

THE CHURCH OF ENGLAND ROCHESTER



DIOCESAN ANNUAL REPORT AND ACCOUNTS 2018



ABOUT US

WE ARE THE CHURCH OF ENGLAND IN THE AREAS OF MEDWAY, NORTH WEST KENT AND THE LONDON BOROUGH OF BROMLEY AND BEXLEY. A DIVERSE AND VIBRANT COMMUNITY OF FAITH, AS THE DIOCESE OF ROCHESTER WE SERVE A POPULATION OF SOME 1.3 MILLION PEOPLE, INCLUDING 213 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 2018.

The financial statements comply with current statutory requirements of the Charities Act 2011, the Statement of Recommended Practice for Charities 2015 (SORP 2015) and the Companies Act 2006.

Registered & Principal

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

Members of the Bishop's Council (Directors and Trustees):

The Lord Bishop of Rochester (Chair)
– The Rt Rev James Langstaff
The Bishop of Tonbridge
– The Rt Rev Simon Burton-Jones (from 3/7/18)
The Chair of the Board of Finance
– Canon Judith Armitt

Ex-officio:

The Archdeacon of Bromley & Bexley
– The Ven Dr Paul Wright
The Archdeacon of Rochester
– The Ven Simon Burton-Jones (to 02/07/18)
– The Ven Andrew Wooding Jones (from 11/9/18)
The Archdeacon of Tonbridge
– The Ven Julie Conalty
The Dean of Rochester Cathedral
– The Very Rev Dr Philip Hesketh
The Chair of the House of Laity
– Mr Philip French (to 12/10/18)
– Mrs Sarah Poole (from 13/10/18)
The Chair of the House of Clergy
– The Rev Canon Alyson Davie
The Chair of the Board of Education
– Dr Jeff Blyth (to 9/9/18)
– The Rt Rev Simon Burton-Jones (from 10/9/18)

Elected – House of Clergy:

– The Rev Canon Mark Barker
– The Rev Jay Colwill (to 31/03/18)
– The Rev Dylan Turner

Elected – House of Laity:

– Miss Christine Bostock
– Mr Guy Gallico
– Mr Gordon Hunt
– Mr Jeremy King
– Mrs Sarah Poole
– Mrs Lela Weavers

Senior Staff:

Diocesan Secretary (and Company Secretary)
– Mr Geoff Marsh
Associate Diocesan Secretary
– Mr Matthew Girt
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– The Rev Richard Williams
Diocesan Surveyor
– Mr Mark Trevett
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– The Rev Canon Chris Dench
Director of Diocesan Board of Education
– Mr John Constanti (Interim to and Director from 18/7/18)
Bishop's Chaplain
– The Rev Lindsay Llewellyn-MacDuff

Advisors:

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

Registrar:
Mr Owen Carew-Jones
Winckworth Sherwood LLP
Minerva House, 5 Montague Close, London SE1 9BB

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

Property Adviser and Glebe Agent:
Savills plc
23 Kings Hill Avenue, Kings Hill, West Malling
Kent ME19 4UA

Investment Advisers:
Sarasin and Partners LLP
100 St Paul's Churchyard, London EC4M 8BU

Eden Tree Investment Management Limited
24 Monument St, London EC3R 8AJ

Insurers:
Ecclesiastical Insurance Office plc
Beaufort House, Brunswick Road, Gloucester GL1 1JZ

MESSAGE FROM THE BISHOP OF ROCHESTER

I am delighted to welcome you to our Annual Report and Accounts for 2018. You will see that there is significant change in the presentation, and I am very grateful to all who have worked on this.

2018 was a busy year in all kinds of ways. What I hope shines through this report is how our vision to grow disciples, enrich communities, and resource our mission and ministry has begun to be embedded in our life as a diocese and to bear fruit.

This is a story of hope.

We can sometimes look at the world around us, watch the television, hear the news, and find hope in scarce supply. But, as Christians, we are to be a people of hope and over this year, we have been focused, particularly through our community engagement work, on being vessels of hope for each other and for our communities.

Indeed, Called Together embodies our ambition for ourselves, for our communities, for every setting into which we reach, and that is because ultimately, we are filled with hope for the future.

Looking at our initiatives documented here for new and re-missioned places – areas of new housing, areas where the Church's presence has diminished – this really is about hope.

Or looking at our work and support carried out this year for the prayer life of our Diocese, prayer for the coming of the Kingdom, for personal discipleship and discernment of calling, whether lay or ordained – this too is all about the renewal of hope.

And a huge source of hope is the increasing numbers coming forward to train for ordained and lay ministries – and importantly the quality of those people and the diversity of their callings.

This is not to ignore the challenges that lie ahead, of the growing social issues that stalk our society around mental health, disadvantage, addiction and knife crime.

Of the challenges for us, as we seek to meet our ambition with our financial and human resource; however, we draw encouragement from the fact that our current annual operating deficit is smaller than many dioceses,



and that, as last year, we made a net income surplus after property disposals, and we have a strong balance sheet.

As we read in Paul's first letter to the Corinthians, we recognise that we are all part of one body, dependent upon each other. We all have a part to play and we do not do this work alone.

So, together, may our lives and the work of the Diocese continue to be transformed so that God's glory may be revealed more fully and hope spread abroad.

+ James Roffen:

*The Rt Rev James Langstaff
Bishop of Rochester*

OUR VISION

WE ARE CALLED TOGETHER TO ENHANCE AND STEWARD OUR RESOURCES FOR THE WORK OF GOD

GOD CALLS US ABOVE ALL TO SHOW FORTH HIS CHARACTER IN ACTS AND ATTITUDES OF GRACE AND GENEROSITY

GOD CALLS US TOGETHER INTO A COMMON ENDEAVOUR OF WORSHIP AND OF PRAYER, OF PROCLAMATION AND OF SERVICE

OUR AIMS

GROW: TO BETTER LIVE OUT THE GREAT COMMISSION, SHARE THE GOOD NEWS, AND SEE MORE PEOPLE FIND FAITH

ENRICH: ENRICH EVERY COMMUNITY THROUGH THE ACTIVITIES OF THE LOCAL CHURCH

RESOURCE: ENABLE PARISHES TO RUN EFFICIENTLY AND SUSTAINABLY, SO THAT THEY CAN FOCUS MORE ON MINISTRY AND MISSION

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" There is a lot going on, and hopefully what will shine through this report is how our vision is growing disciples, enriching communities, and resourcing our mission and ministry. "

The Rt Rev James Langstaff, Bishop of Rochester



Rev Johnny Douglas, Vicar St Peter, Hextable
and St Paul, Swanley Village
Photo credit: Maria Assia

OUR YEAR IN NUMBERS

93%

of churches involved in one or more form of social action

18

Modern Slavery Awareness Champions commissioned

900

social action projects with Church involvement

29

Children and Youth training events held

25

new projects supported by the Children & Young People Fund

51

youth, children and family ministers/workers across the Diocese

SCHOOL

90

Church schools

85

Primary schools

5

Secondary schools

6772

children attended services each week in school or church

95%

of our Church schools are either good or outstanding in their combined Ofsted and SIAMS Inspection grades

29,486
attended
Easter worship

419

confirmations

2,398

baptisms and thanksgivings

66,620

attended Christmas worship

3,102

funerals and cremation services

670

couples married in churches and

45

blessings



19

men and women ordained

14
ordinands
began their
training

15
Licensed Lay
Ministers
licensed

1/4

of our churches are
growing

50

people attended
It's Your Calling events

Over

300

prayer events as part of
Thy Kingdom Come

17

new
Dementia
chaplains

11

church-run
dementia cafés

1

new
magazine
launched

10,985

e-newsletters
opened

276,454

people reached by
posts on Facebook

28,205

minutes of videos
viewed on
Facebook (up from
5,199 last year)

1,382

followers
on Twitter



5,468

volunteers trained in basic safeguarding training

3,602

C0 training

1,866

C1 training

1521

property
work
orders
responded
to

6

formal Diocesan
Advisory Committee
site visits

£116k

awarded from Missional
Property Fund



STRATEGIC REPORT AND OPERATING REVIEW

"STEP BY
STEP, BLOCK
BY BLOCK,
THE COMBINED
APPROACHES AS
SHOWN IN THIS
REPORT PAINT
A PICTURE OF A
VITAL, ACTIVE
AND PURPOSEFUL
DIOCESE."

This has been the first full year of activity around Called Together, our diocesan vision to guide and shape the activity and mission of each and every person in the Diocese for the next five years.

Nationally the Church of England is continuing to face decline; average adult and child attendance on a Sunday is down by 13% in the last ten years.

This is a trend not unfamiliar to our own Diocese, but this report demonstrates the encouraging progress being made across the Diocese in each workstream of our vision's core aims.

"The clear heart and ambition that became evident through the shaping of Called Together is now being seen in delivery. Every part of our resources is used to demonstrate and communicate the love of God. Step by step, block by block, the combined approaches as shown in this report paint a picture of a vital, active and purposeful Diocese." Matthew Girt, Associate Diocesan Secretary.

It's been a busy time. We have:

- Launched the Children & Young People Fund and the Missional Property Fund, with thanks to our partners, the Colyer-Fergusson Charitable Trust and Marshall's Charity for making these funding opportunities

possible in our Diocese.

- Held events which focus on setting a culture of evangelism and have piloted a Rhythm of Life to explore a way to deepen our relationship with God.

- Enabled people to speak out about the injustices of modern day slavery, homelessness, and debt.

- Encouraged people to pray in new ways, and continued to support new churches in new communities and re-missioning in Kings Hill, Ebbsfleet, and Chatham.

- Continued our creative approach towards lay vocations, by licensing Licensed Lay Ministers to specialised areas such as funeral ministry and those with a specialism in dementia and other end of life issues.

It's been a year of celebration too.

In July, Simon Burton-Jones was consecrated as the new Bishop of Tonbridge, in a joyful celebration at St Paul's Cathedral, and we welcomed Andy Wooding Jones, as the new Archdeacon of Rochester.

It has not been a year without challenge, but

THIS IS OUR STORY...



“One of the most striking things has been that so many of the groups are dealing with people who are on the edge, who are incredibly vulnerable and have turned to the Church and found, not that they are judged, but they’re loved.”

The Most Rev Justin Welby, Archbishop of Canterbury

A HIGHLIGHT OF THE YEAR WAS THE ARCHBISHOP OF CANTERBURY’S TWO-DAY VISIT TO THE DIOCESE. EVERY PLACE HE VISITED SHONE A LIGHT ON JUST SOME OF THE AMAZING WORK TAKING PLACE IN CHURCHES ACROSS THE DIOCESE TO SUPPORT THE DIVERSE NEEDS OF THEIR COMMUNITIES, LIKE HERE AT LITTLE FISH IN PENCE.

GROW

We are growing more disciples and supporting people in our communities, schools and other settings to develop a deeper relationship with God.

26 ORDINANDS IN TRAINING

GROWTH

Across the Diocese we long to see people come to know and love God.

Sessions focussing on how to set a culture of evangelism that everyone can be a part of were held in Tonbridge and in Medway during the year. Led by the Rev Canon Mark Brown, feedback was positive and there is continued encouragement now from the Bishop's Leadership Team for consideration to be given to digital and modern forms of evangelism.

DISCIPLESHIP

All Christian people have a calling from God to know and love him more, and to serve others in his name.

From 'It's Your Calling Days' and the Bishop's Certificates, to Licensed Lay Ministry and supporting those in later life and with dementia, the Diocese has sought to equip people to deepen their own relationship with God and to fulfil their calling, whatever form that might take.

Currently there are twenty-six Rochester Ordinands in training in a variety of places, some training residentially and others non-residentially. There was an encouraging increase in the numbers recommended for training this year, six more than the previous year.

Through our embedded commitment to Licensed Lay Ministry, we are already embracing the principles of the national 'Setting God's People Free' programme.

In addition, during this year development also began around the idea of a Rhythm of Life; the aim is to bring small groups together, to intentionally love God, love their neighbour, and love themselves.

Piloted by 12 diverse groups, including local parishes, the Diocesan Youth Council, and Licenced Lay Ministry students, initial feedback is positive with a launch expected in 2019.

The 'Jesus Shaped People' programme materials have also been used in a small number of churches to encourage congregations to spread the Good News in urban areas and housing estates.

Knowing how best to support those with dementia or other health issues in later life, and who want to stay connected with their church and community, is not easy. The Diocese therefore continues to pioneer its Anna Chaplaincy and Anna Friends work. This has seen the number of chaplains and volunteers dedicated to this specialism grow this year, with 50 chaplains and friends now working in 35 parishes.

Numerous dementia cafés, dementia friendly services have also taken place across the Diocese, with the Medway Dementia Action Alliance event for Dementia Action Week taking place in Rochester Cathedral in May, reaching over 400 people.

A new and innovative partnership with Heart of Kent Hospice in Aylesford has been developed with the Anna Chaplaincy team, to broaden the spiritual care available to patients.

YOUTH
TRAINING AND
EVENTS UP BY
29%

PRAYER

During Thy Kingdom Come - the global nine days of prayer initiated by the Archbishops of Canterbury and York - over 300 prayer events took place across the Diocese, from prayer walks to quiet days, prayer workshops introducing people to new forms of prayer, as well as 24/7 prayer rooms.

It revealed activity across Church traditions too, with the Diocese featuring in films supporting the national campaign.

Prayer stations at the Cathedral created a giant visual prayer for the Diocese.

A Prayer Festival at the Cathedral in September attracted over 150 people, many of them lay, giving them an opportunity to experience different workshops and spend time in prayer, showing the desire for more support in this area.

To facilitate prayer wherever a person is, the Diocesan Cycle of Prayer is now also available on the PrayerMate app.

CHILDREN AND YOUNG PEOPLE

Enabling individuals to provide safe, exciting and reflective opportunities

for children and young people to encounter Christ, in a way that is real, life changing and ongoing, is at the heart of the Children and Young People team's work.

This year they have increased the number of training and events held, and their engagement with local churches through PCCs, deaneries, parish visits and enquiries. They have also increased collaboration with national and local networks.

Facilitated training in 2018 has covered the issues of Young Leaders, Children's Spirituality, Nurturing a Faith that Lasts, Creating Conversation Space, Kids Matter, Standing on Holy Ground Retreat, Safeguarding and Pastoral Care.

A major development this year was the launch of the Children & Young People (CYP) Fund. Made possible through the significant financial support of the Colyer-Fergusson Charitable Trust, the Fund's primary aim is to enable small projects and ministries to start and be built upon; in 2018, £71,967.45 went to support 26 projects.



Colyer-Fergusson
Charitable Trust



THE 'SHIPWRECKED' HOLIDAY CLUB IN THE BENEFICE OF EAST MALLING, WATERINGBURY AND TESTON, SAW 70 CHILDREN JOIN IN THREE DAYS OF FUN OVER THE SUMMER, THANKS TO FUNDING FROM THE CHILDREN & YOUNG PEOPLE FUND.

"The money we received enabled us to buy fruit snacks and drinks, as well as lots of craft materials, ensuring this was a fun and Jesus-filled experience for all who came along."

Lisa Glasscote,
Club Leader

LEARNING TO 'JUST BE STILL WITH GOD'

21 STUDENTS RECEIVED BISHOP'S CERTIFICATE

THE BISHOP'S CERTIFICATE COURSE AIMS TO GIVE PEOPLE THE KNOWLEDGE AND SKILLS THEY NEED TO EXPRESS THEIR FAITH AND EXPLORE THEIR CHRISTIAN LIFE AND SERVICE; IT CAN LEAD ON TO FURTHER OPPORTUNITIES SUCH AS LICENSED LAY MINISTRY.

Yvonne Fowler was one of twenty-one students this year who completed the two-year course and personally received her certificate from Bishop James at a joyful service at St Peter's Church, Pembury.

During the service she spoke about how the experience had helped her move on from self-esteem issues that had 'held her back' in the past:

"Personally, this whole experience has made me think about questions I really need to ask as I prepare for mission. It has highlighted how important it is just to be still with God, so I can hear His still small voice.

"I have learnt so much over this period

and the opportunity to engage more deeply within the life of the Church is invaluable."

The Bishop's Certificate is open to anyone who has attended an 'It's Your Calling' day – an event that takes place three times a year in the Diocese and which seeks to help people explore where God may be calling them.

The Rev Jane Winter, Facilitator for Formation, Learning and Discipleship, who helps oversee the Bishop's Certificate course, says:

"All Christian people have a calling from God. This course is just one of a range of learning opportunities we offer to help people explore what that calling might be."

Find out more at:
www.rochester.anglican.org/ministry/discipleship-amp-lay-ministry/





“

Personally, this whole experience has made me think about questions I really needed to ask as I prepared for mission. It has highlighted how important it is just to be still with God, so I can hear His still small voice.

”

Yvonne Fowler

ENRICH

Our vision encourages us to explore and support ways that mean we enrich every community through the activities of the local church.

"WE ARE
THANKFUL
OUR LOCAL
CHURCHES ARE
STEPPING UP TO
THE MARK AS
SOCIAL NEED
ESCALATES. WE
BELIEVE THIS
IS WHAT JESUS
WOULD DO."

THE RT REV SIMON BURTON-JONES

COMMUNITY INITIATIVES

According to figures released during the year from the National Church, it was confirmed that just over 900 social action projects across the area of the Diocese - Medway, north west Kent and the London Boroughs of Bromley and Bexley - have had some form of involvement from their local Church of England church.

The figures resonate with the achievements of our year-long campaign, 'Hope 2018 - Setting the Captives Free', which saw numerous workshops, group training and on-the-street events take place to enable churches to engage with issues such as loan sharks, debt, addiction and highlighting domestic abuse.

While food banks are the type of social action project most commonly supported by churches, the breadth of work is staggering.

For example, our commitment to raising awareness of Modern Slavery took another step forward this year, with the commissioning of 18 new Modern Slavery Awareness Champions.

We have signed the Zero Tolerance to Loan Sharks Charter and helped launch the Clewer Initiative's Safe Car Wash App. We continue to be concerned about homelessness with 5 ecumenically run winter night shelters hosted.

And this year we also saw the opening of the first Place of Welcome in the Diocese at St Francis, Strood - a national scheme ensuring that everyone has a friendly place to go in their local area.

Caroline Clarke, Community Engagement and Social Responsibility Advisor for the Diocese, offers support and guidance to churches seeking to enrich their communities:

"It's so exciting to see Rochester Diocese leading the way. I'm so humbled and proud to be working with Church and community leaders who say 'Yes'".

NEW AND RE-MISSIONED PLACES

Exciting work is taking place across the Diocese as we work to meet the needs of the growing and changing population in the region. Progress in the particular areas of Chatham, Ebbsfleet, and Kings Hill has been significant and encouraging.

CHATHAM

The Diocese puts working with local people at the heart of its efforts to redefine its vision for Chatham and achieve its commitment to grow the Church numerically and spiritually there.

The mission team's capacity was extended with the appointment of Capt. Stephen Ramshaw from the Church Army as Lead Evangelist. The St John's-on-Tap worshipping community gathering at the 'Tap and Tin' nightclub has grown too this year, with an attendance now of 20 or more.

Strong relationships have been developed with St John's Primary School, resulting in a termly, and now over-subscribed, Messy Church;

390

SOCIAL ACTION PROJECTS RUN DIRECTLY BY OUR CHURCHES

because of this positive relationship, the school and parents invited the Church to establish a church plant in the school which meets monthly.

EBBSFLEET

Ebbsfleet Garden City will see the development of a new community of up to 45,000 people over the next twenty years. The Diocese is committed to a Christian presence in this maturing development and is working with the Ebbsfleet Development Corporation and other stakeholders to achieve this.

In June, Miss Sarah Rawlinson was appointed as the Youth and Community Engagement Officer. Based at St Mary in Greenhithe, this is a key appointment as Sarah is now engaging with a broad range of stakeholders to understand the issues impacting community well-being and integration and is actively involved in a number of community projects.

In November we were delighted to receive confirmation, following the conclusion of a competitive and rigorous process, that the Aletheia Anglican Academies Trust (AAAT) was given.

Secretary of State approval to sponsor the proposed new secondary free school at Ebbsfleet on the Alkerden site in the new garden city. We are hugely grateful to all involved, particularly Mr Steve Carey, the CEO of the Multi Academy Trust, for the work and dedication that resulted in the successful award of this exciting project. We very much look forward to working with AAAT.

KINGS HILL

Kings Hill, near West Malling, is a large housing development which is entering its third major phase of building. Project Board members have engaged with key stakeholders and have begun the work necessary to acquire the site for a new church building in Kings Hill.

The growing congregation of St Gabriel's Church currently worship in a local school. Members continue to find new ways to reach and serve the community, such as their regular The Hub café and community group.

WORKING WITH SCHOOLS

Our schools have continued to demonstrate how well their Christian distinctiveness supports the achievement, wellbeing and personal development of all those connected with them.

This has been an exciting year. A number of our schools have maintained or improved their OFSTED and SIAMS inspection grade.

We have also seen the reopening of St James' Primary School, Isle of Grain, following a devastating fire two years ago. The Aquinas Church of England Education Trust welcomed two community schools into the Trust.

SUPPORTING CHAPLAINCY

A working group has begun preparing a research brief to help us understand the full chaplaincy picture and where support is required.

As part of Vocation Sunday a social media campaign sharing the stories of our chaplains across diverse settings reached 2,777 people online.



There is such amazing work happening in these communities... I am blessed to be involved in three wonderful communities and with a number of local churches, all have such inspiring people within them.

Sarah Rawlinson,
Youth and Community Engagement Officer for Ebbsfleet, Greenhithe
and Swanscombe

A CHURCH WITHOUT WALLS

"OUR IDEA
IS TO LOVE
PEOPLE INTO THE
KINGDOM."

TERRY WHITTAKER

ORIGINALLY INDUSTRIAL DOCKS AND LIGHT ENGINEERING, GILLINGHAM PIER IS NOW IN THE PROCESS OF RAPID REDEVELOPMENT INTO APARTMENT-BASED RIVERSIDE LIVING.

A small band of pioneers in the riverside area of Gillingham are currently working to establish a Christian presence in this rapidly developing part of town.

With no building of their own, for Terry Whittaker, Mission Leader for Reach @Gillingham Pier, this is truly 'church without walls' and he wouldn't want it any other way.

"I was keen that the Church should be engaged at the outset, rather than waiting for it all to happen and only then start to work. It was some time after the discussions and prayers started that I realised that this was a calling for me!"

Funded under the structure of a Bishop's Mission Order less than a

year ago, Terry and his small team of volunteers have not rested on their laurels, and have quickly and prayerfully begun to create an authentic Christian community in the area, one based on principles of presence, hospitality and actions, that enable people to come to know Jesus.

"Our idea is to love people into the Kingdom. We want to demonstrate a face of faith that is normal, that is beautiful and that is accessible. Much of what we do is just about being there and caring, we are not overt about being 'church', but we are overt about being loving."

As Terry explains, for many non-Christians, crossing the threshold of a 'church' building is a significant hurdle — a hurdle Reach doesn't have.

"It also forces us to engage in the community and find community - based solutions to the various needs we meet".





FREEDOM FORUM

THE FREEDOM FORUM IS AN EVANGELISM AND RECONCILIATION GROUP WORKING WITH EX-OFFENDERS AND OPERATING OUT OF CHRIST CHURCH, ANERLEY.

Offering Bible study and prayer, many of those who attend have had their lives transformed through coming to know Jesus and the friendship they have found in the group. They wash cars as part of their activities and rehabilitation in the community.

RESOURCE

We are committed to enabling parishes to run efficiently and sustainably, so that they can focus more on ministry and mission

8
PROJECTS
AWARDED
FUNDS FROM
THE MISSIONAL
PROPERTY FUND



PLANNING FOR GROWTH

The Planning for Growth working group, drawn from across the Diocese, has been working on a concept called Called to Grow; a process to encourage and enable every church to develop a plan for growth.

In 2018, work progressed well on developing a 5-step approach to growth that will be offered to parishes through a toolkit.

Three 'Growth Enablers' will be recruited - one appointed for each archdeaconry but deployable across the Diocese - who will support parishes as they develop and implement their growth plans.

Funding for these Enablers was agreed in this year's budget and we look forward to welcoming them in the coming year.

RESILIENT GROWING CHURCHES

The Missional Property Fund is a key fund brought to the Diocese this year, made possible by generous support from Marshall's Charity and match funded by the Diocese from restricted funds.

Established with the primary aim to support projects which allow parishes to open up church buildings for mission, it received its first round of applications this year, with eight projects receiving £116k in total.

Recognising that many church congregations are considering the changes they can make to their church

buildings – a new series of case studies and introductory booklet has been developed and placed online this year by the Diocesan Advisory Committee (DAC), to give churches the information and inspiration they need to get started.

Clergy houses are among those church buildings which often hold a significant place in the hearts and minds of the local church and community, as well as those that live within them.

Recognising this, and inspired by the Called Together vision, a new Clergy Houses Strategy has been developed in consultation with clergy, setting out the Clergy Houses Committee's approach to clergy housing for the coming years and reaffirming the work and aspiration of the Committee.

In order to improve financial resilience for parishes and the Diocesan Board of Finance as well, work has progressed on improving the transparency in presenting our finances and rolling out a programme of Treasurers' and Stewardship training.

ADMINISTRATION AND SUPPORT – MAKING IT EASIER

A desire to build up the Church by supporting the people, parishes, schools and teams within the Diocese to communicate their work and faith with a variety of audiences has been a key strand of work.

It's seen the establishment of a monthly e-newsletter, the launch of Together – the new quarterly magazine - social

80 FACULTIES ISSUED

media training and more coordinated and campaign-driven activity on social media and the website.

This year, significant support has also been given around the introduction of the General Data Protection Regulation in the form of a GDPR toolkit and training for parish reps and diocesan staff.

A tendering process for our legal services was undertaken to allow parishes to receive important legal advice when needed to increase the scope and range of expertise available to parishes.

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

The Bishop's Safeguarding Advisory Panel (BSAP) was inaugurated in 2018, bringing in independent expertise to challenge, support and build the Diocese's work in this vital area.

Significant amounts of safeguarding training, as well as support to parishes,

have continued to be delivered, with feedback showing that training is relevant and increases people's confidence in reporting concerns.

PROJECT INITIATION SUPPORT

We are looking at how to support churches who are undertaking large projects.

A project being undertaken at Holy Redeemer, Lamorbey, was used as a pilot to explore how a church could be supported as it sought to reclarify its church refurbishment.

Much learning has been captured from this project.

The DAC is always on hand to help congregations and their Parochial Church Councils to get the best results possible and to support them through the process of development and building work.

TAKING OWNERSHIP OF SAFEGUARDING

Funky Fridays is a play and stay toddler group at St Francis of Assisi, Strood, run by two local childminders.

"We agreed that they would run the group for St Francis. We safely recruited them both and they both completed the two basic safeguarding modules. We've now made contact with at least 100 families and parents say it is by far the best group they attend all week." The Rev Sharon Copestake, Vicar of St Francis.



BUILDING WORK STARTS ON FRESH MISSION FOR HOLY REDEEMER, LAMORBEY

"SUPPORT FROM
THE DIOCESE
REALLY HELPED
US."

THE REV MELL JEMMETT

HOLY REDEEMER IN LAMORBEY HAS SUCCESSFULLY RUN COMMUNITY PROGRAMMES FOR MANY YEARS. THEIR VISION IS TO BE A SPIRITUAL AND PHYSICAL PRESENCE THAT IS OUTWARD LOOKING, PRIMED FOR GROWTH AND CAPABLE OF GIVING.

To achieve this, they recognised that a re-ordering and refurbishment of their facilities was central to their being able to fulfil their missional and community aims and that an existing business model needed some revision.

"Support from the Diocese really helped us," says the Rev Mell Jemmett, Vicar of Holy Redeemer. They helped us revise our building and business plan, identify funding sources, negotiate the sale of land, and planning application dealings, and put in place appropriate governance and project management processes."

Work is now underway to the fabric and layout of the existing buildings that will provide modern, accessible and flexible internal and external spaces designed for use by diverse groups, that generate additional income through hiring possibilities, and that are more efficient to run and easier to maintain, while retaining features which are part of its personality.

"This development is going to make a huge difference to us in terms of our ministry and outreach to the community. We're very excited for the future. It couldn't have happened without the cohesive work of the parish and the team back at the Diocesan Office. Overseeing the delivery of this project has provided a tangible example of how God empowers us to be those who are 'called together' to collaborate on church growth."





“

This development is going to
make a huge difference to us.

”

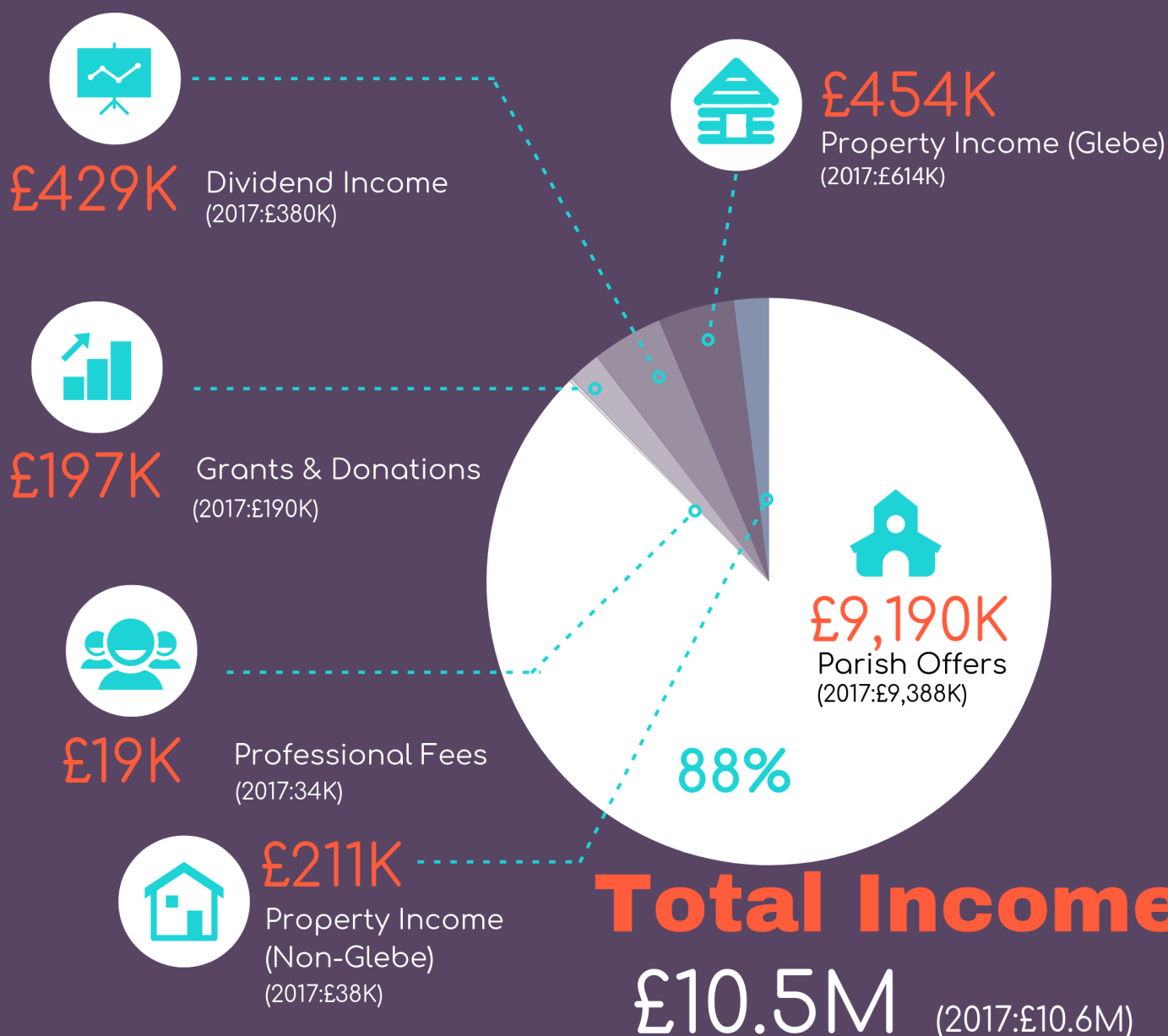
The Rev Mell Jemmett

FINANCIAL

Net Income on all funds was a surplus of £2.0M (2017:£7.8M). The Operating Result* was a deficit for the year of £0.38M, which compares to the published adjusted deficit last year of £0.43M. The Diocese's financial strategy seeks to eliminate operational deficits within three years.

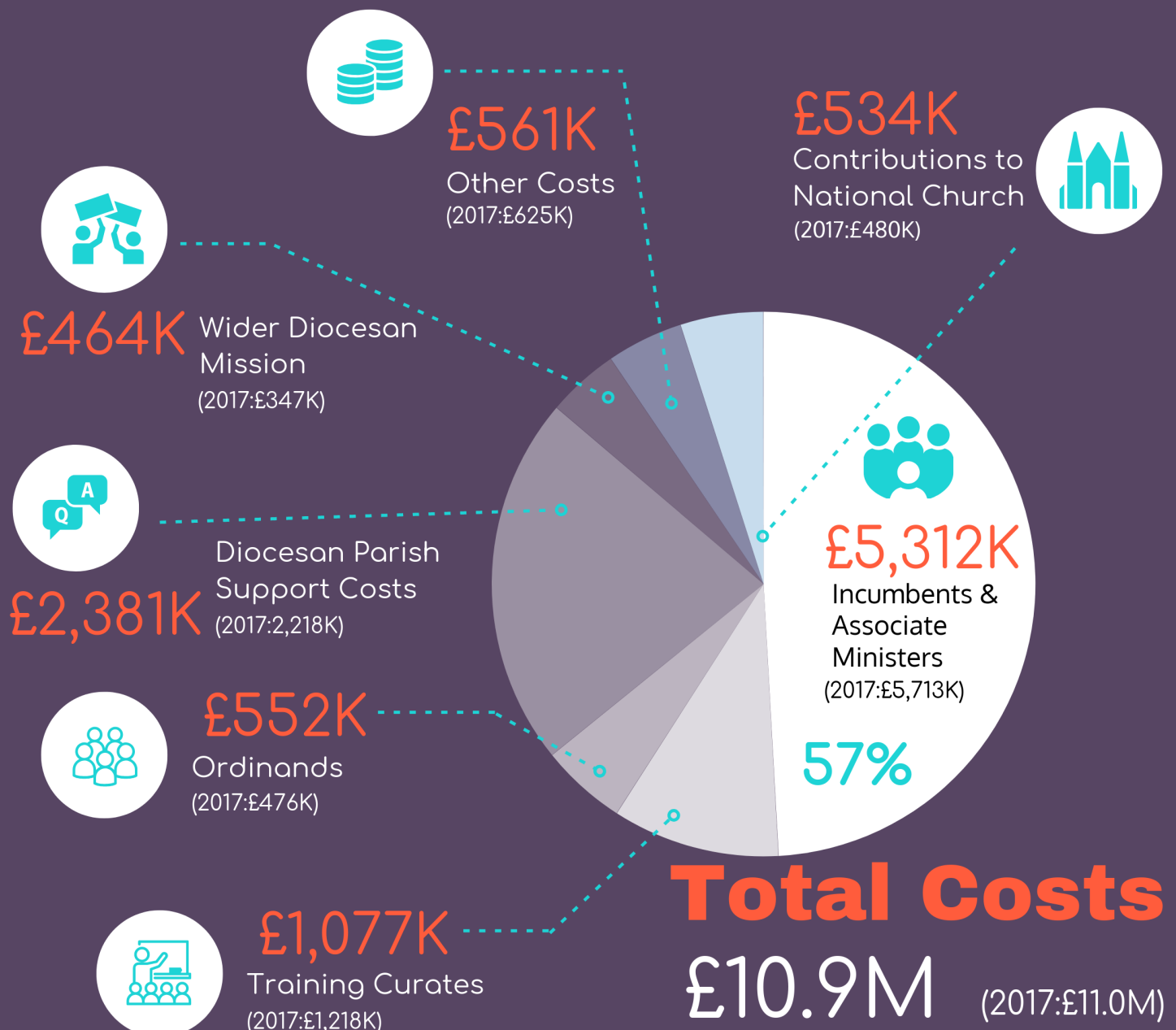
*Movement on the Unrestricted General Fund

WHERE OUR INCOME COMES FROM



OVERVIEW

HOW THE MONEY IS SPENT



BISHOP CHAVASSE PRIMARY SCHOOL

The Diocese of Rochester is reliant principally on payments of Parish Offers, which represent 88% of total income.

COST OF A FULL-TIME INCUMBENT

Current Stipend (from April 2019) (2018: 26,201)	£26,725
National Insurance (9.5%)	£2,539
Pension (25.9%)*	£6,922
Parsonage Upkeep (2018: £4,149)	£4,653
Cost of Full-time Incumbent	£40,839

*Excluding pension deficit payments at 11.9%

#Based on 165.8 average clergy in post(2017: 167.8)

→ £41K

DIOCESAN SUPPORT COSTS

	Actual 2018	Budget 2019
Clergy Removals and Resettlements	£152K	£170K
Support Clergy and Office	£191K	£208K
Formation and Ministry	£270K	£258K
Other Ministry Costs	£93K	£85K
Strategy & Implementation	£57K	£61K
Safeguarding	£122K	£219K
Communications	£82K	£89K
Legal & Secretariat	£169K	£154K
Finance & Stewardship	£254K	£273K
IT	£144K	£155K
DAC	£119K	£114K
Other Office Costs	£40K	£51K
Diocesan Parish Support Costs (ex Parsonage Upkeep)	£1,693K	£1,837K
Parsonage Upkeep (Budget included above)	£688K	£837K
	£2,381K	£2,674K
Number of Benefices in the Diocese	182	180

→ £10K

PARISH CONTRIBUTION REQUESTED TO COVER THE COST OF A FULL-TIME INCUMBENT AND DIOCESAN SUPPORT COSTS

AVERAGE CONTRIBUTION REQUIRED TO COVER COSTS OF MISSION, FUTURE MINISTRY AND NATIONAL CHURCH OF ENGLAND

	Actual 2018	Budget 2019
Curates	£1,077K	£1,151K
Ordinands	£552K	£502K
Wider Diocesan Mission	£463K	£465K
Contributions to National Church	£492K	£453K
Total	£2,584K	£2,571K

→ £14K

NET AVERAGE CONTRIBUTION REQUIRED FOR BENEFICES UNABLE TO COVER FULLY THE COST OF A FULL-TIME INCUMBENT AND DIOCESAN SUPPORT COSTS

	Based on Actual 2018
Contribution required for 94 benefices unable to cover fully the cost of a Full-time Incumbent and Diocesan Support Costs	£1,360K

→ £8K

AVERAGE CONTRIBUTION REQUIRED FROM BENEFICES

→ £73K



A health visitor, a weights enthusiast and a probation officer were among nineteen people ordained into the Diocese this year.

“ I wish to bring the hope and encouragement I have received from God ... to my parish community.

The Rev Folake Makanjuola, Priest

”

FINANCIAL STRATEGY

The Financial Strategy is to achieve a break-even operating position in three years.

This is to be achieved principally through a combination of moderate increases in Parish Offers and moderate reductions in stipendiary clergy posts.

As the operating deficit position of the Diocese has not improved as much as we had wanted, it is likely to take longer than originally planned and is contingent upon the successful implementation of the proposal for Indicative Offers and further reductions in stipendiary clergy provision.

UNDERPINNING CALLED TOGETHER

One of the key challenges facing the Diocese is strengthening its financial resilience going forward. Our strategic plans are built on foundations of being affordable and sustainable over the next five years.

Financial projections, including cash-flow, have been modelled and flexed based on a number of scenarios to ensure that a range of eventualities are assessed and the appropriate management action taken.

The Bishop's Council implemented a new Financial Strategy in February 2018. The purpose of this Financial Strategy is to underpin Called Together and enable it to come to fruition. This entails two principal risks.

First, we make plans that we cannot afford and end up in financial difficulty.

Second, we limit our ambition and fail to address the underlying issues of general church decline. Neither of these would be satisfactory.

Our aim is to address the underlying challenges that face the Diocese and provide a platform for growth, and all the while ensure we have the funds necessary to achieve this.

BUDGET AND OUTLOOK FOR 2019

The 2019 Budget for the Unrestricted General Fund that Diocesan Synod recommended in October 2018 is an operating deficit of £602K (2018: £575K).

Much of the expenditure for the Diocesan Office is related to staff that we employ. We are budgeting the headcount of full-time equivalents of 40 (2018: 39). In relation to other dioceses, the central support function remains comparatively low.

It is proposed that the deficit will be funded, in part, by a transfer from the Diocesan Pastoral Account of up to £500K. These funds will be applied for the repair of parsonages and mission projects, thereby releasing funds held in the Unrestricted General Fund towards regular diocesan expenditure, including the payment of stipends. This is principally as a result of insufficient levels of Parish Offers.

Called Together, our new strategic framework, focuses on growth, and aims to support parishes to grow

disciples, enrich communities, and resource mission and ministry at every level.

To deliver some of this work to the desired level will require additional staff resource. This includes 2 additional part-time posts in the Children and Young People team and an additional part time post in the Mission & Community Engagement team. This is to be funded through realignment of existing diocesan funding, Trust for London and Strategic Development Fund (SDF) funding from the Church Commissioners.

The Council has stated its intention to apply c£500K over the next 3 years for Archdeaconry Growth Enablers. This will be facilitated through release of funds from the Diocesan Pastoral Account to the Unrestricted General Fund.

A bid for SDF funding is being made to Church Commissioners to support our Called to Grow plans.

ACHIEVING A BALANCED BUDGET

The RDSBF aims to keep the day-to-day income and expenditure of the Unrestricted General Fund in balance, while using designated and restricted funds for the purposes for which they are held, and in particular to fund capital and growth initiatives.

It is planned that a balanced budget will be achieved within three years, although there are significant challenges ahead to achieve this.

The Board has had to deal with the increasing costs of compliance, including safeguarding and data protection, as well as the transfer of costs from the National Church, including clergy pension deficit payments.

All of this has been contained within the envelope of diocesan expenditure and has not been fully passed onto parishes. During this period, the Diocesan Office has managed its resources effectively.

A system of support for parishes

in respect of stewardship was implemented during the year, with emphasis on financial stewardship and using national tools supporting parishes in their income-raising activity.

INTRODUCTION OF INDICATIVE OFFERS

There are a number of factors which can impact on the RDSBF's ability to meet its objectives. Most important is the collection of the Parish Pledged Offers, with parishes responding with a realistic level of voluntary contribution.

The level of Pledged Offers and any significant shortfall in collection will have implications for the Diocese's mission and deployment plans going forward.

Overall parish offers have not increased in recent years, which is placing strain on RDSBF finances.

Towards the end of 2018, a consultation 'One Mission, Many Places' was launched on a proposal to enhance the existing Parish Offer system by introducing an 'Indicative Offer' for each parish.

While retaining the voluntary nature of Parish Pledged Offers, the Indicative Offer would enable parishes to assess their Pledged Offers based on the total mission and ministry funding requirement of the whole Diocese.

It is hoped that, by introducing a system of Indicative Offers and by targeted follow up with key parishes by the Archdeacons and Area Deans, supported by the Finance Team, the level of Parish Offers may be increased to a sufficient level to meet our mission and deployment plans.

FINANCIAL RESILIENCE

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 giving due 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. Currently take-up in the Diocese is low and every effort is being made to promote this scheme.

RESERVES POLICY

FREE RESERVES

The Trustees require reserves to:

- meet short term excesses of expenditure over income;
- provide funds for expenditure with long life horizons, such as clergy housing; 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 DBF's policy to maintain free reserves in excess of £5M.

Unrestricted Reserves were increased in the year by £3.25M, due to the transfer of senior clergy houses to restricted benefice property (see Financial Review), and at the year-end stood at £6.0M (2017: £3.2M). This is £1M in excess of the amount required under the policy. The Trustees consider it important to carry additional reserves to cover unforeseen eventualities and the possibility of future operating deficits.

DESIGNATED RESERVES

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

RESTRICTED AND ENDOWMENT FUNDS

As set out in Note 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 on endowed funds may be used for certain restricted or unrestricted purposes.

LIQUIDITY POLICY

The Board's liquidity policy is to ensure the provision of sufficient cash resources to cover commitments for ongoing working capital and obligations on funds held on behalf of parishes in respect of church repairs in the Church Repairs Fund (CRF) and deposited by parishes in the Diocesan Loans Fund (DLF).

LIQUID RESERVE

The Trustees maintain minimum liquid reserves of £2.75M (defined as monies either on current account or on bank deposits of up to 35 days' notice) being £2.0M for the purposes of working capital and £0.75M to cover potential withdrawals.

CASH RESERVE

In addition to this, the Board has a policy to hold a 'Cash Reserve' for prudent 'risk' reasons (as opposed to liquidity considerations) of at least 10% of long-term investments and cash and short-term deposits, subject

to a maximum of £2.5M. This should also be held in cash through a range of maturities of up to one year being utilised.

INVESTMENT POLICY

The Board's investment policy is based on two key principles:

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.

LONG-TERM RESPONSIBILITIES

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 Fund Managers employed by the RDSBF are Sarasin and Partners and Eden Tree.

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

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 2018 is indicated in Note 8.

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

The Diocese in 2018 launched a new £500K fund to support local initiatives in connection with mission to Children & Young People (funded by a £250K grant from the Colyer- Fergusson Charitable Trust; a £125K grant from Trust for London; and £125K from RDSBF's Hollywood Manor Fund).

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 in the partnerships with our Companion Dioceses of Mpwapwa and Kondoa in Tanzania, Harare in Zimbabwe, and to promote links with the Estonian Lutheran Diocese of Estonia.

PROPERTY

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

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

- To replace unsuitable parsonages;
- To accommodate the changing geographical deployment of clergy within the Diocese; and
- To realise the development potential in some properties, thereby releasing funds to invest in our mission.



Funmi Makanju, a solicitor, became one of 15 new Licensed Lay Ministers in the Diocese:

“ With my licensing I particularly wish to encourage black, Asian and minority ethnic members of the Church to become more involved and use their gifts.”

CLERGY HOUSES STRATEGY

Inspired by the Called Together vision, a new Clergy Houses Strategy has been developed.

It sets out the Clergy Houses Committee's approach to clergy housing for the coming years, and reaffirms the work and aspiration of the Committee.

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

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

- flexible
- realistic, and
- responsible.

Following a period of consultation with clergy, the Strategy was agreed by Diocesan Synod in October 2018.

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

- Suitable and appropriate in their use of diocesan funds;
- 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 20) 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 £564K was spent (including insurance) on the care of parsonages and other properties under the Clergy Property Measure 2018 and the Repair of Benefice Buildings Measure 1972.

This includes 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 the financing of any purchase of property. It will additionally consider, on the advice of the Archdeacons, whether rental of property is particularly appropriate in individual circumstances.

This strategic approach to our property requirements is worked in close association with the Archdeacons.

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.

Estimating 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.

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.

RELATED PARTIES

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 COUNCIL (PCC)

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 the 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. Dr Jeff Blyth served as Chair and was succeeded by the Bishop of Tonbridge on 10 September 2018.

- St Augustine's College of Theology: The College is located on the Malling Abbey estate owned by the RDSBF and is a lessee. The Director of Formation and Ministry was Chair of the Board of Trustees until 1 September 2018. Ordinands and 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 Diocesan Secretary is a Director and 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.



REPRESENTATIVES FROM THE DIOCESE
CELEBRATED THE CONCECRATION OF
BISHOP MUTAMIRI IN OUR COMPANION
LINK DIOCESE OF HARARE

MITIGATION OF RISKS AND UNCERTAINTIES

The Diocese is focused on mitigating the risks it faces. We are committed to ensuring that all our practices are of the highest Christian and moral standards according to biblical principles. We are also committed to sustaining widespread Christian ministry in all the parishes of the Diocese now and for generations to come.

BISHOP'S COUNCIL RESPONSIBILITY

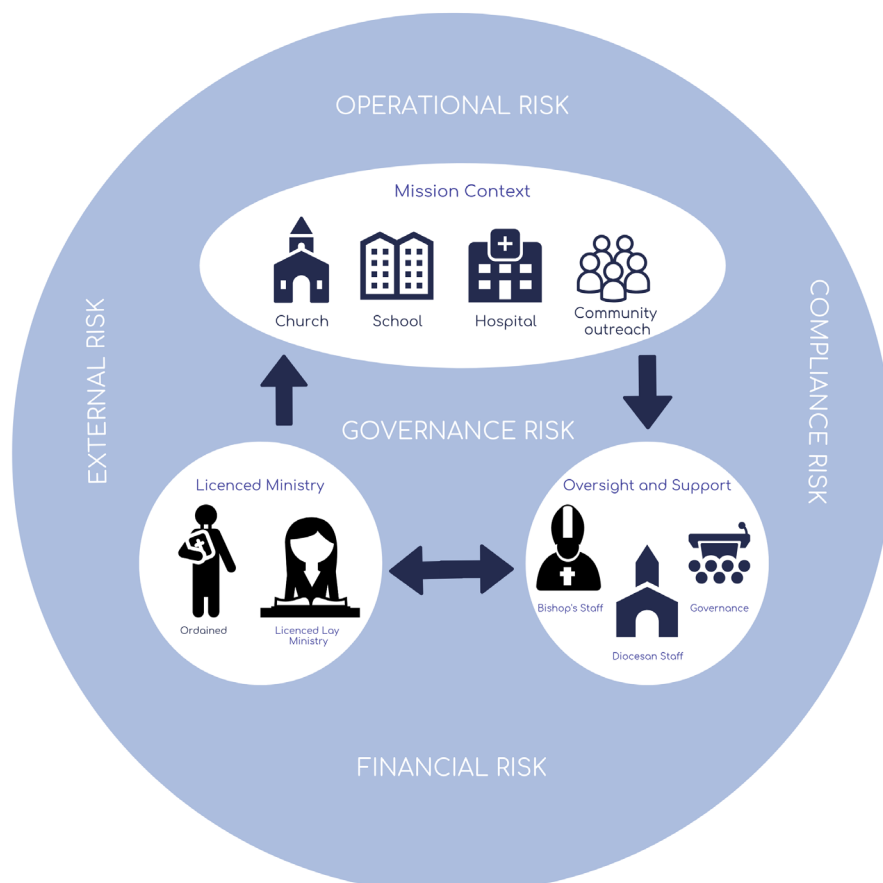
The Board is responsible for ensuring that effective and adequate risk management and internal control systems are in place to manage the major risks to which the Diocese is exposed.

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

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

RISK ASSESSMENT MODEL

To support the identification and evaluation of our key risks, we have developed a risk assessment model which incorporates our key activities of mission and ministry as shown in the diagram below:



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

RISK MANAGEMENT FRAMEWORK

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

The framework provides a consistent approach to identifying, assessing and dealing with the risks facing us to ensure that they do not exceed the

level of risk we are willing to assume.

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

PRINCIPAL RISKS

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

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

Risk Area	Mitigation Strategy
<ul style="list-style-type: none"> Non-recent cases of abuse of children or vulnerable adults in the Diocese resulting in a breach of trust and negative impact on the victims, impacting the Church's reputation and potentially leading to litigation. 	<ul style="list-style-type: none"> An appropriate response that especially respects the dignity of victims involving transparency, humility and contrition. Communications strategies well-rehearsed and co-ordinated with Church House, Westminster and Lambeth Palace. Insurance.
<ul style="list-style-type: none"> Current abuse of children or vulnerable adults in the Diocese resulting in a breach of trust and negative impact on the victims, impacting the Church's reputation and potentially leading to litigation. 	<ul style="list-style-type: none"> An independently audited safeguarding programme, which is professionally run and independently audited, with satisfactory training and accreditation of all those engaged in ministry. Independent safeguarding panel. Communications strategies well-rehearsed and co-ordinated with Church House, Westminster and Lambeth Palace. Insurance.
<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. 	<ul style="list-style-type: none"> Introduction of new Strategic Framework in November 2017. 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.
<ul style="list-style-type: none"> Nationally divisive issues leading to loss of clergy and/or congregations and finances and impacting the Church's reputation. 	<ul style="list-style-type: none"> Strong episcopal leadership and professional support in handling difficult issues and sensitive negotiation with churches concerning the pastoral, operational and financial implications.
<ul style="list-style-type: none"> Deployment of Clergy. 	<ul style="list-style-type: none"> Archdeaconry Mission and Pastoral Working Groups. Implementation of the Ministerial Deployment Tool. Legal process for Pastoral Reorganisation.
<ul style="list-style-type: none"> Financial operating deficit leading to breakdown in trust with parishes and the inability to maintain support to legally committed ministry. 	<ul style="list-style-type: none"> New Financial Strategy approved in March 18 that sets out the approach to achieve a balanced budget, regular financial planning and budgetary control. Providing new guidelines for Parish Offers.
<ul style="list-style-type: none"> Information security, IT systems availability and performance, staff proficiency in using IT systems. 	<ul style="list-style-type: none"> 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.
<ul style="list-style-type: none"> Data protection including breach of confidentiality through sharing of personal data and lack of consent. 	<ul style="list-style-type: none"> GDPR policy and processes being implemented at Diocesan Office, including diocesan staff training, and advice and training provided to parishes.

FINANCIAL REVIEW

There was a Net Income surplus for the year of £2.0M (2017: £7.8M). The Unrestricted General Fund shows an operating deficit for the year of £0.38M (before transfers and pension revaluations), which compares to the Operating deficit last year of £0.43M. The reserve balance on the Unrestricted General Fund was £6.0M as at 31 December 2018 (2017: £3.2M), which slightly exceeds the requirement under the recently revised reserves policy

FINANCIAL PERFORMANCE – INCOME AND EXPENDITURE

The Statement of Financial Activities (on page 48) shows an overall Net Income surplus for the year of £2.0M (2017: £7.8M) after profits on the sale of property of £1.4M (2017: £3.2M) and gains on investments of £1.6M (2017: £5.0M).

The Unrestricted General Fund shows an Operating deficit for the year of £0.38M (before transfers and pension revaluations), which compares to a budgeted Operating deficit of £0.55M (2017: break-even) and the Operating deficit last year of £0.43M.

After taking account of profit on the sale of properties of £52K (2017: nil) and losses on investments of £513K (2017: gain £363K), the Unrestricted General Fund showed a Net Income deficit of £0.84M (2017: deficit £70K).

Restricted Funds show an Operating deficit of £1.15M (2017: deficit £19K) and a Net Income surplus of £211K (2017: surplus £2.3M) after profit on sale of properties of £1.3M (2017: £1.5M) and gains on investments of £32K (2017: £2.1M).

Endowment Funds show an Operating surplus of £0.5M (2017: deficit £48K) and a Net Income of £2.7M (2017: £4.7M) after profit on sale of properties of £24K (2017: £1.0M) and gains on investments of £2.1M (2017: £3.7M).

The Operating deficit on the Unrestricted General Reserve of £0.38M (2017: £0.43M) is after support

towards stipend costs from the Diocesan Pastoral Account of £500K (2017: nil).

The main income of the Diocese is Parish Pledged 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 Unrestricted General Fund. Income from Parish Pledged Offers was £9.19M (2017: £9.38M) and represented 88% (2017: 88%) of the RDSBF's unrestricted operating income.

The other main sources of income in the year were donations and property and investment income. Donations were higher at £1,576K (2017: £690K) and include a legacy endowment from the Estate of the late David Goodwin of £650K, and property rentals and investment income increased to £1.13M (2017: £1.06M).

Total expenditure (including the one-off items noted above) was £10.9M (2017: £11.7M).

During the year, the RDSBF paid stipends and associated costs totalling £6.75M (2017: £6.66M) for incumbents, curates and other clergy. The total number of full-time equivalent clergy in post fell from 197 to 192.

A detailed breakdown of income and expenditure on the Unrestricted General Fund and a breakdown of the Support Costs for a Parish are set out on pages 22 to 24 of the Trustees' Report.

Contributions are made to the Archbishops' Council to cover a proportion of its central costs relating to the activities of the various national boards and councils, as well as the General Synod, and to cover a proportion of the cost of national training for ministry (see note 6 to the financial statements).

INVESTMENT INCOME

Investments held at 31 December 2018 were £14.0M (2017: £11.6M) and investment properties were valued at £12.0M (2017: £16.2M) (see Note 10). Net dividends were £455K (2017: £393K) and net rental income was £676K (2017: £669K) (see Note 3).

The investments held and their return during the year is set out in the following table which shows an overall yield on investments of 3.7% (2017: 4.9%) and total return of 6.6% (2017: 28.4%). The negative total return on market investments was due to the decline in equity markets at the end of the year.

GRANTS RECEIVED

The RDSBF gratefully acknowledges all grants received including those from Trust for London for £224K (2017: £218K);

All Churches Trust for £136K (2017: £136K); Historic England for £23K (2017: nil) the Henry Smith Charity for £20K (2017: nil).

The RDSBF received the following grants from the Archbishops' Council:

£173K Strategic Development Funding towards Chatham Town Centre.

£116K block grant for ordinands' training fees and expenses under the new Resourcing Ministerial Education process.

SIGNIFICANT PROPERTY TRANSACTIONS

Eleven (2017:12) properties were sold during the year for a total of £8.6M (2017: £4.8M), realising a total profit of £4.1M (2017: £3.2M).

No new parsonages were acquired.

Included in the £8.6M of disposals noted above was the sale of development land in Yalding in March 2018 for £5.1M. The development land at Yalding was valued as at 31 December 2018 at £2.5M, providing a gain of £2.6M.

As part of the recent review of the Reserves Policy, four senior clergy properties (occupied by the Suffragan Bishop and the three Archdeacons) were revalued at £4.06M, at an unrealised gain

of £1.1M, and transferred from Designated Board property to Restricted Benefice property.

This was funded by the Stipend Capital fund and led to an increase in the Unrestricted General Fund of £3.25M. This was made possible by the declaration that the said senior clergy are engaged in the 'cure of souls' within the Diocese of Rochester.

BALANCE SHEET POSITION

Net assets at the balance sheet date totalled £72.1M (2017: £68.5M). This includes properties which are mostly in use for ministry; the book value of which amounted to £49.8M as at 31 December 2018 (2017: £47.5M).

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 investment position (excluding investment properties) at 31 December 2018 stands at £23.4M (2017: £18.4M); being £5.0M in excess of the level at

	At 31/12/18 £K	At 31/12/17 £K	2018 Prop'n	2017 Prop'n	2018 Income Yield	2017 Income Yield	2018 Total Return	2017 Total Return
Glebe	11,983	16,193	46.0%	58.3%	4.0%	6.0%	19.8%	40.4%
Sarasin Endowment Fund	10,065	8,563	38.7%	30.8%	3.4%	3.1%	-4.6%	10.8%
Eden Tree Amity Balanced Fund	877	659	3.4%	2.4%	5.1%	4.9%	-7.1%	9.5%
Eden Tree Global Equity Fund	3,097	2,362	11.9%	8.5%	3.4%	3.2%	-4.0%	15.3%
	26,022	27,777	100.0%	100.0%	3.7%	4.9%	6.6%	28.4%

the start of the year. The increase has been largely due to a number of sales of property totalling £8.6M (2017: £6.7M), but deducting purchases of property and capital expenditure totalling £5.0M (2017: £2.9M).

UNRESTRICTED GENERAL FUND

The reserve balance on the Unrestricted General Fund was £6.0M as at 31 December 2018 (2017: £3.2M), which slightly exceeds the requirement under the recently revised reserves policy on £5M (see Reserves Policy under Financial Strategy on page 28).

DESIGNATED FUNDS

The balance of designated funds as at 31 December 2018 was £6.8M (2017: £9.7M).

RESTRICTED AND ENDOWMENT FUNDS

The RDSBF holds and administers a large number of restricted and endowment funds. As at 31 December 2018, restricted funds totalled £40.0M (2017: £35.8M) and endowment funds totalled £19.2M (2017: £19.9M).

// I'm really looking forward to sharing with you all in the Gospel and to finding out what God has in store for us and those we serve, out of his riches in Christ. //

IN JULY, THE RT REV SIMON BURTON-JONES WAS CONSECRATED
AS THE NEW BISHOP OF TONBRIDGE IN ST PAUL'S CATHEDRAL



GOVERNANCE, STRUCTURE AND MANAGEMENT

The principal activity of the RDSBF is to serve and support the parishes and people within the Diocese of Rochester in their mission of proclaiming the Gospel of Jesus Christ. The main role of the RDSBF is to identify and manage the financial aspects of the provision of ministry throughout the Diocese.

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 2018.

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 vast majority of churches are available to the public at large and none is restricted to members of the Church of England.

THE STRUCTURE OF THE CHURCH OF ENGLAND

The Church of England is organised as two provinces; each led by an archbishop (Canterbury for the Southern Province and York for the Northern Province). Each province comprises dioceses of which there are 42. Each diocese in England is divided into parishes. Each parish is overseen by a parish priest (usually called a Vicar or Rector).

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

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

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

NATIONAL CHURCH INSTITUTIONS

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

The Archbishops' Council was established in 1999 to co-ordinate, aid

and further the mission of the Church of England. Its task is to give a sense of direction to the Church of England nationally and support the Church of England locally in parishes and dioceses. Its goals are: Contributing to the Common Good; Going for Growth (both numerically and spiritually) and Reimagining Ministry (both lay and ordained).

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

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

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

THE CATHEDRAL

The cathedral is the mother church of the diocese and legally constituted as a separate charity currently exempt from Charity Commission registration and supervision. For Rochester Cathedral copies of its trustees' report and financial statements may be obtained

from the Chapter Office, Garth House, Rochester ME1 1SX.

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

THE DIOCESE

DIOCESAN SYNOD

The statutory governing body of the Diocese is the Diocesan Synod which is elected with representation across the diocese with broadly equal numbers of clergy and lay people meeting together with the two bishops. Elections occurred in 2018 for the 2018 to 2021 triennium.

Its role is to:

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

DEANERY SYNOD

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

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

matters as it considers appropriate;

- elect members of the deanery to the Diocesan Synod and of the Diocese to General Synod.

BISHOP'S COUNCIL

The Bishop's Council acts as:

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

Elections occurred during 2018 for the 2019 to 2021 triennium.

PAROCHIAL CHURCH COUNCIL (PCC)

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

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

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

PASTORAL UNITS

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

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

The Diocese is then the principal pastoral, financial and administrative resource of the Church of

England, encompassing the various archdeaconries under the spiritual leadership of the Bishop of Rochester.

The Diocese of Rochester 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 1.3million, which is expected to increase by 300,000 over the next 20+ years. We have 184 full-time equivalent substantive stipendiary parochial posts, and 31 substantive self-supporting posts; at any time, we have around 20 stipendiary and 10 self-supporting curates in training.

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

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

The Ebbsfleet Garden City development will have a new population of some 45,000 people – it is the largest single housing development in England. Ethnic and religious diversity is a growing feature of our communities, and this is reflected in many of our congregations.

Our diocesan-level world church partnerships are an important element of who we are. We have very active relationships with the Dioceses of Mpwapa 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 Associate Diocesan Secretary, the Director of Finance and the Diocesan Surveyor, and their respective staff. The Diocesan Secretary is also a member of the Bishop's Leadership Team which meets regularly throughout the year.

The statutory governing body of the Diocese is the Diocesan Synod, which is an elected body with representation from all parts of the Diocese. Its legal basis is the Synodical Government Measure 1969. Membership consists of ex-officio members, including the Bishops and Archdeacons, clergy members elected by the houses of clergy in deanery synods; lay persons elected by the houses of laity in

deanery synods, being up to 181 persons including 5 that may be co-opted by each of the House of Clergy and the House of Laity and 10 members who may be nominated by the Bishop of Rochester. The Diocesan Synod typically meets three times a year during February, June and October.

TRUSTEE RECRUITMENT, SELECTION AND INDUCTION

The Board includes:

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

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

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

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Emoluments of higher paid staff are determined by the HR Group in accordance with the Board's remuneration policy. Details of the aggregate remuneration of the key management personnel is shown in Note 7 of the accounts.

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 £2.0M at 31 December 2018 (2017: £2.0M), are available from the RDSBF on request, and are summarised in Note 21. Where properties are held as custodian trust, the deeds are identified as such and held in safe custody by the RDSBF.

THE ANNUAL BROMLEY SCHOOL
FESTIVAL TOOK PLACE IN JUNE.

“ Our theme today has been
'All are welcome' and I
have to say, it has been a
truly joyous day for all the
children and all the people
that have helped. ”

Jeff Blyth, Chair of the Board of
Education for the Diocese of Rochester



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.

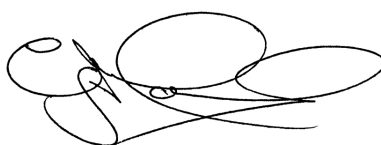
As far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware.

APPOINTMENT OF AUDITORS

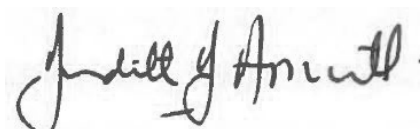
The appointment of Haysmacintyre LLP as auditors to the RDSBF will be proposed at the Annual General Meeting.

In approving this Trustees' report, the Trustees are also approving the Strategic Report included on pages 3 to 42 in their capacity as company directors.

BY ORDER OF THE TRUSTEES OPINION



Mr Geoff Marsh
Diocesan Secretary



Canon Judith Armitt
Chair of Rochester Diocesan Society
and Board of Finance

10 May 2019

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

We have audited the financial statements of the Rochester Diocesan and Society Board of Finance for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, 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 2018 and of the charitable company's net movement in funds, including 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.

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on page 43, 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.

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.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting

for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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 Trustees' Annual Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report

(which incorporates the strategic report and the directors' report) has 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 Trustees' 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 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.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A Halsey (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

10 May 2019



Our lay and ordained chaplains have continued to work this year, often in partnership with other faiths, within a variety of settings including schools, hospitals and care homes, retail parks and prisons. Their work is a vital, if largely unseen, part of our mission and ministry.

“ We are Church without walls and a presence bringing the love of God into the workplace. ”

Jan Foreman, Volunteer Chaplain, Bluewater

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2018

	Note	Unrestricted General £'000	Designated £'000	Restricted £'000	Endowment £'000	Total 2018 £'000	Total 2017 £'000
Income							
Donations:							
- Parish Offers		9,190	-	-	-	9,190	9,388
- Other	2	197	-	729	650	1,576	690
Investment income	3	1,094	-	37	-	1,131	1,062
Charitable activities	4	19	-	-	-	19	34
Total income		10,500	-	766	650	11,916	11,174
Expenditure							
Raising funds	5	(260)	-	(10)	(1)	(271)	(310)
Charitable activities		(10,621)	-	(1,902)	(148)	(12,671)	(11,377)
Total Expenditure	6	(10,881)	-	(1,912)	(149)	(12,942)	(11,687)
Operating (Deficit)/Surplus:		(381)	-	(1,146)	501	(1,026)	(513)
Profit on sale of property		52	7	1,325	24	1,408	3,248
Gains/(losses) on investments	10	(513)	-	32	2,128	1,647	5,071
Net Income		(842)	7	211	2,653	2,029	7,806
Reserve Movements:							
Net Income		(842)	7	211	2,653	2,029	7,806
Gains on revaluation of fixed assets		-	1,144	-	-	1,144	-
Revaluation of pension scheme liabilities	22	449	-	-	-	449	112
Transfers between funds	19	3,254	(3,965)	4,061	(3,350)	-	-
Net movement in funds		2,861	(2,814)	4,272	(697)	3,622	7,918
Reserve balances at 1st January 2018		3,186	9,658	35,773	19,896	68,513	60,595
Reserve balances at 31st December 2018		6,047	6,844	40,045	19,199	72,135	68,513
			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 – £650k (2017 : Nil); Endowment Fund expenditure - £149k (2017 - £48k); Profit on Sale of Property - £24k (2017 : £1,076k); and Endowment Fund gains and losses on investments - £2,128k (2017 : £3,718k).

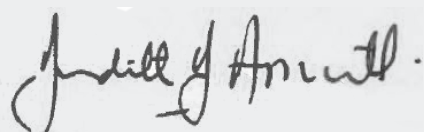
BALANCE SHEET

For the year ended 31 December 2018

Rochester Diocesan Society and Board of Finance(The) Company registration number 140656			
	Note	Total 2018 £'000	Total 2017 £'000
FIXED ASSETS			
Tangible assets	9	49,821	47,468
Investments	10	26,022	27,777
		<u>75,843</u>	<u>75,245</u>
CURRENT ASSETS			
Debtors	11	1,356	1,332
Short term deposits		7,582	3,161
Cash at bank		1,755	3,641
		<u>10,693</u>	<u>8,134</u>
CREDITORS: Amounts falling due within one year			
Bank overdraft		21	91
Creditors	12	10,526	9,846
		<u>10,547</u>	<u>9,937</u>
NET CURRENT LIABILITIES		146	(1,803)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>75,989</u>	<u>73,442</u>
CREDITORS: Amounts falling due after more than one year	12		
Pensions liability		3,559	4,556
Other creditors		295	373
NET ASSETS		<u>72,135</u>	<u>68,513</u>
Unrestricted		12,891	12,844
Restricted		40,045	35,773
Endowment		19,199	19,896
FUNDS	20	<u>72,135</u>	<u>68,513</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 10 May 2019 and signed on behalf of the Board by:



Canon Judith Armitt

Chair of Rochester Diocesan Society and Board of Finance

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	2018	2017
	£'000	£'000
Net cash outflow from operating activities	(2,036)	(1,936)
Cash flows from investing activities		
Investment income	1,131	1,062
Proceeds from the sale of:		
Tangible fixed assets	1,707	4,738
Fixed asset investments	6,902	2,000
Purchase of:		
Tangible fixed assets	(1,599)	(2,890)
Fixed asset investments	(3,500)	-
Net cash provided by investing activities	4,641	4,910
Change in cash and cash equivalents in the reporting period	2,605	2,974
Cash and cash equivalents at 1 January	6,711	3,737
Cash and cash equivalents at 31 December	9,316	6,711
Reconciliation of net movement in funds to net cash outflow from operating activities	2018 £'000	2017 £'000
Net movement in funds for the year ended 31 December	3,622	7,918
Adjustments for:		
Investment income	(1,131)	(1,062)
Depreciation	13	5
Gain on disposal of fixed assets	(1,408)	(3,248)
Gain on sale of investments	(2,712)	-
Unrealised loss on investments	1,045	(4,081)
Revaluation of fixed assets	(1,144)	-
Revaluation of investment property	20	(990)
Equity Share loan in 24 Highlands Road - disposed in year	78	
Increase in creditors: falling due within one year	680	109
(Increase)/Decrease in debtors	(24)	221
Decrease in creditors: falling due after one year	(1,075)	(808)
Net cash used in operating activities	(2,036)	(1,936)
Analysis of cash and cash equivalents	£'000	£'000
Money on deposit less overdraft	7,582	3,161
Cash at bank less overdraft	1,734	3,550
	9,316	6,711

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

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 2015), the Companies Act 2006 and applicable accounting standards (FRS 102).

b) Going concern

The Trustees consider that there are no material uncertainties regarding the RDSBF's ability to continue as a going concern. Plans are being developed to bring the operating result back into balance within 3 years. The RDSBF has net assets of £72.1m (2017 : £68.5m) 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 not recognised as diocesan income as parishes have been allowed to hold on to these and pass any amounts received as part of their parish offer.
- 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 the 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 FRS 102. Deficit

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

funding for the pension schemes to which RDSBF participates and which are unpaid at this year-end, is accrued at current value in creditors, distinguished between contributions due within one year and after more than one year.

- vi) **Short term employee benefits** - Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.
- vii) **Employee termination benefits** - Termination benefits are accounted for on an accrual basis and in line with FRS 102.
- viii) **Tangible fixed assets and depreciation** - Tangible fixed assets are shown in Note 9 to the financial statements.

Freehold properties - The RDSBF measures all freehold property assets at historical cost as required by FRS 102.

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 FRS 102, 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 fair value.

Parsonage Houses - The RDSBF has followed the requirements of FRS 102 in its accounting treatment of benefice houses. FRS 102 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 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 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

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

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 as noted below.
- 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 (general and designated), restricted and endowment funds.

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

There are two types of unrestricted funds:

- **General funds** 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 as charity branches. 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.

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

- ii) **Residual values of freehold properties** - The Trustees consider that residual value of freehold properties is sufficiently high that depreciation would not be material.
- iii) **Sources of estimation uncertainty** - In the view of the Trustees there are no sources of estimation uncertainty affecting assets or liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

2. DONATIONS

(Donations, Legacies and similar income)	Unrestricted		Restricted	Endowment	Total
	General	Designated			2018
	£'000	£'000	£'000	£'000	£'000
Trust for London (formerly City Parochial Foundation)	-	-	224	-	224
All Churches Trust - annual distribution	136	-	-	-	136
Henry Smith Charity	20	-	-	-	20
David Goodwin Legacy	-	-	-	650	650
Partnership Fund appeals and confirmations	-	-	99	-	99
Poverty & Hope Appeal	-	-	30	-	30
Diocesan Board of Finance element of Parochial Fees	13	-	-	-	13
Licensing & induction - collections	8	-	-	-	8
Guaranteed annuities	15	-	-	-	15
RME Ordinands Grants	-	-	116	-	116
Colyer Fergusson re Ebbsfleet Youth Worker	-	-	-	-	-
Sivanscombe and Greenhithe Town Council re Ebbsfleet Youth Worker	-	-	-	-	-
Ebbsfleet Development Corporation re Ebbsfleet Youth Worker	-	-	6	-	6
Colyer Fergusson re Children and Young People Fund	-	-	-	-	-
Church Commissioners re Chatham Town Centre	-	-	173	-	173
Historic England re Chatham Town Centre	-	-	23	-	23
Diocesan Community Engagement Advisor	-	-	58	-	58
Church Commissioners re Children's Work	-	-	-	-	-
Readers' Fees	4	-	-	-	4
Other sundry items	1	-	-	-	1
	197	-	729	650	1,576

(Donations, Legacies and similar income)	Unrestricted		Restricted	Endowment	Total
	General	Designated			2017
	£'000	£'000	£'000	£'000	£'000
Trust for London (formerly City Parochial Foundation)	-	-	218	-	218
All Churches Trust - annual distribution	136	-	-	-	136
Mission Development Funding	-	-	-	-	-
Church Commissioners contribution to New Housing Areas	-	-	-	-	-
Partnership Fund appeals and confirmations	-	-	91	-	91
Strategic Capacity Development Funding	-	-	-	-	-
Poverty & Hope Appeal	-	-	29	-	29
Diocesan Board of Finance element of Parochial Fees	18	-	-	-	18
Rochester Diocese Academy Trust - donation re office space	-	-	-	-	-
Licensing & induction - collections	11	-	-	-	11
Guaranteed annuities	16	-	-	-	16
RME Ordinands Grants	-	-	24	-	24
Colyer Fergusson re Ebbsfleet Youth Worker	-	-	25	-	25
Colyer Fergusson re Children and Young People Fund	-	-	50	-	50
Church Commissioners re Chatham Town Centre	-	-	60	-	60
Church Commissioners re Children's Work	-	-	3	-	3
Readers' Fees	5	-	-	-	5
Church Commissioners re Horsmonden pastoral scheme	-	-	-	-	-
Other sundry items	4	-	-	-	4
Bishop's Trust Funds	-	-	-	-	-
	190	-	500	-	690

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

3. INVESTMENT INCOME

	Unrestricted General £'000	Designated £'000	Restricted £'000	Endowment £'000	Total 2018 £'000
Rents receivable	665	-	11	-	676
Dividends receivable	429	-	26	-	455
	1,094	-	37	-	1,131

	Unrestricted General £'000	Designated £'000	Restricted £'000	Endowment £'000	Total 2017 £'000
Rents receivable	652	-	17	-	669
Dividends receivable	380	-	13	-	393
Interest on deposits receivable	-	-	-	-	-
	1,032	-	30	-	1,062

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted General £'000	Designated £'000	Restricted £'000	Endowment £'000	Total 2018 £'000
Professional fees	19	-	-	-	19
	19	-	-	-	19

	Unrestricted General £'000	Designated £'000	Restricted £'000	Endowment £'000	Total 2017 £'000
Professional fees	34	-	-	-	34
	34	-	-	-	34

5. EXPENDITURE ON RAISING FUNDS

	Unrestricted General £'000	Designated £'000	Restricted £'000	Endowment £'000	Total 2018 £'000
Glebe management costs	89	-	-	-	89
Non glebe commissions	24	-	-	-	24
Cost of income generation	147	-	10	1	158
	260	-	10	1	271

	Unrestricted General £'000	Designated £'000	Restricted £'000	Endowment £'000	Total 2017 £'000
Glebe management costs	91	-	-	-	91
Non glebe commissions	23	-	-	-	23
Cost of income generation	189	2	5	-	196
	303	2	5	-	310

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

6. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Direct Costs £'000	Grants £'000	Allocated Support Costs £'000	Total 2018 £'000
Raising funds				
Glebe property advice and commission	113	-	-	113
Cost of income generation	1	-	157	158
	114	-	157	271
Charitable activities				
Bringing people to faith in Christ				
Mission & Community Engagement (50%)	97	-	-	97
Formation & Ministry (50%)	174	-	-	174
Youth & Children	73	-	-	73
Allocated support costs	-	-	210	210
	344	-	210	554
A priestly presence in every community				
Stipend costs	6,692	-	-	6,692
Apprenticeship levy	23	-	-	23
Actuarial gains/losses on clergy pension scheme	59	-	-	59
Write off old balance sheet item	2	-	-	2
Glebe reinstatement works	144	-	-	144
Grants	-	408	-	408
Parsonage maintenance & improvements	564	-	-	564
Clergy conference	7	-	-	7
Ministry houses - housing costs	338	-	-	338
Curate and Associate Clergy Housing Costs	158	-	-	158
National Church - training for ministry	454	-	-	454
Formation & Ministry (50%)	174	-	-	174
Provision re Holy Trinity Gillingham	30	-	-	30
Stewardship, Legal, Accounts Advisors & other	82	-	-	82
Diocesan appointments	407	-	-	407
Kings Hill - New church project*	(49)	-	-	(49)
Allocated support costs	-	-	753	753
	9,085	408	753	10,246
Engagement with the community				
Grants	-	854	-	854
Mission & Community Engagement (50%)	97	-	-	97
Communications	22	-	-	22
Faculty & inspection fees	79	-	-	79
Diocesan committees	11	-	-	11
National Church grant/allocation	360	-	-	360
Partnership Dioceses & Church Urban Fund	10	-	-	10
Ebbfleet Youth Worker	16	-	-	16
Write off loan to Strood Community Project	10	-	-	10
Kendall House Review	-	-	-	-
Allocated support costs	-	-	412	412
	605	854	412	1,871
Total Expenditure	10,148	1,262	1,532	12,942
		note 8		
* Project costs for last 3 years capitalised according to accounting policy d(x).				

Support costs comprise administration and governance costs which includes the audit fee of £18k (2017 : £18k).

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

	Direct Costs £'000	Grants £'000	Allocated Support Costs £'000	Total 2017 £'000
Raising funds				
Glebe property advice and commission	114	-	-	114
Cost of income generation	1	-	195	196
	115	-	195	310
Charitable activities				
Bringing people to faith in Christ				
Grants	-	-	-	-
Mission & Community Engagement (50%)	97	-	-	97
Formation & Ministry (50%)	170	-	-	170
Youth & Children	64	-	-	64
Allocated support costs	-	-	175	175
	331	-	175	506
A priestly presence in every community				
Stipend costs	6,655	-	-	6,655
Apprenticeship levy	17	-	-	17
Actuarial gains/losses on clergy pension scheme	74	-	-	74
Provision against old balance sheet items	-	-	-	-
Glebe reinstatement works	47	-	-	47
Provision for reinstatement works on properties	-	-	-	-
Grants	-	317	-	317
Parsonage maintenance & improvements	398	-	-	398
Clergy conference	67	-	-	67
Ministry houses - housing costs	77	-	-	77
Curate and Associate Clergy Housing Costs	175	-	-	175
National Church - training for ministry	381	-	-	381
Formation & Ministry (50%)	170	-	-	170
Stewardship, Legal, Accounts Advisors & other	96	-	-	96
Diocesan appointments	393	-	-	393
Kings Hill - New church project	30	-	-	30
St Mary's Abbey	-	-	-	-
Allocated support costs	-	-	695	695
	8,580	317	695	9,592
Engagement with the community				
Grants	-	433	-	433
Mission & Community Engagement (50%)	97	-	-	97
Communications	14	-	-	14
Faculty & inspection fees	58	-	-	58
Diocesan committees	13	-	-	13
National Church grant/allocation	353	-	-	353
Partnership Dioceses & Church Urban Fund	7	-	-	7
Kendall House Review	1	-	-	1
Allocated support costs	-	-	303	303
	543	433	303	1,279
Total Expenditure	9,569	750	1,368	11,687
	note 8			

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

7. STAFF COSTS

	2018 £'000	2017 £'000
Ordained Diocesan Officials stipends	263	214
Other Lay Diocesan Personnel salaries	1,077	982
National Insurance	141	114
Life Insurance Policy	19	18
Pension Costs	293	309
- Lay Diocesan Personnel	85	62
- Diocesan Clergy		
	<u>1,878</u>	<u>1,699</u>
The average number of persons employed by the RDSBF during the year:		
	2018 Number	2017 Number
Administration and financial management	25	24
Training	9	8
Mission and Community Engagement	8	9
Diocesan Appointments	6	6
	<u>48</u>	<u>47</u>
The average number of persons employed by the RDSBF during the year based on full-time equivalents:		
	2018 Number	2017 Number
Administration and financial management	21	20
Training	7	6
Mission and Community Engagement	6	5
Diocesan Appointments	5	5
	<u>39</u>	<u>36</u>
The numbers of staff whose emoluments (including benefits in kind but excluding pension contributions) amounted to more than £60,000 were as follows:-		
	2018 Number	2017 Number
£60,000 - £70,000	2	1
£70,000 - £80,000	1	2
£80,000 - £90,000	1	-

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

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 2018 they were:

Diocesan Secretary	Mr Geoff Marsh
Associate Diocesan Secretary	Mr Matthew Girt
Finance Director	The Rev Richard Williams
Director of Formation and Ministry	The Rev Canon Chris Dench
Diocesan Surveyor	Mr Mark Trevett

Remuneration, pensions, national insurance contributions and expenses for these 5 employees amounted to £442,578 (2017 :£458,914).

Trustees' Emoluments

No trustee received any remuneration for services as a Trustee. Seven Trustees received travelling and out-of-pocket expenses (2017 : 7), totalling £20,153 (2017 : £19,121) 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* during the year:

	Stipend	Housing
The Bishop of Rochester – The Right Reverend James Langstaff	Yes*	Yes*
The Bishop of Tonbridge – The Right Reverend Simon Burton-Jones	Yes*	Yes
The Dean of Rochester Cathedral - The Very Rev Dr Philip Hesketh	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 Jay Colwill	Yes	Yes
The Reverend Dylan Turner	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.

	2018 £'000	2017 £'000
Parish Stipends, National Insurance & Pension Costs		
Parish Stipends	5,022	5,077
National Insurance	404	408
Pension Costs	1,326	1,244
	6,752	6,729
Number of parish clergy in post as at 31 December (Full-time equivalent)	192	197

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

8. ANALYSIS OF GRANTS MADE

	No.	Individuals £'000	Institutions £'000	Source	2018 £'000
From unrestricted funds:					
Ordinands in training	14	100	-	Diocesan Budget	100
Clergy training	70	29	-	Diocesan Budget	29
Clergy removal grants	24	39	-	Diocesan Budget	39
Clergy resettlement grants	24	48	-	Diocesan Budget	48
Clergy first appointment grants	24	58	-	Diocesan Budget	58
Kent Workplace Mission	1	-	4	Diocesan Budget	4
Archdeacons' discretionary grants	37	11	2	Archdeacons' Fund	13
From restricted funds:					
Ministry Division Ordinand Block Grants	33	21	104	Ministry Division Fund	125
Overseas Partnership: Harare	2	-	4	Links Fund	4
Overseas Partnership: Tanzania	31	3	78	Links Fund	81
Beckenham St Michael	1	-	460	Pastoral Account	460
Hever, Four Elms & Markbeech	1	-	5	Pastoral Account	5
Bishop of Rochester Discretionary Fund	1	-	5	Pastoral Account	5
Christian Aid	1	-	14	Poverty & Hope Appeal	14
Church Mission Society	1	-	6	Poverty & Hope Appeal	6
Commonwork Land Trust	1	-	6	Poverty & Hope Appeal	6
United Society (formerly USPG)	1	-	6	Poverty & Hope Appeal	6
Gravesend St George PCC	1	-	5	Local Church Urban Fund	5
Erith & Thamesmead CAP Debt Centre	1	-	2	Local Church Urban Fund	2
South Gillingham St Paul	1	-	8	Church Extension Fund	8
Bexley St Mary PCC	1	-	1	Trust for London	1
Bexleyheath Christ Church	1	-	2	Trust for London	2
Bickley PCC	1	-	5	Trust for London	5
Bishop of Rochester Discretionary Fund	1	-	5	Trust for London	5
Cray St Barnabas	1	-	10	Trust for London	10
Cray Valley - St Andrew PCC	2	-	9	Trust for London	9
Erith Christ Church PCC	1	-	15	Trust for London	15
Orpington Unity Church	1	-	10	Trust for London	10
Petts Wood PCC	1	-	1	Trust for London	1
Sidcup St Andrew PCC	1	-	5	Trust for London	5
Sidcup Christ Church PCC	1	-	25	Trust for London	25
Welling PCC	1	-	20	Trust for London	20
Hayes PCC	1	-	2	Trust for London	2
Lamorbey Holy Redeemer PCC	3	-	25	Trust for London	25
Slade Green PCC	3	-	16	Trust for London	16
St Mary's Church House	2	-	1	Trust for London	1
Clergy grants	19	26	-	Trust for London	26
Other grants under £1,000	4	-	2	Trust for London	2
Anerley Team Ministry	1	-	6	£500k CYP Fund	6
Barming PCC	1	-	1	£500k CYP Fund	1
Chalk PCC	1	-	4	£500k CYP Fund	4
Chatham St Paul with All Saints	1	-	4	£500k CYP Fund	4
Chatham St Philip and St James	1	-	3	£500k CYP Fund	3
Chatham St Stephen PCC	1	-	2	£500k CYP Fund	2
Dartford Christ Church	1	-	3	£500k CYP Fund	3
Gillingham St Mark PCC	1	-	5	£500k CYP Fund	5
Gravesend St Mary PCC	1	-	3	£500k CYP Fund	3
Orpington Unity Church	1	-	4	£500k CYP Fund	4
Paddock Wood PCC	1	-	1	£500k CYP Fund	1
Perry Street PCC	1	-	4	£500k CYP Fund	4
Rainham PCC	1	-	5	£500k CYP Fund	5
Strood St Francis PCC	1	-	4	£500k CYP Fund	4
Swanley St Peter and St Paul PCC	1	-	5	£500k CYP Fund	5
Tonbridge St Peter and St Paul PCC	1	-	5	£500k CYP Fund	5
Tonbridge St Stephen PCC	1	-	5	£500k CYP Fund	5
Watch Club Youth Group (under £1,000)	1	-	-	£500k CYP Fund	-
					1,262

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

	No.	Individuals £'000	Institutions £'000	Source	2017 £'000
From unrestricted funds:					
Churches Together in Kent	1	-	5	Diocesan Budget	5
Ordinands in training	15	94	-	Diocesan Budget	94
Clergy training	62	21	-	Diocesan Budget	21
Clergy removal grants	25	45	-	Diocesan Budget	45
Clergy resettlement grants	46	59	-	Diocesan Budget	59
Clergy first appointment grants	32	55	-	Diocesan Budget	55
Clergy healthcare	30	8	-	Diocesan Budget	8
Kent Workplace Mission	1	-	4	Diocesan Budget	4
Archdeacon's discretionary grants	39	10	2	Archdeacons' Fund	11
From restricted funds:					
Erith St John PCC	1	-	200	Thames Gateway	200
Ministry Division Ordinand Block Grants	13	4	22	Ministry Division Fund	26
Overseas Partnership: Tanzania	22	6	68	Links Fund	74
Overseas Partnership: Estonia	1	1	-	Links Fund	1
Beckenham St Michael	1	-	24	Pastoral Account	24
United Benefice of Hever	1	-	5	Pastoral Account	5
Christian Aid	1	-	12	Poverty & Hope Appeal	12
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
Overseas Partnership: Diocese of Kondoa	1	-	5	Poverty & Hope Appeal	5
Gravesend St George PCC	1	-	4	Local Church Urban Fund	4
Erith & Thamesmead CAP Debt Centre	1	-	2	Local Church Urban Fund	2
Bexley St John the Evangelist	1	-	3	Trust for London	3
Falconwood PCC	1	-	3	Trust for London	3
Hayes PCC	1	-	2	Trust for London	2
Lamorbey Holy Redeemer PCC	4	-	21	Trust for London	21
Penge St John PCC	1	-	25	Trust for London	25
Sidcup St John PCC	1	-	10	Trust for London	10
Slade Green PCC	1	-	11	Trust for London	11
St Mary's Church House	3	-	1	Trust for London	1
Clergy grants	11	-	3	Trust for London	3
Other grants under £1,000	4	-	1	Trust for London	1
					750

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

9. TANGIBLE FIXED ASSETS

	Board Property		Equity Sharing Property		Benefice Property		Assets Held For Sale		Assets in course of construction	Computer & Phone Equipment	Total
	Land	Buildings	Land	Buildings	Land	Buildings	Land	Buildings	£'000	£'000	£'000
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation											
Balance 1 January 2018	5,602	8,401	160	223	18,113	17,930	84	136	2,663	433	53,745
Additions	500	523	-	-	-	157	-	-	389	30	1,599
Disposals	-	-	(37)	(49)	(67)	(85)	(84)	(136)	-	(297)	(755)
Revaluation	572	572	-	-	-	-	-	-	-	-	1,144
Transfer	(1,949)	(2,099)	-	-	1,732	1,949	495	527	(655)	-	-
Balance 31 December 2018	4,725	7,397	123	174	19,778	19,951	495	527	2,397	166	55,733
Depreciation											
Balance 1 January 2018	-	1,288	-	67	-	4,451	-	41	-	430	6,277
Charge for the year	-	-	-	-	-	-	-	-	-	13	13
Disposals	-	-	-	(15)	-	(25)	-	(41)	-	(297)	(378)
Transfer	-	(99)	-	-	-	(58)	-	157	-	-	-
Balance 31 December 2018	-	1,189	-	52	-	4,368	-	157	-	146	5,912
Net book values											
At 31 December 2018	4,725	6,208	123	122	19,778	15,583	495	370	2,397	20	49,821
<i>At 31 December 2017</i>	<i>5,602</i>	<i>7,113</i>	<i>160</i>	<i>156</i>	<i>18,113</i>	<i>13,479</i>	<i>84</i>	<i>95</i>	<i>2,663</i>	<i>3</i>	<i>47,468</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 FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

10. FIXED ASSET INVESTMENTS

	2018		2017	
	Cost	Market Value	Cost	Market Value
	£'000	£'000	£'000	£'000
Investments				
Sarasin & Partners	8,801	10,065	6,551	8,563
Eden Tree Investment Management	3,407	3,974	2,157	3,021
Investment Properties				
		11,983		16,193
		<u>26,022</u>		<u>27,777</u>
		£'000		£'000
At 1 January 2018		27,777		24,706
Additions		3,500		-
Disposals	(4,190)		(1,571)	
Realised gains	<u>(2,712)</u>		<u>(429)</u>	
Sale proceeds		(6,902)		(2,000)
Net gains on investments		<u>1,647</u>		<u>5,071</u>
At 31 December 2018		<u>26,022</u>		<u>27,777</u>

Net gains on investments shown in the Statement of Financial Activities of £1,647 (2017: £5,071) comprise unrealised losses £1,065k (2017: gains £4,642k) and realised gains £2,712k (2017 : £429k) as a result of disposals realising proceeds of £6.9m (2017 : £2M).

The investments held by Sarasin and Eden Tree can all be converted into cash within one month of application.

Investment properties include Glebe and other properties, the income from which is included in the Board accounts. Investment properties were valued during 2018 by Timothy Cathcart MRICS and William Banham MRICS of Savills, on an open market valuation basis. The historical cost of these properties is not available.

11. DEBTORS

	2018		2017	
	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
Diocesan Parishes - Loans to parishes	97	59	137	227
Diocesan Parishes - Other amounts due	256	-	170	-
Sundry Debtors	929	15	775	23
	<u>1,282</u>	<u>74</u>	<u>1,082</u>	<u>250</u>

The loans to 5 parishes (2017: 7) are generally unsecured, repayable over a period of five years with interest charged at 0% for loans from the Church Repair Fund and at various rates for loans from the Diocesan Loans Fund.

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

12. CREDITORS

	2018		2017	
	Amounts falling due within one year £'000	Amounts due after more than one year £'000	Amounts falling due within one year £'000	Amounts due after more than one year £'000
Related Party Balances:				
Amount due to Diocesan Board of Education	25	-	86	-
Other Balances:				
Amount due to Other Trust Funds	1	-	6	-
Equity Sharing Loans	-	295	-	373
Deposits - Diocesan Loans Fund (Parishes)	4,362	-	4,002	-
Deposits - Diocesan Loans Fund (Other)	19	-	33	-
Deposits - Church Repair Fund	4,477	-	4,295	-
Pension Scheme Liabilities	356	3,559	378	4,556
Sundry Creditors	1,286	-	1,046	-
	10,526	3,854	9,846	4,929

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 2018 there were 145 (2017 : 149) 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:

	2018 £'000	2017 £'000
Lease payments - other operating lease:		
Not later than one year after the balance sheet date	12	11
In the second to fifth years after the balance sheet date	36	40
	48	50

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

15. RELATED PARTY TRANSACTIONS

During the year the following related party transactions took place:

<u>Related Party</u>	<u>Relationship</u>		2018 £'000	2017 £'000
Mrs Julia Burton-Jones	Wife of Bishop of Tonbridge	Professional fees in respect of work on Dementia Friendly Church Project.	30	19
The outstanding balances with related parties at 31 December 2018 are included in note 12.				

16. DESIGNATED FUNDS

	Balance at 1 January 2018 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2018 £'000
Central Church Funding	99	-	-	-	-	99
Property Fund	9,559	7	-	1,144	(3,965)	6,745
	9,658	7	-	1,144	(3,965)	6,844

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. A transfer of £3,965k was made from the Unrestricted General Fund to the Restricted Benefice Property Fund in respect of the reclassification of the Bishop of Tonbridge's house and the 3 Archdeaconries (see Financial Review in the Trustees' Report).

	Balance at 1 January 2017 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2017 £'000
Central Church Funding	112	-	(13)	-	-	99
Property Fund	7,624	699	-	165	1,071	9,559
	7,736	699	(13)	165	1,071	9,658

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

17. RESTRICTED FUNDS

	Balance at 1 January 2018 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2018 £'000
Poverty & Hope Appeal	23	30	(33)	-	-	20
Committee Amongst Deaf	23	-	-	-	-	23
Local Church Urban Fund	19	13	(7)	-	-	25
Pastoral Account	1,784	642	(887)	32	659	2,230
Pastoral Account re Sale of Beckenham St Michael Hall	643	-	(474)	-	-	169
Trust for London (formerly City Parochial Foundation)	73	224	(189)	-	(78)	30
Benefice Property	31,592	-	-	-	3,768	35,360
Thames Gateway	7	-	-	-	-	7
Thames Gateway Capital Fund	457	-	-	-	-	457
Parsonage Building Fund	504	430	-	-	(371)	563
Church Extension Fund	486	319	(19)	-	-	786
Partnership Funds	26	102	(96)	-	-	32
Ministry Division RME Ordinand's Grant	(2)	116	(125)	-	-	(11)
Ebbsfleet Youth Worker	25	6	(16)	-	-	15
Children & Young People Fund	50	14	(67)	-	25	22
Chatham Town Centre	60	196	-	-	-	256
Children & Young People misc. funds	3	-	-	-	-	3
Cobham and Gravesend Churches Fund	-	-	-	-	58	58
	35,773	2,092	(1,913)	32	4,061	40,045

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.

Pastoral Account

Capital monies received under the Pastoral Measure 1983 and restricted thereby. The transfer of £659k relates to adjustments required with regard to the sale and purchase of parsonages and to the Cobham and Gravesend Churches Fund (see below).

Pastoral Account re Sale of Beckenham St Michael Hall

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

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

17. RESTRICTED FUNDS (continued)

Trust for London

An annual allocation from the Foundation to use within the Archdeaconry of Bromley and Bexley. The transfer of £78k represents contributions to the Children and Young People Fund, training, stipends, administration and the 2018 Clergy Conference.

Benefice Property

The fund value represents the capital value of parsonage houses less depreciation. The transfer of £3,768k relates to adjustments required in relation to the reclassification of the Bishop of Tonbridge's house and the 3 Archdeacons from the Designated Property Fund, the new parsonage at St Paul Swanley, parsonages being moved to available for sale, and the capitalisation of parsonage improvement projects.

Thames Gateway Capital

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

Diocesan 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 transfer of £371k represents the net of the new parsonage at St Paul, Swanley being transferred to Benefice Property (£498k) and the net book value of the parsonage at St Alban, Dartford (£127k).

Church Extension Fund

Monies given under an appeal in 1956 for the purchase or improvement of churches, halls, parsonages, curate houses and other property. Currently represented by 4 houses in various parishes.

Partnership Funds

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

Ministry Division RME Ordinand's Grant

Block grant received from the Archbishops' Council Ministry Division to fund ordinand training. This is currently in deficit but this will reverse when further grants are received from the Ministry Division.

Ebbsfleet Youth Worker

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

Children and Young People 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 and Bexley Archdeaconry.

Chatham Town Centre

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

Children and Young People Misc. Funds

This represents two 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 church in the Cobham and Gravesend area.

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

17. RESTRICTED FUNDS (continued)

	Balance at 1 January 2017 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2017 £'000
Poverty & Hope Appeal	26	29	(32)	-	-	23
Committee Amongst Deaf	23	-	-	-	-	23
Local Church Urban Fund	11	13	(5)	-	-	19
Pastoral Account	250	1,447	(88)	825	(650)	1,784
Pastoral Account re Sale of Beckenham St Michael Hall	624	43	(24)	-	-	643
Trust for London (formerly City Parochial Foundation)	-	218	(91)	-	(54)	73
Benefice Property	30,617	-	-	-	975	31,592
Thames Gateway	7	-	-	-	-	7
Thames Gateway Capital Fund	657	-	(200)	-	-	457
Parsonage Building Fund	504	-	-	-	-	504
Church Extension Fund	486	-	-	-	-	486
Partnership Funds	18	91	(83)	-	-	26
Ministry Division RME Ordinand's Grant	-	24	(26)	-	-	(2)
Ebbfleet Youth Worker	-	25	-	-	-	25
Children & Young People Fund	-	50	-	-	-	50
Chatham Town Centre	-	60	-	-	-	60
Children & Young People misc. funds	-	3	-	-	-	3
	33,223	2,003	(549)	825	271	35,773

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

18. ENDOWMENT FUNDS

	Balance at 1 January 2018 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2018 £'000
Stipends Capital Account	15,138	24	(144)	2,363	(3,350)	14,031
Training	1,248	-	-	(75)	-	1,173
Pensions & Retired Clergy	1,437	-	-	(34)	-	1,403
Buildings	69	-	-	(5)	-	64
Parsonages	577	-	-	(34)	-	543
Local Church Urban Fund	427	-	-	(26)	-	401
Social Mission	1,000	-	-	(61)	-	939
David Goodwin Legacy	-	650	(5)	-	-	645
	19,896	674	(149)	2,128	(3,350)	19,199

Stipends Capital Account

Investments held under the Endowments and Glebe Measure. Income is credited to the Unrestricted General Fund and used for stipend purposes. The main movements in the year relate to the transfer to the General Fund in respect of the Bishop of Tonbridge's House and the 3 Archdeacons, disposal of Glebe land 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 General 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 General 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 PCCs. Income arising has been applied to the General 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 General 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

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

David Goodwin Legacy

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

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

18. ENDOWMENT FUNDS (continued)

	Balance at 1 January 2017 £'000	Income £'000	Expenditure £'000	Investment Movements £'000	Transfers £'000	Balance at 31 December 2017 £'000
Stipends Capital Account	10,116	853	(47)	3,452	764	15,138
Training	1,164	-	-	84	-	1,248
Pensions & Retired Clergy	1,175	223	-	39	-	1,437
Buildings	63	-	-	6	-	69
Parsonages	538	-	-	39	-	577
Local Church Urban Fund	398	-	-	29	-	427
Social Mission	932	-	(1)	69	-	1,000
	<u>14,386</u>	<u>1,076</u>	<u>(48)</u>	<u>3,718</u>	<u>764</u>	<u>19,896</u>

19. TRANSFERS BETWEEN FUNDS

	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000
Transfer of funds to reduce the clergy pension deficit	(615)	-	-	615
Parsonage and ministry house additions	(157)	(3,965)	4,122	-
Purchase of Bishops Lodge/Archdeacons' residences	3,965			(3,965)
Transfer to Archdeacons' Discretionary Funds	8	-	(8)	-
Transfers from Trust for London	53	-	(53)	-
Transfers as at 31 December 2018	<u>3,254</u>	<u>(3,965)</u>	<u>4,061</u>	<u>(3,350)</u>

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

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

19. TRANSFERS BETWEEN FUNDS (continued)

	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000
Transfer of funds to reduce the clergy pension deficit	(764)	-	-	764
Parsonage and ministry house additions	(1,404)	1,071	333	-
Transfer of budgeted items from General Fund to Restricted Fund	8	-	(8)	-
Transfers from Trust for London	54	-	(54)	-
Transfers as at 31 December 2017	(2,106)	1,071	271	764

20. NET ASSETS BETWEEN FUNDS

	General £'000	Designated £'000	Restricted £'000	Endowment £'000	Total £'000
Fixed assets	2,397	8,634	36,478	2,312	49,821
Investments	6,422	525	-	19,075	26,022
Current assets	7,220	(1,842)	3,567	1,727	10,672
Creditors	(9,992)	(178)	-	(356)	(10,526)
Creditors > 1 year	-	(295)	-	(3,559)	(3,854)
As at 31 December 2018	6,047	6,844	40,045	19,199	72,135

	General £'000	Designated £'000	Restricted £'000	Endowment £'000	Total £'000
Fixed assets	2,663	10,470	32,023	2,312	47,468
Investments	4,685	525	825	21,742	27,777
Current assets	5,127	(382)	2,925	373	8,043
Creditors	(9,289)	(179)	-	(378)	(9,846)
Creditors > 1 year	-	(776)	-	(4,153)	(4,929)
As at 31 December 2017	3,186	9,658	35,773	19,896	68,513

21. ASSETS HELD AS CUSTODIAN TRUSTEE

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

	2018 £'000	2017 £'000
Investments (at cost)	747	852
Property	648	648
Cash at bank	570	496
	<u>1,965</u>	<u>1,996</u>

22. PENSION SCHEMES

a. Revaluation of Pension Scheme Liabilities

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

	2018 £'000	2017 £'000
Clergy Scheme (see note 22b below)	96	155
Lay Scheme (see note 22c below)	353	(43)
	<u>449</u>	<u>112</u>

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

RDSBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the 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 are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities (SoFA) 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 2015. A valuation at 31 December 2018 is currently under way, but the results of this are yet to be determined. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of:
 - for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by December 2030 (with the remainder in return-seeking assets); and
 - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns equivalent to 2.6% p.a. on gilts and 4.6% p.a. on return-seeking assets;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for improvements in mortality rates in line with the CMI 2015 core projections with a long term annual rate of improvement of 1.5%.

22. PENSION SCHEMES (continued)

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2016 to December 2017	January 2018 to December 2025
Deficit recovery contributions	14.1%	11.9%

The deficit recovery contributions under the recovery plan in force as at 31 December 2016, 31 December 2017, and 31 December 2018 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 2017 and over 2018 is set out in the table below.

	2018 £'000	2017 £'000
Balance sheet liability at 1 January	4,530	5,294
Deficit contribution paid	(578)	(683)
Interest cost (recognised in SoFA)	59	74
	(519)	(609)
Remaining change to the balance sheet liability* (recognised in SoFA)	(96)	(155)
	(615)	(764)
Balance sheet liability at 31 December	3,915	4,530

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

The legal structure of the scheme is such that if another Responsible Body fails, RDSBF could become

	December 2018	December 2017	December 2016
Discount rate	2.1% pa	1.4% pa	1.5% pa
Price inflation	3.1% pa	3.0% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.5% pa	1.6% pa

responsible for paying a share of that Responsible Body's pension liabilities.

This liability is a liability of the Stipends Capital Account (within Endowment Funds). Deficit contributions have been paid during the year by the General Fund. Interest costs have been incurred in the General 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 General Fund.

22. PENSION SCHEMES (continued)

c. Defined Contribution Scheme (for lay personnel)

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

A defined contribution scheme is operated as described in note 1d. Amounts payable in the year to this scheme by the RDSBF amount to £32,527 (2017 : £23,272) and the amount owed to the scheme at 31 December 2018 was £nil (2017 : £nil).

- **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. The following disclosures exclude any allowance for defined contribution schemes operated by the Employer. No allowance has been made for discretionary benefits.

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

The most recent comprehensive actuarial valuation of the Scheme is being carried out as at 31 March 2018. The initial results of that valuation were updated by an independent qualified actuary to 31 December 2018 allowing for cashflows in and out of the Scheme and changes to assumptions over the period.

At 31 December 2018 the FRS 102 valuation, which is based on different underlying assumptions to the actual valuation, calculated a surplus in the Scheme of £598k. Under FRS 102 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 2018 reflected in these accounts in £nil. This compares to a deficit of £404k at the previous review date.

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

22. PENSION SCHEMES (continued)

Principal actuarial assumptions	31 December 2018	31 December 2017
Discount rate	3.0%	2.6%
Inflation (RPI)	3.6%	3.6%
Inflation (CPI)	2.6%	2.6%
Salary increases	3.6%	3.6%
Increases in payment to Post 92 benefits in excess of GMP (RPI max 5%)	3.5%	3.5%
Revaluation in deferment (benefits in excess of GMP)	2.6%	2.6%
Post-retirement mortality	95% of the S2Px tables with CMI 2017 projections using a long-term improvement rate of 1.25% p.a.	95% of the S2Px tables with CMI 2014 projections using a long-term improvement rate of 1.25% p.a.
Commutation	No allowance has been made for members to take tax free cash	No allowance has been made for members to take tax free cash

The current asset split is as follows:

	Bid values as at 31 December 2018 £'000	Bid values as at 31 December 2017 £'000
Global Equities	3,388	3,464
Index Linked gilts	2,566	2,112
With-profit deferred annuity policy	16	11
Cash and net current assets	219	430
Total assets	6,189	6,017

The following amounts at 31 December 2018 and 31 December 2017 were measured in accordance with the requirements of FRS 102:

Balance sheet	At 31 December 2018 £'000	At 31 December 2017 £'000
Fair value of assets	6,189	6,017
Present value of funded obligations	(5,591)	(6,421)
Surplus/(deficit) in scheme	598	(404)
Impact on limit of recognisable surplus	(598)	-
Net defined benefit asset/(liability)	-	(404)

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

22. PENSION SCHEMES (continued)

Amount recognised in SOFA	Period to 31 December 2018 £'000	Period to 31 December 2017 £'000
Current service cost	164	172
Administration costs	49	33
Interest on liabilities	167	162
Interest on assets	(160)	(153)
Past service costs	52	-
Settlement and curtailment cost	-	-
Total charge to SOFA	272	214

Remeasurements over the year	Period to 31 December 2018 £'000	Period to 31 December 2017 £'000
Loss/(gain) on assets in excess of interest	281	(301)
Experience losses/(gains) on liabilities	(171)	-
Losses/(gains) from changes to demographic assumptions	(421)	-
Losses/(gains) from changes to financial assumptions	(640)	344
Losses/(gains) from change in effect of asset ceiling	-	-
Total remeasurements	(951)	43

Change in value of assets	Period to 31 December 2018 £'000	Period to 31 December 2017 £'000
Fair value of assets at start	6,017	5,352
Interest on assets	160	153
Company contributions	322	331
Contributions by Scheme participants	20	22
Benefits paid	-	(109)
Administration costs	(49)	(33)
Change due to settlement and curtailment cost	-	-
Return on assets less interest	(281)	301
Fair value of assets at end	6,189	6,017

Actual return on assets (121)

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

22. PENSION SCHEMES (continued)

Change in value of DB liabilities	Period to 31 December 2018 £'000	Period to 31 December 2017 £'000
Value of liabilities at start	6,420	5,829
Current service cost	164	172
Contributions by scheme participants	20	22
Past service cost	52	-
Interest cost	167	162
Benefits paid	-	(109)
Change due to settlement or curtailment cost	-	-
Experience (gain)/loss on liabilities	(171)	-
Changes to demographic assumptions	(421)	-
Changes to financial assumptions	(640)	344
Value of liabilities at end	5,591	6,420

Projected Profit & Loss account for next year	Period to 31 Dec 2019 £'000
Current service cost	137
Admin expenses	49
Interest on liabilities	168
Interest on assets	(189)
(Gains)/losses on settlements and curtailments	-
Past service cost	-
Total	165

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

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

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

23. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017

	Unrestricted General	Designated	Restricted	Endowment	Total 2017	Total 2016
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Donations:						
- Parish Offers	9,388	-	-	-	9,388	9,374
- Other	190	-	500	-	690	860
Investment income	1,032	-	30	-	1,062	1,223
Charitable activities	34	-	-	-	34	35
Total income	10,644	-	530	-	11,174	11,492
Expenditure						
Raising funds	(303)	(2)	(5)	-	(310)	(222)
Charitable activities	(10,774)	(11)	(544)	(48)	(11,377)	(13,009)
Total Expenditure	(11,077)	(13)	(549)	(48)	(11,687)	(13,231)
Operating (Deficit)/Surplus:	(433)	(13)	(19)	(48)	(513)	(1,739)
Profit on sale of property	-	699	1,473	1,076	3,248	3,279
Gains on investments	363	165	825	3,718	5,071	1,298
Net Income	(70)	851	2,279	4,746	7,806	2,838
Reserve Movements:						
Net Income	(70)	851	2,279	4,746	7,806	2,838
Revaluation of pension scheme liabilities	112	-	-	-	112	(80)
Transfers between funds	(2,106)	1,071	271	764	-	-
Net movement in funds	(2,064)	1,922	2,550	5,510	7,918	2,758
Reserve balances at 1st January 2017	5,250	7,736	33,223	14,386	60,595	57,837
Reserve balances at 31st December 2017	3,186	9,658	35,773	19,896	68,513	60,595
		note 16	note 17	note 18		

NOTES FOR THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

This page does not form part of the audited financial statements

	2018		2017	
	Capital £'000	Revenue £'000	Capital £'000	Revenue £'000
Investments at cost (see below)	743	4	848	4
Freehold property	645	-	645	-
Freehold interest in leased properties	3	-	3	-
Cash				
National Savings Bank	11	1	11	1
CCLA Investment Management Ltd - Deposit Fund				
Miscellaneous	464	93	384	94
Church Commissioners Deposit Account				
Barclays Bank - Current Account	-	1	-	6
	475	95	395	101
Total Assets	1,866	99	1,891	105
Representing				
Parochial Funds	1,834	95	1,860	100
Non-Parochial Funds	32	5	32	5
Total Funds	1,866	100	1,891	105
INVESTMENTS NOTE				
	2018		2017	
	Cost £'000	Market value £'000	Cost £'000	Market value £'000
CAPITAL				
Quoted Investments	5	126	5	129
Unlisted Investments				
CCLA Investment Management Ltd				
Investment Fund Income Shares				
205,990 (2017 212,704 shares)	548	3,304	653	3,487
Fixed Interest Fund Income Shares				
70,489 (2017 70,489 shares)	116	113	116	118
Global Equity				
25,919 (2017 25,919 shares)	30	47	30	48
Property Fund				
34,935 (2017 34,935 shares)	44	49	44	48
	738	3,513	843	3,701
	743	3,639	848	3,830
REVENUE				
Unlisted Investments				
CCLA Investment Management Ltd				
Investment Fund Income Shares				
2,312 (2017 2,312 shares)	4	37	4	38

CHURCH REPAIR FUND BALANCES

For the year ended 31 December 2018

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	2018	2017		2018	2017
	£'000	£'000		£'000	£'000
Deposits by Parishes with Diocese:			Use of Funds Deposited by Parishes with Diocese:		
Parochial Funds	4,477	4,295	Parish Loans	14	19
			Funds on Deposit	4,463	4,276
	<u>4,477</u>	<u>4,295</u>		<u>4,477</u>	<u>4,295</u>
LOANS FUND BALANCES					
As at 31 December 2018					
	2018	2017		2018	2017
	£'000	£'000		£'000	£'000
Deposits by Parishes with Diocese:			Use of Funds Deposited by Parishes with Diocese:		
Parochial Funds	4,345	3,978	Parish & Clergy - Loans	142	345
Other Sources	36	57	Other Loans	19	33
			Funds on Deposit	4,220	3,657
	<u>4,381</u>	<u>4,035</u>		<u>4,381</u>	<u>4,035</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 OFFERS RECEIVED BY PARISH

For the year ended 31 December 2018

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	Offer Received
Beckenham Deanery	
ANERLEY TEAM MINISTRY	66,899.99
BECKENHAM CHRIST CHURCH PCC	96,720.00
BECKENHAM HOLY TRINITY PCC	51,003.00
BECKENHAM ST BARNABAS PCC	57,624.00
BECKENHAM ST GEORGE PCC	90,000.00
BECKENHAM ST JAMES PCC	50,400.00
BECKENHAM ST JOHN THE BAPTIST PCC	118,560.00
BECKENHAM ST MICHAEL W ST AUGUSTINE PCC	60,000.00
BECKENHAM ST PAUL PCC	70,836.00
PENGE ST JOHN THE EVANGELIST PCC	39,923.75
SHORTLANDS PCC	76,560.00
Total Beckenham Deanery	778,526.74
Bromley Deanery	
BICKLEY PCC	57,000.00
BROMLEY CHRIST CHURCH PCC	67,675.76
BROMLEY COMMON HOLY TRINITY PCC	32,000.00
BROMLEY COMMON ST AUGUSTINE with ST LUKE PCC	79,200.00
BROMLEY ST ANDREW PCC	28,767.00
BROMLEY ST JOHN THE EVANGELIST PCC	61,703.00
BROMLEY ST MARK PCC	64,000.00
BROMLEY ST MARY PCC	62,400.00
BROMLEY ST PETER & ST PAUL PCC	61,661.52
CHISLEHURST THE ANNUNCIATION PCC	61,500.00
CHISLEHURST CHRIST CHURCH PCC	79,323.00
CHISLEHURST ST NICHOLAS PCC	87,504.00
HAYES PCC	67,800.00
Total Bromley Deanery	810,534.28
Erith Deanery	
BARNEHURST PCC	42,817.50
BELVEDERE ALL SAINTS PCC	46,000.00
BELVEDERE ST AUGUSTINE PCC	34,000.00
BEXLEYHEATH CHRIST CHURCH PCC	70,295.00
BEXLEYHEATH ST PETER PCC	25,038.00
BOSTALL HEATH PCC	33,111.12
CRAYFORD PCC	57,156.00
ERITH CHRIST CHURCH PCC	6,000.00
ERITH ST JOHN THE BAPTIST PCC	40,000.00
FALCONWOOD PCC	36,000.00
NORTHUMBERLAND HEATH PCC	55,965.00
SLADE GREEN PCC	13,802.00
WELLING PCC	74,736.00
Total Erith Deanery	534,920.62

PARISH OFFERS RECEIVED BY PARISH

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	Offer Received
Orpington Deanery	
BIGGIN HILL PCC	54,080.00
CHELSEFIELD PCC	57,310.00
CRAY ST BARNABAS PCC	21,840.00
CRAY VALLEY	7,000.00
CROFTON PCC	77,285.00
CUDHAM PCC	26,981.10
DOWNE PCC	26,111.10
FARNBOROUGH PCC	123,403.00
GREEN STREET GREEN & PRATTS BOTTOM PCC	84,245.00
KESTON PCC	32,602.50
ORPINGTON ALL SAINTS PCC	82,200.00
ORPINGTON CHRIST CHURCH PCC	77,885.00
PETTS WOOD PCC	45,450.00
Total Orpington Deanery	716,392.70
Sidcup Deanery	
BEXLEY ST JOHN THE EVANGELIST PCC	38,100.00
BEXLEY ST MARY PCC	26,000.00
BLENDON PCC	71,275.66
FOOTSCRAY & NORTHCRAY PCC	10,896.00
JOYDENS WOOD PCC	46,062.00
LAMORBAY HOLY REDEEMER PCC	44,060.00
LAMORBAY HOLY TRINITY PCC	41,600.00
SIDCUP CHRIST CHURCH PCC	65,520.00
SIDCUP ST ANDREW PCC	37,847.40
SIDCUP ST JOHN THE EVANGELIST PCC	54,080.00
Total Sidcup Deanery	435,441.06
Total Bromley & Bexley Archdeaconry	3,275,815.40

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	Offer Received
Cobham Deanery	
ASH PCC	35,760.00
RIDLEY PCC	7,100.00
COBHAM PCC	21,408.00
LUDESLOWNE & DODE PCC	16,566.25
FAWKHAM & HARTLEY PCC	56,000.00
ISTEAD RISE PCC	52,320.00
LONGFIELD PCC	21,000.00
MEOPHAM PCC	69,888.00
SOUTHFLEET PCC	44,000.00
Total Cobham Deanery	324,042.25
Dartford Deanery	
CROCKENHILL PCC	26,224.00
DARENTH PCC	20,473.32
HORTON KIRBY PCC	20,473.32
SUTTON-AT-HONE PCC	20,473.32
DARTFORD CHRIST CHURCH PCC	36,000.00
DARTFORD HOLY TRINITY PCC	2,050.00
DARTFORD ST ALBAN PCC	19,992.00
DARTFORD ST EDMUND KING & MARTYR PCC	308.00
STONE PCC	47,500.00
SWANLEY ST MARY THE VIRGIN PCC	22,790.60
SWANLEY ST PAUL & HEXTABLE ST PETER PCC	64,821.00
WILMINGTON PCC	42,984.16
Total Dartford Deanery	324,089.72
Gillingham Deanery	
GILLINGHAM HOLY TRINITY PCC	14,400.00
GILLINGHAM ST AUGUSTINE PCC	15,000.00
GILLINGHAM ST BARNABAS PCC	7,270.00
GILLINGHAM ST LUKE PCC	7,488.00
GILLINGHAM ST MARK PCC	58,800.00
GILLINGHAM ST MARY ISLAND DCC	14,700.00
GILLINGHAM ST MARY MAGDALENE PCC	12,000.00
RAINHAM PCC	72,003.36
SOUTH GILLINGHAM PCC	131,160.00
Total Gillingham Deanery	332,821.36

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	Offer Received
Gravesend Deanery	
CHALK PCC	54,960.00
GRAVESEND HOLY FAMILY PCC	6,600.00
IFIELD PCC	12,800.00
GRAVESEND ST AIDAN PCC	21,525.00
GRAVESEND ST GEORGE PCC	57,652.00
GRAVESEND ST MARY PCC	27,150.36
GREENHITHE PCC	31,775.00
MILTON CHRIST CHURCH PCC	64,999.92
MILTON ST PETER & ST PAUL PCC	17,844.00
NORTHFLEET & ROSHERVILLE PCC	5,249.99
PERRY STREET PCC	10,249.98
SHORNE PCC	24,960.00
SWANSCOMBE PCC	19,725.60
Gravesend	355,491.85
Rochester Deanery	
BORSTAL PCC	14,350.00
CHATHAM ST MARY & ST JOHN PCC	1,375.00
CHATHAM ST PAUL W ALL SAINTS PCC	29,900.00
CHATHAM ST PHILIP & ST JAMES PCC	68,970.00
CHATHAM ST STEPHEN PCC	54,597.00
LUTON PCC	23,818.00
PRINCES PARK PCC	35,000.00
ROCHESTER ST JUSTUS PCC	60,000.00
ROCHESTER ST PETER W ST MARGARET PCC	34,000.00
SOUTH CHATHAM HOLY TRINITY PCC	58,000.00
Total Rochester Deanery	380,010.00
Strood Deanery	
CLIFFE-AT-HOO W COOLING PCC	48,240.00
CUXTON & HALLING PCC	24,960.00
FRINDSBURY W UPNOR & CHATTENDEN PCC	65,520.00
GRAIN W STOKE PCC	5,200.00
HIGH HALSTOW W ALLHALLOWS & HOO ST MARY PCC	31,200.00
HIGHAM W MERSTON PCC	51,966.52
HOO ST WERBURGH PCC	36,720.00
STROOD ST FRANCIS PCC	26,400.00
STROOD ST NICHOLAS W ST MARY PCC	48,000.00
Total Strood Deanery	338,206.52
Total Rochester Archdeaconry	2,054,661.70

PARISH OFFERS RECEIVED BY PARISH

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	Offer Received
Malling Deanery	
ADDINGTON PCC - BART GROUP	18,000.00
BIRLING PCC	9,846.00
RYARSH PCC	16,410.12
TROTTISCLIFFE PCC	13,069.00
AYLESFORD PCC	45,000.00
BARMING PCC	60,900.00
BURHAM & WOULDHAM PCC	19,372.74
COXHEATH PCC	15,518.00
EAST FARLEIGH PCC	13,468.00
HUNTON PCC	12,297.00
LINTON PCC	13,207.00
WEST FARLEIGH PCC	11,550.00
DITTON PCC	55,915.00
EAST MALLING PCC	30,381.60
TESTON PCC	4,661.50
WATERINGBURY PCC	19,099.58
LARKFIELD PCC	2,900.00
LEYBOURNE PCC	53,560.00
MEREWORTH PCC	15,725.00
WEST PECKHAM PCC	15,456.00
SNODLAND W LOWER BIRLING PCC	38,000.00
WEST MALLING PCC	45,000.00
KINGS HILL	3,600.00
OFFHAM PCC	15,836.00
Total Malling Deanery	548,772.54
Paddock Wood Deanery	
BRENCHLEY PCC	59,392.00
EAST PECKHAM & NETTLESTED PCC	33,000.00
HADLOW PCC	57,500.00
HORSMONDEN PCC	37,905.00
LAMBERHURST PCC	31,770.00
MATFIELD PCC	22,000.00
PADDOCK WOOD PCC	60,600.00
PEMBURY PCC	59,384.00
TUDELEY CUM CAPEL W FIVE OAK GREEN PCC	32,000.00
YALDING PCC	37,691.00
COLLIER STREET PCC	9,600.00
Total Paddock Wood Deanery	440,842.00

PARISH OFFERS RECEIVED BY PARISH

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	Offer Received
Sevenoaks Deanery	
BRASTED PCC	31,500.00
CHEVENING PCC	65,600.00
KIPPINGTON PCC	66,725.00
KNOCKHOLT PCC	20,800.00
HALSTEAD PCC	35,000.00
RIVERHEAD W DUNTON GREEN PCC	46,800.00
SEAL CHART ST LAWRENCE PCC	19,873.00
UNDERRIVER PCC	12,000.00
SEAL ST PETER & ST PAUL PCC	47,059.92
SEVENOAKS ST JOHN THE BAPTIST PCC	48,665.00
SEVENOAKS ST LUKE PCC	50,000.00
SEVENOAKS ST NICHOLAS PCC	196,199.97
SUNDRIDGE W IDE HILL & TOYS HILL PCC	33,456.00
WEALD PCC	48,593.00
WESTERHAM PCC	48,000.00
Total Sevenoaks Deanery	770,271.89
 Shoreham Deanery	
BOROUGH GREEN PCC	55,760.00
EYNSFORD, FARNINGHAM & LULLINGSTONE PCC	62,400.00
IGHTHAM PCC	61,828.00
KEMSING & WOODLANDS PCC	53,200.00
KINGSDOWN W MAPPISCOMBE PCC	45,999.96
OTFORD PCC	64,000.00
PLATT PCC	42,840.00
PLAXTOL & SHIPBOURNE PCC	64,084.00
SHOREHAM PCC	41,794.50
STANSTED W FAIRSEAT & VIGO PCC	45,000.00
WROTHAM PCC	32,040.00
Total Shoreham Deanery	568,946.46

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	Offer Received
Tonbridge Deanery	
CHIDDINGSTONE CAUSEWAY PCC	20,000.00
CHIDDINGSTONE PCC	25,000.00
CROCKHAM HILL PCC	30,000.00
EDENBRIDGE PCC	64,000.00
HEVER PCC	18,060.38
FOUR ELMS PCC	13,020.00
MARKBEECH PCC	10,920.00
HILDENBOROUGH PCC	66,000.00
LEIGH PCC	54,069.60
PENSHURST PCC	43,200.00
FORDCOMBE PCC	15,240.00
TONBRIDGE ST PETER & ST PAUL PCC	138,441.00
TONBRIDGE ST STEPHEN PCC	96,000.00
Total Tonbridge Deanery	593,950.98
LANGTON GREEN PCC	21,000.00
RUSTHALL PCC	61,000.00
SOUTHBOROUGH TEAM MINISTRY PCC	187,500.00
SOUTHBOROUGH ST THOMAS PCC	42,667.00
SPELDHURST PCC	72,200.00
TUNBRIDGE WELLS HOLY TRINITY W CHRIST CHURCH PCC	79,500.00
TUNBRIDGE WELLS KING CHARLES THE MARTYR PCC	73,990.80
TUNBRIDGE WELLS ST BARNABAS PCC	29,996.00
TUNBRIDGE WELLS ST JAMES PCC	76,875.00
TUNBRIDGE WELLS ST JOHN PCC	85,000.00
TUNBRIDGE WELLS ST LUKE PCC	54,660.00
TUNBRIDGE WELLS ST MARK PCC	40,000.00
TUNBRIDGE WELLS ST PETER PCC	45,000.00
TUNBRIDGE WELLS ST PHILIP PCC	51,000.00
Total Tunbridge Wells Deanery	920,388.80
Total Tonbridge Archdeaconry	3,843,172.67
Total received	9,173,650
Offer in lieu of housing	16,800
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Total as per SOFA	9,190,450

MARKING ONE HUNDRED YEARS

St Nicholas, Southfleet, was one of the many churches across the Diocese which commemorated the Centenary of WWI this year. The DAC was on hand to support them through the process to ensure their stunning display worked with the fabric of the building.





Called together
grow enrich resource

THE DIOCESE OF ROCHESTER. REGISTERED OFFICE: ST NICHOLAS' CHURCH, BOLEY HILL, ROCHESTER, KENT, ME1 1SL. REGISTERED CHARITY NO. 249339.
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