



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 Kondo 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

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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)

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

Cover photo: Bishop Jonathan with uniformed groups at Bishop Ridley Church, Welling

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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

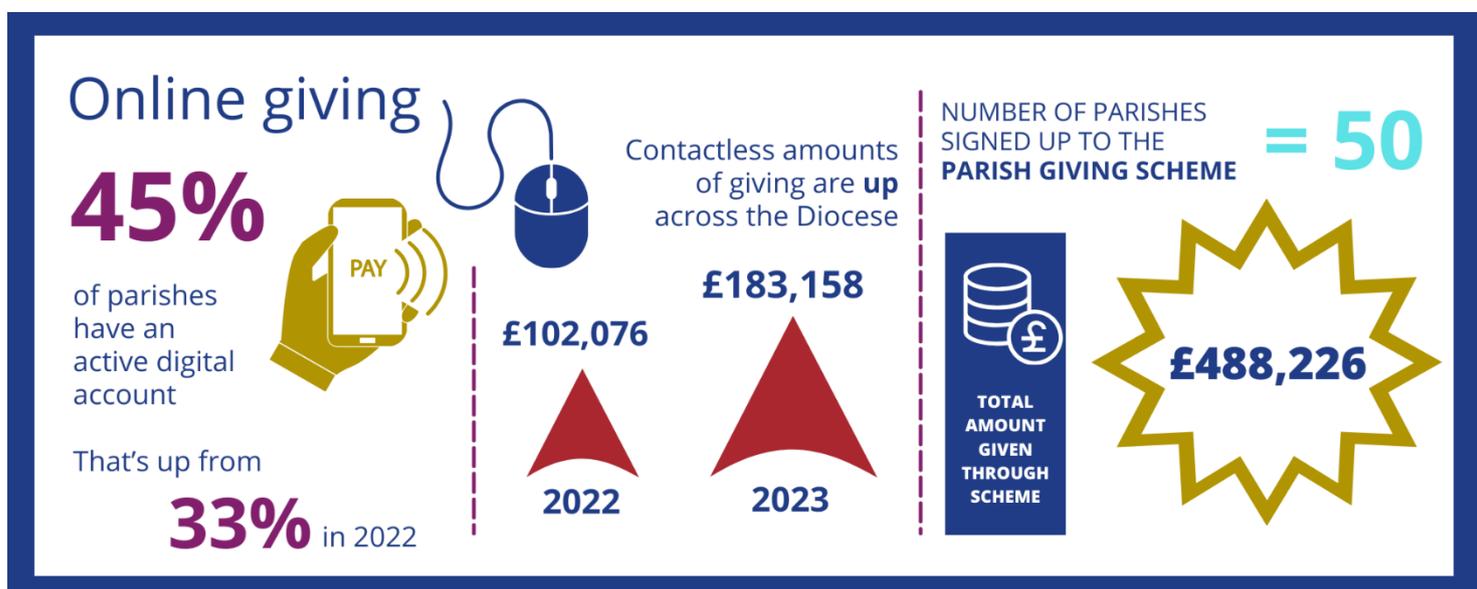
Forty-five percent of parishes in the Diocese have an active digital account. That is up from 33 per cent of parishes in 2022.

### 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.

*"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.



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

# 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 licensed 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 Rochester**

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.

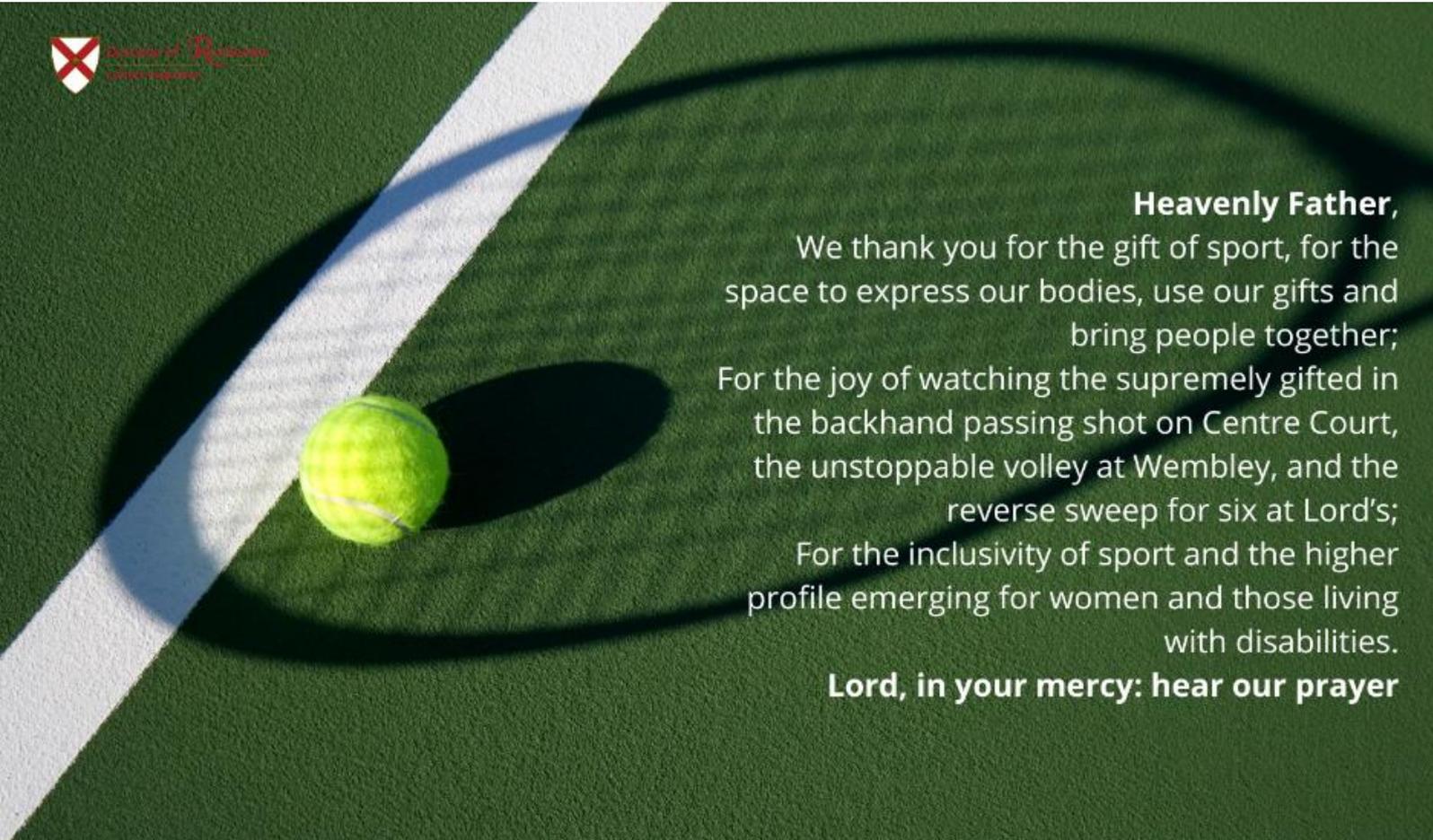
The National Sports and Wellbeing Project, which Rochester Diocese has been part of since 2020, is now nearing completion with a report due to be published shortly. We are engaged with other dioceses to establish the best way to continue the national initiative and supportive relationships in the future.

### **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.

A photograph of a bright yellow-green tennis ball resting on a green tennis court. A long, dark shadow is cast by the ball onto the court surface. A white line of the court is visible in the background.

**Heavenly Father,**  
We thank you for the gift of sport, for the space to express our bodies, use our gifts and bring people together;  
For the joy of watching the supremely gifted in the backhand passing shot on Centre Court, the unstoppable volley at Wembley, and the reverse sweep for six at Lord's;  
For the inclusivity of sport and the higher profile emerging for women and those living with disabilities.  
**Lord, in your mercy: hear our prayer**

# 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.

## SAFEGUARDING TRAINING

Number of people who undertook Safeguarding training in the Diocese in 2023

### BASIC AWARENESS

Online: 1098  
In parish: 99  
Total: 1197



### FOUNDATION

Online: 930  
In parish: 86  
Total: 1016

### DOMESTIC ABUSE AWARENESS

Online: 819 In Parish: 130



346

Leadership Training

57

Parish Safeguarding Officer inductions



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.

**Photo:** Diocesan Office colleagues crocheted purple hearts in support of the Mothers' Union RISEUp domestic abuse awareness campaign.

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*.



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.



## SUPPORT THE POVERTY AND HOPE APPEAL 2023

Help tackle the causes and effects of poverty in different parts of the world.

For more information visit:  
[www.rochester.anglican.org](http://www.rochester.anglican.org) and search for Poverty and Hope



# 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, *seeking 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 fullness 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:

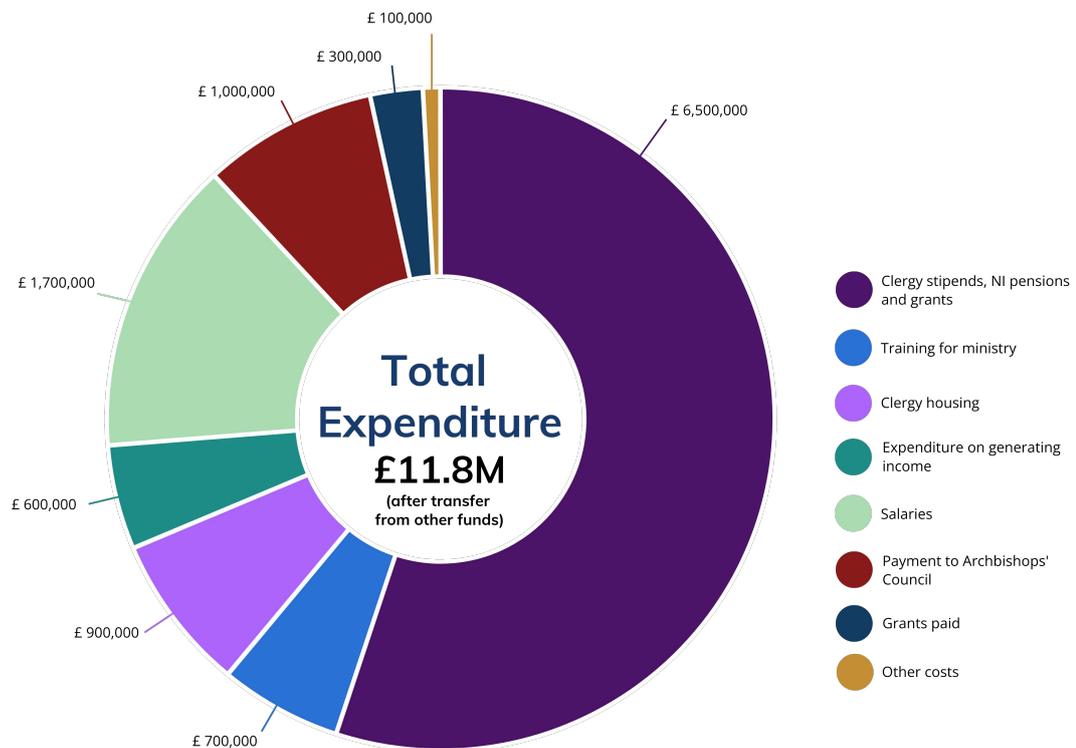
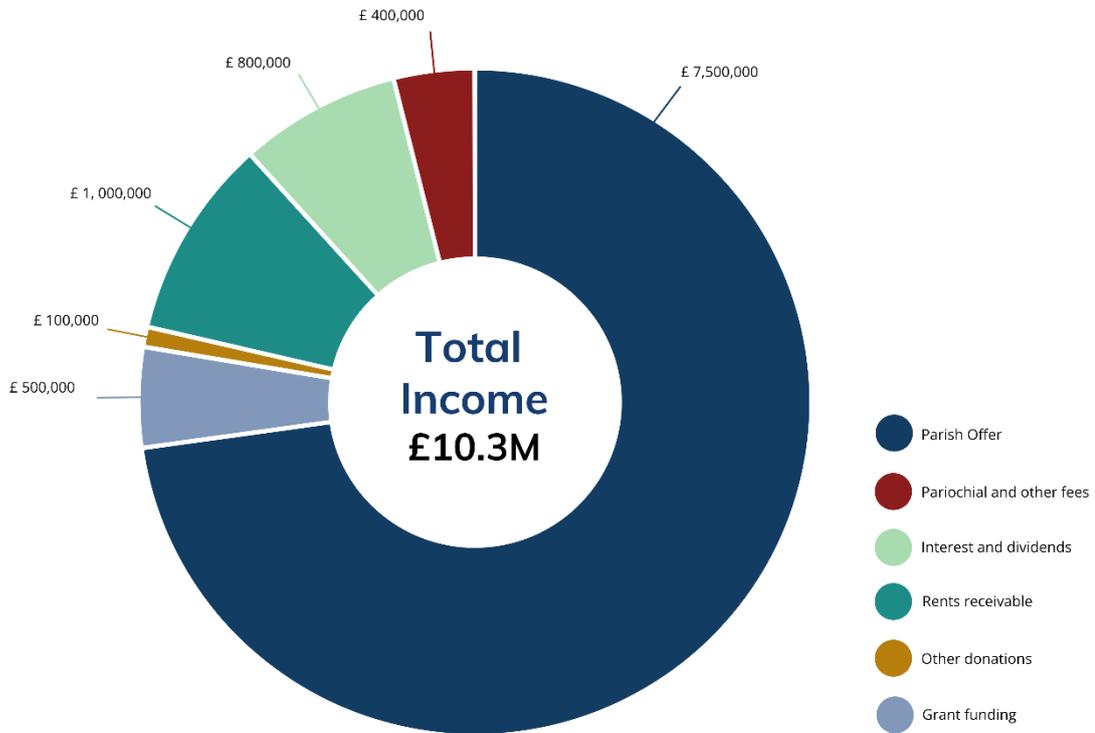
- **Governance** – Reviewing the work of the Archdeaconry Steering Groups and seeking to release the Archdeacons to be able to pick up a more missional role.
- **Finance** – External funding applications for net zero status, ensuring best use of property investment, the utilisation of funds made available 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.

	£
<b>Annualised Cost of FT Incumbent</b>	
Stipend	30,000
NI	3,000
Pension	8,000
Parsonage upkeep	6,000
	<u>47,000</u>
<b>Diocesan Support Costs</b>	
Clergy removals and support costs	3,000
Other ministry support costs *	5,000
Parish support costs **	2,000
Administration and governance costs ***	4,000
	<u>14,000</u>
<b>Cost of Mission, Future Ministry and National Church</b>	
Curates stipend/NI/pension	5,000
Training and maintenance of Ordinand	4,000
Contribution to National Church	3,000
	<u>12,000</u>
<b>Full cost attributable to a parish with one full-time incumbent</b>	<u><u>73,000</u></u>

\* Other ministry support 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, RDSBF 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).

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.

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 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 RDSBF 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

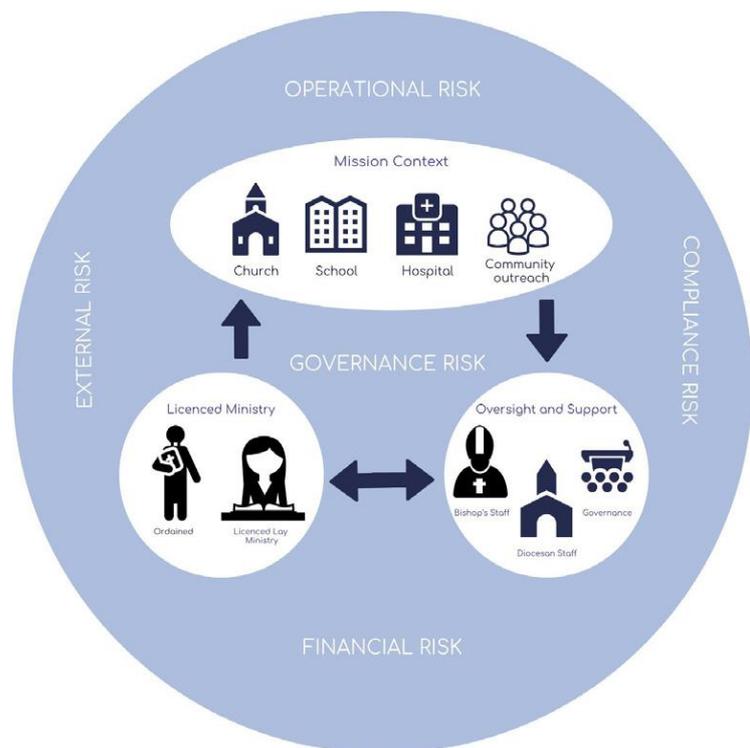
Bishop's Council is responsible for ensuring that effective and adequate risk management and internal control systems are in place to manage the major risks to which the Diocese is exposed.

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:

<b><u>RISK AREA</u></b>	<b><u>MITIGATION STRATEGY</u></b>
<ul style="list-style-type: none"> <li>• 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.</li> <li>• Remedial work created by the Past Cases Review impacts on the effectiveness of the Diocesan Safeguarding Team.</li> <li>• Capacity of Diocese to respond to current safeguarding concerns, and/or to continue to develop safeguarding practice.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Provision of an electronic case management system.</li> <li>• 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.</li> <li>• Team supervision in place and reduction of Cathedral commitments for the Lead DSA has released time and increased investment required by the DBF.</li> <li>• Communications strategies well-rehearsed and co-ordinated with Church House, Westminster &amp; Lambeth Palace.</li> <li>• 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.</li> </ul>

<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• LLF and other nationally divisive issues leading to loss of clergy and/or congregations and finances and impacting the church's reputation.</li> <li>• Deployment of clergy that involves altering the ministerial oversight in local churches.</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of Parish Safeguarding Dashboards ensuring parishes have adequate level of safeguards in place.</li> <li>• Diocesan Safeguarding Advisory Panel (DSAP), which is independently chaired, maintaining strategic oversight including monitoring of safeguarding action plan.</li> <li>• New website increasing accessibility and visibility both internally and externally.</li> <li>• 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.</li> <li>• 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.</li> <li>• Strong episcopal leadership and professional support in handling difficult issues and sensitive negotiation with churches concerning the pastoral, operational and financial implications.</li> <li>• Archdeaconry Steering Groups. Implementation of the Ministerial Deployment Tool. Legal process for pastoral reorganisation, involving extensive consultation.</li> <li>• Developing plans for investment in parish system through Total Return and larger investment from Church Commissioners.</li> </ul>
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<ul style="list-style-type: none"> <li>• Financial operating deficit leading to breakdown in trust with parishes and the inability to maintain support to legally committed ministry.</li> <li>• Information security, IT systems availability and performance, staff proficiency in using IT systems.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Strategy that sets out the approach to achieve a financially sustainable position, regular financial planning and budgetary control.</li> <li>• Implementation of Total Return to enable investment.</li> <li>• 2024 review of Parish Offers.</li> <li>• Development of new Budget and 5-Year Projections by new Finance Director.</li> <li>• Aiming to continue to increase Parish Offer payments and improvement of communications on the Common Fund purpose.</li> <li>• Working to increase grant income from the NCIs.</li> <li>• Implementation of upgraded Network infrastructure with enhanced endpoint, AV and VPN elements of the network architecture.</li> <li>• Update of security and network policies.</li> <li>• Appointment of new IT Manager in 2023 and security review undertaken.</li> <li>• Higher level of wifi security in place.</li> <li>• Software upgrades for MS Business Premium, including implementation of increased factor authentication.</li> <li>• Implementation of closer management of Node 4, who maintain the Cloud network.</li> </ul>
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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 exempted 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 Kondo 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.

**Mr Matthew Girt**  
**Diocesan Secretary**

**\*\* May 2024**

**Canon Nigel Pope**  
**Chair of Rochester Diocesan Society and Board of Finance**

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**

# **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## USE OF OUR REPORT

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

Jane Askew

\*\* May 2024

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 2023

	Note	Unrestricted		Restricted	Endowment	Total 2023	Total 2022
		£'000	Designated £'000	£'000	£'000	£'000	£'000
<b>Income</b>							
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
<b>Total income</b>		<b>10,291</b>	<b>-</b>	<b>1,273</b>	<b>31</b>	<b>11,595</b>	<b>11,457</b>
<b>Expenditure</b>							
Generating income	5	(587)	-	(5)	-	(592)	(642)
Charitable activities	6	(11,536)	-	(1,971)	-	(13,507)	(13,082)
<b>Total Expenditure</b>		<b>(12,123)</b>	<b>-</b>	<b>(1,976)</b>	<b>-</b>	<b>(14,099)</b>	<b>(13,724)</b>
<b>Operating (Deficit)/Surplus:</b>		<b>(1,832)</b>	<b>-</b>	<b>(703)</b>	<b>31</b>	<b>(2,504)</b>	<b>(2,267)</b>
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)
<b>Net Income before revaluation of fixed assets and pension scheme liabilities and transfers between funds</b>		<b>(1,010)</b>	<b>(21)</b>	<b>357</b>	<b>4,002</b>	<b>3,328</b>	<b>(4,638)</b>
<b>Reserve Movements:</b>							
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)	-	-
<b>Net movement in funds</b>		<b>(897)</b>	<b>109</b>	<b>617</b>	<b>3,343</b>	<b>3,172</b>	<b>(4,542)</b>
Reserve balances at 1st January 2023		2,608	9,092	40,868	25,085	77,653	82,195
Reserve balances at 31st December 2023		<b>1,711</b>	<b>9,201</b>	<b>41,485</b>	<b>28,428</b>	<b>80,825</b>	<b>77,653</b>
			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 - £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

<b>Rochester Diocesan Society and Board of Finance(The)</b>			
<b>Company registration number 140656</b>			
	Note	<b>Total 2023 £'000</b>	<b>Total 2022 £'000</b>
<b>FIXED ASSETS</b>			
Tangible assets	9	52,054	52,655
Investments	10	29,204	29,236
		81,258	81,891
<b>CURRENT ASSETS</b>			
Debtors	11	823	733
Short term deposits		9,047	4,314
Cash at bank		1,170	2,255
		11,040	7,302
<b>CREDITORS: Amounts falling due within one year</b>			
Bank overdraft		23	21
Creditors	12	10,670	10,739
		10,693	10,760
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		347	(3,458)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		81,605	78,433
<b>CREDITORS: Amounts falling due after more than one year</b>			
Pensions liability	12	-	-
Other creditors		780	780
<b>NET ASSETS</b>		80,825	77,653
<b>Unrestricted</b>		10,912	11,700
<b>Restricted</b>		41,485	40,868
<b>Endowment</b>		28,428	25,085
<b>FUNDS</b>	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	
<b>Net cash outflow from operating activities</b>		(4,289)		(3,180)	
<b>Cash flows from investing activities</b>					
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)		
<b>Net cash provided by investing activities</b>		7,935		2,096	
<b>Cash flows from financing activities</b>					
Proceeds from long term debt	-		-		
<b>Net cash provided by financing activities</b>		-		-	
<b>Change in cash and cash equivalents in the reporting period</b>		3,646		(1,084)	
<b>Cash and cash equivalents at 1 January</b>		6,548		7,632	
<b>Cash and cash equivalents at 31 December</b>		10,194		6,548	
<b>Reconciliation of net movement in funds to net cash outflow from operating activities</b>		<b>2023</b>		<b>2022</b>	
		<b>£'000</b>		<b>£'000</b>	
<b>Net movement in funds for the year ended 31 December</b>		<b>3,172</b>		<b>(4,542)</b>	
<b>Adjustments for:</b>					
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)	
<b>Net cash used in operating activities</b>		<b>(4,289)</b>		<b>(3,180)</b>	
<b>Analysis of movements in net debt</b>					
		<b>2022</b>	<b>Cash</b>	<b>New</b>	<b>2023</b>
		<b>£'000</b>	<b>Flows</b>	<b>Borrowing</b>	<b>£'000</b>
			<b>£'000</b>	<b>£'000</b>	
Cash on deposit	4,314	4,733	-	9,047	
Cash at bank	2,255	(1,085)	-	1,170	
Less overdraft	(21)	(2)	-	(23)	
<b>Total cash and cash equivalents</b>	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)	
<b>Total</b>	<b>5,768</b>	<b>3,646</b>	<b>-</b>	<b>9,414</b>	

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2023

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### 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 in 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.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2023

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### ***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.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2023

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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 TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023**

**2. INCOME FROM DONATIONS**

(Donations, Legacies and similar income)	Unrestricted		Restricted	Endowment	Total
	Common	Designated			
	£'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		Restricted	Endowment	Total
	Common	Designated			
	£'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

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023**

**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
	<b>1,832</b>	<b>-</b>	<b>41</b>	<b>31</b>	<b>1,904</b>

	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
	<b>1,586</b>	<b>-</b>	<b>59</b>	<b>12</b>	<b>1,657</b>

**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
	<b>374</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>374</b>

	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
	<b>425</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>425</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023**

**5. EXPENDITURE ON GENERATING INCOME**

	Unrestricted		Restricted	Endowment	Total 2023
	Common £'000	Designated £'000			
Glebe management costs	53	-	-	-	53
Non glebe commissions	49	-	-	-	49
Rental property maintenance	305	-	-	-	305
Cost of income generation	180	-	5	-	185
	<b>587</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>592</b>

	Unrestricted		Restricted	Endowment	Total 2022
	Common £'000	Designated £'000			
Glebe management costs	100	-	-	-	100
Non glebe commissions	36	-	-	-	36
Rental property maintenance	349	-	-	-	349
Cost of income generation	152	-	5	-	157
	<b>637</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>642</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023**

**6. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS**

	Unrestricted		Restricted	Endowment	Total
	General	Designated			2023
	£'000	£'000	£'000	£'000	£'000
<b>Bringing people to faith in Christ</b>					
Mission & Community Engagement (50%)	72	-	-	-	72
Formation & Ministry (50%)	183	-	-	-	183
Youth & Children	108	-	-	-	108
Allocated support costs	283	-	8	-	291
	646	-	8	-	654
<b>A priestly presence in every community</b>					
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
<b>Engagement with the community</b>					
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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023**

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

	<b>Unrestricted</b>		<b>Restricted</b>	<b>Endowment</b>	<b>Total</b>
	<b>General</b>	<b>Designated</b>			<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Bringing people to faith in Christ</b>					
Mission & Community Engagement (50%)	89	-	-	-	89
Formation & Ministry (50%)	194	-	-	-	194
Youth & Children	100	-	-	-	100
Allocated support costs	240	-	8	-	248
	<b>623</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>631</b>
<b>A priestly presence in every community</b>					
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
	<b>9,700</b>	<b>27</b>	<b>346</b>	<b>-</b>	<b>10,073</b>
<b>Engagement with the community</b>					
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
	<b>1,033</b>	<b>-</b>	<b>1,345</b>	<b>-</b>	<b>2,378</b>
	<b>11,356</b>	<b>27</b>	<b>1,699</b>	<b>-</b>	<b>13,082</b>

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2023

### 7. STAFF COSTS

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
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	127	125
- Lay Diocesan Personnel	61	88
- Diocesan Clergy		
	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:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
<b>Common Fund</b>		
Administration and financial management	28	28
Training	9	10
Mission and Community Engagement	5	6
Diocesan Appointments	7	7
	49	51
<b>Called to Grow (funded by Strategic Development Fund)</b>	7	8
<b>Growth Enablers (funded by Diocesan Pastoral Account)</b>	-	2
	56	61

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
<b>Common Fund</b>		
Administration and financial management	24	25
Training	6	6
Mission and Community Engagement	4	5
Diocesan Appointments	5	5
	39	41
<b>Called to Grow (funded by Strategic Development Fund)</b>	5	6
<b>Growth Enablers (funded by Diocesan Pastoral Account)</b>	-	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:-

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
£60,000 - £70,000	1	1
£70,000 - £80,000	1	1
£80,000 - £90,000	-	2
£90,000 - £100,000	1	1

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2023

### 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
<b>Parish Stipends, National Insurance &amp; Pension Costs</b>		
Parish Stipends	4,828	4,767
National Insurance	378	391
Pension Costs	1,203	1,434
	<b>6,409</b>	<b>6,592</b>
Number of parish clergy in post as at 31 December (Full-time equivalent)	168	174

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023**

**8. ANALYSIS OF GRANTS MADE**

	<b>No.</b>	<b>Individuals £'000</b>	<b>Institutions £'000</b>	<b>Source</b>	<b>2023 £'000</b>
<b>From unrestricted funds:</b>					
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
<b>From restricted funds:</b>					
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

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023**

**8. ANALYSIS OF GRANTS MADE (continued)**

	<b>No.</b>	<b>Individuals £'000</b>	<b>Institutions £'000</b>	<b>Source</b>	<b>2022 £'000</b>
<b>From unrestricted funds:</b>					
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	-	Ministry and Mission Support	27
<b>From restricted funds:</b>					
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 Theological College Mpwapwa	1	-	2	Poverty & Hope Appeal	2
Konoda 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
					<b>1,480</b>

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

### 9. TANGIBLE FIXED ASSETS

	Board Property		Equity Sharing Property		Benefice Property		Assets Held For Sale		Assets in course of construction £'000	Computer & Phone Equipment £'000	Total £'000
	Land £'000	Buildings £'000	Land £'000	Buildings £'000	Land £'000	Buildings £'000	Land £'000	Buildings £'000			
<b>Cost or valuation</b>											
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
<b>Depreciation</b>											
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
<b>Net book values</b>											
At 31 December 2023	5,669	7,457	123	122	19,321	17,041	171	124	2,026	-	52,054
<i>At 31 December 2022</i>	<i>5,669</i>	<i>7,359</i>	<i>123</i>	<i>122</i>	<i>19,321</i>	<i>16,640</i>	<i>591</i>	<i>490</i>	<i>2,339</i>	<i>1</i>	<i>52,655</i>

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023**

**10. FIXED ASSET INVESTMENTS**

	<b>2023</b>		<b>2022</b>	
	<b>Cost £'000</b>	<b>Market Value £'000</b>	<b>Cost £'000</b>	<b>Market Value £'000</b>
<b>Investments</b>				
Mercer Global Investment Management	19,774	21,739	16,774	17,363
<b>Investment Properties</b>		7,465		11,873
		<u>29,204</u>		<u>29,236</u>
		<b>£'000</b>		<b>£'000</b>
At 1 January 2023		29,236		32,761
Additions		3,025		190
Disposals	(4,571)		(933)	
Realised gains	<u>(3,062)</u>		<u>40</u>	
Sale proceeds		(7,633)		(893)
Net gains/(losses) on investments		<u>4,576</u>		<u>(2,822)</u>
At 31 December 2023		<u>29,204</u>		<u>29,236</u>

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**

	<b>2023</b>		<b>2022</b>	
	<b>Amounts falling due within one year £'000</b>	<b>Amounts due after more than one year £'000</b>	<b>Amounts falling due within one year £'000</b>	<b>Amounts due after more than one year £'000</b>
Diocesan Parishes - Loans to parishes	93	21	75	16
Diocesan Parishes - Other amounts due	261	-	161	-
Sundry Debtors	446	2	476	5
	<u>800</u>	<u>23</u>	<u>712</u>	<u>21</u>

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023**

**12. CREDITORS**

	<b>2023</b>		<b>2022</b>	
	<b>Amounts falling due within one year £'000</b>	<b>Amounts due after more than one year £'000</b>	<b>Amounts falling due within one year £'000</b>	<b>Amounts due after more than one year £'000</b>
<b>Related Party Balances:</b>				
Amount due to Diocesan Board of Education	57	-	37	-
<b>Other Balances:</b>				
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	-
	<u>10,670</u>	<u>780</u>	<u>10,739</u>	<u>780</u>

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:

	<b>2023 £'000</b>	<b>2022 £'000</b>
<b>Lease payments - other operating lease:</b>		
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
	<u>29</u>	<u>24</u>

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2023

#### 15. RELATED PARTY TRANSACTIONS

During the year the following related party transactions took place:

<u>Related Party</u>	<u>Relationship</u>		<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
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

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

##### 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 in 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023**

**16. DESIGNATED FUNDS (continued)**

	<b>Balance at 1 January 2022 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Investment Movements £'000</b>	<b>Transfers £'000</b>	<b>Balance at 31 December 2022 £'000</b>
Central Church Funding	99	-	(27)	-	5	77
Property Fund	9,015	-	-	-	-	9,015
	<b>9,114</b>	<b>-</b>	<b>(27)</b>	<b>-</b>	<b>5</b>	<b>9,092</b>

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2023

### 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
	<b>40,868</b>	<b>1,273</b>	<b>(1,976)</b>	<b>1,060</b>	<b>260</b>	<b>41,485</b>

#### 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).

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2023

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#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2023

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#### 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023**

**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)	-	-	-
	<b>41,117</b>	<b>1,562</b>	<b>(1,704)</b>	<b>-</b>	<b>(107)</b>	<b>40,868</b>

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2023

#### 18. ENDOWMENT FUNDS

	<b>Balance at 1 January 2023 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Investment Movements £'000</b>	<b>Transfers £'000</b>	<b>Balance at 31 December 2023 £'000</b>
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
	<b>25,085</b>	<b>31</b>	<b>-</b>	<b>3,971</b>	<b>(659)</b>	<b>28,428</b>

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2023

#### 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.

	<b>Balance at 1 January 2022 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Investment Movements £'000</b>	<b>Transfers £'000</b>	<b>Balance at 31 December 2022 £'000</b>
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
	<b>26,821</b>	<b>12</b>	<b>-</b>	<b>(1,452)</b>	<b>(296)</b>	<b>25,085</b>

#### 19. TRANSFERS BETWEEN FUNDS

	<b>Note</b>	<b>Common Fund £'000</b>	<b>Designated Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Endowment Funds £'000</b>
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		<b>269</b>	<b>130</b>	<b>260</b>	<b>(659)</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2023

**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

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2023

**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

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2023

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2023

#### 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2023

**22. PENSION SCHEMES (continued)**

<b>Principal Actuarial Assumptions</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
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	1.00%	1.00%
- From 1/4/2022 – 31/3/2023	2.00%	2.00%
- From 1/2/2024 onwards	3.30%	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:

	<b>Bid values as at 31 December 2023</b> <b>£'000</b>	<b>Bid values as at 31 December 2022</b> <b>£'000</b>
Global Equities	2,104	2,102
Fixed Interest Gilts	1,455	1,368
Index Linked gilts	3,581	3,443
Cash	167	144
<b>Total assets</b>	<b>7,307</b>	<b>7,057</b>

The following amounts at 31 December 2023 and 31 December 2022 were measured in accordance with the requirements of FRS102:

<b>Balance sheet</b>	<b>At 31 December 2023</b> <b>£'000</b>	<b>At 31 December 2022</b> <b>£'000</b>
Fair value of assets	7,307	7,057
Present value of funded obligations	(4,698)	(4,360)
<b>Surplus/(deficit) in scheme</b>	<b>2,609</b>	<b>2,697</b>
Impact on limit of recognisable surplus	(2,609)	(2,697)
<b>Net defined benefit asset/(liability)</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2023

**22. PENSION SCHEMES (continued)**

<b>Amount recognised in Statement of Financial Activities (SOFA)</b>	<b>Period to 31 December 2023</b>	<b><i>Period to 31 December 2022</i></b>
	<b>£'000</b>	<b>£'000</b>
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	-	-
<b>Total charge to SOFA</b>	<b>(79)</b>	<b>35</b>

<b>Remeasurements over the year</b>	<b>Period to 31 December 2023</b>	<b><i>Period to 31 December 2022</i></b>
	<b>£'000</b>	<b>£'000</b>
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)
<b>Total remeasurements</b>	<b>244</b>	<b>203</b>

<b>Change in value of the assets</b>	<b>Period to 31 December 2023</b>	<b><i>Period to 31 December 2022</i></b>
	<b>£'000</b>	<b>£'000</b>
<b>Fair value of assets at start</b>	<b>7,057</b>	<b>9,638</b>
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)
<b>Fair value of assets at end</b>	<b>7,307</b>	<b>7,057</b>
<b>Actual return on assets</b>	<b>231</b>	<b>(2,615)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023**

**22. PENSION SCHEMES (continued)**

<b>Change in value of DB liabilities</b>	<b>Period to 31 December 2023</b> <b>£'000</b>	<b><i>Period to 31 December 2022</i></b> <b><i>£'000</i></b>
<b>Value of liabilities at start</b>	<b>4,360</b>	<b>6,781</b>
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)
<b>Value of liabilities at end</b>	<b>4,698</b>	<b>4,360</b>

<b>Projected Profit &amp; Loss account for next year</b>	<b>Period to 31 Dec 2024</b> <b>£'000</b>
Current service cost	39
Administration costs	-
Interest on liabilities	208
Interest on assets	(326)
Settlement and curtailment costs	-
Past service cost	-
<b>Total</b>	<b>(79)</b>

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.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2023

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#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2023

#### 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 2023 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
<b>At 1 January 2023</b>					
Opening Intergenerational Equity		5,794	-	-	5,794
Opening Unapplied total return		-	13,355	-	13,355
Opening Pension Liability		-	-	-	-
<b>Total</b>		<b>5,794</b>	<b>13,355</b>	<b>-</b>	<b>19,149</b>
<b>Movements during the year</b>					
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)
<b>Net movement during the year:</b>		<b>589</b>	<b>2,374</b>	<b>-</b>	<b>2,963</b>
Closing Intergenerational Equity		6,383	-	-	6,383
Closing Unapplied total return		-	15,729	-	15,729
<b>Total at 31 December 2023</b>		<b>6,383</b>	<b>15,729</b>	<b>-</b>	<b>22,112</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023**

**23. TOTAL RETURN ACCOUNTING (continued)**

	<b>Intergenerational Equity £'000</b>	<b>Unapplied Total Return £'000</b>	<b>Pension Liability £'000</b>	<b>Total 2022 £'000</b>
<b>At 1 January 2022</b>				
Opening Intergenerational Equity	6,002	-	-	6,002
Opening Unapplied total return	-	14,505	-	14,505
Opening Pension Liability	-	-	(337)	(337)
<b>Total</b>	<b>6,002</b>	<b>14,505</b>	<b>(337)</b>	<b>20,170</b>
<b>Movements during the year</b>				
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
	<b>(208)</b>	<b>(457)</b>	<b>337</b>	<b>(328)</b>
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)
	<b>-</b>	<b>(693)</b>	<b>337</b>	<b>(693)</b>
<b>Net movement during the year:</b>	<b>(208)</b>	<b>(1,150)</b>	<b>337</b>	<b>(1,021)</b>
Closing Intergenerational Equity	5,794	-	-	5,794
Closing Unapplied total return	-	13,355	-	13,355
Closing Pension Liability	-	-	-	-
<b>Total at 31 December 2022</b>	<b>5,794</b>	<b>13,355</b>	<b>-</b>	<b>19,149</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2023**

**24. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Unrestricted		Restricted	Endowment	Total
		Common	Designated	£'000	£'000	2022
		£'000	£'000			£'000
<b>Income</b>						
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
<b>Total income</b>		<b>9,883</b>	<b>-</b>	<b>1,562</b>	<b>12</b>	<b>11,457</b>
<b>Expenditure</b>						
Generating income	5	(637)	-	(5)	-	(642)
Charitable activities	6	(11,356)	(27)	(1,699)	-	(13,082)
<b>Total Expenditure</b>		<b>(11,993)</b>	<b>(27)</b>	<b>(1,704)</b>	<b>-</b>	<b>(13,724)</b>
<b>Operating (Deficit)/Surplus:</b>		<b>(2,110)</b>	<b>(27)</b>	<b>(142)</b>	<b>12</b>	<b>(2,267)</b>
Profit/(losses) on sale of property		451	-	-	-	451
Gains/(losses) on investments	10	(1,370)	-	-	(1,452)	(2,822)
<b>Net Income before revaluation of fixed assets and pension scheme liabilities and transfers between funds</b>		<b>(3,029)</b>	<b>(27)</b>	<b>(142)</b>	<b>(1,440)</b>	<b>(4,638)</b>
<b>Reserve Movements:</b>						
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)	-
<b>Net movement in funds</b>		<b>(2,535)</b>	<b>(22)</b>	<b>(249)</b>	<b>(1,736)</b>	<b>(4,542)</b>
Reserve balances at 1st January 2022		5,143	9,114	41,117	26,821	82,195
Reserve balances at 31st December 2022		<b>2,608</b>	<b>9,092</b>	<b>40,868</b>	<b>25,085</b>	<b>77,653</b>
			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

	<b>2023</b>		<b>2022</b>	
	<b>Capital £'000</b>	<b>Revenue £'000</b>	<b>Capital £'000</b>	<b>Revenue £'000</b>
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
<b>Total Assets</b>	<b>2,536</b>	<b>105</b>	<b>2,122</b>	<b>106</b>
Representing				
Parochial Funds	2,518	98	2,104	99
Non-Parochial Funds	19	8	18	7
<b>Total Funds</b>	<b>2,536</b>	<b>105</b>	<b>2,122</b>	<b>106</b>
<b>INVESTMENTS NOTE</b>				
	<b>2023</b>	<b>2022</b>		
	<b>Cost £'000</b>	<b>Market value £'000</b>	<b>Cost £'000</b>	<b>Market value £'000</b>
<b>CAPITAL</b>				
Quoted Investments	5	160	5	147
Unlisted Investments				
<b>CCLA Investment Management Ltd</b>				
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
<b>REVENUE</b>				
Unlisted Investments				
<b>CCLA Investment Management Ltd</b>				
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

<b>CHURCH REPAIR FUND BALANCES</b>				
As at 31 December 2023				
	<b>2023</b>	<b>2022</b>		
	<b>£'000</b>	<b>£'000</b>		<b>2023</b>
				<b>2022</b>
				<b>£'000</b>
				<b>£'000</b>
Deposits by Parishes with Diocese:			Use of Funds Deposited by Parishes with Diocese:	
Parochial Funds	4,846	4,733	Parish Loans	18
			Funds on Deposit and other assets	4,828
	<u>4,846</u>	<u>4,733</u>		<u>4,846</u>
				<u>4,733</u>
<b>LOANS FUND BALANCES</b>				
As at 31 December 2023				
	<b>2023</b>	<b>2022</b>		
	<b>£'000</b>	<b>£'000</b>		<b>2023</b>
				<b>2022</b>
				<b>£'000</b>
				<b>£'000</b>
Deposits by Parishes with Diocese:			Use of Funds Deposited by Parishes with Diocese:	
Parochial Funds	4,746	4,396	Parish & Clergy - Loans	95
Other Sources	33	33	Other Loans	5
			Funds on Deposit and other assets	4,679
	<u>4,779</u>	<u>4,429</u>		<u>4,779</u>
				<u>4,429</u>

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