669
Diocesan Pastoral Account re Sale of Beckenham St Michael Hall	27	-	(27)	-	-	-
Trust for London (formerly City Parochial Foundation)	285	359	(63)	-	(442)	139
Benefice Property	35,499	-	-	-	462	35,961
Thames Gateway	7	-	-	-	-	7
Thames Gateway Capital Fund	457	-	-	-	-	457
Parsonage Building Fund	1,901	-	-	-	-	1,901
Church Extension Fund	757	-	(4)	-	-	753
Companion Diocese Funds	24	142	(138)	-	-	28
Ministry Division RME Ordinand's Grant	92	292	(291)	-	-	93
Children & Young People £500K Fund	122	18	(78)	-	25	87
Chatham Town Centre	522	92	(89)	-	-	525
Children & Young People misc. funds	3	-	(2)	-	-	1
Cobham and Gravesend Churches Fund	59	-	(2)	-	-	57
Together Magazine	1	-	(1)	-	-	-
Called to Grow - Strategic Development Funding	110	164	(218)	-	-	56
Past Cases Review	18	30	-	-	(48)	-
Covid 19 Emergency Relief/Energy Costs Support	22	276	(446)	-	148	-
Covid Winter Grant - CESA	4	1	-	-	-	5
Luton Memorial Meadow	8	2	-	-	-	10
Giving Advisor	17	34	(51)	-	-	-
Ministry Hardship Fund	-	77	(37)	-	-	40
SDF Anerley	-	9	(3)	-	-	6
Warm Spaces Grant - CESA	-	4	(4)	-	-	-
	41,117	**1,562**	**(1,704)**	**-**	**(107)**	**40,868**

Poverty and Hope Appeal
Money raised by an annual appeal and passed on in grants to various missionary and relief agencies.

Committee Amongst the Deaf
Specific donations received for use by this committee.

Local Church Urban Fund
The income arising from the appeal capital is used to pay grants in support of specified projects in urban priority areas within the Diocese.

Diocesan Pastoral Account
Capital monies originally received under the Pastoral Measure 1983 and is restricted thereby. Income arises from rental income of £24k (2021 : £24k). Expenditure includes Growth Enabler costs of £108k (2021 : £133k), £61k (2021

17. RESTRICTED FUNDS (continued)

: £0k) for parish development projects, a £6k (2021 - £0K) grant to Strood St Nicholas PCC to assist with their Called to Grow administration costs, a £3k grant to Gillingham Holy Trinity to help with insurance costs and £41k (2021 : £53k) Diocesan project costs. The net transfer of £252k includes £250k (2021 : £250k) parsonage catch up works, provision of the Archdeacon's Discretionary Funds of £20k (2021 : £20k), a credit of £48k (2021 : £0k) being the balance on the Past Cases Review which was partly funded by the DPA and support for Strategic Development Fund and Community Engagement & Social Action posts of £30k (2021 : £29k).

Pastoral Account re Sale of Beckenham St. Michael Hall
Capital monies originally received under the Pastoral Measure 1983 and is restricted thereby. This has been shown separately from the Diocesan Pastoral Account because the aim is to use the funds for that specific parish. A final grant of £27k (2021 : £8k) was made during the year thereby fully using this fund.

Trust for London
An annual allocation from the Foundation to use within the Archdeaconry of Bromley and Bexley. The transfer of £442k (2021 : £267k) represents contributions to the Children and Young Peoples 500k Fund, community and children's projects, training, stipends and administration.

Benefice Property
The fund value represents the capital value of parsonage houses less depreciation. The net transfer of £462k (2021 : £212k) relates to the capitalisation of parsonage improvement projects.

Thames Gateway
Money given by Tonbridge Deanery towards specific projects in the Thames Gateway area.

Thames Gateway Capital
Money initially collected through the parish share specifically to raise £1m over 10 years towards capital projects in the Thames Gateway area.

Parsonage Building Fund
Money held by the RSDBF, under s5(3) of the Parsonages Measure 1938 (amended), from the sale of a parsonage or other parsonage land held in trust for the benefice concerned.

Church Extension Fund
Monies given under an appeal in 1956 for the purchase or improvement of churches, halls, parsonages, curate houses and other property. The fund includes 4 houses in various parishes with a net book value of £250k. The expenditure of £4k (2021 : £71k) was a Missional Property Fund grant made to Tunbridge Wells, St Mark.

Companion Diocese Funds
This represents collections taken at Confirmation services and other income for the purpose of maintaining and developing partnerships with overseas link Dioceses.

Ministry Division RME Ordinand's Grant
Block grant received from the Archbishop's Council Ministry Division to fund ordinand training.

Children and Young People 500K Fund
Fund established as part of the Called Together initiative. The expenditure of £78k (2021 : £44k) represents grants made to 34 parishes for Children and Youth projects. The transfer of £25k (2021 : £25k) was allocated from the Trust for London Fund to support Children and Young People projects specifically in the Bromley & Bexley Archdeaconry.

Chatham Town Centre
Grants received from the Church Commissioners to help fund redevelopment of Chatham Town Centre.

Children and Young People Funds
This represents 2 small grants specifically for the Children and Young People Projects, Angel Space and Listen to Learn. £2k (2021 : £0k) was used towards Unite youth services at Rainham St Margaret.

Cobham and Gravesend Churches Fund
Fund to be used for purposes connected with the social responsibility mission of churches in the Cobham and Gravesend area. Expenditure of £2k (2021 : £0k) represented grants made to Instead Rise St Barnabas for the start-up costs of their Friends Café and Gravesend St Mary for their Easter Story Box.

17. RESTRICTED FUNDS (continued)

Together Magazine
Grant from the Bishops Fund for Mission towards the production and circulation of the Rochester Diocese Together Magazine.

Called to Grow
In late June 2019, the Strategic Investment Board of the Church Commissioners agreed to award funding, on behalf of the Archbishops' Council, of £1,388K. This was the full amount of the RDSBF's Stage Two application and facilitates growth enablement projects in five focus parishes. In particular, this support is to evangelistic activities in Anerley, Erith, Gillingham and Strood. The funding is over 5 years, 2019-2024.

Past Cases Review
The Past Cases Review, was a comprehensive safeguarding review across churches and key institutions within the Diocese of Rochester. The purpose of the Review was to help find out whether all known cases of concern about the behaviour of clergy and church officers towards children and vulnerable adults had been considered, risk assessed and dealt with appropriately. Independent reviewers carried out the Review which completed in 2021. The anticipated cost was expected to be divided between the Bishop, the Diocesan Pastoral Account and the Church Commissioners. The total cost was £63k and £48k was transferred back to the DPA in 2022.

Covid 19 Emergency Relief/Energy Costs Support Fund
The fund was originally set up to make grants to parishes that were struggling financially during the Covid 19 pandemic. It was agreed by Bishop's Council that the remainder of the Covid 19 Emergency relief fund would be repurposed to become the Energy Costs Support Fund. This together with £27k donated by one parish, £249k received from the Church Commissioners' Energy Support Grant and £148k from the Common Fund was used to provide grants to 187 parishes struggling with rapidly increasing energy costs and 70 parishes with grants to help provide Warm Spaces in their community.

Covid Winter Grant – CESA
Grants received to help the homeless in the Medway area.

Luton Memorial Meadow
Rental income received to be used in relation to expenditure to this property.

Giving Advisor
Grant from the Church Commissioners to cover 50% of the costs of providing a Giving Advisor over a period of 5 years.

Ministry Hardship Grant
Grant received from the Church Commissioners to help clergy with rising energy costs. Grants of £340 were made to 108 clergy people experiencing hardship due to rising energy costs.

SDF Anerley
Contribution from Anerley PCC, being one of the parishes being supported by Called to Grow, towards their Freedom Forum Pastor.

Warm Spaces Grant – CESA
Grant received from Dartford Borough Council to assist four parishes in the Dartford area with their Warm Spaces projects.

17. RESTRICTED FUNDS (continued)

	Balance at 1 January 2021 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2021 £'000
Poverty & Hope Appeal	23	20	(26)	-	-	17
Committee Amongst Deaf	23	-	-	-	-	23
Local Church Urban Fund	9	14	(2)	-	-	21
Diocesan Pastoral Account	1,690	26	(236)	-	(359)	1,121
Diocesan Pastoral Account re Sale of Beckenham St Michael Hall	35	-	(8)	-	-	27
Trust for London (formerly City Parochial Foundation)	-	642	(90)	-	(267)	285
Benefice Property	35,287	-	-	-	212	35,499
Thames Gateway	7	-	-	-	-	7
Thames Gateway Capital Fund	457	-	-	-	-	457
Parsonage Building Fund	1,349	552	-	-	-	1,901
Church Extension Fund	829	-	(72)	-	-	757
Companion Diocese Funds	17	106	(99)	-	-	24
Ministry Division RME Ordinand's Grant	36	365	(309)	-	-	92
Ebbsfleet Youth Worker	18	4	(22)	-	-	-
Children & Young People Fund	76	66	(45)	-	25	122
Chatham Town Centre	503	63	(44)	-	-	522
Children & Young People misc. funds	3	-	-	-	-	3
Cobham and Gravesend Churches Fund	59	-	-	-	-	59
Together Magazine	1	-	-	-	-	1
Called to Grow - Strategic Development Funding	80	234	(204)	-	-	110
Past Cases Review	26	-	(8)	-	-	18
Covid 19 Emergency Relief	8	9	(95)	-	100	22
Covid Winter Grant - CESA	-	9	(5)	-	-	4
Luton Memorial Meadow	-	10	(2)	-	-	8
Giving Advisor	-	44	(27)	-	-	17
	40,536	**2,164**	**(1,294)**	**-**	**(289)**	**41,117**

18. ENDOWMENT FUNDS

	Balance at 1 January 2022 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2022 £'000
Stipends Capital Account	5,665	-	-	-	129	5,794
Unapplied Total Return	14,505	-	-	(696)	(454)	13,355
Training	1,647	-	-	(243)	9	1,413
Pensions & Retired Clergy	1,581	-	-	(109)	4	1,476
Buildings	92	-	-	(14)	-	78
Parsonages	760	-	-	(112)	4	652
Local Church Urban Fund	563	-	-	(83)	3	483
Social Mission	1,322	-	-	(195)	9	1,136
David Goodwin Legacy	686	12	-	-	-	698
	26,821	**12**	**-**	**(1,452)**	**(296)**	**25,085**

Stipends Capital Account/Unapplied Total Return
Investments held under the Endowments and Glebe Measure 1976. Income is credited to the Common Fund and used for stipend purposes. The main movements in the year relate to capitalisation of works to parsonages of £461k funded through Unapplied Total Return and net investment losses. The original liability for clergy pensions liabilities was funded by the Stipends Capital account, and the transfer also represents the reduction in clergy pension deficit contribution liabilities in the year. This liability is now zero (2021 : £337k). Transfers also included Unapplied Total Return of £231k to the Common Fund for bringing investment yield to 4% and stipend costs. Note 23 shows full details of movements in the year.

Training
Mainly a legacy to provide a contribution towards the cost of training ordinands. Some small funds also for general training of clergy and readers. Income arising in the year has been applied to the Common Fund to offset the full costs incurred.

Pensions and Retired Clergy
Legacies and the result of an appeal for the provision of housing for the retired clergy. Income from investments arising in the year has been applied to the Common Fund to offset pension costs incurred.

Buildings
Comprises of two funds, the first to support the fabric of the Diocesan Office and the second to provide income for grants to PCC's. Income arising has been applied to the Common Fund to offset the full costs incurred.

Parsonages
An endowment transferred from the Church Commissioners upon setting up of the Parsonage Scheme. Income arising has been applied to the Common Fund to offset full costs incurred.

Local Church Urban Fund
The initial capital of £250k was raised by appeal. The income is used to pay grants in support of specified projects in urban priority areas within the Diocese.

Social Mission
Comprised of four funds Oakhurst, Ravensbourne, Hollywood Manor and Council for Social Aid (formerly Rock Avenue). Income from the funds may be applied for the general purposes of social mission in the Diocese.

David Goodwin Legacy
A residuary estate held in trust by the RDSBF as a Capital Fund and the interest thereon being applied for Ecclesiastical or charitable purposes of the parish of St Peter with St Margaret, Rochester, being known as the 'Parish of Rochester'. The capital sum is owned by the RDSBF. The members of the RDSBF are the charity trustees, being the persons who have the general control and management of the administration of the capital and make decisions about how the income is spent, or the development of a reserves policy.

18. ENDOWMENT FUNDS (continued)

	Balance at 1 January 2021 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2021 £'000
Stipends Capital Account	18,102	-	-	1,916	152	20,170
Training	1,425	-	-	219	3	1,647
Pensions & Retired Clergy	1,516	-	-	98	(33)	1,581
Buildings	80	-	-	12	-	92
Parsonages	658	-	-	101	1	760
Local Church Urban Fund	487	-	-	75	1	563
Social Mission	1,143	-	-	176	3	1,322
David Goodwin Legacy	673	13	-	-	-	686
	24,084	**13**	**-**	**2,597**	**127**	**26,821**

19. TRANSFERS BETWEEN FUNDS

	Note	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000
Transfer of funds to reduce the clergy pension deficit		(337)	-	-	337
Parsonage and ministry house movements		250	-	(250)	-
Transfer to Archdeacons' Discretionary Funds		20	-	(20)	-
Transfers from Trust for London		417	-	(417)	-
SDF Support Function/CESA Staff Costs		30	-	(30)	-
Transfer of Designated Fund Balance		(5)	5	-	-
Mercer Management Fees Capitalised		(60)	-	-	60
Energy Support Grants to parishes		(148)	-	148	-
Transfers before Total Unapplied Return		167	5	(569)	397
Total Unapplied Return	23	231	-	462	(693)
Total transfers as at 31 December 2022		398	5	(107)	(296)

The transfers summarised above are described in notes 16-18.

19. TRANSFERS BETWEEN FUNDS (continued)

	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000
Transfer of funds to reduce the clergy pension deficit	(352)	-	-	352
Parsonage and ministry house movements	250	-	(39)	(211)
DBF Property movements	35	-	-	(35)
Transfer to Archdeacons' Discretionary Funds	20	-	(20)	-
Transfers from Trust for London	192	-	(192)	-
SDF Support Function/CESA Staff Costs	38	-	(38)	
Mercer Management Fees Capitalised	(21)	-	-	21
Transfers as at 31 December 2021	162	-	(289)	127

20. NET ASSETS BETWEEN FUNDS

	Note	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	9	2,339	9,349	36,761	4,206	52,655
Investments	10	8,127	425	-	20,684	29,236
Current assets		3,381	(402)	4,107	195	7,281
Creditors		(10,739)	-	-	-	(10,739)
Creditors > 1 year		(500)	(280)	-	-	(780)
As at 31 December 2022		2,608	9,092	40,868	25,085	77,653

20. NET ASSETS BETWEEN FUNDS (continued)

	Note	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	9	2,156	10,149	36,299	3,336	51,940
Investments	10	9,470	805	-	22,486	32,761
Current assets		3,855	(1,545)	4,818	1,336	8,464
Creditors		(9,838)	-	-	(42)	(9,880)
Creditors > 1 year		(500)	(295)	-	(295)	(1,090)
As at 31 December 2021		5,143	9,114	41,117	26,821	82,195

21. ASSETS HELD AS CUSTODIAN TRUSTEE

	2022 £'000	*2021 £'000*
Investments (at cost)	707	*702*
Property	648	*648*
Cash at bank	872	*929*
	2,227	*2,279*

22. PENSION SCHEMES

a. Revaluation of Pension Scheme Liabilities

The revaluation shown in the Statement of Financial Activities comprises revaluations of both the clergy scheme and the lay scheme as follows:-

	2022 £'000	*2021 £'000*
Clergy Scheme (see note 22b below)	140	*8*
Lay Scheme (see note 22d below)	(44)	*14*
	96	*22*

b. The Church of England Funded Pension Scheme (for clergy)

RDSBF 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

22. PENSION SCHEMES (continued)

are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year.

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

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH; and
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a. and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table below. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2022 £'000	***2021 £'000***
Balance sheet liability at 1 January	337	*689*
Deficit contribution paid	(197)	*(345)*
Interest cost (recognised in SoFA)	-	*1*
	(197)	*(344)*
Remaining change to the balance sheet liability* (recognised in SoFA)	(140)	*(8)*
	(337)	*(352)*
Balance sheet liability at 31 December	-	*337*

* Comprises change in agreed deficit recovery plan and change in discount rate and inflation assumptions between year-ends.

22. PENSION SCHEMES (continued)

This liability is a liability of the Stipends Capital Account (within Endowment Funds). Deficit contributions have been paid during the year by the Common Fund. Interest costs have been incurred in the Common Fund. The net of these two items together with the revaluation of liabilities shown above, is included in Transfers (note 19) to ensure that the deficit reduction is reflected in the Stipends Capital Account (note 18). The current year costs of providing pensions to diocesan clergy are included within expenditure within the Common Fund.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2022	December 2021	December 2020
Discount rate	n/a	0.0% pa	0.2% pa
Price inflation	n/a	n/a	3.1% pa
Increase to total pensionable payroll	n/a	-1.5% pa	1.6% pa

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

c. Defined Contribution Scheme (for lay personnel)

A defined contribution scheme is operated for the majority of current RDSBF staff. The RDSBF contributes 5% of base salary into the Scheme and employees also contribute 5% (after tax). The Scheme is administered by Scottish Widows.

Amounts payable in the year to this scheme by the RDSBF amount to £57,795 (2021 : £51,862) and the amount owed to the scheme at 31 December 2022 was £nil (2021 : £nil).

d. Staff Defined Benefit Scheme (for lay personnel)

RDSBF (the Employer) operates a defined benefit pension arrangement called the Rochester Diocesan Staff Retirement Scheme (the Scheme). The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death. This is a closed scheme to new employees and currently has five current employees of the RDSBF and one current employee of the Rochester Diocesan Board of Education who are beneficiaries of the Scheme.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Employer must agree with the Trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objectives and contributions to pay for future accrual of benefits.

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31 March 2021 and the next valuation of the Scheme is due as at 31 March 2024. In the event that the valuation reveals a larger deficit than expected the RDSBF may be required to increase contributions above those set out in the existing Schedule of Contributions. Conversely, if the position is better than expected, it is possible that contributions may be reduced.

The RDSBF expects to pay accrual contributions of £76k in the year to 31 December 2023 (based on salaries between 31 December 2021 and 31 December 2022 – if members have left or retired then this number would be expected to reduce).

The Scheme is managed by a board of Trustees appointed in part by the RDSBF and part from elections by members of the Scheme. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The Trustees delegate some of these functions to their professional advisers where appropriate.

There were no plan amendments, curtailments or settlements through the period.

22.PENSION SCHEMES (continued)

At 31 December 2022 the FRS102 valuation, which is based on different underlying assumptions to the actuarial valuation, calculated a surplus in the Scheme of £2,697k (2021 : £2,857k). Under FRS102 the Employer is only allowed to recognise such assets in its balance sheet to the extent that it can recover the surplus either through reduced contributions in the future or through refunds from the plan. As RDSBF is unable to recover the surplus, the asset value of the Scheme at 31 December 2022 reflected in these accounts is £nil. This compares to an asset value of £nil at the previous review date.

22. PENSION SCHEMES (continued)

Principal Actuarial Assumptions	31 December 2022	*31 December 2021*
Discount rate	4.65%	*1.90%*
Inflation (RPI)	3.35%	*3.40%*
Inflation (CPI)	2.55%	*2.60%*
Salary increases - From 31/3/2021 – 31/3/2022 - From 1/4/2022 – 31/3/2024 - From 1/2/2024 onwards	 1.00% 2.00% 3.35%	 *1.00%* *2.00%* *3.40%*
Increases in payment to Post 1992 benefits in excess of GMP (RPI max 5%)	3.25%	*3.20%*
Increases in payment to Post 2016 benefits in excess of GMP (CPI max 2.5%)	1.90%	*2.00%*
Revaluation in deferment (benefits in excess of GMP)	2.60%	*2.60%*
Post-retirement mortality	95% of the S3PA tables with CMI 2020 projections using a long-term improvement rate of 1.25% p.a.	*95% of the S2PA tables with CMI 2020 projections using a long-term improvement rate of 1.25% p.a.*
Commutation	70% of members are assumed to take the maximum tax free cash possible	*70% of members are assumed to take the maximum tax free cash possible*

The current asset split is as follows:

	Bid values as at 31 December 2022 £'000	*Bid values as at 31 December 2021 £'000*
Global Equities	2,102	*6,144*
Fixed Interest Gilts	1,368	*-*
Index Linked gilts	3,443	*3,378*
Cash	144	*116*
Total assets	7,057	***9,638***

The following amounts at 31 December 2022 and 31 December 2021 were measured in accordance with the requirements of FRS102:

Balance sheet	At 31 December 2022 £'000	*At 31 December 2021 £'000*
Fair value of assets	7,057	*9,638*
Present value of funded obligations	(4,360)	*(6,781)*
Surplus/(deficit) in scheme	**2,697**	*2,857*
Impact on limit of recognisable surplus	(2,697)	*(2,857)*
Net defined benefit asset/(liability)	**-**	***-***

22. PENSION SCHEMES (continued)

Amount recognised in Statement of Financial Activities (SOFA)	**Period to 31 December 2022** **£'000**	***Period to 31 December 2021*** ***£'000***
Current service cost	90	*107*
Administration costs	-	*-*
Interest on liabilities	128	*97*
Interest on assets	(183)	*(108)*
Past service costs	-	*-*
Settlement and curtailment cost	-	*-*
Total charge to SOFA	35	*96*

Remeasurements over the year	**Period to 31 December 2022** **£'000**	***Period to 31 December 2021*** ***£'000***
(Gain)/loss on assets in excess of interest	2,798	*(1,219)*
Experience losses/(gains) on liabilities	442	*(27)*
Losses/(gains) from changes to demographic assumptions	-	*(202)*
Losses/(gains) from changes to financial assumptions	(3,037)	*(605)*
Total remeasurements	203	***(2,053)***

Change in value of the assets	**Period to 31 December 2022** **£'000**	***Period to 31 December 2021*** ***£'000***
Fair value of assets at start	**9,638**	***8,338***
Interest on assets	183	*108*
Company contributions	78	*82*
Contributions by Scheme participants	20	*16*
Benefits paid	(64)	*(125)*
Administration costs	-	*-*
Change due to settlements and curtailments	-	*-*
Return on assets less interest	(2,798)	*1,219*
Fair value of assets at end	**7,057**	*9,638*

Actual return on assets	**(2,615)**	**1,327**

22. PENSION SCHEMES (continued)

Change in value of DB liabilities	**Period to 31 December 2022 £'000**	***Period to 31 December 2021 £'000***
Value of liabilities at start	**6,781**	***7,520***
Current service cost	90	*107*
Contributions by scheme participants	20	*16*
Past service costs	-	*-*
Interest on liabilities	128	*97*
Benefits paid	(64)	*(125)*
Change due to settlements or curtailments	-	*-*
Experience (gain)/loss on liabilities	442	*(27)*
Changes to demographic assumptions	-	*(202)*
Changes to financial assumptions	(3,037)	*(605)*
Value of liabilities at end	**4,360**	***6,781***

Projected Profit & Loss account for next year	**Period to 31 Dec 2023 £'000**
Current service cost	35
Administration costs	-
Interest on liabilities	202
Interest on assets	(329)
Settlement and curtailment costs	-
Past service cost	-
Total	(92)

The above estimate is based on the assumptions adopted at the Review Date and assumes the following:

i Cashflows to and from the pension scheme are broadly the same as for the current period.

ii There are no events (other than those already notified to us) that would give rise to a settlement, curtailment or past service cost.

22. PENSION SCHEMES (continued)

e. Church Workers Pension Fund (CWPF)

RDSBF participates in the Pension Builder Scheme section of CWPF for one member of lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

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

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SofA in the year are the contributions payable being £10,809 (2021 : £0k).

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 2019. The next valuation was due as at 31 December 2022 and is currently underway.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 10.1% following improvements in the funding position over 2022. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

23. TOTAL RETURN ACCOUNTING

From the 1 January 2022 the RDSBF adopted a total return approach to investments and property with regard to the Stipends Capital Fund (SCF). Under the Diocesan Stipends Capital Fund (Amendment) Measure S104b of the Charities Act 2011 the Stipends Capital Account may be split into capital funds and unapplied total return (UTR).

Total return accounting policy was approved by Bishop's Council on 25 May 2022 with final calculations being completed and approved by Haysmacintyre in their letter of 31 May 2022. The initial base value of Intergenerational Equity for implementing total return was determined at 1 January 2022 being £6.0M for the SCF. The UTR was set at £14.5M with £2.9M being attributable to operational ministry properties which are not immediately realisable within the SCF.

Following unrealised investment losses of £696K, UTR was drawn down in the year as follows:

- £83K – transfer to common fund to maintain investment yield at 4%.
- £148K – transfer to common fund towards stipends costs to release funds for the energy costs support fund.
- £462K – utilised for parsonage capital improvements.

Intergenerational equity saw an uplift of £631K for indexation and £31K for capitalisation of investment management fees. £870K was temporarily used from Intergenerational equity for the purchase of a temporary parsonage for the parish of Hayes. Consequently, the amount of UTR attributable to operational ministry properties within the SCF rose to £3.7M.

Movements and balances as at the 31 December 2022 were as follows:

	Intergenerational Equity £'000	Unapplied total return £'000	Pension Liability £'000	Total 2022 £'000
At 1 January 2022				
Opening Intergenerational Equity	6,002	-	-	6,002
Opening Unapplied total return	-	14,505	-	14,505
Opening Pension Liability	-	-	(337)	(337)
Total	6,002	14,505	(337)	20,170
Movements during the year				
Intergenerational Equity uplift re indexation	631	(631)	-	-
Transfers to/(from) Intergenerational Equity	(870)	870	-	-
Investment movements: realised and unrealised gains/(losses)	-	(696)	-	(696)
Investment movements: capitalisation of management fees	31	-	-	31
Write back of Pension Liability	-	-	337	337
	(208)	(457)	337	(328)
Utilisation of Unapplied Total Return				
Transferred to Common Fund re Investment Yield	-	(83)	-	(83)
Transferred to Common Fund re stipends	-	(148)	-	(148)
Utilised on Parsonage capital expenditure	-	(462)	-	(462)
	-	(693)	-	(693)
Net movement during the year:	(208)	(1,150)	337	(1,021)
Closing Intergenerational Equity	5,794	-	-	5,794
Closing Unapplied total return	-	13,355	-	13,355
Closing Pension Liability	-	-	-	-
Total at 31 December 2022	5,794	13,355	-	19,149

24. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted Common	Unrestricted Designated	Restricted	Endowment	Total 2021	*Total 2020*
		£'000	£'000	£'000	£'000	£'000	*£'000*
Income							
Donations:							
- Parish Offers		7,875	-	-	-	7,875	*8,395*
- Other	2	478	-	1,549	13	2,040	*1,651*
Investment income	3	1,417	-	63	-	1,480	*1,353*
Charitable activities	4	478	-	-	-	478	*396*
Total income		10,248	-	1,612	13	11,873	*11,795*
Expenditure							
Generating income	5	(544)	-	(5)	-	(549)	*(432)*
Charitable activities	6	(11,536)	-	(1,289)	-	(12,825)	*(12,507)*
Total Expenditure		(12,080)	-	(1,294)	-	(13,374)	*(12,939)*
Operating (Deficit)/Surplus:		**(1,832)**	**-**	**318**	**13**	**(1,501)**	***(1,144)***
Profit/(losses) on sale of property		351	943	552	-	1,846	*1,757*
Gains/(losses) on investments	10	1,260	(63)	-	2,597	3,794	*2,146*
Net Income before revaluation of fixed assets and pension scheme liabilities and transfers between funds		**(221)**	**880**	**870**	**2,610**	**4,139**	***2,759***
Reserve Movements:							
Net Income		(221)	880	870	2,610	4,139	*2,759*
Gains on revaluation of fixed assets		-	-	-	-	-	*-*
Revaluation of pension scheme liabilities	22	22	-	-	-	22	*34*
Transfers between funds	19	162	-	(289)	127	-	*-*
Net movement in funds		**(37)**	**880**	**581**	**2,737**	**4,161**	***2,793***
Reserve balances at 1st January 2021		5,180	8,234	40,536	24,084	78,034	*75,241*
Reserve balances at 31st December 2021		**5,143**	**9,114**	**41,117**	**26,821**	**82,195**	***78,034***
			note 16	note 17	note 18		

CUSTODIAN TRUSTEESHIP FUNDS – BALANCE SHEET
For the year ended 31 December 2022

This page does not form part of the audited financial statements

	2022		*2021*	
	Capital £'000	**Revenue £'000**	***Capital £'000***	***Revenue £'000***
Investments at cost (see below)	704	3	*698*	*3*
Freehold property	645	-	*645*	*-*
Freehold interest in leased properties	3	-	*3*	*-*
Cash				
National Savings Bank	11	1	*11*	*1*
CCLA Investment Management Ltd - Deposit Fund				
Miscellaneous	759	95	*819*	*95*
Church Commissioners Deposit Account				
Barclays Bank - Current Account	-	6	*-*	*3*
	770	102	*830*	*100*
Total Assets	2,122	105	*2,176*	*103*
Representing				
Parochial Funds	2,104	98	*2,158*	*99*
Non-Parochial Funds	18	7	*18*	*4*
Total Funds	2,122	105	*2,176*	*103*

INVESTMENTS NOTE	2022		*2021*	
	Cost £'000	**Market value £'000**	***Cost £'000***	***Market value £'000***
CAPITAL				
Quoted Investments	5	147	*5*	*165*
Unlisted Investments				
CCLA Investment Management Ltd				
Investment Fund Income Shares				
201,735 (2021 201,525 shares)	553	4,168	*547*	*4,719*
Fixed Interest Fund Income Shares				
44,806 (2021 44,806 shares)	72	61	*72*	*71*
Global Equity				
25,919 (2021 25,919 shares)	30	68	*30*	*79*
Property Fund				
34,935 (2021 34,935 shares)	44	46	*44*	*52*
	699	4,343	*693*	*4,921*
	704	*4,490*	*698*	*5,086*
REVENUE				
Unlisted Investments				
CCLA Investment Management Ltd				
Investment Fund Income Shares	3	44	*3*	*50*
2,127 (2021 2,127 shares)				

PARISH FUND BALANCES
For the year ended 31 December 2022

This page does not form part of the audited financial statements

CHURCH REPAIR FUND BALANCES
As at 31 December 2022

	2022 £'000	*2021 £'000*		2022 £'000	*2021 £'000*
Deposits by Parishes with Diocese:			Use of Funds Deposited by Parishes with Diocese:		
Parochial Funds	4,733	*4,673*	Parish Loans	3	*7*
			Funds on Deposit and other assets	4,730	*4,666*
	4,733	*4,673*		4,733	*4,673*

LOANS FUND BALANCES
As at 31 December 2022

	2022 £'000	*2021 £'000*		2022 £'000	*2021 £'000*
Deposits by Parishes with Diocese:			Use of Funds Deposited by Parishes with Diocese:		
Parochial Funds	4,396	*4,181*	Parish & Clergy - Loans	87	*124*
Other Sources	33	*32*	Other Loans	8	*11*
			Funds on Deposit and other assets	4,334	*4,078*
	4,429	*4,213*		4,429	*4,213*

The Church Repair Fund and Loans Fund have been consolidated in the Financial Statements of the Rochester Diocesan Society and Board of Finance.

PARISH OFFER RECEIVED BY BENEFICE
For the year ended 31 December 2022

This page does not form part of the audited financial statements

	Offer Received
Beckenham Deanery	
ANERLEY TEAM MINISTRY	**75,350**
BECKENHAM CHRIST CHURCH PCC	**101,635**
BECKENHAM ST GEORGE PCC	**75,600**
BECKENHAM ST JAMES PCC	**35,738**
BECKENHAM ST JOHN THE BAPTIST PCC	**95,000**
BECKENHAM ST MICHAEL W ST AUGUSTINE PCC	**33,375**
BECKENHAM ST PAUL PCC	**69,650**
PENGE ST JOHN THE EVANGELIST PCC	**72,256**
SHORTLANDS PCC	**76,560**
Total Beckenham Deanery	**635,164**
Bromley Deanery	
BICKLEY PCC	**60,000**
BROMLEY CHRIST CHURCH PCC	**55,289**
BROMLEY COMMON HOLY TRINITY PCC	**30,751**
BROMLEY COMMON ST AUGUSTINE w ST LUKES PCC	**75,040**
BROMLEY ST ANDREW PCC	**31,000**
BROMLEY ST JOHN THE EVANGELIST PCC	**65,177**
BROMLEY ST MARK PCC	**56,299**
BROMLEY ST MARY PCC	**60,000**
BROMLEY ST PETER & ST PAUL PCC	**79,081**
CHISLEHURST THE ANNUNCIATION PCC	**63,000**
CHISLEHURST CHRIST CHURCH PCC	**70,391**
CHISLEHURST ST NICHOLAS PCC	**75,000**
HAYES PCC	**64,300**
Total Bromley Deanery	**785,328**
Erith Deanery	
BARNEHURST PCC	**30,801**
BELVEDERE ALL SAINTS PCC	**36,000**
BELVEDERE ST AUGUSTINE PCC	**15,000**
BEXLEYHEATH CHRIST CHURCH PCC	**68,153**
BEXLEYHEATH ST PETER PCC	**25,788**
BOSTALL HEATH PCC	**29,808**
CRAYFORD PCC	**20,521**
ERITH CHRIST CHURCH PCC	**6,000**
ERITH ST JOHN THE BAPTIST PCC	**40,000**
FALCONWOOD PCC	**38,400**
NORTHUMBERLAND HEATH PCC	**48,000**
SLADE GREEN PCC	**15,226**
WELLING PCC	**71,567**
Total Erith Deanery	**445,264**

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	Offer Received
Orpington Deanery	
BIGGIN HILL PCC	**66,701**
CHELSFIELD PCC	**40,444**
CRAY ST BARNABAS PCC	**32,903**
CROFTON PCC	**84,300**
CUDHAM PCC	**24,445**
DOWNE PCC	**17,820**
FARNBOROUGH ST NICS	**43,965**
FARNBOROUGH PCC	**66,028**
GREEN STREET GREEN PCC	**79,460**
KESTON PCC	**29,000**
ORPINGTON ALL SAINTS PCC	**71,640**
ORPINGTON CHRIST CHURCH PCC	**78,033**
PETTS WOOD PCC	**41,600**
Total Orpington Deanery	**676,339**
Sidcup Deanery	
BEXLEY ST JOHN THE EVANGELIST PCC	**26,614**
NORTHCRAY	**8,000**
BEXLEY ST MARY PCC	**8,958**
BLENDON PCC	**38,402**
FOOTSCRAY PCC	**9,000**
JOYDENS WOOD PCC	**25,000**
LAMORBEY HOLY REDEEMER PCC	**28,400**
LAMORBEY HOLY TRINITY PCC	**40,000**
SIDCUP CHRIST CHURCH PCC	**70,800**
SIDCUP ST ANDREW PCC	**6,000**
SIDCUP ST JOHN THE EVANGELIST PCC	**25,000**
Total Sidcup Deanery	**286,174**
Total Bromley & Bexley	**2,828,269**

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	Offer Received
Cobham Deanery	
ASH PCC	**27,658**
RIDLEY PCC	**4,200**
LUDDESDOWNE & DODE PCC	**4,862**
FAWKHAM & HARTLEY PCC	**12,000**
ISTEAD RISE PCC	**34,743**
LONGFIELD PCC	**24,000**
MEOPHAM PCC	**29,000**
SOUTHFLEET PCC	**23,000**
Total Cobham Deanery	**159,463**
Dartford Deanery	
CROCKENHILL PCC	**17,325**
DARENTH PCC	**14,400**
HORTON KIRBY PCC	**15,000**
SUTTON-AT-HONE PCC	**10,000**
DARTFORD CHRIST CHURCH PCC	**55,289**
DARTFORD HOLY TRINITY PCC	**28,000**
DARTFORD ST ALBAN PCC	**12,000**
DARTFORD ST EDMUND KING & MARTYR PCC	**1,167**
STONE PCC	**28,683**
SWANLEY ST MARY THE VIRGIN PCC	**7,751**
SWANLEY ST PAUL & HEXTABLE ST PETER PCC	**50,000**
WILMINGTON PCC	**52,025**
Total Dartford Deanery	**291,640**
Gillingham Deanery	
GILLINGHAM HOLY TRINITY PCC	**16,800**
GILLINGHAM ST AUGUSTINE PCC	**25,000**
GILLINGHAM ST BARNABAS PCC	**7,020**
GILLINGHAM ST LUKE PCC	**9,494**
GILLINGHAM ST MARK PCC	**60,334**
GILLINGHAM ST MARY ISLAND DCC	**14,000**
GILLINGHAM ST MARY MAGDALENE PCC	**19,010**
RAINHAM PCC	**66,380**
SOUTH GILLINGHAM PCC	**108,000**
Total Gillingham Deanery	**326,038**

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	Offer Received
Gravesend Deanery	
CHALK PCC	**46,000**
GRAVESEND HOLY FAMILY PCC	**6,417**
IFIELD PCC	**10,680**
GRAVESEND ST AIDAN PCC	**22,394**
GRAVESEND ST GEORGE PCC	**48,000**
GRAVESEND ST MARY PCC	**13,920**
MILTON CHRIST CHURCH PCC	**33,000**
MILTON ST PETER & ST PAUL PCC	**12,043**
NORTHFLEET & ROSHERVILLE PCC	**6,000**
PERRY STREET PCC	**6,500**
SHORNE PCC	**12,600**
SWANSCOMBE PCC	**12,000**
Total Gravesend Deanery	**229,554**
Rochester Deanery	
BORSTAL PCC	**15,648**
CHATHAM ST MARY W ST JOHN PCC	**1,000**
CHATHAM ST PAUL W ALL SAINTS PCC	**6,000**
CHATHAM ST PHILIP & ST JAMES PCC	**72,697**
CHATHAM ST STEPHEN PCC	**40,000**
LUTON PCC	**16,038**
PRINCES PARK PCC	**30,000**
ROCHESTER ST JUSTUS PCC	**44,000**
ROCHESTER ST PETER W ST MARGARET PCC	**33,890**
SOUTH CHATHAM HOLY TRINITY PCC	**48,766**
Total Rochester Deanery	**308,039**
Strood Deanery	
CLIFFE-AT-HOO W COOLING PCC	**32,032**
CUXTON & HALLING PCC	**20,015**
FRINDSBURY W UPNOR & CHATTENDEN PCC	**52,391**
GRAIN PCC	**2,083**
HIGH HALSTOW W ALLHALLOWS & HOO ST MARY PCC	**23,100**
HIGHAM W MERSTON PCC	**48,552**
HOO ST WERBURGH PCC	**20,876**
STROOD ST FRANCIS PCC	**13,650**
STROOD ST NICHOLAS W ST MARY PCC	**32,000**
Total Strood Deanery	**244,699**
Total Rochester	**1,559,433**

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	Offer Received
Malling Deanery	
ADDINGTON PCC - BART GROUP	**17,708**
BIRLING PCC	**4,717**
RYARSH PCC	**16,065**
TROTTISCLIFFE PCC	**4,892**
AYLESFORD PCC	**40,413**
BARMING PCC	**42,173**
BURHAM & WOULDHAM PCC	**19,824**
COXHEATH PCC	**13,266**
EAST FARLEIGH PCC	**11,057**
HUNTON PCC	**11,058**
LINTON PCC	**11,058**
WEST FARLEIGH PCC	**10,998**
DITTON PCC	**55,000**
EAST MALLING PCC	**13,364**
WATERINGBURY PCC	**20,382**
LARKFIELD PCC	**9,500**
LEYBOURNE PCC	**23,842**
MEREWORTH PCC	**16,939**
WEST PECKHAM PCC	**11,664**
SNODLAND W LOWER BIRLING PCC	**30,739**
WEST MALLING PCC	**30,886**
KINGS HILL	**6,000**
OFFHAM PCC	**15,834**
Total Malling Deanery	**437,379**
Paddock Wood	
BRENCHLEY PCC	**52,408**
EAST PECKHAM PCC	**22,000**
HADLOW PCC	**46,800**
HORSMONDEN PCC	**39,445**
LAMBERHURST PCC	**27,000**
MATFIELD PCC	**21,500**
PADDOCK WOOD PCC	**58,923**
PEMBURY PCC	**55,289**
TUDELEY PCC	**17,004**
YALDING PCC	**35,486**
COLLIER STREET PCC	**4,882**
Total Paddock Wood Deanery	**380,737**

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	Offer Received
Sevenoaks Deanery	
CHEVENING PCC	**60,000**
KIPPINGTON PCC	**62,078**
KNOCKHOLT PCC	**23,500**
HALSTEAD PCC	**29,000**
RIVERHEAD W DUNTON GREEN PCC	**12,000**
SEAL ST LAWRENCE PCC	**21,714**
UNDERRIVER PCC	**18,300**
SEAL ST PETER & ST PAUL PCC	**34,702**
SEVENOAKS ST JOHN THE BAPTIST PCC	**52,000**
SEVENOAKS ST LUKE PCC	**48,000**
SEVENOAKS ST NICHOLAS PCC	**184,094**
SUNDRIDGE W IDE HILL & TOYS HILL PCC	**20,000**
WEALD PCC	**27,500**
WESTERHAM PCC	**55,289**
Total Sevenoaks Deanery	**648,177**
Shoreham Deanery	
BOROUGH GREEN PCC	**50,790**
EYNSFORD PCC	**29,704**
FARNINGHAM PCC	**19,802**
LULLINGSTONE PCC	**16,502**
IGHTHAM PCC	**59,367**
KEMSING PCC	**28,276**
KINGSDOWN W MAPPISCOMBE PCC	**20,000**
OTFORD PCC	**68,568**
PLATT PCC	**48,004**
PLAXTOL PCC	**31,378**
SHIPBOURNE PCC	**34,116**
SHOREHAM PCC	**30,000**
STANSTED W FAIRSEAT & VIGO PCC	**21,600**
WROTHAM PCC	**33,599**
Total Shoreham Deanery	**491,706**

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	Offer Received
Tonbridge Deanery	
CHIDDINGSTONE CAUSEWAY PCC	**24,000**
CHIDDINGSTONE PCC	**21,000**
CROCKHAM HILL PCC	**35,100**
EDENBRIDGE PCC	**58,500**
HEVER PCC	**8,758**
FOUR ELMS PCC	**7,440**
MARKBEECH PCC	**7,402**
HILDENBOROUGH PCC	**20,000**
LEIGH PCC	**35,818**
PENSHURST PCC	**26,140**
FORDCOMBE PCC	**10,500**
TONBRIDGE ST PETER & ST PAUL PCC	**100,000**
TONBRIDGE ST STEPHEN PCC	**92,356**
Total Tonbridge Deanery	**447,014**
LANGTON GREEN PCC	**20,000**
RUSTHALL PCC	**48,000**
SOUTHBOROUGH CHRIST CHURCH	**67,452**
BIDBROUGH/SOUTHBOROUGH ST PETER	**40,814**
BIDBROUGH/SOUTHBOROUGH ST PETER	**25,409**
HIGH BROOMS	**62,000**
SOUTHBOROUGH ST THOMAS PCC	**36,300**
SPELDHURST PCC	**76,185**
TUNBRIDGE WELLS HOLY TRINITY W CHRIST CHURCH PCC	**137,662**
TUNBRIDGE WELLS KING CHARLES THE MARTYR PCC	**70,598**
TUNBRIDGE WELLS ST BARNABAS PCC	**2,275**
TUNBRIDGE WELLS ST JAMES PCC	**77,802**
TUNBRIDGE WELLS ST JOHN PCC	**52,923**
TUNBRIDGE WELLS ST LUKE PCC	**48,000**
TUNBRIDGE WELLS ST MARK PCC	**28,272**
TUNBRIDGE WELLS ST PETER PCC	**50,000**
TUNBRIDGE WELLS ST PHILIP PCC	**30,000**
Total Tunbridge Wells Deanery	**873,692**
Total Tonbridge	**3,278,705**
Total All	**7,666,407**
Offers in lieu of housing	**4,200**
Total as per Statement of Financial Activities	**7,670,607**

THE ROCHESTER DIOCESAN SOCIETY AND BOARD OF FINANCE

England & Wales - Charity number 249339

Accounts

Diocese of Rochester
called together

ANNUAL REPORT AND ACCOUNTS 2021

WORKING THROUGH ANOTHER TOUGH YEAR *TOGETHER*

Registered Charity No. 249339.
Rochester Diocesan Society and Board of Finance(The) is a company limited by guarantee. Registered in England No. 140656

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**Cover photo: Christ Church, Erith walking group

Diocese of Rochester
called together

ABOUT US

We are the Church of England operating in the Diocese of Rochester in the area of Medway, north and west Kent, and the London Boroughs of Bromley and Bexley. A diverse and vibrant community of faith, we serve a population of some 1.3 million people, including 215 parishes, 90 schools, and numerous chaplains. We enjoy companion links with the Anglican Dioceses of Harare in Zimbabwe, and Kondoa and Mpwapwa in Tanzania as well as an ecumenical link with the Evangelical Lutheran Church of Estonia.

The Trustees, who are also directors for the purposes of company law, present their trustees' report together with the financial statements and auditor's report for the charitable company – Rochester Diocesan Society and Board of Finance(the) (RDSBF) (also known as Rochester Diocese) for the year ended 31 December 2021. The financial statements comply with current statutory requirements of the Charities Act 2011, the Statement of Recommended Practice for Charities 2015 (SORP 2015) (Second Edition, effective 1 January 2019) and the Companies Act 2006.

Registered & Principal Office: Diocesan Office St Nicholas Church Boley Hill Rochester Kent ME1 1SL

Directors and Members of the Bishop's Council
(Directors and Trustees):
The Lord Bishop of Rochester (Chair)
The Rt Rev James Langstaff (resigned 31/07/2021)
(Vacant from 01/08/2021)
The Bishop of Tonbridge - The Rt Rev Simon Burton-Jones
The Chair of the Board of Finance - Mr Nigel Pope

Ex-officio:
The Archdeacon of Bromley & Bexley The Ven Dr Paul Wright (retired 31/03/2022)
The Ven Katrina Barnes (appointed 01/03/2022)
The Archdeacon of Rochester
The Ven Andrew Wooding Jones
The Archdeacon of Tonbridge
The Ven Julie Conalty (resigned 18/07/2021)
The Ven Sharon Copestake (appointed 16/01/2022)
The Dean of Rochester
The Very Rev Dr Philip Hesketh
The Chair of the House of Laity Mrs Sarah Poole (re-appointed 13/11/2021)
The Chair of the House of Clergy
The Rev Canon Alyson Davie (resigned 31/12/2021)
The Rev Canon Jeremy Blunden (appointed 13/11/2021)
The Chair of the Board of Education
The Rt Rev Simon Burton-Jones

Elected – House of Clergy:
The Rev Canon Mark Barker (re-appointed 01/01/2022)
The Rev Dr Julie Bowen (re-appointed 01/01/2022)
The Rev Martyn Saunders (re-appointed 01/01/2022)

Elected – House of Laity:
Miss Christine Bostock (resigned 31/12/2021)
Mr David Fitzpatrick (re-appointed 01/01/2022)
Mr Philip French (re-appointed 01/01/2022)
Mr Guy Gallico (resigned 31/12/2021)
Mrs Cath Johnston (appointed 31/01/2022)
Mr Jeremy King (appointed 01/01/2022)
Mr Gerald O'Brien (re-appointed 01/01/2022)
Mr Alan Strachan (re-appointed 01/01/2022)

Senior Staff:
Diocesan Secretary (and Company Secretary) - Mr Matthew Girt
Director of Finance - The Rev Richard Williams
Director of Property - Mr Stephen Hoad
Director of Formation and Ministry - The Rev Canon Chris Dench
Director of Diocesan Board of Education - Mr John Constanti
Bishop's Chaplain - The Rev Lindsay Llewellyn-MacDuff

Advisors:
Auditors: Haysmacintyre LLP 10 Queen Street Place, London EC4R 1AG
Registrar: Mr Owen Carew-Jones, Winckworth Sherwood LLP Minerva House, 5 Montague Close, London SE1 9BB
Bankers: Barclays Bank Plc, 2nd floor, 30 Tower View, Kings Hill, West Malling, Kent ME19 4WA
Property Adviser and Glebe Agent:
Savills plc 74 High Street, Sevenoaks, TN13 1JR
Investment Advisers: Mercer Global Investment Management Ltd. 1 Tower Place West, Tower Place, London, EC3R 5BU
Insurers: Ecclesiastical Insurance Office plc Beaufort House, Brunswick Road, Gloucester GL1

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Working through another tough year *together*

Introduction

Despite the continued worry and uncertainty of 2021, local churches and others on the front line of ministry, supported by the Diocesan staff team, have continued to step up to their respective callings without flinching.

There is no doubt this has been another tough and challenging year – and now we face a war in Europe and the squeeze on people's living costs.

It has been a year of change, of learning, and adapting.

But there is still much to be thankful for. Our people. Their commitment. Their creativity. And the knowledge that the lives of many people across the communities of the Diocese have been enriched by that commitment.

It's a sign, despite the many challenges, of the coming of the Kingdom of God.

St Augustine's, Gillingham – Thrive Thursdays 'indoor bowling'

A message from the Bishop of Tonbridge

The Rt Rev Simon Burton-Jones

2021 was a year framed by radical uncertainty, begun with our very own Kent variant of Covid and ended with a highly infectious new strain that tested people's endurance and the limits of their courage.

The pandemic, in a strange way, showed us what is valuable in life. Not the things we buy and own, but the relationships we make and keep. But in doing so it proceeded to take these away from us.

The Church of God is founded in relationship: one with God, the second with one another. We do not measure these like GDP, but they make life worth living. And in 2021 we had to fight hard to keep them going meaningfully.

Among many adaptations made across the Diocese, mirrored in the country, three were prominent: digital worship, pastoral care by phone, and community action for the newly vulnerable.

The first was an epiphany. The opportunity to worship, learn and work together online had always been there, but somehow, it was always just out of eyeline and beyond our reach.

It was, however, no surprise to find the churches stepping up to the mark in supporting the welfare of others.

Covid opened up new possibilities but, let's face it, also exhausted us, especially those who have the instinct to care. That made it all the more important to hit the ground listening, as national restrictions eased.

Running at long term problems is unwise and, in any case, what people most needed was someone to listen to them without waiting for a pause to jump in.

This is first base in human care. It is also a precursor to sharing the Good News about Jesus with others because we can pick up the signals of how God is at work in others when we properly listen to them.

The words 'thank you' cannot be repeated enough to the people of the Diocese of Rochester. In 2021, you were not found wanting but giving. And in giving, the prayer is that you receive back all that God desires for you.

There is still much to trouble us, but faith is forged in crisis, and the God who walks on water cannot, and will not, be separated from us.

This is the promise we needed.

A message from the Diocesan Secretary

Matthew Girt

This last year with its twists and turns, was an unwelcome reminder, if ever we needed it, of the long tail of this pandemic, and how it's impact – practical, physical and emotional – may well outlast its threatening presence. When we thought we surely had had enough, we have since added increasing costs, and a war on the European continent.

That said, I am reminded that it often seems darker before the light, so I continue to live in faith and hope, and I do so not blindly or without challenge, but because I see the witness to God's love in daily life, in how life is lived out across our parishes and chaplaincies

I am acutely aware of the strain that this ongoing uncertainty, the pressure to make difficult decisions, and the constant need to be ready for change, has caused to many, particularly those who lead and serve in ministry across our churches.

Therefore, I want to pay tribute to them and thank them for all that they have and continue to do, to serve their communities in these difficult times.

I am also hugely grateful to the Diocesan Office Team for the way in which they have maintained their services under duress this last year.

In these circumstances, the opportunities that many within the Diocese have taken to share a kind word or a message of encouragement to them, has been greatly appreciated.

This past year has seen us all on many occasions talk of 'working through this together' and I can honestly say that week after week, I have seen that in many ways.

The Diocesan Office Team is here to serve, and we will continue to do so throughout, and the ministry of churches and individuals across the Diocese continues to transform lives and demonstrate Christ's love, which right now, we need more than ever.

A message from the Chair of the Board of Finance

Nigel Pope

2021 was a mixed year for the Diocese financially. We budgeted an operating deficit for the Common Fund for the year of £1.8m and managed to contain the deficit to £1.6m. 2022 is also expected to be a challenging year with an operating deficit of £1.5m budgeted. This is clearly not a sustainable position long-term, and we need to significantly reduce this deficit over the coming years.

Our most significant source of income is Parish Offers, which in 2021 provided £7.9m (77%) of the operating income for the Common Fund. This represented a reduction of 9.1% compared to 2019 which was better than the Church of England average of a reduction of 9.5%. In order to move towards reducing our operating deficit, we need to find ways to increase our income overall – with Parish Offers being critical to that - as well as ensuring that our expenditure is well managed and directed.

Within this challenging overall position, I must express deep gratitude to many parishes for their sacrificial approach to Parish Offers. We have seen many using their reserves in order to meet their parish contribution which is very much appreciated. A number of parishes have found themselves in very difficult financial circumstances and we have been pleased to be able to make 19 grants of £5k totalling £95k during 2021.

We are delighted that Liz Mullins has joined the Diocese as our Generous Giving Adviser in 2021 and a significant part of her role is to help parishes with encouraging financial stewardship and generosity.

Notwithstanding the operating deficit referred to above, overall, the Diocese had net income in 2021 of £4.1m after benefiting from gains on property sales of £1.8m and increases in value in the Diocese's investment assets (Glebe property and market investments) of £3.8m.

As a Diocese, we have been entrusted with assets to use to grow the Kingdom of God and we are working hard to ensure good returns on these assets. To assist in this goal, we appointed Mercers as investment advisers in 2020, and in 2021 we appointed Stephen Hoad as our Property Director. The total return from our investment assets in 2021 was £4.6m, a 16% return, which was a strong performance.

We have also been working during 2021 with our investment and finance committees and with Bishop's Council, to change to Total Return accounting for our Stipends Capital Account, which is our main endowment fund. This will enable us to access further funds for investment to grow the Kingdom of God here in Rochester.

I feel privileged to be able to serve God working with the Diocese at this challenging time financially and am very grateful to all the Diocesan Staff team for all their hard work, expertise and dedication

A year of change and new beginnings

This year has seen some significant moves and appointments.

We said goodbye and 'thank you' to…

- Bishop James and his wife Bridget after 10 years of service to the Diocese. His retirement led to the search for a new bishop
- The Venerable Julie Conalty, the Archdeacon of Tonbridge, left to become Bishop of Birkenhead
- The Archdeacon of Bromley and Bexley, the Venerable Paul Wright who announced his retirement
- Caroline Clarke, our Community Engagement and Social Action Lead
- And farewell and God's blessing, to the Rev Saju Muthalaly, Vicar of St Mark, Gillingham and St Mary's Island Chatham, who was appointed the next Suffragan Bishop of Loughborough, in the Diocese of Leicester.
- We were deeply shocked and saddened by the death of our dear colleague and friend, the Rev Ade Lawal.

We said 'hello' and welcome to…

- The Rev Sharon Copestake, vicar of St Francis Strood who was announced as the next Archdeacon of Tonbridge
- Our new Property Director, Stephen Hoad - a key strategic appointment
- The Chair of the independent Diocesan Safeguarding Advisory Panel, Dr Liza Thompson
- The Rev Katrina Barnes, serving as interim Archdeacon of Bromley and Bexley
- Liz Mullins, appointed to a new post of Generous Giving Adviser
- The Rev Christine Allen as Companion Dioceses Co-Ordinator and Peter Kettle as the new Poverty and Hope Appeal Co-Ordinator.

Our heartfelt thanks to all the clergy, lay leaders and volunteers who retired or left the Diocese this year, and a warm welcome those who have joined us. We also look forward to working with our new Bishop, the Rt Rev Jonathan Gibbs who was announced in March 2022.

Farewell to Bishop James

In July, we bid a fond farewell to Bishop James and his wife Bridget, as they retired after ten years of service and ministry with us.

Parishes from across the Diocese shared their thanks and best wishes in a series of video messages. Following Bishop James' retirement, the process to identify the next Bishop of Rochester began.

A diocesan-wide consultation took place, which included engagement across a variety of settings, and with diocesan and church role holders, parishes and schools.

As part of the process, we took to the streets of towns across the area of the Diocese, to ask the general public their views, and a dedicated set of activities for children and young people was also created to ensure their views were heard.

In September, we published our Statement of Needs, which incorporated the views that we had gathered. In March 2022, we were delighted to announce that our next Bishop will be the Rt Rev Jonathan Gibbs – currently the Bishop of Huddersfield.

Our hope is that, 'As, like the nation, we slowly emerge from a pandemic that has hurt so many, we trust that our new Bishop will lead us with energy, vision, and a gentleness of relationship, as we navigate this changing landscape.' (Statement of Needs, 2021)

OUR YEAR IN NUMBERS...

1
NEW DIOCESAN WEBSITE

9
DIOCESAN ADVISORY COUNCIL MEETINGS

11
NEW LICENSED LAY MINISTERS

20
PROJECTS FUNDED BY THE CHILDREN AND YOUNG PEOPLE'S FUND

32 PEOPLE IN TRAINING FOR ORDINATION (16 MEN AND 16 WOMEN)

65
PERMISSIONS OR 'FACULTIES' GIVEN FOR WORKS IN CHURCHES

1724
PROPERTY MAINTENANCE REQUESTS PROCESSED

2471
PEOPLE TRAINED IN BASIC, FOUNDATION AND LEADERSHIP SAFEGUARDING TRAINING

£20,410
RAISED FOR THE DIOCESAN POVERTY AND HOPE APPEAL

£116,500
ALLOCATED FROM THE MISSIONAL PROPERTY FUND FOR CHURCH PROJECTS

Diocese of Rochester
called together

A pathway out of the pandemic

With a review of our strategic priorities completed in 2021 and a streamlining of our diocesan priorities, we have a clearer direction and set of aspirations to follow, and for a new Bishop of Rochester to grasp.

Alongside this, we are conscious of the national church's own emerging strategy and vision to be a Church of missionary disciples - younger and more diverse.

Our priorities were reduced from twelve workstreams down to five priorities based on the Church of England's own five marks of mission. They are:

- Enabling each church to be mission-minded
- Helping children, young people, and adults live out everyday faith in Jesus
- Supporting loving service in local communities
- Encouraging, and responding to, the prophetic voice of justice and peace
- Protecting creation's life for future generations

2021 has been another year of constant change and reassessment for the five marks of mission here.

However, our addition shortly before the pandemic of project management, monitoring and tracking is enabling us to track what is happening, support where needed, and change tack and direction much quicker.

Also, good learning has been adopted about links with the parishes delivering the ministry and mission, and how best to both serve and challenge to keep the delivery on track for the vision in each place.

What follows is the story of the progress we have made around our priorities this year.

ENABLING EACH CHURCH TO BE MISSION-MINDED

Despite the backdrop of the pandemic, we have continued to seek to support each church to be mission minded and to understand their community, building assurance in people that they can tell their own story of God's love in Christ; that there was a time and a place to share this with others.

Growth Enablers and Called to Grow

Our Called to Grow project combines funding from the national Strategic Development Fund with diocesan matched funding and aims to grow worshipping communities; these split broadly into two areas, five priority parishes and the work of the Growth Enablers across the diocese. However, churches have not been undeterred.

Our three Growth Enablers – Abi, Dylan and Graham - continued to engage with churches at 'whatever level they are at' to encourage and enable conversations about intentional growth.

This iterative approach has been adopted to assist churches as they reopen and engage and builds on the Called to Grow ethos, which recognises each church has a different context and therefore there is not a 'one size fits all' model for growth.

The Growth Enablers are beginning to see themes and trends emerging, for example an increase in intergenerational worship, engagement with children and young people, and a shift in individuals' patterns of worship. We continue to gather stories of growth and change, with a plan to share these across the Diocese in the new year.

Strategic development fund parishes

After some Covid-related delays, we were delighted this year to still be able to complete recruitment to the project roles in our five priority parishes in Anerley, Erith and Slade Green, Gillingham, and Strood.

All of the parishes are meeting their goals to deliver activities which build relationships with new contacts. Our project management and support model is currently being tested as three of the parish incumbents moved to new roles. We are confident that our model of local support groups for each parish and role will enable smooth transitions, and the Project Board are paying close attention.

Making evangelism easy

A small group has been looking at ideas for how to make evangelism easy for church leaders by providing simple, ready to go ideas and resources on how to encourage an atmosphere of storytelling around an individual's experience of faith and witness, having conversations, and linking to events and other opportunities.

These have been presented in infographics to help them to be easy and accessible and supported local content to tie in with the national #LiveLent: God's Story, Our Story, and Comfort and Joy Advent and Christmas Campaign.

Sports and wellbeing

As part of a national programme, the Diocese has been piloting sports and wellbeing evangelism – because if everything we do is important to God, then so must sport, fitness and exercise.

In fact, fifty percent of the UK population is engaged in some form of sport or exercise.

From working with football clubs and coaching, offering healthy walks, sports chaplains, and boxing, churches have been exploring how they can be a loving and Godly presence where people are being active, and discovering how it is a great opportunity to connect with people who otherwise would not cross the church doorstep.

Missional buildings

Impressed by regular updates and presentations from the Rochester team on our strategic approach, Marshalls Charity, who support our Missional Property Fund, invited us to access £100,000 in 2021.

We are in ongoing conversations about future years. Grants have continued to be awarded, and a number of projects - both large and small - have come to completion.

Sporting chance to connect with God

The Rev Lorraine Turner, Vicar of St. Mary's Platt, runs healthy walking as part of an NHS social prescribing initiative, which has brought the church into partnership with the Borough Green Surgery social prescriber and the OneYou project.

Lorraine says churches are well placed to support sport and wellbeing projects like this which increase well-being as part of their ministry of care and hospitality.

"As well as the health benefits of walking, people just enjoy catching up with each other. There are conversations relating to the everyday, for instance, coping with the new tasks that come along when a partner has died.

Sometimes people tell me about how they find God in the natural world or what went wrong for them with church in the past."

CHURCHES FIT FOR A 21 CENTURY WELCOME

St John's Church, Sidcup, are delighted to finally have running water, step-free access, toilets, and a servery, among a number of other improvements. Their Access4All building project began last year and was finally completed this year. The Rev Cathy Knight Scott said:

"It is important to all of us at St John's Sidcup that everyone is welcome. Many pop in for times of quiet reflection, to admire the architecture, or just a sit down and rest on the way home from the shops. However, our facilities were sadly lacking."

The improvements were achieved with the hard work and donations of many people, including local schools, residents – as well as £20,000 from Diocesan Missional Property Fund supported by Marshalls Charity.

"The diocesan team – particularly Sarah Anderson, DAC Secretary – were immensely helpful" says Cathy, "especially when the inevitable queries in any large building project arose and we are grateful for her assistance – especially and expediting quick responses to thorny issues."

As a result of the work, the church is now able to run a successful Place of Welcome and many other events- for example, a 'meet and greet' for refugees from Ukraine and other countries with local service providers such as citizens advice, NHS, job centre, foodbank, local council and much more."

At St Edmund, Dartford, an award of just over £4,000 helped with the purchase and installation of a set of blinds. Being a large green and glass structure has at times, not made the church as hospitable as the team would like, as the Rev Mandy Young, Priest-in-Charges explains:

"It can get unbelievably hot, even in the mornings, during summer. The blinds, which we simply couldn't afford ourselves, have made the space feel gentler and less exposed to the sun and heat. That means it is cooler and more welcoming both for the congregation and other users. It also means that we can have shade for the use of the screen and projector - an asset we couldn't make full use of before."

A NEW START FOR ST JOHN'S, CHATHAM

2021 has been a year of new beginnings as the building and the people of St John's Chatham have taken significant steps forward as part of the Diocese of Rochester and the Church of England's long commitment to re-establish a community here. These plans fit alongside Medway Council's own regeneration agenda for Chatham Town Centre.

Although this large Waterloo Church has stood empty and seemingly lifeless for almost 25 years, on Easter Sunday 2021 the church was able to open its doors for the first Easter Service in the building in over a generation. Since that day a growing and diverse group of people have met for worship each Sunday.

Over the past few years the building has required considerable work to allow for its safe use, and although a more comprehensive reordering is planned in the future, the installation of a toilet and kitchenette in the first part of this year have enabled a number of other activities and events to begin or return to the building. It was significant that the reopening of the building, the growth of community and the lifting of COVID-19 restrictions allowed for the celebration of the 200th Anniversary of

St John's Chatham in September 2021: a brilliant opportunity to welcome the wider community to reconnect with the church with a weekend of celebratory events where the building welcomed around four hundred guests.

Return to the building has also marked a new season for the Medway Centre of Mission with the Sunday afternoon Medway Oaks community continuing to thrive. While 2021 has been an important year, it is recognised that it is still early on in the long-term vision of restoration and growth of St John's Chatham as a hub of community and mission.

The Rev Martyn Saunders says, "We are hugely grateful for the tenacity and faithfulness of the small group who have persevered over the last few years, as well as for the prayer and support of the wider Diocese of Rochester family. "

Overseas Links

As a Diocese, we enjoy flourishing links with Anglican communities in Harare in Zimbabwe, and Kondoa and Mpwapwa in Tanzania, as well as a friendship link with the Evangelical Estonian Lutheran Church.

The value and importance of the Companion Link Network has become even more evident during the Covid-19 crisis.

In 2021, we took the opportunity to share the story of how Covid-19 was impacting our sisters and brothers around the world in our Diocesan magazine, and through established local links, churches have offered financial, pastoral and prayer support.

In Mpwapwa, generosity from the Friends of Mpwapwa here in the Diocese, have helped towards the repayment of a loan which could not otherwise have been made because of the fall in offertory collections.

At a time when it has been easy to feel disconnected and isolated, being in contact and sharing in this uncertain time with others around the world, but with whom we have a common connection of faith, has shown these friendships to be more valuable and necessary than ever.

HELPING CHILDREN, YOUNG PEOPLE, AND ADULTS LIVE OUT EVERYDAY FAITH IN JESUS

As the nature of work changes, not least because of the pandemic, there is a particular need to help people interpret their jobs as vocations, whether family based, paid or voluntary; whether within the Church or in wider society. Our children and young people too are a gift in our midst. We are committed to ensuring that they are offered life-enhancing encounters with Jesus Christ, can participate as equal partners in the life of the Church, and have opportunities to explore their vocation.

Anointing and affirming calling

At the Diocesan Synod in November, Bishop Simon said, *"One way in which the kingdom of God draws near is when the penny drops for people that their daily work is a vocation from God."*

Throughout the year, Bishop Simon has offered to preach, pray and anoint any person who is seeking God's grace in life. This has included visiting a number of churches, when the lifting of restrictions has allowed.

He has developed a dedicated liturgy, adaptable to any church setting – and without the need for a bishop – which has been shared with the national church's Everyday Faith team.

Supporting and developing people's ministry

Our Formation and Ministry Team has continued to work tirelessly to support people as they explore their vocations, and to take them through the process to either ordained or lay ministry.

In 2021, 32 people embarked upon training for ordinand ministry: 16 men and 16 women. This is the highest number since 2019. Thirteen were selected for training for Licensed Lay Ministry – this is a distinctive role in the Diocese and is someone who is called to serve their Church and their community in a leadership role but not to be ordained.

We now have a total of 71 Licensed Readers and 94 Licensed Lay Ministers across the Diocese.

Adapting training and development

Throughout this year, we have continued to try and respond to the emerging needs of our church leaders.

The Rochester Leadership Programme was revised and developed this year and is now offered to lay ministers over two residential weekends. Twelve people - a mix of pastoral assistants, evangelists, readers and Licensed Lay Ministers (LLMs) - attended this first revised programme. The feedback was very encouraging and there is a desire to repeat it, with those who attended feeling refreshed and renewed in their ministry and grateful for the opportunity.

As a result of Ministerial Development Reviews, a need to have further development and training in managing conflict and wellbeing was highlighted.

In response, a three-day in person course *'Working with Conflict'* was offered for clergy and lay ministers which had a very good take up and was repeated through popular demand.

Additionally, training around Trauma Informed Ministry, relating to how we emerge from the pandemic was also delivered, with sessions again receiving high demand.

Our Director of Spirituality produced online retreats and Clergy Ministerial Development to support our clergy and lay leader's spiritual needs during some periods of lockdown.

New vocations process

The Diocesan Director of Ordinands and Vocation, along with her team of Assistant Diocesan Directors of Ordinands have worked hard to undertake the delivery of a new national discernment process, which has involved significant and major changes. Initiated in October, it is encouraging to already see a greater diversity of people coming through.

'It's Your Calling' days which seek to help people explore their vocation have continued online where necessary.

This year saw 23 men and women ordained as deacons and priests, and 11 new Licensed Lay Ministers (LLMs), welcomed into the Diocese. The Communication Team shared a series of welcome cards on social media to introduce the new ordinands and LLMs to the whole diocesan family, as well as livestreams of the services.

New deacons and priests ordained

A nurse, a British Sign Language Interpreter, a flying enthusiast and a biochemist, were among the 23 men and women ordained as deacons and priests into the Diocese of Rochester in September.

A person is ordained a deacon once they have completed their initial ordination training. Deacon, the Rev Eucharia Asiegbu, who now serves at St John, Sidcup with Footscray said:

"I am immensely grateful to God for calling me to serve God and humanity.

"Although ministry could sometimes come with challenges, I trust God to see me through every step of the way because God is limitless in my limitations."

Sharing stories of Everyday Faith

Inspired by the national Everyday Faith initiative we are constantly striving to showcase the value of all vocations and each personal experience of faith, gradually and consistently, through various channels and opportunities.

During Lent, we journeyed with the national church's #LiveLent God's Story, Our Story campaign, which encouraged all Christians to think about their daily calling and discover simple ways they could share the story of their faith with others.

To support this, a series of six self-filmed personal stories of witness were curated for each week of Lent to encourage others to see their own activity as a valuable and treasured calling to God.

Learning to lean on God: Seun's Story

My name is Seun Adigun. I'm one of the wardens at St Mark's, Gillingham. I'm also an emergency room doctor at a local NHS hospital. I'm happy to share with you my journey of faith.

I had the privilege of being raised in a priestly home. In my teenage years though I got into a rough patch, where I was really asking questions about God, about the reality of faith; Is God real? Does he listen? Does he answer questions?

I was a young man who believed so much in my own abilities and I really struggled with the concept of relying totally on God. Then in the tropical rainy season of 2017 in Nigeria, I found myself trapped in a flood, sitting on the roof of my car, coasting away in the turbulent flood.

For the first time in my life, I felt so helpless. I understood what it meant to truly rely on God, to truly be out of one's wisdom, because there was nothing, I could physically do to save myself. And so, I prayed a simple prayer to God and, despite hours of torrential rain, divinely

the rain suddenly stopped. I came out of the flood alive. From there, I began to learn how to trust in God.

So even today, as I work in the local hospital and look after people who are unwell, I rely solely on the grace of the Lord Jesus Christ. I believe he's able to see me through. I believe he's able to provide for all my needs. I encourage every one of you to lean on God He is more than able, he is sufficient. He will do more than you expect or imagine.

Deepening people's relationship with God

We have seen revived post pandemic interest in the short spirituality courses offered by the Diocese to either be run locally or by members of the diocesan team, that encourage people at parish level to explore their own spirituality and faith.

There have been Bishop's Study Days focused on Everyday Faith, and a special module has been developed within our Licensed Lay Ministry training dedicated to Everyday Faith.

The Archdeacon of Rochester led a well attended 7-week exploration of the Hebrews 12 text – 'Running the race set out before us', all about how we seek out the path God has called us too.

Children and Young People's Fund

Our Children and Young People's Fund, generously supported by the Colyer Fergusson Charitable Trust, has seen a number of applications for work to create spaces and resources for children in churches – much of it intended to be intergenerational.

This year 20 grants have been awarded – totalling £40,232 of funding, to support activities as diverse as fun days and activity days, projects to build relationships with schools (such as providing each student with an Advent calendar), providing Covid-safe resources for toddler groups, family cooking sessions, to mental health first aid courses, and equipment for new youth groups.

Some strategic changes were made to the funding process to make it even more responsive, accessible and to meet the new needs posed by Covid-19.

These include:

- Offering a 'fast track' delegated decision process for grants under £1,500.
- Align the grant criteria with our five priorities to make it easier for churches as they seek to respond to Called Together and grow spiritually and numerically.
- Develop larger scale projects in partnership with external agencies, as well as across parishes, to enable parishes to better respond to the significant issues facing children and young people, particularly where, on their own, a parish may not have the resource or local skills to manage a large-scale project relating to a significant need in their area.

Alongside this, our Children and Young People Mission and Ministry Team have continued to support youth and family workers across the parishes, through online resourcing sessions, archdeaconry 'thank you' days, and a 3-day retreat for employed youth workers.

SCHOOL EXPLORES SPIRITUALITY THROUGH ART

The Spiritual Art studio at West Kingsdown C of E Primary allows pupils to explore faith through art. It has been supported by a grant from the Diocese's Children and Young People Fund.

Children at West Kingsdown C of E Primary School are enjoying a new arty opportunity, thanks to help from the Diocese of Rochester's Children and Young People Fund.

The grant for nearly £5,000 has gone towards creating a Spiritual Art Studio in their school. The Art Studio is run by Susan Salter, a published children's illustrator and committed Christian, and allows children from across the school to explore faith through the medium of art.

"We have worked on lots of different projects, from 'who God says I am' - so our identity in Christ - to looking at parables. I always try and read God's word to the children and to talk to them about how we can apply it to our work in the studio.

"It's a chance to be totally creative. I always say to them, you can't do anything wrong, just express yourself and I am here to help you."

Classes work on a 'big' piece of art per year and this art is then displayed around the school for the whole community to see. Ben Hulme, Executive Headteacher at West Kingsdown and St Paul's Swanley Village, says the children love their time in the studio:

"We would not have been able to run this without the help of the grant, so it's been a wonderful gift for us, and the children love it.

"The key is that it has a very different feel to the classroom, which can be very busy. When you come into the studio you have very small groups in here, you can be quiet, or you can talk.

"You really do have a chance to have your voice heard. "

Future plans for the studio include opening it up to families and the local community as well as to continue to develop the school's strong links to St Edmund's church.

COVID, THE CHURCH AND ME: JOSHUA'S STORY

Joshua is a member of the Diocesan Youth Council. He shared his experience of being a young person during Covid-19 at Diocesan Synod in March 2022.

Two words describe my covid experience: routine and anxiety.

Me and my family always had this routine: get up a 6am, get ready, be out the door for a walk at 7.40am, do school from 8am till 3pm and then do my own stuff. I hated it because, being a Year 9, I wanted to sleep in, but I knew it was helping me in the long run. I mean, look at me now, nearly 6 ft tall, size 12 ½ feet and a lot fitter than I used to be thanks to that routine!

Lock down was a bit crazy for the Trice household, mainly because of all four of us working in one house – I never realised our kettle was so loud until then. But I learnt to live with it just like everyone was having to live with Covid.

One thing I am having to live with is a big old wad of anxiety.

I was never an anxious person before lockdown but part of me thinks that without the anxiety, I would not have become the young man I am now.

Going back to school, the youth council and church - even though it is less than before Covid - has definitely helped me with the anxiety.

Sadly, not all the people in church are there, as some have sadly died, but being back in my church community means more now. They have all said how good it is to see me, and they are showing me that, despite my anxiety I still fit in, I still belong.

SUPPORTING LOVING SERVICE IN LOCAL COMMUNITIES

We understand that the Church's mission is to the whole person and that every initiative to meet human need is a sign of the coming kingdom of God meant supporting loving service in local communities. Activities to support loving service in local communities is carried out by local people and parishes, with the Diocese providing support, information and resources.

Helping support and develop outreach

Our Community Engagement and Social Action team (CESA) helps parishes develop social action projects, and to develop partnerships where necessary, to show the love of Jesus to their community. This year, we looked to recruit a new Lead adviser, after the role became vacant in the summer. Through our remaining paid employee and a network of volunteers, the team continued to support churches setting up and running Places of Welcome, community hubs, food banks, uniform exchanges, night shelters and more.

Emergency Covid relief fund

The financial pressures on parishes brought about through Covid remain. Through our Emergency Covid-19 Relief Fund, the Diocese has been pleased to be able to make 19 grants of £5,000 totalling £95,000 during 2021.

HOT MEALS S-LOW PRICE

Over 50 families across Tonbridge and Malling benefitted from healthy eating and reduced utility bills at the beginning of the year, thanks to the Slow Cooker Project, supported by local churches.

A successful bid by the Diocese's CESA team to Tonbridge and Malling Borough Council's Covid Winter Grant Fund, saw £5,000 put towards the creation of a set of slow cooker packs to be issued to struggling families.

Packs were stored and distributed from St John's Church Centre, Hildenborough, to nine other organisations, including local churches, foodbanks, and debt charities.

Finding a Place of Welcome: Helen's story

The Places of Welcome at BRIDGES, Edenbridge, is one of 17 hubs and cafés supported by the Diocese's Community Engagement and Social Action team.

Hi! I'm Helen, and I want to tell you my story – A while ago I moved to a little village without public transport. I knew nobody, and my daughter and grandchildren live an hour's drive away.

I have lots of health issues, which limit my energy. I put money by to keep my own car, as I need to use a stick and a rollator walker with a seat to help me walk around.

My hands are always cold, and I can't write very well. I've realised how much I have to look after my mental health. I'm 55, but because of my health I can't do much now and it gets me down.

Getting out of the house takes me away from all that. I was going to two mental health support groups (Reach Out and MIND) locally, but they stopped because the funding ran out.

Referrals for more funding for me didn't work out, but one day the Parish Nurse put a note through my door telling me about the Place of Welcome which was just starting in the nearby town.

It's in the town centre with parking close by, so, I came out to it and met people and it's lifted my mood. I come regularly

now and try to join in with craft activities as far as my hands let me.

I like to chat and listen to people, and I've quickly made new friends. It's really helped my mental health.

I want to help others, so I want my story to get out there to help people know how a Place of Welcome can help them. I think every place should have one!

Taking outreach outside

The ongoing pandemic crisis has shown the way in which the parishes have a pivotal part in showing and delivering care.

One of the unexpected but positive outcomes of the restrictions was the impact being seen by Churches getting outside their buildings. Churches have been worshipping and praying outdoors, in churchyards, parks and car parks, on walks, in forests, and on village greens and in high streets.

Putting the activity of the church 'in plain sight' rather than in a building and behind large doors anecdotally, appears to be removing barriers and is leading to new contacts and growth.

Valuing older people

Our pioneering ministry and work with older people aims to equip churches to support older people to ensure their spiritual and pastoral needs are met, and convey the message that those with dementia, and their carers, are welcome in our churches.

Called Anna Chaplaincy, it is named after the faithful older woman, Anna, who appears with Simeon in Luke's Gospel.

There are now 28 Anna chaplains and 28 Anna friends, with 5 more chaplains waiting to be commissioned. This year 6 archdeaconry leads were commissioned and are establishing themselves in role, supporting Anna Chaplains and Anna Friends and speaking at meetings about spiritual care for older people.

Many of the church-based groups for people with dementia (such as dementia cafes) have restarted and found a great need among their guests who have been cut off from their networks of support during the pandemic. Other new groups are being developed, often linked to local dementia friendly community forums and supported by partner organisations who can offer advice and support to people with dementia and their carers.

Some care home ministry has also recommenced, but there is anxiety still in some staff teams over opening up and constant Covid outbreaks, which alongside a staffing crisis in the sector, have made our work a stop-start process in recent months.

WELCOME RETURN TO CARE HOME

There has been much creativity in continuing work in care homes, which has included parishes providing details of how residents can access virtual services via Smart TVs and tablets, and Anna Chaplains even delivered pre-recorded services on DVDs.

The team at St Barnabas Church in St Paul's Cray were delighted to be able to return to their local residential home in Advent to share worship and Christmas companionship with the residents.

"We were received so happily," says Sue Proctor, Anna Chaplain, "and several residents sang and clapped along with us, one or two using the carol sheets, some singing from memory, many of the residents have dementia.

MAKING THE MOST OF BEING OUTSIDE

In Horsmonden, a new Community Garden, supported by the church, has begun to flourish

The idea was initiated by a request from some of the village teenagers, who asked if there was a way they could connect better with the older generation in the area.

"As we pondered how to do this, the idea of having a garden was born. After all, biblically it stands for a place of relationship and connection", says Hilary Marshall, the church's Community Worker.

"Now, we hope the space will not only promote wellbeing, but give everyone a greater love for God's incredible creation."

ENCOURAGING, AND RESPONDING TO, THE PROPHETIC VOICE OF JUSTICE AND PEACE

To speak up for justice, to speak up for peace, and to be open to hear the prophetic voice ourselves, has always been important to us as Christians, but as a strategic priority it is new. There is much that is not right, just or fair in our society. There is also much that as a Church we need to put right too and failings we need to address.

Changing the culture around safeguarding

As a Diocese we take our safeguarding responsibilities very seriously and we are committed to ensuring that our churches and buildings are safe places for all.

Our Season of Safeguarding, which took place in October and November to tie in with Safeguarding Sunday (10 October) and All Survivors Day 3 November, was an important step on our journey to changing the culture around safeguarding. Moving it from something seen as a tick-box exercise, to something embedded as an expression done joyfully as our love and care for others

The Season was a partnership initiative, seeing fruitful and meaningful collaboration between the Diocesan Safeguarding and Communications Teams, Rochester Cathedral, and the victim and survivor group, Survivors Voices.

Many churches also used the Season as an opportunity to raise awareness of the Parish Safeguarding Officers and to talk about the importance of safeguarding.

As well as signposts online and social media to useful information and organisations on a number of safeguarding-related matters, a set of downloadable, bite-sized filmed personal reflections on the theme, *What Safeguarding means to me?* were also created, to provide churches with a way to spark positive conversations about safeguarding.

Contributions came from role-holders across the Diocese and the Cathedral, as well as victims and survivors, and advocate organisations. The films remain available via the Diocesan website.

Alongside the films, we worked with Rochester Cathedral and survivor, Antonia Sobocki, on a visual art installation called LOUDfence, which allowed allow people to express their support for those who have been subject to abuse of any kind.

WHAT SAFEGUARDING MEANS TO ME: JANE'S STORY

Jane Chevous is Co-founder of Survivors Voices. Survivors Voices is a survivor-led organisation that harnesses the expertise of people affected by abuse in order to transform society's response to trauma and abuse. This is an extract from her Safeguarding Season film.

"Safeguarding means to me that we ensure survivors are safe, seen and supported. That we do everything we can to make sure every child, young person and adult is safe from abuse.

Not just through safeguarding policies and training, important though they are, but through talking about safe families and safe relationships, so we all know how to recognise abuse and have the courage to challenge abuse wherever and whenever we see it.

As a Christian, the men who abused me used spiritual authority to justify their abuse, breaking my relationship with God and my faith community as well as with them. And yet as a Christian it was my belief in a God of justice and healing that enabled me to journey to through to recovery.

So ultimately for me safeguarding is about us ensuring that justice, love, and healing are available for every survivor."

If you have experienced sexual, physical or spiritual abuse in the Church, we very much want to hear from you.

You will be taken seriously and there is support we can offer.

Please call in confidence, either our Safeguarding Team on: 01634 560 000 or Safe Spaces on 0300 303 1056.

You can also visit our website: www.rochester.anglican.org/safeguarding

Expanding the Safeguarding Team

Capacity within the team has been expanded this year, through the reallocation existing budget, with the team now comprising a Lead Safeguarding Adviser, two Safeguarding Advisers, a Safeguarding trainer, and an administrator.

The role of Bishop's Safeguarding Lead is shared among the Archdeacons, changing every three years and this year moved to the Archdeacon of Rochester. In addition, Dr Liza Thompson was appointed as Independent Chair of the Diocesan Safeguarding Advisory Panel – a group of external safeguarding professionals, along with senior clergy and officers from the Diocese and the Cathedral, who provide quality assurance and challenge with regards to safeguarding.

Work and caseload

The Safeguarding Team was involved in a number of current and non-recent investigations during the year, two of which resulted in being heard in court.
New guidance on training continued to be developed, some of which could be accessed online. As part of their ongoing support to parishes, our Safeguarding Team has developed a range of additional policies and guidance and run training throughout the year at a range of levels appropriate to different roles.

Numbers completing training

Basic Awareness: 1140 online, 128 in parish = Total 1268 people
Foundation: 924 online, 65 in parish = Total 989 people

Leadership: 407 people successfully completed the course across 35 courses.

"This course (though I was reluctant due to time involved) has helped my confidence to lead safeguarding and inform church groups. The reading material and watching the videos has helped me understand the hurt and damage that affects victims, survivors, their families and the church family." (Leadership course participant)

Parish Dashboard

Towards the end of the year, the Parish Dashboard scheme was launched. This is an online tool to assist parishes in making safeguarding administration simpler. Early feedback has been very positive.

"I think the Dashboard is a brilliant tool. I find using it helps enormously, especially when I am reporting to PCC and asking for discussion and approval of various procedural matters, as it helps me to focus on the things which need doing, and not leave anything out." (Naomi Vallely, Parish Safeguarding Officer, St John's Church Centre, Tunbridge Wells)

Past Cases Review

The Past Cases Review is a comprehensive safeguarding review, undertaken across churches and key institutions within the Diocese of Rochester. It was started in 2019 and was completed in autumn 2021.

It is a process being run in all 42 Church of England dioceses, with all dioceses expected to complete their Reviews by the end of 2021.

The purpose of the Review has been to help find out whether all known cases of concern about the behaviour of clergy and church officers towards children and vulnerable adults have been considered, risk assessed and dealt with appropriately.

The report compiled by the Independent Reviewers was completed in the autumn of 2021 and submitted to the National PCR board to form part of the national overview report, expected sometime in 2022.

We thank everyone in the parishes who contributed to this important process, and particularly to those victims and survivors whose time, experience and insight, helped inform the Review and the process.

The recommendations from the Diocese's independent report will be incorporated into the Diocesan Safeguarding Advisory Panel's Action Plan.

Living in Love and Faith

Following on from the Archbishops' call for a "radical new inclusion in the church", we have begun to engage meaningfully with Living in Love and Faith.

Living in Love and Faith is a learning and listening process taking place across The Church of England to help individuals, parishes, deaneries and dioceses, reflect on our shared humanity and sexual identity.

A diverse consultative group was drawn from across the Diocese and has been meeting regularly throughout the year to oversee and steer the programme in the Diocese. They include the Rev Jane Winter, as LLF Ambassador and the Rev Joel Love, as LLF Chaplain.

Many conversations have happened at an individual, parish and deanery level. An online Diocesan Taster Day has taken place, and over 220 people within the Diocese registered with the Living in Love and Faith Resource Hub.

"We had a real mix – 3 or 4 churches – but we disagreed well which is something that struck me. My main concern was that I wouldn't have anything to contribute but it wasn't like that at all…I found that week by week I would be thinking about the course and discerning, what is God's will." (The Rev Jayne Shillito, Curate Rural North West Kent Churches)

Modern Slavery, Gender-based violence

As a Diocese we are actively engaging with issues such as Modern Slavery and gender-based violence, through our partnerships with the Clewer Initiative and the White Ribbon campaign. In 2021, we supported the UN's 16 Days of Activisms Against Gender-Based Violence and White Ribbon Day, to ask men to make a stand against violence towards women. Bishop Simon and others took to Tonbridge High Street to share details of the campaign and local support available.

WHY I AM A WHITE RIBBON AMBASSADOR: KEITH'S STORY

As part of our campaign work this year, Keith Berry, one of our Community Engagement and Social Action Advisers, and a White Ribbon Ambassador, shared why he was taking a stand against male violence towards women.

My name is Keith, and I became a White Ribbon Ambassador because I've seen it first-hand, the pain and turmoil that male violence against women, either physical or mental, can wreak upon an individual and their family.

But I have also heard the banter and sexist comments in the pub, at the football, or while playing golf. These undermine and degrade the position of women in our society and it's this attitude that sets the social framework for many men to believe that it's okay to abuse and to threaten or use violence towards women.

My teenage daughter when walking home from her job in the evening feels it's necessary to be on her phone to someone the whole time she's walking, such is the climate of fear that men have created. This has to change, and it starts with us men.

Only by changing our behaviour can we create a better and safer society for our wives, our daughters and friends.

So please, start now by going to whiteribbon.org.uk and find out more about the need for all men to be prepared to speak out against sexist or misogynist behaviour. Then make the promise to never commit, excuse or remain silent about male violence against women.

Diocese of Rochester
called together

Poverty and Hope

For over four decades the donations raised by the diocese's Poverty and Hope Appeal have offered support to some of the world's most vulnerable people.

Rather than contributing to a general pot, the focus on specific projects connects us to the work of named initiatives which we are able to support over a period of years. While debates rage over governmental foreign aid, we can quietly and effectively get on and help to deliver life-saving and life-changing support to particular communities.

In 2021, this included projects supporting farmers trying to cope with climate change in Malawi, people in Zimbabwe who are discriminated against over HIV/AIDS, and child victims of modern slavery in Sri Lanka.

And to show that charity continues at home, the Appeal also cares for deprived young people, many living with disabilities, right here in Kent.

This year, thanks to the generosity of churches and individuals, over £20,000 was raised.

"The pandemic has shown the world to be a much smaller and more interconnected place than we imagined, where our personal effect is greater than we thought. Together, we can show God's care for those who are poor and on the edge, who only need a chance in life."

(Bishop Simon Burton-Jones, Poverty and Hope 2021 campaign material)

PROTECTING CREATION'S LIFE FOR FUTURE GENERATIONS

The realisation that action to address climate change is imperative has now permeated most aspects of society. Our young people in particular, believe that we as a Church must take a lead. We must not be left behind; protecting creation's life for future generations is now one of our five overarching priorities.

Eco Diocese and Eco Church

Until 2017, the Diocese had very little formal engagement with environmental issues while individual parishes have been particularly good at taking their own steps to improve their environmental footprints. As a Diocesan structure, we know we need to do better.

In October 2019, Diocesan Synod approved an environmental action plan. Synod also supported the proposed registration as an Eco Diocese, encouraging and supporting churches to work towards the Eco Church awards.

We now have 61 churches in the Diocese who are registered for Eco Church (including LEPs which count for both denominations) of which 13 have reached the bronze award level and 2 the silver award level.

Unfortunately, the impact of Covid-19 caused a delay in our Diocesan effort, but this year has seen a return to the committed work and the development of an action plan, and environmental policy. Recently this has included awareness raising and resources around the COP26 event.

Earlier in the year we held a webinar exploring the theological reasons and practical actions, with contributions from local churches, national partners and an international view.

Joint working

We have identified our environmental priority as an area where we can work well with our neighbours in the Diocese of Canterbury, sharing resources and knowledge.

The first stage of this has been to join up the Environment Working Groups; Canterbury's is well-established and new Terms of Reference have been drafted.

The aim is to have sub-groups looking at reaching the target to be net carbon zero by 2030, as this is detailed work relating to properties and asset management within each diocese.

In Rochester we are currently carrying out surveys and data analysis to set the priorities for this work, which includes on clergy housing.

Working towards net zero
The National Church has issued a 'road map' to net zero for consultation.

To support this, we engaged key internal stakeholders and responded to the national church's consultation on a draft

We are encouraging churches to use the Energy Footprint Tool (part of the parish finances online system) and looking into how the new wider toolkit can be used for schools, housing, cathedrals, offices, TEIs and all other buildings as well as 'diocesan travel'.

COUNTING ON NATURE

Protecting creation's life for future generations is a key priority for the Diocese, and so it is not surprising that so many churches took part in the national 'Churches Count on Nature' scheme in 2021.

At The Holy Redeemer in Lamorbey, forty-seven different species of wildlife were recorded.

Meanwhile, at St Mary, Bromley's Garden Church, everyone got involved with the count, after a rousing chorus outside of 'All things bright and beautiful', of course!

What we need to do better

1. **Listen and respond** to the voice and experience of victims and survivors of church-context abuse.

2. **Move on our environmental work** at a Diocesan level in a more focused and dynamic way.

3. **Support diverse and accessible** forms of worship and ministry, so we are reaching as wide a constituent as possible in our communities.

4. **Respond meaningfully** and in a timely way, to the report by the Archbishops' Anti-Racism Taskforce, Lament to Action, so we better reflect and honour the diversity of our diocesan family.

5. **Talk more about clergy wellbeing** and give people confidence in the confidentiality of our counselling service.

6. **Review our investment policy** to ensure we are not passing on an ever-growing endowment to a smaller number of future beneficiaries.

7. **Develop a more robust and clear** complaints and whistleblowing procedure.

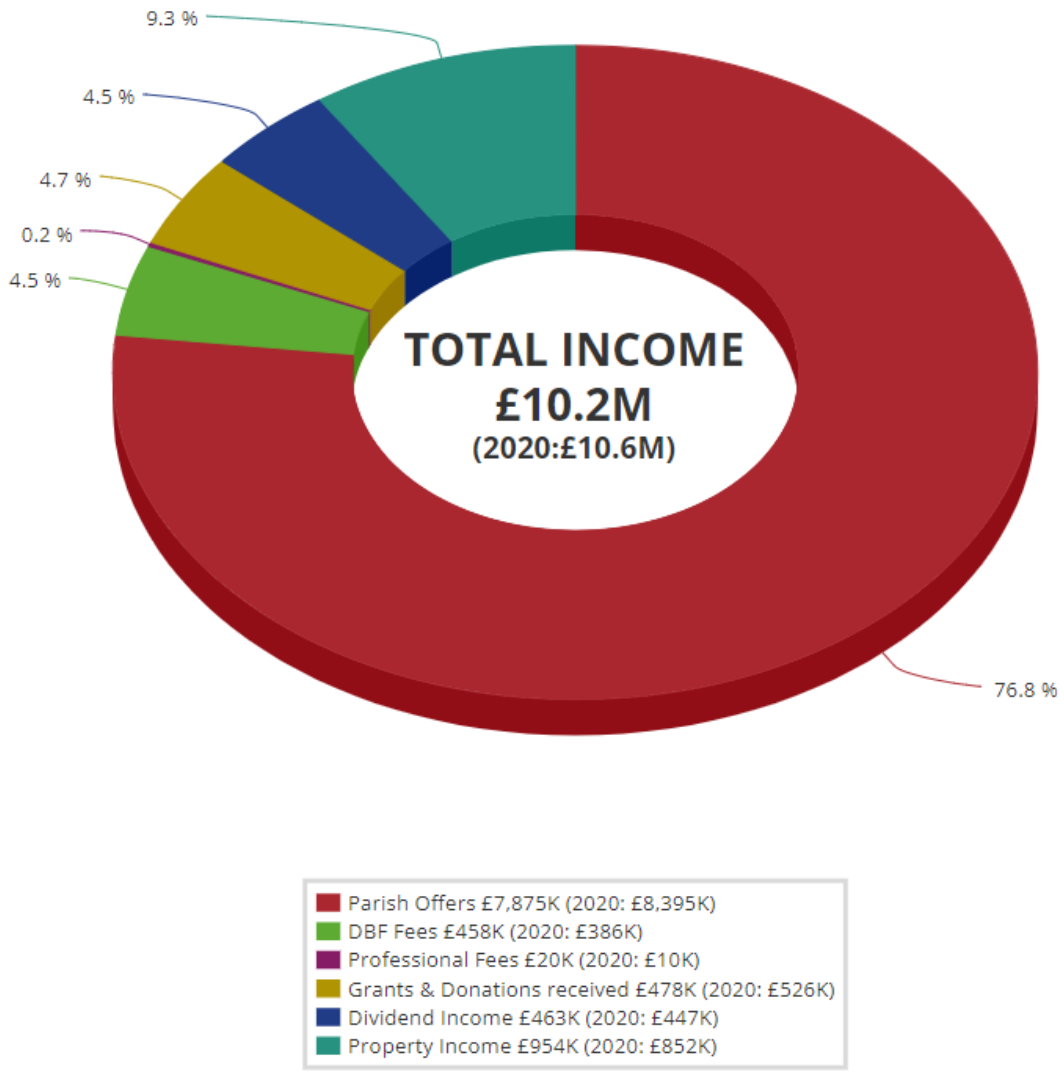
8. **Understand the story** behind the statistics. We know there is more to mission and ministry than just numbers, we need to find ways to look behind data meaningfully to celebrate, encourage, as well as learn.

FINANCIAL OVERVIEW

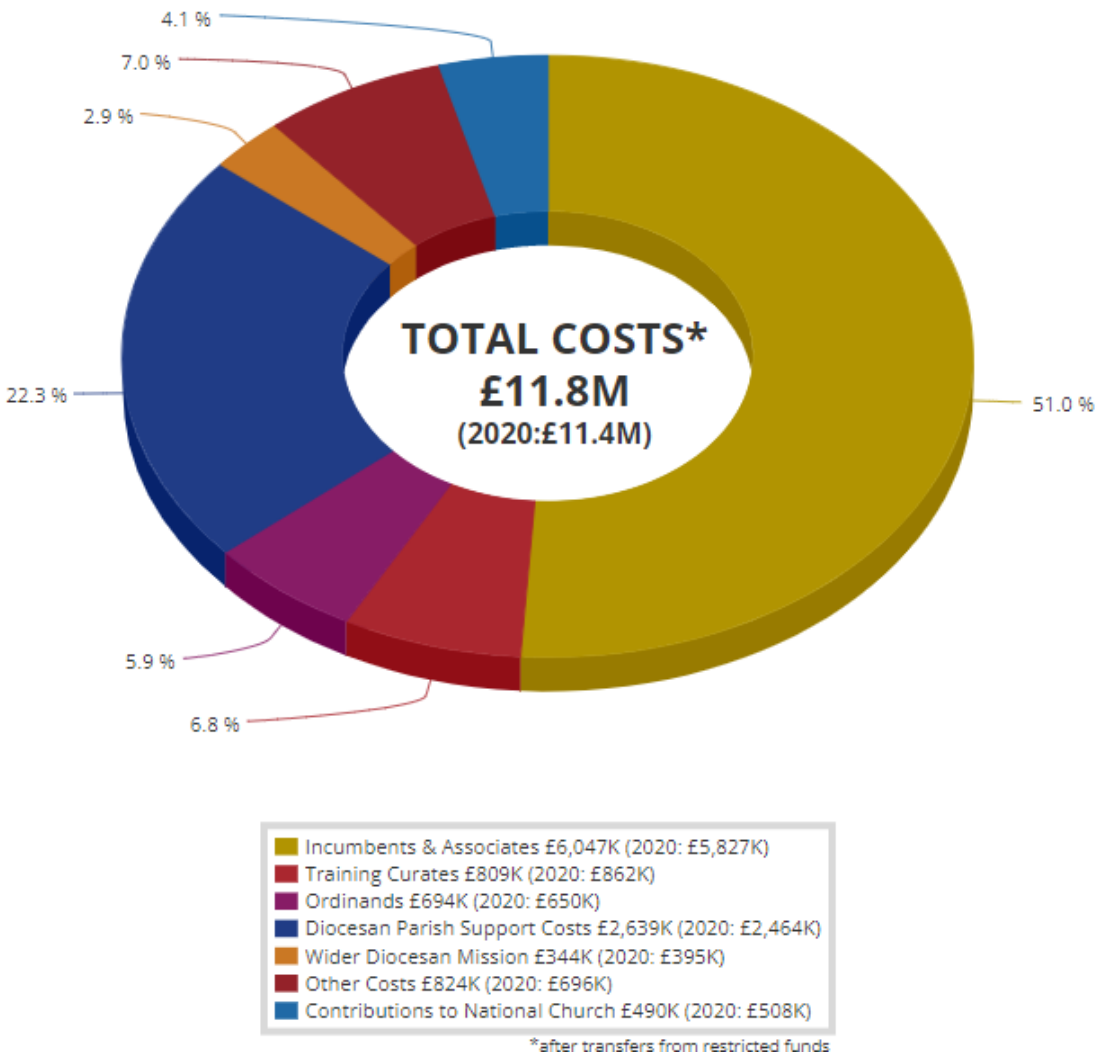
The financial contribution parishes make to support the work and mission of the Church locally is hugely appreciated. Thank you! The information below gives a summary of our finances in 2021.

- In 2021 we were running a deficit of £1.6M.
- This compares to a deficit of £0.8M in the previous year.
- The Diocese's financial strategy seeks to achieve a financially sustainable position.

Where our income comes from



How the money is spent



Support Costs for Parishes

The Diocese of Rochester is reliant on the payment of Parish Offers which, together with DBF Fees, represent 81% (2020: 87%) of income

Annualised Cost of a Full-time Incumbent (£)	**2022**	**2022 Cost per benefice**
Current Stipend (from April 2022)	27,805	
National Insurance (9.25%)	2,572	
Pension (29.02%)*	8,069	
Parsonage Upkeep budgeted for 2022 (2021B: £5,257)	5,494	
Cost of a Full-time Incumbent	**43,940**	**£44K**
* excluding pension deficit payments of 7.1%		

Diocesan Support Costs (ex Parsonage Upkeep) (£K)	**2020**	**2021**	**2022B**	
	1,851	**1,892**	**2,138**	
Number of benefices	**181**	**179**	**176**	**£12K**
Cost per benefice				

Costs of Mission, Future Ministry and National Church (£K)	**2020**	**2021**	**2022B**	
Curates	862	809	986	
Ordinands	650	694	693	
Wider Diocesan Mission	395	344	403	
Contributions to National Church	508	490	405	
	2,415	**2,337**	**2,487**	**£14K**

Contribution required for 115 (2020: 101) benefices unable to cover the allocated cost of a wte Incumbent and Diocesan Support Costs (£K)	**1,478**	**1,982**	**£11K**

Average Contribution required from Benefices	**£81K**

FINANCIAL STRATEGY

The Financial Strategy is the achievement of a financially sustainable position and to successfully underpin the diocesan strategy of Called Together.

FINANCIAL SUSTAINABILITY

The Financial Strategy is the achievement of a financially sustainable position to underpin the Diocesan Strategy of Called Together and enable it to come to fruition. The entails sustaining the parish structure of ministry and, where required, investing in the reinvigoration of established parish churches. Alongside this, we are increasingly focussed on investing in fresh mission opportunities and the emerging church. This approach demands a delicate balance between current investment and the preservation of capital for the future, all the while seeking to maintain our existing funding of the parish system.

We need to be able to invest in areas of new developments where the population is growing, and increasingly are focused on reaching out to the unchurched and de-churched and in areas of demographic and cultural change and diversity, where different styles of church may be required. We also need to support this in our recruitment and training of clergy and lay ministry, and in the oversight of establishing fresh expressions of church and church planting.

COMMON FUND AND INDICATIVE OFFERS

The Common Fund is the principal unrestricted fund that deals with the general income and expenditure of our Diocese. The management of the finances and resources are framed in such a way which reflects who we are – an interconnected family or fellowship of Christians dependent upon and supportive of one another. This connection brings with it a shared concern and responsibility for one another.

Thanks to the generous and often sacrificial contributions of parishes into the fund each year, we are able to ensure a number of things including:

- that ministers, ordained and lay, stipendiary and self-supporting are available across the area of the Diocese;
- that the mission of the local church is supported, allowing us to retain a vital presence in our communities;
- that new vocations to ministry are discerned and developed; and
- that we make our fair contribution to the costs of the National Church.

The system of Indicative Offers for parishes was established in 2019 to help inform parishes as they consider their contribution to the Common Fund and to apportion contributions on as fair a basis as possible. Whilst retaining the voluntary nature of Parish Offers, the Indicative Offer enables parishes to assess their pledged offers based on the total mission and ministry funding requirement of the whole Diocese.

It is hoped that the system of Indicative Offers together with targeted and supportive follow-up with key parishes by the Archdeacons and Area Deans, assisted by the Finance Team, will enable

the level of Parish Offers be maintained at a sufficient level to meet our mission and deployment plans.

A parish's Indicative Offer is calculated as shown in the diagram below.

There are several exceptions to the basic calculation. For example, benefices which in the previous year were unable to contribute sufficiently to cover the cost of the Ministry Cost and Diocesan Support Cost are provided with a total Indicative Offer that is capped at 50% of Gross Income (unrestricted).

PARISH OFFER REVIEW PANEL

In rolling out the new Indicative Offer system, we sought to establish a more formal system for receiving and responding to Parish Offers.

This support needs to be in looking with the parish at the resources it has, and in some cases hasn't, so that where there is a challenging situation it is known and shared.

In achieving a fair level of offer which adequately reflects the cost of ministry and support that a parish receives, the emphasis is on collaboration and support. Where there are concerns of hardship these need to be seen and dealt with, not become another weight for the parish to carry. Equally, if a parish is able to meet its share, but doesn't, it needs to be clear that others including its neighbours will be picking up the cost.

With this in mind, we introduced a Parish Offer Review Panel, a sub-committee of the Finance Committee comprising clergy and laity, which will deal with issues from parishes concerning the level of Parish Offers. Due to the Covid-19 pandemic, this panel did not meet until November 2021 and it's work in practice will commence during 2022.

FINANCIAL IMPLICATIONS OF THE COVID-19 CRISIS

The Covid pandemic has had a significant impact on the funding of the Diocese. We incurred significant operating deficits over the last two years, which are likely to continue at least into 2022. It has been a difficult time for all concerned and we are hugely grateful for the ongoing generosity of our parishes; their sacrificial support in maintaining contributions has been vital to the ongoing maintenance of our mission and ministry. We understand that parishes

have been severely challenged with their income as a result of the Covid-19 crisis which has led to the closure of churches and ceasing of gathered worship. We are asking parishes to do all they can to maintain Parish Offers, which are largely used to support the clergy stipends.

2022 BUDGET AND OUTLOOK

The budget for 2022 was built on an assumption that Parish Offers will recover to £8.25M (2021: £7.88M) with the anticipation and hope that underlying parish income levels will recover as the face-to-face worship resumed and that Parish Offers would recover in kind. However, the recovery was slower than envisaged at the time the budget was set and is likely to be compounded by the impact of inflation on the economy and more particularly the disposable income of parishioners.

The level of parish contributions anticipated is clearly uncertain and dependent on the speed of recovery of the Covid-19 pandemic. Whilst parish contributions, in the circumstances, held up remarkably well over the last two years, largely because many parishes were able to utilise reserves, it remains to be seen how close offers will be able to return to the level of and exceed pre-pandemic levels.

DIOCESAN OFFICE SUPPORT

Much of the expenditure for the Diocesan Office is related to staff that we employ. The budgeted Diocesan Office Support Staff is stable at 35.6 full-time equivalents (FTE), although there have been changes in the roles to support parishes in what they need through this period.

Overall headcount of Diocesan payroll is for FTE of 49.7 (2020A: 48.9; 2019A 48.6). The Diocesan payroll headcount now includes 10.0 staff on the RDSBF payroll who are not funded by the Common Fund. This includes 3 Growth Enablers, funded by Diocesan Pastoral Account, and 6.2 staff funded by the Strategic Development Fund of the Church Commissioners.

LIQUIDITY POLICY

The RDSBF's liquidity policy has been to maintain minimum liquid reserves of £2.75m (defined as monies either on current account or on bank deposits of up to 35 days' notice, of which £1M should be in cash or on bank deposits of up to seven days); being £2.0M for the purposes of working capital and a sum of £0.75m (representing just under 10% of total deposits by parishes for the Church Repair Fund (CRF) and Diocesan Loan Fund (DLF)) to cover potential withdrawals from the CRF and DLF. In addition, for prudent "risk" reasons (as opposed to liquidity considerations), at least 10% to 15% of available funds for investment, subject to a maximum of £2.5m, should also be held in cash under the terms of the Cash Deposits Policy - in this case through a range of maturities up to one year may be utilised.

The Trustees are confident that the RDSBF has a sufficient asset base to cover liquidity needs in the foreseeable future. The overall cash balances at the 2021 year-end stood at £7.6M (2020: £9.0M) (being in excess of the current policy level of minimum liquidity and cash reserves of £5.0M).

RESERVES POLICY

The Trustees require reserves to:

- meet short-term excesses of expenditure over income;
- provide funds for expenditure with long-life horizons; and
- fund recognised future infrastructure and strategic policies which will require resources, such as the changing form of ministry and the deployment of clergy.

It is the RDSBF's policy in order to cover such eventualities, reviewed in March 2019, to maintain free reserves in excess of £5M.

Common Fund reserves at the year-end stood at £5.1M (2020: £5.2M). This is in excess of the amount required under the policy. The Trustees consider it important to carry additional reserves to cover unforeseen eventualities and the possibility of future operating deficits.

In May 2022, Bishop's Council approved a Total Return approach to the accounting for permanent endowments applied to the Diocesan Stipends Fund, which will take effect from 1 January 2022. It is anticipated that the normal annual income provided from the Stipends Capital Fund to support the existing Common Fund budgetary requirements will at least be maintained.

Total Return is proposed on the assumption that Parish Offers are made in accordance with the current Indicative Offers system, so that additional funds may be released for fresh investment to support mission across parishes in the Diocese. The Unapplied Total Return as at 31 December 2021, has been calculated to be £11.3M, which has been audited by Haymacintyre,

DESIGNATED RESERVES

The Trustees may designate unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the Common Fund in the event that there is no further need to retain them for the purpose of their designation. A description of each reserve together with its intended use is set out in Note 16. Total designated reserves at 31 December 2021 were £9.1m (2020: £8.2m). These reserves are predominantly held in property assets.

RESTRICTED AND ENDOWMENT FUNDS

As set out in Notes 17 and 18, the RDSBF holds and administers a number of restricted and endowment funds. None of these funds are available for the general purposes of the RDSBF, although the income of endowed funds may be used for certain restricted or unrestricted purposes. Total restricted funds at 31 December 2021 were £41.1m (2020: £40.5m), and total endowment funds were £26.8m (2020: £24.1m).

INVESTMENT POLICY

The Board's investment policy is based on the two key principles of Preserving Inter-generational Equity and Ethical Investment.

Preserving Inter-generational Equity

The Trustees are aware of their long-term responsibilities in respect of endowment funds and as a result follow a correspondingly prudent approach to investment decisions.

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.
Unrestricted and restricted investments are invested to balance income, liquidity and the maintenance of capital, and are held in listed and unlisted equities and funds and fixed interest bonds in managed funds.

The Bishop's Council has agreed to seek an appropriate minimum total return of at least CPI plus 3%, whilst at least maintaining the capital value of its non-property investments in real terms.

Ethical Investment

RDSBF follows the guidance of the Church of England Ethical Advisory Group. In practice, this means applying an ethical screen to the portfolio which precludes direct investment in companies which have more than 10% of their turnover in armaments, pornography or tobacco. It also looks to invest in companies which have high standards of corporate governance and act in a responsible way towards stakeholders.

Fund Managers

In January 2020, the Diocese transferred its investment portfolio (excluding property investments) to Mercer Global Investment Management Ltd. ("Mercer"). Mercer's investment platform provides the Investment Committee of Bishop's Council with a greater level of flexibility to align the portfolio with the overall objectives of the Diocese and the flexibility for Mercer to respond to market changes and changes in the performance of specific funds and fund managers. The current portfolio includes allocations to a broad range of asset classes, with a strong focus on sustainability issues.

GRANT MAKING POLICY

The Memorandum of Association of the RDSBF explicitly permits the RDSBF to make grants in pursuance of its objects, and the nature of grants made in 2021 is indicated in Notes 6 and 8.

Grants are made to the National Church to cover a proportion of its central costs and also to cover training for ministry (see Note 6).

The Diocese operates a Children & Young People Fund, to fund youth ministry initiatives, and a Missional Property Fund, to support projects which allow parishes to open up church buildings for mission. To be successful an application must clearly state how the changes are missional and link with the activities and plans for their community.

Grants are paid to other connected charities and to other charitable projects which appear to RDSBF to support the furtherance of RDSBF's objects, including grants to assist our Companion Dioceses of Mpwapwa and Kondoa in Tanzania, Harare in Zimbabwe, and to promote links with the Evangelical Lutheran Diocese of Estonia.

The RDSBF also set up a Covid-19 Emergency Relief Fund to support parishes during the pandemic.

PROPERTY

There are three types of property that the RDSBF owns: glebe investments (historic land and buildings), clergy houses, and RDSBF owned corporate property held for operational purposes.

The RDSBF will consider the disposal of property for the following reasons:

- To replace unsuitable parsonages;
- To accommodate the changing geographical deployment of clergy within the Diocese;
- To realise the development potential in some properties, thereby releasing funds to invest in our mission; and
- To rebalance our overall glebe investment portfolio and to reduce our exposure to specific direct property investments.

CLERGY HOUSES STRATEGY

Inspired by the Called Together vision, RDSBF operates a Clergy Houses Strategy. It sets out the Clergy Houses Committee's approach to clergy housing for the coming years and reaffirms the work and aspiration of the Committee. The strategic approach to our property requirements is worked in close association with the Archdeacons.

Clergy houses often hold a significant place in the hearts and minds of the local church and community, as well as our ministers that live and serve within them.

The ambition is for an approach to housing which, while mindful of this, is also:

- Flexible
- realistic, and
- responsible.

Key objectives over the coming years are that clergy housing should:

- Be suitable and appropriate in its use of diocesan funds;

- Be affordable for the occupant and practical as a home and working environment;
- Facilitate mission and ministry across the Diocese; and
- Achieve good standards of environmental sustainability.

The Trustees commit significant capital reserves to the purchase and improvement of housing for clergy. The RDSBF is also responsible for housing its training curates (currently 22) at any one time. The Clergy Houses Committee oversees the repair and maintenance of clergy houses.

In its role as the Diocesan Parsonages Board and as the housing provider, RDSBF is responsible for the provision, management, maintenance and improvement of approximately 230 houses, principally for the benefit of clergy.

During the year, in total £747K (2020: £604K) was spent on properties under the Clergy Property Measure 2018 and the Repair of Benefice Buildings Measure 1972; incorporating quinquennial building surveys and arranging for repair or improvement by contract or by order and supervising and administering such works of repair or improvement. The majority of the operational property assets are held for the long-term use of the RDSBF, rather than for re-sale, and are carried in the accounts at their deemed cost in accordance with the provisions of Financial Reporting Standard 102.

The Diocesan Surveyor manages and maintains an ordering system, a 10-year rolling repair programme, and monitors and controls the annual budget. The scope of the work includes all day-to-day and responsive and programmed repairs, including quinquennial works, and day-to-day repairs to (for example) roofs, windows, kitchens, bathrooms, electrics and plumbing.

The Property Team maintains a property database and advises on the retention and sale of each property as and when Archdeacons and the Clergy Houses Committee have identified former ministry housing as being surplus to requirements.

The Finance Committee approves proposals for any purchase or disposal of property. It will additionally consider, on the advice of the Archdeacons, whether rental of property is particularly appropriate in individual circumstances.
Parsonage repair and maintenance has been prioritised and was being maintained in 2021 at 2020's originally budgeted level of £750K (including insurance).

In addition, £500K catch-up work over two years (funded from the Diocesan Pastoral Account) continues and the second tranche of £250K was spent in 2021, bringing total property expenditure in 2021 to £938K (2020: £805K).

FINANCIAL RESILIENCE AND STEWARDSHIP

Each parish faces significant challenges as the financial regulatory environment imposes ever more stringent requirements upon PCCs.

The Finance Team in Diocesan Office supports parishes in relation to compliance with the Charity Commission and accounting. PCCs are becoming increasingly aware of due diligence in their financial affairs and the need to demonstrate to their congregations that they are obtaining value for money.

Stewardship training and support is provided to help parishes to raise income levels. Church finances would be transformed if the level of giving by church members were raised from its present level of 3.4% of personal income to the national aspiration of 5%.

Parishes are encouraged to take advantage of the various central purchasing schemes run by the National Church.

FUNDRAISING

The RDSBF provides parishes with guidance to encourage them to adhere to best practice in their fundraising activities. It drives one-off campaigns around specific and strategic fundraising needs and supports and enables strategic relationship management.

The RDSBF does not engage with any direct marketing activities, nor does it share or purchase any donor data with or from third parties. The RDSBF rarely engages with independent professional fundraisers and, if so, will always ensure there is an appropriate contract in place.

VOLUNTEERS

The RDSBF 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 RDSBF greatly values the considerable time given by all committee members and other volunteers across the Diocese in whatever capacity they are working in pursuit of the Church's mission.

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

RELATED PARTIES

There are a number of related parties with whom the RDSBF has financial links and/or has financial transactions with, including the General Synod, Church Commissioners and Archbishops' Council. The RDSBF has to comply with Measures passed by the General Synod of the Church of England and also makes certain annual payments to the Archbishops' Council towards the running costs of the National Church.

As disclosed in Note 7, certain costs of the bishops, including stipends and pension contributions, are borne by the Church Commissioners.

PAROCHIAL CHURCH COUNCILS (PCCs)

The RDSBF is required by Measure to be custodian trustee in relation to certain PCC property, but has no control over PCCs, which are independent registered or excepted charities.

The accounts of PCCs and deaneries do not form part of these financial statements. PCCs are able to influence the decision making within the RDSBF and at diocesan synod level through representation to those bodies and through the input of their deanery synods.

OTHER RELATED PARTIES

• The Church of England Pensions Board: To which the RDSBF pays retirement benefit contributions for stipendiary clergy and certain ordained employees. It also offers schemes to provide housing for clergy in retirement.

• The Dean and Chapter of Rochester Cathedral: Some diocesan events held in the Cathedral are paid for by the RDSBF. The RDSBF rents car parking space and housing for diocesan clergy from the Dean and Chapter and provides safeguarding services to the Chapter under a service level agreement.

• The Rochester Diocesan Board of Education: The Principal Office is located at Diocesan Office. The Board of Education supports and encourages churches and parishes across the Diocese of Rochester through the education of children and young people. The Bishop of Rochester is President of the Board of Education and the Bishop of Tonbridge serves as Chair. The RDSBF undertakes the accounting function for the Board of Education under a service level agreement.

- St Augustine's College of Theology: The College is located on the Malling Abbey estate owned by the RDSBF and is a lessee. Ordinands, Curates and Lay Workers from the Diocese are trained by the College.
- St Benedict's Centre: The Centre is located on the Malling Abbey estate owned by the RDSBF and is a lessee. By virtue of office, the Bishop of Rochester and the Diocesan Secretary are each a Trustee and Director. The Centre offers non-residential facilities for individuals or groups to go on retreat, study or meet.
- Emmaus Developments Limited (the trading subsidiary of St Mary & St John, Chatham PCC): The company has its registered office at the Diocesan Office.
- A number of discretionary trust funds administered by employees of the RDSBF.

Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements.
Where materiality of transactions merits more detailed disclosure, this is given in Note 15 to the financial statements.

MITIGATION OF RISKS AND UNCERTAINTIES

BISHOP'S COUNCIL RESPONSIBILITY

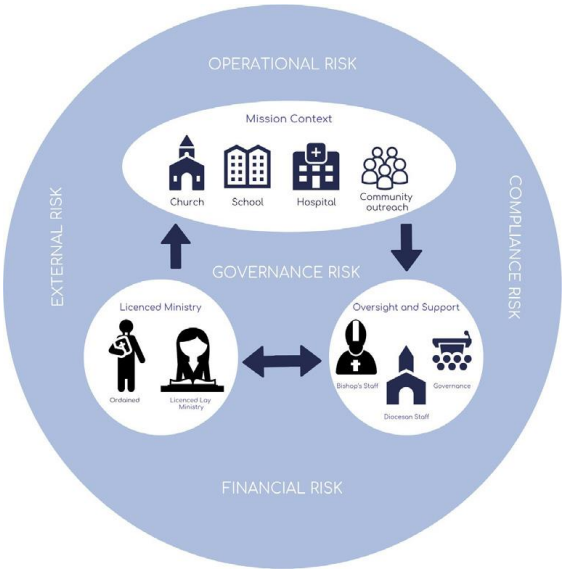
Bishop's Council is responsible for ensuring that effective and adequate risk management and internal control systems are in place to manage the major risks to which the Diocese is exposed.

It has a clear mechanism for obtaining assurance on the management of risks. It agrees the approach to risk including overseeing the process to identify and assess key risks and understanding how those risks are managed and mitigated.

The Trustees annually consider, evaluate and record the major areas of risk to which the RDSBF is exposed, assessing the likelihood and impact of those risks crystallising, together with measures in place to manage and mitigate such risks (see below).

RISK ASSESSMENT MODEL

To support the identification and evaluation of our key risks, we use a risk assessment model which incorporates our key activities of mission and ministry as shown in the diagram below.



The five key areas of risk considered and the mitigation measures in place relating to the risks identified are then described, with any particular measures in the process of being implemented and the timing and the risk owner identified as responsible for managing this risk.

RISK MANAGEMENT FRAMEWORK

Risk is managed effectively through an appropriate risk management framework designed to support informed decision-making regarding the risks that affect our ability to achieve our mission objectives.

The framework provides a consistent approach to identifying, assessing and dealing with the risks facing us to ensure that they do not exceed the level of risk we are willing to assume.

The framework is designed to manage, rather than to eliminate, the risks to our objectives.

PRINCIPAL RISKS

The risks in the Risk Register are ranked using a 'traffic light' scheme (red/amber/green) based on a score reached by multiplying the score for 'Likelihood', the average of the 'Financial Impact' plus 'Reputational Impact' score, and the 'Risk Tolerance' score. The key risks in red are identified as those which have high likelihood and overall impact.

The risks which are currently assessed as scoring highest, and the outline mitigating strategies to address them, are as follows:

RISK AREA	MITIGATION STRATEGY
• Safeguarding. The reporting of non-recent and current cases of abuse of children or vulnerable adults in the Diocese, resulting in a breach of trust and negative impact on the victims/survivors, impacting the church's reputation and potentially leading to litigation and compensation claims which are not covered by insurance. New cases may be reported because of the publication of reviews of safeguarding cases in faith organisations, including the Government commissioned Independent Inquiry into Child Sexual Abuse.	• An appropriate response that is victim/survivor focussed, especially respects the dignity of victims responding with transparency, humility and contrition. Investigations to be thorough and in compliance with current guidance, ensuring sound coordination and communication between individuals and teams in the Diocese as well as external agencies and NCIs. • Provision of an electronic case management system. An independently audited and resourced safeguarding team, which is professionally supported and supervised with constant review of resources (increase of staffing in 2020 and 2021). • Communications strategies well-rehearsed and co-ordinated with Church House, Westminster & Lambeth Palace.
• Remedial work created by the Past Cases Review impacts on the effectiveness of the Diocesan Safeguarding Team.	• Provision of satisfactory training and safe recruitment and management of all those engaged in contact with children, young people and adults at risk of harm.
• Impact from a prolonged epidemic resulting in the closure of churches, the cessation of worship and the reduction of income of parishes, and thereby impacting Parish Offers and the income of the RDSBF, the loss of dividend and property rental income and substantial reductions in underlying investments valuations.	• Maintaining a conservative liquidity policy with sufficient cash reserves to weather the impact on income and cash withdrawals of parishes' funds, seeking access to debt finance and National Church assistance with liquidity, and an adequate reserves policy to deal with reductions in income. Crisis management through the duration of the crisis that engages with parishes and provides advice and where necessary liquidity through loans and grants.

• Parishes experiencing stagnant or declining membership, impacting the ability to conduct viable mission or growth initiatives at a local level and increasingly being unable to pay for ministry being provided and/or donate as generously as they would wish.	• Strategic Framework, Called Together, applied. Effective monitoring of mission goals through deanery reviews, with assessment of the financial impact of the consequences. Supporting parishes by implementing local plans and providing support to reverse decline and building resilient and growing churches.
• Nationally divisive issues leading to loss of clergy and/or congregations and finances and impacting the church's reputation.	• Strong episcopal leadership and professional support in handling difficult issues and sensitive negotiation with churches concerning the pastoral, operational and financial implications.
• Deployment of clergy that involves altering the ministerial oversight in local churches.	• Archdeaconry Steering Groups. Implementation of the Ministerial Deployment Tool. Legal process for pastoral reorganisation, involving extensive consultation.
• Financial operating deficit leading to breakdown in trust with parishes and the inability to maintain support to legally committed ministry.	• Financial Strategy that sets out the approach to achieve a financially sustainable position, regular financial planning and budgetary control. The operation of the Common Fund and the system of Indicative Offers.
• Information security, IT systems availability and performance, staff proficiency in using IT systems.	• In response to the increasing risk in this area, work to further improve our security measures to protect unauthorised access to IT systems and safeguards against potential vulnerabilities in the IT network.

FINANCIAL REVIEW

There was a Net Income surplus for the year of £4.1M (2020: £2.8M). Net movement in funds was £4.2M (2020: £2.8M). The Common Fund shows an operating deficit for the year of £1.83M (2020: £0.91M), which is £1.6M (2020: £0.80M) after deducting transfers from Restricted Funds in respect of restricted expenditure. The reserve balance on the Common Fund was £5.1M as at 31 December 2021 (2020: £5.2M), which slightly exceeds the requirement under the reserves policy.

FINANCIAL PERFORMANCE – INCOME AND EXPENDITURE

The Statement of Financial Activities (on page **) shows an overall surplus of Net Income (before revaluation of fixed assets and pension scheme liabilities and transfers between funds) for the year of £4.1M (2020: £2.8M) after profits on the sale of property of £1.8M (2020: £1.8M) and gains on investments of £3.8M (2020: £2.1M).

The Common Fund shows an operating deficit for the year of £1.83M (2020: £0.91M), which is £1.60M (2020: £0.80M) after deducting transfers from restricted funds in respect of restricted expenditure. This compares to a budgeted operating deficit (after deducted restricted fund transfers) of £1.81M (2020: deficit £0.83M).

After taking account of gains on investments of £1.3M (2020: £0.6M) and a gain of £0.4M on the sale of properties (2020: loss £52K), the Common Fund showed a deficit of Net Income (before revaluation of fixed assets and pension scheme liabilities and transfers between funds) for the year of £0.22M (2020: deficit £0.35M).

Designated Funds showed a Net Income of £0.88M (2020: £0.82M) representing a profit on sale of properties of £0.94M (2020: £0.79M) and losses on investments of £63K (2020: gains £30K). Restricted Funds show an operating surplus of £0.32M (2020: deficit £0.24M) and a Net Income surplus of £0.87M (2020: £0.77M) after profits on sale of properties of £0.55M (2020: £1.0M) and gains on investments of £nil (2020: losses £8K).

Endowment Funds had an operating surplus of £13K (2020: £12K) and a Net Income of £2.6M (2020: £1.5M) after gains on investments of £2.6M (2020: £1.5M).

The main income of the Diocese is Parish Offers, the money given by parishes to the Diocese to fund mission and ministry and in particular the costs of clergy stipends, pensions, housing and training, which are charged to the Common Fund.

Income from Parish Offers was £7.88M (2020: £8.40M), and £8.33M (2020: £8.79M) including DBF Fees of £458K (2020: £386K). This compares to the pre-pandemic level in 2019 for Parish Offers at £9.06M (excluding DBF Fees, which before 2020 were retained by parishes) representing a decline of 9.1%. This compares the decline compared to pre-pandemic levels of 9.5% in parish share experienced across the Church of England. Parish Offers and together with DBF Fees represented 81% (2020: 83%) of

the RDSBF's unrestricted operating income.

The other main sources of income in the year were donations and property and investment income. Donations (including grants) were £461K (2020: £526K), and property rentals and investment income of £1.42M (2020: £1.30M).

Total expenditure on the Common Fund was £12.1M (2020: £11.5M) and in all funds was £13.4M (2020: £12.9M).

During the year, the RDSBF paid stipends and associated costs totalling £6.72M (2020: £6.56M) for incumbents, curates and other clergy. The total number of full-time equivalent clergy in post fell from 184 to 180.

A detailed breakdown of income and expenditure on the Common Fund and a breakdown of the support costs for a parish are set out on pages 36 to 38 of the Trustees' Report.

national training for ministry (see note 6 to the financial statements).

During the year the COVID-19 Emergency fund made 19 grants to parishes (2020: 31) totalling £95K (2020: £155K), making a total 50 grants to 38 different parishes and £250K since the start of the pandemic.

INVESTMENT INCOME

Market investments held at 31 December 2021 were £20.2M (2020: £17.5M) and investment properties were valued at £12.5M (2020: £11.0M) (see Note 10). Dividends receivable for the Common Fund were £463K (2020: £447K) and rents receivable for the Common Fund were £954K (2020: £852K).

The investments held and their return during the year is set out in the table below which shows an overall yield on investments of 2.8% (2020: 2.6%) and total return of 16.0% (2020: 9.9%).

	At 31/12/21 £K	At 31/12/20 £K	2021 %	2020 %	2021 Income Yield	2020 Income Yield	2021 Total Return	2020 Total Return
Glebe Investment Properties	12,528	11,412	38.2%	39.5%	3.0%	3.3%	12.6%	12.5%
Market Investments	20,233	17,502	61.8%	60.5%	2.8%	2.2%	18.1%	8.0%
	32,761	28,914	100.0 %	100.0 %	2.9%	2.6%	16.0%	9.9%

Contributions are made to the Archbishops' Council to cover a proportion of its central costs relating to the activities of the various national boards and councils, as well as the General Synod, and to cover a proportion of the cost of

GRANTS RECEIVED

The RDSBF gratefully acknowledges all grants received including those from Trust for London for £642K (2020: £291K); All Churches Trust for £144K (2020: £141K); and Colyer Fergusson for £50K (2020:£20K).

The RDSBF gratefully received the following grants from the Church Commissioners:

- £231K (2020: £162K) Strategic Development Funding towards Called to Grow.
- £7K (2020: £97K) Strategic Development Funding towards Chatham Town Centre.
- £365K (2020: £329K) block grant for ordinands' training fees and expenses under the Resourcing Ministerial Education process.
- £296K (2020: £320K) Sustainability Grant.
- £13K (2020: £Nil) Strategic Ministry Fund toward two additional curates

SIGNIFICANT PROPERTY TRANSACTIONS

During the year 1 parsonage (2020: 4) was sold for total sale proceeds of £800K (2020: £2.14M), realising a surplus over book value of £552K (2020: £1.00M).

During the year 6 (2020: 1) unrestricted Common Fund and designated fund property sales were made in the year generating total proceeds of £1.68M (2020: £0.91M), realising a surplus over book value of £1.29M (2020: £0.79M). And also during the year nil (2020: 4) investment properties were sold for a total of £nil (2020: £1.95M), realising a total profit of £nil (2020: £455K).

There was 1 property bought in 2021 (2020: 2) at a total cost of £573K (2020: £800k) (purchase costs plus ingoing works), as follows:

4 Manor Way, Walderslade – a house for the new Associate Vicar of Chatham, St. Philip & St. James.

BALANCE SHEET POSITION

Net assets at the balance sheet date totalled £82.2M (2020: £78.0M).

This includes properties which are mostly in use for ministry; the book value of which amounted to £51.9M as at 31 December 2021 (2020: £51.5M).

The Trustees consider the market value of these properties to be considerably in excess of the book value, and this market value is realised as and when a property disposal takes place.

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 RDSBF.

The cash and short-term deposits position at 31 December 2021 stands at £7.63M (2020: £9.0M) and including market investments provides realisable liquid assets at 31 December 2021 of £27.5M (2020: £26.1M).

COMMON FUND

The reserve balance on the Common Fund was £5.1M as at 31 December 2021 (2020: £5.2M), which slightly exceeds the requirement under the reserves policy of £5M (see Reserves Policy under Financial Strategy on page 42 .

DESIGNATED FUNDS

The balance of designated funds as at 31 December 2021 was £9.1M (2020: £8.2M). The increase was mainly due to

DBF properties purchased as referred to above.

RESTRICTED AND ENDOWMENT FUNDS

The RDSBF holds and administers a large number of restricted and endowment funds. As at 31 December 2021, restricted funds totalled £41.1M (2020: £40.5M) and endowment funds totalled £26.8M (2020: £24.1M).

FUNDS HELD AS CUSTODIAN TRUSTEE

The RDSBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the RDSBF does not control them.

Further details of financial trust assets, whose market value amounted to £2.2M at 31 December 2021 (2020: £2.0M), are available from the RDSBF on request, and are summarised in Note 21. Where properties are held in trust, the deeds are identified as such and held in safe custody by the RDSBF.

GOVERNANCE, STRUCTURE AND MANAGEMENT

LEGAL FRAMEWORK

The company's principal object is to promote, assist and advance the work of the Church of England within the Diocese of Rochester by acting as the financial executive of the Rochester Diocesan Synod.
The RDSBF has the following statutory responsibilities:

- the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Church Property Measure 2018;
- the repair of benefice houses as the Diocesan Parsonages Board under the Repair of Benefice Buildings Measure 1972; and
- the custody of permanent endowment and real property assets relating to trusts held by Incumbents and Churchwardens and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the company are established by the Diocesan Synod in communication with deanery synods, PCCs, and the Bishop of Rochester (in respect of his responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the Church nationally, including consultations on specific matters relating to the priorities for the forthcoming year.

PUBLIC BENEFIT

The Trustees are aware of the Charity Commission's guidance on public benefit, "The Advancement of Religion for the Public Benefit", and have regard to that guidance in their administration of the charity.

The RDSBF believes that this report provides evidence of the public benefit of the charity's work in 2021.

As described more fully throughout the report, the RDSBF provides funds to support ministers of religion in the Diocese, and the maintenance of many buildings including parsonages and churches, many of which form an important part of the historic fabric and architectural heritage of the area.

The ministry of the parishes within the Diocese, actively involved in a wide range of community projects and supporting ministries, represents a substantial contribution to the wider public benefit.
The vast majority of churches are available to the public at large and none is restricted to members of the Church of England.

THE STRUCTURE OF THE CHURCH OF ENGLAND

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

parish is typically overseen by a parish priest (usually called a Vicar or Rector).

From ancient times through to today, the parish priest and their bishop are jointly responsible for the 'cure of souls' in their parish. Her Majesty the Queen, who is the Supreme Governor of the Church of England, appoints archbishops, bishops and deans of cathedrals on the advice of the Prime Minister. The two archbishops and 24 senior bishops sit in the House of Lords.

The Church of England is episcopally-led (there are over 100 bishops, including diocesan bishops and assistant or suffragan bishops). It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches.

General Synod passes Measures which, if accepted by Parliament, have the effect of acts of Parliament. It is made up of three groups or houses of members: the Houses of Bishops, of Clergy and of Laity.

NATIONAL CHURCH INSTITUTIONS

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

The Archbishops' Council was established in 1999 to co-ordinate, aid and further the mission of the Church of England. Its task is to give a sense of direction to the Church of England nationally and support the Church of England locally in parishes and dioceses. Its goals are: Contributing to the Common Good; Going for Growth (both numerically and spiritually) and Reimagining Ministry (both lay and ordained).

The Church Commissioners manage the historic assets of the Church of England, spending most of their income on pensions for clergy. The stipend, housing and office costs of the Bishop of Rochester are met by the Church Commissioners. In the case of the Bishop of Tonbridge, the stipend and office costs are met by the Church Commissioners, with the housing costs being met by the RDSBF.

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

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

THE CATHEDRAL

The Cathedral is the 'mother church' of the Diocese and legally constituted as a separate charity currently exempt from Charity Commission registration and supervision. For Rochester Cathedral copies of its trustees' report and financial statements may be obtained from the Chapter Office, Garth House, Rochester ME1 1SX.

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

THE DIOCESE'S DIOCESAN SYNOD

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation across the Diocese with broadly equal numbers of clergy and lay people meeting together with the two bishops. Elections occurred in 2021 for the 2022 to 2024 triennium.

Its role is to:

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

DEANERY SYNOD

A deanery synod has two houses, laity and clergy, and its role is to:

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

BISHOP'S COUNCIL

The Bishop's Council acts as:

- the Board of Directors and Trustees of the RDSBF
- the Diocesan Mission and Pastoral Committee
- the Diocesan Parsonages Board.

Elections occurred during 2021 for the 2022 to 2024 triennium.

PAROCHIAL CHURCH COUNCIL (PCC)

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area of the Church of England. Typically, each parish has one church.

The PCC is made up of the incumbent or priest-in-charge as chair, the churchwardens and a number of elected and ex-officio members.

Each PCC is a charity, but those with an annual income below £100,000 are currently excepted from the need to register with the Charity Commission; all others are now required to register. Except where shown, the transactions of PCCs do not form part of these financial statements.

PASTORAL UNITS

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

A deanery is a group of parishes over which an area dean has oversight, and an archdeaconry is a group of deaneries for which an archdeacon is responsible. There are seventeen deaneries and three archdeaconries in the Diocese.

The Diocese is then the principal pastoral, financial and administrative resource of the Church of England, encompassing the various archdeaconries under the spiritual leadership of the Bishop of Rochester.

THE DIOCESE OF ROCHESTER

The Diocese of Rochester has existed in West Kent since 604. Since then, the historic county of Kent has been shared between the two Dioceses of Canterbury and Rochester.

The Rochester part of Kent, however, changed significantly during the 19th and 20th centuries, largely as a result of the expansion of London.

The Diocese serves a population of some 1.3 million, which is expected to increase by 300,000 over the next 20+ years. We have 180 (2020: 184) full-time equivalent substantive stipendiary parochial posts, and 23 (2020: 31) substantive self-supporting posts and there are 19 (2020: 20) stipendiary and 14 (2020: 10) self-supporting curates in training.

Other licensed clergy and lay ministers serve as chaplains and in diocesan and Cathedral roles. This population is also served by 90 Church of England schools, with significant local involvement also in community schools.

The communities of the Diocese are characterised by increasing diversity of varying kinds. It covers some of the most affluent areas in England, and also some of the most deprived wards in the South-East. With the expansion of London and adjoining communities, it is increasingly urban and suburban, yet still retains places which see themselves as rural.

The Ebbsfleet Garden City development will have a new population of some 45,000 people – it is the largest single housing development in England.
Ethnic and religious diversity is a growing feature of our communities, and this is reflected in many of our congregations.

Our diocesan-level world Church partnerships are an important element of who we are. We have very active relationships with the Dioceses of

Mpwapwa and Kondoa in Tanzania, the Diocese of Harare in Zimbabwe and with the Evangelical Lutheran Church of Estonia. These partnerships are expressed through parish and school links, as well as at diocesan level.

ORGANISATIONAL AND DECISION-MAKING STRUCTURE

The RDSBF was incorporated on 14 June 1915 as a company limited by guarantee (No. 140656) and its governing documents are its Memorandum and Articles of Association. The RDSBF is a registered charity (No. 249339).

The company was formed to manage the financial affairs and hold the assets of the Diocese. Its principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Rochester.

Governance and policy of the RDSBF is the responsibility of the Trustees, who are directors of the company and trustees for the purposes of charity law.
The members of Bishop's Council are the Board of Directors (the Board) of the RDSBF, and the members of the Diocesan Synod are the members of the RDSBF. Additionally, there is the Finance Committee of the Bishop's Council, acting for and assisting the Board in its more detailed work.
The Board has delegated responsibility for the day-to-day management of the company to the Diocesan Secretary who is supported by the Finance Director, the Property Director, the Communications Manager, and the HR and Governance Manager, and their respective staff. These together form the Operations Management Team. The Diocesan Secretary is also a member of the Bishop's Leadership Team, which meets regularly throughout the year.

The statutory governing body of the Diocese is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Its legal basis is the Synodical Government Measure 1969. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in deanery synods; lay persons elected by the houses of laity in deanery synods, being up to 163 persons including 5 that may be co-opted by each of the House of Clergy and the House of Laity and 10 members who may be nominated by the Bishop of Rochester. The Diocesan Synod typically meets three times a year during February, June and October.

TRUSTEE RECRUITMENT, SELECTION AND INDUCTION

The Board includes:

- Ex-officio Trustees
- Trustees who have been elected by Diocesan Synod to serve for three years, and
- Trustees appointed by the Bishop of Rochester for the same term.

Trustees are given induction at the outset of the triennium and at other times as appropriate. They are also informed, before seeking membership and at all other relevant times, of the role and function of the Board, including a Code of Conduct for Trustees and Committee Members.

Some senior staff have job titles incorporating the title 'Director' but they are not directors of the company for the purposes of company law.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Diocesan grading and salary structure is benchmarked against similar roles in the local charity sector as well as the wider Church of England context. All roles within the Diocese are graded according to the skills, experience and professional qualifications required for the role.

Details of the aggregate remuneration of the key management personnel is shown in Note 7 of the accounts.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under company law the Trustees have elected to prepare the financial statements in accordance with 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).

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 RDSBF and of the surplus or deficit of the RDSBF 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; and
- 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 RDSBF and enable them to ensure that the financial statements comply with United Kingdom Generally Accepted Accounting Practice. They are also responsible for safeguarding the assets of the RDSBF 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 RDSBF'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

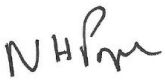
The Trustees have taken all the necessary steps to ensure that they are aware, as trustees, of any relevant audit information and to establish that the auditors are aware of that information. As far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware.

APPOINTMENT OF AUDITORS

The appointment of Haysmacintyre LLP as auditors to the RDSBF will be proposed at the Annual General Meeting.

In approving this Trustees' report, the Trustees are also approving the Strategic Report included on pages 1 to 67 in their capacity as company directors.

BY ORDER OF THE TRUSTEES



Mr Matthew Girt
Diocesan Secretary

Mr Nigel Pope
Chair of Rochester Diocesan Society and Board of Finance

1 June 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCHESTER DIOCESAN SOCIETY AND BOARD OF FINANCE

OPINION

We have audited the financial statements of the Rochester Diocesan Society & Board of Finance for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report. Our

opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on page 61 and 62, the trustees (who are also the directors of the charitable company for the purposes of company law), are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of

financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fund accounting, including transfers between funds, and revenue recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal postings by unusual users or with unusual descriptions;

- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

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

USE OF OUR REPORT

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

Jane Askew (Senior Statutory Auditor)

1 June 2022

For and on behalf of Haymacintyre LLP,
Statutory Auditors
10 Queen Street Place London EC4R 1AG

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2021

	Note	Unrestricted Common	Unrestricted Designated	Restricted	Endowment	Total 2021	*Total 2020*
		£'000	£'000	£'000	£'000	£'000	*£'000*
Income							
Donations:							
- Parish Offers		7,875	-	-	-	7,875	*8,395*
- Other	2	478	-	1,549	13	2,040	*1,651*
Investment income	3	1,417	-	63	-	1,480	*1,353*
Charitable activities	4	478	-	-	-	478	*396*
Total income		10,248	-	1,612	13	11,873	*11,795*
Expenditure							
Generating income	5	(544)	-	(5)	-	(549)	*(432)*
Charitable activities	6	(11,536)	-	(1,289)	-	(12,825)	*(12,507)*
Total Expenditure		(12,080)	-	(1,294)	-	(13,374)	*(12,939)*
Operating (Deficit)/Surplus:		**(1,832)**	**-**	**318**	**13**	**(1,501)**	***(1,144)***
Profit/(losses) on sale of property		351	943	552	-	1,846	*1,757*
Gains/(losses) on investments	10	1,260	(63)	-	2,597	3,794	*2,146*
Net Income before revaluation of fixed assets and pension scheme liabilities and transfers between funds		**(221)**	**880**	**870**	**2,610**	**4,139**	***2,759***
Reserve Movements:							
Net Income		(221)	880	870	2,610	4,139	*2,759*
Gains on revaluation of fixed assets		-	-	-	-	-	*-*
Revaluation of pension scheme liabilities	22	22	-	-	-	22	*34*
Transfers between funds	19	162	-	(289)	127	-	*-*
Net movement in funds		**(37)**	**880**	**581**	**2,737**	**4,161**	***2,793***
Reserve balances at 1st January 2021		5,180	8,234	40,536	24,084	78,034	*75,241*
Reserve balances at 31st December 2021		**5,143**	**9,114**	**41,117**	**26,821**	**82,195**	***78,034***
			note 16	note 17	note 18		

All income and expenditure relates to continuing activities.

The Companies Act 2006 requires a separate income and expenditure account to be prepared to exclude transactions relating to Endowment Funds. No such income and expenditure account has been included in these statements as the relevant exclusions from this Statement of Financial Activities are all clearly shown above. These are: Endowment Fund income – £13k (2020 : £24k); Endowment Fund expenditure - £0k (2020 : £12k); Profit on Sale of Property - £0k (2020 : £0k); and Endowment Fund gains and losses on investments - £2,597k (2020 : £1,509k).

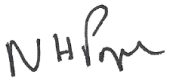
BALANCE SHEET
For the year ended 31 December 2021

Rochester Diocesan Society and Board of Finance(The)
Company registration number 140656

	Note	Total 2021 £'000	*Total 2020 £'000*
FIXED ASSETS			
Tangible assets	9	51,940	*51,461*
Investments	10	32,761	*28,914*
		84,701	*80,375*
CURRENT ASSETS			
Debtors	11	832	*1,020*
Short term deposits		4,302	*3,404*
Cash at bank		3,383	*5,651*
		8,517	*10,075*
CREDITORS: Amounts falling due within one year			
Bank overdraft		53	*6*
Creditors	12	9,880	*11,003*
		9,933	*11,009*
NET CURRENT LIABILITIES		(1,416)	*(934)*
TOTAL ASSETS LESS CURRENT LIABILITIES		83,285	*79,441*
CREDITORS: Amounts falling due after more than one year	12		
Pensions liability		295	*612*
Other creditors		795	*795*
NET ASSETS		82,195	*78,034*
Unrestricted		14,257	*13,414*
Restricted		41,117	*40,536*
Endowment		26,821	*24,084*
FUNDS	20	82,195	*78,034*

The Statement of Cash Flows and the Notes form part of these financial statements.

The financial statements were approved by the Board of Trustees and authorised for issue on 1 June 2022 and signed on behalf of the Board by:



Nigel Pope
Chair of Rochester Diocesan Society and Board of Finance

STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Net cash outflow from operating activities		(4,209)		*(1,511)*
Cash flows from investing activities				
Investment income	1,480		*1,353*	
Proceeds from the sale of:				
Tangible fixed assets	2,383		*3,023*	
Fixed asset investments	107		*18,391*	
Purchase of:				
Tangible fixed assets	(1,018)		*(1,209)*	
Fixed asset investments	(160)		*(16,662)*	
Net cash provided by investing activities		2,792		*4,896*
Cash flows from financing activities				
Proceeds from long term debt	-		*500*	
Net cash provided by financing activities		-		*500*
Change in cash and cash equivalents in the reporting period		(1,417)		*3,885*
Cash and cash equivalents at 1 January		9,049		*5,164*
Cash and cash equivalents at 31 December		7,632		*9,049*

Reconciliation of net movement in funds to net cash outflow from operating activities	**2021 £'000**	**2020 £'000**
Net movement in funds for the year ended 31 December	**4,161**	***2,793***
Adjustments for:		
Investment income	(1,480)	*(1,353)*
Depreciation	2	*12*
Gain on disposal of fixed assets	(1,846)	*(1,757)*
Gain on sale of investments	-	*(652)*
Unrealised gain on investments	(2,691)	*(879)*
Revaluation of fixed assets	-	*-*
Revaluation of investment property	(1,103)	*(616)*
Decrease in creditors: falling due within one year	(1,123)	*1,469*
Decrease in debtors	188	*39*
Decrease in creditors: falling due after one year	(317)	*(567)*
Net cash used in operating activities	(4,209)	*(1,511)*

Analysis of movements in net cash

	2020 £'000	**Cash Flows £'000**	**New Borrowing £'000**	**2021 £'000**
Cash on deposit	3,404	898	-	4,302
Cash at bank	5,651	(2,268)	-	3,383
Less overdraft	(6)	(47)	-	(53)
Total cash and cash equivalents	9,049	(1,417)	-	7,632
CCLA Loan falling due after one year	*(500)*	-	-	(500)
Total	8,549	(1,417)	-	7,132

1. ACCOUNTING POLICIES

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

b) Going concern
The Trustees consider that there are no material uncertainties regarding the RDSBF's ability to continue as a going concern. The RDSBF aims to achieve a financially sustainable position. The RDSBF has net assets of £82.2m (2020 : £78.0m) and the Trustees believe that there is sufficient liquidity in these assets to ensure that the charitable company can meet its obligations for the next 12 months and beyond.

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

- **i) Parish Offer** 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 creditors to be carried forward to the following year.
- **v) Parochial fees** that relate to the RDSBF are recognised as diocesan income in the year in respect of which they are receivable.
- **vi) Donations** other than grants are recognised when receivable or in the case of material legacies, when the conditions for recognition under the Charities SORP have been met.

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

- **i) Cost of raising funds -** relate to costs incurred in the temporary renting out of parsonages and investment management costs of glebe and any other investment properties**.**
- **ii) Charitable expenditure -** analysed according to Diocese's main areas of activity.
- **iii) Grants payable -** charged in the year when the grant is approved and conveyed to the recipient except those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the RDSBF, 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 of support costs 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 usage basis.
- **v) Pension contributions** – pension schemes in which the RDSBF participates are described in Note 22. Pension costs are charged as resources expended and represent the RDSBF's contributions payable in respect of the accounting period in accordance with FRS102. Deficit funding for the pension schemes to which RDSBF participates and which are unpaid at this year-end, is accrued at current value in creditors, distinguished between contributions due within one year and after more than one year.
- **vi) Short term employee benefits** - short term benefits including holiday pay are recognised as and expense in the period in which the service is received.
- **vii) Employee termination benefits** - termination benefits are accounted for on an accrual basis and in line with FRS 102.
- **viii) Tangible fixed assets and depreciation** - tangible fixed assets are shown in note 9 to the financial statements.

Freehold properties
The RDSBF measures all freehold property assets at historical cost as required by FRS102.

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case and because the expected residual value is not materially less than the carrying value. The RDSBF has a policy of regular structural inspection, repair and maintenance, which in the case of parsonage properties is in accordance with the Repair of Benefice 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 the carrying value. Where the Trustees believe that the value of an asset might have been impaired, an annual impairment review is carried out in accordance with the requirements of FRS102, to ensure that the carrying value is not more than the recoverable amount.

Properties subject to value linked loans
Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated using the value of the related loan at the balance sheet date. Each year end the respective property and loan are carried at their historical value.

Investment properties
Glebe properties which are held for investment purposes have been included at their market value.

Parsonage Houses
The RDSBF has followed the requirements of FRS102 in its accounting treatment of benefice houses. FRS102 requires the accounting treatment to follow the substance of arrangements rather than strict legal form. The RDSBF is 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 relevant incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as restricted assets and carry them at their historical cost.

ix) Other tangible fixed assets
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. All capital expenditure on computer and office equipment over £1k is capitalised and depreciated over 3 years.

x) Project Costs
Expenditure in relation to projects is capitalised where there is likelihood that the project will become an income-bearing asset.

e) Other accounting policies

i) Fixed asset investments - included in the balance sheet at market value (ex dividend) and the gain or loss taken to the Statement of Financial Activities.

ii) Realised gains/(losses) on sale of investments - represent proceeds of sale less the appropriate proportion of the opening carrying value and are shown in the Statement of Financial Activities.

iii) Leases – the RDSBF has entered into operating lease agreements the rental for which is charged in full as expenditure in the year to which it relates.

iv) Financial instruments - the RDSBF only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at either amortised cost or fair value.

v) Debtors - trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired, an impairment loss is recognised in the Statement of Financial Activities.

vi) Cash - cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity.

vii) Creditors - basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at transaction price.

f) Fund balances
Fund balances are split between unrestricted (common and designated), restricted and endowment funds.

i) Unrestricted funds are the RDSBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the RDSBF.

There are two types of unrestricted funds:

- **Common fund** which the RDSBF intends to use for the general purposes of the RDSBF.
- **Designated funds** set aside out of unrestricted funds by the RDSBF for a purpose specified by the Trustees.

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

iii) **Endowment funds** are those held on trust to be retained for the benefit of the charitable company as a capital fund. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

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

g) Judgments and Estimates

In the application of the accounting policies, the Trustees are required to make judgments, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

i) **Significant judgments** - valuation of liabilities arising from the charity's obligation to meet deficit reduction payments for its multi-employer defined benefit pension schemes - these liabilities are revalued at each year-end using discount rates which are reassessed annually.

ii) **Residual values of freehold properties** - the Trustees consider that residual value of freehold properties is sufficiently high that depreciation would not be material.

iii) **Sources of estimation uncertainty** - in the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. INCOME FROM DONATIONS

(Donations, Legacies and similar income)	Unrestricted Common	Unrestricted Designated	Restricted	Endowment	Total 2021
	£'000	£'000	£'000	£'000	£'000
Trust for London (formerly City Parochial Foundation)	-	-	642	-	642
Archbishops' Council - Sustainability Grant	296	-	-	-	296
Archbishops' Council - SMF Curate Grant	13	-	-	-	13
HMRC Furlough Grant	3	-	9	-	12
Covid 19 Emergency Relief Fund	-	-	9	-	9
All Churches Trust - annual distribution	144	-	-	-	144
Partnership Fund appeals, confirmations, licensing & induction collections	-	-	106	-	106
Poverty & Hope Appeal	-	-	20	-	20
Guaranteed annuities	14	-	-	-	14
RME Ordinands Grants	-	-	365	-	365
Colyer Fergusson re Children and Young People Fund	-	-	50	-	50
Church Commissioners re Chatham Town Centre	-	-	7	-	7
Historic England re Chatham Town Centre	-	-	19	-	19
John Marshall Grant re Chatham Town Centre	-	-	37	-	37
Readers' Fees	3	-	-	-	3
Strategic Development Funding - Called to Grow	-	-	231	-	231
Giving Advisor Grant from Church Commissioners	-	-	44	-	44
Covid Winter Grant - CESA	-	-	9	-	9
David Godwin Legacy	-	-	-	13	13
Parish Donations re Pioneer Minister	3	-	-	-	3
Other sundry items	2	-	1	-	3
	478	-	1,549	13	2,040

(Donations, Legacies and similar income)	Unrestricted Common	Unrestricted Designated	Restricted	Endowment	Total 2020
	£'000	£'000	£'000	£'000	£'000
Trust for London (formerly City Parochial Foundation)	-	-	291	-	291
Archbishops' Council - Sustainability Grant	320	-	-	-	320
HMRC Furlough Grant	46	-	54	-	100
Covid 19 Emergency Relief Fund	-	-	27	-	27
All Churches Trust - annual distribution	141	-	-	-	141
Partnership Fund appeals, confirmations, licensing & induction collections	-	-	90	-	90
Poverty & Hope Appeal	-	-	28	-	28
Guaranteed annuities	15	-	-	-	15
RME Ordinands Grants	-	-	329	-	329
Colyer Fergusson re Ebbsfleet Youth Worker	-	-	20	-	20
Swanscombe and Greenhithe Town Council re Ebbsfleet Youth Worker	-	-	5	-	5
Church Commissioners re Chatham Town Centre	-	-	97	-	97
Readers' Fees	2	-	-	-	2
Strategic Development Funding - Called to Grow	-	-	162	-	162
David Godwin Legacy	-	-	-	21	21
Other sundry items	2	-	1	-	3
	526	-	1,104	21	1,651

3. INVESTMENT INCOME

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2021
	£'000	£'000	£'000	£'000	£'000
Rents receivable	954	-	34	-	988
Dividends receivable	463	-	29	-	492
Interest on deposits receivable	-	-	-	-	-
	1,417	-	63	-	1,480

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2020
	£'000	£'000	£'000	£'000	£'000
Rents receivable	852	-	24	-	876
Dividends receivable	447	-	27	-	474
Interest on deposits receivable	-	-	-	3	3
	1,299	-	51	3	1,353

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2021
	£'000	£'000	£'000	£'000	£'000
Diocesan Board of Finance element of Parochial Fees	458	-	-	-	458
Professional fees	20	-	-	-	20
	478	-	-	-	478

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2020
	£'000	£'000	£'000	£'000	£'000
Diocesan Board of Finance element of Parochial Fees	386	-	-	-	386
Professional fees	10	-	-	-	10
	396	-	-	-	396

5. EXPENDITURE ON GENERATING INCOME

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2021
	£'000	£'000	£'000	£'000	£'000
Glebe management costs	103	-	-	-	103
Non glebe commissions	32	-	-	-	32
Rental property maintenance	262	-	-	-	262
Cost of income generation	147	-	5	-	152
	544	-	5	-	549

	Unrestricted		Restricted	Endowment	Total
	Common	Designated			2020
	£'000	£'000	£'000	£'000	£'000
Glebe management costs	116	-	-	-	116
Non glebe commissions	22	-	-	-	22
Rental property maintenance	157	-	-	-	157
Cost of income generation	135	-	2	-	137
	430	-	2	-	432

6. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Unrestricted		Restricted	Endowment	Total
	General	Designated			2021
	£'000	£'000	£'000	£'000	£'000
Bringing people to faith in Christ					
Mission & Community Engagement (50%)	80	-	3	-	83
Formation & Ministry (50%)	174	-	-	-	174
Youth & Children	90	-	-	-	90
Allocated support costs	246	-	8	-	254
	590	-	11	-	601
A priestly presence in every community					
Stipend costs	6,717	-	-	-	6,717
Apprenticeship levy	22	-	-	-	22
Actuarial gains/losses on clergy pension scheme	11	-	-	-	11
Grants	336	-	309	-	645
Parsonage maintenance & improvements	747	-	-	-	747
Ministry houses - housing costs	22	-	29	-	51
Curate and Associate Clergy Costs	140	-	-	-	140
National Church - training for ministry	508	-	-	-	508
Formation & Ministry (50%)	174	-	-	-	174
Stewardship, Legal, Accounts Advisors & other	102	-	-	-	102
Diocesan appointments	226	-	-	-	226
Allocated support costs	889	-	28	-	917
	9,894	-	366	-	10,260
Engagement with the community					
Grants	4	-	438	-	442
Mission & Community Engagement (50%)	80	-	3	-	83
Communications	10	-	-	-	10
Faculty & inspection fees	69	-	-	-	69
Diocesan committees	6	-	-	-	6
National Church grant/allocation	340	-	-	-	340
Partnership Dioceses & Church Urban Fund	-	-	3	-	3
Ebbsfleet Youth Worker	-	-	22	-	22
Chatham Town Centre	-	-	57	-	57
Past Cases Review	-	-	8	-	8
Growth Enablers	-	-	133	-	133
Called to Grow - SDF Funding	-	-	203	-	203
Giving Advisor	-	-	27		27
Allocated support costs	543	-	18	-	561
	1,052	-	912	-	1,964
	11,536	-	1,289	-	12,825

Support costs comprise administration and governance costs which includes the audit fee of £24k (2020 : £22k).

Support costs include interest payable of £7k (2020 : £30k) on deferred stipend payments to the Church Commissioners, a £500k loan with CCLA and net interest payable on parish Church Repair Fund and Diocesan Loan Fund balances.

6. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS (continued)

	Unrestricted		Restricted	Endowment	Total
	General	Designated			2020
	£'000	£'000	£'000	£'000	£'000
Bringing people to faith in Christ					
Mission & Community Engagement (50%)	87	-	-	-	87
Formation & Ministry (50%)	174	-	-	-	174
Youth & Children	86	-	-	-	86
Allocated support costs	226	-	3	-	229
	573	-	3	-	576
A priestly presence in every community					
Stipend costs	6,562	-	-	-	6,562
Apprenticeship levy	22	-	-	-	22
Actuarial gains/losses on clergy pension scheme	11	-	-	-	11
Glebe reinstatement works	-	-	-	12	12
Grants	293	-	285	-	578
Parsonage maintenance & improvements	604	-	-	-	604
Ministry houses - housing costs	21	-	9	-	30
Curate and Associate Clergy Costs	171	-	-	-	171
National Church - training for ministry	500	-	-	-	500
Formation & Ministry (50%)	174	-	-	-	174
Stewardship, Legal, Accounts Advisors & other	80	-	-	-	80
Diocesan appointments	284	-	-	-	284
Allocated support costs	751	-	9	-	760
	9,473	-	303	12	9,788
Engagement with the community					
Grants	4	-	724	-	728
Mission & Community Engagement (50%)	87	-	-	-	87
Communications	8	-	-	-	8
Faculty & inspection fees	64	-	-	-	64
Diocesan committees	3	-	-	-	3
National Church grant/allocation	362	-	1	-	363
Partnership Dioceses & Church Urban Fund	-	-	7	-	7
Ebbsfleet Youth Worker	-	-	34	-	34
Dementia Project	-	-	6	-	6
Chatham Town Centre	-	-	16	-	16
Past Cases Review	-	-	29	-	29
Growth Enablers	-	-	135	-	135
Called to Grow - SDF Funding	-	-	132	-	132
Allocated support costs	526	-	5	-	531
	1,054	-	1,089	-	2,143
	11,100	-	1,395	12	12,507

7. STAFF COSTS

		2021 £'000	*2020 £'000*
Ordained Diocesan Officials stipends		259	*290*
Other Lay Diocesan Personnel salaries		1,468	*1,411*
National Insurance		172	*164*
Life Insurance Policy		20	*21*
Pension Costs	- Lay Diocesan Personnel	116	*106*
	- Diocesan Clergy	102	*108*
		2,137	*2,100*

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

	2021 Number	*2020 Number*
Common Fund		
Administration and financial management	27	*26*
Training	10	*10*
Mission and Community Engagement	7	*8*
Diocesan Appointments	4	*5*
	48	*49*
Called to Grow (funded by Strategic Development Fund)	8	*6*
Growth Enablers (funded by Diocesan Pastoral Account)	3	*3*
	59	*58*

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

	2021 Number	*2020 Number*
Common Fund		
Administration and financial management	23	*22*
Training	7	*7*
Mission and Community Engagement	5	*6*
Diocesan Appointments	4	*5*
	39	*40*
Called to Grow (funded by Strategic Development Fund)	6	*4*
Growth Enablers (funded by Diocesan Pastoral Account)	3	*3*
	48	*47*

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

	2021 Number	*2020 Number*
£60,000 - £70,000	1	*-*
£70,000 - £80,000	2	*2*
£80,000 - £90,000	-	*1*
£90,000 - £100,000	1	*-*

7.STAFF COSTS (continued)

Remuneration of Key Management Staff

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 2021, they were:

Diocesan Secretary	Mr Matthew Girt
Finance Director	The Rev Richard Williams
Property Director	Mr Stephen Hoad
Director of Formation and Ministry	The Rev Canon Chris Dench
Diocesan Surveyor	Mr Mark Trevett

Remuneration, pensions, national insurance contributions and expenses for these 5 employees amounted to £412,555 (2020 : £340,580).

Trustees' Emoluments

No trustee received any remuneration for services as a Trustee. Four Trustees received travelling and out of pocket expenses (2020 : 5), totalling £12,358 (2020 : £11,512) in respect of General Synod duties, duties as archdeacon or area/rural dean and other duties as Trustees.

The table below gives details of the Trustees who were in receipt of a stipend and/or housing provided by the RDSBF (or the Church Commissioners where shown *) during the year:

	Stipend	**Housing**
The Bishop of Rochester – The Right Revered James Langstaff	Yes*	Yes*
The Bishop of Tonbridge – The Right Reverend Simon Burton-Jones	Yes*	Yes
The Dean of Rochester Cathedral	Yes*	Yes*
The Archdeacon of Bromley and Bexley – The Venerable Dr Paul Wright	Yes	Yes
The Archdeacon of Tonbridge – The Venerable Julie Conalty	Yes	Yes
The Archdeacon of Rochester – The Venerable Andrew Wooding-Jones	Yes	Yes
The Chair of the House of Clergy – The Reverend Canon Alyson Davie	Yes	Yes
The Reverend Canon Mark Barker	Yes	Yes
The Reverend Dr Julie Bowen	Yes	Yes
The Reverend Martyn Saunders	Yes	Yes

The RDSBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy of the Diocese, other than bishops and cathedral staff. The RDSBF is also responsible for the provision of housing for stipendiary clergy in the Diocese including the suffragan bishop but excluding the diocesan bishop and cathedral staff.

	2021 £'000	***2020 £'000***
Parish Stipends, National Insurance & Pension Costs		
Parish Stipends	4,880	*4,922*
National Insurance	387	*393*
Pension Costs	1,463	*1,259*
	6,730	*6,574*
Number of parish clergy in post as at 31 December (Full-time equivalent)	180	*184*

8. ANALYSIS OF GRANTS MADE

	No.	Individuals £'000	Institutions £'000	Source	2021 £'000
From unrestricted funds:					
Ordinands in training	17	183	-	Common Fund	183
Clergy training	22	11	-	Common Fund	11
Clergy removal grants	23	35	-	Common Fund	35
Clergy resettlement grants	17	36	-	Common Fund	36
Clergy first appointment grants	29	64	-	Common Fund	64
Kent Workplace Mission	1	-	4	Common Fund	4
Archdeacons' discretionary grants	34	8	-	Common Fund Common Fund	8
From restricted funds:					
Ministry Division Ordinand Block Grants	48	43	265	Ministry Division Fund	308
Parochial Church Councils	19	-	95	Covid 19 Emergency Relief Fund	95
Overseas Partnership: Harare	4	-	7	Companion Diocese Fund	7
Overseas Partnership: Tanzania	27	4	85	Companion Diocese Fund	89
Beckenham St Michael	1	-	8	Pastoral Account	8
Bishop of Rochester Discretionary Fund	1	-	20	Pastoral Account	20
Strood St Francis PCC	1	-	6	Pastoral Account	6
Christian Aid	1	-	11	Poverty & Hope Appeal	11
Church Mission Society	1	-	5	Poverty & Hope Appeal	5
Commonwork Land Trust	1	-	5	Poverty & Hope Appeal	5
United Society (formerly USPG)	1	-	5	Poverty & Hope Appeal	5
Parochial Church Councils	11	-	47	Trust for London	47
Other Organisations	1	-	3	Trust for London	3
Clergy grants	9	22	-	Trust for London	22
Parochial Church Councils	4	-	71	Church Extension Fund	71
Parochial Church Councils	24	-	44	£500k CYP Fund	44
					1,087

8. ANALYSIS OF GRANTS MADE (continued)

	No.	Individuals £'000	Institutions £'000	Source	2020 £'000
From unrestricted funds:					
Ordinands in training	18	149	-	Common Fund	149
Clergy training	23	9	-	Common Fund	9
Clergy removal grants	25	43	-	Common Fund	43
Clergy resettlement grants	19	36	-	Common Fund	36
Clergy first appointment grants	28	50	-	Common Fund	50
Kent Workplace Mission	1	-	4	Common Fund	4
Archdeacons' discretionary grants	29	6	-	Common Fund	6
From restricted funds:					
Ministry Division Ordinand Block Grants	49	41	244	Ministry Division Fund	285
Parochial Church Councils	31	-	155	Covid 19 Emergency Relief Fund	155
Overseas Partnership: Harare	6	-	12	Companion Diocese Fund	12
Overseas Partnership: Tanzania	21	3	83	Companion Diocese Fund	86
Beckenham St Michael	6	-	124	Pastoral Account	124
Bishop of Rochester Discretionary Fund	2	-	21	Pastoral Account	21
Lamorbey Holy Redeemer PCC	3	-	47	Pastoral Account	47
South Gillingham PCC	1	-	3	Pastoral Account	3
St Benedicts Centre	1	-	105	Pastoral Account	105
Strood St Francis PCC	1	-	6	Pastoral Account	6
Christian Aid	1	-	12	Poverty & Hope Appeal	12
Church Mission Society	1	-	6	Poverty & Hope Appeal	6
Commonwork Land Trust	1	-	6	Poverty & Hope Appeal	6
United Society (formerly USPG)	1	-	6	Poverty & Hope Appeal	6
Erith & Thamesmead CAP Debt Centre	1	-	2	Local Church Urban Fund	2
Parochial Church Councils	12	-	62	Trust for London	62
Other Organisations	6	-	16	Trust for London	16
Clergy grants	9	19	-	Trust for London	19
Parochial Church Councils	3	-	19	Church Extension Fund	19
Parochial Church Councils	2	-	1	Cobham and Gravesend Churches F	1
Parochial Church Councils	9	-	16	£500k CYP Fund	16
					1,306

9. TANGIBLE FIXED ASSETS

	Board Property		Equity Sharing Property		Benefice Property		Assets Held For Sale		Assets in course of construction	Computer & Phone Equipment	Total
	Land £'000	Buildings £'000	Land £'000	Buildings £'000	Land £'000	Buildings £'000	Land £'000	Buildings £'000	£'000	£'000	£'000
Cost or valuation											
Balance 1 January 2021	5,690	8,391	123	174	19,321	20,209	551	668	1,967	171	57,265
Additions	-	44	-	-	-	211	-	-	763	-	1,018
Disposals	(50)	(73)	-	-	-	-	(214)	(306)	-	-	(643)
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Transfer	315	335	-	-	-	-	(28)	(48)	(574)	-	-
Balance 31 December 2021	5,955	8,697	123	174	19,321	20,420	309	314	2,156	171	57,640
Depreciation											
Balance 1 January 2021	-	1,149	-	52	-	4,242	-	193	-	169	5,805
Charge for the year	-	-	-	-	-	-	-	-	-	2	2
Disposals	-	(22)	-	-	-	-	-	(85)	-	-	(107)
Transfer	-	15	-	-	-	-	-	(15)	-	-	-
Balance 31 December 2021	-	1,142	-	52	-	4,242	-	93	-	171	5,700
Net book values											
At 31 December 2021	5,955	7,555	123	122	19,321	16,178	309	221	2,156	-	51,940
At 31 December 2020	*5,690*	*7,242*	*123*	*122*	*19,321*	*15,967*	*551*	*476*	*1,968*	*1*	*51,461*

Following the introduction of Financial Reporting Standard 15 "Tangible Fixed Assets", all fixed asset land and buildings, excluding investment properties, were crystallised at their carrying value on 1 January 2000. The land proportion for each property was estimated and depreciation at 2% was applied to the remaining portion in respect of the building content. The land content was estimated to be between 40% and 51% of the carrying value as at 1 January 2000.

Depreciation is no longer provided on buildings as any provision would not be material due to the very long expected remaining useful economic life in each case and because their expected residual value is not materially less than their carrying value.

(a) Freehold Land and Buildings

The land and buildings are shown divided between Board Property, purchased from the Board's own funds, and Equity Sharing Property, which is purchased partially or wholly by a loan from the Church Commissioners. Although title to properties under the Equity Sharing Scheme rests with the Board, any profit or loss on sale is apportioned between the Board and Church Commissioners in proportion to the original funding.

(b) Equity Sharing Properties

Equity sharing properties are part owned by the Board and are included as fixed assets land and buildings. In each case there is a loan with the interest being paid by the parish for which the property is provided. On disposal, the Board receives only its share of the equity.

(c) Benefice Property

Properties not owned by the Board but from which the Board derives the benefit and incurs the obligation of ownership are included in the accounts at historical cost or market value on 1st January 2000. The proceeds of any sales are available to the Board.

10. FIXED ASSET INVESTMENTS

	2021 Cost £'000	2021 Market Value £'000	2020 Cost £'000	2020 Market Value £'000
Investments				
Mercer Global Investment Management	16,662	20,233	*16,623*	*17,502*
Investment Properties		12,528		*11,412*
		32,761		*28,914*
		£'000		***£'000***
At 1 January 2021		28,914		*28,497*
Additions		160		*16,662*
Disposals	(107)		(17,739)	
Realised gains	-		(652)	
Sale proceeds		(107)		*(18,391)*
Net gains on investments		3,794		*2,146*
At 31 December 2021		32,761		*28,914*

Net gains on investments shown in the Statement of Financial Activities of £3,794k (2020: £2,146k) comprise unrealised gains of £3,794k (2020 : £1,494k) and realised gains £0k (2020 : £652k) as a result of disposals realising proceeds of £107k (2020 : £18.4m).

The investments are held by Mercer Global Investment Management and, with the exception of £617k held in Private Markets, can be converted into cash within one month of application.

Investment properties include Glebe and other properties, the income from which is included in the Board accounts. Investment Properties are carried at open market value based on valuation advice from Savills. The historical cost of these properties is not available.

11. DEBTORS

	2021 Amounts falling due within one year £'000	2021 Amounts due after more than one year £'000	2020 Amounts falling due within one year £'000	2020 Amounts due after more than one year £'000
Diocesan Parishes - Loans to parishes	97	34	*89*	*28*
Diocesan Parishes - Other amounts due	129	-	*223*	*-*
Sundry Debtors	565	7	*668*	*12*
	791	41	*980*	*40*

The loans to 7 parishes (2020 : 5) are generally unsecured, repayable over a period of five years with interest charged at 0% for loans from the Church Repair Fund and at various rates for loans from the Diocesan Loans Fund.

12. CREDITORS

	2021		*2020*	
	Amounts falling due within one year £'000	**Amounts due after more than one year £'000**	***Amounts falling due within one year £'000***	***Amounts due after more than one year £'000***
Related Party Balances:				
Amount due to Diocesan Board of Education	2	-	*66*	*-*
Other Balances:				
Amount due to Other Trust Funds	3	-	*4*	*-*
Equity Sharing Loans	-	295	*-*	*295*
Deposits - Diocesan Loans Fund (Parishes)	4,181	-	*3,880*	*-*
Deposits - Diocesan Loans Fund (Other)	32	-	*32*	*-*
Deposits - Church Repair Fund	4,673	-	*4,778*	*-*
Pension Scheme Liabilities	42	295	*77*	*612*
Church Commissioners re Deferred Stipends	-	-	*1,373*	*-*
CCLA Loan	-	500	*-*	*500*
Sundry Creditors	947	-	*793*	*-*
	9,880	1,090	*11,003*	*1,407*

The Equity Sharing Loans are made by the Church Commissioners and are secured on property with interest charged at a commercial rate and repayable on the sale of the related property.

The parish deposits in the Church Repair Fund and Diocesan Loan Fund are repayable on demand and they are therefore classified as 'falling due within one year'. These deposits are placed in bank deposits and other assets. The likelihood of all parishes wishing to withdraw all of their funds at the same time is highly unlikely as Church Repair Fund deposits are generally intended to pay for repairs arising from quinquennial surveys.

13. MEMBERS' LIABILITY

The Board is a company limited by Guarantee. At 31 December 2021 there were 122 (2020 : 137) members who are liable to contribute £1 each in the event of the company being wound up.

14. OPERATING LEASES

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

	2021 £'000	***2020 £'000***
Lease payments - other operating lease:		
Not later than one year after the balance sheet date	11	*13*
In the second to fifth years after the balance sheet date	3	*14*
	14	*27*

15. RELATED PARTY TRANSACTIONS

During the year the following related party transactions took place:

Related Party	Relationship		2021 £'000	*2020 £'000*
Mrs Julia Burton-Jones	Wife of Bishop of Tonbridge	Professional fees in respect of work on Dementia Friendly Church Project.	14	*23*

The outstanding balances with related parties at 31 December 2021 are included in note 12.

There were no other related party transactions during the year or prior year.

Details of related parties can be found in the Trustees Report.

16. DESIGNATED FUNDS

	Balance at 1 January 2021 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2021 £'000
Central Church Funding	99	-	-	-	-	99
Property Fund	8,135	943	-	(63)	-	9,015
	8,234	**943**	**-**	**(63)**	**-**	**9,114**

Central Church Funding
These funds have been received from the Church Commissioners for designated purposes and so have been retained within a specific designated fund.

Property Fund
This fund has been set aside by the Trustees for the purpose of funding Board property acquisitions and development. During the year, income of £943k was represented by the profit on sale of 146 Woodlands Road Gillingham, 15 Oakes Dene Walderslade and 51A Main Road Sutton-at-Hone.

16. DESIGNATED FUNDS (continued)

	Balance at 1 January 2020 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2020 £'000
Central Church Funding	99	-	-	-	-	99
Property Fund	7,205	788	-	30	112	8,135
	7,304	**788**	**-**	**30**	**112**	**8,234**

17. RESTRICTED FUNDS

	Balance at 1 January 2021 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2021 £'000
Poverty & Hope Appeal	23	20	(26)	-	-	17
Committee Amongst Deaf	23	-	-	-	-	23
Local Church Urban Fund	9	14	(2)	-	-	21
Diocesan Pastoral Account	1,690	26	(236)	-	(359)	1,121
Diocesan Pastoral Account re Sale of Beckenham St Michael Hall	35	-	(8)	-	-	27
Trust for London (formerly City Parochial Foundation)	-	642	(90)	-	(267)	285
Benefice Property	35,287	-	-	-	212	35,499
Thames Gateway	7	-	-	-	-	7
Thames Gateway Capital Fund	457	-	-	-	-	457
Parsonage Building Fund	1,349	552	-	-	-	1,901
Church Extension Fund	829	-	(72)	-	-	757
Companion Diocese Funds	17	106	(99)	-	-	24
Ministry Division RME Ordinand's Grant	36	365	(309)	-	-	92
Ebbsfleet Youth Worker	18	4	(22)	-	-	-
Children & Young People Fund	76	66	(45)	-	25	122
Chatham Town Centre	503	63	(44)	-	-	522
Children & Young People misc. funds	3	-	-	-	-	3
Cobham and Gravesend Churches Fund	59	-	-	-	-	59
Together Magazine	1	-	-	-	-	1
Called to Grow - Strategic Development Funding	80	234	(204)	-	-	110
Past Cases Review	26	-	(8)	-	-	18
Covid 19 Emergency Relief	8	9	(95)	-	100	22
Covid Winter Grant - CESA	-	9	(5)	-	-	4
Luton Memorial Meadow	-	10	(2)	-	-	8
Giving Advisor	-	44	(27)	-	-	17
	40,536	**2,164**	**(1,294)**	**-**	**(289)**	**41,117**

Poverty and Hope Appeal
Money raised by an annual appeal and passed on in grants to various missionary and relief agencies.

Committee Amongst the Deaf
Specific donations received for use by this committee.

Local Church Urban Fund
The income arising from the appeal capital is used to pay grants in support of specified projects in urban priority areas within the Diocese.

Diocesan Pastoral Account
Capital monies originally received under the Pastoral Measure 1983 and is restricted thereby. Income includes furlough grants against Growth Enabler salaries of £2k (2020 : £54k) and rental income of £24k (2020 : £24k). Expenditure includes Growth Enabler costs of £133k (2020 : £135k), £20k (2020 : £21k) towards the Bishops' Discretionary Fund, a £6k (2020 - £0K) grant to Strood St Nicholas PCC to assist with their Called to Grow administration costs and £53k (2020 : £23k) Diocesan project costs. The net transfer of £359k includes £250k (2020 : £250k) parsonage catch up

17. RESTRICTED FUNDS (continued)

works, provision of the Archdeacon's Discretionary Funds of £20k (2020 : £20k), contribution to the Covid 19 Emergency Relief Fund of £50k (2020 : £0k) and support for Strategic Development Fund and Community Engagement & Social Action posts of £33k (2020 : £29k).

Pastoral Account re Sale of Beckenham St. Michael Hall
Capital monies originally received under the Pastoral Measure 1983 and is restricted thereby. This has been shown separately from the Diocesan Pastoral Account because the aim is to use the funds for that specific parish.

Trust for London
An annual allocation from the Foundation to use within the Archdeaconry of Bromley and Bexley. The transfer of £267k represents contributions to the Children and Young Peoples 500k Fund, community and children's projects, training, stipends, administration and includes £50k towards the Covid 19 Emergency Relief Fund.

Benefice Property
The fund value represents the capital value of parsonage houses less depreciation. The net transfer of £212k relates to adjustments required in relation to parsonage purchases and sales and the capitalisation of parsonage improvement projects.

Thames Gateway
Money given by Tonbridge Deanery towards specific projects in the Thames Gateway area.

Thames Gateway Capital
Money initially collected through the parish share specifically to raise £1m over 10 years towards capital projects in the Thames Gateway area.

Parsonage Building Fund
Money held by the RSDBF, under s5(3) of the Parsonages Measure 1938 (amended), from the sale of a parsonage or other parsonage land held in trust for the benefice concerned. The income of £552k represents the profit on sale of The Vicarage, High Street, Kemsing.

Church Extension Fund
Monies given under an appeal in 1956 for the purchase or improvement of churches, halls, parsonages, curate houses and other property. The fund includes 4 houses in various parishes with a net book value of £250k. The expenditure of £72k included grants to Gillingham St Barnabas, Lamorbey Holy Trinity, Swanley St Peter and St Paul and Gillingham Holy Trinity.

Companion Diocese Funds
This represents collections taken at Confirmation services and other income for the purpose of maintaining and developing partnerships with overseas link Dioceses.

Ministry Division RME Ordinand's Grant
Block grant received from the Archbishop's Council Ministry Division to fund ordinand training.

Ebbsfleet Youth Worker
Grant received from the Ebbsfleet Development Corporation spent on the provision of a youth worker in Ebbsfleet for a period of 3 years.

Children and Young People 500K Fund
Fund established as part of the Called Together initiative. The transfer of £25k was allocated from the Trust for London Fund to support Children and Young People projects specifically in the Bromley & Bexley Archdeaconry.

Chatham Town Centre
Grants received from the Church Commissioners to help fund redevelopment of Chatham Town Centre.

Children and Young People Funds
This represents 2 small grants specifically for the Children and Young People Projects, Angel Space and Listen to Learn.

Cobham and Gravesend Churches Fund
Fund to be used for purposes connected with the social responsibility mission of churches in the Cobham and Gravesend area.

17. RESTRICTED FUNDS (continued)

Together Magazine
Grant from the Bishops Fund for Mission towards the production and circulation of the Rochester Diocese Together Magazine.

Called to Grow
In late June 2019, the Strategic Investment Board of the Church Commissioners agreed to award funding, on behalf of the Archbishops' Council, of £1,388K. This was the full amount of the RDSBF's Stage Two application and facilitates growth enablement projects in five focus parishes. In particular, this support is to evangelistic activities in Anerley, Erith, Gillingham and Strood. The funding is over 5 years, 2019-2024.

Past Cases Review
The Past Cases Review, was a comprehensive safeguarding review across churches and key institutions within the Diocese of Rochester. The purpose of the Review was to help find out whether all known cases of concern about the behaviour of clergy and church officers towards children and vulnerable adults had been considered, risk assessed and dealt with appropriately. Independent reviewers carried out the Review which completed in 2021. The anticipated cost was expected to be divided between the Bishop, the Diocesan Pastoral Account and the Church Commissioners. The total cost was £63k.

Covid 19 Emergency Relief Fund
The fund was set up to make grants to parishes that are struggling financially during the Covid 19 pandemic. Income of £9k represents donations from 2 parishes wishing to add their support to this fund and their colleagues. Transfers of £100k were from Trust for London and the Diocesan Pastoral Account.

Covid Winter Grant – CESA
Grants received to help the homeless in the Medway area.

Luton Memorial Meadow
Rental income received to be used in relation to expenditure to this property.

Giving Advisor
Grant from the Church Commissioners to cover 50% of the costs of providing a Giving Advisor over a period of 5 years.

17. RESTRICTED FUNDS (continued)

	Balance at 1 January 2020 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2020 £'000
Poverty & Hope Appeal	24	29	(30)	-	-	23
Committee Amongst Deaf	23	-	-	-	-	23
Local Church Urban Fund	34	13	(2)	-	(36)	9
Diocesan Pastoral Account	1,285	306	(382)	(8)	489	1,690
Diocesan Pastoral Account re Sale of Beckenham St I	159	-	(124)	-	-	35
Trust for London (formerly City Parochial Foundation)	4	291	(103)	-	(192)	-
Benefice Property	35,690	(103)	-	-	(300)	35,287
Thames Gateway	7	-	-	-	-	7
Thames Gateway Capital Fund	457	-	-	-	-	457
Parsonage Building Fund	4	886	-	-	459	1,349
Church Extension Fund	643	-	7	-	179	829
Companion Diocese Funds	32	90	(105)	-	-	17
Ministry Division RME Ordinand's Grant	(8)	329	(285)	-	-	36
Ebbsfleet Youth Worker	18	34	(34)	-	-	18
Children & Young People Fund	53	14	(16)	-	25	76
Chatham Town Centre	406	97	-	-	-	503
Children & Young People misc. funds	3	-	-	-	-	3
Cobham and Gravesend Churches Fund	60	-	(1)	-	-	59
Henry Smith Dementia Project	5	1	(6)	-	-	-
Together Magazine	1	-	-	-	-	1
Called to Grow - Strategic Development Funding	50	162	(132)	-	-	80
Past Cases Review	55	-	(29)	-	-	26
Covid 19 Emergency Relief	-	27	(155)	-	136	8
	39,005	**2,176**	**(1,397)**	**(8)**	**760**	**40,536**

18. ENDOWMENT FUNDS

	Balance at 1 January 2021 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2021 £'000
Stipends Capital Account	18,102	-	-	1,916	152	20,170
Training	1,425	-	-	219	3	1,647
Pensions & Retired Clergy	1,516	-	-	98	(33)	1,581
Buildings	80	-	-	12	-	92
Parsonages	658	-	-	101	1	760
Local Church Urban Fund	487	-	-	75	1	563
Social Mission	1,143	-	-	176	3	1,322
David Goodwin Legacy	673	13	-	-	-	686
	24,084	**13**	**-**	**2,597**	**127**	**26,821**

Stipends Capital Account
Investments held under the Endowments and Glebe Measure 1976. Income is credited to the Common Fund and used for stipend purposes. The main movements in the year relate to parsonage sales and purchases, capitalisation of works to parsonages and investment gains. The original liability for clergy pensions liabilities was funded by the Stipends Capital account, and the transfer also represents the reduction in clergy pension deficit contribution liabilities in the year.

Training
Mainly a legacy to provide a contribution towards the cost of training ordinands. Some small funds also for general training of clergy and readers. Income arising in the year has been applied to the Common Fund to offset the full costs incurred.

Pensions and Retired Clergy
Legacies and the result of an appeal for the provision of housing for the retired clergy. Income from investments arising in the year has been applied to the Common Fund to offset pension costs incurred.

Buildings
Comprises of two funds, the first to support the fabric of the Diocesan Office and the second to provide income for grants to PCC's. Income arising has been applied to the Common Fund to offset the full costs incurred.

Parsonages
An endowment transferred from the Church Commissioners upon setting up of the Parsonage Scheme. Income arising has been applied to the Common Fund to offset full costs incurred.

Local Church Urban Fund
The initial capital of £250k was raised by appeal. The income is used to pay grants in support of specified projects in urban priority areas within the Diocese.

Social Mission
Comprised of four funds Oakhurst, Ravensbourne, Hollywood Manor and Council for Social Aid (formerly Rock Avenue). Income from the funds may be applied for the general purposes of social mission in the Diocese.

David Goodwin Legacy
A residuary estate held in trust by the RDSBF as a Capital Fund and the interest thereon being applied for Ecclesiastical or charitable purposes of the parish of St Peter with St Margaret, Rochester, being known as the 'Parish of Rochester'. The capital sum is owned by the RDSBF. The members of the RDSBF are the charity trustees, being the persons who have the general control and management of the administration of the capital and make decisions about how the income is spent, or the development of a reserves policy.

18. ENDOWMENT FUNDS (continued)

	Balance at 1 January 2020 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2020 £'000
Stipends Capital Account	16,450	-	(12)	1,237	427	18,102
Training	1,331	-	-	88	6	1,425
Pensions & Retired Clergy	1,475	-	-	39	2	1,516
Buildings	75	-	-	5	-	80
Parsonages	616	-	-	40	2	658
Local Church Urban Fund	455	-	-	30	2	487
Social Mission	1,069	-	-	70	4	1,143
David Goodwin Legacy	649	24	-	-	-	673
	22,120	**24**	**(12)**	**1,509**	**443**	**24,084**

19. TRANSFERS BETWEEN FUNDS

	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000
Transfer of funds to reduce the clergy pension deficit	(352)	-	-	352
Parsonage and ministry house movements	250	-	(39)	(211)
DBF Property movements	35	-	-	(35)
Transfer to Archdeacons' Discretionary Funds	20	-	(20)	-
Transfers from Trust for London	192	-	(192)	-
SDF Support Function/CESA Staff Costs	38	-	(38)	
Mercer Management Fees Capitalised	(21)	-	-	21
Transfers as at 31 December 2021	162	-	(289)	127

The transfers summarised above are described in notes 16-18.

19. TRANSFERS BETWEEN FUNDS (continued)

	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000
Transfer of funds to reduce the clergy pension deficit	(621)	-	-	621
Parsonage and ministry house movements	294	-	(79)	(215)
DBF Property movements	(1,078)	112	966	-
Transfer to Archdeacons' Discretionary Funds	20	-	(20)	-
Transfers from Trust for London	67	-	(67)	-
SDF Support Function/CESA Staff Costs	40	-	(40)	-
Mercer Management Fees Capitalised	(37)	-	-	37
Transfers as at 31 December 2020	(1,315)	112	760	443

20. NET ASSETS BETWEEN FUNDS

	Note	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	9	2,156	10,149	36,299	3,336	51,940
Investments	10	9,470	805	-	22,486	32,761
Current assets		3,855	(1,545)	4,818	1,336	8,464
Creditors		(9,838)	-	-	(42)	(9,880)
Creditors > 1 year		(500)	(295)	-	(295)	(1,090)
As at 31 December 2021		5,143	9,114	41,117	26,821	82,195

20. NET ASSETS BETWEEN FUNDS (continued)

	Note	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	9	1,967	9,566	36,566	3,362	51,461
Investments	10	8,192	855	-	19,867	28,914
Current assets		6,447	(1,892)	3,970	1,544	10,069
Creditors		(10,926)	-	-	(77)	(11,003)
Creditors > 1 year		(500)	(295)	-	(612)	(1,407)
As at 31 December 2020		5,180	8,234	40,536	24,084	78,034

21. ASSETS HELD AS CUSTODIAN TRUSTEE

	2021 £'000	*2020 £'000*
Investments (at cost)	702	*697*
Property	648	*648*
Cash at bank	928	*741*
	2,278	*2,086*

22. PENSION SCHEMES

a. Revaluation of Pension Scheme Liabilities

The revaluation shown in the Statement of Financial Activities comprises revaluations of both the clergy scheme and the lay scheme as follows:-

	2021 £'000	*2020 £'000*
Clergy Scheme (see note 22b below)	8	*49*
Lay Scheme (see note 22d below)	14	*(15)*
	22	*34*

b. The Church of England Funded Pension Scheme (for clergy)

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

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to a specific Responsible Body and this means contributions

22. PENSION SCHEMES (continued)

are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.; and
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a..

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	**January 2018 to December 2020**	**January 2021 to December 2022**
Deficit repair contributions	11.9%	7.1%

As at 31 December 2019, 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2020 and over 2021 is set out in the table below.

	2021 £'000	***2020 £'000***
Balance sheet liability at 1 January	689	*1,310*
Deficit contribution paid	(345)	*(583)*
Interest cost (recognised in SoFA)	1	*11*
	(344)	*(572)*
Remaining change to the balance sheet liability* (recognised in SoFA)	(8)	*(49)*
	(352)	*(621)*
Balance sheet liability at 31 December	337	*689*

* Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

22. PENSION SCHEMES (continued)

This liability is a liability of the Stipends Capital Account (within Endowment Funds). Deficit contributions have been paid during the year by the Common Fund. Interest costs have been incurred in the Common Fund. The net of these two items together with the revaluation of liabilities shown above, is included in Transfers (note 19) to ensure that the deficit reduction is reflected in the Stipends Capital Account (note 18). The current year costs of providing pensions to diocesan clergy are included within expenditure within the Common Fund.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. In general, these are set by reference to the duration of the deficit recovery payments but as at 31 December 2021, under accounting rules the payments are not discounted since the remaining recovery plan is less than 12 months. No price inflation assumption is needed since pensionable stipends for the remainder of the recovery plan are already known.

	December 2021	December 2020	December 2019
Discount rate	0.0% pa	0.2% pa	1.1% pa
Price inflation	n/a	3.1% pa	2.8% pa
Increase to total pensionable payroll	-1.5% pa	1.6% pa	1.3% pa

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

c. Defined Contribution Scheme (for lay personnel)

A defined contribution scheme is operated for the majority of current RDSBF staff. The RDSBF contributes 5% of base salary into the Scheme and employees also contribute 5% (after tax). The Scheme is administered by Scottish Widows.

Amounts payable in the year to this scheme by the RDSBF amount to £51,862 (2020 : £46,647) and the amount owed to the scheme at 31 December 2021 was £nil (2020 : £nil).

d. Staff Defined Benefit Scheme (for lay personnel)

RDSBF (the Employer) operates a defined benefit pension arrangement called the Rochester Diocesan Staff Retirement Scheme (the Scheme). The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death. This is a closed scheme to new employees and currently has five current employees of the RDSBF and one current employee of the Rochester Diocesan Board of Education who are beneficiaries of the Scheme.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Employer must agree with the Trustees of the Scheme that the contributions to be paid to address any shortfall against the Statutory Funding Objectives and contributions to pay for future accrual of benefits.

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31 March 2021. The next valuation of the Scheme is due as at 31 March 2024. In the event that the valuation reveals a larger deficit than expected the RDSBF may be required to increase contributions above those set out in the existing Schedule of Contributions. Conversely, if the position is better than expected, it is possible that contributions may be reduced.

The RDSBF expects to pay accrual contributions of £83k in the year to 31 December 2022 (based on salaries between 31 December 2020 and 31 December 2021 – if members have left or retired then this number would be expected to reduce). This is based on the current contribution rates which may change following the completion of the 2021 actuarial valuation.

The Scheme is managed by a board of Trustees appointed in part by the RDSBF and part from elections by members of the Scheme. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The Trustees delegate some of these functions to their professional advisers where appropriate.

22.PENSION SCHEMES (continued)

There were no plan amendments, curtailments or settlements through the period.

At 31 December 2021 the FRS102 valuation, which is based on different underlying assumptions to the actuarial valuation, calculated a surplus in the Scheme of £2,857k (2020 : £818k). Under FRS102 the Employer is only allowed to recognise such assets in its balance sheet to the extent that it can recover the surplus either through reduced contributions in the future or through refunds from the plan. As RDSBF is unable to recover the surplus, the asset value of the Scheme at 31 December 2021 reflected in these accounts is £nil. This compares to an asset value of £nil at the previous review date.

22. PENSION SCHEMES (continued)

Principal Actuarial Assumptions	31 December 2021	*31 December 2020*
Discount rate	1.90%	*1.30%*
Inflation (RPI)	3.40%	*3.10%*
Inflation (CPI)	2.60%	*2.30%*
Salary increases - From 31/3/2021 – 31/3/2022 - From 1/4/2022 – 31/3/2024 - From 1/2/2024 onwards	 1.00% 2.00% 3.40%	*3.10%*
Increases in payment to Post 1992 benefits in excess of GMP (RPI max 5%)	3.20%	*3.00%*
Increases in payment to Post 2016 benefits in excess of GMP (CPI max 2.5%)	2.00%	*1.85%*
Revaluation in deferment (benefits in excess of GMP)	2.60%	*2.30%*
Post-retirement mortality	95% of the S3PA tables with CMI 2020 projections using a long-term improvement rate of 1.25% p.a.	*95% of the S2PA tables with CMI 2017 projections using a long-term improvement rate of 1.25% p.a.*
Commutation	70% of members are assumed to take the maximum tax free cash possible	*70% of members are assumed to take the maximum tax free cash possible*

The current asset split is as follows:

	Bid values as at 31 December 2021 £'000	***Bid values as at 31 December 2020 £'000***
Global Equities	6,144	*4,948*
Index Linked gilts	3,378	*3,249*
With-profit deferred annuity policy	-	*19*
Cash	116	*122*
Total assets	9,638	***8,338***

The following amounts at 31 December 2021 and 31 December 2020 were measured in accordance with the requirements of FRS102:

Balance sheet	**At 31 December 2021 £'000**	***At 31 December 2020 £'000***
Fair value of assets	9,638	*8,338*
Present value of funded obligations	(6,781)	*(7,520)*
Surplus/(deficit) in scheme	**2,857**	*818*
Impact on limit of recognisable surplus	(2,857)	*(818)*
Net defined benefit asset/(liability)	**-**	***-***

22. PENSION SCHEMES (continued)

Amount recognised in Statement of Financial Activities (SOFA)	**Period to 31 December 2021** **£'000**	***Period to 31 December 2020*** ***£'000***
Current service cost	107	*86*
Administration costs	-	*-*
Interest on liabilities	97	*136*
Interest on assets	(108)	*(155)*
Past service costs	-	*-*
Settlement and curtailment cost	-	*-*
Total charge to SOFA	96	*67*

Remeasurements over the year	**Period to 31 December 2021** **£'000**	***Period to 31 December 2020*** ***£'000***
(Gain)/loss on assets in excess of interest	(1,219)	*(787)*
Experience losses/(gains) on liabilities	(27)	*-*
Losses/(gains) from changes to demographic assumptions	(202)	*(440)*
Losses/(gains) from changes to financial assumptions	(605)	*1,279*
Total remeasurements	(2,053)	***52***

Change in value of the assets	**Period to 31 December 2021** **£'000**	***Period to 31 December 2020*** ***£'000***
Fair value of assets at start	**8,338**	***7,327***
Interest on assets	108	*155*
Company contributions	82	*82*
Contributions by Scheme participants	16	*16*
Benefits paid	(125)	*(29)*
Administration costs	-	*-*
Change due to settlements and curtailments	-	*-*
Return on assets less interest	1,219	*787*
Fair value of assets at end	**9,638**	***8,338***

Actual return on assets	**1,327**	**942**

22. PENSION SCHEMES (continued)

Change in value of DB liabilities	**Period to 31 December 2021 £'000**	***Period to 31 December 2020 £'000***
Value of liabilities at start	**7,520**	***6,472***
Current service cost	107	*86*
Contributions by scheme participants	16	*16*
Past service costs	-	*-*
Interest on liabilities	97	*136*
Benefits paid	(125)	*(29)*
Change due to settlements or curtailments	-	*-*
Experience (gain)/loss on liabilities	(27)	*-*
Changes to demographic assumptions	(202)	*(440)*
Changes to financial assumptions	(605)	*1,279*
Value of liabilities at end	**6,781**	***7,520***

Projected Profit & Loss account for next year	**Period to 31 Dec 2022 £'000**
Current service cost	90
Administration costs	-
Interest on liabilities	126
Interest on assets	(183)
Settlement and curtailment costs	-
Past service cost	-
Total	33

The above estimate is based on the assumptions adopted at the Review Date and assumes the following:

i Cashflows to and from the pension scheme are broadly the same as for the current period.

ii There are no events (other than those already notified to us) that would give rise to a settlement, curtailment or past service cost.

e. Church Workers Pension Fund (CWPF)

RDSBF participates in the Pension Builder Scheme section of CWPF for one member of lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

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

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme.

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 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 3% following improvements in the funding position over 2021. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

23. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted Common £'000	Unrestricted Designated £'000	Restricted £'000	Endowment £'000	Total 2020 £'000	*Total 2019 £'000*
Income							
Donations:							
- Parish Offers		8,395	-	-	-	8,395	*9,057*
- Other	2	526	-	1,104	21	1,651	*1,259*
Investment income	3	1,299	-	51	3	1,353	*1,506*
Charitable activities	4	396	-	-	-	396	*12*
Total income		10,616	-	1,155	24	11,795	*11,834*
Expenditure							
Generating income	5	(430)	-	(2)	-	(432)	*(495)*
Charitable activities	6	(11,100)	-	(1,395)	(12)	(12,507)	*(13,036)*
Total Expenditure		(11,530)	-	(1,397)	(12)	(12,939)	*(13,531)*
Operating (Deficit)/Surplus:		**(914)**	**-**	**(242)**	**12**	**(1,144)**	***(1,697)***
Profit/(losses) on sale of property		(52)	788	1,021	-	1,757	-
Gains/(losses) on investments	10	615	30	(8)	1,509	2,146	*2,873*
Net Income before revaluation of fixed assets and pension scheme liabilities and transfers between funds		**(351)**	**818**	**771**	**1,521**	**2,759**	***1,176***
Reserve Movements:							
Net Income		(351)	818	771	1,521	2,759	*1,176*
Gains on revaluation of fixed assets		-	-	-	-	-	-
Revaluation of pension scheme liabilities	22	34	-	-	-	34	*1,930*
Transfers between funds	19	(1,315)	112	760	443	-	-
Net movement in funds		**(1,632)**	**930**	**1,531**	**1,964**	**2,793**	***3,106***
Reserve balances at 1st January 2020		6,812	7,304	39,005	22,120	75,241	*72,135*
Reserve balances at 31st December 2020		**5,180**	**8,234** note 16	**40,536** note 17	**24,084** note 18	**78,034**	***75,241***

CUSTODIAN TRUSTEESHIP FUNDS – BALANCE SHEET
For the year ended 31 December 2021

This page does not form part of the audited financial statements

ROCHESTER DIOCESAN SOCIETY AND BOARD OF FINANCE(THE)

CUSTODIAN TRUSTEESHIP FUNDS - BALANCE SHEET
As at 31 December 2021

	2021		2020	
	Capital	Revenue	*Capital*	*Revenue*
	£'000	£'000	£'000	£'000
Investments at cost (see below)	698	3	*694*	*3*
Freehold property	645	-	*645*	-
Freehold interest in leased properties	3	-	3	-
Cash				
National Savings Bank	11	1	*11*	*1*
CCLA Investment Management Ltd - Deposit Fund				
Miscellaneous	819	95	*633*	*94*
Church Commissioners Deposit Account				
Barclays Bank - Current Account	-	3	-	*2*
	830	99	*644*	*97*
Total Assets	2,176	102	*1,986*	*100*
Representing				
Parochial Funds	2,158	98	1,968	96
Non-Parochial Funds	18	4	18	4
Total Funds	2,176	102	*1,986*	*100*

INVESTMENTS NOTE	2021		2020	
	Cost	Market value	*Cost*	*Market value*
	£'000	£'000	£'000	£'000
CAPITAL				
Quoted Investments	5	165	5	151
Unlisted Investments				
CCLA Investment Management Ltd				
Investment Fund Income Shares				
201,525 (2020 202,772 shares)	547	4,719	543	4,154
Fixed Interest Fund Income Shares				
44,806 (2020 44,806 shares)	72	71	72	76
Global Equity				
25,919 (2020 25,919 shares)	30	79	30	68
Property Fund				
34,935 (2020 34,935 shares)	44	52	44	45
	693	4,921	*689*	*4,343*
	698	*5,086*	*694*	*4,494*
REVENUE				
Unlisted Investments				
CCLA Investment Management Ltd				
Investment Fund Income Shares	3	50	3	44
2,127 (2020 2,127 shares)				

PARISH FUND BALANCES
For the year ended 31 December 2021

This page does not form part of the audited financial statements

CHURCH REPAIR FUND BALANCES

As at 31 December 2021

	2021 £'000	2020 £'000		2021 £'000	2020 £'000
Deposits by Parishes with Diocese:			Use of Funds Deposited by Parishes with Diocese:		
Parochial Funds	4,673	4,778	Parish Loans	7	9
			Funds on Deposit and other assets	4,666	4,769
	4,673	4,778		4,673	4,778

LOANS FUND BALANCES

As at 31 December 2021

	2021 £'000	2020 £'000		2021 £'000	2020 £'000
Deposits by Parishes with Diocese:			Use of Funds Deposited by Parishes with Diocese:		
Parochial Funds	4,181	3,880	Parish & Clergy - Loans	124	107
Other Sources	32	32	Other Loans	11	14
			Funds on Deposit and other assets	4,078	3,791
	4,213	3,912		4,213	3,912

The Church Repair Fund and Loans Fund have been consolidated in the Financial Statements of the Rochester Diocesan Society and Board of Finance.

PARISH OFFER RECEIVED BY BENEFICE
For the year ended 31 December 2021

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	Offer Received
Beckenham Deanery	
ANERLEY TEAM MINISTRY	**52,126**
BECKENHAM CHRIST CHURCH PCC	**95,000**
BECKENHAM HOLY TRINITY PCC	**59,259**
BECKENHAM ST BARNABAS PCC	**4,000**
BECKENHAM ST GEORGE PCC	**75,600**
BECKENHAM ST JAMES PCC	**32,415**
BECKENHAM ST JOHN THE BAPTIST PCC	**114,000**
BECKENHAM ST MICHAEL W ST AUGUSTINE PCC	**31,768**
BECKENHAM ST PAUL PCC	**66,447**
PENGE ST JOHN THE EVANGELIST PCC	**20,000**
SHORTLANDS PCC	**76,560**
Total Beckenham Deanery	**627,175**
Bromley Deanery	
BICKLEY PCC	**60,000**
BROMLEY CHRIST CHURCH PCC	**52,126**
BROMLEY COMMON HOLY TRINITY PCC	**31,817**
BROMLEY COMMON ST AUGUSTINE w ST LUKES PCC	**81,180**
BROMLEY COMMON ST LUKE PCC	**-**
BROMLEY ST ANDREW PCC	**30,000**
BROMLEY ST JOHN THE EVANGELIST PCC	**62,076**
BROMLEY ST MARK PCC	**65,026**
BROMLEY ST MARY PCC	**65,744**
BROMLEY ST PETER & ST PAUL PCC	**82,721**
CHISLEHURST THE ANNUNCIATION PCC	**60,000**
CHISLEHURST CHRIST CHURCH PCC	**65,529**
CHISLEHURST ST NICHOLAS PCC	**83,700**
HAYES PCC	**67,500**
Total Bromley Deanery	**807,419**
Erith Deanery	
BARNEHURST PCC	**26,145**
BELVEDERE ALL SAINTS PCC	**12,000**
BELVEDERE ST AUGUSTINE PCC	**15,000**
BEXLEYHEATH CHRIST CHURCH PCC	**66,168**
BEXLEYHEATH ST PETER PCC	**24,817**
BOSTALL HEATH PCC	**33,000**
CRAYFORD PCC	**23,941**
ERITH CHRIST CHURCH PCC	**5,100**
ERITH ST JOHN THE BAPTIST PCC	**40,041**
FALCONWOOD PCC	**37,200**
NORTHUMBERLAND HEATH PCC	**48,000**
SLADE GREEN PCC	**12,000**
WELLING PCC	**69,037**
Total Erith Deanery	**412,449**

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	Offer Received
Orpington Deanery	
BIGGIN HILL PCC	**64,210**
CHELSFIELD PCC	**48,000**
CRAY ST BARNABAS PCC	**27,000**
CRAY VALLEY	**5,833**
CROFTON PCC	**85,300**
CUDHAM PCC	**27,375**
DOWNE PCC	**18,322**
FARNBOROUGH PCC	**107,227**
GREEN STREET GREEN PCC	**70,120**
KESTON PCC	**29,000**
ORPINGTON ALL SAINTS PCC	**70,413**
ORPINGTON CHRIST CHURCH PCC	**78,000**
PETTS WOOD PCC	**42,675**
Total Orpington Deanery	**673,475**
Sidcup Deanery	
BEXLEY ST JOHN THE EVANGELIST PCC	**18,600**
NORTHCRAY	**8,000**
BEXLEY ST MARY PCC	**28,345**
BLENDON PCC	**27,000**
FOOTSCRAY PCC	**9,000**
JOYDENS WOOD PCC	**25,000**
LAMORBEY HOLY REDEEMER PCC	**25,076**
LAMORBEY HOLY TRINITY PCC	**42,000**
SIDCUP CHRIST CHURCH PCC	**70,800**
SIDCUP ST ANDREW PCC	**12,000**
SIDCUP ST JOHN THE EVANGELIST pcc	**24,000**
Total Sidcup Deanery	**289,821**
Total Bromley & Bexley	**2,810,339**

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	Offer Received
Cobham Deanery	
ASH PCC	**32,243**
RIDLEY PCC	**4,500**
COBHAM PCC	**5,000**
LUDDESDOWNE & DODE PCC	**11,668**
FAWKHAM & HARTLEY PCC	**28,050**
ISTEAD RISE PCC	**19,509**
LONGFIELD PCC	**22,000**
MEOPHAM PCC	**34,750**
SOUTHFLEET PCC	**15,000**
Total Cobham Deanery	**172,720**
Dartford Deanery	
CROCKENHILL PCC	**21,965**
DARENTH PCC	**12,000**
HORTON KIRBY PCC	**13,681**
SUTTON-AT-HONE PCC	**10,000**
DARTFORD CHRIST CHURCH PCC	**53,627**
DARTFORD HOLY TRINITY PCC	**27,000**
DARTFORD ST ALBAN PCC	**8,829**
DARTFORD ST EDMUND KING & MARTYR PCC	**446**
STONE PCC	**31,840**
SWANLEY ST MARY THE VIRGIN PCC	**12,979**
SWANLEY ST PAUL & HEXTABLE ST PETER PCC	**40,394**
WILMINGTON PCC	**54,000**
Total Dartford Deanery	**286,761**
Gillingham Deanery	
GILLINGHAM HOLY TRINITY PCC	**16,800**
GILLINGHAM ST AUGUSTINE PCC	**20,000**
GILLINGHAM ST BARNABAS PCC	**7,020**
GILLINGHAM ST LUKE PCC	**9,494**
GILLINGHAM ST MARK PCC	**59,748**
GILLINGHAM ST MARY ISLAND DCC	**13,125**
GILLINGHAM ST MARY MAGDALENE PCC	**17,335**
RAINHAM PCC	**64,646**
SOUTH GILLINGHAM PCC	**116,100**
Total Gillingham Deanery	**324,268**

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	Offer Received
Gravesend Deanery	
CHALK PCC	**37,400**
GRAVESEND HOLY FAMILY PCC	**7,000**
IFIELD PCC	**11,280**
GRAVESEND ST AIDAN PCC	**24,156**
GRAVESEND ST GEORGE PCC	**48,000**
GRAVESEND ST MARY PCC	**11,200**
GREENHITHE PCC	**21,600**
MILTON CHRIST CHURCH PCC	**30,000**
MILTON ST PETER & ST PAUL PCC	**12,880**
NORTHFLEET & ROSHERVILLE PCC	**5,000**
PERRY STREET PCC	**6,000**
SHORNE PCC	**12,000**
SWANSCOMBE PCC	**5,000**
Total Gravesend Deanery	**231,516**
Rochester Deanery	
BORSTAL PCC	**17,054**
CHATHAM ST MARY W ST JOHN PCC	**420**
CHATHAM ST PAUL W ALL SAINTS PCC	**20,980**
CHATHAM ST PHILIP & ST JAMES PCC	**67,378**
CHATHAM ST STEPHEN PCC	**42,000**
LUTON PCC	**11,594**
PRINCES PARK PCC	**27,885**
ROCHESTER ST JUSTUS PCC	**50,200**
ROCHESTER ST PETER W ST MARGARET PCC	**35,000**
SOUTH CHATHAM HOLY TRINITY PCC	**56,261**
Total Rochester Deanery	**328,772**
Strood Deanery	
CLIFFE-AT-HOO W COOLING PCC	**36,038**
CUXTON & HALLING PCC	**22,236**
FRINDSBURY W UPNOR & CHATTENDEN PCC	**53,440**
GRAIN PCC	**1,500**
HIGH HALSTOW W ALLHALLOWS & HOO ST MARY PCC	**24,392**
HIGHAM W MERSTON PCC	**52,966**
HOO ST WERBURGH PCC	**26,083**
STROOD ST FRANCIS PCC	**20,013**
STROOD ST NICHOLAS W ST MARY PCC	**65,700**
Total Strood Deanery	**302,368**
Total Rochester	**1,646,405**

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	Offer Received
Malling Deanery	
ADDINGTON PCC - BART GROUP	**17,250**
BIRLING PCC	**8,790**
RYARSH PCC	**15,750**
TROTTISCLIFFE PCC	**13,069**
AYLESFORD PCC	**42,355**
BARMING PCC	**60,881**
BURHAM & WOULDHAM PCC	**19,824**
COXHEATH PCC	**12,925**
EAST FARLEIGH PCC	**10,426**
HUNTON PCC	**10,426**
LINTON PCC	**10,426**
WEST FARLEIGH PCC	**10,998**
DITTON PCC	**58,224**
EAST MALLING PCC	**25,810**
TESTON PCC	**2,000**
WATERINGBURY PCC	**18,313**
LARKFIELD PCC	**9,196**
LEYBOURNE PCC	**22,769**
MEREWORTH PCC	**13,000**
WEST PECKHAM PCC	**10,000**
SNODLAND W LOWER BIRLING PCC	**33,126**
WEST MALLING PCC	**28,563**
KINGS HILL	**6,000**
OFFHAM PCC	**17,260**
Total Malling Deanery	**477,381**
Paddock Wood	
BRENCHLEY PCC	**51,226**
EAST PECKHAM PCC	**25,000**
NETTLESTEAD PCC	**-**
HADLOW PCC	**41,100**
HORSMONDEN PCC	**39,709**
LAMBERHURST PCC	**33,370**
MATFIELD PCC	**25,231**
PADDOCK WOOD PCC	**58,340**
PEMBURY PCC	**53,364**
TUDELEY PCC	**17,004**
YALDING PCC	**37,380**
COLLIER STREET PCC	**4,846**
Total Paddock Wood Deanery	**386,570**

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	Offer Received
Sevenoaks Deanery	
BRASTED PCC	**10,000**
CHEVENING PCC	**60,000**
KIPPINGTON PCC	**63,909**
KNOCKHOLT PCC	**25,477**
HALSTEAD PCC	**29,492**
RIVERHEAD W DUNTON GREEN PCC	**12,000**
SEAL ST LAWRENCE PCC	**21,120**
UNDERRIVER PCC	**17,400**
SEAL ST PETER & ST PAUL PCC	**45,250**
SEVENOAKS ST JOHN THE BAPTIST PCC	**49,500**
SEVENOAKS ST LUKE PCC	**48,000**
SEVENOAKS ST NICHOLAS PCC	**178,735**
SUNDRIDGE W IDE HILL & TOYS HILL PCC	**22,000**
WEALD PCC	**40,580**
WESTERHAM PCC	**52,126**
Total Sevenoaks Deanery	**675,589**
Shoreham Deanery	
BOROUGH GREEN PCC	**50,750**
EYNSFORD PCC	**-**
FARNINGHAM PCC	**-**
LULLINGSTONE PCC	**68,170**
IGHTHAM PCC	**61,543**
KEMSING PCC	**34,665**
WOODLANDS PCC	**-**
KINGSDOWN W MAPPISCOMBE PCC	**20,000**
OTFORD PCC	**65,986**
PLATT PCC	**45,569**
PLAXTOL PCC	**63,530**
SHIPBOURNE PCC	**-**
SHOREHAM PCC	**43,560**
STANSTED W FAIRSEAT & VIGO PCC	**27,863**
WROTHAM PCC	**32,841**
Total Shoreham Deanery	**514,477**

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	Offer Received
Tonbridge Deanery	
CHIDDINGSTONE CAUSEWAY PCC	**15,000**
CHIDDINGSTONE PCC	**15,000**
CROCKHAM HILL PCC	**35,100**
EDENBRIDGE PCC	**54,500**
HEVER PCC	**9,055**
FOUR ELMS PCC	**7,245**
MARKBEECH PCC	**7,366**
HILDENBOROUGH PCC	**48,000**
LEIGH PCC	**50,747**
PENSHURST PCC	**38,060**
FORDCOMBE PCC	**11,223**
TONBRIDGE ST PETER & ST PAUL PCC	**85,611**
TONBRIDGE ST STEPHEN PCC	**87,163**
Total Tonbridge Deanery	**464,070**
Tunbridge Wells Deanery	
LANGTON GREEN PCC	**20,000**
RUSTHALL PCC	**57,588**
SOUTHBOROUGH TEAM MINISTRY PCC	**-**
SOUTHBOROUGH CHRIST CHURCH	**62,468**
BIDBROUGH/SOUTHBOROUGH ST PETER	**-**
BIDBROUGH/SOUTHBOROUGH ST PETER	**66,000**
HIGH BROOMS	**62,000**
SOUTHBOROUGH ST THOMAS PCC	**39,047**
SPELDHURST PCC	**76,185**
TUNBRIDGE WELLS HOLY TRINITY W CHRIST CHURCH PCC	**91,400**
TUNBRIDGE WELLS KING CHARLES THE MARTYR PCC	**75,840**
TUNBRIDGE WELLS ST BARNABAS PCC	**23,200**
TUNBRIDGE WELLS ST JAMES PCC	**76,820**
TUNBRIDGE WELLS ST JOHN PCC	**65,360**
TUNBRIDGE WELLS ST LUKE PCC	**54,000**
TUNBRIDGE WELLS ST MARK PCC	**23,400**
TUNBRIDGE WELLS ST PETER PCC	**50,000**
TUNBRIDGE WELLS ST PHILIP PCC	**46,500**
Total Tunbridge Wells Deanery	**889,808**
Total Tonbridge	**3,407,895**
Total All	**7,864,639**
Offers in lieu of housing	**10,500**
Total as per Statement of Financial Activities	**7,875,139**

THE ROCHESTER DIOCESAN SOCIETY AND BOARD OF FINANCE

England & Wales - Charity number 249339

Accounts

Diocese of Rochester

Getting through together

2020

ANNUAL REPORT AND ACCOUNTS

Diocese of Rochester

called together

ABOUT US

We are the Church of England operating in the Diocese of Rochester in the area of Medway, north west Kent and the London Boroughs of Bromley and Bexley. A diverse and vibrant community of faith, we serve a population of some 1.3 million people, including 215 parishes, 90 schools, and numerous chaplains. We enjoy companion links with the Anglican Dioceses of Harare in Zimbabwe, and Kondoa and Mpwapwa in Tanzania as well as an ecumenical link with the Evangelical Lutheran Church of Estonia.

The Trustees, who are also directors for the purposes of company law, present their trustees' report together with the financial statements and auditor's report for the charitable company – the Rochester Diocesan Society and Board of Finance Limited (RDSBF) for the year ended 31 December 2020.

The financial statements comply with current statutory requirements of the Charities Act 2011, the Statement of Recommended Practice for Charities 2015 (SORP 2015) (Second Edition, effective 1 January 2019) and the Companies Act 2006.

Registered & Principal Office: Diocesan Office
St Nicholas Church
Boley Hill
Rochester Kent ME1 1SL

Members of the Bishop's Council (Directors and Trustees):
The Lord Bishop of Rochester (Chair)
- The Rt Rev James Langstaff

The Bishop of Tonbridge
- The Rt Rev Simon Burton-Jones

The Chair of the Board of Finance
- Mr Nigel Pope

Ex-officio:
The Archdeacon of Bromley & Bexley
- The Ven Dr Paul Wright

The Archdeacon of Rochester
- The Ven Andrew Wooding Jones

The Archdeacon of Tonbridge
- The Ven Julie Conalty

The Dean of Rochester Cathedral
- The Very Rev Dr Philip Hesketh

The Chair of the House of Laity
- Mrs Sarah Poole

The Chair of the House of Clergy
- The Rev Canon Alyson Davie

The Chair of the Board of Education
- The Rt Rev Simon Burton-Jones

Elected – House of Clergy:
- The Rev Canon Mark Barker
- The Rev Dr Julie Bowen
- The Rev Martyn Saunders

Elected – House of Laity:
- Miss Christine Bostock
- Mr David Fitzpatrick
- Mr Philip French
- Mr Guy Gallico
- Mr Gerald O'Brien
- Mr Alan Strachan

Senior Staff:
Diocesan Secretary (and Company Secretary)
- Mr Matthew Girt

Director of Finance
- The Rev Richard Williams

Director of Property
- Mr Stephen Hoad

Director of Formation and Ministry
- The Rev Canon Chris Dench

Director of Diocesan Board of Education
- Mr John Constanti

Bishop's Chaplain
- The Rev Lindsay Llewellyn-MacDuff

Advisors:
Auditors:
Haysmacintyre LLP
10 Queen Street Place, London EC4R 1AG
Registrar:
Mr Owen Carew-Jones
Winckworth Sherwood LLP
Minerva House, 5 Montague Close,
London SE1 9BB
Bankers:
Barclays Bank Plc, 2nd floor, 30 Tower View,
Kings Hill, West Malling, Kent ME19 4WA
Property Adviser and Glebe Agent:
Savills plc
74 High Street, Sevenoaks, TN13 1JR
Investment Advisers:
Mercer Global Investment Management Ltd.
1 Tower Place West, Tower Place, London,
EC3R 5BU
Insurers:
Ecclesiastical Insurance Office plc
Beaufort House, Brunswick Road,
Gloucester GL1 1JZ

The Rochester Diocesan Society and Board of Finance is a company Limited by Guarantee
Registered Charity No. 249339
Registered in England No. 140656

MESSAGE FROM

THE BISHOP OF ROCHESTER

The Rt Rev James Langstaff

A YEAR LIKE NO OTHER – GETTING THROUGH TOGETHER

It is hard to believe that at the beginning of last year, we had little inkling of the upheaval, uncertainty, and sorrow that we were about to experience.

We have all probably lost count of the number of conversations we have had in which we have tried to think about how we will be living in 6 months' time, a year, more.

A year on from the start of the pandemic and we have signs of hope thanks to the vaccines; however, these months have been hard. People have faced illness, death and grief; others have been living in isolation, and some have seen their livelihoods fall away.

The loss and long-term impacts of the pandemic are only just beginning to be understood. Likewise, its impacts on the Church.

And while much remains uncertain, what is clear, is that at this time, as a community of faith here in the Diocese of Rochester, we have been, and will see this through together.

And more than that, we have been an intrinsic part in seeing others through as well. Our communities have come together in new ways; neighbours have been cared for, new relationships established, and new forms of connection discovered. While at points our buildings have been closed for worship, our outreach, our prayer-life, our pastoral concern for others, has continued.

Both churches and our diocesan support teams have adapted and met the needs of the times, together.

Our strategic vision has been a bedrock, as we have helped people ***grow*** in their relationship with God; as we have helped ***enrich*** lives during a time of isolation; as we have ***resourced*** each other practically and spiritually.

It has not always been easy. We have had to find new strengths and resilience. A willingness to sometimes ask for help or to request understanding.

So, this year's report has a simple thread. It is the story of how our family of faith – parishes, schools, chaplaincies, community projects, individuals, and Diocesan teams, have lived through this past year together and have begun to emerge from the other side.

The Bishop of Tonbridge, the Rt Rev Simon Burton-Jones, has said it is like we are emerging from an earthquake. The landscape has been fundamentally changed. But rather than running to the first piece of masonry, we would do well to listen. To listen to the cries of those who need us.

And we do so, sure in the knowledge that, while things may be different, we will find ways forward for our personal and shared living. For, 'Jesus Christ is the same yesterday and today and for ever' (Hebrews 13.8). However great our uncertainty about how life will be, that is one thing of which we can be absolutely certain.

OUR VISION

We are Called Together to enhance and steward our resources for the work of God

God calls us above all to show forth his character in acts and attitudes of grace and generosity

God calls us together into a common endeavour of worship and of prayer, of proclamation and of service

OUR AIMS

Grow: To better live out the Great Commission, to share the Good News, and see more people find faith

Enrich: Enrich every community through the activities of the local church

Resource: Enable parishes to run efficiently and sustainably, so that they can focus more on ministry and mission

DIOCESE OF ROCHESTER

ANNUAL REPORT AND ACCOUNTS

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MESSAGE FROM **THE DIOCESAN SECRETARY**

Matthew Girt

Looking back on the last year, there are several themes which come to mind. One most particularly though is loss. Whether that is loss of loved ones, friends, freedoms, opportunities – there has been far too much loss.

That loss has led us to change, and that in itself is significant. Significant, because it has meant letting go of many closely held patterns of living, of sharing, and how we live out our faith. However, another theme that comes just as strongly to mind for me is that of courage.

Those changes in life, their stop start nature, the imposed and unwantedness of them have led to real challenges, and those challenges have been sharp, and on the front line of ministry in parishes and chaplaincies they have required courage to navigate.

Raymond Lindquist describes courage as "the power to let go of the familiar", and 2020 was a year for that. Yet, reading this report, the real determination to live through this pandemic witnessing to our faith, is explicit and palpable.

As the year has progressed, and we have moved in to 2021, it has taken real courage and determination from parishes and staff to continue.

I am indebted to the commitment of staff as they have worked tirelessly to support the front line of ministry, often with less resource than they were expecting.

2020 is also Bishop James' last full year as Bishop of Rochester. We have been hugely blessed in this Diocese over the last ten years for the way he has shepherded the Diocese through two of the biggest changes in living memory. The first being the real economic fall out of the financial crisis, and the second being the current pandemic.

Set against that backdrop of challenge, we have been fortunate to have his wisdom, his innate ability to draw the best from people, and his quiet and strong leadership in this Diocese. We have been blessed too by his gift for fostering fruitful relationships between ourselves, and external partners.

Relationships that have led to real change and positive transformation in the flourishing of lay ministry, the significant reach and impact of community engagement, of the more recent growth in the mixed ecology of church, the fostering of chaplaincies, the ability to take a strategic view of the changes in population, both in growth in numbers and culture, and the significant multi million pounds of investment from others in our mission, the list is long.

For the ministry of Bishop James and his wife Bridget, we have much to thank God for, and thanks to God's grace and with our refreshed strategic framework, Called Together, we are in good heart for the next ten years.

And so, it is the continued working out of this grace that I pray for as we implement the changes of this last year, of the work we must do on continuing to refine the opportunities for investment we have identified, for the difficult decisions we have still to make, and as we search for the new Bishop of Rochester.

The courage and determination which I have been fortunate to witness in 2020 places us in a good position to be challenged and rise to that challenge as we continue in our witness.

MESSAGE FROM **CHAIR OF THE BOARD OF FINANCE**

Nigel Pope

2020 was a difficult year for many people and organisations and certainly one to move on from. However, it has been a much stronger year financially for the Diocese than we had feared mid-way through 2020 as Covid 19 took hold and we modelled worst case financial scenarios.

Our operating deficit for 2020 ended up at £0.9m, slightly worse than our base case budget deficit of £0.8m, and we ended 2020 with £9m of cash and short-term deposits. Overall, Parish Offers, plus DBF fees, ended the year only 3% lower than 2019, which in the circumstances was amazing, and a £320k grant from Archbishop's Council and cost savings enabled us to end up so close to budget.

Many parishes stretched themselves financially to maintain their Parish Offers, or to pay as much as they could, often utilising reserves to be able to do this. Thank you for this generosity which is very much appreciated.

The pandemic impacted on parishes in different ways, and some were hit financially very hard. It was a privilege to be able to help some of our hardest hit parishes with grants from a Covid relief fund we established. In total 48 grants of £5,000 were made and, in another example of parish generosity, 7 parishes gave a total of £36,000 towards this fund. As a Diocese and parishes, we are indeed Called Together to support one another.

We have recently appointed a generous giving adviser and will be looking to roll out a parish giving scheme which we believe will be of assistance to our parishes in inspiring and supporting generous giving from parishioners.

There are however many challenges ahead. Our budgeted operating deficit for 2021 at £1.8m, while affordable for 2021, is not a sustainable position long term. Rightly the Diocese has initiated a strategic review, with one of its key objectives being to work out how to invest for the future to arrive at a sustainable financial position.

I must conclude with thanks to the parishes for their generosity. Thank you for all the work you are doing to build the Kingdom of God in your churches and communities.

My thanks also to Matthew, whose leadership has been invaluable and steadfast during this time, and to the entire Diocesan Staff Team for their professionalism and commitment to serving the needs of the parishes.

REVIEWING CALLED TOGETHER

After two full years of activity, a review and 'direction sense check' of the Called Together framework was earmarked for 2020. The Covid-19 pandemic provided additional reason to reflect on progress and consider carefully where our focus should be going forward. Good strategy is supple and adaptive, so this was a good moment to re-assess ours.

The review process was by necessity much shorter and smaller than the initial engagement process but drew upon feedback given since 2017. Conversations were had with different groups and individuals involved in the life of the Diocese and an engagement with Diocesan Synod members provided a 'sense check' for the proposed refresh.

Initial findings were that the three core themes of Called Together – Growing Disciples, Enriching Communities, and Resourcing Mission and Ministry, are well known and understood, but the 12 workstreams are not. There was a desire to simplify the framework. In addition, there are emerging areas of concern which churches would like to focus on, and others which have become 'business as usual' or it is clear that we overcomplicated issues by creating a workstream around it.

A number of church leaders mentioned the Five Marks of Mission as a core guide to the purpose of the Church. The revised Called Together framework ensures our strategic activity also responds to these, alongside maintaining our three core themes.

These themes of Grow, Enrich, Resource imply rootedness and continuity, like a tree giving fruit in season. We are in a period of disjuncture and we decided to keep these themes in place because they are well understood and the Church will continue to grow, enrich and resource.

It makes sense for us to align our priorities with the five marks of mission and so our overarching priorities are:

- Enabling each church to be mission-minded
- Helping children, young people, and adults live out everyday faith in Jesus
- Supporting loving service in local communities
- Encouraging, and responding to, the prophetic voice of justice and peace
- Protecting creation's life for future generations.

OUR YEAR IN NUMBERS...

20
PEOPLE ORDAINED AS DEACON OR PRIEST

35
PARTICIPANTS TO THE ONLINE 'CLOSER' DISCIPLESHIP COURSE

9 PROJECTS SUPPORTED BY A CHILDREN AND YOUNG PEOPLE FUND GRANT TO A TOTAL OF **£19,827.75**

633
PEOPLE COMPLETED BASIC SAFEGUARDING AWARENESS TRAINING ONLINE

50
PEOPLE TOOK AN ONLINE RETREAT RUN BY THE DIOCESE' S SPIRITUALITY NETWORK

1557

PROPERTY MAINTENANCE REQUESTS PROCESSED

12
PEOPLE LICENSED AS LAY MINISTERS

92%
OF CHURCH SCHOOLS GRADED OUTSTANDING OR GOOD BY OFTSED

119
PEOPLE REGULARLY ATTENDED WEBINARS RELATED TO CHILDREN AND YOUTH MINISTRY

17 HUBS AND CAFÉS SUPPORTED BY THE COMMUNITY AND ENGAGEMENT TEAM

RESPONDING CREATIVELY TO COVID

Covid-19 restrictions brought the closure of church buildings for a time. As a result, churches learned fast how digital communications and social media could enhance their mission and ministry, as well as how to maintain their connections.

Like many churches, St George's Church, Weald Sevenoaks, went online for the first-time during lockdown. It started with a thought for the day, just a few minutes on camera, to give hope and encouragement to people.

They found that people really liked it and wanted more. They also found that they were able to share stories in ways they had perhaps not been doing in the Sunday service in their building.

"We live in a rural area where connectivity isn't great, so we made a decision to do a pre-recorded Sunday service. It gave us the flexibility to put more items in and share stories among ourselves. It's given our creativity and connectivity a real boost - it's very exciting."

The Rev Mandy Carr, Vicar of St George's, Weald.

Their experience was not uncommon.

A survey carried out by the Diocese's Communication Team during 2020, confirmed that many churches went on a steep and fast digital learning curve during the first lockdown.

They were creative with the resources and technical skills at their disposal to stay connected and keep serving their communities.

Many discovered that what they offered didn't always need to be complicated, or over-produced, but it did have to be right for them and their community. Some hidden talents among congregations were revealed and brought forward, and new connections made.

A Diocesan Digital Church Working Group was set up to bring church leaders together – both lay and ordained – to discuss their experiences and work out what support parishes needed.

In addition, a webinar organised by the Diocese looking at the issues raised by doing church online, as well as offering some practical tips, saw over 100 people attend from across the parishes.

Throughout the year, the Communications Team have been on hand to offer parishes advice and signposts to resources on topics such as music copyright, licenses, establishing a social media presence and what equipment to use.

BUILDING RELATIONSHIPS ONLINE

Just as in the physical world however, doing 'church' digitally is not just about offering worship and prayer, but building community and providing opportunities for people to explore and grow in their faith.

At Christ Church in Erith, project worker Jacki Clement soon discovered that they could still reach out to their families and young people:

"Our Kids Sunday Club had about 20 children and we used to meet most weeks. So, I started putting that online and we got such good feedback that we put our Toddler Worship online too; Children complete an activity and share pictures of their finished product with me."

At St Katharine's Knockholt with St Margaret's Halstead, The Rev Tim Edwards, found that people really responded to online opportunities to explore faith:

"We know of one person who has come to faith through watching Alpha online (he is now looking to get baptised) and a group of men through our Christianity Explored, which we did this time on Zoom. People have found that doing the sessions online has made it much easier for them to feel able to explore big issues."

Photo:

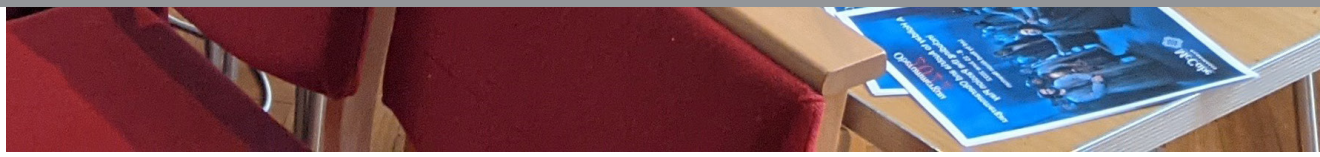
St Mark, Biggin Hill

"WE HAVE NO INTENTION OF STOPPING STREAMING"

All Saints' Church in Orpington was without a vicar – a period known as being in interregnum – and had just begun to think about its online presence. Then the pandemic hit.

Lesley Birse, who leads the church's Facebook page says they began with nothing: "I hit on the idea of a Bible Reading a Day - approximately two minutes of people's time to listen to a reading. When I tried later on to stop the readings, someone commented that they had been a life-line in the first lockdown and I was asked to keep them."

The church then began to put together simple pre-recorded services. Once their new vicar joined, they were able to stream Morning Prayer, and armed with no more than an iPad and determination, Sunday and Wednesday services went out live too. They've streamed a wedding - the family were as far afield as India and Australia and some continue to follow their Facebook page - and they have streamed funerals too. Lesley says: "We have no intention of stopping streaming - we have seen the benefits and so has our congregation during the lockdown."



MIXING IT UP

At the same time, there was a recognition that not everyone had easy access to the internet or felt comfortable using it.

Churches have therefore offered multiple pathways for interaction, including dedicated home packs, especially around the key seasons of Lent, Easter, Advent and Christmas, outside meditative prayer walks, and phone-sermons and prayer.

Going forward, as restrictions ease, church teams face the new challenge of a hybrid form of church - balancing communities still meeting online, while worship in buildings returns.

To support this ongoing journey, information has been regularly shared by Diocesan Teams regarding national and local webinars offering both practical skills and wider thinking on digital church, evangelism and outreach.

Peer-to-peer support has been made available through the setting up of an increasingly active Diocese of Rochester Digital Church Support Group on Facebook, and a Digital Church Resource Hub, with information and signposting to best practice, is accessible on the Diocesan website.

“We’ve come to realise that we will have to continue all our online services into the future, indefinitely, not just for the sake of our own church members too anxious about returning to church, but also for the sake of all the non-church people who have accessed our online material, which is really gratifying.”

(The Rev Munna Mitra from the Parish of South Gillingham.)

Photo top left

Rev Mandy Carr's live streaming set-up

Photo bottom left

Spark in the Park at Home, Welling holiday club

Photo bottom right

St Mark, Gillingham, online Gospel choir

Photo top right

St Francis, Strood "Cooking up a Zoom"

PIONEERING ONLINE COMMUNITY OUTREACH TO ESTATES

Giovanni Parrales joined St. Francis Church, Strood as their new Pioneer Estates Minister near the end of the year. His role has been funded as part of the £1.39million grant the Diocese received from the National Church's Strategic Development fund, to give creative Christian outreach a boost. Arriving in the midst of a pandemic did not deter or dampen his efforts to grow disciples or meet the needs of the community.

"It has been a challenge but, thanks to modern technology, I have been able to start getting in contact with those who are already supporting this community with the various work they do.

"This pandemic has shown there is a great need for creating ways to engage with families and individuals to help ease the pressures of working from home, home-schooling and isolation.

"Here, at St Francis, we've focused on some creative activities to help people with their wellbeing and mental health. For instance, our *Click and Connect* group is an opportunity for people to meet online for light conversation. We also started, *Cooking up a Zoom* - an online cooking activity for families of all ages."

SHOWING THE LOVE OF CHRIST

Churches and individuals stepped up during lockdown, proving that, while church buildings may have closed, the Church most definitely did not. Diocesan Teams have been there to support, encourage and advise churches on how to do this in the most Covid-safe ways as possible.

From community larders and prescription runs, telephone befriending schemes and mental health walks, to support for women fleeing abuse, outreach to care homes and setting up as Covid-test sites, churches have been walking alongside their communities as living beacons of hope throughout the pandemic.

Many of these were developed in direct response to the social problems exacerbated by Covid-19: hunger, isolation, poverty and abuse. Others were quickly adapted out of established outreach or as an escalation of response.

Very often these vital initiatives have been supported by Diocesan Support Teams through the provision of advice, guidance, and connecting them with appropriate partners as well as funding.

The Place of Welcome at St Augustine, Gillingham is one such case.

One of 17 hubs and cafés supported by the Diocese's Community Engagement and Social Action team, it has continued its work throughout the pandemic.

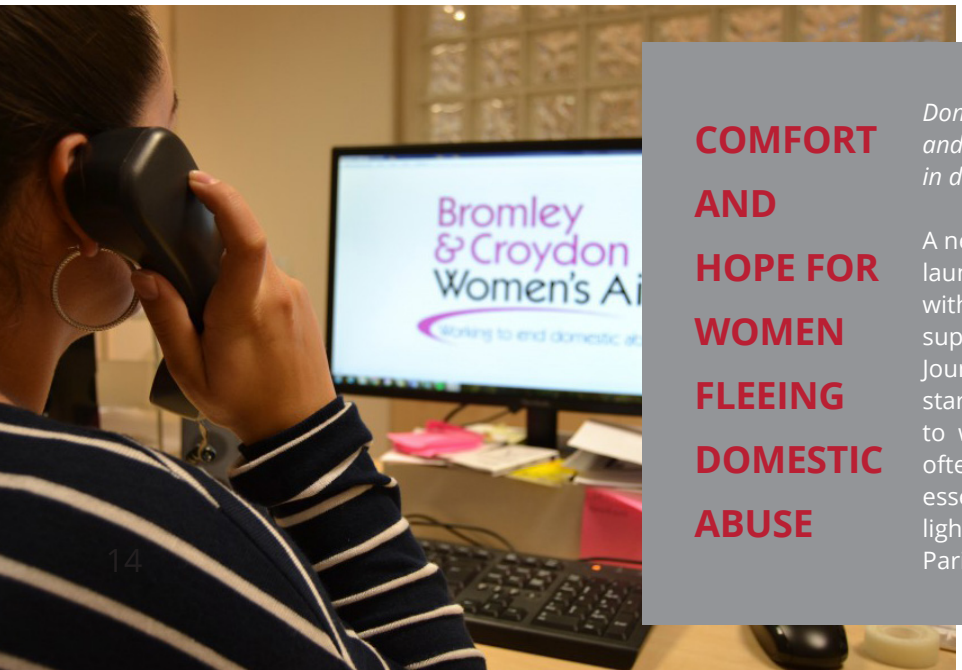
"We wanted to use the church as a centre from which to address isolation, loneliness, and health issues locally. We have not let the pandemic deter us." (Andrew Gray, project leader).

The team held weekly Place of Welcome events via Zoom and then in the Summer ran a Chatty Church outside. "We started the hub again in September. It was and is humbling to see how many people have come along. We've heard laughter, the buzz of conversations – friends reunited."

The many practical demonstrations of God's love taking place on the ground in parishes was at the centre of a series of filmed stories called, 'Stories of Comfort and Joy', and a joint series with the Diocese of Canterbury called, 'Beacons of Hope'.

These reflections shone a light on the creative care and love of neighbour by churches, and aimed to offer encouragement and hope at a time of despair to the parishes and communities in the diocese.

They were also a reminder to the wider public that their local church was there for them in this time of need.



COMFORT AND HOPE FOR WOMEN FLEEING DOMESTIC ABUSE

Domestic abuse comes in many forms, from physical and psychology, to financial. Sadly, lockdown saw a rise in domestic abuse incidents.

A new church-backed project in Bromley was launched during the pandemic, in partnership with Bromley and Croydon Women's Aid, to offer support to women fleeing domestic abuse. Called, Journey to Freedom, this fund provides a basic starter pack to help bring some home-comforts to women being rehoused out of a refuge: "This is often accommodation which is without the barest of essentials – no fridge, no flooring, sometimes even no lightbulbs." The Rev James Harratt, Vicar of Bromley Parish Church and Chair of Bromley Relief in Need.

"It has been humbling to see so many of our churches say 'yes' to meeting a vital need in their local area, to walk alongside them and show, through their actions, the love of Christ."

Caroline Clarke, Community Engagement and Social Action (CESA) Team Lead for the Diocese of Rochester

Photo top

Anna Chaplain, Christine Seth-Smith makes a socially-distanced community visit.

Photo bottom

Community larder, St Philip, Sherwood

A FOCUS ON THE VULNERABLE ELDERLY

News coverage during the pandemic also showed the devastation Coronavirus brought to care homes. In a sector already ravaged by years of underfunding and undervaluing of care work, hope was brought by the pioneering ministry of Anna Chaplaincy within the Diocese.

Anna Chaplaincy is dedicated to serving older people, their families and those coping with older life issues such as dementia. It is led in the Diocese by Julia Burton-Jones, Anna Chaplaincy lead and dementia specialist.

Anna Chaplains, and their supporting churches in the Diocese, quickly sought ways to adapt to locked-down care home ministry. Parishes provided details of how residents could access virtual services via Smart TVs and tablets, and Anna Chaplains even delivered pre-recorded services on DVDs.

Aware that some older people had no access to the internet, and with dementia sometimes making it difficult to equate what is happening on a screen with a church service, many hours were spent on the telephone to individuals in their own homes and in care homes, with relationships deepening.

Cards of encouragement, letters and gifts were delivered to staff.

Priorities now include listening and learning from the stories of residents, families and staff, to support them as they make sense of a period of great stress and sadness.

SUPPORTING PEOPLE'S JOURNEY OF FAITH

During this time of lockdown and restriction, there has been a flourishing in people's desire to deepen their walk with Christ. Initiatives supported centrally by the Diocese have given people opportunities to explore their spiritual lives, as well as help them recognise the plan God may have for them.

The aim of the Diocese's Spirituality Network has always been to help people to deepen their relationship with God.

This did not change during the various lockdowns, and if anything, there has been a growth in interest in their activities.

"This is more than about numbers or zeitgeist – it is about the Church, and the Diocese, being faithful to Christ's calling to make disciples. Helping them to walk with Christ through difficult times as well as happy times." The Rev Canon Susanne Carlsson, Diocesan Spirituality Adviser.

Moving their regular offer of spiritual accompaniment online, including the Closer course, they also developed a new opportunity by providing one-to-one online guided retreats.

"For me, before the Closer course, prayer was a one-sided relationship with God. I knew Jesus loved me but it hadn't sunk from the head to the heart. The Closer course helped me make the journey of this knowledge from head to heart." (Radi Doncheva,'Closer' participant).

BRINGING MINISTRY TO FRUITION

At the same time, the training and bringing to fruition of people's call to ordained or lay ministry in all its forms has also continued unabated, and all supported by the Diocese's Formation and Ministry Team.

"The Bishop's Certificate has been a wonderful bonus, completely life-changing in the midst of everything that is going on"

Bishop's Certificate student

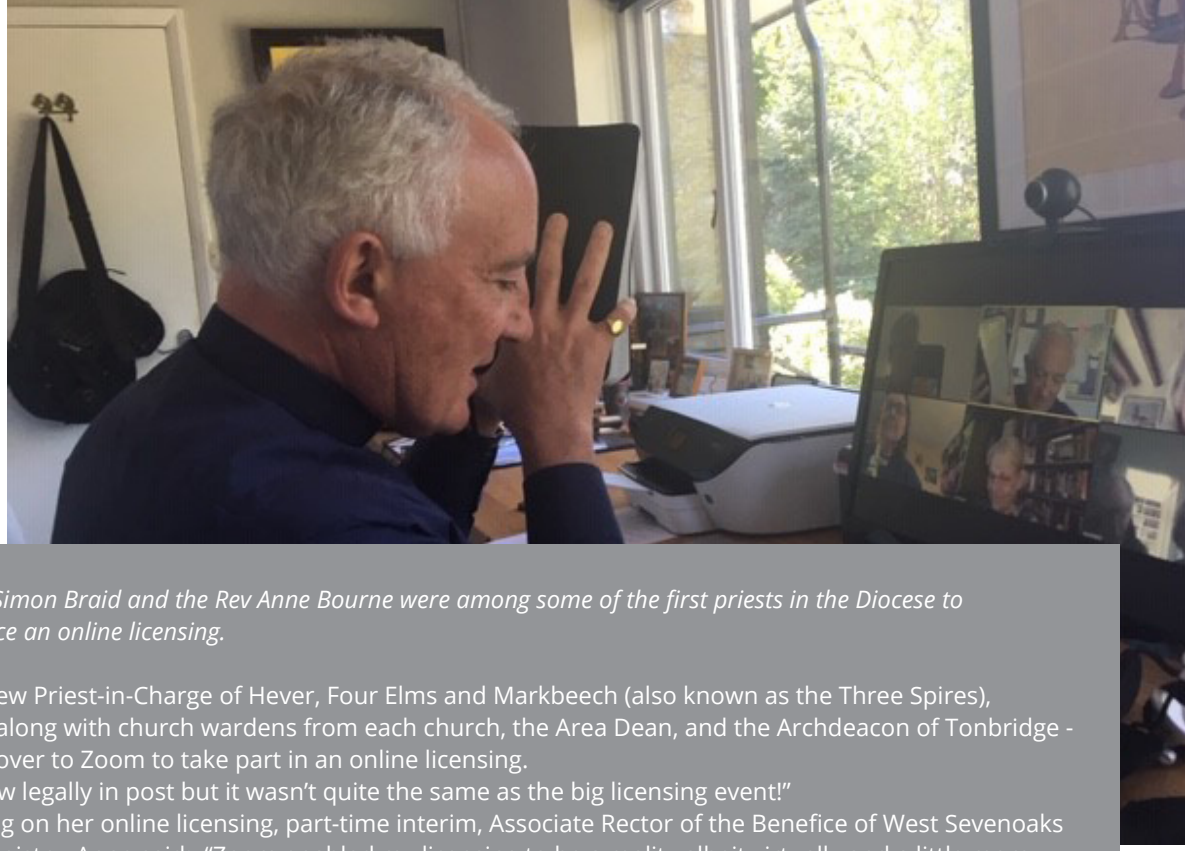
Licensings of clergy and lay ministers to their parishes moved online, while the ordination of deacons and priests took place under strict Covid-19 compliant restrictions, in both Rochester Cathedral and in locations across the three archdeaconries.

"I can remember the day before, having our temperatures taken, so it was right up to the wire as to whether it would go ahead. There were certainly a few tears shed during the service on the next day."

The Rev Beverley Ejimojo

Webinars have offered a new way of delivering some formation and training, and were very much focussed this year on well-being.

Over 100 church leaders attended a webinar in relation to Managing Trauma in oneself and



VICARS LICENSED TO NEW PARISHES ONLINE

The Rev Simon Braid and the Rev Anne Bourne were among some of the first priests in the Diocese to experience an online licensing.

As the new Priest-in-Charge of Hever, Four Elms and Markbeech (also known as the Three Spires), Simon - along with church wardens from each church, the Area Dean, and the Archdeacon of Tonbridge - headed over to Zoom to take part in an online licensing.
"I am now legally in post but it wasn't quite the same as the big licensing event!"
Reflecting on her online licensing, part-time interim, Associate Rector of the Benefice of West Sevenoaks Team Ministry, Anne said: "Zoom enabled my licensing to be a reality albeit virtually and a little more noisy than a normal church service!"

congregations. There were also sessions on How Clergy Thrive, which contributed to the Covenant for Clergy Care and Wellbeing which was given overwhelming backing by the General Synod of the Church of England.

With an awareness of the ongoing support clergy need throughout their ministry, The Rev Jane Edwards was appointed as Bishop's Adviser for Retired Clergy and she led some Pre-Retirement webinars to help clergy to think and prepare for their retirement.

Canon Sarah Partridge was appointed as Bishop's Adviser for Self-Supporting Ministers.

In addition to wellbeing, other Diocesan Teams have provided a plethora of webinars offering practical resources for mission and ministry, on subjects as diverse as prayer, sports evangelism, homelessness, community hubs, Thy Kingdom Come, and rural ministry.

RECOGNISING EVERYONE'S CALLING

Diocesan Teams have continued in 2020 to showcase and emphasise the depth, variety and value of all vocations and each personal experience of faith, through its explicit support of the national Everyday Faith campaign.

This has been done, not as another initiative or construct to place upon church leaders and laity, but rather through a culture and consistent showcasing over time of the value of everyone's calling, through various channels.

A regular section was introduced into the Diocese's quarterly magazine dedicated to highlighting and celebrating the story of someone who views their work or daily life as the living out of their personal calling.

Diverse stories, from an NHS nurse working on the Covid-19 frontline, a musician leading a project with children with learning disabilities, to the experience of someone who has recently been confirmed, each story has been powerful and unique.

Elsewhere, the Evangelism working group has produced helpful hints and tips over the year for church leaders on how to encourage an atmosphere of story-telling around individual calling and witness. These have been presented as infographics to help them to be easy and accessible to follow.

Regular 'It's Your Calling' days by the Vocations team moved online with the focus not just on ordained ministry, but lay ministry and everyday vocation.

There have been Bishops' Study Days on Everyday Faith, and a well-attended 7-week exploration of the Hebrews 12 text – 'Running the race set out before us' – led by Archdeacon Andy Wooding Jones. Held online, it explored how we can all seek out the path God has called us to.

The Rev Canon Susanne Carlsson also delivered a timely and apt series of webinars on Discerning God's invitation in the landscape of the pandemic.

As well as being a privilege and delight to share each person's 'treasured calling', this ongoing effort to help vocation flourish, is a key living out of our Called Together strategy to 'grow disciples'.

CONTINUING TO GIVE PARISHES THE SUPPORT THEY NEED

Diocesan teams adapted fast to the new challenges the pandemic presented, both operational and financial. Ensuring the stability of the Diocese, maintaining the day-to-day support churches needed, and caring for people's safety and well-being were top priorities.

The Diocesan Office has been closed to visitors and most staff since the end of March 2020, and so while normal office life has come to a stop, the dedication and commitment of staff to serving the parishes has not.

To help limit the financial impact of the pandemic, a third of Diocesan Office Staff were furloughed during 2020 (and some into 2021).

It saw many teams and individuals take on additional work to maintain service levels to parishes.

Staff adapted well to homeworking, with support provided through workstation assessments and portable equipment which enabled a flexible approach to work locations.

"The communication and information we have received from the Diocese has been like 'gold dust' and has given us the confidence to carry on in such difficult times."

Feedback from Churchwarden

Meetings successfully transitioned online and staff continued to work professionally while managing a range of differing home circumstances.

Communication was stepped up to help parishes navigate the new landscape. This included the creation of a new Digest, sharing Covid-19 guidance, resources and the latest need to know information, which was shared three times a week.

Additionally, to support churches with the new demand for creating online content, the Diocese shared weekly Reflections from a senior member of clergy, and as needed, provided input into parish services.

Some work was paused, and five of the Church Commissioners' funded roles were redeployed to help their churches with their day-to-day ministry, rather than focus on their Strategic Development Fund projects.

ADVICE AND GUIDANCE

All the Diocesan Support Teams worked tirelessly to help parishes understand and work within the parameters of new restrictions and guidance, as well as advise on best practice and create helpful resources.

The Children and Young People Mission and Ministry Team remained in regular contact with their network of Employed Youth Workers, encouraging and advising them on how to adapt their ministry, how to maintain contact safely – particularly in the digital sphere – and offering online webinars, signposts to resources and creating their own weekly Ministry@Home sheets full of ideas and inspiration.

They also worked collaboratively with the South East Partnership to deliver targeted online training events for children, youth and families workers, volunteers, church leaders and parents and carers, on issues relevant to the challenging times.

Safeguarding has of course remained a priority, with the full team remaining available from home to parishes for advice and support.

Delivery of core safeguarding training moved online and work continued on the Past Cases Review - a process to establish whether all known cases of concern about the behaviour of clergy and church officers towards children and vulnerable adults, have been considered, risk assessed and dealt with appropriately - with completion expected in 2021.

"This course really made me face up to the fact that abuse can be so undercover, unrecognised and we don't see it until it is too late and people have been hurt. I have learnt that we have to be more pro-active."

Safeguarding training participant

The congregation of St Edmund King and Martyr Church, West Kingsdown wait socially-distanced to enter the church

457 people completed the Foundation level online safeguarding training.

8 Safeguarding Leadership courses delivered

809 DBS checks processed

Three networking meetings were held for Parish Safeguarding Officers in each archdeaconry and Safeguarding Induction for clergy new to the Diocese was introduced.

The team's insight has been particularly valuable in helping parishes and individuals maintain a constant vigilance as to the potential safeguarding risks that could be brought about as new and creative ways to connect with people and deliver pastoral support, as well as offer practical assistance, were developed in response to Covid-19.

FINANCIAL SUPPORT

With a halt to 'normal' life due to the pandemic, came a halt to many forms of regular income for churches. Aware of this, the Diocesan Team looked at what could be done immediately to mitigate the impact of the pandemic.

Promoting and helping churches get to grips

with online forms of giving was one such area identified.

Liz Mullins, Stewardship and Funding Adviser in the Diocese of Canterbury was seconded to Rochester in May 2020 for two days a week to give this area extra resource.

Her expertise and encouragement saw significant development of the giving pages on the Diocesan website, and the collating and sharing of information and resources.

For many churches, this was their first time developing online forms of giving, with the focus moving from contactless card readers to online giving, particularly when churches were shut.

A noticeable trend has been a move by those who regularly gave cash, either in the collection plate or through weekly envelopes, to giving by monthly standing orders.

There has also been work undertaken with individual parishes around stewardship and generosity, with several giving campaigns planned for 2021.

The financial strain on parishes however has been real and painful.

Through prayerful consideration and by listening to the experiences of parishes, the Diocese was pleased to be able to the launch the Diocese of Rochester Covid-19 Emergency Relief Fund in April 2020.

This fund offered an initial £750,000 package of support in the form of loans and grants, to help parishes in immediate financial need.

The Diocesan Team were also delighted to receive generous donations from several parishes in support of the fund.

These parishes contributed an additional £26,000 to the package of funds already made available by the Diocese.

To date, the Diocese of Rochester Covid-19 Emergency Relief Fund has made the following awards:

• 48 grants made of £5,000

• Loans to five parishes totalling £58,700.

The Rev Mandy Young, Vicar of St Edmund's King and Martyr, Dartford, whose church received a grant, says it made a huge difference to their morale and the church's ability to 'work hard and stay focused on mission' in their community at a difficult time:

"I want to say a massive 'thank you' to the Diocesan team for all their help.

"The emergency grant made a huge difference to us. It has meant we have been able to keep going when the church was receiving no income from lettings at all, or from social events and collections."

FINANCIAL BOOST FOR CHILDREN'S WORK

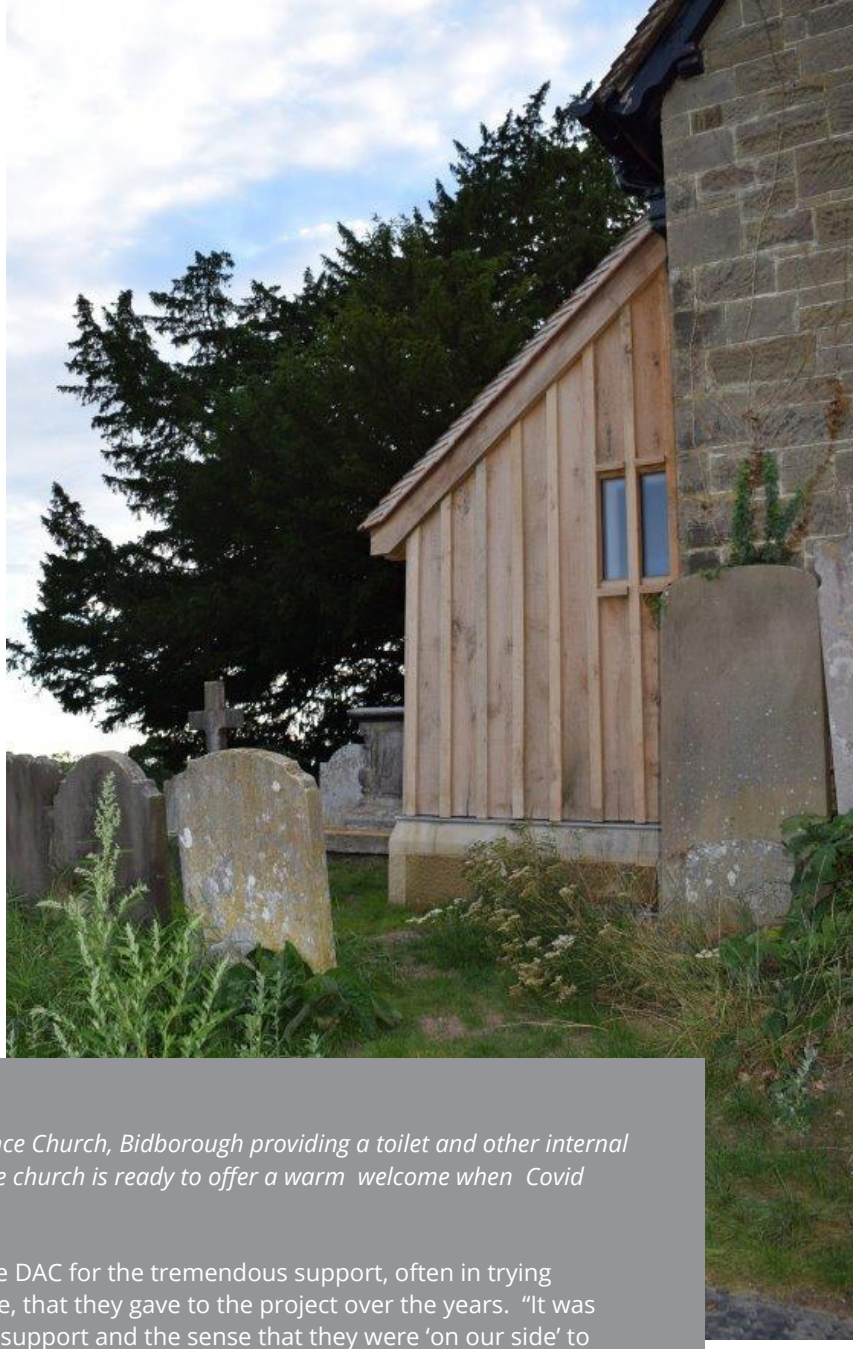
The Children and Young People Fund also continued to support creative ministry during the year through its grant making scheme.

Initiatives supported included 'Christmas in Box' at St Margaret's Church in Rainham, which saw 400 boxes full of festive family fun and crafts about the Christmas story, delivered to families in the local area as they prepared for a lockdown Christmas.

By the end of 2020 there were **129** online accounts.

Total online transactions in 2020 were **£80,004**

The average donation value was **£19.47**



RE-ORDERING WORK GETS CHURCH READY TO WELCOME

An extension at St Lawrence Church, Bidborough providing a toilet and other internal reordering, has meant the church is ready to offer a warm welcome when Covid restrictions allow.

"I would like to thank the DAC for the tremendous support, often in trying times and at short notice, that they gave to the project over the years. "It was wonderful to have their support and the sense that they were 'on our side' to help get the project done." Church warden, St Lawrence Bidborough.

PROPERTY AND CHURCH BUILDINGS

Due to the impact of Covid-19 and further reduction of the property budget, the Quinquennials (both inspections and works) were deferred in 2020 except for some essential works.

The focus of the Surveyors Team moved primarily to Health and Safety and reactive works.

Priority was also given to works which would add value to the life in a parsonage house, such as continuing with some kitchen and bathroom refurbishments and other improvements.

The Diocesan Advisory Committee continued to work throughout the pandemic and helped see through to completion some vital re-ordering projects.

With support from the Diocesan Advisory Committee, two churches - All Saints' Church in Orpington and St Botolph's Church in Northfleet - received almost £155K worth of funding between them as part of the Government and Historic England's Heritage Culture Recovery Fund, enabling them to further use the church building for community use.

"Our thanks go to Sarah Anderson, Diocesan Advisory Committee (DAC) Secretary, and John Bailey, Architect at Thomas Ford & Partners, for all their guidance and support."

The Rev Cyril Showes. Priest-in-Charge at St Botolph's, Northfleet

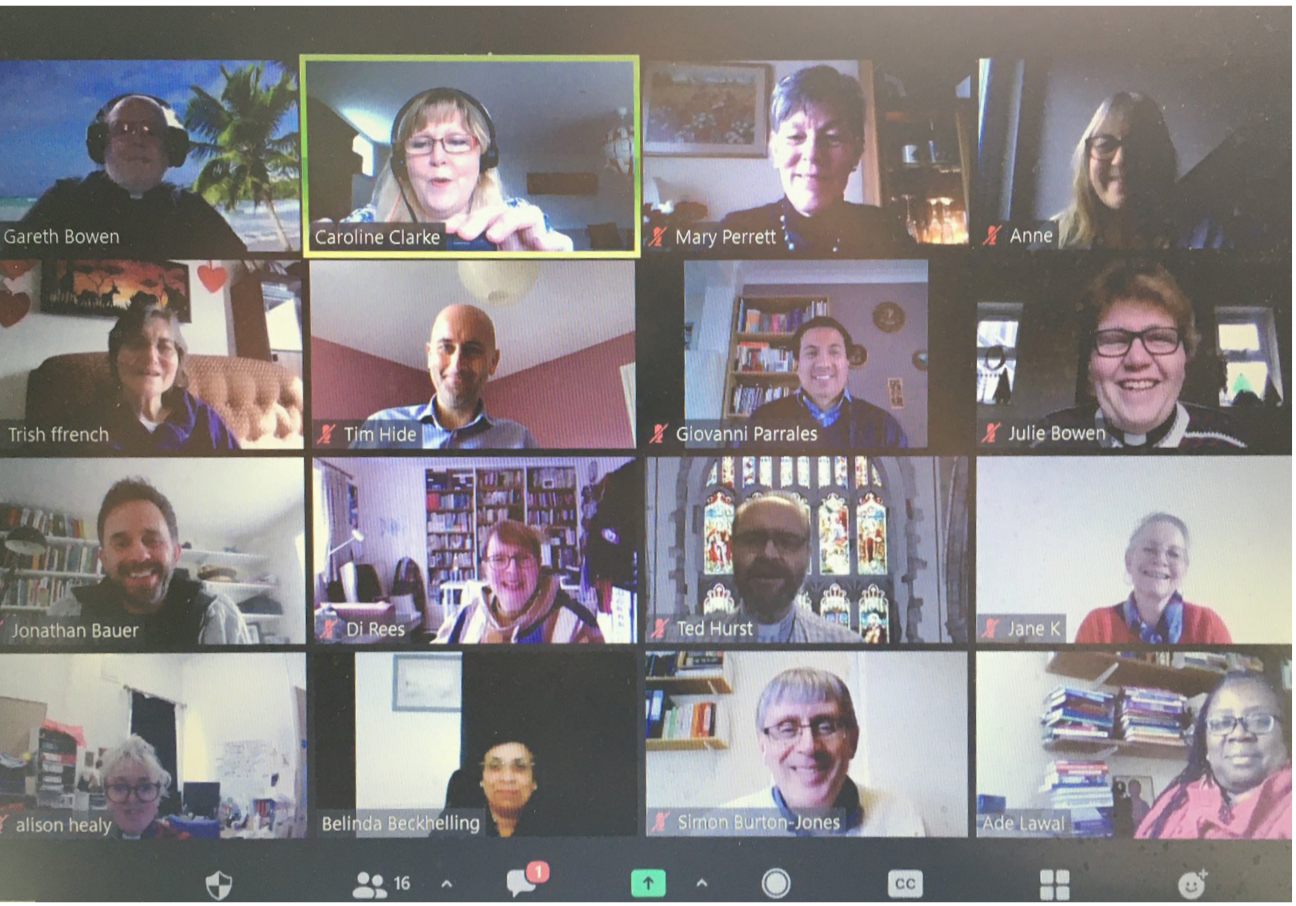


Photo left

England Mental Health First Aid Course (MHFA)

Photo right

Pupils from Platt Church of England primary school's monthly Foodbank Friday

PAYING ATTENTION TO WELLBEING

Awareness of issues around mental health and well-being grew significantly during the pandemic. The mental and physical health of communities, as well as church officers and diocesan staff has been a priority.

Alongside this has been a concern for mitigating the risk of burnout, strain and anxiety of both clergy and Diocesan staff.

To help, as many opportunities as possible have been taken through regular communication, to encourage people to be aware of their emotions and mental health, of the importance of taking time off, and the signposting to well-being resources.

Dr Deborah Watkins, in her role as leader of the Diocesan Counselling Service, delivered webinars to clergy, lay ministers, and diocesan and cathedral staff around Developing Positive Strategies for Stress and Mental Wellbeing

The Children and Young People Team also ran a virtual minister's retreat, with care packages sent in the post prior to the event.

"Thank you so much for yesterday, the whole day was just what I needed."

Jo Gavin CC Orpington.

Seeing the growing mental health crisis that was developing in the wider community too, the Diocese's Community Engagement and Social Action team worked with Mid-Kent MIND to deliver the England Mental Health First Aid Course (MHFA) to clergy and lay leaders and volunteers across the Diocese.

The aim was to better equip them to support their communities, as well as themselves, during this time.

The course accredits people as Mental Health First Aiders and gives them an in-depth understanding of mental health and the factors that can affect wellbeing as well as practical skills to spot the triggers and signs of mental health issues.

Over 100 clergy and lay people have been trained to date.

Some churches are supporting their Church Community Volunteers to take this course; the Archdeacons are also funding some Clergy places in each Archdeaconry; and the CESA Team has funded further places for Community Volunteer Leaders.

Bishop Simon Burton Jones, who is one of those who has taken the course said: "I am so pleased to have taken the Mental Health First Aid course. A good recovery from the pandemic surely means better attention to such needs."

"Our schools' and Trust values have promoted resilience, love and hope for a safe future in our schools - never have they been more relevant. Our priority is keeping our school communities safe and thriving."

Leaders from the Medway Anglican Schools Trust - which runs four Primary schools within the Diocese.

OUR SCHOOLS

The response of our Church schools during the pandemic has been generous, creative and accommodating, exhibiting the professional traits we have come to expect from our teachers but which was no less remarkable for it.

The Diocesan Board of Education has been in constant touch with headteachers and chaplains throughout the pandemic offering support, advice and encouragement.

"Even though our ability to visit schools in person was made almost impossible over the past year, we know from our calls of the many creative ways of engaging with the whole school community that have been explored. "

Virginia Corbyn, Deputy Director of Education.

Joint projects such as food banks have seen church schools and parishes serving their local community together.

Initiatives including Hearts for Homes have helped those in schools to stay in touch with their nearby residential homes.

Since March, many clergy and church members have 'zoomed' acts of worship into classrooms making sure that the love of God is proclaimed loud and clear week by week.

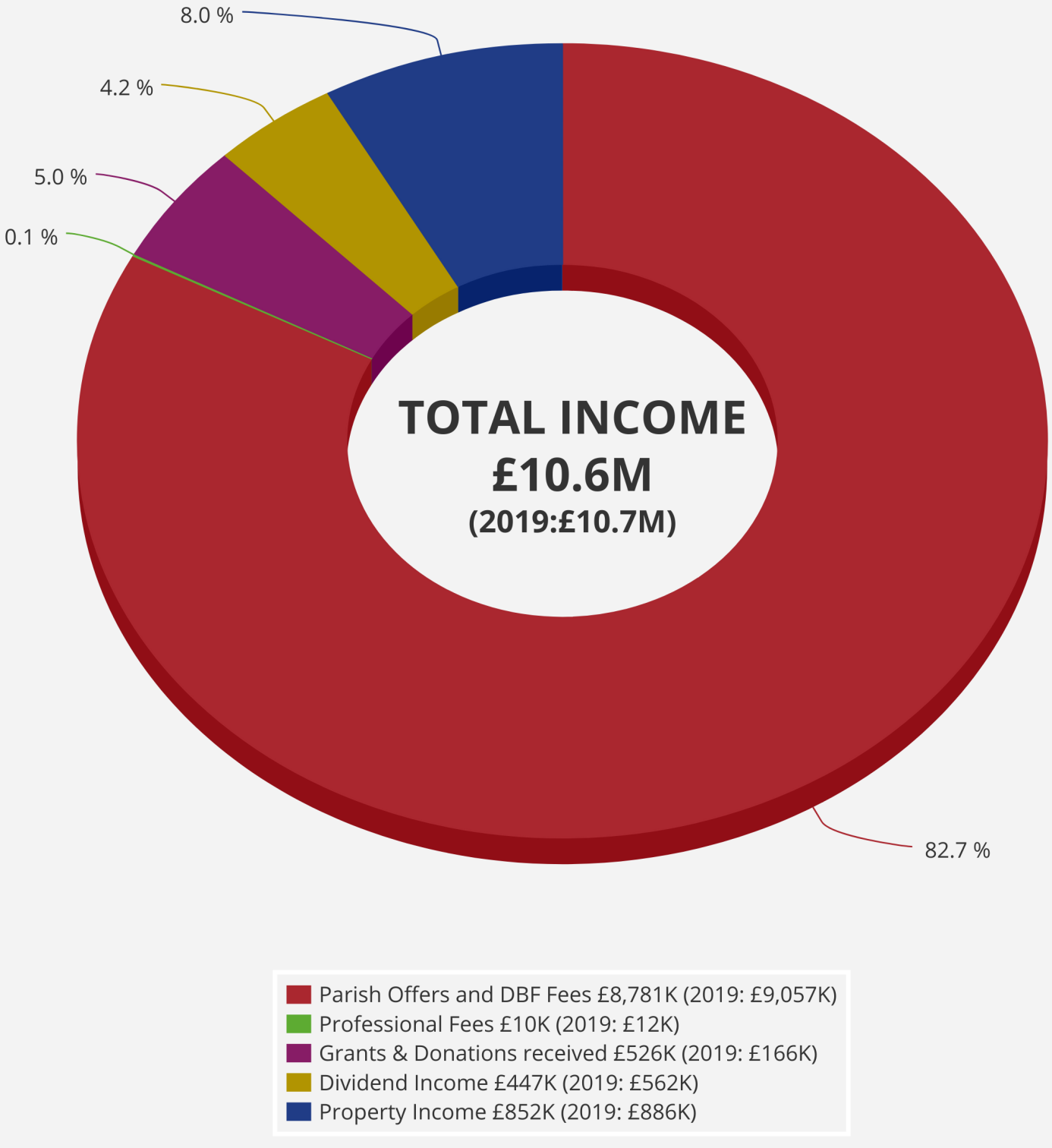
The Rev Julie Bowen, Chaplain to St Olave's Grammar School says that being a chaplain at this time has been very different and has meant finding new ways of just being there:

"We cannot use the Chapel so we have developed a wellbeing area. We can't meet together in the hall so all Assemblies go into the classes either filmed or on audio Power Point.

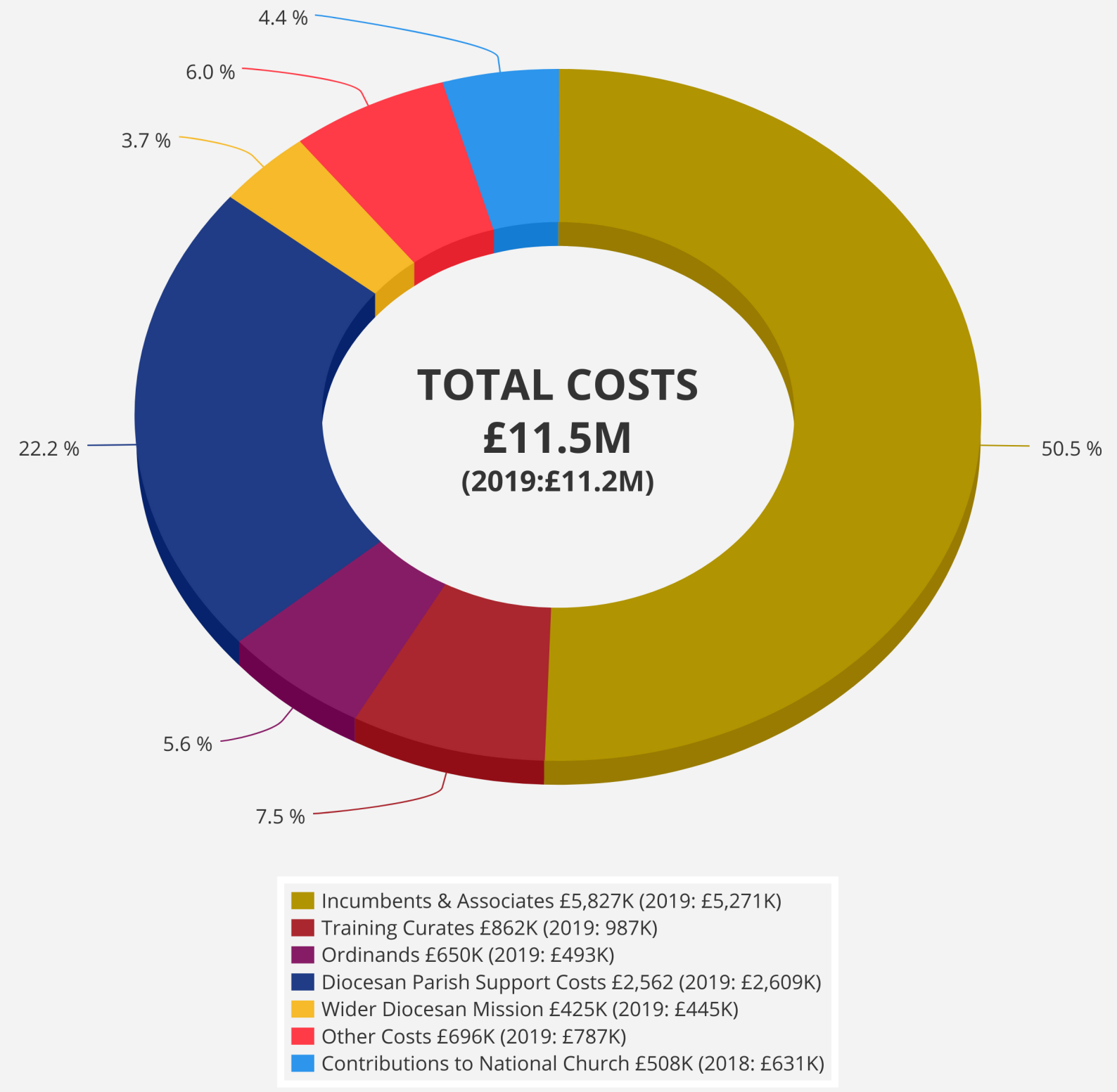
"In the quiet moments, when others are not around, I am able to prayer walk the school and pray for classes, students and all staff. "

FINANCIAL OVERVIEW

Net Income on all funds was a surplus of £2.8M (2019: £1.2M). The Operating Result on the Common Fund was a deficit for the year of £0.91M (2019: £0.54M).
The Diocese's financial strategy seeks to achieve a financially sustainable position.



Note: Incumbents and Associates benefited in 2019 from a transfer from the Diocesan Pastoral Account of £500K.



Note: From 1 January 2020, DBF Fees were recovered in full by the RDSBF of £0.4m (2019: £nil).

SUPPORT COSTS FOR PARISHES IN 2021

Support Costs for Parishes

The Diocese of Rochester is reliant on the payment of Parish Offers which, together with DBF Fees, represent 83% (2019: 85%) of income

Cost of a Full-time Incumbent (£)	**2021**	**2021 Cost per benefice**
Current Stipend (from April 2021#)	27,260	
National Insurance (8.0%)	2,181	
Pension (24.22%)*	6,602	
Parsonage Upkeep budgeted for 2021 (2020B: £4,590)	5,257	
Cost of a Full-time Incumbent	**41,300**	**£41K**

at the same level as April 2020

* excluding pension deficit payments of 11.9%

Diocesan Support Costs (ex Parsonage Upkeep) (£K)	**2019**	**2020**	**2021B**	
	1,908	**1,851**	**2,138**	
Number of benefices	**182**	**179**	**178**	**£12K**

Costs of Mission, Future Ministry and National Church (£K)	**2019**	**2020**	**2021B**	
Curates	987	862	920	
Ordinands	493	650	693	
Wider Diocesan Mission	445	425	490	
Contributions to National Church	631	508	841	
	2,556	**2,445**	**2,944**	**£16K**

Contribution required for 101 (2019: 97) benefices unable to cover the allocated cost of a wte Incumbent and Diocesan Support Costs (£K)	**1,481**	**1,478**	**£8K**

Average Contribution required from Benefices	**£77K**

New deacons with Rt Rev James Langstaff, Bishop of Rochester at Ordination service

FINANCIAL STRATEGY

The Financial Strategy is the achievement of a financially sustainable position and to successfully underpin the diocesan strategy of Called Together.

FINANCIAL SUSTAINABILITY

The existing Financial Strategy was agreed in February 2018. The purpose of this financial strategy is to underpin Called Together and enable it to come to fruition.

It has been stated that we face two principal risks with our financial situation. First, we make plans that we cannot afford and end up in financial difficulty. Second, we limit our ambition and fail to address the underlying issues of general church decline. Neither of these would be satisfactory. Our aim has been to address the underlying issues that face the Diocese and provide a platform for growth, and all the while ensure we have the funds necessary to achieve this and maintain financial sustainability going forward.

The Diocese has run at a Common Fund deficit for the last several years. The DBF has been aiming to achieve a position where the day-to-day income and expenditure of the Common Fund are in balance, while using designated and restricted funds for the purposes for which they are held, and in particular to fund capital and growth initiatives.

The Financial Strategy envisaged a balanced budget being achieved by the end of 2020. We set an ambitious break-even budget in 2020, which was dependent on the successful introduction of Indicative Offers and the recruitment of a Giving Officer, among other things. Sadly, the achievement of break-even did not prove possible last year with our plans being heavily hindered by the Covid pandemic.

In the event, in 2020 we achieved a Common Fund deficit of £914K (compared to our fall-back Base-case Budget of a deficit of £833K). However, this was after the benefit of a Continuity Grant, applied for and secured, of £320k from the National Church Institutions.

In 2021, we are now budgeting for a Common Fund deficit of £1.8M and currently anticipate this to be difficult to achieve given that projected Parish Offers are running at c£200K below budget. The outturn will be largely dependent on the recovery from the Covid-19 pandemic. We will need to establish the level of the post-Covid structural deficit. The ongoing sacrificial support from parishes in maintaining contributions is vital to the ongoing maintenance of our mission and ministry.

We are now starting the process of setting the budget for 2022 and as part of that we are also developing a strategic 5-year financial plan based on the results of the Strategic Review that is being conducted. Our aim must be for the 2022 budget to be prudent, and for the strategic financial picture to be sustainable going forward.

Historically, we have aimed for a break-even position on the Common Fund, and the only significant ways to reduce the Common Fund deficit in the short-term, alongside the pursuit of strategies to support mission in the parishes such as Called to Grow, are the ongoing pursuit of increased contributions from parishes, reducing clergy numbers (with the impact of perpetuating decline), and with this making hard decisions not to subsidise parishes which are not thriving and are not covering their ministry and diocesan support costs.

The central support function is already overstretched and the opportunity to cut costs is limited.

It is now widely recognised across the Church of England that in order to attain a long-term sustainable financial position and address the deep-seated issue of church decline, we will not only need to sustain the funding of the existing parish structure and invest in the slow renewal and recovery of the inherited church and its

mission, but alongside this we will need to be bolder in investing in future ministry and the emerging church.

We need to be able to invest in areas of new developments where the population is growing, in intentionally reaching out to the unchurched and de-churched and in areas of demographic and cultural change and diversity, where different styles of church are required. We also need to support this in our recruitment and training of clergy and lay ministry, and in the oversight of establishing fresh expressions of church and church planting.

As progress begins with the review of the diocesan strategy and the recruitment of a new Bishop, it is clear that more expenditure will need to be invested to support mission and growth in the Diocese, if we are not to bequeath an ever-growing endowment to a smaller and smaller number of future beneficiaries. A blind pursuit of a short-term balancing of income with expenditure will not be wise policy, given Jesus' teaching in the Parable of the Talents to invest our resources wisely in building the Kingdom of God.

This leads to a delicate balance needing to be made about current investment against the preservation of capital for the future, all the while seeking to balance our existing funding of the parish system.

STRATEGIC REVIEW

The Strategic Review was initiated in late 2020 as a mid-point review of Called Together and in response to the opportunities and challenges presented by the Covid pandemic and other world issues and to establish the basis for financial sustainability going forward.

The Strategic Review has shown:

• a clear commitment to and desire for the Called Together strategic framework, with no opportunity for significant cost increases or reductions;

• very little opportunity for further cuts to diocesan staffing (unless legal obligations are to be ignored);

• in 2020, 101 parishes did not cover the cost of their ministry and diocesan support costs, so were subsidised from the Common Fund to a total of £1.5M per year.

It is also clear from the Strategic Review that there is a need and desire to grow the church in its ministry and mission. There is a continued desire to invest in strategic parishes; especially those which are thriving but cannot make a full Parish Offer due to deprivation/demographics. In addition, there are real opportunities to invest in growth across the Diocese, through strategic development of buildings and placement of people resources (many of them lay).

A new Bishop is due to be appointed in 2022 and s/he will seek to lead us no doubt with a new vision and this will lead to a refinement of the investment objectives.

This leads us to a need to consider the ability to fund such investment requirements and the potential available to us to access necessary funding.

COMMON FUND AND INDICATIVE OFFERS

The Common Fund is the principal unrestricted fund that deals with the general income and expenditure of our Diocese.

Hot food project , Interfaith Forum, Bexley

The management of the finances and resources are framed in such a way which reflects who we are – an interconnected family or fellowship of Christians dependent upon and supportive of one another.

This connection brings with it a shared concern and responsibility for one another.

Thanks to the generous and often sacrificial contributions of parishes into the fund each year, we are able to ensure a number of things including:

• that ministers, ordained and lay, stipendiary and self-supporting are available across the area of the Diocese;

• that the mission of the local church is supported, allowing us to retain a vital presence in our communities;

• that new vocations to ministry are discerned and developed; and

• that we make our fair contribution to the costs of the National Church.

A new system of Indicative Offers for parishes was established in 2019. This is to help inform parishes as they consider their contribution to the Common Fund and to apportion contributions on as fair a basis as possible.

Whilst retaining the voluntary nature of Parish Offers, the Indicative Offer enables parishes to assess their pledged offers based on the total mission and ministry funding requirement of the whole Diocese.

It is hoped that the system of Indicative Offers together with targeted and supportive follow-up with key parishes by the Archdeacons and Area Deans, assisted by the Finance Team, the level of Parish Offers be maintained at a sufficient level to meet our mission and deployment plans.

A parish's Indicative Offer is calculated as shown in the diagram below.

There are several variations and exceptions to the basic calculation. For example, benefices which in the previous year were unable to contribute sufficiently to cover the cost of the Ministry Cost and Diocesan Support Cost are provided with a total Indicative Offer that is capped at 50% of Gross Income (unrestricted).

PARISH OFFER EVALUATION PANEL

In rolling out the new Indicative Offer system, we sought to establish a more formal system for receiving and responding to Parish Offers.

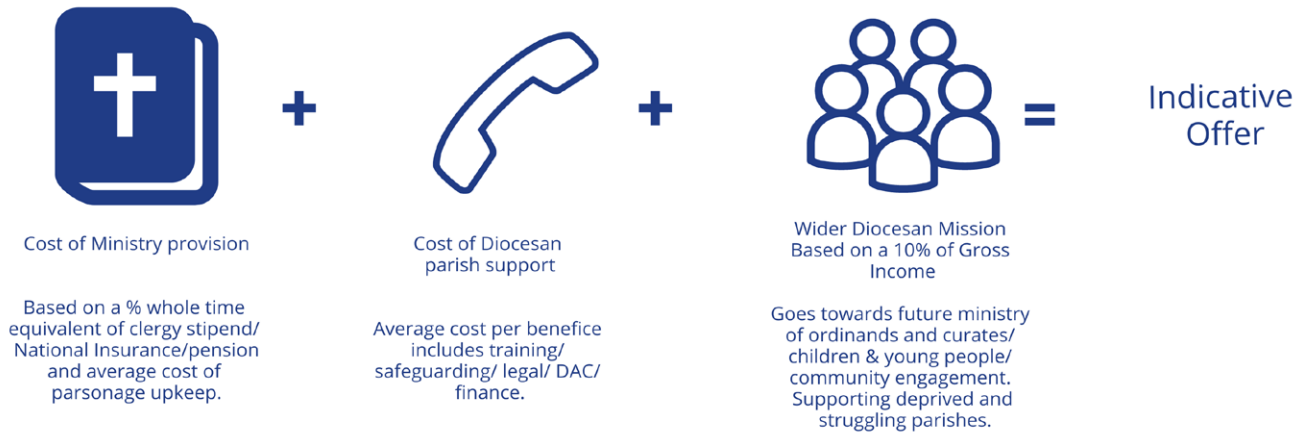
This support needs to be in looking with the parish at the resources it has, and in some cases hasn't, so that where there is a challenging situation it is known and shared.

In achieving a fair level of offer which adequately reflects the cost of ministry and support that a parish receives, the emphasis is on collaboration and support. Where there are concerns of hardship these need to be seen and dealt with, not become another weight for the parish to carry. Equally, if a parish is able to meet its share, but doesn't, it needs to be clear that others including its neighbours will be picking up the cost.

With this in mind, we introduced a Parish Offer Review Panel, a sub-committee of the Finance Committee comprising clergy and laity, which will deal with issues from parishes concerning the level of Parish Offers. Because of the Covid crisis the Panel has yet to meet. It is now planned to start meeting in early 2022.

FINANCIAL IMPLICATIONS OF THE COVID-19 CRISIS

We understand that parishes have been severely challenged with their income as a result of the Covid-19 crisis which has led to the closure of churches and ceasing of gathered worship. We



are asking parishes to do all they can to maintain Parish Offers, which are largely used to support the clergy stipends.

A commentary on the impact of COVID-19 is provided in the Financial Review on page 37.

2021 BUDGET AND OUTLOOK FOR 2022

The budget for 2021 is built on an assumption that Parish Offers will further decline to £8.0M (2020: £8.4M) as the Covid-19 pandemic continues into 2021, with the anticipation and hope that in the second half of the year income levels will recover as the economy re-opens and that Parish Offers will recover in kind.

A range of scenarios were considered, including a worst-case scenario to ascertain the impact and to ensure the Diocese has sufficient reserves and liquidity to weather that eventuality.

The level of parish contributions anticipated is clearly uncertain and dependent on the severity and longevity of the Covid-19 pandemic. Whilst parish contributions, in the circumstances, have held up remarkably well in 2020, largely because many parishes have been able to utilise reserves, it is believed that the ability to continue this level of contribution will become increasingly difficult as the pandemic persists.

We have reserves and assets to enable us to sustain lower income levels if we absolutely have to and this is a time where we need to be as careful as we can with our expenditure, but also to use reserves if necessary.

Much of the expenditure for the Diocesan Office is related to staff that we employ. The budgeted Diocesan Office Support Staff is stable at 35.9 WTE, the same level as the 2020 budget, although there have been changes in the roles to support parishes in what they need through this period.

Overall headcount of Diocesan payroll is for full-time equivalents of 49.3 (2020A: 48.9; 2020B: 46.9; 2019A 48.6). The Diocesan payroll headcount now includes 7.4 staff on the DBF payroll who are not funded by the Common Fund. This includes 3 Growth Enablers, funded by Diocesan Pastoral Account, and 3 staff funded by the Strategic Development Fund of the Church Commissioners.

Parsonage repair and maintenance has been prioritised and is being maintained in 2021 at 2020's originally budgeted level of £750K (including insurance). In addition, £500K catch-up work over two years (funded from the Diocesan Pastoral Account) continues and the second tranche of £250K will be spent in 2021, bringing total budgeted property expenditure in 2021 to £1.0M.

LIQUIDITY POLICY

The RDSBF's liquidity policy has been to maintain minimum liquid reserves of £2.75m (defined as monies either on current account or on bank deposits of up to 35 days' notice, of which £1M should be in cash or on bank deposits of up to seven days); being £2.0M for the purposes of working capital and a sum of £0.75m (representing just under 10% of total deposits by parishes for the Church Repair Fund (CRF) and Diocesan Loan Fund (DLF)) to cover potential withdrawals from the CRF and DLF. In addition, for prudent "risk" reasons (as opposed to liquidity considerations), at least 10% to 15% of available funds for investment, subject to a maximum of £2.5m, should also be held in cash under the terms of the Cash Deposits Policy - in this case through a range of maturities up to one year may be utilised.

In the light of the Covid-19 crisis, the Trustees are confident that the RDSBF has a sufficient asset base to cover liquidity needs in the foreseeable future.

The overall cash balances at the 2020 year-end stood at £9.0M (2019: £5.2M) (being in excess of the current policy level of minimum liquidity and cash reserves of £5.0M).

RESERVES POLICY

The Trustees require reserves to:

• meet short-term excesses of expenditure over income;

• provide funds for expenditure with long-life horizons; and

• fund recognised future infrastructure and strategic policies which will require resources, such as the changing form of ministry and the deployment of clergy.

It is the RDSBF's policy in order to cover such eventualities, reviewed in March 2019, to maintain free reserves in excess of £5M.

Common Fund reserves at the year-end stood at £5.2M (2019: £6.8M). This is in excess of the amount required under the policy. The Trustees consider it important to carry additional reserves to cover unforeseen eventualities and the possibility of future operating deficits.

DESIGNATED RESERVES

The Trustees may designate unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the Common Fund in the event that there is no further need to retain them for the purpose of their

designation. A description of each reserve together with its intended use is set out in Note 16.

RESTRICTED AND ENDOWMENT FUNDS

As set out in Notes 17 and 18, the RDSBF holds and administers a number of restricted and endowment funds. None of these funds are available for the general purposes of the RDSBF, although the income of endowed funds may be used for certain restricted or unrestricted purposes.

INVESTMENT POLICY

The Board's investment policy is based on the two key principles of Preserving Inter-generational Equity and Ethical Investment:

Preserving Inter-generational Equity

The Trustees are aware of their long-term responsibilities in respect of endowment funds and as a result follow a correspondingly prudent approach to investment decisions.

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.

Unrestricted and restricted investments are invested to balance income, liquidity and the maintenance of capital, and are held in listed and unlisted equities and funds and fixed interest bonds in managed funds.

The Bishop's Council has agreed to seek an appropriate minimum total return of at least CPI plus 3%, whilst at least maintaining the capital value of its non-property investments in real terms.

Ethical Investment

RDSBF follows the guidance of the Church of England Ethical Advisory Group. In practice, this means applying an ethical screen to the portfolio which precludes direct investment in companies which have more than 10% of their turnover in armaments, pornography or tobacco. It also looks to invest in companies which have high standards of corporate governance and act in a responsible way towards stakeholders.

Fund Managers

In January 2020, the Diocese transferred its investment portfolio (excluding property investments) to Mercer Global Investment Management Ltd. ("Mercer"). Mercer's investment platform provides the Investment Committee of Bishop's Council with a greater level of flexibility to align the portfolio with the overall objectives of the Diocese and the flexibility for Mercer to respond to market changes and changes in the performance of specific funds and fund managers. The current portfolio includes allocations to a broad range of asset classes, with a strong focus on sustainability issues.

GRANT MAKING POLICY

The Memorandum of Association of the RDSBF explicitly permits the RDSBF to make grants in pursuance of its objects, and the nature of grants made in 2020 is indicated in Notes 6 and 8.

Grants are made to the National Church to cover a proportion of its central costs and also to cover training for ministry (see Note 6).

The Diocese operates a successful £500K fund (launched in 2018) to support local initiatives in connection with mission to Children & Young People (funded by a £250K grant from the Colyer-Fergusson Charitable Trust; a £125K grant from Trust for London income; and £125K from RDSBF's Hollywood Manor Fund).

The Missional Property Fund was launched in early 2018, with a primary aim to support projects which allow parishes to open up church buildings for mission. The fund matches external funding from Marshall's Charity with restricted diocesan funds to provide a £645,000+ five-year fund to enable changes to church buildings. Grants have supported the installation of WCs, access ramps and doors, lighting, Audio Visual equipment and Wi-Fi, heating systems and more. To be successful an application must clearly state how the changes are missional and link with the activities and plans for their community.

In 2018, 8 churches were awarded grants totalling £116,000. In 2019, 10 churches shared a grant pot of £116,500. In 2020, Marshall's Charity had reduced income and were only able to make available £37,000; instead of disappointing a large number of churches by running an application process when so few would be successful, St John's Chatham was invited to apply for the whole amount to enable much needed new facilities to be installed, making a significant difference to the work at the Medway Centre of Mission and St John's.

Grants are paid to other connected charities and to other charitable projects which appear to RDSBF to support the furtherance of RDSBF's objects, including grants to assist our Companion Dioceses of Mpwapwa and Kondoa in Tanzania, Harare in Zimbabwe, and to promote links with the Evangelical Lutheran Diocese of Estonia.

PROPERTY

There are three types of property that the RDSBF owns: glebe investments (historic land

and buildings), clergy houses, and RDSBF owned corporate property held for operational purposes.

The RDSBF will consider the disposal of property for the following reasons:

• To replace unsuitable parsonages;

• To accommodate the changing geographical deployment of clergy within the Diocese;

• To realise the development potential in some properties, thereby releasing funds to invest in our mission; and

• To rebalance our overall glebe investment portfolio and to reduce our exposure to specific direct property investments.

CLERGY HOUSES STRATEGY

Inspired by the Called Together vision, RDSBF operates a Clergy Houses Strategy. It sets out the Clergy Houses Committee's approach to clergy housing for the coming years and reaffirms the work and aspiration of the Committee.

Clergy houses often hold a significant place in the hearts and minds of the local church and community, as well as our ministers that live and serve within them.

The ambition is for an approach to housing which, while mindful of this, is also:

• flexible

• realistic, and

• responsible.

Key objectives over the coming years are that clergy housing should:

• Be suitable and appropriate in its use of diocesan funds;

• Be affordable for the occupant and practical as a home and working environment;

• Facilitate mission and ministry across the Diocese; and

• Achieve good standards of environmental sustainability.

The Trustees commit significant capital reserves to the purchase and improvement of housing for clergy. The RDSBF is also responsible for housing its training curates (currently 22 at any one time). The Clergy Houses Committee oversees the repair and maintenance of clergy houses.

In its role as the Diocesan Parsonages Board and as the housing provider, RDSBF is responsible for the provision, management, maintenance and improvement of approximately 230 houses, principally for the benefit of clergy.

During the year, in total £813K (2019: £1.00M) was spent on properties under the Clergy Property Measure 2018 and the Repair of Benefice Buildings Measure 1972. This includes £603K (2019: £693K (including insurance)) charged to the Common Fund. This incorporates quinquennial building surveys and arranging for repair or improvement by contract or by order, and supervising and administering such works of repair or improvement. The majority of the operational property assets are held for the long-term use of the RDSBF, rather than for re-sale, and are carried in the accounts at their deemed cost in accordance with the provisions of Financial Reporting Standard 102.

The Diocesan Surveyor manages and maintains an ordering system, a 10-year rolling repair programme, and monitors and controls the annual budget. The scope of the work includes all day-to-day and responsive and programmed repairs, including quinquennial works, and day-to-day repairs to (for example) roofs, windows, kitchens, bathrooms, electrics and plumbing.

The Property Team maintains a property database and advises on the retention and sale of each property as and when Archdeacons and the Clergy Houses Committee have identified former ministry housing as being surplus to requirements.

The Finance Committee approves proposals for any purchase or disposal of property. It will additionally consider, on the advice of the Archdeacons, whether rental of property is particularly appropriate in individual circumstances.

This strategic approach to our property requirements is worked in close association with the Archdeacons.

FINANCIAL RESILIENCE AND STEWARDSHIP

Each parish faces significant challenges as the financial regulatory environment imposes ever more stringent requirements upon PCCs.

The Finance Team in Diocesan Office supports parishes in relation to compliance with the Charity Commission and accounting. PCCs are becoming increasingly aware of due diligence in their financial affairs and the need to demonstrate to their congregations that they are obtaining value for money.

Stewardship training and support is provided to help parishes to raise income levels. Church finances would be transformed if the level of giving by church members were raised from its present level of 3.4% of personal income to the national aspiration of 5%.

Parishes are encouraged to take advantage of the various central purchasing schemes run by the National Church.

FUNDRAISING

The RDSBF provides parishes with guidance to encourage them to adhere to best practice in their fundraising activities. It drives one-off campaigns around specific and strategic fundraising needs and supports and enables strategic relationship management.

The RDSBF does not engage with any direct marketing activities, nor does it share or purchase any donor data with or from third parties. The RDSBF rarely engages with independent professional fundraisers and, if so, will always ensure there is an appropriate contract in place.

VOLUNTEERS

The RDSBF 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 RDSBF greatly values the considerable time given by all committee members and other volunteers across the Diocese in whatever capacity they are working in pursuit of the Church's mission.

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

RELATED PARTIES

There are a number of related parties with whom the RDSBF has financial links and/or has financial transactions with, including the General Synod, Church Commissioners and Archbishop's Council.

The RDSBF has to comply with Measures passed by the General Synod of the Church of England and also makes certain annual payments to the Archbishops' Council towards the running costs of the National Church.

As disclosed in Note 7, certain costs of the bishops, including stipends and pension contributions, are borne by the Church Commissioners.

PAROCHIAL CHURCH COUNCILS (PCCs)

The RDSBF is required by Measure to be custodian trustee in relation to certain PCC property, but has no control over PCCs, which are independent registered or excepted charities.

The accounts of PCCs and deaneries do not form part of these financial statements. PCCs are able to influence the decision making within the RDSBF and at diocesan synod level through representation to those bodies and through the input of their deanery synods.

OTHER RELATED PARTIES

• The Church of England Pensions Board: To which the RDSBF pays retirement benefit contributions for stipendiary clergy and certain ordained employees. It also offers schemes to provide housing for clergy in retirement.

• The Dean and Chapter of Rochester Cathedral: Some diocesan events held in the Cathedral are paid for by the RDSBF. The RDSBF rents car parking space and housing for diocesan clergy from the Dean and Chapter and provides safeguarding services to the Chapter under a service level agreement.

• The Rochester Diocesan Board of Education: The Principal Office is located at Diocesan Office. The Board of Education supports and encourages churches and parishes across the Diocese of Rochester through the education of children and young people. The Bishop of Rochester is President of the Board of Education and the Bishop of Tonbridge serves as Chair. The RDSBF from 2021 undertakes the accounting function for the Board of Education under a service level agreement.

• St Augustine's College of Theology: The College is located on the Malling Abbey estate owned by the RDSBF and is a lessee. Ordinands, Curates and Lay Workers from the Diocese are trained by the College.

• St Benedict's Centre: The Centre is located on the Malling Abbey estate owned by the RDSBF and is a lessee. By virtue of office, the Bishop of Rochester and the Diocesan Secretary are each a Trustee and Director. The Centre offers non-residential facilities for individuals or groups to go on retreat, study or meet.

• Emmaus Developments Limited (the trading subsidiary of St Mary & St John, Chatham PCC): The company has its registered office at the Diocesan Office.

• A number of discretionary trust funds administered by employees of the RDSBF.

Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements.

Where materiality of transactions merits more detailed disclosure, this is given in Note 15 to the financial statements.

MITIGATION OF RISKS AND UNCERTAINTIES

BISHOP'S COUNCIL RESPONSIBILITY

The Board is responsible for ensuring that effective and adequate risk management and internal control systems are in place to manage the major risks to which the Diocese is exposed.

It has a clear mechanism for obtaining assurance on the management of risks. It agrees the approach to risk including overseeing the process to identify and assess key risks and understanding how those risks are managed and mitigated.

The Trustees annually consider, evaluate and record the major areas of risk to which the RDSBF is exposed, assessing the likelihood and impact of those risks crystallising, together with measures in place to manage and mitigate such risks (see below).

RISK ASSESSMENT MODEL

To support the identification and evaluation of our key risks, we use a risk assessment model which incorporates our key activities of mission and ministry as shown in the diagram to the right.

The five key areas of risk considered and the mitigation measures in place relating to the risks identified are then described, with any particular measures in the process of being implemented and the timing and the risk owner identified as responsible for managing this risk.

RISK MANAGEMENT FRAMEWORK

Risk is managed effectively through an appropriate risk management framework designed to support informed decision-making regarding the risks that affect our ability to achieve our mission objectives.

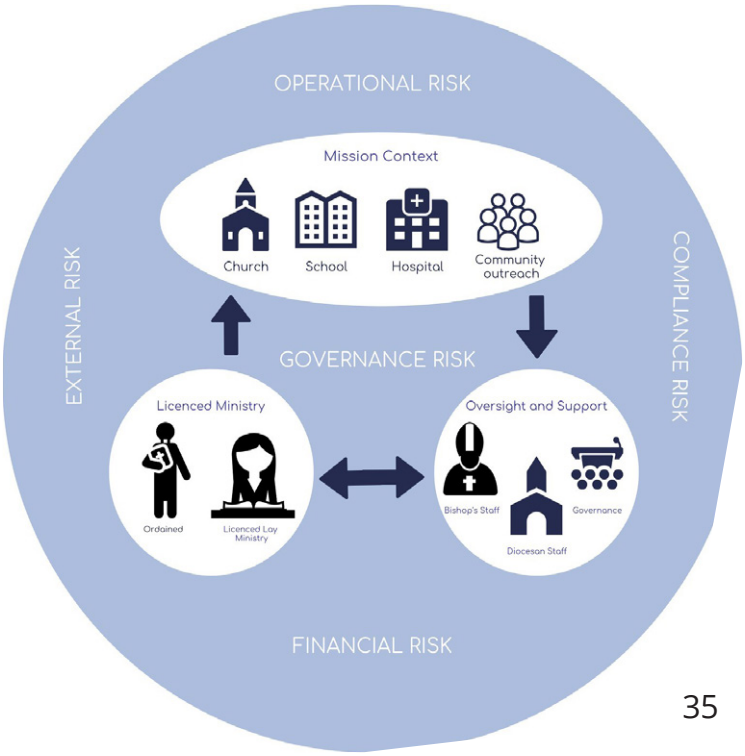
The framework provides a consistent approach to identifying, assessing and dealing with the risks facing us to ensure that they do not exceed the level of risk we are willing to assume.

The framework is designed to manage, rather than to eliminate, the risks to our objectives.

PRINCIPAL RISKS

The risks in the Risk Register are ranked using a 'traffic light' scheme (red/amber/green) based on a score reached by multiplying the score for 'Likelihood', the average of the 'Financial Impact' plus 'Reputational Impact' score, and the 'Risk Tolerance' score. The key risks in red are identified as those which have high likelihood and overall impact.

The risks which are currently assessed as scoring highest, and the outline mitigating strategies to address them, are as follows:



RISK AREA	MITIGATION STRATEGY
• Safeguarding. The reporting of non-recent and current cases of abuse of children or vulnerable adults in the Diocese, resulting in a breach of trust and negative impact on the victims/ survivors, impacting the church's reputation and potentially leading to litigation and compensation claims which are not covered by insurance. New cases may be reported because of the publication of reviews of safeguarding cases in faith organisations, including the Government commissioned Independent Inquiry into Child Sexual Abuse.	• An appropriate response that is victim/survivor focussed, especially respects the dignity of victims responding with transparency, humility and contrition. Investigations to be thorough and in compliance with current guidance, ensuring sound coordination and communication between individuals and teams in the Diocese as well as external agencies and NCIs.
• Remedial work created by the Past Cases Review impacts on the effectiveness of the Diocesan Safeguarding Team.	• Provision of an electronic case management system. An independently audited and resourced safeguarding team, which is professionally supported and supervised with constant review of resources (increase of staffing in 2020 and 2021). • Communications strategies well-rehearsed and co-ordinated with Church House, Westminster & Lambeth Palace. • Provision of satisfactory training and safe recruitment and management of all those engaged in contact with children, young people and adults at risk of harm. • Independent safeguarding Insurance panel. Insurance and funds available to provide compensation and support for victims/survivors.
• Impact from a prolonged epidemic resulting in the closure of churches, the cessation of worship and the reduction of income of parishes, and thereby impacting Parish Offers and the income of the RDSBF, the loss of dividend and property rental income and substantial reductions in underlying investments valuations.	• Maintaining a conservative liquidity policy with sufficient cash reserves to weather the impact on income and cash withdrawals of parishes' funds, seeking access to debt finance and National Church assistance with liquidity, and an adequate reserves policy to deal with reductions in income. Crisis management through the duration of the crisis that engages with parishes and provides advice and where necessary liquidity through loans and grants.
• Parishes experiencing stagnant or declining membership, impacting the ability to conduct viable mission or growth initiatives at a local level and increasingly being unable to pay for ministry being provided and/or donate as generously as they would wish.	• Strategic Framework, Called Together, applied. Effective monitoring of mission goals through deanery reviews, with assessment of the financial impact of the consequences. Supporting parishes by implementing local plans and providing support to reverse decline and building resilient and growing churches.
• Nationally divisive issues leading to loss of clergy and/or congregations and finances and impacting the church's reputation.	• Strong episcopal leadership and professional support in handling difficult issues and sensitive negotiation with churches concerning the pastoral, operational and financial implications.
• Deployment of clergy that involves altering the ministerial oversight in local churches.	• Archdeaconry Steering Groups. Implementation of the Ministerial Deployment Tool. Legal process for pastoral reorganisation, involving extensive consultation.
• Financial operating deficit leading to breakdown in trust with parishes and the inability to maintain support to legally committed ministry.	• Financial Strategy that sets out the approach to achieve a financially sustainable position, regular financial planning and budgetary control. Introducing the Common Fund and new system of Indicative Offers in 2019.
• Information security, IT systems availability and performance, staff proficiency in using IT systems.	• In response to the increasing risk in this area, work to further improve our security measures to protect unauthorised access to IT systems and safeguards against potential vulnerabilities in the IT network.

FINANCIAL REVIEW

There was a Net Income surplus for the year of £2.8M (2019: £1.2M). Net movement in funds was £2.8M (2019: £3.1M). The Common Fund shows an operating deficit for the year of £0.91M, which compares to the operating deficit last year of £0.54M. The reserve balance on the Common Fund was £5.2M as at 31 December 2020 (2019: £6.8M), which slightly exceeds the requirement under the reserves policy.

FINANCIAL PERFORMANCE – INCOME AND EXPENDITURE

The Statement of Financial Activities (on page 48) shows an overall Net Income surplus for the year of £2.8M (2019: £1.2M) after profits on the sale of property of £1.8M (2019: £nil) and gains on investments of £2.1M (2019: £2.8M).

The Common Fund shows an operating deficit for the year of £0.91M (2019: £0.54M). This compares to a budgeted operating deficit of £0.83M (2019: deficit £0.60M).

After taking account of gains on investments of £0.6M (2019: £1.2M) and a loss of £52K on the sale of properties (2019: £nil), the Common Fund showed a Net Income deficit for the year of £0.35M (2019: deficit £0.66M).

Designated Funds showed a Net Income of £0.82M (2019: £nil) representing a profit on sale of properties of £0.79M (2019: £nil) and gains on investments of £30K (2019: £nil).

Restricted Funds show an operating deficit £0.24M (2019: deficit £1.0M) and a Net Income surplus of £0.77M (2019: deficit £1.0M) after profits on sale of properties of £1.0M (2019: £nil) and losses on investments of £8K (2019: £nil).

Endowment Funds had an operating surplus of £12K (2019: deficit £143K) and a Net Income of £1.5M (2019: £1.5M) after gains on investments of £1.5M (2019: £1.7M).

The main income of the Diocese is Parish Offers, the money given by parishes to the Diocese to fund mission and ministry and in particular the costs of clergy stipends, pensions, housing and training, which are charged to the Common Fund.

Income from Parish Pledged Offers was £8.40M, and £8.79M including DBF Fees of £386K, (2019: £9.06M, excluding DBF Fees which before 2020 were retained by parishes) and together with DBF Fees represented 83% (2019: 85%) of the RDSBF's unrestricted operating income.

The other main sources of income in the year were donations and property and investment income. Donations (including grants) were £526K (2019: £166K), and property rentals and investment income of £1.30M (2019: £1.45M).

Total expenditure on the Common Fund was £11.5M (2019: £11.22M) and in all funds was £12.9M (2019: £13.5M).

During the year, the RDSBF paid stipends and associated costs totalling £6.57M (2019: £6.70M) for incumbents, curates and other clergy. The total number of full-time equivalent clergy in post fell from 187 to 184.

A detailed breakdown of income and expenditure on the Common Fund and a breakdown of the support costs for a parish are set out on pages [24-26] of the Trustees' Report.

Contributions are made to the Archbishops' Council to cover a proportion of its central costs relating to the activities of the various national boards and councils, as well as the General Synod, and to cover a proportion of the cost of national training for ministry (see note 6 to the financial statements).

INVESTMENT INCOME

Market investments held at 31 December 2020 were £17.5M (2019: 16.3M) and investment properties were valued at £11.4M (2019: £12.2M) (see Note 10). Dividends receivable were £447K (2019: £562K) and net rental income was £379K (2019: £436K).

The investments held and their return during the year is set out in the table below which shows an overall yield on investments of 3.0% (2019: 3.7%) and total return of 10.7% (2019:13.8%).

	At 31/12/2020 £K	At 31/12/2019 £K	2020 %	2019 %	2020 Income Yield	2019 Income Yield	2020 Total Return	2019 Total Return
Glebe Investment Properties	11,412	12,169	39.5%	42.7%	3.3%	3.7%	12.5%	7.6%
Market Investments	17,502	16,328	60.5%	57.3%	2.9%	3.7%	9.5%	23.8%
	28,914	28,497	100.0%	100.0%	3.0%	3.7%	10.7%	13.8%

IMPACT OF COVID19

The movement chart below shows the key impact on the Common Fund, largely as a result of Covid-19 pandemic.

Parish Offers combined with DBF Fees (remitted to the DBF in 2020) were down £276K when compared to Parish Offers in 2019, representing a fall of 3.1%, which was a remarkable achievement given that churches were shut for most of the year.

Investment Income was £149K down on the year, due to lower dividends from market investments and increased bad debt provisions for investment property rentals.

Total Covid related grants to the Common Fund totalled £366K. The Diocese received a £320K Sustainability Grant from the Archbishops' Council and total furlough payments from HMRC were £100K of which £46K was for diocesan employees paid for by the Common Fund.

There was a £69K reduction in clergy costs in the year, largely due to the running of a higher vacancy rate. The impact of significant increase in ordinands led to an increase in costs of £157K (which was unrelated to Covid). Diocesan Costs to the Common Fund were reduced by £170K in year, largely due to savings in property expenditure.

The COVID-19 Emergency Relief Fund was launched in May 2020 and up to £250,000 in grants, based on certain qualifying criteria, and £500,000 in loans were made available to parishes. In addition, 9 parishes have to date contributed a total of £36K. A total of 48 grants of £5,000 were made to 37 individual parishes. In addition, £58.7K loans were made to 5 parishes.

GRANTS RECEIVED

The RDSBF gratefully acknowledges all grants received including those from Trust for London for £291K (2019: 244K); All Churches Trust for £141K (2019: £139K); and Colyer Fergusson for £20K (2019:£28K).

The RDSBF gratefully received the following grants from the Archbishops' Council:

• £162K (2019: £75K) Strategic Development Funding towards Called to Grow.

• £97K (2019: £51K) Strategic Development Funding towards Chatham Town Centre.

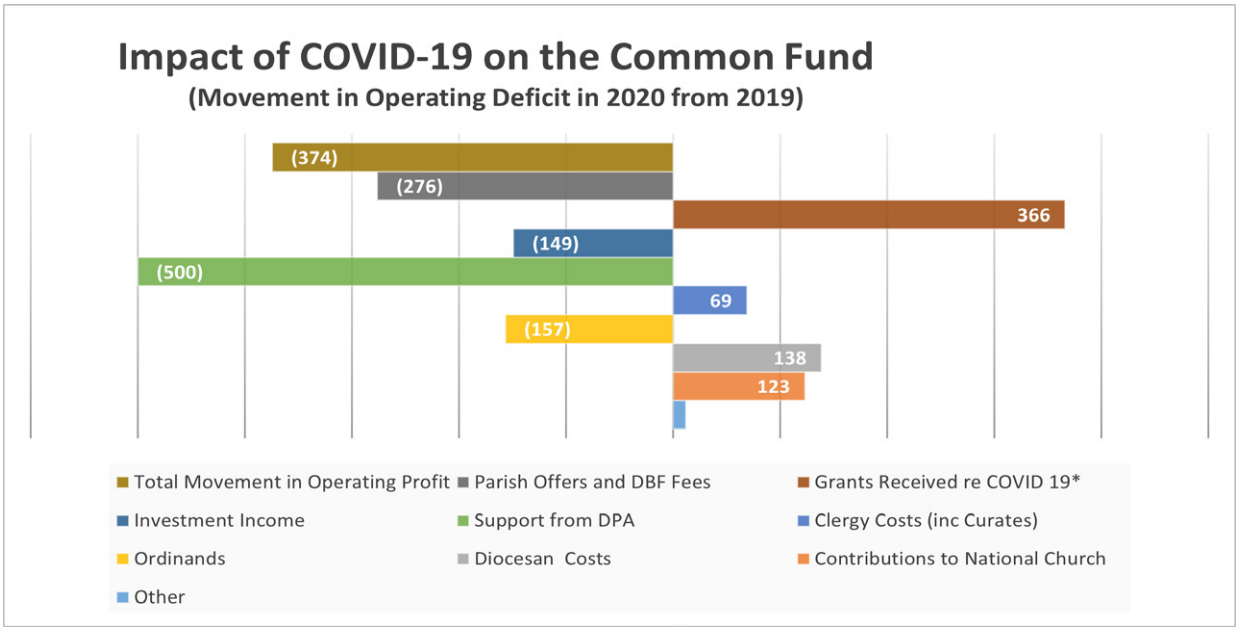
• £329K (2019: £236K) block grant for ordinands' training fees and expenses under the Resourcing Ministerial Education process.

• £320K (2019:£nil) Sustainability Grant.

SIGNIFICANT PROPERTY TRANSACTIONS

During the year 7 (2019: 2) investment properties were sold for a total of £1.95M (2019: £397K), realising a total profit of £455K (2019: £172K). This included the Lower Beckenham Portfolio which was sold for £1.45M, realising a profit over the carrying value of £1.03M; an increase of 41%.

Also during the year five parsonages (2019: nil)



were sold for total sale proceeds of £3.07M (2019: £nil), realising a surplus over book value of £1.76M.

There were 2 properties bought in 2020 at a total cost of £800k (purchase costs plus ingoing works) (2019: two properties for £752K), as follows:

• 118 Capstone Road, Luton - temporary accommodation for the Priest in Charge, Luton for £298k

• 90 Wigmore Road, South Gillingham – new parsonage for £502K

During the year, a grant was made to St Benedict's Centre for the development of the Centre and this was capitalised at £1.0M and added to Fixed Assets.

BALANCE SHEET POSITION

Net assets at the balance sheet date totalled £78.0M (2019: £75.2M).

This includes properties which are mostly in use for ministry; the book value of which amounted to £51.5M as at 31 December 2020 (2019:£51.5M).

The Trustees consider the market value of these properties to be considerably in excess of the book value, and this market value is realised as and when a property disposal takes place.

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 RDSBF.

The cash and short-term deposits position at 31 December 2020 stands at £9.0M (2019: £5.2M) and including market investments provides realisable liquid assets at 31 December 2020 of £26.6M (2019: £21.5M).

COMMON FUND

The reserve balance on the Common Fund was £5.2M as at 31 December 2020 (2019: £6.8M), which slightly exceeds the requirement under the reserves policy of £5M (see Reserves Policy under Financial Strategy on page 31).

DESIGNATED FUNDS

The balance of designated funds as at 31 December 2020 was £8.2M (2019: £7.3M). The increase was mainly due to DBF properties purchased as referred to above.

RESTRICTED AND ENDOWMENT FUNDS

The RDSBF holds and administers a large number of restricted and endowment funds. As at 31 December 2020, restricted funds totalled £40.5M (2019: £39.0M) and endowment funds totalled £24.1M (2019: £22.1M).

FUNDS HELD AS CUSTODIAN TRUSTEE

The RDSBF is custodian trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are parochial church councils and others. These assets are not aggregated in the financial statements as the RDSBF does not control them.

Further details of financial trust assets, whose market value amounted to £2.1M at 31 December 2019 (2019: £2.1M), are available from the RDSBF on request, and are summarised in Note 21. Where properties are held in trust, the deeds are identified as such and held in safe custody by the RDSBF.

Places of Welcome, St Augustine, Gillingham

GOVERNANCE, STRUCTURE AND MANAGEMENT

LEGAL FRAMEWORK

The company's principal object is to promote, assist and advance the work of the Church of England within the Diocese of Rochester by acting as the financial executive of the Rochester Diocesan Synod.

The RDSBF has the following statutory responsibilities:

• the management of glebe property and investments to generate income to support the cost of stipends arising from the Endowment and Church Property Measure 2018;

• the repair of benefice houses as the Diocesan Parsonages Board under the Repair of Benefice Buildings Measure 1972; and

• the custody of permanent endowment and real property assets relating to trusts held by Incumbents and Churchwardens and by Parochial Church Councils as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

The strategic priorities of the company are established by the Diocesan Synod in communication with deanery synods, PCCs, and the Bishop of Rochester (in respect of his responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the Church nationally, including consultations on specific matters relating to the priorities for the forthcoming year.

PUBLIC BENEFIT

The Trustees are aware of the Charity Commission's guidance on public benefit, "The Advancement of Religion for the Public Benefit", and have regard to that guidance in their administration of the charity.

The RDSBF believes that this report provides evidence of the public benefit of the charity's work in 2020.

As described more fully throughout the report, the RDSBF provides funds to support ministers of religion in the Diocese, and the maintenance of many buildings including parsonages and churches, many of which form an important part of the historic fabric and architectural heritage of the area.

The ministry of the parishes within the Diocese, actively involved in a wide range of community projects and supporting ministries, represents a substantial contribution to the wider public benefit.

The vast majority of churches are available to the public at large and none is restricted to members of the Church of England.

THE STRUCTURE OF THE CHURCH OF ENGLAND

The Church of England is organised as two provinces; each led by an archbishop (Canterbury for the Southern Province and York for the Northern Province). Each province comprises dioceses of which there are 42. Each diocese in England is divided into parishes. Each parish is overseen by a parish priest (usually called a Vicar or Rector).

From ancient times through to today, they and their bishop are jointly responsible for the 'cure of souls' in their parish. Her Majesty the Queen, who is the Supreme Governor of the Church of England, appoints archbishops, bishops and deans of cathedrals on the advice of the Prime Minister. The two archbishops and 24 senior

bishops sit in the House of Lords.

The Church of England is episcopally- led (there are over 100 bishops including diocesan bishops and assistant or suffragan bishops). It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches.

General Synod passes Measures which, if accepted by Parliament, have the effect of acts of Parliament. It is made up of three groups or houses of members: the Houses of Bishops, of Clergy and of Laity.

NATIONAL CHURCH INSTITUTIONS

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

The Archbishops' Council was established in 1999 to co-ordinate, aid and further the mission of the Church of England. Its task is to give a sense of direction to the Church of England nationally and support the Church of England locally in parishes and dioceses. Its goals are: Contributing to the Common Good; Going for Growth (both numerically and spiritually) and Reimagining Ministry (both lay and ordained).

The Church Commissioners manage the historic assets of the Church of England, spending most of their income on pensions for clergy. The stipend, housing and office costs of the Bishop of Rochester are met by the Church Commissioners. In the case of the Bishop of Tonbridge, the stipend and office costs are met by the Church Commissioners, with the housing costs being met by the RDSBF.

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

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

THE CATHEDRAL

The Cathedral is the mother church of the Diocese and legally constituted as a separate charity currently exempt from Charity Commission registration and supervision. For Rochester Cathedral copies of its trustees' report and financial statements may be obtained from the Chapter Office, Garth House, Rochester ME1 1SX.

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

THE DIOCESE DIOCESAN SYNOD

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation across the Diocese with broadly equal numbers of clergy and lay people meeting together with the two bishops. Elections occurred in 2018 for the 2018 to 2021 triennium.

Its role is to:

• consider matters affecting the Church of England in the Diocese;

• act as a forum for debate of Christian opinion on matters of religious or public interest;

• advise the Bishop of Rochester where requested;

• deal with matters referred by General Synod; and

• provide for the financing of the Diocese.

DEANERY SYNOD

A deanery synod has two houses, laity and clergy, and its role is to:

• respond to requests from General Synod;

• give effect to decisions made by the Diocesan Synod;

• consider matters affecting the Church of England by drawing together the views of the parishes within the deanery;

•act as a channel of communication to express the views of parishes to Diocesan Synod and through it to General Synod;

• raise with Diocesan Synod such matters as it considers appropriate;

• elect members of the deanery to the Diocesan Synod and of the Diocese to General Synod.

BISHOP'S COUNCIL

The Bishop's Council acts as:

- the Board of Directors and Trustees of the RDSBF
- the Diocesan Mission and Pastoral Committee
- the Diocesan Parsonages Board.

Elections occurred during 2018 for the 2019 to 2021 triennium.

PAROCHIAL CHURCH COUNCIL (PCC)

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area of the Church of England. Typically, each parish has one church.

The PCC is made up of the incumbent or priest-in-charge as chair, the churchwardens and a number of elected and ex-officio members.

Each PCC is a charity, but those with an annual income below £100,000 are currently excepted from the need to register with the Charity Commission; all others are now required to register. Except where shown, the transactions of PCCs do not form part of these financial statements.

PASTORAL UNITS

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

A deanery is a group of parishes over which an area dean has oversight, and an archdeaconry is a group of deaneries for which an archdeacon is responsible. There are seventeen deaneries and three archdeaconries in the Diocese.

The Diocese is then the principal pastoral, financial and administrative resource of the Church of England, encompassing the various archdeaconries under the spiritual leadership of the Bishop of Rochester.

THE DIOCESE OF ROCHESTER

The Diocese of Rochester has existed in West Kent since 604. Since then the historic county of Kent has been shared between the two Dioceses of Canterbury and Rochester.

The Rochester part of Kent, however, changed significantly during the 19th and 20th centuries, largely as a result of the expansion of London.

Prayer by the Tower at Capel United, Tudeley

The Diocese serves a population of some 1.3million, which is expected to increase by 300,000 over the next 20+ years. We have 184 full-time equivalent substantive stipendiary parochial posts, and 31 substantive self-supporting posts; at any time, we have around 20 stipendiary and 10 self-supporting curates in training.

Other licensed clergy and lay ministers serve as chaplains and in diocesan and Cathedral roles. This population is also served by 90 Church of England schools, with significant local involvement also in community schools.

The communities of the Diocese are characterised by increasing diversity of varying kinds. It covers some of the most affluent areas in England, and also some of the most deprived wards in the South-East. With the expansion of London and adjoining communities, it is increasingly urban and suburban, yet still retains places which see themselves as rural.

The Ebbsfleet Garden City development will have a new population of some 45,000 people – it is the largest single housing development in England.

Ethnic and religious diversity is a growing feature of our communities, and this is reflected in many of our congregations.

Our diocesan-level world Church partnerships are an important element of who we are. We have very active relationships with the Dioceses of Mpwapwa and Kondoa in Tanzania, the Diocese of Harare in Zimbabwe and with the Evangelical Lutheran Church of Estonia. These partnerships are expressed through parish and school links, as well as at diocesan level.

ORGANISATIONAL AND DECISION- MAKING STRUCTURE

The RDSBF was incorporated on 14 June 1915 as a company limited by guarantee (No. 140656) and its governing documents are its Memorandum and Articles of Association. The RDSBF is a registered charity (No. 249339).

The company was formed to manage the financial affairs and hold the assets of the Diocese. Its principal activity is to promote, assist and advance the work of the Church of England within the Diocese of Rochester.

Governance and policy of the RDSBF is the responsibility of the Trustees, who are directors of the company and trustees for the purposes of charity law.

The members of Bishop's Council are the Board of Directors (the Board) of the RDSBF, and the members of the Diocesan Synod are the members of the RDSBF. Additionally, there is the Finance Committee of the Bishop's Council, acting for and assisting the Board in its more detailed work.

The Board has delegated responsibility for the day-to-day management of the company to the Diocesan Secretary who is supported by the Finance Director, the Property Director, the Communications Manager, and the HR and Governance Manager, and their respective staff. The Diocesan Secretary is also a member of the Bishop's Leadership Team which meets regularly throughout the year.

The statutory governing body of the Diocese is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Its legal basis is the Synodical Government Measure 1969. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in deanery synods; lay persons elected by the houses of laity in deanery synods, being up to 181 persons including 5 that may be co-opted by each of the House of Clergy and the House of Laity and 10 members who may be nominated by the Bishop of Rochester. The Diocesan Synod typically meets three times a year during February, June and October.

TRUSTEE RECRUITMENT, SELECTION AND INDUCTION

The Board includes:

• Ex-officio Trustees

• Trustees who have been elected by Diocesan Synod to serve for three years, and

• Trustees appointed by the Bishop of Rochester for the same term.

Trustees are given induction at the outset of the triennium and at other times as appropriate. They are also informed, before seeking membership and at all other relevant times, of the role and function of the Board, including a Code of Conduct for Trustees and Committee Members.

Some senior staff have job titles incorporating the title 'Director' but they are not directors of the company for the purposes of company law.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Diocesan grading and salary structure is benchmarked against similar roles in the local charity sector as well as the wider Church of England context. All roles within the Diocese are graded according to the skills, experience and professional qualifications required for the role. Details of the aggregate remuneration of the key management personnel is shown in Note 7 of the accounts.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under company law the Trustees have elected to prepare the financial statements in accordance with 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).

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 RDSBF and of the surplus or deficit of the RDSBF 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; and

• 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 RDSBF and enable them to ensure that the financial statements comply with United Kingdom Generally Accepted Accounting Practice. They are also responsible for safeguarding the assets of the RDSBF 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 RDSBF'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

The Trustees have taken all the necessary steps to ensure that they are aware, as trustees, of any relevant audit information and to establish that the auditors are aware of that information.

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

APPOINTMENT OF AUDITORS

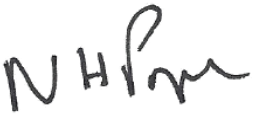
The appointment of Haysmacintyre LLP as auditors to the RDSBF will be proposed at the Annual General Meeting.

In approving this Trustees' report, the Trustees are also approving the Strategic Report included on pages 1 to 43in their capacity as company directors.

BY ORDER OF THE TRUSTEES

Mr Matthew Girt
Diocesan Secretary

28 May 2021



Mr Nigel Pope
Chair of Rochester Diocesan Society and Board of Finance

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCHESTER DIOCESAN SOCIETY AND BOARD OF FINANCE

OPINION

We have audited the financial statements of the Rochester Diocesan Society & Board of Finance for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

• give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;

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

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

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

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

• the strategic report and the directors' report included within the Annual Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

• adequate accounting records have not been kept by the charitable company; or

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

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

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

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fund accounting, including transfers between funds, and revenue recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

- Evaluating management's controls designed to

prevent and detect irregularities;

- Identifying and testing journals, in particular journal postings by unusual users or with unusual descriptions;

- Challenging assumptions and judgements made by management in their critical accounting estimates;

- Testing transfers between funds; and

- Cut-off testing in respect of revenue.

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

USE OF OUR REPORT

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

A Halsey (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

28 May 2021

Food table at St Peter and St Paul, Aylesford

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2020

	Note	Unrestricted Common £'000	Unrestricted Designated £'000	Restricted £'000	Endowment £'000	Total 2020 £'000	*Total 2019 £'000*
Income							
Donations:							
- Parish Offers		8,395	-	-	-	8,395	*9,057*
- Other	2	526	-	1,104	21	1,651	*1,259*
Investment income	3	1,299	-	51	3	1,353	*1,506*
Charitable activities	4	396	-	-	-	396	*12*
Total income		10,616	-	1,155	24	11,795	*11,834*
Expenditure							
Generating income	5	(430)	-	(2)	-	(432)	*(495)*
Charitable activities	6	(11,100)	-	(1,395)	(12)	(12,507)	*(13,036)*
Total Expenditure		(11,530)	-	(1,397)	(12)	(12,939)	*(13,531)*
Operating (Deficit)/Surplus:		**(914)**	**-**	**(242)**	**12**	**(1,144)**	***(1,697)***
Profit/(losses) on sale of property		(52)	788	1,021	-	1,757	-
Gains/(losses) on investments	10	615	30	(8)	1,509	2,146	*2,873*
Net Income before revaluation of fixed assets and pension scheme liabilities and transfers between funds		**(351)**	**818**	**771**	**1,521**	**2,759**	***1,176***
Reserve Movements:							
Net Income		(351)	818	771	1,521	2,759	*1,176*
Gains on revaluation of fixed assets		-	-	-	-	-	-
Revaluation of pension scheme liabilities	22	34	-	-	-	34	*1,930*
Transfers between funds	19	(1,315)	112	760	443	-	-
Net movement in funds		**(1,632)**	**930**	**1,531**	**1,964**	**2,793**	***3,106***
Reserve balances at 1st January 2020		6,812	7,304	39,005	22,120	75,241	*72,135*
Reserve balances at 31st December 2020		**5,180**	**8,234** note 16	**40,536** note 17	**24,084** note 18	**78,034**	***75,241***

All income and expenditure relates to continuing activities.

The Companies Act 2006 requires a separate income and expenditure account to be prepared to exclude transactions relating to Endowment Funds. No such income and expenditure account has been included in these statements as the relevant exclusions from this Statement of Financial Activities are all clearly shown above. These are: Endowment Fund income – £24k (2019 : £5k); Endowment Fund expenditure - £12k (2019 - £148k); Profit on Sale of Property - £0k (2019 : £0k); and Endowment Fund gains and losses on investments - £1,509k (2019 : £1,672k).

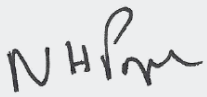
BALANCE SHEET
For the year ended 31 December 2020

Rochester Diocesan Society and Board of Finance(The)
Company registration number 140656

	Note	Total 2020 £'000	*Total 2019 £'000*
FIXED ASSETS			
Tangible assets	9	51,461	*51,529*
Investments	10	28,914	*28,497*
		80,375	*80,026*
CURRENT ASSETS			
Debtors	11	1,020	*1,059*
Short term deposits		3,404	*2,890*
Cash at bank		5,651	*2,332*
		10,075	*6,281*
CREDITORS: Amounts falling due within one year			
Bank overdraft		6	*58*
Creditors	12	11,003	*9,534*
		11,009	*9,592*
NET CURRENT LIABILITIES		(934)	*(3,311)*
TOTAL ASSETS LESS CURRENT LIABILITIES		79,441	*76,715*
CREDITORS: Amounts falling due after more than one year	12		
Pensions liability		612	*1,179*
Other creditors		795	*295*
NET ASSETS		78,034	*75,241*
Unrestricted		13,414	*14,116*
Restricted		40,536	*39,005*
Endowment		24,084	*22,120*
FUNDS	20	78,034	*75,241*

The Statement of Cash Flows and the Notes form part of these financial statements.

The financial statements were approved by the Board of Trustees and authorised for issue on 28 May 2021 and signed on behalf of the Board by:



Nigel Pope
Chair of Rochester Diocesan Society and Board of Finance

STATEMENT OF CASH FLOWS
For the year ended 31 December 2020

	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Net cash outflow from operating activities		(1,511)		*(4,094)*
Cash flows from investing activities				
Investment income	1,353		*1,265*	
Proceeds from the sale of:				
Tangible fixed assets	3,023		-	
Fixed asset investments	18,391		*1,498*	
Purchase of:				
Tangible fixed assets	(1,209)		*(1,720)*	
Fixed asset investments	(16,662)		*(1,101)*	
Net cash provided by investing activities		4,896		*(58)*
Cash flows from financing activities				
Proceeds from long term debt	500		-	
Net cash provided by financing activities		500		-
Change in cash and cash equivalents in the reporting period		3,885		*(4,152)*
Cash and cash equivalents at 1 January		5,164		*9,316*
Cash and cash equivalents at 31 December		9,049		*5,164*

Reconciliation of net movement in funds to net cash outflow from operating activities	**2020 £'000**	**2019 £'000**
Net movement in funds for the year ended 31 December	**2,793**	***3,106***
Adjustments for:		
Investment income	(1,353)	*(1,265)*
Depreciation	12	*12*
Gain on disposal of fixed assets	(1,757)	-
Gain on sale of investments	(652)	*(423)*
Unrealised loss on investments	(879)	*(2,039)*
Revaluation of fixed assets	-	-
Revaluation of investment property	(616)	*(411)*
Increase in creditors: falling due within one year	1,469	*(991)*
(Increase)/Decrease in debtors	39	*297*
Decrease in creditors: falling due after one year	(567)	*(2,380)*
Net cash used in operating activities	(1,511)	*(4,094)*

Analysis of movements in net cash

	2019 £'000	Cash Flows £'000	New Borrowing £'000	2020 £'000
Cash on deposit	2,890	514	-	3,404
Cash at bank	2,332	3,319	-	5,651
Less overdraft	(58)	52	-	(6)
Total cash and cash equivalents	5,164	3,885	-	9,049
CCLA Loan falling due after one year	-	-	(500)	(500)
Total	5,164	3,885	(500)	8,549

NOTES FOR THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

1. ACCOUNTING POLICIES

a) Accounting convention and basis of preparation

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

b) Going concern

The Trustees consider that there are no material uncertainties regarding the RDSBF's ability to continue as a going concern. The RDSBF aims to achieve a financially sustainable position. The RDSBF has net assets of £78.0m (2019 : £75.2m) and the Trustees believe that there is sufficient liquidity in these assets to ensure that the charitable company can meet its obligations for the next 12 months and beyond.

c) Income

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

i) Parish Offer 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 creditors to be carried forward to the following year.
v) Parochial fees that relate to the RDSBF are recognised as diocesan income in the year in respect of which they are receivable.
vi) Donations other than grants are recognised when receivable or in the case of material legacies, when the conditions for recognition under the charities SORP have been met.

d) Expenditure

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

i) Cost of raising funds - relate to costs incurred in the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
ii) Charitable expenditure - analysed according to Diocese's main areas of activity.
iii) Grants payable - charged in the year when the grant is approved and conveyed to the recipient except those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the RDSBF, 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 of support costs 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 usage basis.
v) Pension contributions – pension schemes in which the RDSBF participates are described in Note 22. Pension costs are charged as resources expended and represent the RDSBF's contributions payable in respect of the accounting period in accordance with FRS102. Deficit funding for the pension schemes to which RDSBF participates and which are unpaid at this year-end, is accrued at current value in creditors, distinguished between contributions due within one year and after more than one year.

vi) Short term employee benefits - short term benefits including holiday pay are recognised as and expense in the period in which the service is received.
vii) Employee termination benefits - termination benefits are accounted for on an accrual basis and in line with FRS 102.
viii) Tangible fixed assets and depreciation - tangible fixed assets are shown in note 9 to the financial statements.

Freehold properties
The RDSBF measures all freehold property assets at historical cost as required by FRS102.

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case and because the expected residual value is not materially less than the carrying value. The RDSBF has a policy of regular structural inspection, repair and maintenance, which in the case of parsonage properties is in accordance with the Repair of Benefice 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 the carrying value. Where the Trustees believe that the value of an asset might have been impaired, an annual impairment review is carried out in accordance with the requirements of FRS102, to ensure that the carrying value is not more than the recoverable amount.

Properties subject to value linked loans
Properties which have been bought with the assistance of value-linked loans from the Church Commissioners are stated using the value of the related loan at the balance sheet date. Each year end the respective property and loan are carried at their historical value.

Investment properties
Glebe properties which are held for investment purposes have been included at their market value.

Parsonage Houses
The RDSBF has followed the requirements of FRS102 in its accounting treatment of benefice houses. FRS102 requires the accounting treatment to follow the substance of arrangements rather than strict legal form. The RDSBF is 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 relevant incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as restricted assets and carry them at their historical cost.

ix) Other tangible fixed assets - 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. All capital expenditure on computer and office equipment over £1k is capitalised and depreciated over 3 years.
x) Project Costs - Expenditure in relation to projects is capitalised where there is likelihood that the project will become an income-bearing asset.

e) Other accounting policies
i) Fixed asset investments - included in the balance sheet at market value (ex dividend) and the gain or loss taken to the Statement of Financial Activities.
ii) Realised gains/(losses) on sale of investments - represent proceeds of sale less the appropriate proportion of the opening carrying value and are shown in the Statement of Financial Activities.
iii) Leases – the RDSBF has entered into operating lease agreements the rental for which is charged in full as expenditure in the year to which it relates.
iv) Financial instruments - the RDSBF only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at

transaction value and subsequently carried at either amortised cost or fair value.
v) Debtors - trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired, an impairment loss is recognised in the Statement of Financial Activities.
vi) Cash - cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity.
vii) Creditors - basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at transaction price.

f) Fund balances

Fund balances are split between unrestricted (common and designated), restricted and endowment funds.

i) Unrestricted funds are the RDSBF's corporate funds and are freely available for any purpose within the charitable company's objects, at the discretion of the RDSBF.

There are two types of unrestricted funds:

• Common fund which the RDSBF intends to use for the general purposes of the RDSBF.

• Designated funds set aside out of unrestricted funds by the RDSBF for a purpose specified by the Trustees.

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

iii) Endowment funds are those held on trust to be retained for the benefit of the charitable company as a capital fund. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

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

g) Judgments and Estimates

In the application of the accounting policies, the Trustees are required to make judgments, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

i) Significant judgments - valuation of liabilities arising from the charity's obligation to meet deficit reduction payments for its multi-employer defined benefit pension schemes : these liabilities are revalued at each year-end using discount rates which are reassessed annually.
ii) Residual values of freehold properties - the Trustees consider that residual value of freehold properties is sufficiently high that depreciation would not be material.
iii) Sources of estimation uncertainty - in the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

NOTES FOR THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

2. INCOME FROM DONATIONS

(Donations, Legacies and similar income)	Unrestricted Common	Unrestricted Designated	Restricted	Endowment	Total 2020
	£'000	£'000	£'000	£'000	£'000
Trust for London (formerly City Parochial Foundation)	-	-	291	-	291
Archbishops' Council - Sustainability Grant	320	-	-	-	320
HMRC Furlough Grant	46	-	54	-	100
Covid 19 Emergency Relief Fund	-	-	27	-	27
All Churches Trust - annual distribution	141	-	-	-	141
Partnership Fund appeals, confirmations, licensing & induction collections	-	-	90	-	90
Poverty & Hope Appeal	-	-	28	-	28
Guaranteed annuities	15	-	-	-	15
RME Ordinands Grants	-	-	329	-	329
Colyer Fergusson re Ebbsfleet Youth Worker	-	-	20	-	20
Swanscombe and Greenhithe Town Council re Ebbsfleet Youth Worker	-	-	5	-	5
Church Commissioners re Chatham Town Centre	-	-	97	-	97
Readers' Fees	2	-	-	-	2
Strategic Development Funding - Called to Grow	-	-	162	-	162
David Godwin Legacy	-	-	-	21	21
Other sundry items	2	-	1	-	3
	526	-	1,104	21	1,651

(Donations, Legacies and similar income)	Unrestricted Common	Unrestricted Designated	Restricted	Endowment	Total 2019
	£'000	£'000	£'000	£'000	£'000
Trust for London (formerly City Parochial Foundation)	-	-	244	-	244
All Churches Trust - annual distribution	139	-	-	-	139
Henry Smith Charity	-	-	39	-	39
Partnership Fund appeals, confirmations, licensing & induction collections	-	-	168	-	168
Poverty & Hope Appeal	-	-	34	-	34
Diocesan Board of Finance element of Parochial Fees	9	-	-	-	9
Guaranteed annuities	15	-	-	-	15
RME Ordinands Grants	-	-	236	-	236
Colyer Fergusson re Ebbsfleet Youth Worker	-	-	28	-	28
Swanscombe and Greenhithe Town Council re Ebbsfleet Youth Worker	-	-	5	-	5
Colyer Fergusson re Children and Young People Fund	-	-	50	-	50
Church Commissioners re Chatham Town Centre	-	-	51	-	51
Historic England re Chatham Town Centre	-	-	81	-	81
Listed Places of Worship Grant re Chatham	-	-	33	-	33
Diocesan Community Engagement Advisor	-	-	5	-	5
Readers' Fees	1	-	-	-	1
Bishop's Fund for Mission re Together Magazine	-	-	4	-	4
Strategic Development Funding - Called to Grow	-	-	75	-	75
Past Cases Review	-	-	40	-	40
Margaret Louise Swanson Legacy	1	-	-	-	1
Other sundry items	1	-	-	-	1
	166	-	1,093	-	1,259

3. INVESTMENT INCOME

	Unrestricted Common £'000	Unrestricted Designated £'000	Restricted £'000	Endowment £'000	Total 2020 £'000
Rents receivable	852	-	24	-	876
Dividends receivable	447	-	27	-	474
Interest on deposits receivable	-	-	-	3	3
	1,299	-	51	3	1,353

	Unrestricted Common £'000	Unrestricted Designated £'000	Restricted £'000	Endowment £'000	Total 2019 £'000
Rents receivable	886	-	27	-	913
Dividends receivable	536	-	26	-	562
Interest on deposits receivable	26	-	-	5	31
	1,448	-	53	5	1,506

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Common £'000	Unrestricted Designated £'000	Restricted £'000	Endowment £'000	Total 2020 £'000
Diocesan Board of Finance element of Parochial Fees	386	-	-	-	386
Professional fees	10	-	-	-	10
	396	-	-	-	396

	Unrestricted Common £'000	Unrestricted Designated £'000	Restricted £'000	Endowment £'000	Total 2019 £'000
Professional fees	12	-	-	-	12
	12	-	-	-	12

5. EXPENDITURE ON GENERATING INCOME

	Unrestricted Common £'000	Unrestricted Designated £'000	Restricted £'000	Endowment £'000	Total 2020 £'000
Glebe management costs	116	-	-	-	116
Non glebe commissions	22	-	-	-	22
Rental property maintenance	157	-	-	-	157
Cost of income generation	135	-	2	-	137
	430	-	2	-	432

	Unrestricted Common £'000	Unrestricted Designated £'000	Restricted £'000	Endowment £'000	Total 2019 £'000
Glebe management costs	89	-	-	-	89
Non glebe commissions	23	-	-	-	23
Rental property maintenance	241	-	-	-	241
Cost of income generation	131	-	10	1	142
	484	-	10	1	495

6. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Unrestricted		Restricted	Endowment	Total
	General £'000	Designated £'000	£'000	£'000	2020 £'000
Bringing people to faith in Christ					
Mission & Community Engagement (50%)	87	-	-	-	87
Formation & Ministry (50%)	174	-	-	-	174
Youth & Children	86	-	-	-	86
Allocated support costs	226	-	3	-	229
	573	-	3	-	576
A priestly presence in every community					
Stipend costs	6,562	-	-	-	6,562
Apprenticeship levy	22	-	-	-	22
Actuarial gains/losses on clergy pension scheme	11	-	-	-	11
Glebe reinstatement works	-	-	-	12	12
Grants	293	-	285	-	578
Parsonage maintenance & improvements	604	-	-	-	604
Ministry houses - housing costs	21	-	9	-	30
Curate and Associate Clergy Costs	171	-	-	-	171
National Church - training for ministry	500	-	-	-	500
Formation & Ministry (50%)	174	-	-	-	174
Stewardship, Legal, Accounts Advisors & other	80	-	-	-	80
Diocesan appointments	284	-	-	-	284
Allocated support costs	751	-	9	-	760
	9,473	-	303	12	9,788
Engagement with the community					
Grants	4	-	724	-	728
Mission & Community Engagement (50%)	87	-	-	-	87
Communications	8	-	-	-	8
Faculty & inspection fees	64	-	-	-	64
Diocesan committees	3	-	-	-	3
National Church grant/allocation	362	-	1	-	363
Partnership Dioceses & Church Urban Fund	-	-	7	-	7
Ebbsfleet Youth Worker	-	-	34	-	34
Dementia Project	-	-	6	-	6
Chatham Town Centre	-	-	16	-	16
Past Cases Review	-	-	29	-	29
Growth Enablers	-	-	135	-	135
Called to Grow - SDF Funding	-	-	132	-	132
Allocated support costs	526	-	5	-	531
	1,054	-	1,089	-	2,143
	11,100	-	1,395	12	12,507

Support costs comprise administration and governance costs which includes the audit fee of £22k (2019 : £20k).

Support costs include interest payable of £30k (2019 : £Nil) on deferred stipend payments to the Church Commissioners, a £500k loan with CCLA and net interest payable on parish Church Repair Fund and Diocesan Loan Fund balances.

6. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Unrestricted		Restricted	Endowment	Total
	General	Designated			2019
	£'000	£'000	£'000	£'000	£'000
Bringing people to faith in Christ					
Mission & Community Engagement (50%)	82	-	-	-	82
Formation & Ministry (50%)	176	-	-	-	176
Youth & Children	81	-	-	-	81
Allocated support costs	205	-	14	1	220
	544	-	14	1	559
A priestly presence in every community					
Stipend costs	6,119	-	500	-	6,619
Apprenticeship levy	23	-	-	-	23
Actuarial gains/losses on clergy pension scheme	76	-	-	-	76
Glebe reinstatement works	-	-	-	132	132
Grants	305	-	233	1	539
Parsonage maintenance & improvements	593	-	100	-	693
Clergy conference	33	-	-	-	33
Ministry houses - housing costs	17	-	148	-	165
Curate and Associate Clergy Costs	147	-	-	-	147
National Church - training for ministry	493	-	-	-	493
Formation & Ministry (50%)	176	-	-	-	176
Stewardship, Legal, Accounts Advisors & other	76	-	-	-	76
Diocesan appointments	423	-	-	-	423
Allocated support costs	704	-	49	8	761
	9,185	-	1,030	141	10,356
Engagement with the community					
Grants	4	-	873	-	877
Mission & Community Engagement (50%)	82	-	-	-	82
Communications	23	-	-	-	23
Faculty & inspection fees	89	-	-	-	89
Diocesan committees	9	-	-	-	9
National Church grant/allocation	373	-	2	-	375
Partnership Dioceses & Church Urban Fund	-	-	10	-	10
Ebbsfleet Youth Worker	-	-	30	-	30
Diocesan Magazine	-	-	3	-	3
Dementia Project	-	-	34	-	34
Chatham Town Centre	-	-	49	-	49
Past Cases Review	-	-	25	-	25
Growth Enablers	-	-	25	-	25
Called to Grow - SDF Funding	-	-	25	-	25
Allocated support costs	430	-	30	5	465
	1,010	-	1,106	5	2,121
	10,739	-	2,150	147	13,036

7. STAFF COSTS

		2020 £'000	2019 £'000
Ordained Diocesan Officials stipends		290	289
Other Lay Diocesan Personnel salaries		1,411	1,152
National Insurance		164	140
Life Insurance Policy		21	19
Pension Costs	- Lay Diocesan Personnel	106	263
	- Diocesan Clergy	108	89
		2,100	1,952

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

	2020 Number	2019 Number
Common Fund		
Administration and financial management	26	26
Training	10	10
Mission and Community Engagement	8	7
Diocesan Appointments	5	6
	49	49
Called to Grow (funded by Strategic Development Fund)	6	1
Growth Enablers (funded by Diocesan Pastoral Account)	3	-
	58	50

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

	2020 Number	2019 Number
Common Fund		
Administration and financial management	22	22
Training	7	7
Mission and Community Engagement	6	6
Diocesan Appointments	5	5
	40	40
Called to Grow (funded by Strategic Development Fund)	4	-
Growth Enablers (funded by Diocesan Pastoral Account)	3	-
	47	40

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

	2020 Number	2019 Number
£60,000 - £70,000	-	-
£70,000 - £80,000	2	2
£80,000 - £90,000	1	1

7. STAFF COSTS (CONTINUED)

Remuneration of Key Management Staff

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 2020, they were:

Diocesan Secretary	Mr Matthew Girt
Finance Director	The Rev Richard Williams
Director of Formation and Ministry	The Rev Canon Chris Dench
Diocesan Surveyor	Mr Mark Trevett

Remuneration, pensions, national insurance contributions and expenses for these 4 employees amounted to £340,580 (2019 : £387,443).

Trustees' Emoluments

No trustee received any remuneration for services as a Trustee. Five Trustees received travelling and out of pocket expenses (2019 : 6), totalling £11,512 (2019 : £23,652) in respect of General Synod duties, duties as archdeacon or area/rural dean and other duties as Trustees.

The table below gives details of the Trustees who were in receipt of a stipend and/or housing provided by the RDSBF (or the Church Commissioners where shown *) during the year:

	Stipend	Housing
The Bishop of Rochester – The Right Revered James Langstaff	Yes*	Yes*
The Bishop of Tonbridge – The Right Reverend Simon Burton-Jones	Yes*	Yes
The Dean of Rochester Cathedral	Yes*	Yes*
The Archdeacon of Bromley and Bexley – The Venerable Dr Paul Wright	Yes	Yes
The Archdeacon of Tonbridge – The Venerable Julie Conalty	Yes	Yes
The Archdeacon of Rochester – The Venerable Andrew Wooding-Jones	Yes	Yes
The Chair of the House of Clergy – The Reverend Canon Alyson Davie	Yes	Yes
The Reverend Canon Mark Barker	Yes	Yes
The Reverend Dr Julie Bowen	Yes	Yes
The Reverend Martyn Saunders	Yes	Yes

The RDSBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy of the Diocese, other than bishops and cathedral staff. The RDSBF is also responsible for the provision of housing for stipendiary clergy in the Diocese including the suffragan bishop but excluding the diocesan bishop and cathedral staff.

	2020 £'000	*2019 £'000*
Parish Stipends, National Insurance & Pension Costs		
Parish Stipends	4,922	*4,981*
National Insurance	393	*397*
Pension Costs	1,259	*1,317*
	6,574	*6,695*
Number of parish clergy in post as at 31 December (Full-time equivalent)	184	*187*

8. ANALYSIS OF GRANTS MADE

	No.	Individuals £'000	Institutions £'000	Source	2020 £'000
From unrestricted funds:					
Ordinands in training	18	149	-	Common Fund	149
Clergy training	23	9	-	Common Fund	9
Clergy removal grants	25	43	-	Common Fund	43
Clergy resettlement grants	19	36	-	Common Fund	36
Clergy first appointment grants	28	50	-	Common Fund	50
Kent Workplace Mission	1	-	4	Common Fund	4
Archdeacons' discretionary grants	29	6	-	Common Fund	6
From restricted funds:					
Ministry Division Ordinand Block Grants	49	41	244	Ministry Division Fund	285
Parochial Church Councils	31	-	155	Covid 19 Emergency Relief Fund	155
Overseas Partnership: Harare	6	-	12	Companion Diocese Fund	12
Overseas Partnership: Tanzania	21	3	83	Companion Diocese Fund	86
Beckenham St Michael	6	-	124	Pastoral Account	124
Bishop of Rochester Discretionary Fund	2	-	21	Pastoral Account	21
Lamorbey Holy Redeemer PCC	3	-	47	Pastoral Account	47
South Gillingham PCC	1	-	3	Pastoral Account	3
St Benedicts Centre	1	-	105	Pastoral Account	105
Strood St Francis PCC	1	-	6	Pastoral Account	6
Christian Aid	1	-	12	Poverty & Hope Appeal	12
Church Mission Society	1	-	6	Poverty & Hope Appeal	6
Commonwork Land Trust	1	-	6	Poverty & Hope Appeal	6
United Society (formerly USPG)	1	-	6	Poverty & Hope Appeal	6
Erith & Thamesmead CAP Debt Centre	1	-	2	Local Church Urban Fund	2
Parochial Church Councils	12	-	62	Trust for London	62
Other Organisations	6	-	16	Trust for London	16
Clergy grants	9	19	-	Trust for London	19
Parochial Church Councils	3	-	19	Church Extension Fund	19
Parochial Church Councils	2	-	1	Cobham and Gravesend Churches	1
Parochial Church Councils	9	-	16	£500k CYP Fund	16
					1,306

	No.	Individuals £'000	Institutions £'000	Source	2019 £'000
From unrestricted funds:					
Ordinands in training	14	119	-	Common Fund	119
Clergy training	55	27	-	Common Fund	27
Clergy removal grants	28	50	-	Common Fund	50
Clergy resettlement grants	24	52	-	Common Fund	52
Clergy first appointment grants	23	52	-	Common Fund	52
Kent Workplace Mission	1	-	4	Common Fund	4
Archdeacons' discretionary grants	30	6	-	Common Fund	6
From restricted funds:					
Ministry Division Ordinand Block Grants	37	36	197	Ministry Division Fund	233
Overseas Partnership: Harare	5	1	20	Companion Diocese Fund	21
Overseas Partnership: Tanzania	31	4	131	Companion Diocese Fund	135
Beckenham St Michael	1	-	10	Pastoral Account	10
Bishop of Rochester Discretionary Fund	1	-	20	Pastoral Account	20
Lamorbey Holy Redeemer PCC	3	-	417	Pastoral Account	417
Gillingham St Augustine PCC	1	-	5	Pastoral Account	5
Christian Aid	1	-	12	Poverty & Hope Appeal	12
Church Mission Society	1	-	6	Poverty & Hope Appeal	6
Commonwork Land Trust	1	-	6	Poverty & Hope Appeal	6
United Society (formerly USPG)	1	-	6	Poverty & Hope Appeal	6
Gravesend St George PCC	1	-	2	Local Church Urban Fund	2
Erith & Thamesmead CAP Debt Centre	1	-	2	Local Church Urban Fund	2
Parochial Church Councils	25	-	130	Trust for London	130
Bishop of Rochester Discretionary Fund	1	-	10	Trust for London	10
St Mary's Church House (under £1,000)	3	-	1	Trust for London	1
Clergy grants	29	27	-	Trust for London	27
Other grants under £1,000	7	-	3	Trust for London	3
Retired Clergy Grant	1	1	-	Pension and Retired Clergy	1
Parochial Church Councils	21	-	59	£500k CYP Fund	59
					1,416

9. TANGIBLE FIXED ASSETS

	Board Property		Equity Sharing Property		Benefice Property		Assets Held For Sale		Assets in course of construction	Computer & Phone Equipment	Total
	Land £'000	Buildings £'000	Land £'000	Buildings £'000	Land £'000	Buildings £'000	Land £'000	Buildings £'000	£'000	£'000	£'000
Cost or valuation											
Balance 1 January 2020	5,101	7,820	123	174	19,778	20,281	495	527	2,983	171	57,453
Additions	53	128	-	-	-	211	-	-	817	-	1,209
Disposals	-	-	-	-	(598)	(528)	(115)	(155)	-	-	(1,396)
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Transfer	536	443	-	-	141	245	171	296	(1,832)	-	-
Balance 31 December 2020	5,690	8,391	123	174	19,321	20,209	551	668	1,968	171	57,266
Depreciation											
Balance 1 January 2020	-	1,189	-	52	-	4,368	-	157	-	158	5,924
Charge for the year	-	-	-	-	-	-	-	-	-	12	12
Disposals	-	-	-	-	-	(84)	-	(47)	-	-	(131)
Transfer	-	(40)	-	-	-	(42)	-	82	-	-	-
Balance 31 December 2020	-	1,149	-	52	-	4,242	-	192	-	170	5,805
Net book values											
At 31 December 2020	5,690	7,242	123	122	19,321	15,967	551	476	1,968	1	51,461
At 31 December 2019	*5,101*	*6,631*	*123*	*122*	*19,778*	*15,913*	*495*	*370*	*2,983*	*13*	*51,529*

Following the introduction of Financial Reporting Standard 15 "Tangible Fixed Assets", all fixed asset land and buildings, excluding investment properties, were crystallised at their carrying value on 1 January 2000. The land proportion for each property was estimated and depreciation at 2% was applied to the remaining portion in respect of the building content. The land content was estimated to be between 40% and 51% of the carrying value as at 1 January 2000.

Depreciation is no longer provided on buildings as any provision would not be material due to the very long expected remaining useful economic life in each case and because their expected residual value is not materially less than their carrying value.

(a) Freehold Land and Buildings
The land and buildings are shown divided between Board Property, purchased from the Board's own funds, and Equity Sharing Property, which is purchased partially or wholly by a loan from the Church Commissioners. Although title to properties under the Equity Sharing Scheme rests with the Board, any profit or loss on sale is apportioned between the Board and Church Commissioners in proportion to the original funding.

(b) Equity Sharing Properties
Equity sharing properties are part owned by the Board and are included as fixed assets land and buildings. In each case there is a loan with the interest being paid by the parish for which the property is provided. On disposal, the Board receives only its share of the equity.

(c) Benefice Property
Properties not owned by the Board but from which the Board derives the benefit and incurs the obligation of ownership are included in the accounts at historical cost or market value on 1st January 2000. The proceeds of any sales are available to the Board.

10. FIXED ASSET INVESTMENTS

	2020		2019	
	Cost £'000	Market Value £'000	Cost £'000	Market Value £'000
Investments				
Sarasin & Partners	-	-	*9,105*	*11,767*
Eden Tree Investment Management	-	-	*3,407*	*4,561*
Mercer Global Investment Management	16,623	17,502	-	-
Investment Properties		11,412		*12,169*
		28,914		*28,497*
		£'000		***£'000***
At 1 January 2020		28,497		*26,022*
Additions		16,662		*1,100*
Disposals	(17,739)		*(1,075)*	
Realised gains	(652)		*(423)*	
Sale proceeds		(18,391)		*(1,498)*
Net gains on investments		2,146		*2,873*
At 31 December 2020		28,914		*28,497*

Net gains on investments shown in the Statement of Financial Activities of £2,146k (2019: £2,873k) comprise unrealised gains of £1,494k (2019 : £2,450k) and realised gains £652k (2019 : £423k) as a result of disposals realising proceeds of £18.4m (2019 : £1.5m).

During the year, the investments held by Sarasin and Eden Tree were sold and the proceeds placed with Mercer Global Investment Management. These investments can all be converted into cash within one month of application.

Investment properties include Glebe and other properties, the income from which is included in the Board accounts. Investment Properties are carried at open market value based on valuation advice from Savills. The historical cost of these properties is not available.

11. DEBTORS

	2020		2019	
	Amounts falling due within one year £'000	Amounts due after more than one year £'000	*Amounts falling due within one year £'000*	*Amounts due after more than one year £'000*
Diocesan Parishes - Loans to parishes	89	28	*97*	*25*
Diocesan Parishes - Other amounts due	223	-	*258*	*-*
Sundry Debtors	668	12	*666*	*13*
	980	40	*1,021*	*38*

The loans to 5 parishes (2019 : 5) are generally unsecured, repayable over a period of five years with interest charged at 0% for loans from the Church Repair Fund and at various rates for loans from the Diocesan Loans Fund. During the year 2 loans totaling £26.7k were drawn down in respect of the Covid-19 Emergency Relief Fund.

12. CREDITORS

	2020		2019	
	Amounts falling due within one year £'000	Amounts due after more than one year £'000	Amounts falling due within one year £'000	Amounts due after more than one year £'000
Related Party Balances:				
Amount due to Diocesan Board of Education	66	-	30	-
Other Balances:				
Amount due to Other Trust Funds	4	-	8	-
Equity Sharing Loans	-	295	-	295
Deposits - Diocesan Loans Fund (Parishes)	3,880	-	3,667	-
Deposits - Diocesan Loans Fund (Other)	32	-	36	-
Deposits - Church Repair Fund	4,778	-	4,674	-
Pension Scheme Liabilities	77	612	131	1,179
Church Commissioners re Deferred Stipends	1,373	-	-	-
CCLA Loan	-	500	-	-
Sundry Creditors	793	-	988	-
	11,003	1,407	9,534	1,474

The Equity Sharing Loans are made by the Church Commissioners and are secured on property with interest charged at a commercial rate and repayable on the sale of the related property.

The parish deposits in the Church Repair Fund and Diocesan Loan Fund are repayable on demand and they are therefore classified as 'falling due within one year'. These deposits are placed in bank deposits and other assets. The likelihood of all parishes wishing to withdraw all of their funds at the same time is highly unlikely as Church Repair Fund deposits are generally intended to pay for repairs arising from quinquennial surveys.

13. MEMBERS' LIABILITY

The Board is a company limited by Guarantee. At 31 December 2020 there were 137 (2019 : 134) members who are liable to contribute £1 each in the event of the company being wound up.

14. OPERATING LEASES

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

	2020 £'000	2019 £'000
Lease payments - other operating lease:		
Not later than one year after the balance sheet date	13	12
In the second to fifth years after the balance sheet date	14	38
	27	50

15. RELATED PARTY TRANSACTIONS

During the year the following related party transactions took place:

Related Party	Relationship		2020 £'000	2019 £'000
Mrs Julia Burton-Jones	Wife of Bishop of Tonbridge	Professional fees in respect of work on Dementia Friendly Church Project.	23	34

The outstanding balances with related parties at 31 December 2020 are included in note 12.

There were no other related party transactions during the year or prior year.

Details of related parties can be found in the Trustees Report.

16. DESIGNATED FUNDS

	Balance at 1 January 2020 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2020 £'000
Central Church Funding	99	-	-	-	-	99
Property Fund	7,205	788	-	30	112	8,135
	7,304	**788**	**-**	**30**	**112**	**8,234**

Central Church Funding
These funds have been received from the Church Commissioners for designated purposes and so have been retained within a specific designated fund.

Property Fund
This fund has been set aside by the Trustees for the purpose of funding Board property acquisitions and development. During the year, income of £788k was represented by the profit on sale of Footscray parsonage. This was subsequently transferred to the Diocesan Pastoral Account and was netted against a transfer in of £1,003k in respect of funding for the St Benedict's Centre from the Graham Chiesman fund (held in Common Fund). The transfer also included £179k representing the RDSBF's 50% share of proceeds on the Sale of 34 Ronaldstone Road, Sidcup which was originally posted to the Designated Property Fund when it was sold in 2017 but was transferred to the Church Extension Fund in 2020, and property capitalisations of £76k which were funded by the Common Fund.

	Balance at 1 January 2019 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2019 £'000
Central Church Funding	99	-	-	-	-	99
Property Fund	6,745	-	-	-	460	7,205
	6,844	**-**	**-**	**-**	**460**	**7,304**

17. RESTRICTED FUNDS

	Balance at 1 January 2020 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2020 £'000
Poverty & Hope Appeal	24	29	(30)	-	-	23
Committee Amongst Deaf	23	-	-	-	-	23
Local Church Urban Fund	34	13	(2)	-	(36)	9
Diocesan Pastoral Account	1,285	306	(382)	(8)	489	1,690
Diocesan Pastoral Account re Sale of Beckenham St Michael Hall	159	-	(124)	-	-	35
Trust for London (formerly City Parochial Foundation)	4	291	(103)	-	(192)	-
Benefice Property	35,690	(103)	-	-	(300)	35,287
Thames Gateway	7	-	-	-	-	7
Thames Gateway Capital Fund	457	-	-	-	-	457
Parsonage Building Fund	4	886	-	-	459	1,349
Church Extension Fund	643	-	7	-	179	829
Companion Diocese Funds	32	90	(105)	-	-	17
Ministry Division RME Ordinand's Grant	(8)	329	(285)	-	-	36
Ebbsfleet Youth Worker	18	34	(34)	-	-	18
Children & Young People Fund	53	14	(16)	-	25	76
Chatham Town Centre	406	97	-	-	-	503
Children & Young People misc. funds	3	-	-	-	-	3
Cobham and Gravesend Churches Fund	60	-	(1)	-	-	59
Henry Smith Dementia Project	5	1	(6)	-	-	-
Together Magazine	1	-	-	-	-	1
Called to Grow - Strategic Development Funding	50	162	(132)	-	-	80
Past Cases Review	55	-	(29)	-	-	26
Covid 19 Emergency Relief	-	27	(155)	-	136	8
	39,005	**2,176**	**(1,397)**	**(8)**	**760**	**40,536**

Poverty and Hope Appeal
Money raised by an annual appeal and passed on in grants to various missionary and relief agencies.

Committee Amongst the Deaf
Specific donations received for use by this committee.

Local Church Urban Fund
The income arising from the appeal capital is used to pay grants in support of specified projects in urban priority areas within the Diocese. The transfer of £36k represented a contribution to the Covid 19 Emergency Relief Fund.

Diocesan Pastoral Account
Capital monies originally received under the Pastoral Measure 1983 and is restricted thereby. Income includes profit on the sale of fixed assets of £238k (2019 : £nil), furlough grants against Growth Enabler salaries of £54k (2019 : £nil) and rental income of £24k (2019 : £15k). Expenditure includes a £105k grant to the St. Benedict's Centre (2019 : £nil), Growth Enabler costs of £135k (2019 : £25k)

17. RESTRICTED FUNDS (CONTINUED)

and £21k towards the Bishops' Discretionary Fund. The net transfer of £489k relates to profit on the sale of Footscray parsonage of £788k less parsonage catch up works of £250k, provision of the Archdeacon's Discretionary Funds of £20k and support for Strategic Development Fund and Community Engagement & Social Action posts of £29k.

Pastoral Account re Sale of Beckenham St. Michael Hall
Capital monies originally received under the Pastoral Measure 1983 and is restricted thereby. This has been shown separately from the Diocesan Pastoral Account because the aim is to use the funds for that specific parish.

Trust for London
An annual allocation from the Foundation to use within the Archdeaconry of Bromley and Bexley. The transfer of £192k represents contributions to the Children and Young Peoples 500k Fund, community and children's projects, training, stipends, administration and £100k towards the Covid 19 Emergency Relief Fund.

Benefice Property
The fund value represents the capital value of parsonage houses less depreciation. The net transfer of £300k relates to adjustments required in relation to parsonage purchases and sales and the capitalisation of parsonage improvement projects.

Thames Gateway
Money given by Tonbridge Deanery towards specific projects in the Thames Gateway area.

Thames Gateway Capital
Money initially collected through the parish share specifically to raise £1m over 10 years towards capital projects in the Thames Gateway area.

Parsonage Building Fund
Money held by the RSDBF, under s5(3) of the Parsonages Measure 1938 (amended), from the sale of a parsonage or other parsonage land held in trust for the benefice concerned. The income of £886k represents the profit on sale of 206 New Hythe Lane, Lamberhurst and 100 Park Crescent, Erith. The transfer of £459k represents the net book value of these properties being transferred from the Benefice Property.

Church Extension Fund
Monies given under an appeal in 1956 for the purchase or improvement of churches, halls, parsonages, curate houses and other property. The fund includes 4 houses in various parishes with a net book value of £250k. The transfer of £179k represents the RDSBF's 50% share of proceeds on the Sale of 34 Ronaldstone Road, Sidcup which was originally posted to the Designated Property Fund when it was sold in 2017.

Companion Diocese Funds
This represents collections taken at Confirmation services and other income for the purpose of maintaining and developing partnerships with overseas link Dioceses.

Ministry Division RME Ordinand's Grant
Block grant received from the Archbishop's Council Ministry Division to fund ordinand training.

Ebbsfleet Youth Worker
Grant received from the Ebbsfleet Development Corporation to be spent on the provision of a youth worker in Ebbsfleet for the next 3 years.

17. RESTRICTED FUNDS (CONTINUED)

Children and Young People 500K Fund
Fund established as part of the Called Together initiative. The transfer of £25k was allocated from the Trust for London Fund to support Children and Young People projects specifically in the Bromley & Bexley Archdeaconry.

Chatham Town Centre
Grant received from the Church Commissioners to help fund redevelopment of Chatham Town Centre.

Children and Young People Funds
This represents 2 small grants specifically for the Children and Young People Projects, Angel Space and Listen to Learn.

Cobham and Gravesend Churches Fund
Fund to be used for purposes connected with the social responsibility mission of churches in the Cobham and Gravesend area.

Henry Smith Dementia Project
Grant received from the Henry Smith Charity towards 2 years' salary costs of a part-time project worker helping churches in Rochester and Canterbury Dioceses develop their ministry with older people and people with dementia.

Together Magazine
Grant from the Bishops Fund for Mission towards the production and circulation of the Rochester Diocese Together Magazine.

Called to Grow
In late June 2019, the Strategic Investment Board of the Church Commissioners agreed to award funding, on behalf of the Archbishops' Council, of £1,388K. This was the full amount of the RDSBF's Stage Two application and facilitates growth enablement projects in five focus parishes. In particular, this support is to evangelistic activities in Anerley, Erith, Gillingham and Strood. The funding is over 5 years, 2019-2024.

Past Cases Review
The Past Cases Review, is a comprehensive safeguarding review currently underway across churches and key institutions within the Diocese of Rochester. The purpose of the Review is to help find out whether all known cases of concern about the behaviour of clergy and church officers towards children and vulnerable adults have been considered, risk assessed and dealt with appropriately. Independent reviewers have carried out the Review which is expected to be completed in 2021. The anticipated cost is expected to be divided between the Bishop, the Diocesan Pastoral Account and the Church Commissioners. The total cost is anticipated to be £120k.

Covid 19 Emergency Relief Fund
The fund was set up to make grants to parishes that are struggling financially during the Covid 19 pandemic. Income of £27k represents donations from 7 parishes wishing to add their support to this fund and their colleagues. Transfers of £136k were from Trust for London and the Local Church Urban Fund.

17. RESTRICTED FUNDS (CONTINUED)

	Balance at 1 January 2019 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2019 £'000
Poverty & Hope Appeal	20	34	(30)	-	-	24
Committee Amongst Deaf	23	-	-	-	-	23
Local Church Urban Fund	25	13	(4)	-	-	34
Diocesan Pastoral Account	2,230	31	(1,195)	-	219	1,285
Diocesan Pastoral Account re Sale of Beckenham St Michael Hall	169	-	(10)	-	-	159
Trust for London (formerly City Parochial Foundation)	30	244	(187)	-	(83)	4
Benefice Property	35,360	-	-	-	330	35,690
Thames Gateway	7	-	-	-	-	7
Thames Gateway Capital Fund	457	-	-	-	-	457
Parsonage Building Fund	563	-	-	-	(559)	4
Church Extension Fund	786	-	(143)	-	-	643
Partnership Funds	32	168	(168)	-	-	32
Ministry Division RME Ordinand's Grant	(11)	236	(233)	-	-	(8)
Ebbsfleet Youth Worker	15	33	(30)	-	-	18
Children & Young People Fund	22	64	(58)	-	25	53
Chatham Town Centre	256	165	(15)	-	-	406
Children & Young People misc. funds	3	-	-	-	-	3
Cobham and Gravesend Churches Fund	58	-	-	-	2	60
Henry Smith Dementia Project	-	39	(34)	-	-	5
Together Magazine	-	4	(3)	-	-	1
Called to Grow - Strategic Development Funding	-	75	(25)	-	-	50
Past Cases Review	-	40	(25)	-	40	55
	40,045	**1,146**	**(2,160)**	**-**	**(26)**	**39,005**

18. ENDOWMENT FUNDS

	Balance at 1 January 2020 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2020 £'000
Stipends Capital Account	16,450	-	(12)	1,237	427	18,102
Training	1,331	-	-	88	6	1,425
Pensions & Retired Clergy	1,475	-	-	39	2	1,516
Buildings	75	-	-	5	-	80
Parsonages	616	-	-	40	2	658
Local Church Urban Fund	455	-	-	30	2	487
Social Mission	1,069	-	-	70	4	1,143
David Goodwin Legacy	649	24	-	-	-	673
	22,120	**24**	**(12)**	**1,509**	**443**	**24,084**

Stipends Capital Account
Investments held under the Endowments and Glebe Measure 1976. Income is credited to the Common Fund and used for stipend purposes. The main movements in the year relate to parsonage sales and purchases, capitalisation of works to parsonages and investment gains. The original liability for clergy pensions liabilities was funded by the Stipends Capital account, and the transfer also represents the reduction in clergy pension deficit contribution liabilities in the year.

Training
Mainly a legacy to provide a contribution towards the cost of training ordinands. Some small funds also for general training of clergy and readers. Income arising in the year has been applied to the Common Fund to offset the full costs incurred.

Pensions and Retired Clergy
Legacies and the result of an appeal for the provision of housing for the retired clergy. Income from investments arising in the year has been applied to the Common Fund to offset pension costs incurred.

Buildings
Comprises of two funds, the first to support the fabric of the Diocesan Office and the second to provide income for grants to PCC's. Income arising has been applied to the Common Fund to offset the full costs incurred.

Parsonages
An endowment transferred from the Church Commissioners upon setting up of the Parsonage Scheme. Income arising has been applied to the Common Fund to offset full costs incurred.

Local Church Urban Fund
The initial capital of £250k was raised by appeal. The income is used to pay grants in support of specified projects in urban priority areas within the Diocese.

Social Mission
Comprised of four funds Oakhurst, Ravensbourne, Hollywood Manor and Council for Social Aid (formerly Rock Avenue). Income from the funds may be applied for the general purposes of social mission in the Diocese.

David Goodwin Legacy
A residuary estate held in trust by the RDSBF as a Capital Fund and the interest thereon being applied for Ecclesiastical or charitable purposes of St Peter with St Margaret, Rochester, being known as the 'Parish of Rochester'. The capital sum is owned by the RDSBF. The members of the RDSBF are the charity trustees, being the persons who have the general control and management of the administration of the capital and make decisions about how the income is spent, or the development of a reserves policy.

18. ENDOWMENT FUNDS (CONTINUED)

	Balance at 1 January 2019 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2019 £'000
Stipends Capital Account	14,031	-	(146)	1,173	1,392	16,450
Training	1,173	-	-	158	-	1,331
Pensions & Retired Clergy	1,403	-	(1)	73	-	1,475
Buildings	64	-	-	11	-	75
Parsonages	543	-	-	73	-	616
Local Church Urban Fund	401	-	-	54	-	455
Social Mission	939	-	-	130	-	1,069
David Goodwin Legacy	645	5	(1)	-	-	649
	19,199	**5**	**(148)**	**1,672**	**1,392**	**22,120**

19. TRANSFERS BETWEEN FUNDS

	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000
Transfer of funds to reduce the clergy pension deficit	(621)	-	-	621
Parsonage and ministry house movements	294	-	(79)	(215)
DBF Property movements	(1,078)	112	966	-
Transfer to Archdeacons' Discretionary Funds	20	-	(20)	-
Transfers from Trust for London	67	-	(67)	-
SDF Support Function/CESA Staff Costs	40	-	(40)	
Mercer Management Fees Capitalised	(37)	-	-	37
Transfers as at 31 December 2020	(1,315)	112	760	443

The transfers summarised above are described in notes 16-18.

	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000
Transfer of funds to reduce the clergy pension deficit	(2,605)	-	-	2,605
Parsonage and ministry house additions	(82)	-	82	-
Transfer of DBF Properties	-	460	-	(460)
Purchase of DBF Properties	753	-	-	(753)
Transfer to Archdeacons' Discretionary Funds	20	-	(20)	-
Transfers from Trust for London	58	-	(58)	-
Write off of Holy Trinity Gillingham Loan	30	-	(30)	-
Transfers as at 31 December 2018	(1,826)	460	(26)	1,392

20. NET ASSETS BETWEEN FUNDS

	Note	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	9	1,967	9,566	36,566	3,362	51,461
Investments	10	8,192	855	-	19,867	28,914
Current assets		6,447	(1,892)	3,970	1,544	10,069
Creditors		(10,926)	-	-	(77)	(11,003)
Creditors > 1 year		(500)	(295)	-	(612)	(1,407)
As at 31 December 2020		5,180	8,234	40,536	24,084	78,034

	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	2,982	9,427	36,808	2,312	51,529
Investments	7,622	985	-	19,890	28,497
Current assets	5,433	(2,635)	2,197	1,228	6,223
Creditors	(9,225)	(178)	-	(131)	(9,534)
Creditors > 1 year	-	(295)	-	(1,179)	(1,474)
As at 31 December 2019	6,812	7,304	39,005	22,120	75,241

21. ASSETS HELD AS CUSTODIAN TRUSTEE

	2020 £'000	*2019 £'000*
Investments (at cost)	697	*687*
Property	648	*648*
Cash at bank	741	*764*
	2,086	*2,099*

22. PENSION SCHEMES

a. Revaluation of Pension Scheme Liabilities

The revaluation shown in the Statement of Financial Activities comprises revaluations of both the clergy scheme and the lay scheme as follows:-

	2020 £'000	*2019 £'000*
Investments (at cost)	697	*687*
Property	648	*648*
Cash at bank	741	*764*
	2,086	*2,099*

b. The Church of England Funded Pension Scheme (for clergy)

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to a specific Responsible Body and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The

22. PENSION SCHEMES (CONTINUED)

pensions costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.; and
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a..

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit recovery contributions	11.9%	7.1%

As at 31 December 2018, the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 31 December 2020, the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2019 and over 2020 is set out in the table below.

	2020 £'000	*2019 £'000*
Balance sheet liability at 1 January	1,310	*3,915*
Deficit contribution paid	(583)	*(573)*
Interest cost (recognised in SoFA)	11	*76*
	(572)	*(497)*
Remaining change to the balance sheet liability* (recognised in SoFA)	(49)	*(2,108)*
	(621)	*(2,605)*
Balance sheet liability at 31 December	689	*1,310*

* Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

This liability is a liability of the Stipends Capital Account (within Endowment Funds). Deficit contributions have been paid during the year by the Common Fund. Interest costs have been incurred in the Common Fund. The net of these two items together with the revaluation of liabilities shown above, is included in Transfers (note 19) to ensure that the deficit reduction is reflected in the Stipends Capital Account (note 18). The current year costs of providing pensions to diocesan clergy are included within expenditure within the Common Fund.

22. PENSION SCHEMES (CONTINUED)

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2020	December 2019	December 2018
Discount rate	0.2% pa	1.1% pa	2.1% pa
Price inflation	3.1% pa	2.8% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.3% pa	1.6% pa

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

c. Defined Contribution Scheme (for lay personnel)

A defined contribution scheme is operated for the majority of current RDSBF staff. The RDSBF contributes 5% of base salary into the Scheme and employees also contribute 5% (after tax). The Scheme is administered by Scottish Widows.

Amounts payable in the year to this scheme by the RDSBF amount to £56,482 (2019 : £39,457) and the amount owed to the scheme at 31 December 2020 was £nil (2019 : £nil).

d. Staff Defined Benefit Scheme (for lay personnel)

RDSBF (the Employer) operates a defined benefit pension arrangement called the Rochester Diocesan Staff Retirement Scheme (the Scheme). The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death. This is a closed scheme to new employees and currently has five current employees of the RDSBF and one current employee of the Rochester Diocesan Board of Education who are beneficiaries of the Scheme.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Employer must agree with the Trustees of the Scheme that the contributions to be paid to address any shortfall against the Statutory Funding Objectives and contributions to pay for future accrual of benefits.

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31 March 2018 and the next valuation of the Scheme is due as at 31 March 2021. In the event that the valuation reveals a larger deficit than expected the RDSBF may be required to increase contributions above those set out in the existing Schedule of Contributions. Conversely, if the position is better than expected, it is possible that contributions may be reduced.

The RDSBF expects to pay accrual contributions of £85k in the year to 31 December 2021 (based on salaries between 31 December 2019 and 31 December 2020 – if members have left or retired then this number would be expected to reduce).

The Scheme is managed by a board of Trustees appointed in part by the RDSBF and part from elections by members of the Scheme. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The Trustees delegate some of these functions to their professional advisers where appropriate.

The effect of the judgement regarding equalization of guaranteed minimum pensions for past transfers has been considered in the context of a past service cost during the period (albeit in practice the amount would appear to be insignificant – see below).

There were no plan amendments, curtailments or settlements through the period.

At 31 December 2020 the FRS102 valuation, which is based on different underlying assumptions to the actuarial valuation, calculated a surplus in the Scheme of £818k (2019 : £855k). Under FRS102 the Employer

22. PENSION SCHEMES (CONTINUED)

is only allowed to recognise such assets in its balance sheet to the extent that it can recover the surplus either through reduced contributions in the future or through refunds from the plan. As RDSBF is unable to recover the surplus, the asset value of the Scheme at 31 December 2020 reflected in these accounts is £nil. This compares to an asset value of £nil at the previous review date.

Principal Actuarial Assumptions	**31 December 2020**	***31 December 2019***
Discount rate	1.30%	*2.10%*
Inflation (RPI)	3.10%	*3.20%*
Inflation (CPI)	2.30%	*2.20%*
Salary increases	3.10%	*3.20%*
Increases in payment to Post 1992 benefits in excess of GMP (RPI max 5%)	3.00%	*3.10%*
Increases in payment to Post 2016 benefits in excess of GMP (CPI max 2.5%)	1.85%	*1.80%*
Revaluation in deferment (benefits in excess of GMP)	2.30%	*2.20%*
Post-retirement mortality	95% of the S2PxA tables with CMI 2017 projections using a long-term improvement rate of 1.25% p.a.	*95% of the S2PxA tables with CMI 2017 projections using a long-term improvement rate of 1.25% p.a.*
Commutation	No allowance has been made for members to take tax free cash	*No allowance has been made for members to take tax free cash*

The current asset split is as follows:

	Bid values as at 31 December 2020 £'000	***Bid values as at 31 December 2019 £'000***
Global Equities	4,948	*4,442*
Index Linked gilts	3,249	*2,757*
With-profit deferred annuity policy	19	*18*
Cash	122	*110*
Total assets	8,338	***7,327***

The following amounts at 31 December 2020 and 31 December 2019 were measured in accordance with the requirements of FRS102:

Balance sheet	**At 31 December 2020 £'000**	***At 31 December 2019 £'000***
Fair value of assets	8,338	*7,327*
Present value of funded obligations	(7,520)	*(6,472)*
Surplus/(deficit) in scheme	**818**	*855*
Impact on limit of recognisable surplus	(818)	*(855)*
Net defined benefit asset/(liability)	**-**	*-*

Amount recognised in Statement of Financial Activities (SOFA)	**Period to 31 December 2020 £'000**	***Period to 31 December 2019 £'000***
Current service cost	- 86	*99*
Administration costs	-	*28*
Interest on liabilities	136	*166*
Interest on assets	(155)	*(188)*
Past service costs	-	*-*
Settlement and curtailment cost	-	*-*
Total charge to SOFA	**67**	***105***

22. PENSION SCHEMES (CONTINUED)

Remeasurements over the year	Period to 31 December 2020 £'000	*Period to 31 December 2019 £'000*
(Gain)/loss on assets in excess of interest	(787)	*(814)*
Experience losses/(gains) on liabilities	-	*-*
Losses/(gains) from changes to demographic assumptions	(440)	*-*
Losses/(gains) from changes to financial assumptions	1,279	*735*
Total remeasurements	52	***(79)***

Change in value of the assets	Period to 31 December 2020 £'000	*Period to 31 December 2019 £'000*
Fair value of assets at start	**7,327**	***6,189***
Interest on assets	155	*188*
Company contributions	82	*283*
Contributions by Scheme participants	16	*18*
Benefits paid	(29)	*(137)*
Administration costs	-	*(28)*
Change due to settlements and curtailments	-	*-*
Return on assets less interest	787	*814*
Fair value of assets at end	**8,338**	***7,327***

Actual return on assets	**942**	**1,002**

Change in value of DB liabilities	Period to 31 December 2020 £'000	*Period to 31 December 2019 £'000*
Value of liabilities at start	**6,472**	***5,591***
Current service cost	86	*99*
Contributions by scheme participants	16	*18*
Past service costs	-	*-*
Interest on liabilities	136	*166*
Benefits paid	(29)	*(137)*
Change due to settlements or curtailments	-	*-*
Experience (gain)/loss on liabilities	-	*-*
Changes to demographic assumptions	(440)	*-*
Changes to financial assumptions	1,279	*735*
Value of liabilities at end	**7,520**	***6,472***

Projected Profit & Loss account for next year	Period to 31 Dec 2021 £'000
Current service cost	103
Administration costs	-
Interest on liabilities	98
Interest on assets	(109)
Settlement and curtailment costs	-
Past service cost	-
Total	**92**

The above estimate is based on the assumptions adopted at the Review Date and assumes the following:

i Cashflows to and from the pension scheme are broadly the same as for the current period.
ii There are no events (other than those already notified to us) that would give rise to a settlement, curtailment or past service cost.

NOTES FOR THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

23. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

	Unrestricted Common	Unrestricted Designated	Restricted	Endowment	Total 2019	*Total 2018*
	£'000	£'000	£'000	£'000	£'000	*£'000*
Income						
Donations:						
- Parish Offers	9,057	-	-	-	9,057	*9,190*
- Other	166	-	1,093	-	1,259	*1,576*
Investment income	1,448	-	53	5	1,506	*1,131*
Charitable activities	12	-	-	-	12	*19*
Total income	10,683	-	1,146	5	11,834	*11,916*
Expenditure						
Generating income	(484)	-	(10)	(1)	(495)	*(271)*
Charitable activities	(10,739)	-	(2,150)	(147)	(13,036)	*(12,671)*
Total Expenditure	(11,223)	-	(2,160)	(148)	(13,531)	*(12,942)*
Operating (Deficit)/Surplus:	**(540)**	**-**	**(1,014)**	**(143)**	**(1,697)**	***(1,026)***
Profit on sale of property	-	-	-	-	-	*1,408*
Gains/(losses) on investments	1,201	-	-	1,672	2,873	*1,647*
Net Income	**661**	**-**	**(1,014)**	**1,529**	**1,176**	***2,029***
Reserve Movements:						
Net Income	661	-	(1,014)	1,529	1,176	*2,029*
Gains on revaluation of fixed assets	-	-	-	-	-	*1,144*
Revaluation of pension scheme liabilities	1,930	-	-	-	1,930	*449*
Transfers between funds	(1,826)	460	(26)	1,392	-	-
Net movement in funds	**765**	**460**	**(1,040)**	**2,921**	**3,106**	***3,622***
Reserve balances at 1st January 2019	6,047	6,844	40,045	19,199	72,135	*68,513*
Reserve balances at 31st December 2019	**6,812**	**7,304** note 16	**39,005** note 17	**22,120** note 18	**75,241**	***72,135***

CUSTODIAN TRUSTEESHIP FUNDS – BALANCE SHEET

For the year ended 31 December 2020

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	2020		2019	
	Capital £'000	**Revenue £'000**	***Capital £'000***	***Revenue £'000***
Investments at cost (see below)	694	3	*683*	*4*
Freehold property	645	-	*645*	*-*
Freehold interest in leased properties	3	-	*3*	*-*
Cash				
National Savings Bank	11	1	*11*	*1*
CCLA Investment Management Ltd - Deposit Fund				
Miscellaneous	633	94	*650*	*94*
Church Commissioners Deposit Account				
Barclays Bank - Current Account	-	2	*-*	*8*
	644	97	*661*	*103*
Total Assets	1,986	100	*1,992*	*107*
Representing				
Parochial Funds	1,968	96	*1,960*	*102*
Non-Parochial Funds	18	4	*32*	*5*
Total Funds	1,986	100	*1,992*	*107*

INVESTMENTS NOTE	2020		2019	
	Cost £'000	**Market value £'000**	***Cost £'000***	***Market value £'000***
CAPITAL				
Quoted Investments	5	151	*5*	*145*
Unlisted Investments				
CCLA Investment Management Ltd				
Investment Fund Income Shares				
202,772 (2019 203,552 shares)	543	4,154	*532*	*3,901*
Fixed Interest Fund Income Shares				
44,806 (2019 44,806 shares)	72	76	*72*	*73*
Global Equity				
25,919 (2019 25,919 shares)	30	68	*30*	*57*
Property Fund				
34,935 (2019 34,935 shares)	44	45	*44*	*48*
	689	4,343	*678*	*4,079*
	694	*4,494*	*683*	*4,224*
REVENUE				
Unlisted Investments				
CCLA Investment Management Ltd				
Investment Fund Income Shares	3	44	*4*	*44*
2,127 (2019 2,312 shares)				

PARISH FUND BALANCES

For the year ended 31 December 2020

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CHURCH REPAIR FUND BALANCES
As at 31 December 2020

	2020 £'000	2019 £'000		2020 £'000	2019 £'000
Deposits by Parishes with Diocese:			Use of Funds Deposited by Parishes with Diocese:		
Parochial Funds	4,778	4,674	Parish Loans	9	9
			Funds on Deposit and other assets	4,769	4,665
	4,778	4,674		4,778	4,674

LOANS FUND BALANCES
As at 31 December 2020

	2020 £'000	2019 £'000		2020 £'000	2019 £'000
Deposits by Parishes with Diocese:			Use of Funds Deposited by Parishes with Diocese:		
Parochial Funds	3,880	3,667	Parish & Clergy - Loans	107	113
Other Sources	32	36	Other Loans	14	18
			Funds on Deposit and other assets	3,791	3,572
	3,912	3,703		3,912	3,703

The Church Repair Fund and Loans Fund have been consolidated in the Financial Statements of the Rochester Diocesan Society and Board of Finance.

Covid testing centre at Christ Church, Luton

PARISH OFFERS RECEIVED BY PARISH

For the year ended 31 December 2020

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BECKENHAM DEANERY	
ANERLEY TEAM MINISTRY	68,700
BECKENHAM CHRIST CHURCH PCC	102,474
BECKENHAM HOLY TRINITY PCC	61,670
BECKENHAM ST BARNABAS PCC	48,000
BECKENHAM ST GEORGE PCC	87,867
BECKENHAM ST JAMES PCC	32,415
BECKENHAM ST JOHN THE BAPTIST PCC	114,000
BECKENHAM ST MICHAEL W ST AUGUSTINE PCC	46,760
BECKENHAM ST PAUL PCC	66,447
PENGE ST JOHN THE EVANGELIST PCC	37,060
SHORTLANDS PCC	76,560
TOTAL BECKENHAM DEANERY	**741,953**
BROMLEY DEANERY	
BICKLEY PCC	58,425
BROMLEY CHRIST CHURCH PCC	50,988
BROMLEY COMMON HOLY TRINITY PCC	31,423
BROMLEY COMMON ST AUGUSTINE W ST LUKES PCC	81,180
BROMLEY ST ANDREW PCC	28,767
BROMLEY ST JOHN THE EVANGELIST PCC	62,561
BROMLEY ST MARK PCC	65,600
BROMLEY ST MARY PCC	65,843
BROMLEY ST PETER & ST PAUL PCC	81,576
CHISLEHURST THE ANNUNCIATION PCC	63,321
CHISLEHURST CHRIST CHURCH PCC	73,724
CHISLEHURST ST NICHOLAS PCC	83,700
HAYES PCC	67,800
TOTAL BROMLEY DEANERY	**814,908**
ERITH DEANERY	
BARNEHURST PCC	34,847
BELVEDERE ALL SAINTS PCC	21,333
BELVEDERE ST AUGUSTINE PCC	34,744
BEXLEYHEATH CHRIST CHURCH PCC	66,064
BEXLEYHEATH ST PETER PCC	24,817
BOSTALL HEATH PCC	31,191
CRAYFORD PCC	52,020
ERITH CHRIST CHURCH PCC	8,002
ERITH ST JOHN THE BAPTIST PCC	40,200
FALCONWOOD PCC	36,186
NORTHUMBERLAND HEATH PCC	57,120
SLADE GREEN PCC	15,000
WELLING PCC	67,074
TOTAL ERITH DEANERY	**488,598**
SIDCUP DEANERY	
BEXLEY ST JOHN THE EVANGELIST PCC	24,797
NORTHCRAY	8,000
BEXLEY ST MARY PCC	28,239
BLENDON PCC	49,992
FOOTSCRAY PCC	7,800
JOYDENS WOOD PCC	24,479
LAMORBEY HOLY REDEEMER PCC	19,914
LAMORBEY HOLY TRINITY PCC	37,373
SIDCUP CHRIST CHURCH PCC	69,200
SIDCUP ST ANDREW PCC	15,000
SIDCUP ST JOHN THE EVANGELIST PCC	48,000
TOTAL SIDCUP DEANERY	**332,794**

PARISH OFFERS RECEIVED BY PARISH

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ORPINGTON DEANERY	
BIGGIN HILL PCC	62,520
CHELSFIELD PCC	54,095
CRAY ST BARNABAS PCC	25,000
CRAY VALLEY	7,000
CROFTON PCC	84,300
CUDHAM PCC	31,340
DOWNE PCC	20,856
FARNBOROUGH ST GILES PCC	64,323
FARNBOROUGH ST NICHOLAS PCC	52,161
GREEN STREET GREEN AND PRATTS BOTTOM PCC	64,064
KESTON PCC	29,000
ORPINGTON ALL SAINTS PCC	81,000
ORPINGTON CHRIST CHURCH PCC	75,255
PETTS WOOD PCC	40,441
TOTAL ORPINGTON DEANERY	**691,355**
TOTAL BROMLEY & BEXLEY	**3,069,608**
COBHAM DEANERY	
ASH PCC	33,685
RIDLEY PCC	5,872
COBHAM PCC	12,000
LUDDESDOWNE & DODE PCC	11,668
FAWKHAM & HARTLEY PCC	40,600
ISTEAD RISE PCC	38,104
LONGFIELD PCC	23,164
MEOPHAM PCC	55,524
NURSTEAD PCC	4,250
SOUTHFLEET PCC	39,000
TOTAL COBHAM DEANERY	**263,867**
DARTFORD DEANERY	
CROCKENHILL PCC	19,000
DARENTH PCC	9,600
HORTON KIRBY PCC	20,559
SUTTON-AT-HONE PCC	9,758
DARTFORD CHRIST CHURCH PCC	52,488
DARTFORD HOLY TRINITY PCC	26,000
DARTFORD ST ALBAN PCC	9,996
DARTFORD ST EDMUND KING & MARTYR PCC	487
STONE PCC	31,250
SWANLEY ST MARY THE VIRGIN PCC	2,792
SWANLEY ST PAUL & HEXTABLE ST PETER PCC	39,750
WILMINGTON PCC	57,853
TOTAL DARTFORD DEANERY	**279,533**
GILLINGHAM DEANERY	
GILLINGHAM HOLY TRINITY PCC	16,319
GILLINGHAM ST AUGUSTINE PCC	30,000
GILLINGHAM ST BARNABAS PCC	7,020
GILLINGHAM ST LUKE PCC	7,488
GILLINGHAM ST MARK PCC	61,859
GILLINGHAM ST MARY ISLAND DCC	13,141
GILLINGHAM ST MARY MAGDALENE PCC	17,335
RAINHAM PCC	82,000
SOUTH GILLINGHAM PCC	121,200
TOTAL GILLINGHAM DEANERY	**356,362**

PARISH OFFERS RECEIVED BY PARISH

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GRAVESEND DEANERY	
CHALK PCC	35,945
GRAVESEND HOLY FAMILY PCC	11,000
IFIELD PCC	12,600
GRAVESEND ST AIDAN PCC	21,094
GRAVESEND ST GEORGE PCC	56,800
GRAVESEND ST MARY PCC	13,200
GREENHITHE PCC	34,500
MILTON CHRIST CHURCH PCC	30,502
MILTON ST PETER & ST PAUL PCC	12,623
NORTHFLEET & ROSHERVILLE PCC	5,000
PERRY STREET PCC	3,000
SHORNE PCC	20,000
SWANSCOMBE PCC	4,000
TOTAL GRAVESEND DEANERY	**260,264**
ROCHESTER DEANERY	
BORSTAL PCC	18,191
CHATHAM ST MARY W ST JOHN PCC	1,635
CHATHAM ST PAUL W ALL SAINTS PCC	20,980
CHATHAM ST PHILIP & ST JAMES PCC	66,141
CHATHAM ST STEPHEN PCC	48,500
LUTON PCC	11,594
PRINCES PARK PCC	34,538
ROCHESTER ST JUSTUS PCC	31,787
ROCHESTER ST PETER W ST MARGARET PCC	47,206
SOUTH CHATHAM HOLY TRINITY PCC	55,758
TOTAL ROCHESTER DEANERY	**336,330**
STROOD DEANERY	
CLIFFE-AT-HOO W COOLING PCC	36,578
CUXTON & HALLING PCC	21,287
FRINDSBURY W UPNOR & CHATTENDEN PCC	52,000
GRAIN PCC	2,737
STOKE PCC	2,737
HIGH HALSTOW W ALLHALLOWS & HOO ST MARY PCC	27,000
HIGHAM W MERSTON PCC	52,966
HOO ST WERBURGH PCC	15,638
STROOD ST FRANCIS PCC	17,170
STROOD ST NICHOLAS W ST MARY PCC	57,260
TOTAL STROOD DEANERY	**285,373**
TOTAL ROCHESTER	**1,781,729**
PADDOCK WOOD	
BRENCHLEY PCC	49,400
EAST PECKHAM PCC	25,993
HADLOW PCC	43,200
HORSMONDEN PCC	38,584
LAMBERHURST PCC	31,770
MATFIELD PCC	23,000
PADDOCK WOOD PCC	58,340
PEMBURY PCC	56,364
CAPEL UNITIED BENEFICE	34,080
YALDING PCC	37,691
COLLIER STREET PCC	4,658
TOTAL PADDOCK WOOD DEANERY	**403,080**

PARISH OFFERS RECEIVED BY PARISH

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MALLING DEANERY	
ADDINGTON PCC - BART GROUP	17,000
BIRLING PCC	10,379
RYARSH PCC	15,750
TROTTISCLIFFE PCC	13,069
AYLESFORD PCC	44,126
BARMING PCC	59,530
BURHAM & WOULDHAM PCC	10,510
COXHEATH PCC	11,702
EAST FARLEIGH PCC	10,998
HUNTON PCC	10,998
LINTON PCC	10,998
WEST FARLEIGH PCC	10,998
DITTON PCC	55,915
EAST MALLING PCC	25,809
TESTON PCC	2,000
WATERINGBURY PCC	5,436
LARKFIELD PCC	2,400
LEYBOURNE PCC	44,000
MEREWORTH PCC	13,000
WEST PECKHAM PCC	8,013
SNODLAND W LOWER BIRLING PCC	32,717
WEST MALLING PCC	29,812
KINGS HILL	3,600
OFFHAM PCC	17,676
TOTAL MALLING DEANERY	**466,436**

SEVENOAKS DEANERY	
BRASTED PCC	21,525
CHEVENING PCC	64,750
KIPPINGTON PCC	69,550
KNOCKHOLT PCC	24,697
HALSTEAD PCC	31,742
RIVERHEAD W DUNTON GREEN PCC	48,878
SEAL ST LAWRENCE PCC	21,120
UNDERRIVER PCC	18,000
SEAL ST PETER & ST PAUL PCC	50,683
SEVENOAKS ST JOHN THE BAPTIST PCC	49,500
SEVENOAKS ST LUKE PCC	43,500
SEVENOAKS ST NICHOLAS PCC	188,142
SUNDRIDGE W IDE HILL & TOYS HILL PCC	28,000
WEALD PCC	43,852
WESTERHAM PCC	50,988
TOTAL SEVENOAKS DEANERY	**754,927**

SHOREHAM DEANERY	
BOROUGH GREEN PCC	43,938
EYNSFORD W FARNINGHAM W LULLINGSTONE PCC	65,815
IGHTHAM PCC	61,543
KEMSING W WOODLANDS PCC	46,805
KINGSDOWN W MAPPISCOMBE PCC	32,940
OTFORD PCC	64,988
PLATT PCC	45,038
PLAXTOL PCC	30,328
SHIPBOURNE PCC	30,328
SHOREHAM PCC	39,960
STANSTED W FAIRSEAT & VIGO PCC	21,583
WROTHAM PCC	32,841
TOTAL SHOREHAM DEANERY	**516,107**

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TONBRIDGE DEANERY	
CHIDDINGSTONE CAUSEWAY PCC	19,425
CHIDDINGSTONE PCC	22,110
CROCKHAM HILL PCC	33,000
EDENBRIDGE PCC	52,000
HEVER PCC	8,691
FOUR ELMS PCC	6,504
MARKBEECH PCC	6,870
HILDENBOROUGH PCC	47,000
LEIGH PCC	50,747
PENSHURST PCC	41,520
FORDCOMBE PCC	15,271
TONBRIDGE ST PETER & ST PAUL PCC	112,000
TONBRIDGE ST STEPHEN PCC	87,046
TOTAL TONBRIDGE DEANERY	**502,184**
TUNBRIDGE WELLS DEANERY	
LANGTON GREEN PCC	20,000
RUSTHALL PCC	61,000
SOUTHBOROUGH CHRIST CHURCH	62,468
SOUTHBOROUGH BIDBOROUGH W ST PETER	68,500
HIGH BROOMS	53,437
SOUTHBOROUGH ST THOMAS PCC	39,047
SPELDHURST PCC	76,185
TUNBRIDGE WELLS HOLY TRINITY W CHRIST CHURCH PCC	86,400
TUNBRIDGE WELLS KING CHARLES THE MARTYR PCC	75,840
TUNBRIDGE WELLS ST BARNABAS PCC	24,975
TUNBRIDGE WELLS ST JAMES PCC	76,000
TUNBRIDGE WELLS ST JOHN PCC	70,155
TUNBRIDGE WELLS ST LUKE PCC	54,000
TUNBRIDGE WELLS ST MARK PCC	20,000
TUNBRIDGE WELLS ST PETER PCC	45,000
TUNBRIDGE WELLS ST PHILIP PCC	46,500
TOTAL TUNBRIDGE WELLS DEANERY	**879,507**
TOTAL TONBRIDGE	**3,522,241**
TOTAL ALL	**8,373,578**
OFFER IN LIEU OF HOUSING	16,800
ADDITIONAL OFFER FOR PRIOR YEARS	4,200
TOTAL AS PER STATEMENT OF FINANCIAL ACTIVITIES	**8,394,578**

Children in the Diocese of Mpwapwa, one of our four Companion Overseas Links

Address

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Diocese of Rochester
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