



Diocese of *Rochester*
called together

Growing God's kingdom

The Annual Report and Accounts
for the Diocese of Rochester 2024



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



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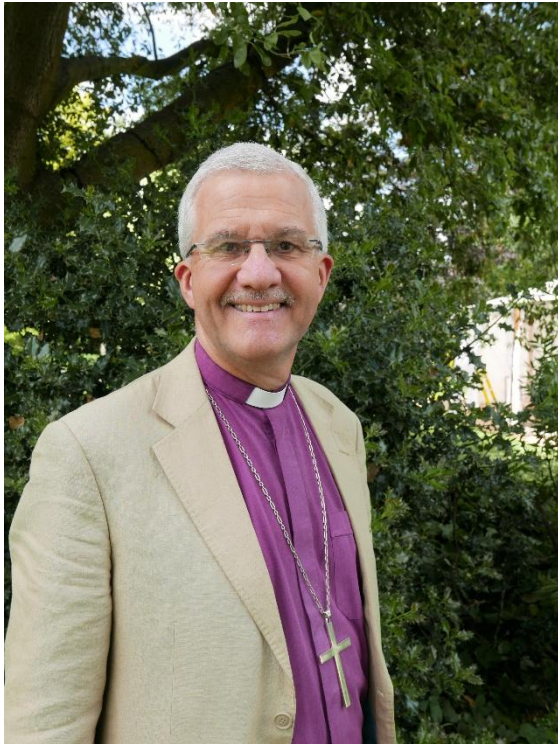
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A message from the Bishop of Rochester



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

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

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

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

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

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

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

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

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

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

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

A message from the Diocesan Secretary



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

Some headlines include:

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

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

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

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

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

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

Matthew Girt
Diocesan Secretary

A message from the Chair of the Board of Finance



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

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

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

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

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

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

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

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

1. Maintain the number of parish clergy posts, the bedrock of mission in the parishes: Post numbers were maintained in 2024 and, notwithstanding financial pressures, stipends were increased by 5%. However, the national shortage of clergy meant the vacancy rate rose to 15%, which is missionally challenging.
2. Thriving parishes and thereby increasing Parish Offers at least in line with stipends to enable the Diocese to fund mission in communities, whatever their means.

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

However, with only 49% of parishes covering the cost of their clergy there is obviously some way to go. Recognising the importance of parish confidence in the management of

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

3. Contain Diocesan overheads. In 2024 held within the lay salary increase, with the increase in headcount funded by National Church Strategic Development and Capacity Funding.
4. Responsibly managing market and property investments that in 2024 delivered returns that beat benchmarks, and Unapplied Total Return from endowments of almost £1.5million used to support parish ministry through the Common and Restricted Funds.
5. Secure External Funding: £3million donations and grants and the £11million Strategic Mission and Ministry Investment Board funding, providing the necessary investment to enable parishes to flourish, albeit this will inevitably take time to take effect.

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

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

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

Stephen Smith

Chair of the Diocesan Board of Finance

STRATEGIC REPORT



Photo: Holy Redeemer Lamorbey, Community 'Green Day'

Vision and objectives

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

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

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

Throughout 2024, this work has included:

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

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

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

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

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

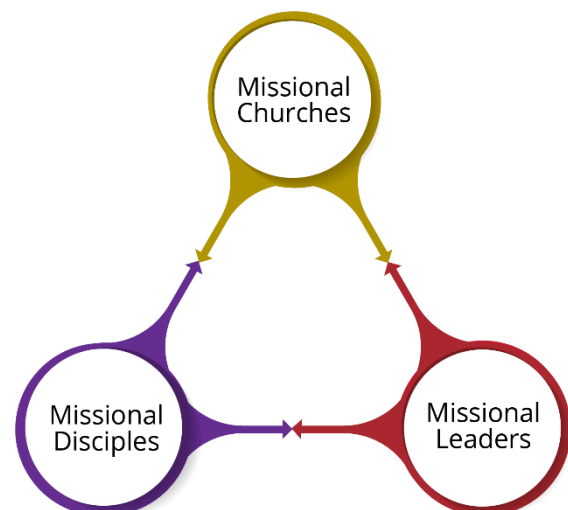
Three objectives have been identified to help guide work over the coming years.

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

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

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

Each connects with and nurtures the other.



Activities and performance

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

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

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

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

Next steps

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

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



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

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

Other identified work

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

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

| | |
|--|---|
| <ul style="list-style-type: none"> 2. Ensuring best use of property investment. 3. The utilisation of funds made available by the adoption of Total Return accounting. 4. Increasing communication on finance. 5. Review the Indicative Offer process. | <ul style="list-style-type: none"> 1. Achieved, and recruitment of staff underway. 2. Ongoing, we continue to ensure that our property portfolio meets our needs, where appropriate disposing of properties which don't meet our requirements. 3. We continued to utilise Total Return to enable investment in parish ministry. 4. We continued to publish Money Matters. We rebranded our Treasurer Workshops as Finance Conferences, extending invitations to attend to clergy, Churchwardens and PCC Secretaries as well as Treasurers. 5. Achieved; following a lengthy consultation process Bishop's Council agreed several adjustments to the Indicative Offer system which directly addressed the concerns expressed by parishes. |
| Data and analysis <ul style="list-style-type: none"> 1. Making increasing use and analysis of the data we currently have and utilising other data sources to help inform decisions and priorities | <ul style="list-style-type: none"> 1. We have developed a data-informed framework and process to enable us to assess the health of our 175 benefices both financially and missionally. Our data sources include statistics for mission, parish finance returns, and contextual and relational knowledge. These have been actively used to identify our challenges and then develop our four workstreams to address them. |
| Strategic planning <ul style="list-style-type: none"> 1. Drawing up the strategic mission and ministry plan, and looking at how to deliver which phase, over what period | <ul style="list-style-type: none"> 1. This has been undertaken throughout 2024 and has led to the identification of our three missional objectives, and the focus of our four workstreams. 2. An accompanying budget was approved by Bishop's Council in December this year. 3. Alongside this, a bid proposal was prepared for the national church's Strategic Mission and Ministry Investment Board for submission in early 2025. |

Growing missional churches

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

Supporting community outreach

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

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

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

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

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



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

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

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

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

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

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

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

Growing God's kingdom

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

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



Photo: Baptism at St Justus, Rochester

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

Spotlight on: Strategic Development funded churches



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

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

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

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

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

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



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

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

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

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

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

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

Buildings to better enable welcome

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

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

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

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

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

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

Spotlight on: Missional Property Funded buildings



St Margaret's, Horsmonden

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



St Nicholas, Strood

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



St. Mark's Church, Gillingham

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

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

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

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

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

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

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

Member of clergy

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

Supporting cultures of generosity

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

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



PROPERTY WORKS - CARING FOR CLERGY HOUSING

1831



Number of
property
work orders

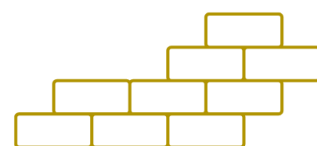


Quinquennial
Inspections

42

Expenditure on
clergy housing

£583,000



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

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

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

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

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

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



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

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

PCC member

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

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

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

Lifting the burden of the day to day

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

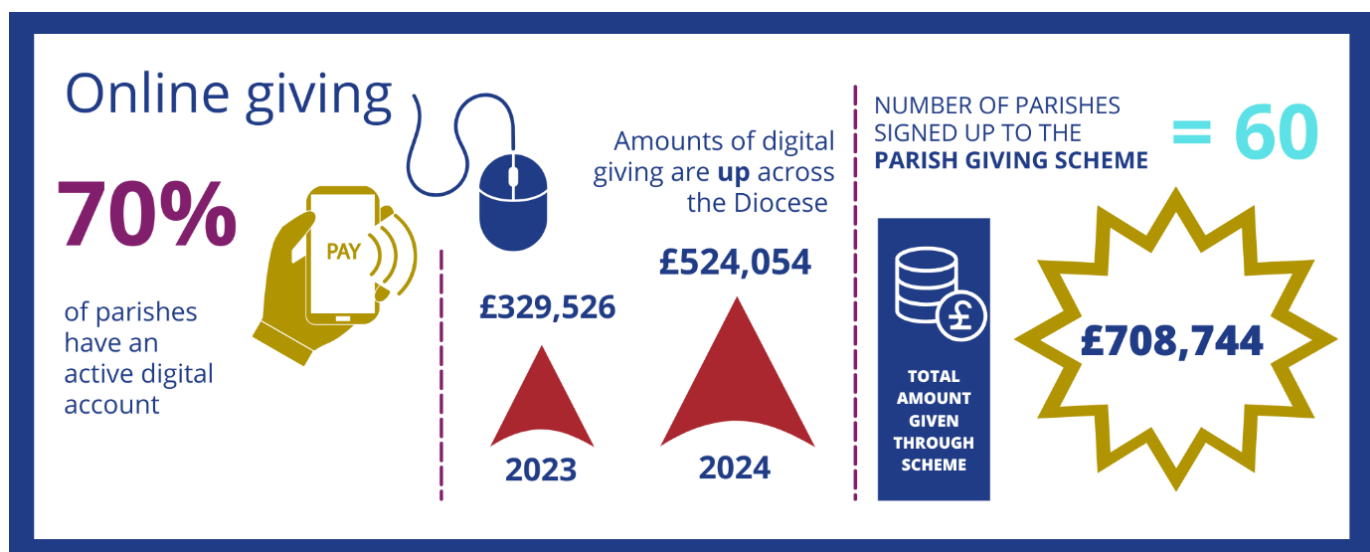
From support with safeguarding, HR, legal matters, property, historic buildings, and communications, to guidance on fundraising, and expertise to bring in external funding for projects, this vital support aims to help parishes maintain and grow their presence in their communities, as well as meet their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

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

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

The Rev Tim Edwards, Vicar of St Katharine's and St Margaret's, Knockholt

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



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

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

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

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

PCC member



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

Growing missional leaders

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

Ordained and lay ministry

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

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

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

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



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

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

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

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

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



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

It's Your Calling day participant

Supporting those in ministry

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

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

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

Support for clergy in the diocese doesn't just happen at the start of their ministries, with two new Archdeaconry Retired Clergy Officers appointed to help support the 150 or so retired clergy in the Diocese.

A pre-retirement residential course was also held to help prepare clergy and spouses for the next phase of their life and ministry.

Supporting children, young people and family workers

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

With over 70 engagement opportunities undertaken, from PCC visits, consultations with a parish about recruiting a dedicated CYPF Minister, to parish visits, the Children,

Young People and Families (CYPF) team has been busy throughout this year, encouraging parishes to explore their outreach and discipleship of young people. It's bearing fruit, with six newly recruited CYPF Ministers to parishes, and some 25 young leaders trained and now successfully serving in their parishes

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

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

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





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

Growing missional disciples

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

Deepening relationships with God

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

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

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

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

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

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

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

'My hope for the Prayer Pack is that it will be an accessible resource and guide to help a person deepen their personal prayer life'

The Rev Canon Susanne Carlsson, Spirituality
Coordinator for the Diocese and
Editor of the Prayer Pack

Encouraging Everyday faith

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

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



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

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

Supporting the faith of children and young people

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

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

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

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

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



Supporting the spirituality of older people

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

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

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

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

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

Anna Chaplain



Overseas friendships

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

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

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

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

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

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

The Rev Christine Allen, Overseas Link Coordinator

Church schools

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

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

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



*Photo: Bishop Jonathan opens the new
Rochester Riverside School*

Growing safe and healthy cultures

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

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

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

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

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

Bishop Jonathan Gibbs, Bishop of Rochester

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

SAFEGUARDING TRAINING

Number of people who undertook Safeguarding training in the Diocese in 2024

BASIC AWARENESS

Online: 1091
In parish: 168
Total: 1259



FOUNDATION

Online: 942
In parish: 59
Total: 1001

DOMESTIC ABUSE AWARENESS

Online: 430 In Parish: 39



448

112

179

Leadership
Training

Safer
Recruitment

Parish
Dashboard



179 out of 213 parishes
using the Parish Safeguarding
Dashboard

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

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

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

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

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

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

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

Greg Barry, Lead Diocesan Safeguarding Adviser

Changing culture around safeguarding

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

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

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

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

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



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

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

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

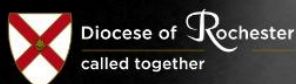
been raised. This will be actively pursued in 2025.

A prophetic voice for justice

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

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

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



Prayers for White Ribbon Day and the Sixteen Days of Activism against gender-based violence

We give thanks to you for the relationships between men and women, both romantic and platonic; for the emotional richness and social depth they afford us.

We pray for women who do not feel safe in their relationships with men they know or men they encounter in public or online; may they have the assurance of your protecting love.

Give us the will to create a culture where women and men can live together in peace and security; and may your kingdom draw near in those relationships this day.

Lord, in your mercy: **hear our prayer.**



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

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

Net zero carbon

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

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

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

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



St Stephen's Church, Tonbridge

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



Holy Trinity, Twydall

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

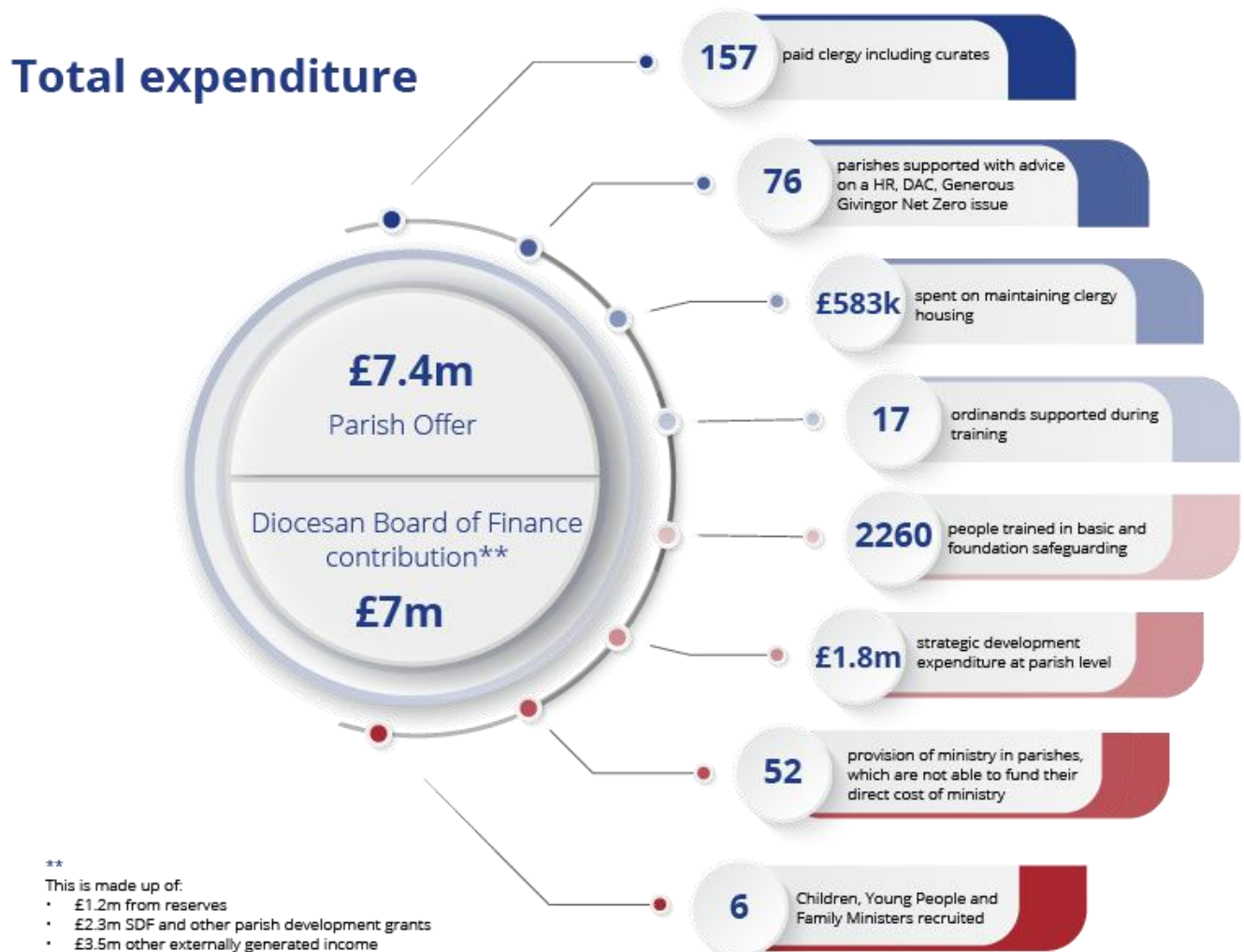


The Holy Redeemer Lamorbey

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

What has been spent and what has been achieved

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



Future plans

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

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

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

| | Planned Activity for next 12 months | Contribution to Intended outcomes |
|--|---|---|
| Children, Young People & Families | Onboard 3 Areas of Focus parishes | Strengthen existing CYP ministry, build community connections, and create peer support pathways for wider parish engagement |
| | Recruit Schools Engagement Advisor and begin implementation of workplan | Initiate a local schools network and begin development of a parish-facing toolkit to support schools engagement |

| | | |
|--|--|---|
| | Expand the Enhanced Learning Pathway by contracting new delivery partners and onboarding candidates for Catalyst Year 3, Children's Ministry Essentials, and new clergy training (e.g. Launchpad, Project) | Extend and embed a sustainable CYP leadership development offer for both lay and ordained leaders, building capacity and confidence across parishes |
|--|--|---|

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

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

FINANCIAL REVIEW



Photo: Bromley Schools' Festival at Bromley Parish Church

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

FINANCIAL PERFORMANCE

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

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

Table 1: Investment and investment yields

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

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

BALANCE SHEET POSITION

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

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

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

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

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

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

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

COMMON FUND

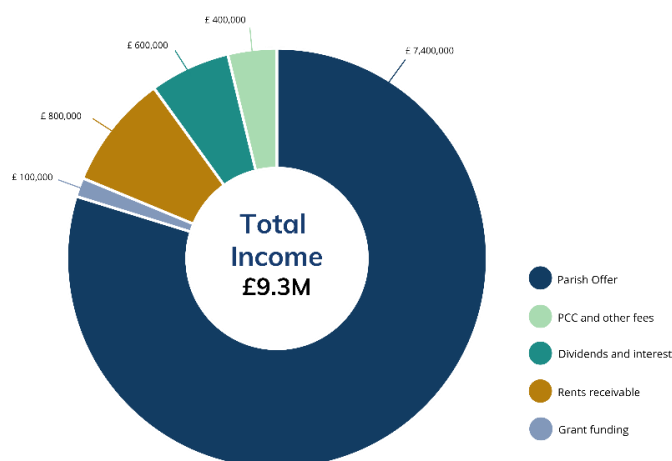
The Common Fund is the principal unrestricted fund of the DBF which deals with the general income and expenditure of our Diocese. In most charities it would be known as the General Fund. The term "Common Fund" reflects who we are – an interconnected family or fellowship of Christians dependent upon,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

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

- Ministers, ordained and lay, stipendiary and self-supporting, are available across the geographical area of the Diocese, allowing us to

maintain a vital presence in our communities

- that the mission of the local church is supported through the provision of central services, such as Safeguarding, resourcing Children & Youth ministry, property maintenance and advice e.g. DAC, HR and Finance consultancy
- that new vocations to ministry are discerned and developed
- that we make our fair contribution to the costs of the National Church.



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

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

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

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

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

Table 2: Parish Offer history

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

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

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

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

GRANTS RECEIVED

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



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

INVESTMENT INCOME AND RENTS RECEIVABLE

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

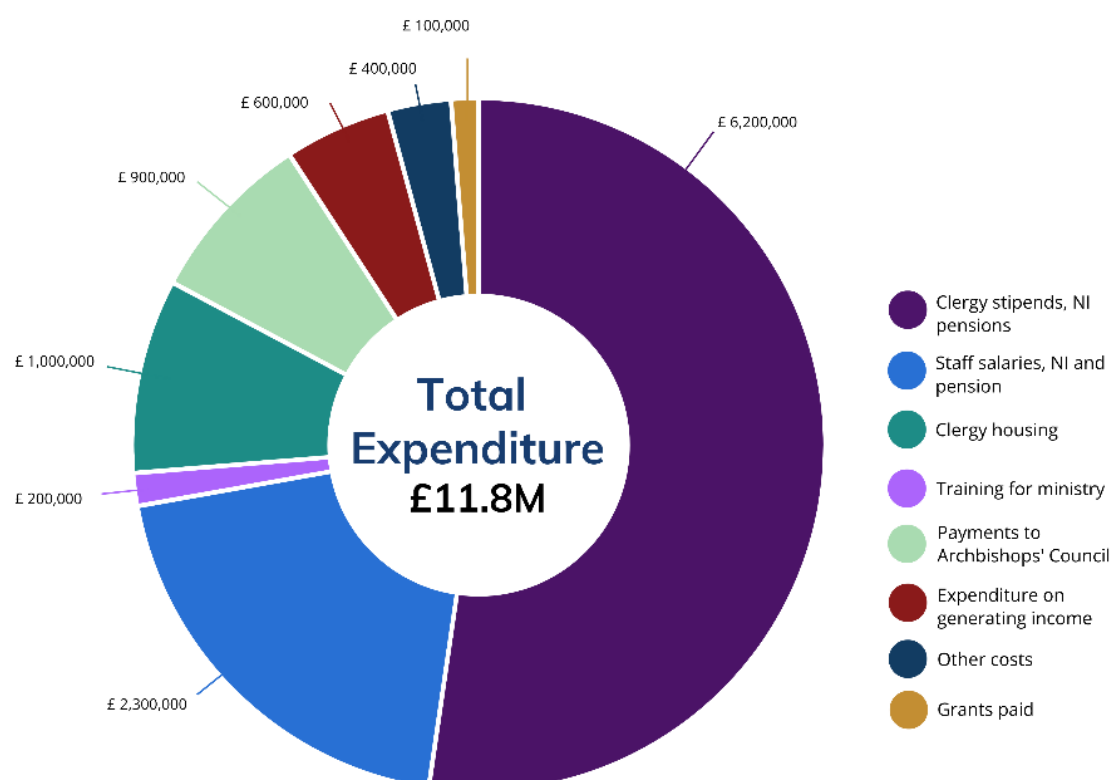
Rents receivable by the Common Fund were £0.8m (2023: £1.0m) reflecting the first full year without the rental income from the Upper Beckenham properties. It should also be noted that the reduction in rents receivable was more than offset by market

gains on investments and the increases in Unapplied Total Return.

EXPENDITURE

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

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



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

Table 3: Cost of supporting parish ministry

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

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

** Parish support costs include Safeguarding and DAC

COST OF SUPPORTING PARISH MINISTRY

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

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

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

DESIGNATED FUNDS

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

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

RESTRICTED AND ENDOWMENT FUNDS

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

£42.8m (2023: £41.5m) and endowment funds totalled £28.9m (2023: £28.4m).

RESTRICTED FUNDS

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

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

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

Table 4: Significant restricted expenditure

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

Significant restricted expenditure during the year was:

Table 5: Restricted expenditure

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

ENDOWMENT FUNDS

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

SIGNIFICANT PROPERTY TRANSACTIONS

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

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

FINANCIAL SUSTAINABILITY

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

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

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

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

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

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

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

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

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

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

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

LIQUIDITY POLICY

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

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

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

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

RESERVES POLICY

The RDSBF requires reserves to:

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

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

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

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

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

Table 6: Common Fund reserves

| | £m |
|--|---------|
| Balance on Common fund at 1 st January 2024 | 1,711 |
| Operating deficit | (2,544) |
| Realised and unrealised gains and revaluations | 937 |
| Transfers | 1,085 |
| Balance on Common Fund at 31 st December 2024 | 1,189 |

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

INVESTMENT POLICY

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

PRESERVING INTER-GENERATIONAL EQUITY

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

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

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

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

ETHICAL INVESTMENT

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

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

FUND MANAGERS

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

GRANT MAKING POLICY

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

RDSBF operates a Missional Property Fund to support projects which enable parishes to

make their church buildings more suitable for mission.

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

PROPERTY

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

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

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

CLERGY HOUSES STRATEGY

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

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

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

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

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

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

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

FUNDRAISING

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

appropriate contract in place.

VOLUNTEERS

The RDSBF is dependent on the huge number of people involved in church activities both locally and at diocesan level. We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church.

The service provided to a community through church volunteering also has a significant impact on people's relationship to the church, particularly at times of crisis. Within this context, the RDSBF greatly values the considerable time given by all committee members and other volunteers across the Diocese in whatever capacity they are working in pursuit of the Church's mission.

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

FUNDS HELD AS CUSTODIAN TRUSTEE

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

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

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

RELATED PARTIES

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

- The Archbishops' Council (charity number 1074857), from which RDSBF receives grants and to which it makes a contribution based on the apportionment system for funding national activities.
- The Church Commissioners for England (charity number 1140097), from which 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 from the Dean and Chapter and provides safeguarding support to the Chapter under a service level agreement.
- The Rochester Diocesan Board of Education (charity number 1031550), whose Principal Office is located at the Diocesan Office. The Board of

Education supports and encourages churches and parishes across the Diocese of Rochester through the education of children and young people. The Bishop of Rochester is President of the Board of Education, and the Bishop of Tonbridge serves as Chair. The RDSBF undertakes the accounting function for the Board of Education under a service level agreement.

- St Augustine's College of Theology, which is located on the Malling Abbey estate owned by the RDSBF and is a lessee. Ordinands, Curates and Lay Workers from the Diocese are trained by the College.
- St Benedict's Centre, which is located on the Malling Abbey estate owned by the RDSBF and is a lessee. By virtue of office, the Bishop of Rochester and the Diocesan Secretary are each a Trustee and Director. The Centre offers non-residential facilities for individuals or groups to go on retreat, study or meet.

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

BISHOP'S COUNCIL RESPONSIBILITY

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

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

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

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

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

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

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

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

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

| Risk category | Financial |
|------------------|---|
| Risk description | Continued operating deficits leading to |

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

GOVERNANCE, STRUCTURE AND MANAGEMENT

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

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

Directors and Members of the Bishop's Council

(Directors and Trustees):

The Bishop of Rochester (Chair)

The Rt Rev Dr Jonathan Gibbs

The Bishop of Tonbridge - The Rt Rev Simon Burton-Jones

The Chair of the Board of Finance - Canon

Nigel Pope (retired 22/6/2024)

The Chair of the Board of Finance – Mr Stephen Smith (*appointed 22/6/2024*)

Ex-officio:

The Archdeacon of Bromley & Bexley

The Ven Allie Kerr

Archdeacon of Rochester

The Ven Andrew Wooding Jones (resigned 30/9/2024)

The Archdeacon of Tonbridge

The Ven Sharon Copestake (resigned 12/11/2024)

The Dean of Rochester

The Very Rev Dr Philip Hesketh

The Chair of the House of Laity

Mrs Sarah Poole

The Chair of the House of Clergy

The Rev Canon Jeremy Blunden

The Chair of the Board of Education

The Rt Rev Simon Burton-Jones

Elected – House of Clergy:

The Rev Canon Mark Barker

The Rev Dr Julie Bowen

The Rev Martyn Saunders

Elected – House of Laity:

Mr David Fitzpatrick

Mr Philip French

Senior Staff (not Directors for legal purposes):

Diocesan Secretary (and Company Secretary) - Mr Matthew Girt

Director of Finance – Mr John Jackson

Head of Property – Mr Chris McCormick (01/2025)

Director of Mission and Ministry

Development – The Rev Dr Andrew Dunlop (01/2025)

Director of Diocesan Board of Education - Mr John Constanti

Advisors:

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

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

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

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

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

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

LEGAL FRAMEWORK

The objects of the Rochester Diocesan
Society and Board of Finance are:

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

*existing or carrying on work wholly or partly
outside the Diocese".*

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

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

The RDSBF has the following statutory
responsibilities:

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

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

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

PUBLIC BENEFIT

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

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

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

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

THE STRUCTURE OF THE CHURCH OF ENGLAND

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

overseen by a parish priest (usually called a Vicar or Rector).

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

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

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

NATIONAL CHURCH INSTITUTIONS (NCIs)

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

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

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

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

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

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

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

The Pensions Board, which reports to the General Synod, is trustee of a number of pension funds and charitable funds. Whilst the Church of England has drawn together

under the Pensions Board its central responsibilities for retirement welfare, the Pensions Board works in close co-operation both with the Archbishops' Council and the Church Commissioners.

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

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

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

THE CATHEDRAL

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

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

THE DIOCESE'S DIOCESAN SYNOD

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

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

Its role is to:

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

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

DEANERY SYNOD

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

- respond to requests from General Synod
- give effect to decisions made by the Diocesan Synod
- consider matters affecting the Church of England by drawing together the views of the parishes within the deanery
- act as a channel of communication to express the views of parishes to

Diocesan Synod and through it to General Synod

- raise with Diocesan Synod such matters as it considers appropriate
- elect members of the deanery to the Diocesan Synod and of the Diocese to General Synod

BISHOP'S COUNCIL

The Bishop's Council acts as:

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

Elections occurred during 2021 for the 2022 to 2024 triennium.

PAROCHIAL CHURCH COUNCIL (PCC)

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

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

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

PASTORAL UNITS

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

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

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

THE DIOCESE OF ROCHESTER

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

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

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

Other licensed clergy and lay ministers serve as chaplains and in diocesan and Cathedral

roles. This population is also served by 90 Church of England schools, with significant local involvement also in community schools.

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

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

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

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

ORGANISATIONAL AND DECISION-MAKING STRUCTURE

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

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

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

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

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

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

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

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

TRUSTEE RECRUITMENT, SELECTION AND INDUCTION

The Board includes:

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

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

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

REMUNERATION OF KEY MANAGEMENT PERSONNEL

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

skills, experience and professional qualifications required for the role.

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under company law the Trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the RDSBF and of the surplus or deficit of the RDSBF for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently
- observe methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the RDSBF and enable them to ensure that the financial statements comply with United Kingdom Generally Accepted Accounting Practice. They are also responsible for safeguarding the assets of the RDSBF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the RDSBF's website.

Legislation in England/ Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITORS

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

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

APPOINTMENT OF AUDITORS

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

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

BY ORDER OF THE TRUSTEES

Mr Matthew Girt
Diocesan Secretary

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

10 June 2025

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

OPINION

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

In our opinion, the financial statements:

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

- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

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

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

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

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an

audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

- Inspecting correspondence with regulators and tax authorities

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities

This description forms part of our auditor's report.

USE OF OUR REPORT

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

Jane Askew

June 2025

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

FINANCIAL STATEMENTS



Photo: Banner at Christ Church, Orpington

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2024

| | Note | Unrestricted Common £'000 | Designated £'000 | Restricted £'000 | Endowment £'000 | Total 2024 £'000 | Total 2023 £'000 |
|---|-------|---------------------------------|---------------------|---------------------|--------------------|------------------------|------------------------|
| Income | | | | | | | |
| Donations: | | | | | | | |
| - Parish Offers | | 7,380 | - | 57 | - | 7,437 | 7,524 |
| - Other | 2 | 135 | - | 3,058 | 1 | 3,194 | 1,793 |
| Investment income | 3 | 1,387 | - | 41 | 248 | 1,676 | 1,904 |
| Charitable activities | 4 | 348 | - | - | - | 348 | 374 |
| Total income | | 9,250 | - | 3,156 | 249 | 12,655 | 11,595 |
| Expenditure | | | | | | | |
| Generating income | 5 | (585) | - | (10) | (1) | (596) | (592) |
| Charitable activities | 6 | (11,209) | - | (2,638) | (7) | (13,854) | (13,507) |
| Total Expenditure | | (11,794) | - | (2,648) | (8) | (14,450) | (14,099) |
| Operating (Deficit)/Surplus: | | (2,544) | - | 508 | 241 | (1,795) | (2,504) |
| Profit/(losses) on sale of property | | 238 | 4 | 448 | - | 690 | 1,256 |
| Gains/(losses) on investments | 10 | 855 | - | - | 1,731 | 2,586 | 4,576 |
| Net Income before revaluation of fixed assets and pension scheme liabilities and transfers between funds | | (1,451) | 4 | 956 | 1,972 | 1,481 | 3,328 |
| Reserve Movements: | | | | | | | |
| Net Income | | (1,451) | 4 | 956 | 1,972 | 1,481 | 3,328 |
| Revaluation of pension scheme liabilities | 22 | (156) | - | - | - | (156) | (156) |
| Transfers between funds | 19 | 316 | 39 | (355) | - | - | - |
| Transfers between funds - Total Unapplied Return | 19/23 | 769 | - | 717 | (1,486) | - | - |
| Net movement in funds | | (522) | 43 | 1,318 | 486 | 1,325 | 3,172 |
| Reserve balances at 1st January 2024 | | 1,711 | 9,201 | 41,485 | 28,428 | 80,825 | 77,653 |
| Reserve balances at 31st December 2024 | | 1,189 | 9,244 | 42,803 | 28,914 | 82,150 | 80,825 |
| | | | 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 - £249k (2023 : £31k); Endowment Fund expenditure - £8k (2023 : £0k); Profit on Sale of Property - £0k (2023 : £18k); and Endowment Fund gains on investments - £1,731k (2023 : £3,953k).

BALANCE SHEET
For the year ended 31 December 2024

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

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

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 30 May 2025 and signed on behalf of the Board by:

Mr Stephen Smith

Chair of Rochester Diocesan Society and Board of Finance

STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

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

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

Analysis of movements in net debt

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1) ACCOUNTING POLICIES

a) Accounting convention and basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared 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 £82.2m (2023 : £80.8m) and the Trustees believe that there is sufficient liquidity in these assets to ensure that the charitable company can meet its obligations for the next 12 months and beyond.

c) Income

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

- I) **Parish Offer** is recognised as income of the year in respect of which it is receivable.
- II) **Rent** receivable is recognised as income in the period with respect to which it relates.
- III) **Interest and dividends** are recognised as income when receivable.
- IV) **Grants** received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
- V) **Parochial fees** that relate to the RDSBF are recognised as diocesan income in the year in respect of which they are receivable.
- VI) **Donations** other than grants are recognised when receivable or in the case of material legacies, when the conditions for recognition under the Charities SORP have been met.

d) Expenditure

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

- I) **Cost of raising funds** - relate to costs incurred in the temporary renting out of parsonages and investment management costs of glebe and any other investment properties.
- II) **Charitable expenditure** - analysed according to Diocese's main areas of activity.
- III) **Grants payable** - charged in the year when the grant is approved and conveyed to the recipient except those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the RDSBF, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
- IV) **Support costs** - consist of central management, administration and governance costs. The amount of support costs spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff usage basis.
- V) **Pension contributions** - pension schemes in which the RDSBF participates are described in Note 22. Pension costs are charged as resources expended and represent the RDSBF's contributions payable in respect of the accounting period in accordance with FRS102. Deficit funding for the pension schemes to which RDSBF participates and which are unpaid at this year-end, is accrued at current value in creditors, distinguished between contributions due within one year and after more than one year.
- VI) **Short term employee benefits** - short term benefits including holiday pay are recognised as an expense in the period in which the service is received.
- VII) **Employee termination benefits** - termination benefits are accounted for on an accrual basis and in line with FRS 102.
- VIII) **Tangible fixed assets and depreciation** - tangible fixed assets are shown in note 9 to the financial statements.

Freehold properties

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

Depreciation is no longer provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case and because the expected residual value is not materially less than the carrying value. The RDSBF has a policy of regular structural inspection, repair and maintenance, which in the case of parsonage properties is in accordance with the Repair of Benefice Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than the carrying value. Where the Trustees believe that the value of an asset might have been impaired, an annual impairment review is carried out in accordance with the requirements of FRS102, to ensure that the carrying value is not more than the recoverable amount.

Properties subject to value linked loans

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

Investment properties

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

Parsonage Houses

The RDSBF has followed the requirements of FRS102 in its accounting treatment of benefice houses. FRS102 requires the accounting treatment to follow the substance of arrangements rather than strict legal form. The RDSBF is responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if not required as a benefice house, but in the meantime legal title and the right to beneficial occupation is vested in the relevant incumbent. The Trustees therefore consider the most suitable accounting policy is to capitalise such properties as restricted assets and carry them at their historical cost.

IX) Other tangible fixed assets

Depreciation is provided in order to write off the cost (less any ultimate disposal proceeds at prices ruling at the time of the asset's acquisition) of other fixed assets over their currently expected useful economic lives. All capital expenditure on computer and office equipment over £1k is capitalised and depreciated over 3 years.

X) Project Costs

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

e) Other accounting policies

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

- V) **Debtors** - trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired, an impairment loss is recognised in the Statement of Financial Activities.
- VI) **Cash** - cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity.
- VII) **Creditors** - basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at transaction price.

f) Fund balances

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

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

There are two types of unrestricted funds:

- **Common fund** which the RDSBF intends to use for the general purposes of the RDSBF.
 - **Designated funds** set aside out of unrestricted funds by the RDSBF for a purpose specified by the Trustees.
- i) **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.
 - ii) **Endowment funds** are those held on trust to be retained for the benefit of the charitable company as a capital fund. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment. See note 23 for details on the application of Total return accounting to the Stipend Capital Fund.
 - iii) **"Special Trusts"** (as defined by the Charities Act 2011) and any other trusts where the company acts as trustee and controls the management and use of the funds, are included in the company's own financial statements. Trusts where the RDSBF acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements.

g) Judgments and Estimates

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

- i) **Significant judgments** - valuation of any liabilities arising from the charity's obligation to meet deficit reduction payments for its multi-employer defined benefit pension schemes - these liabilities are revalued at each year-end using discount rates which are reassessed annually.
- ii) **Residual values of freehold properties** - the Trustees consider that residual value of freehold properties is sufficiently high that depreciation would not be material.
- iii) **Sources of estimation uncertainty** - in the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

2) INCOME FROM DONATIONS

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

3) INVESTMENT INCOME

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

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

4) INCOME FROM CHARITABLE ACTIVITIES

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

| | Unrestricted Common £'000 | Designated £'000 | Restricted £'000 | Endowment £'000 | Total 2023 £'000 |
|--|---------------------------------|---------------------|---------------------|--------------------|------------------------|
| <i>Diocesan Board of Finance element of Parochial Fees</i> | <i>369</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>369</i> |
| <i>Professional fees</i> | <i>5</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>5</i> |
| | <i>374</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>374</i> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

5) EXPENDITURE ON GENERATING INCOME

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

6) ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

7) STAFF COSTS

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

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

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

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

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

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

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

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

7) STAFF COSTS (continued)

Remuneration of Key Management Staff

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the Trustees for planning, directing and controlling the activities of the Diocese. During 2024, they were:

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

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

Trustees' Emoluments

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

7) STAFF COSTS (continued)

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

8) ANALYSIS OF GRANTS MADE

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

8) ANALYSIS OF GRANTS MADE (continued)

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

9) TANGIBLE FIXED ASSETS

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

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

Depreciation is no longer provided on buildings as any provision would not be material due to the very long expected remaining useful economic life in each case and because their expected residual value is not materially less than their 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 2024

10) FIXED ASSET INVESTMENTS

| | 2024 | | 2023 | |
|--------------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|
| | Cost £'000 | Market Value £'000 | Cost £'000 | Market Value £'000 |
| Investments | | | | |
| Mercer Global Investment Management | 21,774 | 26,109 | 19,774 | 21,739 |
| Charles Stanley - see below | 112 | 112 | | - |
| Investment Properties | | 7,687 | | 7,465 |
| Total Fixed Asset Investments | | <u>33,908</u> | | <u>29,204</u> |
| | | £'000 | | £'000 |
| At 1 January 2024 | | 29,204 | | 29,236 |
| Additions | | 2,118 | | 3,025 |
| Disposals - Net Book Value | (19) | | (4,571) | |
| Realised losses/(gains) | <u>19</u> | | <u>(3,062)</u> | |
| Sale proceeds | | - | | (7,633) |
| Net gains on investments | | <u>2,586</u> | | <u>4,576</u> |
| At 31 December 2024 | | <u>33,908</u> | | <u>29,204</u> |

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

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

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

11) DEBTORS

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

12) CREDITORS

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

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

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

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

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

13) MEMBERS' LIABILITY

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

14) OPERATING LEASES

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

15) RELATED PARTY TRANSACTIONS

During the year the following related party transactions took place:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

16) DESIGNATED FUNDS

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

Central Church Funding

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

Property Fund

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

17) RESTRICTED FUNDS

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

Poverty and Hope Appeal

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

Committee Amongst the Deaf

Specific donations received for use by this committee.

Local Church Urban Fund

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

Diocesan Pastoral Account

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

17) RESTRICTED FUNDS (continued)

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

Trust for London

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

Benefice Property

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

Thames Gateway

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

Thames Gateway Capital

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

Parsonage Building Fund

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

Church Extension Fund

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

Companion Diocese Funds

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

Ministry Division RME Ordinand's Grant

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

Children and Young People 500K Fund

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

Chatham Town Centre

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

17) RESTRICTED FUNDS (continued)

Children and Young People Funds

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

Cobham and Gravesend Churches Fund

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

Called to Grow

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

Covid Winter Grant – CESA

Grants received to help the homeless in the Medway area.

Luton Memorial Meadow

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

Giving Advisor

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

Ministry Hardship Grant

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

SDF Anerley

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

Warm Spaces Grant – CESA

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

Net Carbon Zero Starter

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

Capacity Funding

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

CYP/CESA Colyer Ferguson

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

Parish Offer (Ephesian Fund)

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

Bishop of Rochester Fund for Mission

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

17) RESTRICTED FUNDS (continued)

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

18) ENDOWMENT FUNDS

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

Stipends Capital Account/Unapplied Total Return

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

Training

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

Pensions and Retired Clergy

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

Buildings

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

Parsonages

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

Local Church Urban Fund

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

Social Mission

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

18) ENDOWMENT FUNDS (continued)

David Goodwin Legacy

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

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

19) TRANSFERS BETWEEN FUNDS

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

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

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

19) TRANSFERS BETWEEN FUNDS (continued)

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

20) NET ASSETS BETWEEN FUNDS

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

20) NET ASSETS BETWEEN FUNDS (continued)

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

21) ASSETS HELD AS CUSTODIAN TRUSTEE

| | 2024 £'000 | 2023 £'000 |
|-----------------------|-----------------------|-----------------------|
| Investments (at cost) | 708 | 703 |
| Property | 648 | 648 |
| Cash at bank | 908 | 1,290 |
| | <u>2,264</u> | <u>2,641</u> |

22) PENSION SCHEMES

a.Revaluation of Pension Scheme Liabilities

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

| | 2024 £'000 | 2023 £'000 |
|------------------------------------|-----------------------|-----------------------|
| Clergy Scheme (see note 22b below) | - | - |
| Lay Scheme (see note 22d below) | (156) | (156) |
| | <u>(156)</u> | <u>(156)</u> |

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 2024

22) PENSION SCHEMES (continued)

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

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

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

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

22) PENSION SCHEMES (continued)

c. Defined Contribution Scheme (for lay personnel)

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

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

d. Staff Defined Benefit Scheme (for lay personnel)

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

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

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

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

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

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

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

Profile of Defined Benefit Obligation

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

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

22) PENSION SCHEMES (continued)

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

The current asset split is as follows:

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

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

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

22) PENSION SCHEMES (continued)

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

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

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

| | | |
|--------------------------------|--------------|-------------------|
| Actual return on assets | (317) | <i>231</i> |
|--------------------------------|--------------|-------------------|

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

22) PENSION SCHEMES (continued)

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

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

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

- i Cashflows to and from the pension scheme are broadly the same as for the current period.
- ii There are no events (other than those already notified to the Scheme Actuary) that would give rise to a settlement, curtailment or past service cost.

22) PENSION SCHEMES (continued)

e. Church Workers Pension Fund (CWPF)

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

CWPF has two sections:

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

Pension Builder Scheme

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

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

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

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

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

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

For the Pension Builder Classic section, the valuation revealed a surplus of £34.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2025, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 2.7% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2024. There is no requirement for deficit payments at the current time.

The next valuation is due as at 31 December 2025.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

23) TOTAL RETURN ACCOUNTING

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

23) TOTAL RETURN ACCOUNTING (continued)

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

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

CUSTODIAN TRUSTEESHIP FUNDS – BALANCE SHEET

For the year ended 31 December 2024

This page does not form part of the audited financial statements

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

INVESTMENTS NOTE

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

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

This page does not form part of the audited financial statements

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

LOANS FUND BALANCES

As at 31 December 2024

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

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