



ANNUAL REPORT AND ACCOUNTS 2021

**WORKING THROUGH ANOTHER
TOUGH YEAR *TOGETHER***

Contents

• About us	3
• Introduction: Working through another tough year <i>together</i>	4
• Message from the Bishop of Tonbridge	5
• Message from Diocesan Secretary	6
• Message from Chair of the Board of Finance	7
• A year of change and new beginnings	8
○ A fond farewell to Bishop James	9
• Our year in numbers	10
• A pathway out of the pandemic – Strategic report and operating review	11
○ Enabling each church to be mission minded	12 - 16
○ Helping children, young people, and adults live out everyday faith in Jesus	17 - 22
○ Supporting loving service in the community	23 - 26
○ Listening and responding to the prophetic voice of justice	27 - 32
○ Protecting Creation’s life for future generations	33 - 34
• What we need to do better	35
• Financial overview	36 – 38
• Financial strategy	39 - 47
• Mitigation of risks and uncertainties	48 - 50
• Financial review	51 - 54
• Governance, structure, and management	55 - 60
• Statement of trustees	61 - 62
• Independent Auditor’s report	63 - 66
• Statement of financial activities	67
• Balance sheet	68
• Statement of cash flows	69
• Notes for the financial statements	70 - 103
• Parish Fund Balances	104
• Parish Offers	105 - 111

**Cover photo: Christ Church, Erith walking group

ABOUT US

We are the Church of England operating in the Diocese of Rochester in the area of Medway, north and west Kent, and the London Boroughs of Bromley and Bexley. A diverse and vibrant community of faith, we serve a population of some 1.3 million people, including 215 parishes, 90 schools, and numerous chaplains. We enjoy companion links with the Anglican Dioceses of Harare in Zimbabwe, and Kondoa and Mpwapwa in Tanzania as well as an ecumenical link with the Evangelical Lutheran Church of Estonia.

The Trustees, who are also directors for the purposes of company law, present their trustees' report together with the financial statements and auditor's report for the charitable company – the Rochester Diocesan Society and Board of Finance Limited (RDSBF) for the year ended 31 December 2021. The financial statements comply with current statutory requirements of the Charities Act 2011, the Statement of Recommended Practice for Charities 2015 (SORP 2015) (Second Edition, effective 1 January 2019) and the Companies Act 2006.

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

Directors and Members of the Bishop's Council

(Directors and Trustees):

The Lord Bishop of Rochester (Chair)

The Rt Rev James Langstaff (resigned 31/07/2021)

(Vacant from 01/08/2021)

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

The Chair of the Board of Finance - Mr Nigel Pope

Ex-officio:

The Archdeacon of Bromley & Bexley The Ven Dr Paul Wright (retired 31/03/2022)

The Ven Katrina Barnes (appointed 01/03/2022)

The Archdeacon of Rochester

The Ven Andrew Wooding Jones

The Archdeacon of Tonbridge

The Ven Julie Conalty (resigned 18/07/2021)

The Ven Sharon Copestake (appointed 16/01/2022)

The Dean of Rochester

The Very Rev Dr Philip Hesketh

The Chair of the House of Laity Mrs Sarah Poole (re-appointed 13/11/2021)

The Chair of the House of Clergy

The Rev Canon Alyson Davie (resigned 31/12/2021)

The Rev Canon Jeremy Blunden (appointed 13/11/2021)

The Chair of the Board of Education

The Rt Rev Simon Burton-Jones

Elected – House of Clergy:

The Rev Canon Mark Barker (re-appointed 01/01/2022)

The Rev Dr Julie Bowen (re-appointed 01/01/2022)

The Rev Martyn Saunders (re-appointed 01/01/2022)

Elected – House of Laity:

Miss Christine Bostock (resigned 31/12/2021)

Mr David Fitzpatrick (re-appointed 01/01/2022)

Mr Philip French (re-appointed 01/01/2022)

Mr Guy Gallico (resigned 31/12/2021)

Mrs Cath Johnston (appointed 31/01/2022)

Mr Jeremy King (appointed 01/01/2022)

Mr Gerald O'Brien (re-appointed 01/01/2022)

Mr Alan Strachan (re-appointed 01/01/2022)

Senior Staff:

Diocesan Secretary (and Company Secretary) -

Mr Matthew Girt

Director of Finance - The Rev Richard Williams

Director of Property - Mr Stephen Hoad

Director of Formation and Ministry - The Rev Canon Chris Dench

Director of Diocesan Board of Education - Mr John Constanti

Bishop's Chaplain - The Rev Lindsay Llewellyn-MacDuff

Advisors:

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Diocese of Rochester
called together

Working through another tough year *together*

Introduction

Despite the continued worry and uncertainty of 2021, local churches and others on the front line of ministry, supported by the Diocesan staff team, have continued to step up to their respective callings without flinching.

There is no doubt this has been another tough and challenging year – and now we face a war in Europe and the squeeze on people's living costs.

It has been a year of change, of learning, and adapting.

But there is still much to be thankful for. Our people. Their commitment. Their creativity. And the knowledge that the lives of many people across the communities of the Diocese have been enriched by that commitment.

It's a sign, despite the many challenges, of the coming of the Kingdom of God.



St Augustine's, Gillingham – Thrive Thursdays 'indoor bowling'

A message from the Bishop of Tonbridge

The Rt Rev Simon Burton-Jones

2021 was a year framed by radical uncertainty, begun with our very own Kent variant of Covid and ended with a highly infectious new strain that tested people's endurance and the limits of their courage.

The pandemic, in a strange way, showed us what is valuable in life. Not the things we buy and own, but the relationships we make and keep. But in doing so it proceeded to take these away from us.

The Church of God is founded in relationship: one with God, the second with one another. We do not measure these like GDP, but they make life worth living. And in 2021 we had to fight hard to keep them going meaningfully.

Among many adaptations made across the Diocese, mirrored in the country, three were prominent: digital worship, pastoral care by phone, and community action for the newly vulnerable.

The first was an epiphany. The opportunity to worship, learn and work together online had always been there, but somehow, it was always just out of eyeline and beyond our reach.

It was, however, no surprise to find the churches stepping up to the mark in

supporting the welfare of others.

Covid opened up new possibilities but, let's face it, also exhausted us, especially those who have the instinct to care. That made it all the more important to hit the ground listening, as national restrictions eased.

Running at long term problems is unwise and, in any case, what people most needed was someone to listen to them without waiting for a pause to jump in.

This is first base in human care. It is also a precursor to sharing the Good News about Jesus with others because we can pick up the signals of how God is at work in others when we properly listen to them.

The words 'thank you' cannot be repeated enough to the people of the Diocese of Rochester. In 2021, you were not found wanting but giving. And in giving, the prayer is that you receive back all that God desires for you.

There is still much to trouble us, but faith is forged in crisis, and the God who walks on water cannot, and will not, be separated from us.

This is the promise we needed.



Diocese of Rochester
called together

A message from the Diocesan Secretary

Matthew Girt

This last year with its twists and turns, was an unwelcome reminder, if ever we needed it, of the long tail of this pandemic, and how its impact – practical, physical and emotional – may well outlast its threatening presence. When we thought we surely had had enough, we have since added increasing costs, and a war on the European continent.

That said, I am reminded that it often seems darker before the light, so I continue to live in faith and hope, and I do so not blindly or without challenge, but because I see the witness to God's love in daily life, in how life is lived out across our parishes and chaplaincies

I am acutely aware of the strain that this ongoing uncertainty, the pressure to make difficult decisions, and the constant need to be ready for change, has caused to many, particularly those who lead and serve in ministry across our churches.

Therefore, I want to pay tribute to them and thank them for all that they have and continue to do, to serve their communities in these difficult times.

I am also hugely grateful to the Diocesan Office Team for the way in which they have maintained their services under duress this last year.

In these circumstances, the opportunities that many within the Diocese have taken to share a kind word or a message of encouragement to them, has been greatly appreciated.

This past year has seen us all on many occasions talk of 'working through this together' and I can honestly say that week after week, I have seen that in many ways.

The Diocesan Office Team is here to serve, and we will continue to do so throughout, and the ministry of churches and individuals across the Diocese continues to transform lives and demonstrate Christ's love, which right now, we need more than ever.

A message from the Chair of the Board of Finance

Nigel Pope

2021 was a mixed year for the Diocese financially. We budgeted an operating deficit for the Common Fund for the year of £1.8m and managed to contain the deficit to £1.6m. 2022 is also expected to be a challenging year with an operating deficit of £1.5m budgeted. This is clearly not a sustainable position long-term, and we need to significantly reduce this deficit over the coming years.

Our most significant source of income is Parish Offers, which in 2021 provided £7.9m (77%) of the operating income for the Common Fund. This represented a reduction of 9.1% compared to 2019 which was better than the Church of England average of a reduction of 9.5%. In order to move towards reducing our operating deficit, we need to find ways to increase our income overall – with Parish Offers being critical to that – as well as ensuring that our expenditure is well managed and directed.

Within this challenging overall position, I must express deep gratitude to many parishes for their sacrificial approach to Parish Offers. We have seen many using their reserves in order to meet their parish contribution which is very much appreciated. A number of parishes have found themselves in very difficult financial circumstances and we have been pleased to be able to make 19 grants of £5k totalling £95k during 2021.

We are delighted that Liz Mullins has joined the Diocese as our Generous Giving Adviser in 2021 and a significant part of her role is to help parishes with

encouraging financial stewardship and generosity.

Notwithstanding the operating deficit referred to above, overall, the Diocese had net income in 2021 of £4.1m after benefiting from gains on property sales of £1.8m and increases in value in the Diocese's investment assets (Glebe property and market investments) of £3.8m.

As a Diocese, we have been entrusted with assets to use to grow the Kingdom of God and we are working hard to ensure good returns on these assets. To assist in this goal, we appointed Mercers as investment advisers in 2020, and in 2021 we appointed Stephen Hoad as our Property Director. The total return from our investment assets in 2021 was £4.6m, a 16% return, which was a strong performance.

We have also been working during 2021 with our investment and finance committees and with Bishop's Council, to change to Total Return accounting for our Stipends Capital Account, which is our main endowment fund. This will enable us to access further funds for investment to grow the Kingdom of God here in Rochester.

I feel privileged to be able to serve God working with the Diocese at this challenging time financially and am very grateful to all the Diocesan Staff team for all their hard work, expertise and dedication



Diocese of Rochester
called together

A year of change and new beginnings

This year has seen some significant moves and appointments.

We said goodbye and 'thank you' to...

- Bishop James and his wife Bridget after 10 years of service to the Diocese. His retirement led to the search for a new bishop
- The Venerable Julie Conalty, the Archdeacon of Tonbridge, left to become Bishop of Birkenhead
- The Archdeacon of Bromley and Bexley, the Venerable Paul Wright who announced his retirement
- Caroline Clarke, our Community Engagement and Social Action Lead
- And farewell and God's blessing, to the Rev Saju Muthalaly, Vicar of St Mark, Gillingham and St Mary's Island Chatham, who was appointed the next Suffragan Bishop of Loughborough, in the Diocese of Leicester.
- We were deeply shocked and saddened by the death of our dear colleague and friend, the Rev Ade Lawal.

We said 'hello' and welcome to...

- The Rev Sharon Copestake, vicar of St Francis Strood who was announced as the next Archdeacon of Tonbridge
- Our new Property Director, Stephen Hoad - a key strategic appointment
- The Chair of the independent Diocesan Safeguarding Advisory Panel, Dr Liza Thompson
- The Rev Katrina Barnes, serving as interim Archdeacon of Bromley and Bexley
- Liz Mullins, appointed to a new post of Generous Giving Adviser
- The Rev Christine Allen as Companion Dioceses Co-Ordinator and Peter Kettle as the new Poverty and Hope Appeal Co-Ordinator.

Our heartfelt thanks to all the clergy, lay leaders and volunteers who retired or left the Diocese this year, and a warm welcome those who have joined us. We also look forward to working with our new Bishop, the Rt Rev Jonathan Gibbs who was announced in March 2022.

FAREWELL TO BISHOP JAMES



In July, we bid a fond farewell to Bishop James and his wife Bridget, as they retired after ten years of service and ministry with us.

Parishes from across the Diocese shared their thanks and best wishes in a series of video messages. Following Bishop James' retirement, the process to identify the next Bishop of Rochester began.

A diocesan-wide consultation took place, which included engagement across a variety of settings, and with diocesan and church role holders, parishes and schools.

As part of the process, we took to the streets of towns across the area of the

Diocese, to ask the general public their views, and a dedicated set of activities for children and young people was also created to ensure their views were heard.

In September, we published our Statement of Needs, which incorporated the views that we had gathered. In March 2022, we were delighted to announce that our next Bishop will be the Rt Rev Jonathan Gibbs – currently the Bishop of Huddersfield.

Our hope is that, 'As, like the nation, we slowly emerge from a pandemic that has hurt so many, we trust that our new Bishop will lead us with energy, vision, and a gentleness of relationship, as we navigate this changing landscape.' (Statement of Needs, 2021)

OUR YEAR IN NUMBERS...



1

NEW DIOCESAN WEBSITE



9

DIOCESAN ADVISORY COUNCIL MEETINGS

11

NEW LICENSED LAY MINISTERS



20

PROJECTS FUNDED BY THE CHILDREN AND YOUNG PEOPLE'S FUND



32

PEOPLE IN TRAINING FOR ORDINATION (16 MEN AND 16 WOMEN)



65

PERMISSIONS OR 'FACULTIES' GIVEN FOR WORKS IN CHURCHES



1724

PROPERTY MAINTENANCE REQUESTS PROCESSED



2471

PEOPLE TRAINED IN BASIC, FOUNDATION AND LEADERSHIP SAFEGUARDING TRAINING

£20,410

RAISED FOR THE DIOCESAN POVERTY AND HOPE APPEAL



£116,500

ALLOCATED FROM THE MISSIONAL PROPERTY FUND FOR CHURCH PROJECTS



A pathway out of the pandemic

With a review of our strategic priorities completed in 2021 and a streamlining of our diocesan priorities, we have a clearer direction and set of aspirations to follow, and for a new Bishop of Rochester to grasp.

Alongside this, we are conscious of the national church's own emerging strategy and vision to be a Church of missionary disciples - younger and more diverse.

Our priorities were reduced from twelve workstreams down to five priorities based on the Church of England's own five marks of mission. They are:

- Enabling each church to be mission-minded
- Helping children, young people, and adults live out everyday faith in Jesus
- Supporting loving service in local communities
- Encouraging, and responding to, the prophetic voice of justice and peace
- Protecting creation's life for future generations

2021 has been another year of constant change and reassessment for the five marks of mission here.

However, our addition shortly before the pandemic of project management, monitoring and tracking is enabling us to track what is happening, support where needed, and change tack and direction much quicker.

Also, good learning has been adopted about links with the parishes delivering the ministry and mission, and how best to both serve and challenge to keep the delivery on track for the vision in each place.

What follows is the story of the progress we have made around our priorities this year.

ENABLING EACH CHURCH TO BE MISSION-MINDED

Despite the backdrop of the pandemic, we have continued to seek to support each church to be mission minded and to understand their community, building assurance in people that they can tell their own story of God's love in Christ; that there was a time and a place to share this with others.

Growth Enablers and Called to Grow

Our Called to Grow project combines funding from the national Strategic Development Fund with diocesan matched funding and aims to grow worshipping communities; these split broadly into two areas, five priority parishes and the work of the Growth Enablers across the diocese. However, churches have not been undeterred.

Our three Growth Enablers – Abi, Dylan and Graham - continued to engage with churches at 'whatever level they are at' to encourage and enable conversations about intentional growth.

This iterative approach has been adopted to assist churches as they reopen and engage and builds on the Called to Grow ethos, which recognises each church has a different context and therefore there is not a 'one size fits all' model for growth.

The Growth Enablers are beginning to see themes and trends emerging, for example an increase in intergenerational worship, engagement with children and young people, and a shift in individuals'

patterns of worship. We continue to gather stories of growth and change, with a plan to share these across the Diocese in the new year.

Strategic development fund parishes

After some Covid-related delays, we were delighted this year to still be able to complete recruitment to the project roles in our five priority parishes in Anerley, Erith and Slade Green, Gillingham, and Strood.

All of the parishes are meeting their goals to deliver activities which build relationships with new contacts. Our project management and support model is currently being tested as three of the parish incumbents moved to new roles. We are confident that our model of local support groups for each parish and role will enable smooth transitions, and the Project Board are paying close attention.

Making evangelism easy

A small group has been looking at ideas for how to make evangelism easy for church leaders by providing simple, ready to go ideas and resources on how to encourage an atmosphere of storytelling around an individual's experience of faith and witness, having conversations, and linking to events and other opportunities.

These have been presented in infographics to help them to be easy and accessible and supported local content to tie in with the national #LiveLent: God's Story, Our Story, and Comfort and Joy Advent and Christmas Campaign.

Sports and wellbeing

As part of a national programme, the Diocese has been piloting sports and wellbeing evangelism – because if everything we do is important to God, then so must sport, fitness and exercise.

In fact, fifty percent of the UK population is engaged in some form of sport or exercise.

From working with football clubs and coaching, offering healthy walks, sports chaplains, and boxing, churches have been exploring how they can be a loving and Godly presence where people are being active, and discovering how it is a great opportunity to connect with people who otherwise would not cross the church doorstep.

Missional buildings

Impressed by regular updates and presentations from the Rochester team on our strategic approach, Marshalls Charity, who support our Missional Property Fund, invited us to access £100,000 in 2021.

We are in ongoing conversations about future years. Grants have continued to be awarded, and a number of projects - both large and small - have come to completion.

SPORTING CHANCE TO CONNECT WITH GOD



The Rev Lorraine Turner, Vicar of St. Mary's Platt, runs healthy walking as part of an NHS social prescribing initiative, which has brought the church into partnership with the Borough Green Surgery social prescriber and the OneYou project.

Lorraine says churches are well placed to support sport and wellbeing projects like this which increase well-being as part of their ministry of care and hospitality.

“As well as the health benefits of walking, people just enjoy catching up with each other. There are conversations relating to the everyday, for instance, coping with the new tasks that come along when a partner has died.

Sometimes people tell me about how they find God in the natural world or what went wrong for them with church in the past.”



Diocese of Rochester
called together

CHURCHES FIT FOR A 21 CENTURY WELCOME



St John's Church, Sidcup, are delighted to finally have running water, step-free access, toilets, and a servery, among a number of other improvements. Their Access4All building project began last year and was finally completed this year. The Rev Cathy Knight Scott said:

"It is important to all of us at St John's Sidcup that everyone is welcome. Many pop in for times of quiet reflection, to admire the architecture, or just a sit down and rest on the way home from the shops. However, our facilities were sadly lacking."

The improvements were achieved with the hard work and donations of many

people, including local schools, residents – as well as £20,000 from Diocesan Missional Property Fund supported by Marshalls Charity.

"The diocesan team – particularly Sarah Anderson, DAC Secretary – were immensely helpful" says Cathy, "especially when the inevitable queries in any large building project arose and we are grateful for her assistance – especially and expediting quick responses to thorny issues."

As a result of the work, the church is now able to run a successful Place of Welcome and many other events- for example, a 'meet and greet' for refugees from Ukraine and other countries with local service providers such as citizens advice, NHS, job centre, foodbank, local council and much more."

At St Edmund, Dartford, an award of just over £4,000 helped with the purchase and installation of a set of blinds. Being a large green and glass structure has at times, not made the church as hospitable as the team would like, as the Rev Mandy Young, Priest-in-Charges explains:

"It can get unbelievably hot, even in the mornings, during summer. The blinds, which we simply couldn't afford ourselves, have made the space feel gentler and less exposed to the sun and heat. That means it is cooler and more welcoming both for the congregation and other users. It also means that we can have shade for the use of the screen and projector - an asset we couldn't make full use of before."



Diocese of **Rochester**
called together

A NEW START FOR ST JOHN'S, CHATHAM



2021 has been a year of new beginnings as the building and the people of St John's Chatham have taken significant steps forward as part of the Diocese of Rochester and the Church of England's long commitment to re-establish a community here. These plans fit alongside Medway Council's own regeneration agenda for Chatham Town Centre.

Although this large Waterloo Church has stood empty and seemingly lifeless for almost 25 years, on Easter Sunday 2021 the church was able to open its doors for the first Easter Service in the building in over a generation. Since that day a growing and diverse group of people have met for worship each Sunday.

Over the past few years the building has required considerable work to allow for its safe use, and although a more comprehensive reordering is planned in the future, the installation of a toilet and kitchenette in the first part of this year have

enabled a number of other activities and events to begin or return to the building. It was significant that the reopening of the building, the growth of community and the lifting of COVID-19 restrictions allowed for the celebration of the 200th Anniversary of

St John's Chatham in September 2021: a brilliant opportunity to welcome the wider community to reconnect with the church with a weekend of celebratory events where the building welcomed around four hundred guests.

Return to the building has also marked a new season for the Medway Centre of Mission with the Sunday afternoon Medway Oaks community continuing to thrive. While 2021 has been an important year, it is recognised that it is still early on in the long-term vision of restoration and growth of St John's Chatham as a hub of community and mission.

The Rev Martyn Saunders says, "We are hugely grateful for the tenacity and faithfulness of the small group who have persevered over the last few years, as well as for the prayer and support of the wider Diocese of Rochester family."



Diocese of Rochester
called together

Overseas Links

As a Diocese, we enjoy flourishing links with Anglican communities in Harare in Zimbabwe, and Kondo and Mpwapwa in Tanzania, as well as a friendship link with the Evangelical Estonian Lutheran Church.

The value and importance of the Companion Link Network has become even more evident during the Covid-19 crisis.

In 2021, we took the opportunity to share the story of how Covid-19 was impacting our sisters and brothers around the world in our Diocesan magazine, and through established local links, churches have offered financial, pastoral and prayer support.

In Mpwapwa, generosity from the Friends of Mpwapwa here in the Diocese, have helped towards the repayment of a loan which could not otherwise have been made because of the fall in offertory collections.

At a time when it has been easy to feel disconnected and isolated, being in contact and sharing in this uncertain time with others around the world, but with whom we have a common connection of faith, has shown these friendships to be more valuable and necessary than ever.



Diocese of Rochester
called together

HELPING CHILDREN, YOUNG PEOPLE, AND ADULTS LIVE OUT EVERYDAY FAITH IN JESUS

As the nature of work changes, not least because of the pandemic, there is a particular need to help people interpret their jobs as vocations, whether family based, paid or voluntary; whether within the Church or in wider society. Our children and young people too are a gift in our midst. We are committed to ensuring that they are offered life-enhancing encounters with Jesus Christ, can participate as equal partners in the life of the Church, and have opportunities to explore their vocation.

Anointing and affirming calling

At the Diocesan Synod in November, Bishop Simon said, *“One way in which the kingdom of God draws near is when the penny drops for people that their daily work is a vocation from God.”*

Throughout the year, Bishop Simon has offered to preach, pray and anoint any person who is seeking God’s grace in life. This has included visiting a number of churches, when the lifting of restrictions has allowed.

He has developed a dedicated liturgy, adaptable to any church setting – and without the need for a bishop – which has been shared with the national church’s Everyday Faith team.

Supporting and developing people’s ministry

Our Formation and Ministry Team has continued to work tirelessly to support people as they explore their vocations,

and to take them through the process to either ordained or lay ministry.

In 2021, 32 people embarked upon training for ordinand ministry: 16 men and 16 women. This is the highest number since 2019. Thirteen were selected for training for Licensed Lay Ministry – this is a distinctive role in the Diocese and is someone who is called to serve their Church and their community in a leadership role but not to be ordained.

We now have a total of 71 Licensed Readers and 94 Licensed Lay Ministers across the Diocese.

Adapting training and development

Throughout this year, we have continued to try and respond to the emerging needs of our church leaders.

The Rochester Leadership Programme was revised and developed this year and is now offered to lay ministers over two residential weekends. Twelve people - a mix of pastoral assistants, evangelists, readers and Licensed Lay Ministers (LLMs) - attended this first revised programme. The feedback was very encouraging and there is a desire to repeat it, with those who attended feeling refreshed and renewed in their ministry and grateful for the opportunity.

As a result of Ministerial Development Reviews, a need to have further development and training in managing conflict and wellbeing was highlighted.

In response, a three-day in person course *'Working with Conflict'* was offered for clergy and lay ministers which had a very good take up and was repeated through popular demand.

Additionally, training around Trauma Informed Ministry, relating to how we emerge from the pandemic was also delivered, with sessions again receiving high demand.

Our Director of Spirituality produced online retreats and Clergy Ministerial Development to support our clergy and lay leader's spiritual needs during some periods of lockdown.

New vocations process

The Diocesan Director of Ordinands and Vocation, along with her team of Assistant Diocesan Directors of Ordinands have worked hard to undertake the delivery of a new national discernment process, which has involved significant and major changes. Initiated in October, it is encouraging to already see a greater diversity of people coming through.

'It's Your Calling' days which seek to help people explore their vocation have continued online where necessary.

This year saw 23 men and women ordained as deacons and priests, and 11 new Licensed Lay Ministers (LLMs), welcomed into the Diocese. The Communication Team shared a series of welcome cards on social media to introduce the new ordinands and LLMs to the whole diocesan family, as well as livestreams of the services.

NEW DEACONS AND PRIESTS ORDAINED



A nurse, a British Sign Language Interpreter, a flying enthusiast and a biochemist, were among the 23 men and women ordained as deacons and priests into the Diocese of Rochester in September.

A person is ordained a deacon once they have completed their initial ordination training. Deacon, the Rev Eucharika Asiegbu, who now serves at St John, Sidcup with Footscray said:

"I am immensely grateful to God for calling me to serve God and humanity.

"Although ministry could sometimes come with challenges, I trust God to see me through every step of the way because God is limitless in my limitations."

Sharing stories of Everyday Faith

Inspired by the national Everyday Faith initiative we are constantly striving to showcase the value of all vocations and each personal experience of faith, gradually and consistently, through various channels and opportunities.

During Lent, we journeyed with the national church's #LiveLent God's Story, Our Story campaign, which encouraged

all Christians to think about their daily calling and discover simple ways they could share the story of their faith with others.

To support this, a series of six self-filmed personal stories of witness were curated for each week of Lent to encourage others to see their own activity as a valuable and treasured calling to God.

LEARNING TO LEAN ON GOD: SEUN'S STORY

My name is Seun Adigun. I'm one of the wardens at St Mark's, Gillingham. I'm also an emergency room doctor at a local NHS hospital. I'm happy to share with you my journey of faith.

I had the privilege of being raised in a priestly home. In my teenage years though I got into a rough patch, where I was really asking questions about God, about the reality of faith; Is God real? Does he listen? Does he answer questions?

I was a young man who believed so much in my own abilities and I really struggled with the concept of relying totally on God. Then in the tropical rainy season of 2017 in Nigeria, I found myself trapped in a flood, sitting on the roof of my car, coasting away in the turbulent flood.

For the first time in my life, I felt so helpless. I understood what it meant to truly rely on God, to truly be out of one's wisdom, because there was nothing, I could physically do to save myself. And so, I prayed a simple prayer to God and, despite hours of torrential rain, divinely



the rain suddenly stopped. I came out of the flood alive. From there, I began to learn how to trust in God.

So even today, as I work in the local hospital and look after people who are unwell, I rely solely on the grace of the Lord Jesus Christ. I believe he's able to see me through. I believe he's able to provide for all my needs. I encourage every one of you to lean on God He is more than able, he is sufficient. He will do more than you expect or imagine.

Deepening people's relationship with God

We have seen revived post pandemic interest in the short spirituality courses offered by the Diocese to either be run locally or by members of the diocesan team, that encourage people at parish level to explore their own spirituality and faith.

There have been Bishop's Study Days focused on Everyday Faith, and a special module has been developed within our Licensed Lay Ministry training dedicated to Everyday Faith.

The Archdeacon of Rochester led a well attended 7-week exploration of the Hebrews 12 text – 'Running the race set out before us', all about how we seek out the path God has called us too.

Children and Young People's Fund

Our Children and Young People's Fund, generously supported by the Colyer Fergusson Charitable Trust, has seen a number of applications for work to create spaces and resources for children in churches – much of it intended to be intergenerational.

This year 20 grants have been awarded – totalling £40,232 of funding, to support activities as diverse as fun days and activity days, projects to build relationships with schools (such as providing each student with an Advent calendar), providing Covid-safe resources for toddler groups, family cooking sessions, to mental health first

aid courses, and equipment for new youth groups.

Some strategic changes were made to the funding process to make it even more responsive, accessible and to meet the new needs posed by Covid-19.

These include:

- Offering a 'fast track' delegated decision process for grants under £1,500.
- Align the grant criteria with our five priorities to make it easier for churches as they seek to respond to Called Together and grow spiritually and numerically.
- Develop larger scale projects in partnership with external agencies, as well as across parishes, to enable parishes to better respond to the significant issues facing children and young people, particularly where, on their own, a parish may not have the resource or local skills to manage a large-scale project relating to a significant need in their area.

Alongside this, our Children and Young People Mission and Ministry Team have continued to support youth and family workers across the parishes, through online resourcing sessions, archdeaconry 'thank you' days, and a 3-day retreat for employed youth workers.

SCHOOL EXPLORES SPIRITUALITY THROUGH ART



The Spiritual Art studio at West Kingsdown C of E Primary allows pupils to explore faith through art. It has been supported by a grant from the Diocese's Children and Young People Fund.

Children at West Kingsdown C of E Primary School are enjoying a new arty opportunity, thanks to help from the Diocese of Rochester's Children and Young People Fund.

The grant for nearly £5,000 has gone towards creating a Spiritual Art Studio in their school. The Art Studio is run by Susan Salter, a published children's illustrator and committed Christian, and allows children from across the school to explore faith through the medium of art.

"We have worked on lots of different projects, from 'who God says I am' - so our identity in Christ - to looking at parables. I always try and read God's word to the

children and to talk to them about how we can apply it to our work in the studio.

"It's a chance to be totally creative. I always say to them, you can't do anything wrong, just express yourself and I am here to help you."

Classes work on a 'big' piece of art per year and this art is then displayed around the school for the whole community to see. Ben Hulme, Executive Headteacher at West Kingsdown and St Paul's Swanley Village, says the children love their time in the studio:

"We would not have been able to run this without the help of the grant, so it's been a wonderful gift for us, and the children love it.

"The key is that it has a very different feel to the classroom, which can be very busy. When you come into the studio you have very small groups in here, you can be quiet, or you can talk.

"You really do have a chance to have your voice heard. "

Future plans for the studio include opening it up to families and the local community as well as to continue to develop the school's strong links to St Edmund's church.

COVID, THE CHURCH AND ME: JOSHUA'S STORY

Joshua is a member of the Diocesan Youth Council. He shared his experience of being a young person during Covid-19 at Diocesan Synod in March 2022.

Two words describe my covid experience: routine and anxiety.

Me and my family always had this routine: get up a 6am, get ready, be out the door for a walk at 7.40am, do school from 8am till 3pm and then do my own stuff. I hated it because, being a Year 9, I wanted to sleep in, but I knew it was helping me in the long run. I mean, look at me now, nearly 6 ft tall, size 12 ½ feet and a lot fitter than I used to be thanks to that routine!

Lock down was a bit crazy for the Trice household, mainly because of all four of us working in one house – I never realised our kettle was so loud until then. But I learnt to live with it just like everyone was having to live with Covid.

One thing I am having to live with is a big old wad of anxiety.

I was never an anxious person before lockdown but part of me thinks that without the anxiety, I would not have become the young man I am now.

Going back to school, the youth council and church - even though it is

less than before Covid - has definitely helped me with the anxiety.

Sadly, not all the people in church are there, as some have sadly died, but being back in my church community means more now. They have all said how good it is to see me, and they are showing me that, despite my anxiety I still fit in, I still belong.



SUPPORTING LOVING SERVICE IN LOCAL COMMUNITIES

We understand that the Church's mission is to the whole person and that every initiative to meet human need is a sign of the coming kingdom of God meant supporting loving service in local communities. Activities to support loving service in local communities is carried out by local people and parishes, with the Diocese providing support, information and resources.

Helping support and develop outreach

Our Community Engagement and Social Action team (CESA) helps parishes develop social action projects, and to develop partnerships where necessary, to show the love of Jesus to their community. This year, we looked to recruit a new Lead adviser, after the role became vacant in the summer. Through our remaining paid employee and a network of volunteers, the team continued to support churches setting up and running Places of Welcome, community hubs, food banks, uniform exchanges, night shelters and more.

Emergency Covid relief fund

The financial pressures on parishes brought about through Covid remain. Through our Emergency Covid-19 Relief Fund, the Diocese has been pleased to be able to make 19 grants of £5,000 totalling £95,000 during 2021.

HOT MEALS S-LOW PRICE



Over 50 families across Tonbridge and Malling benefitted from healthy eating and reduced utility bills at the beginning of the year, thanks to the Slow Cooker Project, supported by local churches.

A successful bid by the Diocese's CESA team to Tonbridge and Malling Borough Council's Covid Winter Grant Fund, saw £5,000 put towards the creation of a set of slow cooker packs to be issued to struggling families.

Packs were stored and distributed from St John's Church Centre, Hildenborough, to nine other organisations, including local churches, foodbanks, and debt charities.



FINDING A PLACE OF WELCOME: HELEN'S STORY

The Places of Welcome at BRIDGES, Edenbridge, is one of 17 hubs and cafés supported by the Diocese's Community Engagement and Social Action team.

Hi! I'm Helen, and I want to tell you my story - A while ago I moved to a little village without public transport. I knew nobody, and my daughter and grandchildren live an hour's drive away.

I have lots of health issues, which limit my energy. I put money by to keep my own car, as I need to use a stick and a rollator walker with a seat to help me walk around.

My hands are always cold, and I can't write very well. I've realised how much I have to look after my mental health. I'm 55, but because of my health I can't do much now and it gets me down.

Getting out of the house takes me away from all that. I was going to two mental health support groups (Reach Out and MIND) locally, but they stopped because the funding ran out.

Referrals for more funding for me didn't work out, but one day the Parish Nurse put a note through my door telling me about the Place of Welcome which was just starting in the nearby town.

It's in the town centre with parking close by, so, I came out to it and met people and it's lifted my mood. I come regularly



now and try to join in with craft activities as far as my hands let me.

I like to chat and listen to people, and I've quickly made new friends. It's really helped my mental health.

I want to help others, so I want my story to get out there to help people know how a Place of Welcome can help them. I think every place should have one!



Taking outreach outside

The ongoing pandemic crisis has shown the way in which the parishes have a pivotal part in showing and delivering care.

One of the unexpected but positive outcomes of the restrictions was the impact being seen by Churches getting outside their buildings. Churches have been worshipping and praying outdoors, in churchyards, parks and car parks, on walks, in forests, and on village greens and in high streets.

Putting the activity of the church 'in plain sight' rather than in a building and behind large doors anecdotally, appears to be removing barriers and is leading to new contacts and growth.

Valuing older people

Our pioneering ministry and work with older people aims to equip churches to support older people to ensure their spiritual and pastoral needs are met, and convey the message that those with dementia, and their carers, are welcome in our churches.

Called Anna Chaplaincy, it is named after the faithful older woman, Anna, who appears with Simeon in Luke's Gospel.

There are now 28 Anna chaplains and 28 Anna friends, with 5 more chaplains waiting to be commissioned. This year 6 archdeaconry leads were commissioned and are establishing themselves in role, supporting Anna Chaplains and Anna Friends and speaking at meetings about spiritual care for older people.

Many of the church-based groups for people with dementia (such as dementia cafes) have restarted and found a great need among their guests who have been cut off from their networks of support during the pandemic. Other new groups are being developed, often linked to local dementia friendly community forums and supported by partner organisations who can offer advice and support to people with dementia and their carers.

Some care home ministry has also recommenced, but there is anxiety still in some staff teams over opening up and constant Covid outbreaks, which alongside a staffing crisis in the sector, have made our work a stop-start process in recent months.

WELCOME RETURN TO CARE HOME

There has been much creativity in continuing work in care homes, which has included parishes providing details of how residents can access virtual services via Smart TVs and tablets, and Anna Chaplains even delivered pre-recorded services on DVDs.

The team at St Barnabas Church in St Paul's Cray were delighted to be able to return to their local residential home in Advent to share worship and Christmas companionship with the residents.

"We were received so happily," says Sue Proctor, Anna Chaplain, "and several residents sang and clapped along with us, one or two using the carol sheets, some singing from memory, many of the residents have dementia.



MAKING THE MOST OF BEING OUTSIDE

In Horsmonden, a new Community Garden, supported by the church, has begun to flourish

The idea was initiated by a request from some of the village teenagers, who asked if there was a way they could connect better with the older generation in the area.

“As we pondered how to do this, the idea of having a garden was born. After all, biblically it stands for a place of relationship and connection”, says Hilary Marshall, the church’s Community Worker.

“Now, we hope the space will not only promote wellbeing, but give everyone a greater love for God’s incredible creation.”



ENCOURAGING, AND RESPONDING TO, THE PROPHETIC VOICE OF JUSTICE AND PEACE

To speak up for justice, to speak up for peace, and to be open to hear the prophetic voice ourselves, has always been important to us as Christians, but as a strategic priority it is new. There is much that is not right, just or fair in our society. There is also much that as a Church we need to put right too and failings we need to address.

Changing the culture around safeguarding

As a Diocese we take our safeguarding responsibilities very seriously and we are committed to ensuring that our churches and buildings are safe places for all.

Our Season of Safeguarding, which took place in October and November to tie in with Safeguarding Sunday (10 October) and All Survivors Day 3 November, was an important step on our journey to changing the culture around safeguarding. Moving it from something seen as a tick-box exercise, to something embedded as an expression done joyfully as our love and care for others

The Season was a partnership initiative, seeing fruitful and meaningful collaboration between the Diocesan Safeguarding and Communications

Teams, Rochester Cathedral, and the victim and survivor group, Survivors Voices.

Many churches also used the Season as an opportunity to raise awareness of the Parish Safeguarding Officers and to talk about the importance of safeguarding.

As well as signposts online and social media to useful information and organisations on a number of safeguarding-related matters, a set of downloadable, bite-sized filmed personal reflections on the theme, *What Safeguarding means to me?* were also created, to provide churches with a way to spark positive conversations about safeguarding.

Contributions came from role-holders across the Diocese and the Cathedral, as well as victims and survivors, and advocate organisations. The films remain available via the Diocesan website.

Alongside the films, we worked with Rochester Cathedral and survivor, Antonia Sobocki, on a visual art installation called LOUDfence, which allowed people to express their support for those who have been subject to abuse of any kind.

WHAT SAFEGUARDING MEANS TO ME: JANE'S STORY

Jane Chevous is Co-founder of Survivors Voices. Survivors Voices is a survivor-led organisation that harnesses the expertise of people affected by abuse in order to transform society's response to trauma and abuse. This is an extract from her Safeguarding Season film.

"Safeguarding means to me that we ensure survivors are safe, seen and supported. That we do everything we can to make sure every child, young person and adult is safe from abuse.

Not just through safeguarding policies and training, important though they are, but through talking about safe families and safe relationships, so we all know how to recognise abuse and have the courage to challenge abuse wherever and whenever we see it.

As a Christian, the men who abused me used spiritual authority to justify their abuse, breaking my relationship with God and my faith community as well as with them. And yet as a Christian it was my belief in a God of justice and healing that enabled me to journey through to recovery.

So ultimately for me safeguarding is about us ensuring that justice, love, and healing are available for every survivor."



If you have experienced sexual, physical or spiritual abuse in the Church, we very much want to hear from you.

You will be taken seriously and there is support we can offer.

Please call in confidence, either our Safeguarding Team on: 01634 560 000 or Safe Spaces on 0300 303 1056.

**You can also visit our website:
www.rochester.anglican.org/safeguarding**

Expanding the Safeguarding Team

Capacity within the team has been expanded this year, through the reallocation existing budget, with the team now comprising a Lead Safeguarding Adviser, two Safeguarding Advisers, a Safeguarding trainer, and an administrator.

The role of Bishop's Safeguarding Lead is shared among the Archdeacons, changing every three years and this year moved to the Archdeacon of Rochester. In addition, Dr Liza Thompson was appointed as Independent Chair of the Diocesan Safeguarding Advisory Panel – a group of external safeguarding professionals, along with senior clergy and officers from the Diocese and the Cathedral, who provide quality assurance and challenge with regards to safeguarding.

Work and caseload

The Safeguarding Team was involved in a number of current and non-recent investigations during the year, two of which resulted in being heard in court. New guidance on training continued to be developed, some of which could be accessed online. As part of their ongoing support to parishes, our Safeguarding Team has developed a range of additional policies and guidance and run training throughout the year at a range of levels appropriate to different roles.

Numbers completing training

Basic Awareness: 1140 online, 128 in parish = Total 1268 people

Foundation: 924 online, 65 in parish = Total 989 people

Leadership: 407 people successfully completed the course across 35 courses.

"This course (though I was reluctant due to time involved) has helped my confidence to lead safeguarding and inform church groups. The reading material and watching the videos has helped me understand the hurt and damage that affects victims, survivors, their families and the church family."
(Leadership course participant)

Parish Dashboard

Towards the end of the year, the Parish Dashboard scheme was launched. This is an online tool to assist parishes in making safeguarding administration simpler. Early feedback has been very positive.

"I think the Dashboard is a brilliant tool. I find using it helps enormously, especially when I am reporting to PCC and asking for discussion and approval of various procedural matters, as it helps me to focus on the things which need doing, and not leave anything out." (Naomi Vallely, Parish Safeguarding Officer, St John's Church Centre, Tunbridge Wells)

Past Cases Review

The Past Cases Review is a comprehensive safeguarding review, undertaken across churches and key institutions within the Diocese of Rochester. It was started in 2019 and was completed in autumn 2021.

It is a process being run in all 42 Church of England dioceses, with all dioceses expected to complete their Reviews by the end of 2021.



Diocese of Rochester
called together

The purpose of the Review has been to help find out whether all known cases of concern about the behaviour of clergy and church officers towards children and vulnerable adults have been considered, risk assessed and dealt with appropriately.

The report compiled by the Independent Reviewers was completed in the autumn of 2021 and submitted to the National PCR board to form part of the national overview report, expected sometime in 2022.

We thank everyone in the parishes who contributed to this important process, and particularly to those victims and survivors whose time, experience and insight, helped inform the Review and the process.

The recommendations from the Diocese's independent report will be incorporated into the Diocesan Safeguarding Advisory Panel's Action Plan.

Living in Love and Faith

Following on from the Archbishops' call for a "radical new inclusion in the church", we have begun to engage meaningfully with Living in Love and Faith.

Living in Love and Faith is a learning and listening process taking place across The Church of England to help individuals, parishes, deaneries and dioceses, reflect on our shared humanity and sexual identity.

A diverse consultative group was drawn from across the Diocese and has been meeting regularly throughout the year to oversee and steer the programme in the Diocese. They include the Rev Jane Winter, as LLF Ambassador and the Rev Joel Love, as LLF Chaplain.

Many conversations have happened at an individual, parish and deanery level. An online Diocesan Taster Day has taken place, and over 220 people within the Diocese registered with the Living in Love and Faith Resource Hub.

"We had a real mix – 3 or 4 churches – but we disagreed well which is something that struck me. My main concern was that I wouldn't have anything to contribute but it wasn't like that at all...I found that week by week I would be thinking about the course and discerning, what is God's will."(The Rev Jayne Shillito, Curate Rural North West Kent Churches)

Modern Slavery, Gender-based violence

As a Diocese we are actively engaging with issues such as Modern Slavery and gender-based violence, through our partnerships with the Clewer Initiative and the White Ribbon campaign. In 2021, we supported the UN's 16 Days of Activisms Against Gender-Based Violence and White Ribbon Day, to ask men to make a stand against violence towards women. Bishop Simon and others took to Tonbridge High Street to share details of the campaign and local support available.



WHY I AM A WHITE RIBBON AMBASSADOR: KEITH'S STORY

As part of our campaign work this year, Keith Berry, one of our Community Engagement and Social Action Advisers, and a White Ribbon Ambassador, shared why he was taking a stand against male violence towards women.

My name is Keith, and I became a White Ribbon Ambassador because I've seen it first-hand, the pain and turmoil that male violence against women, either physical or mental, can wreak upon an individual and their family.

But I have also heard the banter and sexist comments in the pub, at the football, or while playing golf. These undermine and degrade the position of women in our society and it's this attitude that sets the social framework for many men to believe that it's okay to abuse and to threaten or use violence towards women.

My teenage daughter when walking home from her job in the evening feels it's necessary to be on her phone to someone the whole time she's walking, such is the climate of fear that men have created. This has to change, and it starts with us men.

Only by changing our behaviour can we create a better and safer society for our wives, our daughters and friends.

So please, start now by going to whiteribbon.org.uk and find out more about the need for all men to be prepared to speak out against sexist or misogynist behaviour. Then make the promise to never commit, excuse or remain silent about male violence against women.



Diocese of **Rochester**
called together

Poverty and Hope

For over four decades the donations raised by the diocese's Poverty and Hope Appeal have offered support to some of the world's most vulnerable people.

Rather than contributing to a general pot, the focus on specific projects connects us to the work of named initiatives which we are able to support over a period of years. While debates rage over governmental foreign aid, we can quietly and effectively get on and help to deliver life-saving and life-changing support to particular communities.

In 2021, this included projects supporting farmers trying to cope with climate change in Malawi, people in Zimbabwe who are discriminated against over HIV/AIDS, and child victims of modern slavery in Sri Lanka.

And to show that charity continues at home, the Appeal also cares for deprived young people, many living with disabilities, right here in Kent.

This year, thanks to the generosity of churches and individuals, over £20,000 was raised.

"The pandemic has shown the world to be a much smaller and more interconnected place than we imagined, where our personal effect is greater than we thought. Together, we can show God's care for those who are poor and on the edge, who only need a chance in life."

(Bishop Simon Burton-Jones, Poverty and Hope 2021 campaign material)



PROTECTING CREATION'S LIFE FOR FUTURE GENERATIONS

The realisation that action to address climate change is imperative has now permeated most aspects of society. Our young people in particular, believe that we as a Church must take a lead. We must not be left behind; protecting creation's life for future generations is now one of our five overarching priorities.

Eco Diocese and Eco Church

Until 2017, the Diocese had very little formal engagement with environmental issues while individual parishes have been particularly good at taking their own steps to improve their environmental footprints. As a Diocesan structure, we know we need to do better.

In October 2019, Diocesan Synod approved an environmental action plan. Synod also supported the proposed registration as an Eco Diocese, encouraging and supporting churches to work towards the Eco Church awards.

We now have 61 churches in the Diocese who are registered for Eco Church (including LEPs which count for both denominations) of which 13 have reached the bronze award level and 2 the silver award level.

Unfortunately, the impact of Covid-19 caused a delay in our Diocesan effort, but this year has seen a return to the committed work and the development of an action plan, and environmental policy. Recently this has included awareness

raising and resources around the COP26 event.

Earlier in the year we held a webinar exploring the theological reasons and practical actions, with contributions from local churches, national partners and an international view.

Joint working

We have identified our environmental priority as an area where we can work well with our neighbours in the Diocese of Canterbury, sharing resources and knowledge.

The first stage of this has been to join up the Environment Working Groups; Canterbury's is well-established and new Terms of Reference have been drafted.

The aim is to have sub-groups looking at reaching the target to be net carbon zero by 2030, as this is detailed work relating to properties and asset management within each diocese.

In Rochester we are currently carrying out surveys and data analysis to set the priorities for this work, which includes on clergy housing.

Working towards net zero

The National Church has issued a 'road map' to net zero for consultation.

To support this, we engaged key internal stakeholders and responded to the national church's consultation on a draft

We are encouraging churches to use the Energy Footprint Tool (part of the parish finances online system) and looking into how the new wider toolkit can be used for schools, housing, cathedrals, offices, TEIs and all other buildings as well as 'diocesan travel'.

COUNTING ON NATURE



Protecting creation's life for future generations is a key priority for the Diocese, and so it is not surprising that so many churches took part in the national 'Churches Count on Nature' scheme in 2021.

At The Holy Redeemer in Lamorbey, forty-seven different species of wildlife were recorded.

Meanwhile, at St Mary, Bromley's Garden Church, everyone got involved with the count, after a rousing chorus outside of 'All things bright and beautiful', of course!

What we need to do better

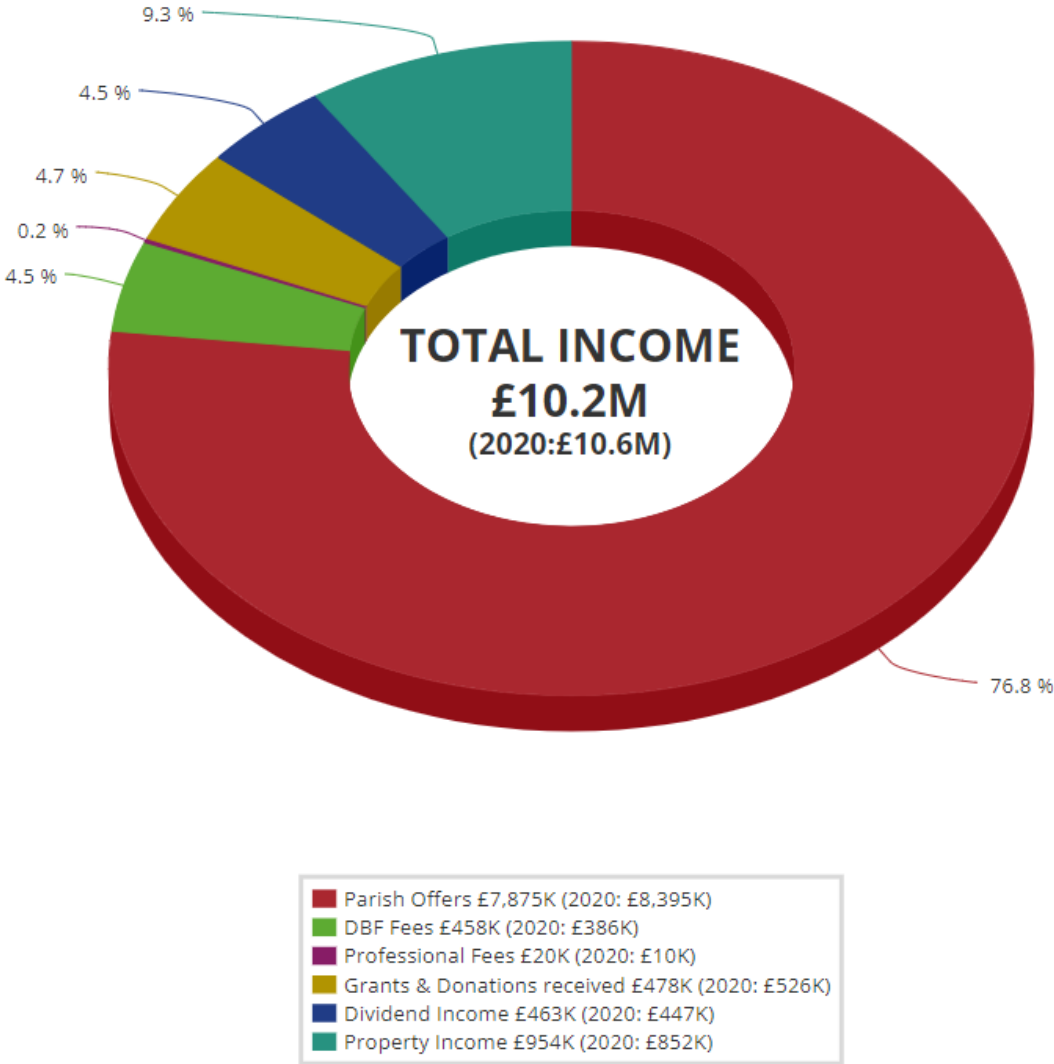
1. **Listen and respond** to the voice and experience of victims and survivors of church-context abuse.
2. **Move on our environmental work** at a Diocesan level in a more focused and dynamic way.
3. **Support diverse and accessible** forms of worship and ministry, so we are reaching as wide a constituent as possible in our communities.
4. **Respond meaningfully** and in a timely way, to the report by the Archbishops' Anti-Racism Taskforce, Lament to Action, so we better reflect and honour the diversity of our diocesan family.
5. **Talk more about clergy wellbeing** and give people confidence in the confidentiality of our counselling service.
6. **Review our investment policy** to ensure we are not passing on an ever-growing endowment to a smaller number of future beneficiaries.
7. **Develop a more robust and clear** complaints and whistleblowing procedure.
8. **Understand the story** behind the statistics. We know there is more to mission and ministry than just numbers, we need to find ways to look behind data meaningfully to celebrate, encourage, as well as learn.

FINANCIAL OVERVIEW

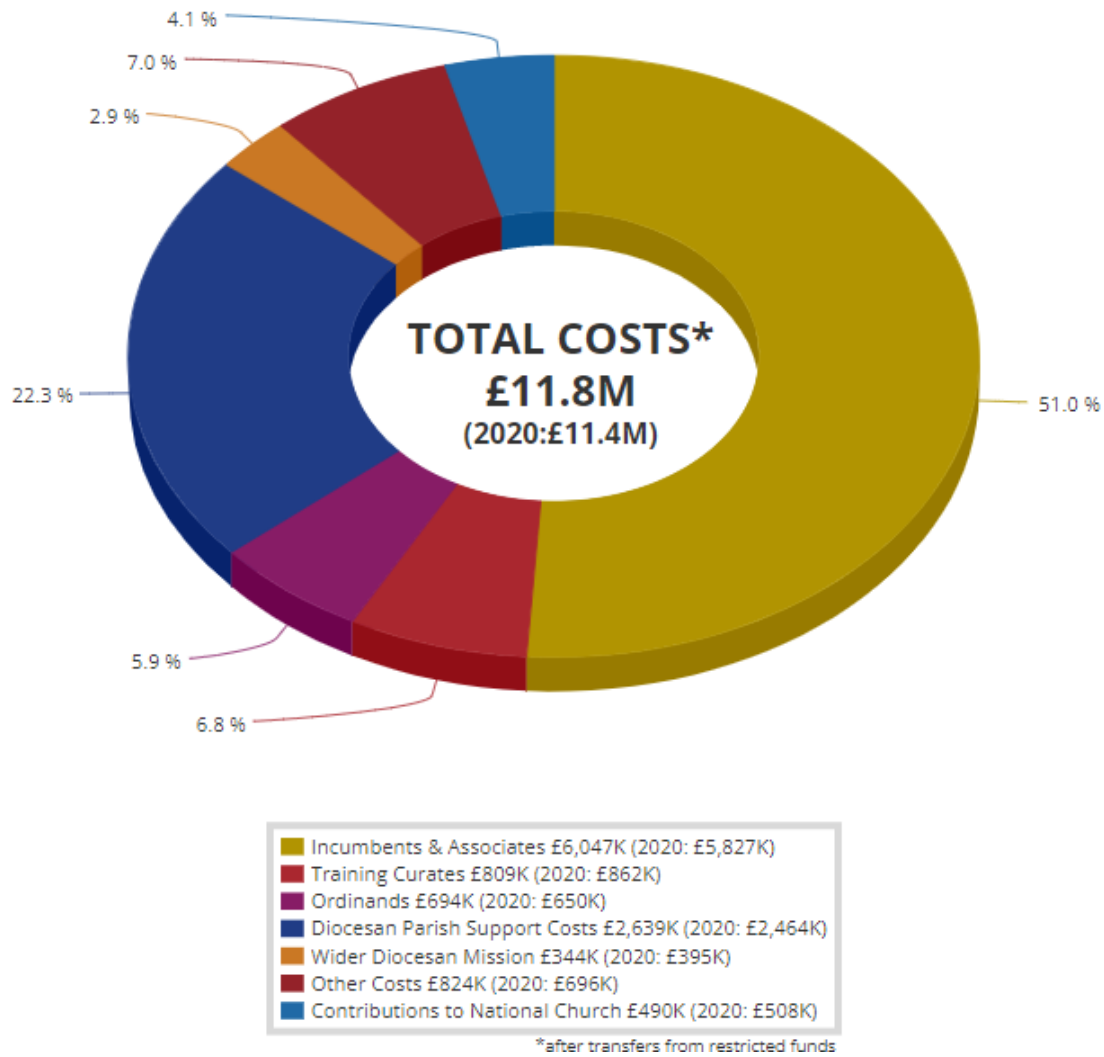
The financial contribution parishes make to support the work and mission of the Church locally is hugely appreciated. Thank you! The information below gives a summary of our finances in 2021.

- In 2021 we were running a deficit of £1.6M.
- This compares to a deficit of £0.8M in the previous year.
- The Diocese’s financial strategy seeks to achieve a financially sustainable position.

Where our income comes from



How the money is spent



Support Costs for Parishes

The Diocese of Rochester is reliant on the payment of Parish Offers which, together with DBF Fees, represent 81% (2020: 87%) of income

	2022	2022	
Annualised Cost of a Full-time Incumbent (£)		Cost per benefice	
Current Stipend (from April 2022)	27,805		
National Insurance (9.25%)	2,572		
Pension (29.02%)*	8,069		
Parsonage Upkeep budgeted for 2022 (2021B: £5,257)	5,494		
Cost of a Full-time Incumbent	<u>43,940</u>		£44K
* excluding pension deficit payments of 7.1%			
	2020	2021	2022B
Diocesan Support Costs (ex Parsonage Upkeep) (£K)	1,851	1,892	2,138
Number of benefices	181	179	176
Cost per benefice			£12K
	2020	2021	2021B
Costs of Mission, Future Ministry and National Church (£K)			
Curates	862	809	986
Ordinands	650	694	693
Wider Diocesan Mission	395	344	403
Contributions to National Church	508	490	405
	<u>2,415</u>	<u>2,337</u>	<u>2,487</u>
			£14K
Contribution required for 115 (2020: 101) benefices unable to cover the allocated cost of a wte Incumbent and Diocesan Support Costs (£K)	<u>1,478</u>	<u>1,982</u>	£11K
Average Contribution required from Benefices			<u>£81K</u>

FINANCIAL STRATEGY

The Financial Strategy is the achievement of a financially sustainable position and to successfully underpin the diocesan strategy of Called Together.

FINANCIAL SUSTAINABILITY

The Financial Strategy is the achievement of a financially sustainable position to underpin the Diocesan Strategy of Called Together and enable it to come to fruition. This entails sustaining the parish structure of ministry and, where required, investing in the reinvigoration of established parish churches. Alongside this, we are increasingly focussed on investing in fresh mission opportunities and the emerging church. This approach demands a delicate balance between current investment and the preservation of capital for the future, all the while seeking to maintain our existing funding of the parish system.

We need to be able to invest in areas of new developments where the population is growing, and increasingly are focused on reaching out to the unchurched and de-churched and in areas of demographic and cultural change and diversity, where different styles of church may be required. We also need to support this in our recruitment and training of clergy and lay ministry, and in the oversight of establishing fresh expressions of church and church planting.

COMMON FUND AND INDICATIVE OFFERS

The Common Fund is the principal unrestricted fund that deals with the general income and expenditure of our

Diocese. The management of the finances and resources are framed in such a way which reflects who we are – an interconnected family or fellowship of Christians dependent upon and supportive of one another. This connection brings with it a shared concern and responsibility for one another.

Thanks to the generous and often sacrificial contributions of parishes into the fund each year, we are able to ensure a number of things including:

- that ministers, ordained and lay, stipendiary and self-supporting are available across the area of the Diocese;
- that the mission of the local church is supported, allowing us to retain a vital presence in our communities;
- that new vocations to ministry are discerned and developed; and
- that we make our fair contribution to the costs of the National Church.

The system of Indicative Offers for parishes was established in 2019 to help inform parishes as they consider their contribution to the Common Fund and to apportion contributions on as fair a basis as possible. Whilst retaining the voluntary nature of Parish Offers, the Indicative Offer enables parishes to assess their pledged offers based on the total mission and ministry funding requirement of the whole Diocese.

It is hoped that the system of Indicative Offers together with targeted and supportive follow-up with key parishes by the Archdeacons and Area Deans, assisted by the Finance Team, will enable



the level of Parish Offers be maintained at a sufficient level to meet our mission and deployment plans.

A parish's Indicative Offer is calculated as shown in the diagram below.



support. Where there are concerns of hardship these need to be seen and dealt with, not become another weight for the parish to carry. Equally, if a parish is able to meet its share, but doesn't, it needs to be clear that others including its neighbours will be picking up the cost.

There are several exceptions to the basic calculation. For example, benefices which in the previous year were unable to contribute sufficiently to cover the cost of the Ministry Cost and Diocesan Support Cost are provided with a total Indicative Offer that is capped at 50% of Gross Income (unrestricted).

PARISH OFFER REVIEW PANEL

In rolling out the new Indicative Offer system, we sought to establish a more formal system for receiving and responding to Parish Offers.

This support needs to be in looking with the parish at the resources it has, and in some cases hasn't, so that where there is a challenging situation it is known and shared.

In achieving a fair level of offer which adequately reflects the cost of ministry and support that a parish receives, the emphasis is on collaboration and

With this in mind, we introduced a Parish Offer Review Panel, a sub-committee of the Finance Committee comprising clergy and laity, which will deal with issues from parishes concerning the level of Parish Offers. Due to the Covid-19 pandemic, this panel did not meet until November 2021 and it's work in practice will commence during 2022.

FINANCIAL IMPLICATIONS OF THE COVID-19 CRISIS

The Covid pandemic has had a significant impact on the funding of the Diocese. We incurred significant operating deficits over the last two years, which are likely to continue at least into 2022. It has been a difficult time for all concerned and we are hugely grateful for the ongoing generosity of our parishes; their sacrificial support in maintaining contributions has been vital to the ongoing maintenance of our mission and ministry. We understand that parishes

have been severely challenged with their income as a result of the Covid-19 crisis which has led to the closure of churches and ceasing of gathered worship. We are asking parishes to do all they can to maintain Parish Offers, which are largely used to support the clergy stipends.

2022 BUDGET AND OUTLOOK

The budget for 2022 was built on an assumption that Parish Offers will recover to £8.25M (2021: £7.88M) with the anticipation and hope that underlying parish income levels will recover as the face-to-face worship resumed and that Parish Offers would recover in kind. However, the recovery was slower than envisaged at the time the budget was set and is likely to be compounded by the impact of inflation on the economy and more particularly the disposable income of parishioners.

The level of parish contributions anticipated is clearly uncertain and dependent on the speed of recovery of the Covid-19 pandemic. Whilst parish contributions, in the circumstances, held up remarkably well over the last two years, largely because many parishes were able to utilise reserves, it remains to be seen how close offers will be able to return to the level of and exceed pre-pandemic levels.

DIOCESAN OFFICE SUPPORT

Much of the expenditure for the Diocesan Office is related to staff that we employ. The budgeted Diocesan Office Support Staff is stable at 35.6 full-time equivalents (FTE), although there have been changes in the roles to support parishes in what they need through this period.

Overall headcount of Diocesan payroll is for FTE of 49.7 (2020A: 48.9; 2019A 48.6). The Diocesan payroll headcount now includes 10.0 staff on the RDSBF payroll who are not funded by the Common Fund. This includes 3 Growth Enablers, funded by Diocesan Pastoral Account, and 6.2 staff funded by the Strategic Development Fund of the Church Commissioners.

LIQUIDITY POLICY

The RDSBF's liquidity policy has been to maintain minimum liquid reserves of £2.75m (defined as monies either on current account or on bank deposits of up to 35 days' notice, of which £1M should be in cash or on bank deposits of up to seven days); being £2.0M for the purposes of working capital and a sum of £0.75m (representing just under 10% of total deposits by parishes for the Church Repair Fund (CRF) and Diocesan Loan Fund (DLF)) to cover potential withdrawals from the CRF and DLF. In addition, for prudent "risk" reasons (as opposed to liquidity considerations), at least 10% to 15% of available funds for investment, subject to a maximum of £2.5m, should also be held in cash under the terms of the Cash Deposits Policy - in this case through a range of maturities up to one year may be utilised.

The Trustees are confident that the RDSBF has a sufficient asset base to cover liquidity needs in the foreseeable future. The overall cash balances at the 2021 year-end stood at £7.6M (2020: £9.0M) (being in excess of the current policy level of minimum liquidity and cash reserves of £5.0M).



RESERVES POLICY

The Trustees require reserves to:

- meet short-term excesses of expenditure over income;
- provide funds for expenditure with long-life horizons; and
- fund recognised future infrastructure and strategic policies which will require resources, such as the changing form of ministry and the deployment of clergy.

It is the RDSBF's policy in order to cover such eventualities, reviewed in March 2019, to maintain free reserves in excess of £5M.

Common Fund reserves at the year-end stood at £5.1M (2020: £5.2M). This is in excess of the amount required under the policy. The Trustees consider it important to carry additional reserves to cover unforeseen eventualities and the possibility of future operating deficits.

In May 2022, Bishop's Council approved a Total Return approach to the accounting for permanent endowments applied to the Diocesan Stipends Fund, which will take effect from 1 January 2022. It is anticipated that the normal annual income provided from the Stipends Capital Fund to support the existing Common Fund budgetary requirements will at least be maintained.

Total Return is proposed on the assumption that Parish Offers are made in accordance with the current Indicative Offers system, so that additional funds may be released for fresh investment to support mission across parishes in the Diocese. The Unapplied Total Return as at 31 December 2021, has been calculated to

be £11.3M, which has been audited by Haymacintyre,

DESIGNATED RESERVES

The Trustees may designate unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the Common Fund in the event that there is no further need to retain them for the purpose of their designation. A description of each reserve together with its intended use is set out in Note 16. Total designated reserves at 31 December 2021 were £9.1m (2020: £8.2m). These reserves are predominantly held in property assets.

RESTRICTED AND ENDOWMENT FUNDS

As set out in Notes 17 and 18, the RDSBF holds and administers a number of restricted and endowment funds. None of these funds are available for the general purposes of the RDSBF, although the income of endowed funds may be used for certain restricted or unrestricted purposes. Total restricted funds at 31 December 2021 were £41.1m (2020: £40.5m), and total endowment funds were £26.8m (2020: £24.1m).

INVESTMENT POLICY

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

Preserving Inter-generational Equity

The Trustees are aware of their long-term responsibilities in respect of endowment funds and as a result follow a correspondingly prudent approach to investment decisions.

Investment policy for long-term funds is aimed primarily at generating a sustainable income with due regard to the need for the preservation of capital value and the possible need to realise investments to meet operational needs. Unrestricted and restricted investments are invested to balance income, liquidity and the maintenance of capital, and are held in listed and unlisted equities and funds and fixed interest bonds in managed funds.

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

Ethical Investment

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

Fund Managers

In January 2020, the Diocese transferred its investment portfolio (excluding property investments) to Mercer Global Investment Management Ltd. ("Mercer"). Mercer's investment platform provides the Investment Committee of Bishop's Council with a greater level of flexibility to align the portfolio with the overall objectives of the Diocese and the flexibility for Mercer to respond to market changes and changes in the performance

of specific funds and fund managers. The current portfolio includes allocations to a broad range of asset classes, with a strong focus on sustainability issues.

GRANT MAKING POLICY

The Memorandum of Association of the RDSBF explicitly permits the RDSBF to make grants in pursuance of its objects, and the nature of grants made in 2021 is indicated in Notes 6 and 8.

Grants are made to the National Church to cover a proportion of its central costs and also to cover training for ministry (see Note 6).

The Diocese operates a Children & Young People Fund, to fund youth ministry initiatives, and a Missional Property Fund, to support projects which allow parishes to open up church buildings for mission. To be successful an application must clearly state how the changes are missional and link with the activities and plans for their community.

Grants are paid to other connected charities and to other charitable projects which appear to RDSBF to support the furtherance of RDSBF's objects, including grants to assist our Companion Dioceses of Mpwapwa and Kondoa in Tanzania, Harare in Zimbabwe, and to promote links with the Evangelical Lutheran Diocese of Estonia.

The RDSBF also set up a Covid-19 Emergency Relief Fund to support parishes during the pandemic.

PROPERTY

There are three types of property that the RDSBF owns: glebe investments (historic land and buildings), clergy houses, and RDSBF owned corporate property held for operational purposes.

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

- To replace unsuitable parsonages;
- To accommodate the changing geographical deployment of clergy within the Diocese;
- To realise the development potential in some properties, thereby releasing funds to invest in our mission; and
- To rebalance our overall glebe investment portfolio and to reduce our exposure to specific direct property investments.

CLERGY HOUSES STRATEGY

Inspired by the Called Together vision, RDSBF operates a Clergy Houses Strategy. It sets out the Clergy Houses Committee's approach to clergy housing for the coming years and reaffirms the work and aspiration of the Committee. The strategic approach to our property requirements is worked in close association with the Archdeacons.

Clergy houses often hold a significant place in the hearts and minds of the local church and community, as well as our ministers that live and serve within them.

The ambition is for an approach to housing which, while mindful of this, is also:

- Flexible
- realistic, and
- responsible.

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

- Be suitable and appropriate in its use of diocesan funds;



- Be affordable for the occupant and practical as a home and working environment;
- Facilitate mission and ministry across the Diocese; and
- Achieve good standards of environmental sustainability.

The Trustees commit significant capital reserves to the purchase and improvement of housing for clergy. The RDSBF is also responsible for housing its training curates (currently 22) at any one time. The Clergy Houses Committee oversees the repair and maintenance of clergy houses.

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

During the year, in total £747K (2020: £604K) was spent on properties under the Clergy Property Measure 2018 and the Repair of Benefice Buildings Measure 1972; incorporating quinquennial building surveys and arranging for repair or improvement by contract or by order and supervising and administering such works of repair or improvement. The majority of the operational property assets are held for the long-term use of the RDSBF, rather than for re-sale, and are carried in the accounts at their deemed cost in accordance with the provisions of Financial Reporting Standard 102.

The Diocesan Surveyor manages and maintains an ordering system, a 10-year rolling repair programme, and monitors

and controls the annual budget. The scope of the work includes all day-to-day and responsive and programmed repairs, including quinquennial works, and day-to-day repairs to (for example) roofs, windows, kitchens, bathrooms, electrics and plumbing.

The Property Team maintains a property database and advises on the retention and sale of each property as and when Archdeacons and the Clergy Houses Committee have identified former ministry housing as being surplus to requirements.

The Finance Committee approves proposals for any purchase or disposal of property. It will additionally consider, on the advice of the Archdeacons, whether rental of property is particularly appropriate in individual circumstances. Parsonage repair and maintenance has been prioritised and was being maintained in 2021 at 2020's originally budgeted level of £750K (including insurance).

In addition, £500K catch-up work over two years (funded from the Diocesan Pastoral Account) continues and the second tranche of £250K was spent in 2021, bringing total property expenditure in 2021 to £938K (2020: £805K).

FINANCIAL RESILIENCE AND STEWARDSHIP

Each parish faces significant challenges as the financial regulatory environment imposes ever more stringent requirements upon PCCs.

The Finance Team in Diocesan Office supports parishes in relation to compliance with the Charity Commission and accounting. PCCs are becoming increasingly aware of due diligence in their financial affairs and the need to demonstrate to their congregations that they are obtaining value for money.

Stewardship training and support is provided to help parishes to raise income levels. Church finances would be transformed if the level of giving by church members were raised from its present level of 3.4% of personal income to the national aspiration of 5%.

Parishes are encouraged to take advantage of the various central purchasing schemes run by the National Church.

FUNDRAISING

The RDSBF provides parishes with guidance to encourage them to adhere to best practice in their fundraising activities. It drives one-off campaigns around specific and strategic fundraising needs and supports and enables strategic relationship management.

The RDSBF does not engage with any direct marketing activities, nor does it share or purchase any donor data with or from third parties. The RDSBF rarely engages with independent professional

fundraisers and, if so, will always ensure there is an appropriate contract in place.

VOLUNTEERS

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

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

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

RELATED PARTIES

There are a number of related parties with whom the RDSBF has financial links and/or has financial transactions with, including the General Synod, Church Commissioners and Archbishops' Council. The RDSBF has to comply with Measures passed by the General Synod of the Church of England and also makes certain annual payments to the Archbishops' Council towards the running costs of the National Church.



As disclosed in Note 7, certain costs of the bishops, including stipends and pension contributions, are borne by the Church Commissioners.

PAROCHIAL CHURCH COUNCILS (PCCs)

The RDSBF is required by Measure to be custodian trustee in relation to certain PCC property, but has no control over PCCs, which are independent registered or excepted charities.

The accounts of PCCs and deaneries do not form part of these financial statements. PCCs are able to influence the decision making within the RDSBF and at diocesan synod level through representation to those bodies and through the input of their deanery synods.

OTHER RELATED PARTIES

- The Church of England Pensions Board: To which the RDSBF pays retirement benefit contributions for stipendiary clergy and certain ordained employees. It also offers schemes to provide housing for clergy in retirement.

- The Dean and Chapter of Rochester Cathedral: Some diocesan events held in the Cathedral are paid for by the RDSBF. The RDSBF rents car parking space and housing for diocesan clergy from the Dean and Chapter and provides safeguarding services to the Chapter under a service level agreement.

- The Rochester Diocesan Board of Education: The Principal Office is located at Diocesan Office. The Board of Education supports and encourages churches and parishes across the Diocese of Rochester through the education of children and young people. The Bishop of

Rochester is President of the Board of Education and the Bishop of Tonbridge serves as Chair. The RDSBF undertakes the accounting function for the Board of Education under a service level agreement.

- St Augustine's College of Theology: The College is located on the Malling Abbey estate owned by the RDSBF and is a lessee. Ordinands, Curates and Lay Workers from the Diocese are trained by the College.
- St Benedict's Centre: The Centre is located on the Malling Abbey estate owned by the RDSBF and is a lessee. By virtue of office, the Bishop of Rochester and the Diocesan Secretary are each a Trustee and Director. The Centre offers non-residential facilities for individuals or groups to go on retreat, study or meet.
- Emmaus Developments Limited (the trading subsidiary of St Mary & St John, Chatham PCC): The company has its registered office at the Diocesan Office.
- A number of discretionary trust funds administered by employees of the RDSBF.

Transactions with the main categories of related parties are identified in appropriate places throughout the financial statements.

Where materiality of transactions merits more detailed disclosure, this is given in Note 15 to the financial statements.

MITIGATION OF RISKS AND UNCERTAINTIES

BISHOP'S COUNCIL RESPONSIBILITY

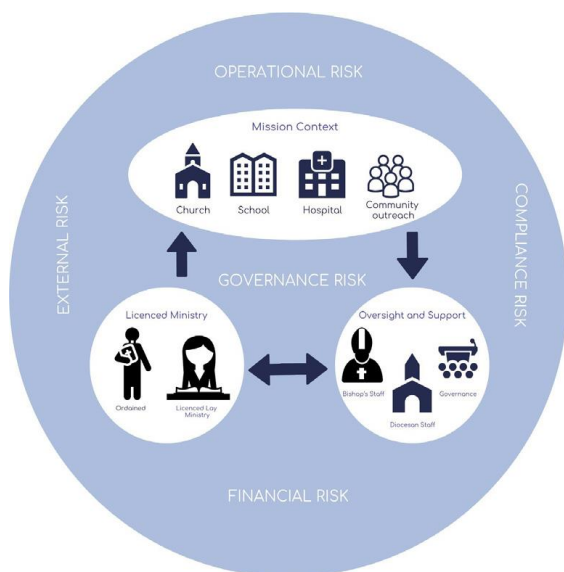
Bishop's Council is responsible for ensuring that effective and adequate risk management and internal control systems are in place to manage the major risks to which the Diocese is exposed.

It has a clear mechanism for obtaining assurance on the management of risks. It agrees the approach to risk including overseeing the process to identify and assess key risks and understanding how those risks are managed and mitigated.

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

RISK ASSESSMENT MODEL

To support the identification and evaluation of our key risks, we use a risk



assessment model which incorporates our key activities of mission and ministry as shown in the diagram below.

The five key areas of risk considered and the mitigation measures in place relating to the risks identified are then described, with any particular measures in the process of being implemented and the timing and the risk owner identified as responsible for managing this risk.

RISK MANAGEMENT FRAMEWORK

Risk is managed effectively through an appropriate risk management framework designed to support informed decision-making regarding the risks that affect our ability to achieve our mission objectives.

The framework provides a consistent approach to identifying, assessing and dealing with the risks facing us to ensure that they do not exceed the level of risk we are willing to assume.

The framework is designed to manage, rather than to eliminate, the risks to our objectives.

PRINCIPAL RISKS

The risks in the Risk Register are ranked using a 'traffic light' scheme (red/amber/green) based on a score reached by multiplying the score for 'Likelihood', the average of the 'Financial Impact' plus 'Reputational Impact' score, and the 'Risk Tolerance' score. The key risks in red are identified as those which have high likelihood and overall impact.

The risks which are currently assessed as scoring highest, and the outline mitigating strategies to address them, are as follows:

<u>RISK AREA</u>	<u>MITIGATION STRATEGY</u>
<ul style="list-style-type: none"> • Safeguarding. The reporting of non-recent and current cases of abuse of children or vulnerable adults in the Diocese, resulting in a breach of trust and negative impact on the victims/survivors, impacting the church’s reputation and potentially leading to litigation and compensation claims which are not covered by insurance. New cases may be reported because of the publication of reviews of safeguarding cases in faith organisations, including the Government commissioned Independent Inquiry into Child Sexual Abuse. • Remedial work created by the Past Cases Review impacts on the effectiveness of the Diocesan Safeguarding Team. • Impact from a prolonged epidemic resulting in the closure of churches, the cessation of worship and the reduction of income of parishes, and thereby impacting Parish Offers and the income of the RDSBF, the loss of dividend and property rental income and substantial reductions in underlying investments valuations. 	<ul style="list-style-type: none"> • An appropriate response that is victim/survivor focussed, especially respects the dignity of victims responding with transparency, humility and contrition. Investigations to be thorough and in compliance with current guidance, ensuring sound coordination and communication between individuals and teams in the Diocese as well as external agencies and NCIs. • Provision of an electronic case management system. An independently audited and resourced safeguarding team, which is professionally supported and supervised with constant review of resources (increase of staffing in 2020 and 2021). • Communications strategies well-rehearsed and co-ordinated with Church House, Westminster & Lambeth Palace. • Provision of satisfactory training and safe recruitment and management of all those engaged in contact with children, young people and adults at risk of harm. • Maintaining a conservative liquidity policy with sufficient cash reserves to weather the impact on income and cash withdrawals of parishes’ funds, seeking access to debt finance and National Church assistance with liquidity, and an adequate reserves policy to deal with reductions in income. Crisis management through the duration of the crisis that engages with parishes and provides advice and where necessary liquidity through loans and grants.

<ul style="list-style-type: none"> • Parishes experiencing stagnant or declining membership, impacting the ability to conduct viable mission or growth initiatives at a local level and increasingly being unable to pay for ministry being provided and/or donate as generously as they would wish. • Nationally divisive issues leading to loss of clergy and/or congregations and finances and impacting the church's reputation. • Deployment of clergy that involves altering the ministerial oversight in local churches. • Financial operating deficit leading to breakdown in trust with parishes and the inability to maintain support to legally committed ministry. • Information security, IT systems availability and performance, staff proficiency in using IT systems. 	<ul style="list-style-type: none"> • Strategic Framework, Called Together, applied. Effective monitoring of mission goals through deanery reviews, with assessment of the financial impact of the consequences. Supporting parishes by implementing local plans and providing support to reverse decline and building resilient and growing churches. • Strong episcopal leadership and professional support in handling difficult issues and sensitive negotiation with churches concerning the pastoral, operational and financial implications. • Archdeaconry Steering Groups. Implementation of the Ministerial Deployment Tool. Legal process for pastoral reorganisation, involving extensive consultation. • Financial Strategy that sets out the approach to achieve a financially sustainable position, regular financial planning and budgetary control. The operation of the Common Fund and the system of Indicative Offers. • In response to the increasing risk in this area, work to further improve our security measures to protect unauthorised access to IT systems and safeguards against potential vulnerabilities in the IT network.
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FINANCIAL REVIEW

There was a Net Income surplus for the year of £4.1M (2020: £2.8M). Net movement in funds was £4.2M (2020: £4.2M). The Common Fund shows an operating deficit for the year of £1.83M (2020: £0.91M), which is £1.60m (2020: £0.80M) after deducting transfers from Restricted Funds in REspectc of RESTRICTED EXPENDITURE. The reserve balance on the Common Fund was £5.1M as at 31 December 2021 (2020: £5.2M), which slightly exceeds the requirement under the reserves policy.

FINANCIAL PERFORMANCE – INCOME AND EXPENDITURE

The Statement of Financial Activities (on page **) shows an overall surplus of Net Income (before revaluation of fixed assets and pension scheme liabilities and transfers between funds) for the year of £4.1M (2020: £2.8M) after profits on the sale of property of £1.8M (2020: £1.8M) and gains on investments of £3.8M (2020: £2.1M).

The Common Fund shows an operating deficit for the year of £1.83M (2020: £0.91M), which is £1.60M (2020: £0.80M) after deducting transfers from restricted funds in respect of restricted expenditure. This compares to a budgeted operating deficit (after deducted restricted fund transfers) of £1.81M (2020: deficit £0.83M).

After taking account of gains on investments of £1.3M (2020: £0.6M) and a gain of £0.4M on the sale of properties (2020: loss £52K), the Common Fund showed a deficit of Net Income (before revaluation of fixed assets and pension

scheme liabilities and transfers between funds) for the year of £0.22M (2020: deficit £0.35M).

Designated Funds showed a Net Income of £0.88M (2020: £0.82M) representing a profit on sale of properties of £0.94M (2020: £0.79M) and losses on investments of £63K (2020: gains £30K). Restricted Funds show an operating surplus of £0.32M (2020: deficit £0.24M) and a Net Income surplus of £0.87M (2020: £0.77M) after profits on sale of properties of £0.55M (2020: £1.0M) and gains on investments of £nil (2020: losses £8K).

Endowment Funds had an operating surplus of £13K (2020: £12K) and a Net Income of £2.6M (2020: £1.5M) after gains on investments of £2.6M (2020: £1.5M).

The main income of the Diocese is Parish Offers, the money given by parishes to the Diocese to fund mission and ministry and in particular the costs of clergy stipends, pensions, housing and training, which are charged to the Common Fund.

Income from Parish Offers was £7.88M (2020: £8.40M), and £8.33M (2020: £8.79M) including DBF Fees of £458K (2020: £386K). This compares to the pre-pandemic level in 2019 for Parish Offers at £9.06M (excluding DBF Fees, which before 2020 were retained by parishes) representing a decline of 9.1%. This compares the decline compared to pre-pandemic levels of 9.5% in parish share experienced across the Church of England. Parish Offers and together with DBF Fees represented 81% (2020: 83%) of



the RDSBF's unrestricted operating income.

The other main sources of income in the year were donations and property and investment income. Donations (including grants) were £461K (2020: £526K), and property rentals and investment income of £1.42M (2020: £1.30M).

Total expenditure on the Common Fund was £12.1M (2020: £11.5M) and in all funds was £13.4M (2020: £12.9M).

During the year, the RDSBF paid stipends and associated costs totalling £6.72M (2020: £6.56M) for incumbents, curates and other clergy. The total number of full-time equivalent clergy in post fell from 184 to 180.

A detailed breakdown of income and expenditure on the Common Fund and a breakdown of the support costs for a parish are set out on pages 36 to 38 of the Trustees' Report.

national training for ministry (see note 6 to the financial statements).

During the year the COVID-19 Emergency fund made 19 grants to parishes (2020: 31) totalling £95K (2020: £155K), making a total 50 grants to 38 different parishes and £250K since the start of the pandemic.

INVESTMENT INCOME

Market investments held at 31 December 2021 were £20.2M (2020: £17.5M) and investment properties were valued at £12.5M (2020: £11.0M) (see Note 10). Dividends receivable for the Common Fund were £463K (2020: £447K) and rents receivable for the Common Fund were £954K (2020: £852K).

The investments held and their return during the year is set out in the table below which shows an overall yield on investments of 2.8% (2020: 2.6%) and total return of 16.0% (2020: 9.9%).

	At 31/12/21 £K	At 31/12/20 £K	2021 %	2020 %	2021 Income Yield	2020 Income Yield	2021 Total Return	2020 Total Return
Glebe Investment Properties	12,528	11,412	38.2%	39.5%	3.0%	3.3%	12.6%	12.5%
Market Investments	20,233	17,502	61.8%	60.5%	2.8%	2.2%	18.1%	8.0%
	32,761	28,914	100.0%	100.0%	2.9%	2.6%	16.0%	9.9%

Contributions are made to the Archbishops' Council to cover a proportion of its central costs relating to the activities of the various national boards and councils, as well as the General Synod, and to cover a proportion of the cost of

GRANTS RECEIVED

The RDSBF gratefully acknowledges all grants received including those from Trust for London for £642K (2020: £291K); All Churches Trust for £144K (2020: £141K); and Colyer Fergusson for £50K (2020: £20K).

The RDSBF gratefully received the following grants from the Church Commissioners:

- £231K (2020: £162K) Strategic Development Funding towards Called to Grow.
- £7K (2020: £97K) Strategic Development Funding towards Chatham Town Centre.
- £365K (2020: £329K) block grant for ordinands' training fees and expenses under the Resourcing Ministerial Education process.
- £296K (2020: £320K) Sustainability Grant.
- £13K (2020: £Nil) Strategic Ministry Fund toward two additional curates

SIGNIFICANT PROPERTY TRANSACTIONS

During the year 1 parsonage (2020: 4) was sold for total sale proceeds of £800K (2020: £2.14M), realising a surplus over book value of £552K (2020: £1.00M).

During the year 6 (2020: 1) unrestricted Common Fund and designated fund property sales were made in the year generating total proceeds of £1.68M (2020: £0.91M), realising a surplus over book value of £1.29M (2020: £0.79M). And also during the year nil (2020: 4) investment properties were sold for a total of £nil (2020: £1.95M), realising a total profit of £nil (2020: £455K).

There was 1 property bought in 2021 (2020: 2) at a total cost of £573K (2020: £800k) (purchase costs plus ingoing works), as follows:

4 Manor Way, Walderslade – a house for the new Associate Vicar of Chatham, St. Philip & St. James.

BALANCE SHEET POSITION

Net assets at the balance sheet date totalled £82.2M (2020: £78.0M).

This includes properties which are mostly in use for ministry; the book value of which amounted to £51.9M as at 31 December 2021 (2020: £51.5M).

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

Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot necessarily be used for the general purposes of the RDSBF.

The cash and short-term deposits position at 31 December 2021 stands at £7.63M (2020: £9.0M) and including market investments provides realisable liquid assets at 31 December 2021 of £27.5M (2020: £26.1M).

COMMON FUND

The reserve balance on the Common Fund was £5.1M as at 31 December 2021 (2020: £5.2M), which slightly exceeds the requirement under the reserves policy of £5M (see Reserves Policy under Financial Strategy on page 42).

DESIGNATED FUNDS

The balance of designated funds as at 31 December 2021 was £9.1M (2020: £8.2M). The increase was mainly due to

DBF properties purchased as referred to above.

RESTRICTED AND ENDOWMENT FUNDS

The RDSBF holds and administers a large number of restricted and endowment funds. As at 31 December 2021, restricted funds totalled £41.1M (2020: £40.5M) and endowment funds totalled £26.8M (2020: £24.1M).

FUNDS HELD AS CUSTODIAN TRUSTEE

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

Further details of financial trust assets, whose market value amounted to £2.2M at 31 December 2021 (2020: £2.0M), are available from the RDSBF on request, and are summarised in Note 21. Where properties are held in trust, the deeds are identified as such and held in safe custody by the RDSBF.

GOVERNANCE, STRUCTURE AND MANAGEMENT

LEGAL FRAMEWORK

The company's principal object is to promote, assist and advance the work of the Church of England within the Diocese of Rochester by acting as the financial executive of the Rochester Diocesan Synod.

The RDSBF has the following statutory responsibilities:

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

The strategic priorities of the company are established by the Diocesan Synod in communication with deanery synods, PCCs, and the Bishop of Rochester (in respect of his responsibility for the provision of the cure of souls). To this end, significant time and effort is committed to communication between and with these bodies, as well as with the

Church nationally, including consultations on specific matters relating to the priorities for the forthcoming year.

PUBLIC BENEFIT

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

The RDSBF believes that this report provides evidence of the public benefit of the charity's work in 2021.

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

The ministry of the parishes within the Diocese, actively involved in a wide range of community projects and supporting ministries, represents a substantial contribution to the wider public benefit. The vast majority of churches are available to the public at large and none is restricted to members of the Church of England.

THE STRUCTURE OF THE CHURCH OF ENGLAND

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



Diocese of Rochester
called together

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

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

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

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

NATIONAL CHURCH INSTITUTIONS

The Archbishops' Council, the Church Commissioners and the Church of England Pensions Board are sometimes referred to as the National Church Institutions.

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

Its goals are: Contributing to the Common Good; Going for Growth (both numerically and spiritually) and Reimagining Ministry (both lay and ordained).

The Church Commissioners manage the historic assets of the Church of England, spending most of their income on pensions for clergy. The stipend, housing and office costs of the Bishop of Rochester are met by the Church Commissioners. In the case of the Bishop of Tonbridge, the stipend and office costs are met by the Church Commissioners, with the housing costs being met by the RDSBF.

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

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

THE CATHEDRAL

The Cathedral is the 'mother church' of the Diocese and legally constituted as a separate charity currently exempt from Charity Commission registration and supervision. For Rochester Cathedral copies of its trustees' report and financial statements may be obtained from the Chapter Office, Garth House, Rochester ME1 1SX.

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

THE DIOCESE'S DIOCESAN SYNOD

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation across the Diocese with broadly equal numbers of clergy and lay people meeting together with the two bishops. Elections occurred in 2021 for the 2022 to 2024 triennium.

Its role is to:

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

DEANERY SYNOD

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

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

BISHOP'S COUNCIL

The Bishop's Council acts as:

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

Elections occurred during 2021 for the 2022 to 2024 triennium.

PAROCHIAL CHURCH COUNCIL (PCC)

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

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

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

PASTORAL UNITS

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

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

The Diocese is then the principal pastoral, financial and administrative resource of the Church of England, encompassing the various archdeaconries under the spiritual leadership of the Bishop of Rochester.

THE DIOCESE OF ROCHESTER

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

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

The Diocese serves a population of some 1.3 million, which is expected to increase by 300,000 over the next 20+ years. We have 180 (2020: 184) full-time equivalent substantive stipendiary parochial posts, and 23 (2020: 31) substantive self-supporting posts and there are 19 (2020: 20) stipendiary and 14 (2020: 10) self-supporting curates in training.

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

The communities of the Diocese are characterised by increasing diversity of varying kinds. It covers some of the most affluent areas in England, and also some of the most deprived wards in the South-East. With the expansion of London and adjoining communities, it is increasingly urban and suburban, yet still retains places which see themselves as rural.

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

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

Our diocesan-level world Church partnerships are an important element of who we are. We have very active relationships with the Dioceses of

Mpwapwa and Kondoa in Tanzania, the Diocese of Harare in Zimbabwe and with the Evangelical Lutheran Church of Estonia. These partnerships are expressed through parish and school links, as well as at diocesan level.

ORGANISATIONAL AND DECISION-MAKING STRUCTURE

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

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

Governance and policy of the RDSBF is the responsibility of the Trustees, who are directors of the company and trustees for the purposes of charity law. The members of Bishop's Council are the Board of Directors (the Board) of the RDSBF, and the members of the Diocesan Synod are the members of the RDSBF. Additionally, there is the Finance Committee of the Bishop's Council, acting for and assisting the Board in its more detailed work.

The Board has delegated responsibility for the day-to-day management of the company to the Diocesan Secretary who is supported by the Finance Director, the Property Director, the Communications Manager, and the HR and Governance Manager, and their respective staff. These together form the Operations Management Team. The Diocesan

Secretary is also a member of the Bishop's Leadership Team, which meets regularly throughout the year.

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

TRUSTEE RECRUITMENT, SELECTION AND INDUCTION

The Board includes:

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

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



Diocese of **Rochester**
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Some senior staff have job titles incorporating the title 'Director' but they are not directors of the company for the purposes of company law.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Diocesan grading and salary structure is benchmarked against similar roles in the local charity sector as well as the wider Church of England context. All roles within the Diocese are graded according to the skills, experience and professional qualifications required for the role.

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

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

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

STATEMENT OF DISCLOSURE TO THE AUDITORS

The Trustees have taken all the necessary steps to ensure that they are aware, as trustees, of any relevant audit information and to establish that the auditors are aware of that information. As far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware.



APPOINTMENT OF AUDITORS

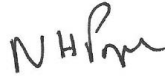
The appointment of Haysmacintyre LLP as auditors to the RDSBF will be proposed at the Annual General Meeting.

In approving this Trustees' report, the Trustees are also approving the Strategic Report included on pages 1 to 67 in their capacity as company directors.

BY ORDER OF THE TRUSTEES



Mr Matthew Girt
Diocesan Secretary



Mr Nigel Pope
Chair of Rochester Diocesan Society and Board of Finance

1 June 2022

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

OPINION

We have audited the financial statements of the Rochester Diocesan Society & Board of Finance for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report. Our

opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on page 61 and 62, the trustees (who are also the directors of the charitable company for the purposes of company law), are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of



financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal postings by unusual users or with unusual descriptions;



- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

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

USE OF OUR REPORT

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

Jane Askew (Senior Statutory Auditor)

1 June 2022

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

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2021

	Note	Unrestricted		Restricted	Endowment	Total	Total
		Common	Designated	£'000	£'000	2021	2020
		£'000	£'000			£'000	£'000
Income							
Donations:							
- Parish Offers		7,875	-	-	-	7,875	8,395
- Other	2	478	-	1,549	13	2,040	1,651
Investment income	3	1,417	-	63	-	1,480	1,353
Charitable activities	4	478	-	-	-	478	396
Total income		10,248	-	1,612	13	11,873	11,795
Expenditure							
Generating income	5	(544)	-	(5)	-	(549)	(432)
Charitable activities	6	(11,536)	-	(1,289)	-	(12,825)	(12,507)
Total Expenditure		(12,080)	-	(1,294)	-	(13,374)	(12,939)
Operating (Deficit)/Surplus:		(1,832)	-	318	13	(1,501)	(1,144)
Profit/(losses) on sale of property		351	943	552	-	1,846	1,757
Gains/(losses) on investments	10	1,260	(63)	-	2,597	3,794	2,146
Net Income before revaluation of fixed assets and pension scheme liabilities and transfers between funds		(221)	880	870	2,610	4,139	2,759
Reserve Movements:							
Net Income		(221)	880	870	2,610	4,139	2,759
Gains on revaluation of fixed assets		-	-	-	-	-	-
Revaluation of pension scheme liabilities	22	22	-	-	-	22	34
Transfers between funds	19	162	-	(289)	127	-	-
Net movement in funds		(37)	880	581	2,737	4,161	2,793
Reserve balances at 1st January 2021		5,180	8,234	40,536	24,084	78,034	75,241
Reserve balances at 31st December 2021		5,143	9,114	41,117	26,821	82,195	78,034
			note 16	note 17	note 18		

All income and expenditure relates to continuing activities.

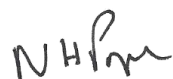
The Companies Act 2006 requires a separate income and expenditure account to be prepared to exclude transactions relating to Endowment Funds. No such income and expenditure account has been included in these statements as the relevant exclusions from this Statement of Financial Activities are all clearly shown above. These are: Endowment Fund income - £13k (2020 : £24k); Endowment Fund expenditure - £0k (2020 : £12k); Profit on Sale of Property - £0k (2020 : £0k); and Endowment Fund gains and losses on investments - £2,597k (2020 : £1,509k).

BALANCE SHEET
For the year ended 31 December 2021

Rochester Diocesan Society and Board of Finance(The)			
Company registration number 140656			
	Note	Total 2021 £'000	Total 2020 £'000
FIXED ASSETS			
Tangible assets	9	51,940	51,461
Investments	10	32,761	28,914
		<u>84,701</u>	<u>80,375</u>
CURRENT ASSETS			
Debtors	11	832	1,020
Short term deposits		4,302	3,404
Cash at bank		3,383	5,651
		<u>8,517</u>	<u>10,075</u>
CREDITORS: Amounts falling due within one year			
Bank overdraft		53	6
Creditors	12	9,880	11,003
		<u>9,933</u>	<u>11,009</u>
NET CURRENT LIABILITIES		(1,416)	(934)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>83,285</u>	<u>79,441</u>
CREDITORS: Amounts falling due after more than one year			
Pensions liability	12	295	612
Other creditors		795	795
NET ASSETS		<u>82,195</u>	<u>78,034</u>
Unrestricted		14,257	13,414
Restricted		41,117	40,536
Endowment		26,821	24,084
FUNDS		20	<u>82,195</u>
			<u>78,034</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 1 June 2022 and signed on behalf of the Board by:



Nigel Pope
Chair of Rochester Diocesan Society and Board of Finance

STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	2021		2020	
	£'000	£'000	£'000	£'000
Net cash outflow from operating activities		(4,209)		(1,511)
Cash flows from investing activities				
Investment income	1,480		1,353	
Proceeds from the sale of:				
Tangible fixed assets	2,383		3,023	
Fixed asset investments	107		18,391	
Purchase of:				
Tangible fixed assets	(1,018)		(1,209)	
Fixed asset investments	(160)		(16,662)	
Net cash provided by investing activities		2,792		4,896
Cash flows from financing activities				
Proceeds from long term debt	-		500	
Net cash provided by financing activities		-		500
Change in cash and cash equivalents in the reporting period		(1,417)		3,885
Cash and cash equivalents at 1 January		9,049		5,164
Cash and cash equivalents at 31 December		7,632		9,049
Reconciliation of net movement in funds to net cash outflow from operating activities		2021		2020
		£'000		£'000
Net movement in funds for the year ended 31 December		4,161		2,793
Adjustments for:				
Investment income		(1,480)		(1,353)
Depreciation		2		12
Gain on disposal of fixed assets		(1,846)		(1,757)
Gain on sale of investments		-		(652)
Unrealised gain on investments		(2,691)		(879)
Revaluation of fixed assets		-		-
Revaluation of investment property		(1,103)		(616)
Decrease in creditors: falling due within one year		(1,123)		1,469
Decrease in debtors		188		39
Decrease in creditors: falling due after one year		(317)		(567)
Net cash used in operating activities		(4,209)		(1,511)
Analysis of movements in net cash				
	2020	Cash	New	2021
	£'000	Flows	Borrowing	£'000
		£'000	£'000	
Cash on deposit	3,404	898	-	4,302
Cash at bank	5,651	(2,268)	-	3,383
Less overdraft	(6)	(47)	-	(53)
Total cash and cash equivalents	9,049	(1,417)	-	7,632
CCLA Loan falling due after one year	(500)	-	-	(500)
Total	8,549	(1,417)	-	7,132

1. ACCOUNTING POLICIES

a) Accounting convention and basis of preparation

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

b) Going concern

The Trustees consider that there are no material uncertainties regarding the RDSBF's ability to continue as a going concern. The RDSBF aims to achieve a financially sustainable position. The RDSBF has net assets of £82.2m (2020 : £78.0m) and the Trustees believe that there is sufficient liquidity in these assets to ensure that the charitable company can meet its obligations for the next 12 months and beyond.

c) Income

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

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

d) Expenditure

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

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

Freehold properties

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life in each case and because the expected residual value is not materially less than the carrying value. The RDSBF has a policy of regular structural inspection, repair and maintenance, which in the case of parsonage properties is in accordance with the Repair of Benefice Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than the carrying value. Where the Trustees believe that the value of an asset might have been impaired, an annual impairment review is carried out in accordance with the requirements of FRS102, to ensure that the carrying value is not more than the recoverable amount.

Properties subject to value linked loans

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

Investment properties

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

Parsonage Houses

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

ix) Other tangible fixed assets

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

x) Project Costs

Expenditure in relation to projects is capitalised where there is likelihood that the project will become an income-bearing asset.

e) Other accounting policies

- i) Fixed asset investments** - included in the balance sheet at market value (ex dividend) and the gain or loss taken to the Statement of Financial Activities.
- ii) Realised gains/(losses) on sale of investments** - represent proceeds of sale less the appropriate proportion of the opening carrying value and are shown in the Statement of Financial Activities.
- iii) Leases** - the RDSBF has entered into operating lease agreements the rental for which is charged in full as expenditure in the year to which it relates.
- iv) Financial instruments** - the RDSBF only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at either amortised cost or fair value.
- v) Debtors** - trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. At the end of each reporting period debtors are assessed for evidence of impairment. If an asset is impaired, an impairment loss is recognised in the Statement of Financial Activities.
- vi) Cash** - cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity.
- vii) Creditors** - basic financial liabilities, including trade and other payables and bank loans, are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at transaction price.

f) Fund balances

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

There are two types of unrestricted funds:

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

g) **Judgments and Estimates**

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

2. INCOME FROM DONATIONS

(Donations, Legacies and similar income)	Unrestricted		Restricted	Endowment	Total 2021
	Common	Designated			
	£'000	£'000	£'000	£'000	£'000
Trust for London (formerly City Parochial Foundation)	-	-	642	-	642
Archbishops' Council - Sustainability Grant	296	-	-	-	296
Archbishops' Council - SMF Curate Grant	13	-	-	-	13
HMRC Furlough Grant	3	-	9	-	12
Covid 19 Emergency Relief Fund	-	-	9	-	9
All Churches Trust - annual distribution	144	-	-	-	144
Partnership Fund appeals, confirmations, licensing & induction collections	-	-	106	-	106
Poverty & Hope Appeal	-	-	20	-	20
Guaranteed annuities	14	-	-	-	14
RME Ordinands Grants	-	-	365	-	365
Colyer Fergusson re Children and Young People Fund	-	-	50	-	50
Church Commissioners re Chatham Town Centre	-	-	7	-	7
Historic England re Chatham Town Centre	-	-	19	-	19
John Marshall Grant re Chatham Town Centre	-	-	37	-	37
Readers' Fees	3	-	-	-	3
Strategic Development Funding - Called to Grow	-	-	231	-	231
Giving Advisor Grant from Church Commissioners	-	-	44	-	44
Covid Winter Grant - CESA	-	-	9	-	9
David Godwin Legacy	-	-	-	13	13
Parish Donations re Pioneer Minister	3	-	-	-	3
Other sundry items	2	-	1	-	3
	478	-	1,549	13	2,040

(Donations, Legacies and similar income)	Unrestricted		Restricted	Endowment	Total 2020
	Common	Designated			
	£'000	£'000	£'000	£'000	£'000
Trust for London (formerly City Parochial Foundation)	-	-	291	-	291
Archbishops' Council - Sustainability Grant	320	-	-	-	320
HMRC Furlough Grant	46	-	54	-	100
Covid 19 Emergency Relief Fund	-	-	27	-	27
All Churches Trust - annual distribution	141	-	-	-	141
Partnership Fund appeals, confirmations, licensing & induction collections	-	-	90	-	90
Poverty & Hope Appeal	-	-	28	-	28
Guaranteed annuities	15	-	-	-	15
RME Ordinands Grants	-	-	329	-	329
Colyer Fergusson re Ebbsfleet Youth Worker	-	-	20	-	20
Swanscombe and Greenhithe Town Council re Ebbsfleet Youth Worker	-	-	5	-	5
Church Commissioners re Chatham Town Centre	-	-	97	-	97
Readers' Fees	2	-	-	-	2
Strategic Development Funding - Called to Grow	-	-	162	-	162
David Godwin Legacy	-	-	-	21	21
Other sundry items	2	-	1	-	3
	526	-	1,104	21	1,651

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

3. INVESTMENT INCOME

	Unrestricted		Restricted	Endowment	Total 2021
	Common	Designated			
	£'000	£'000	£'000	£'000	£'000
Rents receivable	954	-	34	-	988
Dividends receivable	463	-	29	-	492
Interest on deposits receivable	-	-	-	-	-
	1,417	-	63	-	1,480

	Unrestricted		Restricted	Endowment	Total 2020
	Common	Designated			
	£'000	£'000	£'000	£'000	£'000
Rents receivable	852	-	24	-	876
Dividends receivable	447	-	27	-	474
Interest on deposits receivable	-	-	-	3	3
	1,299	-	51	3	1,353

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted		Restricted	Endowment	Total 2021
	Common	Designated			
	£'000	£'000	£'000	£'000	£'000
Diocesan Board of Finance element of Parochial Fees	458	-	-	-	458
Professional fees	20	-	-	-	20
	478	-	-	-	478

	Unrestricted		Restricted	Endowment	Total 2020
	Common	Designated			
	£'000	£'000	£'000	£'000	£'000
Diocesan Board of Finance element of Parochial Fees	386	-	-	-	386
Professional fees	10	-	-	-	10
	396	-	-	-	396

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

5. EXPENDITURE ON GENERATING INCOME

	Unrestricted Common £'000	Designated £'000	Restricted £'000	Endowment £'000	Total 2021 £'000
Glebe management costs	103	-	-	-	103
Non glebe commissions	32	-	-	-	32
Rental property maintenance	262	-	-	-	262
Cost of income generation	147	-	5	-	152
	544	-	5	-	549

	Unrestricted Common £'000	Designated £'000	Restricted £'000	Endowment £'000	Total 2020 £'000
Glebe management costs	116	-	-	-	116
Non glebe commissions	22	-	-	-	22
Rental property maintenance	157	-	-	-	157
Cost of income generation	135	-	2	-	137
	430	-	2	-	432

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

6. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Unrestricted		Restricted	Endowment	Total
	General	Designated			2021
	£'000	£'000	£'000	£'000	£'000
Bringing people to faith in Christ					
Mission & Community Engagement (50%)	80	-	3	-	83
Formation & Ministry (50%)	174	-	-	-	174
Youth & Children	90	-	-	-	90
Allocated support costs	246	-	8	-	254
	<u>590</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>601</u>
A priestly presence in every community					
Stipend costs	6,717	-	-	-	6,717
Apprenticeship levy	22	-	-	-	22
Actuarial gains/losses on clergy pension scheme	11	-	-	-	11
Grants	336	-	309	-	645
Parsonage maintenance & improvements	747	-	-	-	747
Ministry houses - housing costs	22	-	29	-	51
Curate and Associate Clergy Costs	140	-	-	-	140
National Church - training for ministry	508	-	-	-	508
Formation & Ministry (50%)	174	-	-	-	174
Stewardship, Legal, Accounts Advisors & other	102	-	-	-	102
Diocesan appointments	226	-	-	-	226
Allocated support costs	889	-	28	-	917
	<u>9,894</u>	<u>-</u>	<u>366</u>	<u>-</u>	<u>10,260</u>
Engagement with the community					
Grants	4	-	438	-	442
Mission & Community Engagement (50%)	80	-	3	-	83
Communications	10	-	-	-	10
Faculty & inspection fees	69	-	-	-	69
Diocesan committees	6	-	-	-	6
National Church grant/allocation	340	-	-	-	340
Partnership Dioceses & Church Urban Fund	-	-	3	-	3
Ebbsfleet Youth Worker	-	-	22	-	22
Chatham Town Centre	-	-	57	-	57
Past Cases Review	-	-	8	-	8
Growth Enablers	-	-	133	-	133
Called to Grow - SDF Funding	-	-	203	-	203
Giving Advisor	-	-	27	-	27
Allocated support costs	543	-	18	-	561
	<u>1,052</u>	<u>-</u>	<u>912</u>	<u>-</u>	<u>1,964</u>
	<u>11,536</u>	<u>-</u>	<u>1,289</u>	<u>-</u>	<u>12,825</u>

Support costs comprise administration and governance costs which includes the audit fee of £24k (2020 : £22k).

Support costs include interest payable of £7k (2020 : £30k) on deferred stipend payments to the Church Commissioners, a £500k loan with CCLA and net interest payable on parish Church Repair Fund and Diocesan Loan Fund balances.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

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

	Unrestricted		Restricted	Endowment	Total
	General	Designated			2020
	£'000	£'000	£'000	£'000	£'000
Bringing people to faith in Christ					
Mission & Community Engagement (50%)	87	-	-	-	87
Formation & Ministry (50%)	174	-	-	-	174
Youth & Children	86	-	-	-	86
Allocated support costs	226	-	3	-	229
	<u>573</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>576</u>
A priestly presence in every community					
Stipend costs	6,562	-	-	-	6,562
Apprenticeship levy	22	-	-	-	22
Actuarial gains/losses on clergy pension scheme	11	-	-	-	11
Glebe reinstatement works	-	-	-	12	12
Grants	293	-	285	-	578
Parsonage maintenance & improvements	604	-	-	-	604
Ministry houses - housing costs	21	-	9	-	30
Curate and Associate Clergy Costs	171	-	-	-	171
National Church - training for ministry	500	-	-	-	500
Formation & Ministry (50%)	174	-	-	-	174
Stewardship, Legal, Accounts Advisors & other	80	-	-	-	80
Diocesan appointments	284	-	-	-	284
Allocated support costs	751	-	9	-	760
	<u>9,473</u>	<u>-</u>	<u>303</u>	<u>12</u>	<u>9,788</u>
Engagement with the community					
Grants	4	-	724	-	728
Mission & Community Engagement (50%)	87	-	-	-	87
Communications	8	-	-	-	8
Faculty & inspection fees	64	-	-	-	64
Diocesan committees	3	-	-	-	3
National Church grant/allocation	362	-	1	-	363
Partnership Dioceses & Church Urban Fund	-	-	7	-	7
Ebbsfleet Youth Worker	-	-	34	-	34
Dementia Project	-	-	6	-	6
Chatham Town Centre	-	-	16	-	16
Past Cases Review	-	-	29	-	29
Growth Enablers	-	-	135	-	135
Called to Grow - SDF Funding	-	-	132	-	132
Allocated support costs	526	-	5	-	531
	<u>1,054</u>	<u>-</u>	<u>1,089</u>	<u>-</u>	<u>2,143</u>
	<u>11,100</u>	<u>-</u>	<u>1,395</u>	<u>12</u>	<u>12,507</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

7. STAFF COSTS

	2021	2020
	£'000	£'000
Ordained Diocesan Officials stipends	259	290
Other Lay Diocesan Personnel salaries	1,468	1,411
National Insurance	172	164
Life Insurance Policy	20	21
Pension Costs		
- Lay Diocesan Personnel	116	106
- Diocesan Clergy	102	108
	2,137	2,100

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

	2021	2020
	Number	Number
Common Fund		
Administration and financial management	27	26
Training	10	10
Mission and Community Engagement	7	8
Diocesan Appointments	4	5
	48	49
Called to Grow (funded by Strategic Development Fund)	8	6
Growth Enablers (funded by Diocesan Pastoral Account)	3	3
	59	58

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

	2021	2020
	Number	Number
Common Fund		
Administration and financial management	23	22
Training	7	7
Mission and Community Engagement	5	6
Diocesan Appointments	4	5
	39	40
Called to Grow (funded by Strategic Development Fund)	6	4
Growth Enablers (funded by Diocesan Pastoral Account)	3	3
	48	47

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

	2021	2020
	Number	Number
£60,000 - £70,000	1	-
£70,000 - £80,000	2	2
£80,000 - £90,000	-	1
£90,000 - £100,000	1	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

7. STAFF COSTS (continued)

Remuneration of Key Management Staff

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the Trustees for planning, directing and controlling the activities of the Diocese. During 2021, they were:

Diocesan Secretary	Mr Matthew Girt
Finance Director	The Rev Richard Williams
Property Director	Mr Stephen Hoad
Director of Formation and Ministry	The Rev Canon Chris Dench
Diocesan Surveyor	Mr Mark Trevett

Remuneration, pensions, national insurance contributions and expenses for these 5 employees amounted to £412,555 (2020 : £340,580).

Trustees' Emoluments

No trustee received any remuneration for services as a Trustee. Four Trustees received travelling and out of pocket expenses (2020 : 5), totalling £12,358 (2020 : £11,512) in respect of General Synod duties, duties as archdeacon or area/rural dean and other duties as Trustees.

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

	Stipend	Housing
The Bishop of Rochester – The Right Revered James Langstaff	Yes*	Yes*
The Bishop of Tonbridge – The Right Reverend Simon Burton-Jones	Yes*	Yes
The Dean of Rochester Cathedral	Yes*	Yes*
The Archdeacon of Bromley and Bexley – The Venerable Dr Paul Wright	Yes	Yes
The Archdeacon of Tonbridge – The Venerable Julie Conalty	Yes	Yes
The Archdeacon of Rochester – The Venerable Andrew Wooding-Jones	Yes	Yes
The Chair of the House of Clergy – The Reverend Canon Alyson Davie	Yes	Yes
The Reverend Canon Mark Barker	Yes	Yes
The Reverend Dr Julie Bowen	Yes	Yes
The Reverend Martyn Saunders	Yes	Yes

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

	2021	2020
	£'000	£'000
Parish Stipends, National Insurance & Pension Costs		
Parish Stipends	4,880	4,922
National Insurance	387	393
Pension Costs	1,463	1,259
	6,730	6,574
Number of parish clergy in post as at 31 December (Full-time equivalent)	180	184

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

8. ANALYSIS OF GRANTS MADE

	No.	Individuals £'000	Institutions £'000	Source	2021 £'000
From unrestricted funds:					
Ordinands in training	17	183	-	Common Fund	183
Clergy training	22	11	-	Common Fund	11
Clergy removal grants	23	35	-	Common Fund	35
Clergy resettlement grants	17	36	-	Common Fund	36
Clergy first appointment grants	29	64	-	Common Fund	64
Kent Workplace Mission	1	-	4	Common Fund	4
				Common Fund	
Archdeacons' discretionary grants	34	8	-	Common Fund	8
From restricted funds:					
Ministry Division Ordinand Block Grants	48	43	265	Ministry Division Fund	308
Parochial Church Councils	19	-	95	Covid 19 Emergency Relief Fund	95
Overseas Partnership: Harare	4	-	7	Companion Diocese Fund	7
Overseas Partnership: Tanzania	27	4	85	Companion Diocese Fund	89
Beckenham St Michael	1	-	8	Pastoral Account	8
Bishop of Rochester Discretionary Fund	1	-	20	Pastoral Account	20
Strood St Francis PCC	1	-	6	Pastoral Account	6
Christian Aid	1	-	11	Poverty & Hope Appeal	11
Church Mission Society	1	-	5	Poverty & Hope Appeal	5
Commonwork Land Trust	1	-	5	Poverty & Hope Appeal	5
United Society (formerly USPG)	1	-	5	Poverty & Hope Appeal	5
Parochial Church Councils	11	-	47	Trust for London	47
Other Organisations	1	-	3	Trust for London	3
Clergy grants	9	22	-	Trust for London	22
Parochial Church Councils	4	-	71	Church Extension Fund	71
Parochial Church Councils	24	-	44	£500k CYP Fund	44
					1,087

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

8. ANALYSIS OF GRANTS MADE (continued)

	No.	Individuals £'000	Institutions £'000	Source	2020 £'000
From unrestricted funds:					
Ordinands in training	18	149	-	Common Fund	149
Clergy training	23	9	-	Common Fund	9
Clergy removal grants	25	43	-	Common Fund	43
Clergy resettlement grants	19	36	-	Common Fund	36
Clergy first appointment grants	28	50	-	Common Fund	50
Kent Workplace Mission	1	-	4	Common Fund	4
Archdeacons' discretionary grants	29	6	-	Common Fund	6
From restricted funds:					
Ministry Division Ordinand Block Grants	49	41	244	Ministry Division Fund	285
Parochial Church Councils	31	-	155	Covid 19 Emergency Relief Fund	155
Overseas Partnership: Harare	6	-	12	Companion Diocese Fund	12
Overseas Partnership: Tanzania	21	3	83	Companion Diocese Fund	86
Beckenham St Michael	6	-	124	Pastoral Account	124
Bishop of Rochester Discretionary Fund	2	-	21	Pastoral Account	21
Lamorbey Holy Redeemer PCC	3	-	47	Pastoral Account	47
South Gillingham PCC	1	-	3	Pastoral Account	3
St Benedicts Centre	1	-	105	Pastoral Account	105
Strood St Francis PCC	1	-	6	Pastoral Account	6
Christian Aid	1	-	12	Poverty & Hope Appeal	12
Church Mission Society	1	-	6	Poverty & Hope Appeal	6
Commonwork Land Trust	1	-	6	Poverty & Hope Appeal	6
United Society (formerly USPG)	1	-	6	Poverty & Hope Appeal	6
Erith & Thamesmead CAP Debt Centre	1	-	2	Local Church Urban Fund	2
Parochial Church Councils	12	-	62	Trust for London	62
Other Organisations	6	-	16	Trust for London	16
Clergy grants	9	19	-	Trust for London	19
Parochial Church Councils	3	-	19	Church Extension Fund	19
Parochial Church Councils	2	-	1	Cobham and Gravesend Churches F	1
Parochial Church Councils	9	-	16	£500k CYP Fund	16
					1,306

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

9. TANGIBLE FIXED ASSETS

	Board Property		Equity Sharing Property		Benefice Property		Assets Held For Sale		Assets in course of construction	Computer & Phone Equipment	Total
	Land £'000	Buildings £'000	Land £'000	Buildings £'000	Land £'000	Buildings £'000	Land £'000	Buildings £'000	£'000	£'000	
Cost or valuation											
Balance 1 January 2021	5,690	8,391	123	174	19,321	20,209	551	668	1,967	171	57,265
Additions	-	44	-	-	-	211	-	-	763	-	1,018
Disposals	(50)	(73)	-	-	-	-	(214)	(306)	-	-	(643)
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Transfer	315	335	-	-	-	-	(28)	(48)	(574)	-	-
Balance 31 December 2021	5,955	8,697	123	174	19,321	20,420	309	314	2,156	171	57,640
Depreciation											
Balance 1 January 2021	-	1,149	-	52	-	4,242	-	193	-	169	5,805
Charge for the year	-	-	-	-	-	-	-	-	-	2	2
Disposals	-	(22)	-	-	-	-	-	(85)	-	-	(107)
Transfer	-	15	-	-	-	-	-	(15)	-	-	-
Balance 31 December 2021	-	1,142	-	52	-	4,242	-	93	-	171	5,700
Net book values											
At 31 December 2021	5,955	7,555	123	122	19,321	16,178	309	221	2,156	-	51,940
<i>At 31 December 2020</i>	<i>5,690</i>	<i>7,242</i>	<i>123</i>	<i>122</i>	<i>19,321</i>	<i>15,967</i>	<i>551</i>	<i>476</i>	<i>1,968</i>	<i>1</i>	<i>51,461</i>

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

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

(a) Freehold Land and Buildings

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

(b) Equity Sharing Properties

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

(c) Benefice Property

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

10. FIXED ASSET INVESTMENTS

	2021		2020	
	Cost £'000	Market Value £'000	Cost £'000	Market Value £'000
Investments				
Mercer Global Investment Management	16,662	20,233	16,623	17,502
Investment Properties		12,528		11,412
		<u>32,761</u>		<u>28,914</u>
		£'000		£'000
At 1 January 2021		28,914		28,497
Additions		160		16,662
Disposals	(107)		(17,739)	
Realised gains	-		(652)	
Sale proceeds		(107)		(18,391)
Net gains on investments		<u>3,794</u>		<u>2,146</u>
At 31 December 2021		<u>32,761</u>		<u>28,914</u>

Net gains on investments shown in the Statement of Financial Activities of £3,794k (2020: £2,146k) comprise unrealised gains of £3,794k (2020 : £1,494k) and realised gains £0k (2020 : £652k) as a result of disposals realising proceeds of £107k (2020 : £18.4m).

The investments are held by Mercer Global Investment Management and, with the exception of £617k held in Private Markets, can be converted into cash within one month of application.

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

11. DEBTORS

	2021		2020	
	Amounts falling due within one year £'000	Amounts due after more than one year £'000	Amounts falling due within one year £'000	Amounts due after more than one year £'000
Diocesan Parishes - Loans to parishes	97	34	89	28
Diocesan Parishes - Other amounts due	129	-	223	-
Sundry Debtors	565	7	668	12
	<u>791</u>	<u>41</u>	<u>980</u>	<u>40</u>

The loans to 7 parishes (2020 : 5) are generally unsecured, repayable over a period of five years with interest charged at 0% for loans from the Church Repair Fund and at various rates for loans from the Diocesan Loans Fund.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

12. CREDITORS

	2021		2020	
	Amounts falling due within one year	Amounts due after more than one year	Amounts falling due within one year	Amounts due after more than one year
	£'000	£'000	£'000	£'000
Related Party Balances:				
Amount due to Diocesan Board of Education	2	-	66	-
Other Balances:				
Amount due to Other Trust Funds	3	-	4	-
Equity Sharing Loans	-	295	-	295
Deposits - Diocesan Loans Fund (Parishes)	4,181	-	3,880	-
Deposits - Diocesan Loans Fund (Other)	32	-	32	-
Deposits - Church Repair Fund	4,673	-	4,778	-
Pension Scheme Liabilities	42	295	77	612
Church Commissioners re Deferred Stipends	-	-	1,373	-
CCLA Loan	-	500	-	500
Sundry Creditors	947	-	793	-
	9,880	1,090	11,003	1,407

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

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

13. MEMBERS' LIABILITY

The Board is a company limited by Guarantee. At 31 December 2021 there were 122 (2020 : 137) members who are liable to contribute £1 each in the event of the company being wound up.

14. OPERATING LEASES

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

	2021	2020
	£'000	£'000
Lease payments - other operating lease:		
Not later than one year after the balance sheet date	11	13
In the second to fifth years after the balance sheet date	3	14
	14	27

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

15. RELATED PARTY TRANSACTIONS

During the year the following related party transactions took place:

Related Party	Relationship		2021	2020
			£'000	£'000
Mrs Julia Burton-Jones	Wife of Bishop of Tonbridge	Professional fees in respect of work on Dementia Friendly Church Project.	14	23

The outstanding balances with related parties at 31 December 2021 are included in note 12.

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

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

16. DESIGNATED FUNDS

	Balance at 1 January 2021	Income	Expenditure	Investment Movements	Transfers	Balance at 31 December 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Central Church Funding	99	-	-	-	-	99
Property Fund	8,135	943	-	(63)	-	9,015
	8,234	943	-	(63)	-	9,114

Central Church Funding

These funds have been received from the Church Commissioners for designated purposes and so have been retained within a specific designated fund.

Property Fund

This fund has been set aside by the Trustees for the purpose of funding Board property acquisitions and development. During the year, income of £943k was represented by the profit on sale of 146 Woodlands Road Gillingham, 15 Oakes Dene Walderslade and 51A Main Road Sutton-at-Hone.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

16. DESIGNATED FUNDS (continued)

	Balance at 1 January 2020 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2020 £'000
Central Church Funding	99	-	-	-	-	99
Property Fund	7,205	788	-	30	112	8,135
	7,304	788	-	30	112	8,234

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

17. RESTRICTED FUNDS

	Balance at 1 January 2021 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2021 £'000
Poverty & Hope Appeal	23	20	(26)	-	-	17
Committee Amongst Deaf	23	-	-	-	-	23
Local Church Urban Fund	9	14	(2)	-	-	21
Diocesan Pastoral Account	1,690	26	(236)	-	(359)	1,121
Diocesan Pastoral Account re Sale of Beckenham St Michael Hall	35	-	(8)	-	-	27
Trust for London (formerly City Parochial Foundation)	-	642	(90)	-	(267)	285
Benefice Property	35,287	-	-	-	212	35,499
Thames Gateway	7	-	-	-	-	7
Thames Gateway Capital Fund	457	-	-	-	-	457
Parsonage Building Fund	1,349	552	-	-	-	1,901
Church Extension Fund	829	-	(72)	-	-	757
Companion Diocese Funds	17	106	(99)	-	-	24
Ministry Division RME Ordinand's Grant	36	365	(309)	-	-	92
Ebbsfleet Youth Worker	18	4	(22)	-	-	-
Children & Young People Fund	76	66	(45)	-	25	122
Chatham Town Centre	503	63	(44)	-	-	522
Children & Young People misc. funds	3	-	-	-	-	3
Cobham and Gravesend Churches Fund	59	-	-	-	-	59
Together Magazine	1	-	-	-	-	1
Called to Grow - Strategic Development Funding	80	234	(204)	-	-	110
Past Cases Review	26	-	(8)	-	-	18
Covid 19 Emergency Relief	8	9	(95)	-	100	22
Covid Winter Grant - CESA	-	9	(5)	-	-	4
Luton Memorial Meadow	-	10	(2)	-	-	8
Giving Advisor	-	44	(27)	-	-	17
	40,536	2,164	(1,294)	-	(289)	41,117

Poverty and Hope Appeal

Money raised by an annual appeal and passed on in grants to various missionary and relief agencies.

Committee Amongst the Deaf

Specific donations received for use by this committee.

Local Church Urban Fund

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

Diocesan Pastoral Account

Capital monies originally received under the Pastoral Measure 1983 and is restricted thereby. Income includes furlough grants against Growth Enabler salaries of £2k (2020 : £54k) and rental income of £24k (2020 : £24k). Expenditure includes Growth Enabler costs of £133k (2020 : £135k), £20k (2020 : £21k) towards the Bishops' Discretionary Fund, a £6k (2020 - £0k) grant to Strood St Nicholas PCC to assist with their Called to Grow administration costs and £53k (2020 : £23k) Diocesan project costs. The net transfer of £359k includes £250k (2020 : £250k) parsonage catch up

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

17. RESTRICTED FUNDS (continued)

works, provision of the Archdeacon's Discretionary Funds of £20k (2020 : £20k), contribution to the Covid 19 Emergency Relief Fund of £50k (2020 : £0k) and support for Strategic Development Fund and Community Engagement & Social Action posts of £33k (2020 : £29k).

Pastoral Account re Sale of Beckenham St. Michael Hall

Capital monies originally received under the Pastoral Measure 1983 and is restricted thereby. This has been shown separately from the Diocesan Pastoral Account because the aim is to use the funds for that specific parish.

Trust for London

An annual allocation from the Foundation to use within the Archdeaconry of Bromley and Bexley. The transfer of £267k represents contributions to the Children and Young Peoples 500k Fund, community and children's projects, training, stipends, administration and includes £50k towards the Covid 19 Emergency Relief Fund.

Benefice Property

The fund value represents the capital value of parsonage houses less depreciation. The net transfer of £212k relates to adjustments required in relation to parsonage purchases and sales and the capitalisation of parsonage improvement projects.

Thames Gateway

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

Thames Gateway Capital

Money initially collected through the parish share specifically to raise £1m over 10 years towards capital projects in the Thames Gateway area.

Parsonage Building Fund

Money held by the RSDBF, under s5(3) of the Parsonages Measure 1938 (amended), from the sale of a parsonage or other parsonage land held in trust for the benefice concerned. The income of £552k represents the profit on sale of The Vicarage, High Street, Kemsing.

Church Extension Fund

Monies given under an appeal in 1956 for the purchase or improvement of churches, halls, parsonages, curate houses and other property. The fund includes 4 houses in various parishes with a net book value of £250k. The expenditure of £72k included grants to Gillingham St Barnabas, Lamorbey Holy Trinity, Swanley St Peter and St Paul and Gillingham Holy Trinity.

Companion Diocese Funds

This represents collections taken at Confirmation services and other income for the purpose of maintaining and developing partnerships with overseas link Dioceses.

Ministry Division RME Ordinand's Grant

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

Ebbsfleet Youth Worker

Grant received from the Ebbsfleet Development Corporation spent on the provision of a youth worker in Ebbsfleet for a period of 3 years.

Children and Young People 500K Fund

Fund established as part of the Called Together initiative. The transfer of £25k was allocated from the Trust for London Fund to support Children and Young People projects specifically in the Bromley & Bexley Archdeaconry.

Chatham Town Centre

Grants received from the Church Commissioners to help fund redevelopment of Chatham Town Centre.

Children and Young People Funds

This represents 2 small grants specifically for the Children and Young People Projects, Angel Space and Listen to Learn.

Cobham and Gravesend Churches Fund

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

17. RESTRICTED FUNDS (continued)

Together Magazine

Grant from the Bishops Fund for Mission towards the production and circulation of the Rochester Diocese Together Magazine.

Called to Grow

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

Past Cases Review

The Past Cases Review, was a comprehensive safeguarding review across churches and key institutions within the Diocese of Rochester. The purpose of the Review was to help find out whether all known cases of concern about the behaviour of clergy and church officers towards children and vulnerable adults had been considered, risk assessed and dealt with appropriately. Independent reviewers carried out the Review which completed in 2021. The anticipated cost was expected to be divided between the Bishop, the Diocesan Pastoral Account and the Church Commissioners. The total cost was £63k.

Covid 19 Emergency Relief Fund

The fund was set up to make grants to parishes that are struggling financially during the Covid 19 pandemic. Income of £9k represents donations from 2 parishes wishing to add their support to this fund and their colleagues. Transfers of £100k were from Trust for London and the Diocesan Pastoral Account.

Covid Winter Grant – CESA

Grants received to help the homeless in the Medway area.

Luton Memorial Meadow

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

Giving Advisor

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

17. RESTRICTED FUNDS (continued)

	Balance at 1 January 2020 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2020 £'000
Poverty & Hope Appeal	24	29	(30)	-	-	23
Committee Amongst Deaf	23	-	-	-	-	23
Local Church Urban Fund	34	13	(2)	-	(36)	9
Diocesan Pastoral Account	1,285	306	(382)	(8)	489	1,690
Diocesan Pastoral Account re Sale of Beckenham St I	159	-	(124)	-	-	35
Trust for London (formerly City Parochial Foundation)	4	291	(103)	-	(192)	-
Benefice Property	35,690	(103)	-	-	(300)	35,287
Thames Gateway	7	-	-	-	-	7
Thames Gateway Capital Fund	457	-	-	-	-	457
Parsonage Building Fund	4	886	-	-	459	1,349
Church Extension Fund	643	-	7	-	179	829
Companion Diocese Funds	32	90	(105)	-	-	17
Ministry Division RME Ordinand's Grant	(8)	329	(285)	-	-	36
Ebbsfleet Youth Worker	18	34	(34)	-	-	18
Children & Young People Fund	53	14	(16)	-	25	76
Chatham Town Centre	406	97	-	-	-	503
Children & Young People misc. funds	3	-	-	-	-	3
Cobham and Gravesend Churches Fund	60	-	(1)	-	-	59
Henry Smith Dementia Project	5	1	(6)	-	-	-
Together Magazine	1	-	-	-	-	1
Called to Grow - Strategic Development Funding	50	162	(132)	-	-	80
Past Cases Review	55	-	(29)	-	-	26
Covid 19 Emergency Relief	-	27	(155)	-	136	8
	39,005	2,176	(1,397)	(8)	760	40,536

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

18. ENDOWMENT FUNDS

	Balance at 1 January 2021 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2021 £'000
Stipends Capital Account	18,102	-	-	1,916	152	20,170
Training	1,425	-	-	219	3	1,647
Pensions & Retired Clergy	1,516	-	-	98	(33)	1,581
Buildings	80	-	-	12	-	92
Parsonages	658	-	-	101	1	760
Local Church Urban Fund	487	-	-	75	1	563
Social Mission	1,143	-	-	176	3	1,322
David Goodwin Legacy	673	13	-	-	-	686
	24,084	13	-	2,597	127	26,821

Stipends Capital Account

Investments held under the Endowments and Glebe Measure 1976. Income is credited to the Common Fund and used for stipend purposes. The main movements in the year relate to parsonage sales and purchases, capitalisation of works to parsonages and investment gains. The original liability for clergy pensions liabilities was funded by the Stipends Capital account, and the transfer also represents the reduction in clergy pension deficit contribution liabilities in the year.

Training

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

Pensions and Retired Clergy

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

Buildings

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

Parsonages

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

Local Church Urban Fund

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

Social Mission

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

David Goodwin Legacy

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

18. ENDOWMENT FUNDS (continued)

	Balance at 1 January 2020 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2020 £'000
Stipends Capital Account	16,450	-	(12)	1,237	427	18,102
Training	1,331	-	-	88	6	1,425
Pensions & Retired Clergy	1,475	-	-	39	2	1,516
Buildings	75	-	-	5	-	80
Parsonages	616	-	-	40	2	658
Local Church Urban Fund	455	-	-	30	2	487
Social Mission	1,069	-	-	70	4	1,143
David Goodwin Legacy	649	24	-	-	-	673
	22,120	24	(12)	1,509	443	24,084

19. TRANSFERS BETWEEN FUNDS

	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000
Transfer of funds to reduce the clergy pension deficit	(352)	-	-	352
Parsonage and ministry house movements	250	-	(39)	(211)
DBF Property movements	35	-	-	(35)
Transfer to Archdeacons' Discretionary Funds	20	-	(20)	-
Transfers from Trust for London	192	-	(192)	-
SDF Support Function/CESA Staff Costs	38	-	(38)	-
Mercer Management Fees Capitalised	(21)	-	-	21
Transfers as at 31 December 2021	162	-	(289)	127

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

19. TRANSFERS BETWEEN FUNDS (continued)

	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000
Transfer of funds to reduce the clergy pension deficit	(621)	-	-	621
Parsonage and ministry house movements	294	-	(79)	(215)
DBF Property movements	(1,078)	112	966	-
Transfer to Archdeacons' Discretionary Funds	20	-	(20)	-
Transfers from Trust for London	67	-	(67)	-
SDF Support Function/CESA Staff Costs	40	-	(40)	-
Mercer Management Fees Capitalised	(37)	-	-	37
Transfers as at 31 December 2020	<u>(1,315)</u>	<u>112</u>	<u>760</u>	<u>443</u>

20. NET ASSETS BETWEEN FUNDS

	Note	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	9	2,156	10,149	36,299	3,336	51,940
Investments	10	9,470	805	-	22,486	32,761
Current assets		3,855	(1,545)	4,818	1,336	8,464
Creditors		(9,838)	-	-	(42)	(9,880)
Creditors > 1 year		(500)	(295)	-	(295)	(1,090)
As at 31 December 2021		<u>5,143</u>	<u>9,114</u>	<u>41,117</u>	<u>26,821</u>	<u>82,195</u>

20. NET ASSETS BETWEEN FUNDS (continued)

	Note	Common Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Fixed assets	9	1,967	9,566	36,566	3,362	51,461
Investments	10	8,192	855	-	19,867	28,914
Current assets		6,447	(1,892)	3,970	1,544	10,069
Creditors		(10,926)	-	-	(77)	(11,003)
Creditors > 1 year		(500)	(295)	-	(612)	(1,407)
As at 31 December 2020		5,180	8,234	40,536	24,084	78,034

21. ASSETS HELD AS CUSTODIAN TRUSTEE

	2021 £'000	2020 £'000
Investments (at cost)	702	697
Property	648	648
Cash at bank	928	741
	2,278	2,086

22. PENSION SCHEMES

a. Revaluation of Pension Scheme Liabilities

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

	2021 £'000	2020 £'000
Clergy Scheme (see note 22b below)	8	49
Lay Scheme (see note 22d below)	14	(15)
	22	34

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

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

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to a specific Responsible Body and this means contributions

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

22. PENSION SCHEMES (continued)

are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.; and
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a..

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2019, 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2020 and over 2021 is set out in the table below.

	2021 £'000	2020 £'000
Balance sheet liability at 1 January	689	1,310
Deficit contribution paid	(345)	(583)
Interest cost (recognised in SoFA)	1	11
	(344)	(572)
Remaining change to the balance sheet liability* (recognised in SoFA)	(8)	(49)
	(352)	(621)
Balance sheet liability at 31 December	337	689

* Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

22. PENSION SCHEMES (continued)

This liability is a liability of the Stipends Capital Account (within Endowment Funds). Deficit contributions have been paid during the year by the Common Fund. Interest costs have been incurred in the Common Fund. The net of these two items together with the revaluation of liabilities shown above, is included in Transfers (note 19) to ensure that the deficit reduction is reflected in the Stipends Capital Account (note 18). The current year costs of providing pensions to diocesan clergy are included within expenditure within the Common Fund.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. In general, these are set by reference to the duration of the deficit recovery payments but as at 31 December 2021, under accounting rules the payments are not discounted since the remaining recovery plan is less than 12 months. No price inflation assumption is needed since pensionable stipends for the remainder of the recovery plan are already known.

	December 2021	December 2020	December 2019
Discount rate	0.0% pa	0.2% pa	1.1% pa
Price inflation	n/a	3.1% pa	2.8% pa
Increase to total pensionable payroll	-1.5% pa	1.6% pa	1.3% pa

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

c. Defined Contribution Scheme (for lay personnel)

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

Amounts payable in the year to this scheme by the RDSBF amount to £51,862 (2020 : £46,647) and the amount owed to the scheme at 31 December 2021 was £nil (2020 : £nil).

d. Staff Defined Benefit Scheme (for lay personnel)

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

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Employer must agree with the Trustees of the Scheme that the contributions to be paid to address any shortfall against the Statutory Funding Objectives and contributions to pay for future accrual of benefits.

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31 March 2021. The next valuation of the Scheme is due as at 31 March 2024. In the event that the valuation reveals a larger deficit than expected the RDSBF may be required to increase contributions above those set out in the existing Schedule of Contributions. Conversely, if the position is better than expected, it is possible that contributions may be reduced.

The RDSBF expects to pay accrual contributions of £83k in the year to 31 December 2022 (based on salaries between 31 December 2020 and 31 December 2021 – if members have left or retired then this number would be expected to reduce). This is based on the current contribution rates which may change following the completion of the 2021 actuarial valuation.

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

22.PENSION SCHEMES (continued)

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

At 31 December 2021 the FRS102 valuation, which is based on different underlying assumptions to the actuarial valuation, calculated a surplus in the Scheme of £2,857k (2020 : £818k). Under FRS102 the Employer is only allowed to recognise such assets in its balance sheet to the extent that it can recover the surplus either through reduced contributions in the future or through refunds from the plan. As RDSBF is unable to recover the surplus, the asset value of the Scheme at 31 December 2021 reflected in these accounts is £nil. This compares to an asset value of £nil at the previous review date.

22. PENSION SCHEMES (continued)

Principal Actuarial Assumptions	31 December 2021	31 December 2020
Discount rate	1.90%	1.30%
Inflation (RPI)	3.40%	3.10%
Inflation (CPI)	2.60%	2.30%
Salary increases		3.10%
- From 31/3/2021 – 31/3/2022	1.00%	
- From 1/4/2022 – 31/3/2024	2.00%	
- From 1/2/2024 onwards	3.40%	
Increases in payment to Post 1992 benefits in excess of GMP (RPI max 5%)	3.20%	3.00%
Increases in payment to Post 2016 benefits in excess of GMP (CPI max 2.5%)	2.00%	1.85%
Revaluation in deferment (benefits in excess of GMP)	2.60%	2.30%
Post-retirement mortality	95% of the S3PA tables with CMI 2020 projections using a long-term improvement rate of 1.25% p.a.	95% of the S2PA tables with CMI 2017 projections using a long-term improvement rate of 1.25% p.a.
Commutation	70% of members are assumed to take the maximum tax free cash possible	70% of members are assumed to take the maximum tax free cash possible

The current asset split is as follows:

	Bid values as at 31 December 2021 £'000	Bid values as at 31 December 2020 £'000
Global Equities	6,144	4,948
Index Linked gilts	3,378	3,249
With-profit deferred annuity policy	-	19
Cash	116	122
Total assets	9,638	8,338

The following amounts at 31 December 2021 and 31 December 2020 were measured in accordance with the requirements of FRS102:

Balance sheet	At 31 December 2021 £'000	At 31 December 2020 £'000
Fair value of assets	9,638	8,338
Present value of funded obligations	(6,781)	(7,520)
Surplus/(deficit) in scheme	2,857	818
Impact on limit of recognisable surplus	(2,857)	(818)
Net defined benefit asset/(liability)	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

22. PENSION SCHEMES (continued)

Amount recognised in Statement of Financial Activities (SOFA)	Period to 31 December 2021	<i>Period to 31 December 2020</i>
	£'000	£'000
Current service cost	107	86
Administration costs	-	-
Interest on liabilities	97	136
Interest on assets	(108)	(155)
Past service costs	-	-
Settlement and curtailment cost	-	-
Total charge to SOFA	96	67

Remeasurements over the year	Period to 31 December 2021	<i>Period to 31 December 2020</i>
	£'000	£'000
(Gain)/loss on assets in excess of interest	(1,219)	(787)
Experience losses/(gains) on liabilities	(27)	-
Losses/(gains) from changes to demographic assumptions	(202)	(440)
Losses/(gains) from changes to financial assumptions	(605)	1,279
Total remeasurements	(2,053)	52

Change in value of the assets	Period to 31 December 2021	<i>Period to 31 December 2020</i>
	£'000	£'000
Fair value of assets at start	8,338	7,327
Interest on assets	108	155
Company contributions	82	82
Contributions by Scheme participants	16	16
Benefits paid	(125)	(29)
Administration costs	-	-
Change due to settlements and curtailments	-	-
Return on assets less interest	1,219	787
Fair value of assets at end	9,638	8,338

Actual return on assets	1,327	942
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

22. PENSION SCHEMES (continued)

Change in value of DB liabilities	Period to 31 December 2021	<i>Period to 31 December 2020</i>
	£'000	£'000
Value of liabilities at start	7,520	6,472
Current service cost	107	86
Contributions by scheme participants	16	16
Past service costs	-	-
Interest on liabilities	97	136
Benefits paid	(125)	(29)
Change due to settlements or curtailments	-	-
Experience (gain)/loss on liabilities	(27)	-
Changes to demographic assumptions	(202)	(440)
Changes to financial assumptions	(605)	1,279
Value of liabilities at end	6,781	7,520

Projected Profit & Loss account for next year	Period to 31 Dec 2022
	£'000
Current service cost	90
Administration costs	-
Interest on liabilities	126
Interest on assets	(183)
Settlement and curtailment costs	-
Past service cost	-
Total	33

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

e. Church Workers Pension Fund (CWPF)

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

CWPF has two sections:

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

Pension Builder Scheme

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme.

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 3% following improvements in the funding position over 2021. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

23. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted		Restricted	Endowment	Total	Total
		Common	Designated			2020	2019
		£'000	£'000	£'000	£'000	£'000	£'000
Income							
Donations:							
- Parish Offers		8,395	-	-	-	8,395	9,057
- Other	2	526	-	1,104	21	1,651	1,259
Investment income	3	1,299	-	51	3	1,353	1,506
Charitable activities	4	396	-	-	-	396	12
Total income		10,616	-	1,155	24	11,795	11,834
Expenditure							
Generating income	5	(430)	-	(2)	-	(432)	(495)
Charitable activities	6	(11,100)	-	(1,395)	(12)	(12,507)	(13,036)
Total Expenditure		(11,530)	-	(1,397)	(12)	(12,939)	(13,531)
Operating (Deficit)/Surplus:		(914)	-	(242)	12	(1,144)	(1,697)
Profit/(losses) on sale of property		(52)	788	1,021	-	1,757	-
Gains/(losses) on investments	10	615	30	(8)	1,509	2,146	2,873
Net Income before revaluation of fixed assets and pension scheme liabilities and transfers between funds		(351)	818	771	1,521	2,759	1,176
Reserve Movements:							
Net Income		(351)	818	771	1,521	2,759	1,176
Gains on revaluation of fixed assets		-	-	-	-	-	-
Revaluation of pension scheme liabilities	22	34	-	-	-	34	1,930
Transfers between funds	19	(1,315)	112	760	443	-	-
Net movement in funds		(1,632)	930	1,531	1,964	2,793	3,106
Reserve balances at 1st January 2020		6,812	7,304	39,005	22,120	75,241	72,135
Reserve balances at 31st December 2020		5,180	8,234	40,536	24,084	78,034	75,241
			note 16	note 17	note 18		

CUSTODIAN TRUSTEESHIP FUNDS – BALANCE SHEET
For the year ended 31 December 2021

This page does not form part of the audited financial statements

ROCHESTER DIOCESAN SOCIETY AND BOARD OF FINANCE(THE)				
CUSTODIAN TRUSTEESHIP FUNDS - BALANCE SHEET				
As at 31 December 2021				
	2021		2020	
	Capital	Revenue	Capital	Revenue
	£'000	£'000	£'000	£'000
Investments at cost (see below)	698	3	694	3
Freehold property	645	-	645	-
Freehold interest in leased properties	3	-	3	-
Cash				
National Savings Bank	11	1	11	1
CCLA Investment Management Ltd - Deposit Fund				
Miscellaneous	819	95	633	94
Church Commissioners Deposit Account				
Barclays Bank - Current Account	-	3	-	2
	830	99	644	97
Total Assets	2,176	102	1,986	100
Representing				
Parochial Funds	2,158	98	1,968	96
Non-Parochial Funds	18	4	18	4
Total Funds	2,176	102	1,986	100
INVESTMENTS NOTE				
	2021		2020	
	Cost	Market value	Cost	Market value
	£'000	£'000	£'000	£'000
CAPITAL				
Quoted Investments	5	165	5	151
Unlisted Investments				
CCLA Investment Management Ltd				
Investment Fund Income Shares				
201,525 (2020 202,772 shares)	547	4,719	543	4,154
Fixed Interest Fund Income Shares				
44,806 (2020 44,806 shares)	72	71	72	76
Global Equity				
25,919 (2020 25,919 shares)	30	79	30	68
Property Fund				
34,935 (2020 34,935 shares)	44	52	44	45
	693	4,921	689	4,343
	698	5,086	694	4,494
REVENUE				
Unlisted Investments				
CCLA Investment Management Ltd				
Investment Fund Income Shares	3	50	3	44
2,127 (2020 2,127 shares)				
103				

PARISH FUND BALANCES
For the year ended 31 December 2021

This page does not form part of the audited financial statements

CHURCH REPAIR FUND BALANCES					
As at 31 December 2021					
	2021	2020		2021	2020
	£'000	£'000		£'000	£'000
Deposits by Parishes with Diocese:			Use of Funds Deposited by Parishes with Diocese:		
Parochial Funds	4,673	4,778	Parish Loans	7	9
			Funds on Deposit and other assets	4,666	4,769
	<u>4,673</u>	<u>4,778</u>		<u>4,673</u>	<u>4,778</u>
LOANS FUND BALANCES					
As at 31 December 2021					
	2021	2020		2021	2020
	£'000	£'000		£'000	£'000
Deposits by Parishes with Diocese:			Use of Funds Deposited by Parishes with Diocese:		
Parochial Funds	4,181	3,880	Parish & Clergy - Loans	124	107
Other Sources	32	32	Other Loans	11	14
			Funds on Deposit and other assets	4,078	3,791
	<u>4,213</u>	<u>3,912</u>		<u>4,213</u>	<u>3,912</u>

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

PARISH OFFER RECEIVED BY BENEFICE
For the year ended 31 December 2021

This page does not form part of the audited financial statements

	Offer Received
Beckenham Deanery	
ANERLEY TEAM MINISTRY	52,126
BECKENHAM CHRIST CHURCH PCC	95,000
BECKENHAM HOLY TRINITY PCC	59,259
BECKENHAM ST BARNABAS PCC	4,000
BECKENHAM ST GEORGE PCC	75,600
BECKENHAM ST JAMES PCC	32,415
BECKENHAM ST JOHN THE BAPTIST PCC	114,000
BECKENHAM ST MICHAEL W ST AUGUSTINE PCC	31,768
BECKENHAM ST PAUL PCC	66,447
PENGE ST JOHN THE EVANGELIST PCC	20,000
SHORTLANDS PCC	76,560
Total Beckenham Deanery	627,175
Bromley Deanery	
BICKLEY PCC	60,000
BROMLEY CHRIST CHURCH PCC	52,126
BROMLEY COMMON HOLY TRINITY PCC	31,817
BROMLEY COMMON ST AUGUSTINE w ST LUKES PCC	81,180
BROMLEY COMMON ST LUKE PCC	-
BROMLEY ST ANDREW PCC	30,000
BROMLEY ST JOHN THE EVANGELIST PCC	62,076
BROMLEY ST MARK PCC	65,026
BROMLEY ST MARY PCC	65,744
BROMLEY ST PETER & ST PAUL PCC	82,721
CHISLEHURST THE ANNUNCIATION PCC	60,000
CHISLEHURST CHRIST CHURCH PCC	65,529
CHISLEHURST ST NICHOLAS PCC	83,700
HAYES PCC	67,500
Total Bromley Deanery	807,419
Erith Deanery	
BARNEHURST PCC	26,145
BELVEDERE ALL SAINTS PCC	12,000
BELVEDERE ST AUGUSTINE PCC	15,000
BEXLEYHEATH CHRIST CHURCH PCC	66,168
BEXLEYHEATH ST PETER PCC	24,817
BOSTALL HEATH PCC	33,000
CRAYFORD PCC	23,941
ERITH CHRIST CHURCH PCC	5,100
ERITH ST JOHN THE BAPTIST PCC	40,041
FALCONWOOD PCC	37,200
NORTHUMBERLAND HEATH PCC	48,000
SLADE GREEN PCC	12,000
WELLING PCC	69,037
Total Erith Deanery	412,449

PARISH OFFER RECEIVED BY BENEFICE
For the year ended 31 December 2021

This page does not form part of the audited financial statements

	Offer Received
Orpington Deanery	
BIGGIN HILL PCC	64,210
CHELSEFIELD PCC	48,000
CRAY ST BARNABAS PCC	27,000
CRAY VALLEY	5,833
CROFTON PCC	85,300
CUDHAM PCC	27,375
DOWNE PCC	18,322
FARNBOROUGH PCC	107,227
GREEN STREET GREEN PCC	70,120
KESTON PCC	29,000
ORPINGTON ALL SAINTS PCC	70,413
ORPINGTON CHRIST CHURCH PCC	78,000
PETTS WOOD PCC	42,675
Total Orpington Deanery	673,475
Sidcup Deanery	
BEXLEY ST JOHN THE EVANGELIST PCC	18,600
NORTHCRAV	8,000
BEXLEY ST MARY PCC	28,345
BLENDON PCC	27,000
FOOTSCRAY PCC	9,000
JOYDENS WOOD PCC	25,000
LAMORBAY HOLY REDEEMER PCC	25,076
LAMORBAY HOLY TRINITY PCC	42,000
SIDCUP CHRIST CHURCH PCC	70,800
SIDCUP ST ANDREW PCC	12,000
SIDCUP ST JOHN THE EVANGELIST pcc	24,000
Total Sidcup Deanery	289,821
Total Bromley & Bexley	2,810,339

PARISH OFFER RECEIVED BY BENEFICE
For the year ended 31 December 2021

This page does not form part of the audited financial statements

	Offer Received
Cobham Deanery	
ASH PCC	32,243
RIDLEY PCC	4,500
COBHAM PCC	5,000
LUDESLOWNE & DODE PCC	11,668
FAWKHAM & HARTLEY PCC	28,050
ISTEAD RISE PCC	19,509
LONGFIELD PCC	22,000
MEOPHAM PCC	34,750
SOUTHFLEET PCC	15,000
Total Cobham Deanery	172,720
Dartford Deanery	
CROCKENHILL PCC	21,965
DARENTH PCC	12,000
HORTON KIRBY PCC	13,681
SUTTON-AT-HONE PCC	10,000
DARTFORD CHRIST CHURCH PCC	53,627
DARTFORD HOLY TRINITY PCC	27,000
DARTFORD ST ALBAN PCC	8,829
DARTFORD ST EDMUND KING & MARTYR PCC	446
STONE PCC	31,840
SWANLEY ST MARY THE VIRGIN PCC	12,979
SWANLEY ST PAUL & HEXTABLE ST PETER PCC	40,394
WILMINGTON PCC	54,000
Total Dartford Deanery	286,761
Gillingham Deanery	
GILLINGHAM HOLY TRINITY PCC	16,800
GILLINGHAM ST AUGUSTINE PCC	20,000
GILLINGHAM ST BARNABAS PCC	7,020
GILLINGHAM ST LUKE PCC	9,494
GILLINGHAM ST MARK PCC	59,748
GILLINGHAM ST MARY ISLAND DCC	13,125
GILLINGHAM ST MARY MAGDALENE PCC	17,335
RAINHAM PCC	64,646
SOUTH GILLINGHAM PCC	116,100
Total Gillingham Deanery	324,268

PARISH OFFER RECEIVED BY BENEFICE
For the year ended 31 December 2021

This page does not form part of the audited financial statements

	Offer Received
Gravesend Deanery	
CHALK PCC	37,400
GRAVESEND HOLY FAMILY PCC	7,000
IFIELD PCC	11,280
GRAVESEND ST AIDAN PCC	24,156
GRAVESEND ST GEORGE PCC	48,000
GRAVESEND ST MARY PCC	11,200
GREENHITHE PCC	21,600
MILTON CHRIST CHURCH PCC	30,000
MILTON ST PETER & ST PAUL PCC	12,880
NORTHFLEET & ROSHERVILLE PCC	5,000
PERRY STREET PCC	6,000
SHORNE PCC	12,000
SWANSCOMBE PCC	5,000
Total Gravesend Deanery	231,516
Rochester Deanery	
BORSTAL PCC	17,054
CHATHAM ST MARY W ST JOHN PCC	420
CHATHAM ST PAUL W ALL SAINTS PCC	20,980
CHATHAM ST PHILIP & ST JAMES PCC	67,378
CHATHAM ST STEPHEN PCC	42,000
LUTON PCC	11,594
PRINCES PARK PCC	27,885
ROCHESTER ST JUSTUS PCC	50,200
ROCHESTER ST PETER W ST MARGARET PCC	35,000
SOUTH CHATHAM HOLY TRINITY PCC	56,261
Total Rochester Deanery	328,772
Strood Deanery	
CLIFFE-AT-HOO W COOLING PCC	36,038
CUXTON & HALLING PCC	22,236
FRINDSBURY W UPNOR & CHATTENDEN PCC	53,440
GRAIN PCC	1,500
HIGH HALSTOW W ALLHALLOWS & HOO ST MARY PCC	24,392
HIGHAM W MERSTON PCC	52,966
HOO ST WERBURGH PCC	26,083
STROOD ST FRANCIS PCC	20,013
STROOD ST NICHOLAS W ST MARY PCC	65,700
Total Strood Deanery	302,368
Total Rochester	1,646,405

PARISH OFFER RECEIVED BY BENEFICE
For the year ended 31 December 2021

This page does not form part of the audited financial statements

	Offer Received
Malling Deanery	
ADDINGTON PCC - BART GROUP	17,250
BIRLING PCC	8,790
RYARSH PCC	15,750
TROTTISCLIFFE PCC	13,069
AYLESFORD PCC	42,355
BARMING PCC	60,881
BURHAM & WOULDHAM PCC	19,824
COXHEATH PCC	12,925
EAST FARLEIGH PCC	10,426
HUNTON PCC	10,426
LINTON PCC	10,426
WEST FARLEIGH PCC	10,998
DITTON PCC	58,224
EAST MALLING PCC	25,810
TESTON PCC	2,000
WATERINGBURY PCC	18,313
LARKFIELD PCC	9,196
LEYBOURNE PCC	22,769
MEREWORTH PCC	13,000
WEST PECKHAM PCC	10,000
SNODLAND W LOWER BIRLING PCC	33,126
WEST MALLING PCC	28,563
KINGS HILL	6,000
OFFHAM PCC	17,260
Total Malling Deanery	477,381
Paddock Wood	
BRENCHLEY PCC	51,226
EAST PECKHAM PCC	25,000
NETTLESTEAD PCC	-
HADLOW PCC	41,100
HORSMONDEN PCC	39,709
LAMBERHURST PCC	33,370
MATFIELD PCC	25,231
PADDOCK WOOD PCC	58,340
PEMBURY PCC	53,364
TUDELEY PCC	17,004
YALDING PCC	37,380
COLLIER STREET PCC	4,846
Total Paddock Wood Deanery	386,570

PARISH OFFER RECEIVED BY BENEFICE
For the year ended 31 December 2021

This page does not form part of the audited financial statements

	Offer Received
Sevenoaks Deanery	
BRASTED PCC	10,000
CHEVENING PCC	60,000
KIPPINGTON PCC	63,909
KNOCKHOLT PCC	25,477
HALSTEAD PCC	29,492
RIVERHEAD W DUNTON GREEN PCC	12,000
SEAL ST LAWRENCE PCC	21,120
UNDERRIVER PCC	17,400
SEAL ST PETER & ST PAUL PCC	45,250
SEVENOAKS ST JOHN THE BAPTIST PCC	49,500
SEVENOAKS ST LUKE PCC	48,000
SEVENOAKS ST NICHOLAS PCC	178,735
SUNDRIDGE W IDE HILL & TOYS HILL PCC	22,000
WEALD PCC	40,580
WESTERHAM PCC	52,126
Total Sevenoaks Deanery	675,589
Shoreham Deanery	
BOROUGH GREEN PCC	50,750
EYNSFORD PCC	-
FARNINGHAM PCC	-
LULLINGSTONE PCC	68,170
IGHTHAM PCC	61,543
KEMSING PCC	34,665
WOODLANDS PCC	-
KINGSDOWN W MAPPISCOMBE PCC	20,000
OTFORD PCC	65,986
PLATT PCC	45,569
PLAXTOL PCC	63,530
SHIPBOURNE PCC	-
SHOREHAM PCC	43,560
STANSTED W FAIRSEAT & VIGO PCC	27,863
WROTHAM PCC	32,841
Total Shoreham Deanery	514,477

PARISH OFFER RECEIVED BY BENEFICE
For the year ended 31 December 2021

This page does not form part of the audited financial statements

	Offer Received
Tonbridge Deanery	
CHIDDINGSTONE CAUSEWAY PCC	15,000
CHIDDINGSTONE PCC	15,000
CROCKHAM HILL PCC	35,100
EDENBRIDGE PCC	54,500
HEVER PCC	9,055
FOUR ELMS PCC	7,245
MARKBEECH PCC	7,366
HILDENBOROUGH PCC	48,000
LEIGH PCC	50,747
PENSHURST PCC	38,060
FORDCOMBE PCC	11,223
TONBRIDGE ST PETER & ST PAUL PCC	85,611
TONBRIDGE ST STEPHEN PCC	87,163
Total Tonbridge Deanery	464,070
Tunbridge Wells Deanery	
LANGTON GREEN PCC	20,000
RUSTHALL PCC	57,588
SOUTHBOROUGH TEAM MINISTRY PCC	-
SOUTHBOROUGH CHRIST CHURCH	62,468
BIDBROUGH/SOUTHBOROUGH ST PETER	-
BIDBROUGH/SOUTHBOROUGH ST PETER	66,000
HIGH BROOMS	62,000
SOUTHBOROUGH ST THOMAS PCC	39,047
SPELDHURST PCC	76,185
TUNBRIDGE WELLS HOLY TRINITY W CHRIST CHURCH PCC	91,400
TUNBRIDGE WELLS KING CHARLES THE MARTYR PCC	75,840
TUNBRIDGE WELLS ST BARNABAS PCC	23,200
TUNBRIDGE WELLS ST JAMES PCC	76,820
TUNBRIDGE WELLS ST JOHN PCC	65,360
TUNBRIDGE WELLS ST LUKE PCC	54,000
TUNBRIDGE WELLS ST MARK PCC	23,400
TUNBRIDGE WELLS ST PETER PCC	50,000
TUNBRIDGE WELLS ST PHILIP PCC	46,500
Total Tunbridge Wells Deanery	889,808
Total Tonbridge	3,407,895
Total All	7,864,639
Offers in lieu of housing	10,500
Total as per Statement of Financial Activities	7,875,139