The Diocese of Southwark

The South London Church Fund & Southwark Diocesan Board of Finance

Annual Report 2024

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Christ Centred | Outward Focused

Front cover: St John's Church of England Primary and Nursery School, Kingston, 'Hope for the Future: Wonderful World' exhibition.

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Introduction

The Bishop of Southwark

As we have developed our new Southwark Vision, it has been my strong conviction that valuing our parishes – in all their glorious diversity – is our highest priority.

I am very pleased that in 2024 this priority become a reality as we launched our programme of Parish Conversations: an opportunity for myself and my colleagues to spend time with every parish in the Diocese – listening, learning and sharing local hopes, struggles and concerns. I have enjoyed the first of these and look forward to more in 2025 and beyond.

In June 2024 we were given the excellent news that Southwark would be awarded £29m over nine years for a whole-diocese transformation programme to facilitate mission and growth projects throughout South London and East Surrey as part of the Church of England's Diocesan Investment Programme.

I was glad in July to be part of the consecration at Southwark Cathedral of Bishop Alastair as Bishop of Woolwich. Later, on the feast of Michaelmas, the Ven Chigor Chike was installed as Archdeacon of Lewisham & Greenwich to succeed Bishop Alastair – and I rejoiced to have, once again, a complete team of bishops and archdeacons.

In 2024 it was a great pleasure to welcome new colleagues to help make Southwark Vision a reality – in particular The Revd Canon Roxanne Eversley (Canon Librarian and Dean of Cultural Diversity) and The Revd Charlie Lamont (Dean of Revitalisation).

The Diocese of Southwark seeks to be Christ Centred as well as increasingly Outward Focused – and nowhere is this better demonstrated than in our new companion link with the Diocese of Barbados – an agreement which was signed in July and which will develop a relationship of mutuality as we seek to work together, learn from and support one another in love, mission and service. It was also a joy to appoint Bishop Ragnhild (Bishop of Bergen) and Canon Michael Branch (Dean of St George's Roman Catholic Cathedral) as ecumenical canons of Southwark Cathedral – and to commission The Revd Alan Bayes as our new Faith in the Countryside Officer.

During my weeks of convalescence following a road traffic accident while travelling as a passenger in a London Black Cab, I was very thankful that the College of Bishops, convened by Bishop Rosemarie, discharged their delegated duties effectively and collaboratively. I am enormously grateful to them, and to those whose prayers supported and upheld me during that difficult period, and brought me to full recovery.

+Christopher Southwark

Chair of the Diocesan Board of Finance

I am glad to be writing this at the end of a more buoyant year than 2023 in terms of diocesan finance. In 2023 the year ended with a £3m deficit, as a number of budgeted property sales did not take place due to the stagnation in the housing market. As predicted, they took place in 2024 instead, enabling the Diocesan Board of Finance (DBF) to finish 2024 with a surplus of £0.4m.

The primary income for the DBF is of course the generosity of our parishes, and I am always pleased and encouraged by the amazing collection rates that are achieved: an astounding 99.7% in 2024. 2025 brings us to the tenth anniversary of the Parish Support Fund and this is a milestone to celebrate.

We are hugely grateful to parishes for their generosity, but the fact remains that despite this income to the DBF is falling in real terms, while costs are increasing. Clergy costs are on budget but the costs of maintaining the properties in which our clergy live are high and increasing above inflation. Since Covid we have also seen a significant number of clergy moves and retirements, each of which triggers removal costs and clergy grants which are paid by the DBF.

I am particularly pleased that in 2024 we were able to honour the commitment of Diocesan Synod to divest from investment in fossil fuels, an outcome that will be fully achieved by early 2025. This was largely thanks to sterling work by our Finance Director, Mark Rhodes, and is just one example of the excellent work done by our Diocesan Secretary, Nicola Thomas, and the whole staff team to achieve the outcomes of Southwark Vision.

David Beamish

Our Vision

Southwark Vision 2024–2035 is **Christ Centred | Outward Focused**. This next evolution of our vision comes as we continue to walk together, discerning God's wisdom and guidance in our pilgrimage of faith. Keeping Christ as our centre and the focus of unity, we will continue to turn outwards – seeking to support, encourage, resource and learn from one another as we serve our parishes and God's world.

Our renewed Vision is shaped around our six priorities: Valuing all our Parishes, Ministry, Growth, Youth and Diversity, Discipleship and Healing. Find out more at southwark.anglican.org/southwark-vision – and read about work done in 2024 to serve these priorities in the Reflections section (page 8) of this report.

Our priorities

Southwark Vision builds on all we have done and seeks to respond to what God is now doing in our midst. In particular, our priorities for this next season will be:

- **P** *Prioritising parish mission and ministry*
- **M** *Growing, resourcing and diversifying our ministries*
- **G** *Equipping churches and congregations to grow and innovate*
- **Y** *Becoming a younger, more diverse diocese*
- **D** *Being intentional about going deeper with Christ*
- **H** *Seeking God's healing for our communities and God's world*

Resourcing our Vision

In order to achieve the outcomes of Southwark Vision, we need to invest in projects and workstreams shaped by these priorities and designed to deliver outcomes that will benefit all our parishes.

2024 was a significant year for mission in our diocese as the whole staff and diocesan leadership teams played a key role in the development of the bid for national funding for our Diocesan Investment Programme (DIP), securing £29 million over nine years, which was announced in June 2024. Led by Ruth Martin as Bishop's Lead for Strategic Development, the whole staff team played their part in the development of this funding bid. The DIP will facilitate mission and growth projects throughout South London and East Surrey, none of which will be at the expense of core funding for our parishes. The strands of this work were further developed and a core delivery team – established by Bishop Christopher to provide strategic focus and collaborations across our diocese – created in preparation for the launch of several new initiatives and work streams in 2025.

© Trustees for Methodist Church Purposes, Ceri Richards: The Supper at Emmaus, MMAC.

Additionally, in January 2024 we welcomed Jonathan Walter as our new Net Zero Carbon Programme Manager – a role which is funded by the national Church for a limited period. Jonathan is leading on our work towards Net Zero Carbon, which is aligned with the Church of England's *Routemap to Net Zero* in 2030. In 2024 we also received funding from the national Racial Justice Unit to support the development of integration of racial justice training and inclusion work across our diocese. Both initiatives contribute directly to our Southwark Vision priority of Healing – and we are providing regular updates on this work to our Diocesan Synod.

Review

Congregation at St Peter, Brockley.

The Diocesan Secretary

It has been an interesting and sometimes challenging year in the Diocesan Board of Finance, not least because of a whole series of elections at deanery and diocesan level. I am hugely grateful to Charlie Hudson-Beddows who, as the Assistant Secretary to Synod and the Diocesan Council of Trustees, keeps these processes operational, ably assisted by Maia Robins as the temporary Governance Officer in this election year, and my wonderful PA Henry Metcalfe who turns his hand to many tasks beyond the usual responsibilities of a PA. The first meeting of the new Diocesan Synod in November was a delight, with a great balance of about 50% returning members and 50% new, and the experience was summed up by a stray 'Hallelujah!' at the end of one of the hymns during our Eucharist.

I see the role of Diocesan Secretary very much as one of stewardship, providing the space and resources for people to exercise their gifts and talents in the service of God. I am always very mindful of the need to conserve resources and be efficient, while ensuring the wellbeing of staff and making sure that parishes, clergy and trustees receive the service that they need.

The Church of England has faced significant challenges this year, nowhere more than in the realm of safeguarding, and I want to pay tribute to our Diocesan Safeguarding Team who work above and beyond the hours we pay them for in order to ensure that Southwark is a safe place to attend church and worship God. They do this in conjunction with the wonderful voluntary Parish Safeguarding Officers, who are just some of the people who give up their time to allow our churches to prosper. It is a privilege to serve you in this role.

Nicola Thomas

Parish Conversations – an opportunity for parishes to share local hopes, struggles and concerns (clockwise from left): St Mary, Beddington; St Luke, Battersea; St Giles, Camberwell.

Reflections from 2024

We have come a long way as a diocese over the past ten years: embedding generosity, speaking well of one another, innovating and taking risks – and we have continued to be able to resource our parishes through growing our financial resilience. Southwark Vision (see page 5) has sharpened our focus with the introduction of six new priorities for our diocese. As we reflect on all our diocesan staff team has done to serve our parishes in 2024, its progress, events, resources and work are outlined under each Southwark Vision priority.

P Parishes

We value all our parishes and are committed to enabling and serving them, so they can minister to the whole people of God in their local context.

At the heart of the work of the **Giving Team** is the commitment to offer wide-ranging advice and encouragement on giving and fundraising to our parishes, our clergy, officers and volunteers. During 2024, the team worked hard to support parishes, offering programmes to help them manage their financial commitments and increase their resources for local mission. Termly workshops on all aspects of giving – including legacies, fundraising and digital giving – took place throughout the year. Over 80 treasurers attended the annual Treasurers' Workshop, organised by the Finance and Giving Teams, which took place in September. There was positive feedback for the presentation by Joseph Reed, Partner at Winckworth Sherwood, as well as the time offered for networking and meeting fellow treasurers, as well as diocesan colleagues.

Thanks to the national *Buildings for Mission: Support for Churches* initiative, for the first time in 2024, the **Church Buildings and Diocesan Advisory Committee (DAC) Team** was able to offer small grants to 18 parishes in order to enable them to better care for and make better use of their church buildings. Southwark Diocese was awarded £144,000 over two years from the *Minor Repairs and Improvements Grants Fund* as part of this scheme. Grants for parishes ranged between £5,000 and £10,000 and were given for preventative maintenance and repair projects such as brickwork repointing, roof and window repairs and emergency electrical rewiring. We were also able to offer grants for improvements to heating, lighting, toilets and kitchens, as well as professional fees for buildings investigations and initial 'design work' to develop larger projects.

The benefits of this initiative stretch way beyond the actual fabric improvements effected by the grants, fostering good communication between parishes and the Church Buildings & DAC Team, as well as opening up new possibilities for parishes in applying for other grants schemes. This scheme will continue into the new year and we look forward to offering further support to parishes through the awards in 2025. In addition to the grants, in 2024, the DAC continued to work with our archdeacons and others to offer a range of advice and support to parishes looking to make big and small changes to their church buildings and fabric. From small alterations and faculties to major new projects, the team has access to high quality professional advice and expertise in navigating the regulations of the Church of England.

During 2024, the **IT Team** focused on facilitating collaborative working across our diocese, making the most of the functionalities offered by Microsoft 365 and supporting diocesan and episcopal area staff in their work for our parishes. The migration of diocesan files to cloud servers has made them more secure and accessible, in line with the team's commitment to maintaining accurate data and records relating to people and places within our diocese.

The team also supports churches in their data collection and returns – including the annual Statistics for Mission and Energy Footprint Tool. Specialists in the team use this data to generate detailed analysis about local mission and ministry, the changes we are seeing over time in our parishes and across our diocese. We produce data packs for each parish, which collate data from the 2021 census in each area, as well as other relevant statistics.

Autumn 2024 saw the beginning of our two-year programme of **Parish Conversations**, with diocesan senior staff planning to visit with and value every single parish in our diocese. The conversations are, first and foremost, an opportunity for listening – for members of the Bishop's Team to hear

Parishes benefited from deployment and support of 69 training curates.

© Tom Bradley

'Camels and carols', parishioners of St Michael and All Angels, Barnes enjoy Epiphany celebrations.

about the joys, challenges, concerns and opportunities that each parish is grappling with. There will also be opportunities for senior clergy and diocesan colleagues to work with parishes to identify what additional or new support might best benefit them.

June and July 2024 saw the ordination of 17 deacons and 21 priests to serve their title posts in Southwark Diocese. During the year, an additional 24 people were supported in their training for ordination across a number of theological colleges. Throughout the year, the **Vocations Team** oversaw the careful deployment and continued support of 69 training curates in our parishes – enhancing local mission and ministry as well as nurturing future church leaders. In 2024, this included the delivery of 100 hours of training and development for those curates, delivered by 45 different people. Combined with the support offered to our training incumbents, this is an important factor in the wellbeing of our parishes. The team continued to work to increase the spread and diversity of training parishes and incumbents each year.

The **Mission Team** serves our parishes through offering support, training, consultancy, encouragement and grants to parishes, teams and deaneries in their local mission. Parish grants in 2024 included one to begin a new gym outreach ministry and for music-related Fresh Expressions of Church, as well as for new work with children, young people and families. The team also continued their work of creating a culture of missional innovation and risk-taking in a mixed ecology Church through supporting the expanding number of established Fresh Expressions, including visiting 50 such worshipping communities. In the Kingston and Croydon Episcopal Areas, and with our pioneer curates, the team worked to develop Greenhouse learning communities, which help people to design, grow and cultivate new expressions of church. In 2024, these communities supported 40 different churches in their mission. Greenhouses are nurturing an increasing number of lay pioneers through our Estate's Lay Pioneer programme. The team also welcomed Charles Lamont to the new role of Dean of Revitalisation, with a focus on encouraging and helping parishes to grow and innovate.

In 2024, our **Human Resources Team** worked to equip parishes for mission and ministry through providing HR support on a range of employment matters and supporting the resolution of local staffing challenges. There were at least 139 separate enquiries, with parishes seeking advice about a variety of employment matters, ranging from the provision of templates and telephone advice, and 10 cases requiring more extensive support to resolve, ranging from restructures and redundancies to performance issues, and matters of serious misconduct. The **HR** and **Strategic Development Teams** also worked closely to appoint to 20 staff posts to support our Diocesan Investment Programme in 2024 (17 parish-based roles and three based in the central staff team).

As well as supporting and promoting the work of the other diocesan teams, such as the Season of Lay Ministries – the **Communications Team** continued to seek fresh ways of encouraging and informing people across our parishes, developing our website and expanding

Reflections from 2024
(continued)

our use of digital media. The team continued to produce The Bridge newspaper – which is available 10 times a year in both digital and print formats – and the fortnightly Southwark Digest email newsletter. The team conducted a survey of Bridge readers in late 2024 and will use the results to shape and develop the shape of the paper and its contents in 2025. It championed good parish stories throughout the year, promoting them through diocesan channels as well as through local and national media.

The **Governance Team** continued to provide essential support to our parishes, including offering PCC Secretaries' & Administrators' Conferences. These saw participation from over 160 parishes, fostering a collaborative environment for training, sharing best practice and addressing common challenges. We launched the newly updated PCC Secretaries' Handbook (the first update since 2011), which is a comprehensive guide designed to assist PCC secretaries in their roles, ensuring they have the necessary resources to manage their responsibilities effectively. This resource has already been used by other dioceses to support their own parishes.

2024 was particularly significant due to the busy election period and the commencement of a new triennium. The team conducted several induction and training sessions for new Diocesan Synod members, equipping them with the knowledge and skills needed to understand and engage with synodical governance. These sessions were instrumental in helping new members navigate their roles and contribute meaningfully to the mission and ministry of our diocese, as we continue to implement Southwark Vision.

M Ministry

We will maintain the highest possible number of stipendiary clergy and grow our lay ministries, ensuring that our parishes are served by well-resourced and well-supported ministers of all kinds.

To have ordinands to place as curates means that our team of Vocations Advisors, Directors of Ordinands, and our **Vocations Team** do a tremendous amount of work to guide people through the discernment processes. In 2024, our Vocations Advisors worked with 75 enquirers to explore vocations to both lay and ordained ministry. We have been very pleased to see the increase in those coming through to train as Readers in our diocese. The Dean for Cultural Diversity, Roxanne Eversley, continued to develop further targeted work with Global Majority Heritage (GMH) enquirers. 2024 also saw the start of the new Encouraging Vocations research project, which will examine the way people from under-represented groups navigate the lay and ordained ministry discernment processes and how barriers might be best overcome.

The Discipleship, Lay Ministry and Continuing Ministerial Education Team continued its work supporting the wellbeing and development of all our ministers. A new initiative for 2024, *Nine in Twelve: a year of clergy wellbeing* was launched in the autumn. A series of monthly group meetings, this could be described as a series of 'mini-retreats', or a committed group where clergy can be themselves in silence and creativity. It has proved so popular that a second group is planned for 2025.

2024 saw the appointment in many of our deaneries of new Lay Vocations Champions, whose role is to encourage knowledge of and vocations to our many different Lay Ministries. Taster Sessions, both in person and online were offered throughout the year to give enquirers the opportunity to discover more about the lay ministries on offer and how to explore a vocation to these. Our Season of Lay Ministries took place during Epiphany, with accompanying resources to enable parishes to give thanks for and encourage those serving in lay ministries. The Review of the Lay Council, which was set up to help to encourage Lay Leadership and Ministry, began in 2024 and will conclude in 2025 – this helps to shape the work that we do to promote Lay Ministry in all its diversities. Our Season of Lay Ministries took place in Epiphany, with resources for special services and parishes across our diocese supported to give thanks for and encourage all serving in lay ministries.

Work has also begun with the Board of Education to think about how best to resource School, Further Education, and Higher Education Chaplaincy.

© Andrew Moss

Adult baptism at St John The Evangelist, Upper Norwood.

Our diocese only holds property for mission and ministry purposes. The **Property Team** worked hard throughout 2024 to support parish ministry through ensuring that clergy and their families have suitable, comfortable accommodation. During 2024, the team worked to develop a revised Diocesan Property Strategy. The strategy offers a crucial framework for managing diocesan properties all of which are prioritised for mission and ministry – and most of which are parsonages. It is designed to guide the Property Team, as they work closely with our archdeacons to serve and support our parishes over the next ten years. The strategy also emphasises sustainability, cost-effectiveness and the alignment of our property use with Southwark Vision, which aims to grow and diversify our diocese, including advancing our commitment to the environment. The revised strategy will also support our Diocesan Investment Programme through the provision of housing for ministers.

Throughout the year, the **Human Resources Team** worked to enhance the wellbeing of both clergy and staff through providing direct support as well as promoting resources for health and wellbeing. Training about employment in parishes is provided to curates as part of their IME2 training, as well as to new incumbents to our diocese in their 'Nuts and Bolts' training. The latter provides an opportunity for new incumbents to share learning from diocesan staff in a number of areas, including giving, wellbeing, HR, DAC, vocations, communications, lay ministry and social justice.

In 2024 it was wonderful to welcome both a new **Bishop of Woolwich** (The Rt Revd Alastair Cutting) and a new **Archdeacon of Lewisham & Greenwich** (The Venerable Chigor Chike) to the Bishop's Senior Team. The Venerable John Kiddle announced his intention to retire from the role of Archdeacon of Wandsworth in 2025 – and The Revd Bridget Shepherd was announced as his successor.

School children participate at St Michael, Lower Sydenham – an estate-based church.

G Growth

In the next five years, we want to see our diocese surpassing pre-pandemic levels of church attendance – and grow by a further 10% by 2035.

At least five of our curates each year are identified as Pioneer Curates – those with a specific calling to new mission and ministries, primarily with those outside the church. In 2024, 18 of these curates served across our diocese. The **Vocations and Missions Teams** have been working intentionally on exploring new patterns of church and worship with our pioneers and their training incumbents, as well as offering specific training and support. Several of the curates (pioneers and others) have been instrumental in setting up very successful new models of ministry in our parishes. As part of the IME2 programme, all curates receive training and support in evangelism, responding missionally to local needs and developing ministry among lay people.

During 2024, the **Mission Team** developed a refreshed Mission Action Planning resource, offering parishes a toolkit and process for refining their vision and advancing mission in their community. It is expected that this will launch in early 2025. The team also strengthened its links with

Reflections from 2024
(continued)

the national *Leading Your Church Into Growth* initiative, focusing on culture and mission in parishes, with a course in Southwark Diocese planned for 2025. The team also offered mission accompaniment and mentoring to those involved in Hub and Resourcing Churches that have received Strategic Development Funding through the national Church. In conjunction with this, the **Strategic Development Team** provided project management support to these churches to implement their plans. As part of our **Diocesan Investment Programme**, staff from both teams worked to identify and support six new Hub and four new Resourcing Churches, as well as developing other projects to support new models of church. These range from work in estates through to the Anglo-Catholic Youth Mission in Communion model.

The digital work of the **Communications Team** expanded significantly in 2024, with our digital presence spreading to social media platforms Instagram and TikTok, as well as adopting a much more strategic approach to our pre-existing platforms. The team produced and published a total of 45 videos over the year, telling good news stories from our parishes and sharing resources to enhance parish mission. Throughout December 2024, across all of our digital channels, the team shone a light on the work of our Church of England schools, sharing some of the ways children engage with Advent, Christmas and the Christian faith in our diocese.

Y Youth & Diversity

We are committed to becoming a younger and more diverse diocese – one which better reflects the communities we serve.

In 2024, as part of our **Diocesan Investment Programme**, the **Strategic Development, Mission and Discipleship, Lay Ministry and Continuing Ministerial Education Teams** worked to develop a new apprenticeship-style training scheme. In partnership with Ridley College Cambridge, this aims to help address our need for more children and young people's workers. We will train paid parish-based apprentices to help them to develop and gain the qualifications and experience they need to pursue a vocation to this work – and to create a pathway for trained CYP workers. A nationally-funded Coordinator for this scheme was appointed in late 2024 and we expect the first cohort to begin training in autumn 2025.

The focus on training and growing children and youth leaders has been a key priority for the **Mission Team** in 2024. *Catalyst* – a training course for anyone volunteering or working with children, young people and families – saw 33 participants. The CYP Basics course was held in four venues across our diocese, with plans to offer it in each archdeaconry in 2025. Additionally, the team supported parish engagement with children and young people through *Growing Faith* meetings, the development of *Flourish* worshipping communities in schools and a 2024 survey to establish a CYP ministry 'baseline'.

In November, the team hosted a dedicated diocesan conference on ministry with children, young people and families entitled *Small Changes, Big Impact*. More than 200 people attended and follow-up parish training will be offered in 2025.

© Andrew Moss

More than 200 people attended our *Small Changes, Big Impact* diocesan conference on ministry with children, young people and families.

Estates ministry continues to grow and thrive in our diocese, with termly meetings of estates ministers across all episcopal areas and a programme of visits by the Dean of Estates Ministry. The **Magnify estates lay pioneer training course** is aimed at people from an estates culture who have often been overlooked. More popular than anticipated, five Magnify hubs took place in 2024 (three had originally been planned), each with up to eight participants engaging in 32 hours of sessions. Discussions are underway to expand the programme to the Battersea and Kingston areas in 2025, further strengthening lay pioneer development.

During national Generosity Week (29 September to 6 October), the **Giving Team** provided special resources for children, young people and families encouraging generosity across all generations, designed by our new Generous Giving Advisor. These were ideal for family discussions around the dinner table or exploration in church group settings.

D Deepening our discipleship

Christ is at the heart of our faith – and we will seek to go deeper in our journey with him, replicating our learning and sharing our gifts and resources.

The **Discipleship, Lay Ministry and Continuing Ministerial Education Team** offers the Bishop's Certificate which runs each year from September to July. This course is open to anyone who wants to find out more about their faith and is often the first step in discerning a vocation. It also forms part of the training for some of our Commissioned Lay Ministries. 72 people began the course and 55 people completed it in 2024.

The team also offers a wide and diverse range of short courses that are open to anyone, which can be found in the *Discipleship and Ministry brochure*. Our 'Ground Floor Guides' sessions proved particularly popular in 2024. These are hour-long introductions to various subjects which in 2024 included the English reformations and body theology. The brochure features courses from the **Children and Young People's Team** and the **Giving Team** as well as many others, all designed to encourage mission and ministry by enabling growth in faith.

As ever, our **Giving Team** worked tirelessly with parishes to encourage giving of time, skills and money to improve their financial and missional resilience. At the end of 2023 Southwark was the Church of England diocese with the highest percentage of parishes using digital giving for the second year running. In 2024, we sustained this focus and at the end of the year over 90% of our parishes were offering at least one form of digital giving. 100 churches have now joined the *Parish Giving Scheme*, with over £2.6m of gifts being processed for our parishes in 2024 – 33% more than 2023, and with 30% more donors. This free scheme reduces administration for parishes and their volunteers and encourages generous giving. Over 100 parishes attended our Archdeacons' Q&A sessions on the Parish Support Fund in early summer. The generosity of parishes in 2024 was seen in many ways, not least an amazing 99.7% collection rate for the Parish Support Fund.

© Caro Swan

A Spanish-language Mass at St Matthew, Elephant and Castle.

The 2024 national Generosity Week service came from Holy Trinity Roehampton, led by The Revd Joshua Rey who said: "It is in giving that we receive – but as the vicar of a London parish which couldn't provide full time ministry without the generosity of other churches around the diocese, I can tell you that to receive the generosity of others is also a joy!"

Alongside the ongoing mission-focused work of the **Diocesan Advisory Committee** (DAC), in 2024 our diocese benefited from the financial assistance of the national *Buildings for Mission: Support for Churches* project. This provided for a new parish-focused Church Buildings Fundraising Support Officer role within the **Church Buildings & DAC team**. Since April 2024, the Support Officer has provided specialist advice to parishes on grants applications and – other means of fundraising – for maintenance, repair and conservation of church buildings and capital improvement-works. The Support Officer has also given encouragement and help to parishes in developing strategic

Reflections from 2024
(continued)

financially-achievable approaches to the management and sustainable use of their church buildings. This has included advice about community engagement and wider buildings use, as well as energy-efficiency and carbon-reduction.

H Healing

We will seek God's healing for our communities and our world, prioritising safeguarding, social justice, racial justice and care for creation.

As part of our **Net Zero Carbon programme**, Jonathan Walter (Net Zero Programme Manager) visited more than 40 churches in 2024 to provide advice on the best parish pathway to Net Zero. More than 50 of our churches were enabled to receive funding from the National Church Net Zero Programme – both through free energy audits and match funding under the *Give to Go Green* initiative. Under *Give to Go Green*, nearly £160,000 was raised by 12 of our churches in autumn 2024 for specific projects to cut carbon and improve energy efficiency, reduce day to day running costs and support our collective journey towards net zero carbon. £84,000 of donations came from congregations and communities, with an additional £75,798 match funded by the national Church.

A network of the diocese's 42 highest carbon-emitting churches was created to ensure mutual support and knowledge-sharing, helping our parishes to overcome the challenges they face in reaching the net zero target. A first gathering of this group was held at Southwark Cathedral in October 2024. The team saw an increase in completion of the Energy Footprint Tool, which enables churches to measure their Carbon Footprint and identify ways to reduce this. We were pleased to witness the number of Eco Churches in our diocese growing in 2024 with nine new churches, 13 new bronze-awarded churches and 10 new silver-awarded churches – including Southwark Cathedral.

A special Lent Pilgrimage, led by Bishop Martin, brought people together from across our parishes to reflect, pray and commit to action to care better for the environment and care of creation. Our renewed diocesan commitment was affirmed in a synod-approved Environment Policy for 2025-27.

Racial justice continued to be a key part of our diocesan work in 2024. During 2024, a special **Anti-Racism Charter (ARC) parish study** resource was developed and piloted in parishes. This was designed to make the ARC more accessible and to invite people into conversations and reflection about the theology behind it. The study pack was revised in light of the feedback from parishes and will be launched in time for Racial Justice Sunday in 2025. In December we welcomed a new Racial Justice Development Officer (Weisi Dennis) to the team, to support the implementation of the ARC in our parishes and Episcopal Areas. In partnership with our Board of Education, Southwark Cathedral hosted our annual **Black History Month Celebration** in October 2024. This explored the positive impact that music has had on the black community, as well as its power to transform worship and enhance witness – bringing hope, healing, restoration and justice.

The Discipleship, Lay Ministry and Continuing Ministerial Education Team helped to co-ordinate and lead Unconscious Bias training in our diocese in 2024, working with trainers from parishes. The team appointed a nationally-funded Racial Justice Training and Resources Officer who will take this work forward into 2025 and beyond.

The Justice, Peace and Integrity of Creation (JPIC) Team continued to advocate for justice and peace in our communities, our nation and our world, especially the poor – including the protection of vulnerable young people from involvement in serious youth violence. The team supported the delivery of the Operation Forgiveness initiative – an early intervention knife-crime initiative – in schools in our diocese. As part of the Synergy Network, they also supported churches through work around understanding trauma for churches and young people. The Team continues to contribute to the Violence Reduction Unit Multi Faith Network core committee.

In 2024, students from two diocesan schools – St. Bede's Redhill and Christ's School Richmond – took part in the Glaziers Education Project, which helped them to explore issues around homelessness and rough sleeping. The project culminated in the production of a stained-glass panel, now on display in Southwark Cathedral.

The **JPIC Team** also worked to support our leaders, parishes and ministers in their advocacy, helping them to build knowledge and engage with their MPs and Councillors on issues including care for the environment, refugee support and community organising. The team ran training events and provided resources to empower our parishes – from Hidden Voices training (spotting the signs of modern slavery and exploitation) to poverty, health and refugee supporting.

© Tim Dendy.

Pilgrims on the Kingston–Merton leg of the pilgrimage for climate change, during Lent 2024.

Our dedicated **Safeguarding Team** worked throughout 2024 to help our churches to be safer, more welcoming and supportive places. The team's front-line case work with survivors of abuse increased significantly throughout the year. Each referral is taken seriously, with all national guidance followed, and can require anything from simple advice and reassurance to significant work with the statutory services. In all of this, the team is determined to be survivor-focused, as well as ensuring that support and advice is available to all those affected by each issue. In 2024, work was undertaken to establish and support a dedicated Survivors Forum for Southwark and London dioceses. This work will continue into 2025.

As well as direct casework, the team offers advice and support to ministers and Parish Safeguarding Officers and runs a full programme of training across our diocese, ensuring that hundreds of lay and ordained ministers and church officers and volunteers are better equipped for their ministries. In 2024, almost 1,400 people completed their Foundation Safeguarding training, more than 500 the Domestic Abuse awareness training, nearly 150 did the Safer Recruitment course and more than 370 the Safeguarding Leadership training. The team also processed 2,461 DBS requests for parishes and diocesan staff.

The **Communications Team** continued to support our bishops and other key spokespeople in their advocacy on key issues affecting our world such as the conflict in Israel and Gaza, racial justice, the Assisted Dying Bill and violent crime in our communities. It also offered 24/7 direct advice and support to parishes and schools in working with the media, responding to community tragedies, dealing with challenging communications issues and sharing their stories. More communications advice, support and training for parishes is planned for 2025. The team promoted and supported the 2024 Bishop's Lent Call, which – thanks to the enormous generosity of our parishes – raised an amazing £60,000 for projects in Israel, Zimbabwe and the UK.

Key statistics

The Diocese of Southwark serves...

2.9 million people

in the **16** local authorities of South London and East Surrey

through **356** places of worship – a Church of England presence in every community

and **101** church schools educating **34,000** young people

23 prison, hospitals and airport chaplaincies

49% of churches in the diocese are registered for Eco Church, with **66** bronze, **30** silver and **1** gold status awards

310 stipendiary clergy with **24** pioneer curates, **280** PTO clergy, **210** commissioned or licensed lay ministers and **45** self supporting clergy

159 parish proposals for church buildings recommended.

£72,000 awarded to eighteen parishes in grants from 'Buildings for Mission' Church of England funding

32 people training on our new Estates Lay Pioneer course

90% of churches equipped to use digital giving

More than **1,400** people completed at least one of our safeguarding courses

£60,000 raised by the Bishop of Southwark's Lent Call to support our partners in Jerusalem, the Middle East, Zimbabwe and the UK

Financial review

Financial performance

A surplus of £0.4m (2023: £3m deficit) is reported before property revaluations and losses or gains on investments. In 2023 there was a severe slowdown in the property market, whilst we made all the planned purchases and improvements there were few sales to balance this. In 2024 the market returned to more normal conditions, and the gains on some properties that should have been made in 2023 moved the charity into surplus.

The donations made by parishes through the PSF are our principal source of income. Income from the PSF in 2024 was £16.4m (2023: £16.0m). The collection rate for 2024 was 99.7%, compared to 99% in 2023, an exceptional result in both years. The collection rate is testament to the partnership working between parishes and the diocese, and the strength of our pledge system based on informed generosity.

As noted above, gains on asset disposals were ahead of budget and aside from this our other sources of income overall were on budget.

Contributions from the Archbishops' Council were £2.9m (2023: £1.9m) with the increase attributable to a higher level of Strategic Development grants and the beginning of grant income for the Diocesan Investment Programme. Other donations fell to £1.5m (2023: £2m), because of a cut in the grant from Trust for London of £0.5m. We are expecting this grant to remain at the lower level for the next few years. Income from charitable activities remained the same at £2.1m (2023: £2.1m).

Costs rose to £28.2m (2023: £26.8m). The cost of maintaining our property stock was ahead of budget. We must carry out essential maintenance and repairs on our clergy housing and cost inflation – both materials and labour – continued to be higher than the general level of inflation. Stipends also increased year on year, with a 4% increase at the beginning of the year and a further 1% from the beginning of April. Our expenditure was well controlled and overall was on budget except for property expenditure.

The amount spent on administration as a proportion of the total expenditure of the SDBF amounted to 6.5% (2023: 7%). This expenditure continues to be monitored rigorously. It is comparable to other dioceses and other charities of a similar size and complexity.

The increase in the value of Board and Diocesan Stipendiary property was £10.6m (2023: £13.6m decrease), a reflection of the return of confidence

2024 Income vs (Budget)

- Parish share: £16.41m (£16.13m)
- Funding from outside Diocese: £4.40m (£4.60m)
- Gain on asset disposal: £4.46m (£3.60m)
- Funding from Diocesan assets: £2.91m (£2.93m)
- Parochial fees: £0.35m (£0.42m)

£28.5m (£27.68m)

2024 Expenditure vs (Budget)

- Ministry stipends: £13.35m (£12.97m)
- Ministry housing, training & support: £8.04m (£7.51m)
- Area Mission & JPIC: £1.33m (£1.60m)
- Board of Education: £0.37m (£0.37m)
- Strategic Development & Fresh Expressions: £1.48m (£1.89m)
- Governance and administration: £1.81m (£1.79m)
- National Church: £1.79m (£1.70m)

£28.16m (£27.84m)

to the housing market in 2024. The net gain on investments was £1.1m (2023: £0.3m gain), with the market performing strongly towards the end of the year.

The value of investments increased by £1.7m (2023: £0.3m increase). There were £1.4m of sales and £2.1m of purchases to increase the exposure of the portfolio to global equities and bonds, away from UK equities and property funds. Following a motion of Diocesan Synod, at the end of 2024 the SDBF appointed two new fund managers to hold portfolios that do not hold fossil fuel investments. The assets from all existing funds were transferred to the new managers at the beginning of 2025 and the SDBF now holds no fossil fuel investments through these managers. Further details on the investments and their performance can be found in the investment policy section on page 21.

There was no impairment to the value of parsonages in the year. Properties are held for the long term and our experience has been that sale prices exceed the carrying value of the asset.

The capital value of non parsonage properties increased by £10.6m (2023 £13.6m decrease), an increase of 8.6% (2023 10.8% decrease). This increase reflected the South London property market through 2024. Following the decision taken by the Trustees in 2016, whereby properties other than benefice houses were to be valued on a five-yearly cycle, one-fifth of the portfolio was revalued during the year by the SDBF's appointed firm of chartered surveyors, and the average change in the value of the properties revalued was applied to the remainder of the portfolio.

Financial history and plan

SoFA results: actual 2020–2024 and budget 2025

Significant property transactions

A summary of property transactions that took place during the year is shown in the table on page 20. Expenditure on property development and improvements continues to take place, to ensure that parsonage houses are fit for purpose and that the correct numbers and placement of properties are available for curates and other church workers. This is in line with the property strategy endorsed by Diocesan Synod and to support Southwark Vision.

One parsonage was purchased in 2024, to replace one sold in 2022 that was deemed not fit for purpose.

Our policy continues to be:

- to accommodate the changing geographical deployment of clergy within the diocese
- to release the development and refurbishment potential in some properties to enable more effective use of funds for the ministry of the church and to house curates
- to replace unsuitable properties to ensure that each parish/benefice has a benefice house.

Under the Mission and Pastoral Measure 2011, the Diocesan Pastoral Account is available for the purchase and/or improvement of benefice houses. To the extent that any remaining funds are not required, or are not likely to be required, for these purposes then the Account may be applied to any general purpose of the SDBF. The policy of the SDBF is to use the Account for exceptional property expenditure and for property staff costs where they are principally engaged in the purchase, sale and maintenance of the property portfolio but not to use it for routine property administration and maintenance.

Financial review *(continued)*

Balance sheet position

During the year a credit facility of £3.2m was arranged with NatWest to replace a facility with HSBC. The HSBC facility was secured on investments that were due to be sold as part of the divestment from fossil fuel investments. The new facility is secured on property rather than investments.

The Trustees consider that the balance sheet, together with Note 19 (pages 74–75), show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. The net assets as at the balance sheet date totalled £302.0m (2023: £289.9m). Included in this total are properties, mostly in use for ministry, whose value amounted to £275.8m (2023: £265.7m).

	2024 Number	2024 £'000	2023 Number	2023 £'000
Property development and improvement:				
Parsonage	25	1,564	23	1,565
Glebe property	2	34	10	633
DBF property	3	183	7	396
Total	**30**	**1,781**	**40**	**2,594**
Purchases at book value:				
Parsonage	1	734	2	2,025
Total	**1**	**734**	**2**	**2,025**
Sales at book value:				
Parsonage	4	2,632	–	–
Glebe property	–	–	2	919
DBF property	3	1,970	1	10
Total	**7**	**4,602**	**3**	**929**

Reserves policy

Free reserves are deemed to be the total of the unrestricted General Fund. Having considered financial risk, liquidity requirements and the timing of cash flows throughout the year, the Trustees reviewed and amended the policy in 2019. The Trustees' policy was gradually to grow working financial reserves in the General Fund such that it was equivalent to three months' budgeted unrestricted expenditure by the end of 2020, with an aspiration to achieve six months' budgeted unrestricted expenditure by the end of 2025. The target of three months' unrestricted expenditure was not achieved, which would require a reserve of £6.5m, and a long term plan is currently being drawn up for the next five years which will take account of this commitment in conjunction with the Diocesan Finance Review being undertaken by the National Church. In addition, the aim is to have this backed by cash, which has also not been achieved. Again this will be addressed in the long term planning being undertaken.

Reserves invested in fixed assets

The General Fund comprises net assets amounting to £3m (2023: £3.3m), of which £3m (2023: £2.8m) relates to tangible fixed assets, principally freehold and leasehold property, and a further £3.2m (2023: £3.1m) is held in pooled investments.

Designated funds

The Trustees may designate additional unrestricted reserves to be retained for an agreed purpose where this is prudent. Such designated reserves are reviewed on an annual basis and returned to the General Fund if the purpose of their designation is no longer considered to be adequate justification for their retention.

A description of each reserve, together with the intended use of the reserve, is set out in Note 20 (see page 76). During the year a new Net Zero Carbon Fund was established to fund work on improving the energy efficiency of parsonages. At 31 December 2024, total designated reserves were £43.6m (2023: £39.8m). The policy of the Trustees is to gradually return as many of these funds as possible to the General Fund.

Restricted and endowment funds

As set out in Note 19 (see pages 74–75), the SDBF holds and administers a number of restricted and endowment funds. As at 31 December 2024, restricted funds totalled £4.8m (2023: £4.4m) and endowment funds totalled £251.0m (2023: £242.5m). Neither are available for the general purposes of the SDBF.

Grant-making policy

The Articles of Association of the SDBF allow for the making of grants in pursuance of its objects. The grants made in the current and previous year are disclosed in Note 10 (see pages 62–63). All grants are made from budgets set aside for specific purposes and are subject to authorisation policies and criteria.

Investment policy

The SDBF is permitted by its Articles of Association to make investments. Note 19 (see pages 74–75) provides details of the assets of each fund, together with the related purposes. Note 14 (see page 69) summarises the movements in investments during the year. The investment principles were reviewed towards the end of 2018.

With most of its capital assets in residential housing, the focus of the Trustees is on the selection and review of investment funds to provide additional income to the diocese whilst aiming to maintain the inflation-adjusted value of capital. The investment policy and principles in this align with the property strategy and Southwark Vision 2024–35.

	Funds at 31 December 2024	Proportion of portfolio	Income yield in year	Total return in year
	£'000	%	%	%
Managed funds:				
M&G Equity Investment Fund for Charities	5,053	18.6	6.3	9.0
J O Hambro UK Equity Income Fund	3,837	14.1	4.7	21.6
CBF Investment Fund	5,177	19.1	2.7	5.1
Savills Charities Property Fund	979	3.6	6.4	5.5
Mayfair Capital PITCH Fund	1,496	5.5	5.9	5.9
Sarasin Global Higher Dividend Fund	8,169	30.1	2.9	7.1
Blackrock Charities UK Bond Fund	2,433	9.0	4.1	(0.4)
Total	**27,144**	**100.0**		

The Trustees' investment policy is to pursue an ethical investment policy. The Trustees are committed to following the ethical and climate change investment guidelines laid down by the Ethical Advisory Group of the National Investing Bodies of the Church of England and a motion of Diocesan Synod, not to invest directly but through collective investment vehicles, to seek the best economic returns consistent with commercial prudence following the judgment in the Bishop of Oxford case.

The investment objectives are:

- to seek the best possible overall return on investments, having due regard to the preservation of capital and subject to agreed risk tolerance
- for the Diocesan Stipendiary Fund and Ministry Fund, the aim is to maximise the growth of income in the longer term whilst maintaining the inflation-adjusted value of the capital
- for Board of Finance investments, the aim is to maximise capital and income in the longer term.

Excluding purchases, sales, and transfers, the value of investments has increased by 3%. Total distributions decreased to £1.2m (2023: £1.3m).

The SDBF does not adopt a total return policy for its investments but looks to identify investment managers who can produce income growth whilst preserving capital subject to agreed risk tolerances.

The capital growth and income achieved in the year are in line with the investment objectives.

Objectives and plans

Youth project at St Margaret, Putney.

Annual objectives for 2024

The Annual Objectives were approved by the Diocesan Synod in November 2023 and continued the themes of *Connectedness & Communication and Rebuilding Finances: Parishes and the Diocese*, set in 2022. Together they formed a broad remit of major synodical priorities to which they were drawn:

- clergy wellbeing in times of change
- environment (including Net Zero Carbon)
- implementation of Anti-Racism Charter
- parish finances for growth in post-pandemic recovery.

Southwark Vision (2017–25) was at the heart of our strategy, with plans and annual objectives in 2023 flowing from that. The diocese maintained a firm commitment to parish structures as well as support for innovation, new projects and initiatives.

A key objective for 2023 was to work alongside parishes and archdeacons to seek to rebuild the Parish Support Fund to 2019 levels by the end of the year through the 2024 pledges. Our multiple-year programme to achieve the target of 66% parishes covering their full ministry costs, so they can be more generous to others, continued. Embedding digital giving continued to be a priority through encouraging contactless payments and online giving in our parishes. A new cloud-based finance system for the diocesan office was put in place in January 2023 and is being used successfully.

The Strategic Vision Ministry and Deployment policy continued to be an integral part of Southwark Vision (2017–25) and the approved Southwark Vision (2024–35), which was wholeheartedly approved and endorsed by Diocesan Synod in November 2023.

Our commitment on the development and embedding of our Anti-Racism Charter continued. Establishing Hub and Resourcing Churches, to encourage and support parishes with mission and Fresh Expressions, also continued and is showing promise. Supporting mission and ministry through the work of our Justice, Peace and Integrity of Creation (JPIC) team also continued in 2023, as Diocesan Synod approved a diocesan roadmap to Net Zero Carbon and staff began to develop the plan for reducing carbon emissions, in line with our Diocesan Environment Policy. Diocesan Synod also made a commitment to achieving our Eco Diocese Silver award by 2027–28. Following the achievement of Bronze status in 2023, work on this has begun in earnest.

Progress made towards achieving 2024 objectives

Objective	Progress made
Connectedness and communication	
Continue to embed initiatives to support clergy wellbeing during times of change and uncertainty.	In Autumn 2024, the Dean of Clergy Wellbeing launched a new initiative to support clergy wellbeing. Nine in Twelve offers a series of 'mini retreats' with a group of supportive clergy. A second group is due to launch in 2025. Clergy continue to have access to counselling and other support via their archdeacons, as well as a number of other bodies. Our Diocesan Referrals Group meets regularly to consider key issues in clergy wellbeing and has been developing a complaints procedure.
Consider how the DAC can enhance its guidance, advice, and support to all parishes for the cost-effective and sustainable management of church buildings.	In 2024 we appointed a nationally-funded Church Buildings Fundraising Support Officer to work with the Church Buildings & DAC team, to offer project advice, fundraising guidance and grants support. We also launched the Buildings for Mission Minor Repairs & Improvements Grants scheme, to which all parishes may apply. Work on reducing our carbon emissions continued – and a project with our 42 highest-emitting parishes launched in Autumn 2024. We also participated in national Net Zero Carbon projects such as 'Demonstrator Churches' and 'Give to Go Green', supported by our new Net Zero Carbon Programme Manager.

Annual objectives *(continued)*

Objective	Progress made
Continue to give support to parishes where they lack volunteers in critical roles, e.g. treasurers and churchwardens, and develop new strategies.	We hosted a PCC Secretaries Conference and Treasurers Conferences and launched a new Handbook for PCC Secretaries. Our annual Parish Information Review was conducted, ensuring that diocesan data for parish officers is correct – and our project to address challenges in recruiting volunteers, led by two Area Deans, will continue into 2025. Training has been offered to our parishes in recruiting and encouraging volunteers. All of our staff teams offer advice to parishes on a range of matters. Governance support has been offered by the Secretariat team and financial advice by the Finance and Giving Teams. A range of grants have been made available to parishes – and advice given on accessing funding. Our Parish Conversations launched in late 2024 and will continue until 2026 – with learning from those conversations further shaping diocesan work.
Environment (including Net Zero Carbon).	Carbon Literacy training has been delivered at Southwark Cathedral and Trinity House, as well as a staff-focused eco survey and Lent lunch session focusing on environmental concerns. 16 parishes in our diocese have gained an Eco Church Award: Six Bronze and 10 Silver. Diocesan Synod has approved an action plan towards net zero for 2030. Refreshed and renewed Environment Policy. Updated Eco Diocese Working Group terms of reference to support Silver award.
Continue implementation of the plan for reducing Carbon emissions within diocesan control.	Our Diocesan Environmental Officer has given support to parishes needing advice on environmental concerns and additional support was provided to enable churches to complete the 2023 Energy Footprint Tool (EFT). The proportion of churches completing the EFT in 2024 rose to 58%. The team continues to offer support to parishes in caring for creation and reducing carbon emissions – including energy audits and access to funding.
Implement actions from the review of Glebe land across the diocese giving due consideration to community and environmental benefits.	Our diocese holds very little Glebe land, but we have appointed independent planning consultants to undertake a review of its uses. They will consider alternative uses (not just residential development). Outcomes might include the provision of land for Bio-Diversity Net Gain (BNG), renewable energy generation and provision of improved community assets. A new property strategy was approved by Diocesan Synod in November 2024, which includes the use of Glebe land and carbon reduction.
Continue to implement our diocesan action plan for the Anti Racism Charter.	A new Anti Racism Charter parish study resource was developed and piloted in 2024, with plans to launch it more widely in 2025. In 2024, we appointed new Racial Justice Development Racial Justice Training and Resource Officers – funded by the national Church. Grant funding has been identified for further cultural and heritage work – including the commissioning of a unique mass setting for use by parishes.
Rebuilding finances: parishes and our diocese	
Grow parish finances to achieve post-pandemic recovery.	Our Finance and Giving teams have been working together to support parishes in a range of funding and financial matters. We participated in the pilot of the national Give to Go Green initiative in Autumn 2024 and expect further engagement with the scheme in 2025. With funding through the Diocesan Investment Programme, we hope to appoint two additional parish-focused fundraisers in 2025.

Objective	Progress made
Working with Archdeacons to increase giving, financial resilience and 2025 pledges from a selection of parishes, mindful of the target to reach 66% of parishes being self-financing by 2030.	Six Archdeacon-led Parish Support Fund Q&A sessions were attended by people from over 100 parishes in June and July 2024. We are continuing our conversations and meetings with parishes regarding their financial resilience and encouraging generous giving. With some parishes, we have agreed plans to help them achieve greater contributions and coverage of indicative costs.
Building on the success of embedding digital giving, with a focus on encouraging legacy giving.	Work has begun with Christian Aid's ecumenical programme 'Faithwill' and we have appointed a Generous Giving Advisor who will expand our legacies work.
Review priorities for property in the light of the Cost-of-Living crisis and Net Zero Carbon plans.	A new Property Strategy has been approved by Diocesan Synod, which includes consideration of Net Zero Carbon plans. The Diocesan Environmental Policy was also refreshed and a Towards Net Zero Action Plan developed in 2024.
To develop guidance to all parishes in the stewardship of their property assets, including upcoming legislative environmental changes, mindful of the mission and ministry imperative	This work is currently undertaken on a case-by-case basis. We ensure that legal advice is sought in all cases involving the leasing of property.
Strategic and national objectives	
Develop plans and initiatives to enable, equip and encourage parishes to increase the number of children and young people as part of a worshipping community by 2030, linked to the National Church's bold outcomes.	Growth in our ministry with children, young people and families is a key priority, both for Southwark Vision and our Diocesan Investment Programme – and we are developing a number of projects to address this. We have continued to deliver the Aurora Youth Course, Godly Play training and the Catalyst 30K Children and Youth Ministry Training (with two cohorts). We are resourcing parishes to develop relationships with their local schools through initiatives such as Christmas Unwrapped and Christ Seen Investigation. The CYP team provided support and advice to approx. 55 parishes in 2024 and offered CYP Basics training for nine parishes. We are working to develop three Flourish CYP ministers to establish worshipping communities in schools.
Continue to further establish Hub and Resourcing Churches including through SDF3 funding awarded in 2023	As part of our Diocesan Investment Programme, we have funding to establish four Resourcing Church projects (one still to be decided on) and six Hub Churches, with further ones planned in the second and third Triennium. Most will have a focus on ministry with children and young people. There have been some delays in work on our Strategic Development Funded projects, but these have been managed and positive ways forward found.
Continue to implement, as required, any new actions following reports from the National Safeguarding Team, Synodical direction, and mindful of upcoming (2026) Independent Safeguarding Audit.	In support of IICSA Recommendations 1 and 8, our diocese is preparing for Diocesan Safeguarding Advisers to change to the role of Diocesan Safeguarding Officers. Our safeguarding case management processes are being reviewed to ensure consistency of approach and adoption of best practice. Members of the Safeguarding Team have undertaken nationally-led Supervision training. Recommendations will be referred to the Diocesan Safeguarding Advisory Panel for oversight and monitoring to completion.

Future plans

Our **Diocesan Investment Programme** (DIP) seeks to address the four main missional challenges that have been identified by our Diocesan Synod:

- Growing church attendance.
- Doubling the number of churches with more than 25 children and young people.
- Reaching and resourcing estates parishes.
- Growing pathways to ministry that increase the diversity of leadership and are more accessible to young people.

To address these challenges, the DIP offers an integrated nine-year programme with a number of workstreams that will facilitate mission and growth throughout our parishes in South London and East Surrey – none of which will be at the expense of core funding for our parishes. Churches of varying sizes and kinds will be resourced to flourish and grow – sharing their learning to benefit other parishes across our diocese. 2025 will see the piloting of a number of new workstreams – in particular:

The **Parish Development and Renewal Programme**. This new two-year learning initiative is for churches that feel ready to see how they can create the right environment for even more fruitful ministry in their own contexts. Groups will work with a number of other parishes to learn from one another – and the programme will be piloted in early 2025, with a view to rolling it out for many more churches to participate.

An **Apprenticeship-style training programme** for those called to vocations working with children and young people. This aims to help address our need for more children and young people's workers. We will train paid apprentices in CYP work to help them to develop and gain the qualifications and experience they need to pursue a vocation to this work – and to create a pathway for trained CYP workers.

Innovation Funding. Thanks to funding from the national Church, we have a significant grant that we can award once every three years to a church that presents an innovative mission idea that they can develop and share with other churches to grow our parishes. The first round of grant applications will take place in 2025.

With every project, we will be focusing on how successful ideas might be replicated, what may be learned from the different initiatives and how they can best serve the priorities of **Southwark Vision**. Other nationally-funded projects, such as Bubble Church – a Sunday church service especially for babies, toddlers, and young families which originated in the Diocese of Southwark – will continue to develop and resource parishes across the Church of England.

Alongside the Diocesan Investment Programme, we will continue to build on the work already outlined in this report to continue to lead, equip, enable and serve the parishes across our whole diocese. Our Board of Finance, like any charity, has internal support functions which are needed to keep everything running. We continue to seek to run these as efficiently as possible, ensuring always that our main priority is parish mission and ministry. In 2025 we will continue our **IT transformation**: completing the last elements of our migration to cloud-based data storage and ensuring that all staff have sufficient training to facilitate better collaboration and more efficient use of resources. This also supports our ongoing work to reduce our use of paper – the next development in 2025 will be the launch of a secure online portal for trustees to access their meeting papers. The HR team will be working to understand the potential impact on our parishes of **proposed changes to employment legislation**, so that we can best support them to make any necessary changes.

In 2025 the **Communications** team will be reviewing *The Bridge* newspaper, as well as our diocesan website – and rolling out a series of communications workshops for local parishes. The team will also be reviewing our diocesan presence on social media channels, in light of national and international developments.

Racial Justice remains a core priority for our diocese. As part of this, we are very pleased that all staff will be offered Unconscious Bias training, with the first session being delivered early in 2025. Our Encouraging Vocations research project will begin to collect and analyse data in 2025 as we seek to better understand the ways in which people from under-represented groups navigate our lay and ordained ministry pathways – and what barriers or challenges they may experience. We also continue our commitment to the highest standards of **Safeguarding** – and encourage all staff involved in recruitment and management to complete Safer Recruitment and Domestic Abuse training offered by the National Safeguarding Team. In 2025 we will appoint a **Safeguarding Business Manager**, who will help to prepare the diocese for its forthcoming INEQE safeguarding audit.

In line with the Church of England's Routemap to 2030, the work of achieving **Net Zero Carbon emissions** for our diocese will focus on supporting our 42 highest-emission churches in identifying and developing their pathways to net zero and helping them optimise the funding available to them. We will also continue to develop a cross-diocese approach to reducing our carbon emissions and will work together to share knowledge and support efforts across our Cathedral, churches, schools and property portfolio. Our Eco Diocese Working Group will continue to monitor progress towards our Eco Diocese Silver Award which we are aiming to achieve in 2027/28. The biggest challenge in this will be encouraging parish churches to sign up to the scheme and begin to make progress towards their awards. Our Environment Officer and Net Zero Carbon Programme Manager will be continuing to work hard to support and inspire churches in this work.

For **church buildings** needing repairs and minor improvements, we will continue to award grants using national funding under the Minor Repairs and Improvements funding for church buildings. We will also advocate for the continuation of the Government's Listed Places of Worship Grant Scheme, which allows churches to reclaim VAT on building projects. Using DIP funding, we will recruit two **Church Fundraising Officers** who will support our parishes in identifying funding streams and completing grant applications.

As an increasing number of clergy approach retirement age, we will continue work to ensure that we will have **sufficient lay and ordained ministers** for our parishes. Our

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Black History Month panel discussion with (l–r) Sophia Jones (Communications Consultant), Karen Gibson MBE (Founder of The Kingdom Choir), The Revd Andrew Mumby (Rector at St Peter, Walworth), and Joseph Gilder (Director of Music at St Saviour's and St Olave's School).

Vocations and Discipleship, Lay Ministry and Continuing Ministerial Education Teams will continue to encourage and foster people in their vocations – offering opportunities to explore their calling, as well as a range of training from formal ordination pathways to shorter courses. 2025 will be the 10th anniversary of our **Parish Support Fund**, which resources the costs of mission and ministry for all of our parishes. Each year parishes are invited to make a pledge to the PSF which is realistic, challenging, and generous. We know that the ongoing challenging financial climate and demographic changes – especially in inner London – mean that our parishes and congregations are under financial pressure. We are hugely grateful for the generosity of parishes who give to support ministry – and those parishes which give beyond their costs to support ministry in places which otherwise would not be able to afford this. We are very aware of the financial challenges facing parishes and will continue to support them in any way we can.

We will also continue our programme of **Parish Conversations**, further enabling the leadership of our diocese to hear about, understand and share in the joys and challenges of parish ministry across our diocese.

Principal risks and uncertainties

The Senior Management Team considers, evaluates and records the major areas of risk to which the SDBF is exposed, assessing both the likelihood and impact of those risks being realised, together with the measures in place to manage and mitigate such risks. These are discussed and scrutinised through the Audit and Risk Committee and the principal risks are submitted annually to the Diocesan Council of Trustees (DCT) for their discussion, feedback and approval.

The principal risks below reflect the eight risks approved by Trustees for 2024.

All of the process of identification and assessment of risk, the risks identified and the measures for mitigation are reviewed at least annually by the Audit and Risk Committee, with at least one area of principal risk reviewed in detail at each meeting. Responsibility for delivery of the mitigation strategies identified is delegated to the Diocesan Secretary. The Risk Register is presented to, discussed by, and amended as Trustees determine and formally agreed by Trustees annually. The Risk Register is a living document which is used to track and update areas of concern.

The Risk Register for 2024 identified eight areas where the risk of either failure to act or the impact of the events was considered significant. These areas and the associated mitigation strategies were as follows, listed in alphabetical order:

1. Communications

During the year, following approval of the Principal Risks, this item was renamed **'Reputational Risk'**.

The parishes work in partnership with the DBF to promote Southwark Vision and to resource the Vision to cover the costs of ministry through the Parish Support Fund (PSF). Constant communication is required about the work and mission of our Diocese across South London and East Surrey, including new and existing mission initiatives.

The primary impact is that insufficient funds are generated through the PSF and that mutual support across the Diocese is weakened.

There is also a risk that key areas of our diocesan life are not given sufficient profile – such as racial justice, lay ministry and the need for action on the environment – and that congregations consequently are not encouraged to engage fully with these issues.

Mitigants include:

- close, transparent working relationships with all parishes and ensuring high-quality communications are delivered by a professional team, who are both proactive and reactive
- integrated communications focusing strongly on ensuring good news stories from across the Diocese are widely shared ensuring effective and integrated use of different channels of communication including social media, the website and *The Bridge*
- actively prioritising communications around key areas of our diocesan life – such as racial justice, care for the environment and lay ministry – that might otherwise be overlooked by parishes.

Lay Leadership and Lay Ministry and the need for action on the environment does not gain traction, and that congregations become disillusioned. This is mitigated by ensuring that we communicate a more balanced focus on the role of laity, and equip and enthuse clergy to develop and encourage lay ministers in their parishes, and with regular training resources for environmental issues.

An additional communications risk is that poor media coverage might lead to reputational loss for the diocese.

This is mitigated by high quality public relations management, provided by our in-house team. The team focuses on the fostering of good relationships with journalists, rigorous attention to the press agenda and social media trends – and, in particular, the careful management of communications around safeguarding issues.

2. Data and data protection

Ongoing development of the integrated database for our diocese has ensured much more effective collection of data. This underpins the integrity and interpretation of diocesan data, which is essential for good strategic decision-making.

The principal risks for this area remain unaltered and are that incomplete, inaccurate or misinterpreted data leads to poor decision-making, wasted resources and reputational damage.

Mitigants include:

- ensuring that IT systems and processes are capable of collecting and reporting the data required

- maintaining close contact with parish offices so that reporting is timely and accurate
- working closely with the National Church Institutions' systems to ensure that collection systems are compatible
- keeping the processes of data collection under review to ensure that the data available meets the needs of decision-making processes.

The diocese and all its parishes must comply with data protection legislation or risk both legal and reputational consequences.

Mitigants include:

- providing a helpline for clergy and parish officers to deal with ad hoc queries and taking additional advice from the Diocesan Registrar, where necessary
- training all diocesan staff in GDPR and data protection and carrying out Data Protection Impact Assessments for all new processes.

3. Diocesan growth

Our Southwark Vision (2024–2035) sets six priorities for the future, which include growth, youth and diversity, which we believe will lead to growth. The risk, exacerbated by the current economic climate, and the level of trust in the Church of England is that the progress towards achieving sustainable growth is impeded.

Mitigants include:

- the award of significant funding in the Diocesan Investment Programme in mid-2024 to focus on helping parishes to re-energise congregations, ministry and discipleship
- a greater focus on children and young people
- the development of Hub and Resourcing churches, Fresh Expressions of Church and pioneer posts (lay and ordained) as churches are encouraged to create new forms of engagement and a 'mixed ecology' approach
- putting further energy into lay vocations and new lay ministries, while maintaining the momentum of ordained vocations
- a focus on growing leaders and representation that reflects the diversity of our diocese.

4. Financial risks

The continuing economic downturn and world events may result in lower income and cash flow difficulties for many of our parishes – with the consequential risk of a reduction in PSF pledges and payments.

Mitigants include:

- a renewed effort on communication with parishes and specific support through Archdeacons, where this is helpful
- identifying opportunities for parishes to become, or remain, self-financing, while continuing to support those that cannot
- ensuring that our communications commend different forms of giving, particularly digital
- providing support to parishes in sourcing alternative income streams
- a continued focus on the theology of generosity, supported by resources for parishes through our Director of Giving post
- close monitoring of pledge receipts and offering support to parishes with financial planning
- DIP funding supporting fundraising with two new parish focused posts.

5. Governance

The compliance and regulatory framework for large charities is increasing and evolving and the key risk here is a lack of accountability and transparency in decision-making.

Mitigants include:

- ensuring that the scheme of delegation on decision-making is strictly adhered to and that matters are dealt with at the correct level of governance – with all terms of reference of the constituent bodies being rigorously followed
- following the agreed Terms of Reference for each of the constituent bodies, sub-committees, working groups and any advisory groups
- ensuring transparent reporting by the Management Team through the Chair of the DBF, Policy & Finance Committee and the Diocesan Council of Trustees (DCT)
- maintaining strong links between Diocesan Synod and DCT and between the Southwark Diocesan Board of Education and Diocesan Synod
- Synodically approved update to the Handbook of governance.

6. IT

The loss of access to adequate IT provision would affect the ability of diocesan staff to fulfil their responsibilities. The risk of malicious cyber attacks and phishing scams continues to be a concern.

Mitigants include:

- ongoing investment in IT hardware and software infrastructure

Principal risks and uncertainties *(continued)*

- finalising a move to the cloud, and full use of SharePoint and Microsoft packages
- a robust disaster recovery plan mandatory use of multi-factor authentication (MFA) enrolment with the National Cyber Security Centre and penetration security scans, and approval to obtain cyber security insurance.

7. Living in Love & Faith

The General Synod's decision to approve Prayers of Love & Faith for same-sex couples leads to risks and difficulties which result from the differences in theological perspectives across our diocesan family. This is a changing risk area, causing deep levels of anxiety for many and is being constantly monitored by senior staff, bishops and archdeacons. Risks and impacts may come from both those in favour and those against General Synod's recommendations – which in themselves continue to evolve. Our diocese is committed to speaking well of each other notwithstanding differences of conviction which are held in good faith. It is recognised that this is a difficult area for many, but there are opportunities to serve, minister and evangelise regardless of any outcome and any associated risks should be understood in that context.

Mitigants include:

- continuing partnership working and open dialogue with all parishes
- engaging with the national expertise and Registrar in matters of legalities
- senior clergy continuing to build trust with parishes and the wider diocese through successful communications at all levels – including publications and face to face contact
- ensuring an intentional focus on clergy and laity wellbeing.

8. Safeguarding

Safeguarding policies and procedures continue to be a priority. Therefore, there is continued focus on this risk area. The publicity around national cases has underlined the importance of this.

Any occurrences of abuse by someone working for or on behalf of the Church will have significant consequences for those affected and there is also a reputational risk in the event of poor safeguarding practice.

The risk areas for safeguarding have been aligned to link with the National Church's Risk Audit categories of Culture, Leadership & Capacity, Prevention, Recognising and Managing Risk, Victims and Survivors, Learning, Supervision & Support

Mitigants include:

- effective staff and volunteer recruitment and training at parish and deanery level, with a focus on prevention
- the maintenance and implementation of up-to-date diocesan policies and procedures in line with national Church guidance
- ensuring that transparency and accountability is maintained at all levels
- ensuring that the Safeguarding team is fully resourced
- ensuring regular parish safeguarding self-audits form part of the archdeacons' annual parish inspections
- use of national MyConcern database as the case management system for almost all dioceses.

Core Groups for safeguarding case management meet as required and are chaired by an archdeacon, a senior lay member of the DCT or the Diocesan Safeguarding Advisory Panel Chair. Parishes are required to use the online systems for Disclosure and Barring Service checks as part of the safe recruitment of those working with children, young people and adults who may be at risk of harm. We work to ensure the rigorous recording of data and produce statistics to allow full and ongoing reviews of diocesan safeguarding processes, as well as input into continuing implementation of IICSA and national Church initiatives. All safeguarding work is supported by proactive and sensitive communications, provided by our in-house team. Formal reporting of safeguarding activity and the key risk areas is provided for annual scrutiny by the Diocesan Audit and Risk Committee and the whole Trustee body at the DCT as a further mitigant.

Governance

Stained glass at St Matthew, Croydon.

Structure and governance

Summary information about the structure of the Church of England

The Church of England is the established Church and HM The King is the Supreme Governor. It is organised into two provinces (Canterbury and York) and 42 dioceses. Each diocese is a See under the care of a bishop who is charged with the cure of souls of all the people within that area. This charge is shared with priests within benefices and parishes which are separate charitable entities – but also part of the diocese, served by the diocese and accountable to it.

The National Church's General Synod comprises ex-officio and elected representatives from each diocese. It agrees and lays before Parliament Measures for the governance of the Church's affairs which, if enacted, have the force of statute law. Additionally, the Archbishops' Council has a coordinating role for work authorised by the Synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pensions Board administers pension schemes for clergy and lay workers.

Within each diocese, overall leadership lies with the Diocesan Bishop. The Diocese of Southwark is divided into 25 deaneries, each with its own Deanery Synod. Each parish has its own Parochial Church Council (PCC). The PCC shares responsibility with the parish priest for the mission of the local Church, in a similar way to that in which the Bishop shares responsibilities with the Diocesan Synod. Whilst each diocese is a separate legal entity, with a clear responsibility for a specific geographical area, being part of the Church of England requires and enables each diocese to seek support from and work in partnership with other dioceses and national bodies.

Organisational structure

The South London Church Fund & Southwark Diocesan Board of Finance (SDBF) is a company limited by guarantee (No 236594) and a registered charity (No 249678) governed by its Articles of Association. It was incorporated in 1929. The Articles were updated and modernised during 2017. The Company Secretary is the Diocesan Secretary.

The governance and policy of the SDBF is the responsibility of the Trustees, who are also members and directors of the company and trustees for the purposes of charity law. Since November 2015, the Diocesan Council of Trustees (DCT) has been the standing committee of the Diocesan Synod, and its members are members of the Diocesan Board of Finance (DBF), the Bishop's Council and the Diocesan Mission and Pastoral Committee (DMPC). In November 2022, the Parsonages Board was incorporated within the DBF and so became the Parsonages Committee with the same co-terminous membership of the DCT. As with most other dioceses, it did not hold separate bank accounts or financial accounting. The Parsonages Committee sits within the DBF.

Under the revised governance, the DCT comprises the Diocesan Bishop (President of the Diocesan Synod), Chair and Vice Chair of the Board of Finance (both laity), Area Bishops, Archdeacons, Chairs of the Houses of Clergy and Laity of the Diocesan Synod, six clergy (two from each Episcopal Area), 12 members of the laity elected (including three from each Area) and up to six further lay members with financial or other relevant expertise formally elected by the House of Laity of the Diocesan Synod. The implementation of this revised governance structure was reviewed by an external consultant during 2018 and was found to be successful and robust. The Handbook of Governance was revised for the new triennium, 2024–2027, and approved by the Diocesan Synod in July 2024.

The Diocesan Synod, the statutory governing body of our diocese, is an elected body drawn from across the diocese with responsibility for setting our vision and strategy of the diocese. The Synod membership is elected every three years, the last elections having been in 2024. The Synod elects from its members – 12 of the lay trustees of the SDBF and six of the clergy members. The SDBF is subject to the direction of the Synod in all its activities, unless such direction is not in accordance with governing documents or statutory regulations. Since the DBF developed coterminous membership with the Bishop's Council and DMPC membership, trusteeship and directorship of the SDBF also includes membership of those other bodies, all part of the DCT. The Diocesan Secretary is Secretary to each of these, except that the Deputy Diocesan Secretary is Secretary to the DMPC.

Decision-making structure

Corporate priorities and the overall financial strategy for the diocese, in its primary object to promote, assist and advance the work of the Church of England within the Diocese of Southwark, are set by Diocesan Synod and the SDBF. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Diocesan Secretary who reports to the Bishop of Southwark and is accountable to Trustees through the Chair of the SDBF. The Policy and Finance Committee, which is the standing committee of the Council of Trustees, holds the work of the Diocesan Secretary to account. The company meets once a year in a General Meeting to receive and approve the Annual Report and Financial

Statements, appoint auditors and elect a Chair and Vice Chair, nominated by the Bishop of Southwark.

Each year the Diocesan Synod receives and agrees the annual budget, prepared and approved by the Board. The Diocesan Council of Trustees holds five meetings each year, including one all-day meeting to consider the annual budget and objectives. Trustees formulate and co-ordinate policies on mission, ministry and finance by:

- initiating proposals for action by the Synod and advising it on matters of policy
- delegating, where appropriate, policy and review of decisions to its Policy and Finance Committee and Audit and Risk Committee and the Investment Sub-Committee
- transacting the business of the Synod between meetings, subject to the directions of the Synod and in accordance with Standing Orders
- acting as Trustees of the Board establishing review groups, their terms of reference and membership and carrying out such other functions as delegated to it
- appointing members to committees and representatives to external bodies, subject to the direction of the Synod.

The Trustees are assisted in their work by two committees:

The Policy and Finance Committee (PFC) is the standing committee of the DCT and monitors management accounts and budgets, the use of assets and investment policies and exercises the authority delegated to it by the Trustees. It also undertakes the Board's operational responsibilities under the Parsonages Measures 1938 and 1947; the Repair of Benefice Buildings Measure 1972; the Parochial Church Councils (Powers) Measure 1956, as amended, and the Incumbents and Churchwardens (Trusts) Measure 1964 (with respect to parochial property); the Endowment and Glebe Measure 1976 (with regard to property assets); and the Mission and Pastoral Measure 2011 (with regard to redundant churches).

In addition, it considers and initiates strategic policy where proposals are at an early stage of development prior to submission to the SDBF. It meets five times a year including a budget meeting that addresses work plans and annual objectives. It holds the work of the Diocesan Secretary – and through them the executive team – to account.

The Audit and Risk Committee scrutinises performance, oversees issues of financial probity, reviews the work of external audit, prepares the response to the external auditor's management letter, scrutinises the effectiveness of governance, and reviews the risk register. It meets four times a year.

In addition, the SDBF is advised by its **Investment Sub-Committee**, which provides advice to the PFC and to the Diocesan Secretary on the SDBF's investments and funds available for investment. This meets five times a year. The Board is advised by its **Remuneration Committee**, which normally meets annually.

Trustee recruitment, selection and induction

Board Trustees of the Diocesan Board of Finance are also members of the Bishop's Council and DMPC, and are selected as set out above. Potential Trustees complete skills audits, there is a role description and 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 each committee and constituent element of the DCT. Some staff hold the title of 'Director' but this relates to their function within the organisation and has no legal meaning within the terminology associated with the Companies Act. All Trustees are required to sign the Diocesan Declaration of Eligibility, Responsibility and Conflicts of Interest statement forms. A Handbook of Governance is given to each Trustee.

Remuneration of key management personnel

Remuneration of the Diocesan Secretary is determined annually by the Remuneration Committee, which also receives the Diocesan Secretary's remuneration recommendations for members of the Senior Management Team, which the Remuneration Committee then considers for approval. The committee is a sub-committee of the PFC, formally reporting through it to the DBF. It is chaired by the Bishop of Southwark and includes the Chair and Vice-Chair of the SDBF and any external consultants, as they determine. The committee also includes the Chair of the PFC.

Delegation of day-to-day delivery

The Trustees and the committees which assist them in the fulfilment of their responsibilities delegate management to the Diocesan Secretary who, with the Senior Management Team, delivers the activities of the company in accordance with the policies of the Trustees. The Diocesan Secretary is given specific and general delegated authority to deliver the business of the Board.

Structure and governance
(continued)

Funds held as Diocesan Authority

The Board acts as Diocesan Authority or Custodian Trustee of assets held on permanent trust by virtue of the Parochial Church Councils (Powers) Measure 1956, as amended, and the Incumbents and Churchwardens (Trusts) Measure 1964 where the Managing Trustees are PCCs and others. These assets are not aggregated in the financial statements as the SDBF does not control them, and they are segregated from the SDBF's own assets by means of a separate bank account, separately identified investment holdings and a separate accounting system. Further details of financial trust assets, whose market value amounted to £17.4m at 31 December 2024 (2023: £17m), are available from the SDBF on request, and are summarised in Note 27 (see page 81). Where properties are held as Diocesan Authority, the deeds are identified as such and held in safe custody by the SDBF's solicitor, Winckworth Sherwood LLP.

Section 172 statement

This section serves as our Section 172 statement and should be read in conjunction with the Review on pages 8–30. Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision-making. The directors continue to have regard to the interests of the company's employees and other stakeholders, including the impact of its activities on the community, the environment and the company's reputation, when making decisions.

Most directors are elected from the parishes and communities served by the diocese, ensuring coverage geographically through elections from the Diocesan Synod. The presentations by the Chair of the Board to Diocesan Synod, covering budgets, objectives and the Annual Report, are examples of this.

Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company in the context of being a DBF among some 40 others across the Church of England, and also in being a charity with charitable objectives focused on mission and ministry. Whilst the importance of giving due consideration to our stakeholders is not new, we wish to explain how the Board engages with our stakeholders to comply with the requirement to include a statement setting out how our Directors have discharged this duty.

- The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with Section 172 of the Companies Act 2006
- The Board regularly reviews how we engage with the parishes and Deaneries across the Diocese which comprise the electing body of Synod. In effect, the Directors through the DBF are the standing committee of Synod, and the Chairs of the Houses of Laity and Clergy are on the Board, as are representatives of both clergy and lay people in parishes
- The stakeholder voice is brought into the boardroom throughout the annual cycle through information provided by management and by direct engagement with stakeholders themselves. In our Review (pages 8–30), we set out some of our other principal stakeholders, how and why we engage, and detail outcomes. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision-making
- The SDBF has good relationships with its suppliers, parishes and others. Committees of the DBF include members who hold roles in parishes; and engagement with parishes, including with volunteer lay officers and clergy, includes annual meetings across the Diocese, organised on an archdeaconry and deanery basis
- The Diocesan Secretary is effectively the Chief Executive Officer and is held accountable to the Board through regular meetings at least monthly with the Chair and Vice Chair, and through the Policy and Finance Committee where a range of employees attend, and through the Board meetings, any of which can be attended by employees from the Senior Management Team
- Directors of the Board include the six archdeacons and four bishops and they have regular and open contact with employees at all levels of the organisation. All heads of departments have team meetings and individual meetings with staff and there are all-staff meetings
- The Senior Management Team has been designated as "senior management" for the purposes of the 2018 Code but not for the purposes of section 414C(8) of the Companies Act 2006. It comprises the senior functional management roles and is made up of those with responsibility for interacting with the charitable company's principal stakeholders. The Board has had in place, since 2015, measures to ensure that stakeholder interests are always taken into account. Where external legal advice is required, the Directors can consult with the Diocesan Registrar or ask senior staff such as the Diocesan Secretary or Deputy Diocesan Secretary to do so on their behalf.

Trustees' responsibilities

Members of Diocesan Synod take a vote.

The Trustees are responsible for preparing the Annual Report, which incorporates the Review, and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. 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 charitable company and of the surplus or deficit of the charitable company for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP (FRS 102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose, with reasonable accuracy, at any time the financial position of the charitable company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 diocesan website.

Statement of disclosure to the auditor

So far as each Trustee is aware:

a) there is no relevant audit information of which the charitable company's auditor is unaware, and

b) each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Appointment of auditor

Buzzacott Audit LLP was appointed as the auditor in June 2021 and re-elected in May 2024.

Legal objects

The Trustees, who are also Directors for the purposes of company law, present their Annual Report, together with the audited financial statements, for the year ended 31 December 2024.

The Directors/Trustees are one and the same, and in signing as Trustees they are also signing the Review sections in their capacity as Directors.

This combined report satisfies the legal requirements for:

- a Directors' Report of a charitable company;
- a Strategic Report under the Companies Act 2006; and
- a Trustees' Annual Report under the Charities Act 2011.

Legal objects

The objects of the South London Church Fund & Southwark Diocesan Board of Finance (SDBF) are "for the public benefit to assist, promote and further the religious and other charitable work (including but not limited to the educational work) of the South London Church Fund & Southwark Diocesan Board of Finance within the diocese, and any other diocese which shall at any time be formed, wholly or in part out of the diocese, either with or without the addition of any part or parts of other dioceses."

Its function is to serve as the corporate body of the Church of England in the diocese, responsible for the financial stewardship of the diocese through performing, working and transacting business in connection with the Church and diocese. It is the diocese's Board of Finance for the purpose of the Diocesan Boards of Finance Measure 1925 and other legislation. Through its Parsonages Committee, it may act as the Parsonages Board for the diocese within the meaning of the Repair of Benefice Buildings Measure 1972.

The Diocese of Southwark covers most of Greater London south of the Thames and parts of East Surrey. Within the diocesan boundaries are the Royal Borough of Greenwich, the London Boroughs of Croydon, Lambeth, Lewisham, Merton, Southwark, Sutton and Wandsworth, plus parts of the London Boroughs of Richmond upon Thames, Bromley and Bexley and the Royal Borough of Kingston upon Thames. In Surrey, it also includes parts of the Borough of Reigate and Banstead, Tandridge District Council and Mole Valley District Council.

The SDBF has the following responsibilities:

i. the management of glebe property and investments arising from the Endowments and Glebe Measure 1976 to generate income to support the cost of stipends;
ii. managing the repair of benefice houses under the Repair of Benefice Buildings Measure 1972;
iii. to act as custodian of permanent endowment and real property assets relating to trusts held by Incumbents and Archdeacons and by Parochial Church Councils (PCCs) as Diocesan Authority under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Parochial Church Councils (Powers) Measure 1956.

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

The standing committee of the Diocesan Synod is the Diocesan Council of Trustees (Bishop's Council). Its members are also the members of the SDBF and the Diocesan Mission and Pastoral Committee (DMPC). Each of these three bodies has coterminous membership.

The strategic priorities of the diocese are established by the Diocesan Synod, and its standing committee the Diocesan Council of Trustees (DCT), in consultation with Deanery Synods, PCCs and the Bishop of Southwark (in respect of his responsibility for the provision of the cure of souls).

The DCT (acting as Bishop's Council, the Diocesan Board of Finance (DBF) and the DMPC) fulfils its objectives within this framework, together with the committees and advisory groups of the diocese. To this end, significant time and effort is committed to communication between and with these bodies, as well as with the Church nationally; this includes consultation on specific matters relating to the priorities for the forthcoming year, taking into account the commitments arising from the Diocesan Budget.

Related parties

Related parties include:

- The Southwark Diocesan Board of Education (SDBE), a separate registered charity (No 313001) to which the SDBF makes grants. The SDBE supports 101 Church of England schools educating approximately 34,000 pupils; 82 are primary schools, three junior schools and four infant schools and there are 10 secondary schools, and two all-through schools. Within our family of 101 schools, 80 are Voluntary Aided, one is a Foundation school and 20 are academies. The SDBE supports the provision, effectiveness and development of education in all Church of England schools within the diocese. It specifically seeks to develop the Christian ethos and distinctiveness of Church schools; to promote religious education and collective worship; and to advise School Governors and Trustees. In the voluntary aided schools, the SDBE supports the maintenance and improvement of school buildings and facilities. The SDBE also supports the provision of chaplaincy in higher and further education institutions, a post funded by the SDBF. The SDBF also makes an grant to the SDBE towards the cost of delivering the Diocesan Measure for Education. The Bishop of Southwark is President of the SDBE, and The Rt Revd Dr Rosemarie Mallett is the Chair of the Board. The Ven Simon Gates, Archdeacon of Lambeth, is the Chair of the Schools Committee. The SDBF has delegated the function of Chaplaincy Development Officer to the SDBE and provides a grant for a part time role supporting further and higher education chaplaincy across the diocese.

'We are one': an equity, diversity and inclusion event in February, with pupils sharing their artwork and writing.

- SDBE Multi Academy Trust (MAT), which is an exempt charitable company (No 10385920). The SDBF is a member of the MAT and is represented through the Diocesan Secretary. As a member, the SDBF is entitled to nominate one-third of the directors of the MAT. The Ven Jonathan Sedgwick, Archdeacon of Southwark, is Chair of the SDBE MAT.

- Southwark Diocesan Welcare (Welcare), a separate registered charity (No 1107859) to which the SDBF makes a grant. Welcare is a Christian charity working in South London and East Surrey with disadvantaged children and families, irrespective of faith, culture, abilities or life choices. By offering family support, mentoring services and group work with parents and children, Welcare empowers families to rebuild their lives and family ties, helping parents to give their children happier, more confident childhoods. The Board of Welcare includes the Head of JPIC as the DBF nominee.

- Southwark Cathedral (charity No 1200866) to which the SDBF makes a grant. It is the seat of the Bishop of Southwark, and services and special events are held at the Cathedral that are paid for by the SDBF.

- Together Southwark (charity No 1153362) promotes the alleviation of poverty and relief of financial hardship among children, young people and vulnerable families. The diocese is its principal funder. The Rt Revd Dr Rosemarie Mallett, Bishop of Croydon, was among the Directors during the year. Together Southwark is not consolidated in these accounts under section 405 of the Companies Act 2006 as its inclusion is not material.

Grants made to these parties are identified in note 11 to the accounts (see page 62). Any further related party transactions are identified in note 26 (see page 80).

Administrative details

Trustees

No Trustee had any beneficial interest in the company during 2024. The following Trustees were in post during the period 1 January 2024 to the date of approval of these financial statements.

President

The Right Revd Christopher Chessun,
The Bishop of Southwark

Ex-officio

The Right Revd Dr Rosemarie Mallett,
The Bishop of Croydon

The Right Revd Dr Martin Gainsborough,
The Bishop of Kingston

The Rt Revd Alastair Cutting,
(from 3 July 2024),
The Bishop of Woolwich

The Venerable Greg Prior,
The Archdeacon of Croydon

The Venerable Simon Gates,
The Archdeacon of Lambeth

The Venerable Alastair Cutting,
(to 2 July 2024),
The Archdeacon of Lewisham & Greenwich

The Venerable Dr Chigor Chike,
(from 29 September 2024),
The Archdeacon of Lewisham & Greenwich

The Venerable Moira Astin,
The Archdeacon of Reigate

The Venerable Jonathan Sedgwick,
The Archdeacon of Southwark

The Venerable John Kiddle,
The Archdeacon of Wandsworth

Chair of the House of Clergy of Diocesan Synod

The Revd Lotwina Farodoye
(to 11 October 2024)

The Revd Captain Nicholas Lebey
(from 11 October 2024)

Chair of the House of Laity of Diocesan Synod

Mr Adrian Greenwood, (Lay Canon)
(to 11 October 2024)

Mrs Rebecca Chapman
(from 11 October 2024)

Appointed by the Bishop of Southwark

Sir David Beamish
Chair of the Board of Finance

Mrs Sarah Docx
Vice Chair of the Board of Finance

Elected by Synod (House of Clergy)

The Revd Dr Charlie Bell
(from 5 December 2024)

The Revd Anne Bennett
(from 4 December 2024)

The Revd Antonio Garcia Fuerte
(from 5 December 2024)

The Revd Michael John
(to 4 December 2024)

The Revd Jonathan MacNeaney
(from 5 December 2024)

The Revd Jonathan Macy
(to 4 December 2024)

The Revd Justine Middlemiss
(to 4 December 2024)

The Revd Dr Nicholas Peacock
(from 3 January 2025)

The Revd Dr Eddie Scrase-Field

The Revd Fiona Weaver
(to 4 December 2024)

Elected by Synod (House of Laity)

Mrs April Alexander
(to 4 December 2024)

Mrs Rebecca Chapman
(to 11 October 2024)

Mrs Despina Francois
(to 4 December 2024)

Mr Adrian Greenwood
(from 5 December 2024)

Miss Vasantha Gnanadoss

Mr Joseph Goswell

Mr Richard Helliwell
(to 4 December 2024)

Mr Marshall Manson
(from 5 December 2024)

Mr James Murdoch
(from 5 December 2024)

Miss Solabomi Ogun

Miss Miranda Okon
(to 4 December 2024)

Miss Olusola Oyeleye
(to 4 December 2024)

Miss Susan Patterson
(to 4 December 2024)

Mr Paul Waddell
(from 5 December 2024)

Mr David Williams
(from 5 December 2024)

Miss Rosemary Wilson
(to 4 December 2024)

Mr Grahame Woods
(from 5 December 2024)

Lay persons elected as specialists

Dr Nicholas Burt

Mr Michael Hartley
(to 4 December 2024)

Miss Gill Reynolds
(to 4 December 2024)

Mr Alan Saunders

His Honour Nigel Seed KC

Senior staff

Mrs Nicola Thomas
Diocesan Secretary

Mrs Jacqueline Pontin
Deputy Diocesan Secretary

Mr Mark Rhodes
Director of Finance and Financial Assets

Ms Ruth Martin
Bishop's Lead for Strategic Development (including Property Strategy)

Mr Andrew Bennett
Director of Property Services

Mr David Loft
Director of Human Resources

Mr Devas Palokkaran
Director of Information Technology & Data

The Revd Canon Wendy Robins
Director of Discipleship, Lay Ministry & Continuing Ministerial Education

The Revd Jeremy Clark-King,
Director for Clergy Formation & Initial Ministerial Education

The Revd Anna Drew
Director of Communications

Ms Pamela Chisholm
Diocesan Safeguarding Advisor

Mrs Gabby Parikh
Director of Giving and Parish Funding

Registered office

Trinity House, 4 Chapel Court, Borough High Street, London SE1 1HW

Advisers

Bankers

National Westminster Bank plc
91 Westminster Bridge Road, London SE1 7HW

HSBC UK Bank plc
10 York Road, London SE1 7ND

HSBC Private Bank (UK) Limited
8 Cork Street, London W1S 3LJ

Independent Auditor

Buzzacott Audit LLP
130 Wood Street, London EC2V 6DL

Solicitors

Winckworth Sherwood LLP
Minerva House, 5 Montague Close, London SE1 9BB

Investment Fund Managers

CCLA Investment Management Ltd
Senator House, 85 Queen Victoria Street, London EC4V 4ET

J O Hambro Capital Management Ltd
1 St James's Market, London SW1Y 4AH

M&G Securities Ltd
10 Fenchurch Avenue, London EC3M 5AG

Mayfair Capital Investment Management Ltds
2 Cavendish Square, London W1G 0PU

Sarasin & Partners LLP
Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

Savills Investment Management (UK) Ltd
33 Margaret Street, London W1G 0JD

BlackRock Investment Management (UK) Limited
2 Throgmorton Avenue, London EC2N 2DL

Insurers

Ecclesiastical Insurance Group plc
Beaufort House, Brunswick Road, Gloucester GL1 1JZ

In approving this Trustees' Report, the Trustees are also approving the Review included on pages 8–30 in their capacity as Company Directors.

By order of the Trustees

Sir David Beamish
Chair of the Board of Finance
14 May 2025

Nicola Thomas
Secretary
14 May 2025

Financial statements

Olive Fadayomi leads the *Nigerian Chaplaincy Worship Team* at the Black History Month service.

Independent auditor's report

To the Members of the South London Church Fund and Southwark Diocesan Board of Finance

Opinion

We have audited the financial statements of South London Church Fund & Southwark Diocesan Board of Finance (the "charitable company") for the year ended 31 December 2024, which comprise the statement of financial activities, the income and expenditure account, the balance sheet, the statement of cash flows, and the notes to the financial statements including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of the charitable company's 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report 2024, other than the financial statements and our auditor's report thereon. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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' report, which is also the Director's Report for the purposes of company law and includes the Review, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report, which is also the Director's Report for the purposes of company law and includes the Review, has been prepared in accordance with applicable legal requirements.

Independent auditor's report
(continued)

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' report, including the Review.

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 returns adequate for our audit have not been received from branches not visited by us; 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement in the Trustees' report, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with Trustees and management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011; the Companies Act 2006; Church Assembly and General Synod Measures; and safeguarding regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- we ensured that laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and representatives of those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected financial relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias;
- performed substantive testing on expenditure; and
- investigated the rationale behind significant or unusual financial transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management and representatives of those charged with governance as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of Trustees and management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Buzzacott Audit LLP

Peter Mackereth
Senior Statutory Auditor

For and on behalf of Buzzacott Audit LLP, Statutory Auditor,
130 Wood Street,
London EC2V 6DL

16 May 2025

Statement of Financial Activities for the year ended 31 December 2024

		Unrestricted funds		Restricted funds	Endowment funds	Total funds 2024	Total funds 2023
		General	Designated				
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:							
Donations	3						
Parish contributions		16,408	–	–	–	16,408	16,044
Archbishops' Council		275	–	2,604	–	2,879	1,883
Other donations		1,526	–	–	–	1,526	2,038
Charitable activities	4	2,105	–	–	–	2,105	2,139
Investments	5	1,011	–	143	–	1,154	1,272
Gains on disposal of properties	6	1,472	–	–	2,992	4,464	435
Total		**22,797**	**–**	**2,747**	**2,992**	**28,536**	**23,811**
Expenditure on:							
Charitable activities	7	26,130	20	2,009	–	28,159	26,765
Total		**26,130**	**20**	**2,009**	**–**	**28,159**	**26,765**
Net (expenditure)/income before investment gains		**(3,333)**	**(20)**	**738**	**2,992**	**377**	**(2,954)**
Net gains on investments	14	88	–	263	763	1,114	331
Net (expenditure)/income		**(3,245)**	**(20)**	**1,001**	**3,755**	**1,491**	**(2,623)**
Transfers between funds	12	**2,182**	**257**	**(542)**	**(1,897)**	**–**	**–**
Other recognised gains: Revaluation of property	13	753	3,632	–	6,230	10,615	(13,584)
Net movement in funds		**(310)**	**3,869**	**459**	**8,088**	**12,106**	**(16,207)**
Total funds brought forward		3,278	39,766	4,355	242,513	289,912	306,119
Total funds carried forward	19	**2,968**	**43,635**	**4,814**	**250,601**	**302,018**	**289,912**

All activities derive from continuing activities. The notes on pages 49–81 form part of the financial statements. The full prior year Statement of Financial Activities (SoFA) is included at Note 26 (see page 80).

Income and expenditure account for the year ended 31 December 2024

	2024 £'000	2023 £'000
Total incoming resources	25,544	23,771
Resources expended	(28,159)	(26,765)
Operating (deficit) for the year	**(2,615)**	**(2,994)**
Net gains on investments	351	127
Net (expenditure) for the year	**(2,264)**	**(2,867)**
Other comprehensive income:		
Revaluation of fixed assets	4,385	(5,193)
Net assets transferred from endowments	1,897	–
Total comprehensive income/(expenditure)	**4,018**	**(8,060)**

The income and expenditure account is derived from the Statement of Financial Activities (SoFA) with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

Balance sheet as at 31 December 2024

Company Number 236594			2024		2023
	Note	£'000	£'000	£'000	£'000
Fixed assets:					
Tangible assets	13		275,752		265,691
Investments	14		27,144		25,370
Total			**302,896**		**291,061**
Current assets:					
Debtors	15	1,053		1,089	
Cash on deposit		2,804		790	
Cash at bank and in hand		1,012		2,715	
Total		**4,869**		**4,594**	
Creditors: amounts falling due within one year	16	(884)		(2,133)	
Net current assets			**3,985**		**2,461**
Total assets less current liabilities			**306,881**		**293,522**
Creditors: amounts falling due after more than one year	17		(4,863)		(3,610)
Net assets			**302,018**		**289,912**
Funds:					
Endowment funds			250,601		242,513
Restricted income funds			4,814		4,355
Unrestricted income funds:					
General Fund			2,968		3,278
Designated funds			43,635		39,766
Total funds	**19**		**302,018**		**289,912**

The financial statements were approved by the Board of Trustees and authorised for issue on **14 May 2025** and signed on behalf of the Board by:

Sir David Beamish
Chair of the Board of Finance

Statement of cash flows for the year ended 31 December 2024

		2024		2023
	£'000	£'000	£'000	£'000
Net cash used in operating activities		(5,373)		(3,445)
Cash flows from investing activities:				
Dividends, interest and rent from investments	1,154		1,272	
Proceeds from the sale of:				
Tangible fixed assets	7,593		1,354	
Fixed asset investments	1,403		4,535	
Purchase of:				
Tangible fixed assets	(2,903)		(4,662)	
Fixed asset investments	(2,063)		(4,500)	
Net cash provided by (used in) investing activities		**5,184**		**(2,001)**
Cash flows from financing activities:				
Loans received	500		990	
Net cash provided by (used in) financing activities		**500**		**990**
Change in cash and cash equivalents in the reporting period		311		(4,456)
Cash and cash equivalents at 1 January		3,505		7,961
Cash and cash equivalents at 31 December		**3,816**		**3,505**

Notes to the statement of cash flows for the year ended 31 December 2024

Reconciliation of net income/(expenditure) to net cash flow from operating activities	2024 £'000	2023 £'000
Net income before investment gains for the year	377	(2,954)
Adjustments for:		
Depreciation charges	85	54
Dividends, interest and rent from investments	(1,154)	(1,272)
Decrease in value of Value–Linked Loans	–	10
Gains on sale of fixed assets	(4,464)	(435)
Decrease in debtors	36	849
(Decrease)/increase in creditors	(253)	303
Net cash used in operating activities	**(5,373)**	**(3,445)**

Analysis of cash and cash equivalents	2024 £'000	2023 £'000
Cash in hand	1,012	2,715
Notice deposits (less than three months)	2,804	790
Total	**3,816**	**3,505**

Analysis of changes in net debt	At 1 January 2024 £'000	Cash flows £'000	At 31 December 2024 £'000
Cash in hand and at bank plus short term deposits	3,505	311	3,816
Loans falling due within one year	(1,000)	1,000	–
Loans falling due after one year	(3,610)	(802)	(4,412)
Total	**(1,105)**	**509**	**(596)**

Notes to the financial statements

1. Accounting policies

a. *General information*

The South London Church Fund & Southwark Diocesan Board of Finance (SDBF) is a charitable company limited by guarantee, incorporated in England and Wales and registered with the Charity Commission. In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1. The SDBF meets the definition of a public benefit entity under FRS 102.

b. *Accounting convention and basis of preparation*

The financial statements have been prepared in accordance with the Companies Act 2006, applicable Accounting Standards in the United Kingdom (FRS 102) and the Statement of Recommended Practice for Charities (Charities SORP FRS 102).

The financial statements have been prepared on the historical cost basis with the exception of freehold properties, which are included at their Fair Value as determined under the applicable valuation method as detailed in 1.f, and fixed asset investments, which are included at their Fair Value at the balance sheet date.

c. *Going concern*

The Directors/Trustees have reviewed forecasts for a period of at least 12 months from the date of the approval of these financial statements and consider that there are no material uncertainties regarding the SDBF's ability to continue as a going concern.

d. *Income*

Income is recognised in the period in which the charitable company is entitled to receipt, if the amount can be measured reliably and it is probable that the funds will be received.

Income comprises donations, including parish contributions and grants receivable, legacies, income from listed investments, interest receivable, income directly related to charitable activities (including rent receivable), the net surplus on disposal of tangible fixed assets and miscellaneous income.

Parish contributions (or parish share) are recognised by the charitable company on receipt. Amounts not received are not recognised as debtors as the pledges represent a commitment that is not legally enforceable.

Other donations and grants are recognised when the charitable company has confirmation of both the amount and settlement date. In the event of donations and/or grants pledged but not received, the amount is accrued for where the receipt is considered probable. If a donation or grant is subject to conditions that require a level of performance before the charitable company is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charitable company and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charitable company is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charitable company. Entitlement is taken as the earlier of the date on which either: the charitable company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charitable company that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charitable company has been notified of the executor's intention to make a distribution.

Investment income is recognised once the dividend or similar income has been declared and notification has been received of the amount due.

Notes to the financial statements

1. Accounting policies (continued)

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

Income from charitable activities includes parochial fees received for occasional offices including baptisms, weddings and funerals. These are recognised as income when receivable.

Gains or losses on the disposal of property assets are calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal. They are accounted for once legal completion of the disposal has taken place.

e. ***Expenditure***

Expenditure is recognised on the accruals basis and is classified in the SoFA under headings that aggregate related costs.

i) **Charitable expenditure** comprises expenditure on contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the Diocese, and expenditure relating to the running of the Diocesan Retreat House.

ii) **Grants payable** included within charitable expenditure are treated as expenditure in the year in which the grant is awarded. Where the grant is conditional on the recipient meeting performance, or other discretionary requirements to the satisfaction of the SDBF, it is recognised as expenditure when these have been met. Grants made subject to such conditions that have not been met at the year-end are noted as a commitment but not accrued as expenditure.

iii) **Support costs** comprise central management, administration and governance costs. All support costs are included within charitable activities. Costs are charged directly to the activity to which they relate, but where this is not possible, they are apportioned on the basis of staff time cost.

iv) **Pension contributions.** The SDBF participates in two defined benefit pension schemes (see Note 24 on pages 78–80): the Church of England Funded Pensions Scheme for clergy and the Church Workers' Pension Fund (CWPF) for SDBF lay staff. The SDBF closed the Defined Benefit Scheme section of the CWPF to new members in July 2013 and it closed for existing members on 31 December 2022.

SDBF staff joining after July 2013 are members of the Pension Builder section of the CWPF. Contributions to this scheme paid by the SDBF are charged to the SoFA as expenditure on the accruals basis. Former members of the CWPF Defined Benefit Scheme are now members of the Pension Builder Section of the CWPF.

The pension costs for the defined benefit schemes recognised as expenditure represent the SDBF's contributions payable in respect of the accounting period, in accordance with FRS 102.

f. Tangible fixed assets and depreciation

Benefice houses

The SDBF has followed the requirements of FRS 102 in its accounting treatment of benefice houses (parsonages). FRS 102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The SDBF is formally 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 consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and to carry them at cost. For benefice houses owned at 1 January 2015, the SDBF has adopted the estimated reinstatement cost as at 1 January 2014 as deemed cost. Benefice houses purchased or built after 1 January 2015 are included at purchase or build cost. Benefice houses transferred from the Diocesan Stipendiary Fund are

1. Accounting policies (continued)

included at the carrying value at the date of transfer. An impairment review is carried out annually.

Non-benefice freehold and leasehold properties
Freehold and leasehold properties are initially recognised at cost and subsequently measured at Fair Value at each reporting date. Leasehold properties are not amortised over the term of the lease period on the grounds of materiality because of the very long lengths of the leases and the limited number of leasehold properties. The SDBF has appointed a firm of chartered surveyors to undertake a full valuation of its freehold and leasehold properties on a rolling basis over a five-year period. The results of these valuations are extrapolated across the remaining portfolio to ensure that the carrying value of the properties approximates Fair Value. The revaluation gains or losses are reported within other recognised gains and losses in the SoFA.

Properties subject to value-linked loans
Properties that have been bought with the assistance of value-linked loans from the Church Commissioners are included in the financial statements as fixed assets and the associated loans as loan creditors. The properties are stated at Fair Value and are revalued at each reporting date. On disposal the agreed share of the net sale proceeds will be remitted to the Church Commissioners and the related loan liability extinguished.

Depreciation on buildings
Depreciation is not charged on buildings as the Trustees consider that any provision (annual or cumulative) would not be material owing to the very long expected remaining useful economic life in each case, and that their expected residual value is not materially less than their carrying value. The SDBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential 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 their carrying value.

Leasehold improvements
Improvements made to leasehold properties are amortised in the SoFA over the shorter of the term of the lease or the break clause where there is an expectation that this will be exercised.

Capitalisation
Capital expenditure above £25,000 on properties is capitalised.

g. Other tangible fixed assets
Other tangible assets are recognised at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged to the SoFA over the expected useful economic life of the asset as follows:

- furniture and equipment, 10–25% per annum, straight-line basis.

h. Operating lease commitments
The SDBF has entered into operating lease arrangements for the use of certain property assets, the rental for which is charged in full as expenditure in the year to which it relates. Rent-free periods given as part of an operating lease are amortised in the SoFA over the lease term or break clause where there is an expectation that this will be utilised.

i. Financial instruments: assets and liabilities
Fixed asset investments
Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their Fair Value at the end of each calendar month using the closing quoted bid market price.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their carrying value or their purchase value if acquired after the latest monthly revaluation. Unrealised gains and losses are calculated as the difference between the Fair Value at the year end and their carrying value at that date. Realised and

Notes to the financial statements

1. Accounting policies (continued)

unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Concessionary loans
The SDBF makes loans to further its charitable purposes, typically being loans to parishes, at nil interest or at rates below prevailing market rates. It is also in receipt of loans that are interest-free or at rates below prevailing market rates from the Church Commissioners for England and the Central Board of Finance. Such loans are classified as concessionary loans and accounted for in accordance with Section 34 of FRS 102 whereby the loans are initially recognised and measured at the amount paid or received and subsequently adjusted to reflect any repayments, accrued interest and any subsequent impairment.

Debtors
Debtors are recognised at the settlement amount due.

Cash and cash equivalents
Cash and cash equivalents includes cash held in short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions
Creditors and provisions are recognised where the SDBF 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 normally recognised at their settlement amount after allowing for any trade discounts due.

Value-linked loans
The SDBF value-linked loans for which the settlement proceeds are based on the value of the related properties. As this constitutes a non-basic financial instrument under FRS 102, these loans are recognised at Fair Value and are revalued at each reporting date to match the value of the related property.

Financial instruments
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Apart from fixed asset investments held at Fair Value, basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

j. Funds
Balances are split between unrestricted (general and designated), restricted and endowment funds.

- **Unrestricted funds** are the SDBF's corporate funds and are freely available for any purpose within the SDBF's charitable objects at the discretion of the Trustees. There are two types of unrestricted funds:
  - ◊ ***general funds*** which the SDBF intends to use for the general purposes of the SDBF
  - ◊ ***designated funds*** set aside out of unrestricted funds by the SDBF for a purpose specified by the Trustees.
- **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.
- **Endowment funds** are those held on trust and administered by the SDBF to be retained for the benefit of the charitable company as a capital fund. In the case of the Parsonage Capital Fund, there are discretionary powers to convert capital into income and this fund is classified as expendable endowment. The Ministry Fund and the Diocesan Stipendiary Fund are endowment funds where there is no provision for expenditure of capital and these are classified as permanent endowments.

2. Critical accounting estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the SDBF's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key area of estimation is the measurement of the SDBF's property assets at Fair Value. The Charity SORP requires entities that have adopted a policy of revaluation to undertake valuations on a regular basis to ensure that the carrying amount of the revalued assets does not differ materially from Fair Value at the end of the reporting period. The SDBF engages a firm of chartered surveyors for the valuation of its residential freehold properties, excluding benefice houses, on a rolling basis over a five-year period and Trinity House every two years. In order to ensure that the carrying value of the freehold properties excluding benefice houses approximates to Fair Value, the results of the proportion of the properties valued in the year are extrapolated across the remainder of the property portfolio excluding benefice houses to arrive at year-end Fair Value.

Those properties selected for valuation are taken across the SDBF's diverse property portfolio and the trustees consider this to be a reasonable basis for estimating the Fair Value of the SDBF's freehold properties at the balance sheet date. Any variances from actual Fair Value and the estimated Fair Value of the portfolio will affect the value of tangible fixed assets reported on the balance sheet, and other gains and losses reported in the SoFA. Income and expenditure is not impacted except in respect of profit or loss arising on the sale of a freehold property held at estimated Fair Value.

Other key accounting estimates and judgements used in preparing the financial statements include:

- the estimation of the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge or determining no depreciation charge;
- the underlying assumptions in the actuarial valuations of the defined benefit pension schemes;
- the recoverability of debtors and any provision for bad or doubtful debts; and
- the assumptions underlying the assessment of future income and expenditure flows used in the trustees' assessment of the going concern basis of accounting.

Notes to the financial statements

3. Donations

Parish contributions

Donations are made by the parishes of the diocese using an informed generosity system.

	2024 £'000	2023 £'000
Unrestricted General Fund:		
Current year receipts from parishes	16,329	15,966
Previous year receipts from parishes	79	78
Total income	**16,408**	**16,044**

Church Commissioners and Archbishops' Council

2024	Unrestricted General Fund £'000	Restricted funds £'000	Total funds 2024 £'000
Strategic Development grant	–	1,578	1,578
Strategic Ministry and Capacity grant	–	90	90
Ordinand grant	–	221	221
Area Bishops grant	275	–	275
Diocesan Investment Programme	–	437	437
Other grants	–	278	278
Total	**275**	**2,604**	**2,879**

2023	Unrestricted General Fund £'000	Restricted funds £'000	Total funds 2023 £'000
Strategic Development grant	–	1,166	1,166
Strategic Ministry and Capacity grant	–	94	94
Ordinand grant	–	353	353
Area Bishops grant	270	–	270
Total	**270**	**1,613**	**1,883**

3. Donations (continued)

Other donations

2024	Unrestricted funds			
	General	Designated	Restricted funds	Total funds 2024
	£'000	£'000	£'000	£'000
Benefact grant	194	–	–	194
Trust for London grant	1,141	–	–	1,141
Legacy income	157	–	–	157
Other grants and donations	34	–	–	34
Total	**1,526**	**–**	**–**	**1,526**

2023	Unrestricted funds			
	General	Designated	Restricted funds	Total funds 2023
	£'000	£'000	£'000	£'000
Benefact grant	226	–	–	226
Trust for London grant	1,603	–	–	1,603
Legacy income	8	–	–	8
Other grants and donations	201	–	–	201
Total	**2,038**	**–**	**–**	**2,038**

Notes to the financial statements

4. Charitable activities

	2024 £'000	2023 £'000
Unrestricted General Fund:		
Statutory fees	345	354
Reimbursement of stipends	602	620
Other income	88	205
Rents receivable	908	792
Diocesan Retreat House	162	168
Total income	**2,105**	**2,139**

5. Investment income

2024	Unrestricted General Fund £'000	Restricted funds £'000	Total funds 2024 £'000
Dividends receivable	962	143	1,105
Interest receivable	49	–	49
Total	**1,011**	**143**	**1,154**

2023	Unrestricted General Fund £'000	Restricted funds £'000	Total funds 2023 £'000
Dividends receivable	1,019	143	1,162
Interest receivable	110	–	110
Total	**1,129**	**143**	**1,272**

6. Gains on disposal of properties

2024	Unrestricted General Fund £'000	Endowment funds £'000	Total funds 2024 £'000
Net surplus on disposal of parsonages	–	2,992	2,992
Net surplus on disposal of other properties	1,472	–	1,472
Total	**1,472**	**2,992**	**4,464**

2023	Unrestricted General Fund £'000	Endowment funds £'000	Total funds 2023 £'000
Net surplus on disposal of other properties	395	40	435
Total	**395**	**40**	**435**

Notes to the financial statements

7. Charitable activities

2024	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2024
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Contributions to Archbishops' Council:					
Training for Ministry	953	–	–	–	953
National Church responsibilities	526	–	–	–	526
Retired clergy housing costs	313	–	–	–	313
	1,792	**–**	**–**	**–**	**1,792**
Resourcing mission and ministry:					
Parish ministry:					
Stipends, National Insurance	10,438	–	632	–	11,070
Pension contributions	2,254	–	25	–	2,279
Housing costs	4,446	–	–	–	4,446
Removal and resettlement grants	506	–	–	–	506
Other expenses	3,379	–	8	–	3,387
	21,023	**–**	**665**	**–**	**21,688**
Support for parish ministry	3,064	20	1,344	–	4,428
Diocesan Retreat House	251	–	–	–	251
	24,338	**20**	**2,009**	**–**	**26,367**
Total	**26,130**	**20**	**2,009**	**–**	**28,159**

7. Charitable activities (continued)

2023	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2023
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Contributions to Archbishops' Council:					
Training for Ministry	868	–	–	–	868
National Church responsibilities	536	–	–	–	536
Retired clergy housing costs	295	–	–	–	295
	1,699	**–**	**–**	**–**	**1,699**
Resourcing mission and ministry:					
Parish ministry:					
Stipends, National Insurance and insurance	10,656	–	145	–	10,801
Pension contributions	2,289	–	35	–	2,324
Housing costs	4,733	–	–	–	4,733
Removal and resettlement grants	448	–	–	–	448
Other expenses	2,914	–	–	–	2,914
	21,040	**–**	**180**	**–**	**21,220**
Support for parish ministry	2,831	–	770	–	3,601
Diocesan Retreat House	245	–	–	–	245
	24,116	**–**	**950**	**–**	**25,066**
Total	**25,815**	**–**	**950**	**–**	**26,765**

Notes to the financial statements

8. Analysis of expenditure on charitable activities including allocation of support costs

2024	Activities undertaken directly	Grant funding of activities	Support costs	Total costs 2024
	£'000	£'000	£'000	£'000
Charitable activities:				
Contributions to Archbishops' Council	–	1,792	–	1,792
Resourcing parish ministry	21,783	833	3,012	25,628
Education and social responsibility	–	488	–	488
Diocesan Retreat House	251	–	–	251
Total	**22,034**	**3,113**	**3,012**	**28,159**

2023	Activities undertaken directly	Grant funding of activities	Support costs	Total costs 2023
	£'000	£'000	£'000	£'000
Charitable activities:				
Contributions to Archbishops' Council	–	1,699	–	1,699
Resourcing parish ministry	20,612	930	2,744	24,286
Education and social responsibility	–	535	–	535
Diocesan Retreat House	245	–	–	245
Total	**20,857**	**3,164**	**2,744**	**26,765**

9. Analysis of support costs

2024	Unrestricted General Fund	Endowment funds	Total funds 2024
	£'000	£'000	£'000
Central administration	2,852	–	2,852
Governance:			
External audit	44	–	44
Registrar and Chancellor	86	–	86
Synodical costs	30	–	30
Total	**3,012**	**–**	**3,012**

2023	Unrestricted General Fund	Endowment funds	Total funds 2023
	£'000	£'000	£'000
Central administration	2,615	–	2,615
Governance:			
Auditor remuneration:			
External audit	38	–	38
Other services	8	–	8
Registrar and Chancellor	79	–	79
Synodical costs	3	–	3
Total	**2,743**	**–**	**2,743**

Notes to the financial statements

10. Analysis of grants made

2024	Individuals £'000	Institutions £'000	2024 total £'000
From unrestricted funds for National Church responsibilities:			
Contributions to Archbishops' Council	–	1,792	1,792
		1,792	**1,792**
From unrestricted funds:			
Southwark Diocesan Board of Education	–	359	359
Southwark Diocesan Welcare	–	129	129
Southwark Cathedral	–	18	18
Parishes for mission	–	216	216
Other institutions for mission	–	57	57
Individuals for mission	4	–	4
Clergy for settling in/first appointment	218	–	218
Clergy for study/sabbatical	21	–	21
Ordinands in training	293	–	293
	536	**779**	**1,315**
From restricted funds for various purposes within resourcing parish ministry:			
Education and development of women clergy (Gilmore Fund)	7	–	7
	7	**–**	**7**
Total	**543**	**2,571**	**3,114**

10. Analysis of grants made (continued)

2023	Individuals	Institutions	2023 total
	£'000	£'000	£'000
From unrestricted funds for National Church responsibilities:			
Contributions to Archbishops' Council	–	1,699	1,699
		1,699	**1,699**
From unrestricted funds:			
Southwark Diocesan Board of Education	–	362	362
Southwark Diocesan Welcare	–	173	173
Southwark Cathedral	–	18	18
Parishes for mission	–	240	240
Other institutions for mission	–	52	52
Individuals for mission	7	–	7
Clergy for settling in/first appointment	206	–	206
Clergy for study/sabbatical	14	–	14
Ordinands in training	301	–	301
	528	**845**	**1,373**
From restricted funds for various purposes within resourcing parish ministry:			
Mission and growth (Strategic Development Fund)	–	14	14
Education and development of women clergy (Gilmore Fund)	8	–	8
Clergy and lay training (Dartmouth House Fund)	–	70	70
	8	**84**	**92**
Total	**536**	**2,628**	**3,164**

Notes to the financial statements

11. Staff costs

	2024 £'000	2023 £'000
Employee costs during the year were as follows:		
Wages and salaries	2,988	2,876
National Insurance contributions	327	298
Pension costs	–	377
Termination payments	–	20
	3,315	**3,571**

The average number of persons employed during the year based on full-time equivalents:	2024 Number	2023 Number
Administration and financial management	19.8	18.5
Property	11.5	11.0
Vocations, ministry, safeguarding and Diocesan Retreat House	21.0	17.5
Mission and public policy	25.3	19.0
	77.6	**66.0**

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

	2024 Number	2023 Number
£60,001–£70,000	10	6
£70,001–£80,000	1	1
£80,001–£90,000	2	–
£90,001–£100,000	1	–
Total	**14**	**8**

Remuneration of key management personnel

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

Diocesan Secretary and Company Secretary	Mrs Nicola Thomas
Deputy Diocesan Secretary	Mrs Jacqueline Pontin
Director of Finance and Financial Assets	Mr Mark Rhodes
Director of Property Services	Mr Andrew Bennett
Director of Human Resources	Mr David Loft
Director of Information Technology	Mr Devas Palokkaran
Director of Mission	The Revd Canon Will Cookson

11. Staff costs (continued)

Director of Discipleship, Lay Ministry and Continuing Ministerial Education	The Revd Canon Wendy Robins
Director of Communications	The Revd Anna Drew
Director for Clergy Formation and Initial Ministerial Education	The Revd Canon Jeremy Clark-King
Diocesan Safeguarding Advisor	Ms Pamela Chisholm
Director of Giving and Parish Funding	Mrs Gabby Parikh

Remuneration, employer's National Insurance and pensions contributions in 2024 for these 12 employees and 12 key management posts (2023: 16 employees and 12 posts) was £1,021,021 (2023: £961,609).

Trustees' emoluments

No Trustee received any remuneration for services as Trustee. The Trustees received travelling and out-of-pocket expenses totalling £nil (2023: £38) in respect of General and Diocesan Synod duties and other duties as Trustees. The following table gives details of the Trustees who are ordained and whether in receipt of a stipend and associated allowances and/or housing provided by the SDBF during the year.

	Stipend	Housing
The Right Revd Christopher Chessun	No	No
The Right Revd Dr Martin Gainsborough	No	Yes
The Right Revd Dr Rosemarie Mallett	No	Yes
The Right Revd Alastair Cutting (from 3 July 2024)	No	Yes
The Venerable Moira Astin	Yes	Yes
The Venerable Alastair Cutting (to 2 July 2024)	Yes	Yes
The Venerable Simon Gates	Yes	Yes
The Venerable John Kiddle	Yes	Yes
The Venerable Jonathan Sedgwick	Yes	Yes
The Venerable Greg Prior	Yes	Yes
The Venerable Chigor Chike	Yes	Yes
The Revd Michael John	Yes	Yes
The Revd Jonathan Macy	Yes	Yes
The Revd Justine Middlemiss	Yes	Yes
The Revd Dr Eddie Scrase-Field	Yes	Yes
The Revd Fiona Weaver	Yes	Yes
The Revd Lotwina Farodoye	Yes	Yes
The Revd Nicholas Lebey	Yes	Yes
The Revd Antonio Garcia Fuerte	Yes	Yes
The Revd Dr Nicholas Peacock	Yes	Yes
The Revd Dr Charlie Bell	No	No
The Revd Jonathan MacNeaney	Yes	Yes
The Revd Anne Bennett	Yes	Yes
The Revd Bridget Shepherd	Yes	Yes

Notes to the financial statements

11. Staff costs (continued)

The SDBF is responsible for funding, via the Church Commissioners, the stipends of licensed stipendiary clergy in the diocese, other than Bishops and Cathedral staff. The SDBF is also responsible for the provision of housing for stipendiary clergy in the diocese excluding the Diocesan Bishop and Cathedral staff.
The SDBF paid an average of 299 (2023: 304) stipendiary clergy as office-holders holding parochial or diocesan appointments in the diocese, and the costs were as follows:

	2024 £'000	2023 £'000
Stipends	10,132	9,947
National Insurance contributions	849	776
Apprenticeship levy	44	43
Pension costs	2,279	2,324
Total	**13,304**	**13,090**

The stipends of the Diocesan Bishop and Area Bishops are paid and funded by the Church Commissioners and are in the range £42,350–£51,910 (2023 range: £39,953–£48,972). The annual rate of stipend, funded by the SDBF, paid to Archdeacons in 2024 was £41,109 (2023: £39,237) and other clergy who were Trustees were paid £30,684 (2023: £29,283).

12. Analysis of transfers between funds

2024	Unrestricted funds General	Unrestricted funds Designated	Restricted funds	Endowment funds	Total
	£'000	£'000	£'000	£'000	£'000
Unrestricted:					
General (net transfers below)	2,182	–	–	–	2,182
Designated					
From the General Fund to create the Net Zero Carbon Fund	–	100	–	–	100
From the General Fund to the Southwark Vision Development Fund	–	157	–	–	157
Restricted					
From the Strategic Development Fund to the General Fund for the cost of project work	–	–	(542)	–	(542)
Endowments					
From the Parsonage Capital Fund net movement from the purchase and sale of benefice houses	–	–	–	(1,897)	(1,897)
Total	**2,182**	**257**	**(542)**	**(1,897)**	**–**

2023	Unrestricted funds General	Unrestricted funds Designated	Restricted funds	Endowment funds	Total
	£'000	£'000	£'000	£'000	£'000
Unrestricted:					
General (net transfers below)	731	–	–	–	731
Designated					
From the Diocesan Pastoral Account to the General Fund for work on benefice houses	–	(2,422)	–	–	(2,422)
Restricted					
From the Strategic Development Fund to the General Fund for the cost of project work	–	–	(334)	–	(334)
Endowments					
To the Parsonage Capital Fund net movement from the purchase and sale of benefice houses	–	–	–	2,025	2,025
Total	**731**	**(2,422)**	**(334)**	**2,025**	**–**

Notes to the financial statements

13. Tangible fixed assets

	Freehold & leasehold properties	Leasehold improvements	Furniture & equipment	Total
	£'000	£'000	£'000	£'000
Cost or valuation:				
At 1 January 2024	265,507	355	570	266,432
Additions	2,719	26	158	2,903
Disposals	(3,129)	–	–	(3,129)
Revaluation	10,368	–	–	10,368
At 31 December 2024	**275,465**	**381**	**728**	**276,574**
Depreciation:				
At 1 January 2024	–	237	500	737
Charge for the year	–	30	55	85
At 31 December 2024	**–**	**267**	**555**	**822**
Net book value at 31 December 2024	**275,465**	**114**	**173**	**275,752**
Net book value at 31 December 2023	**265,507**	**118**	**66**	**265,691**

Freehold and leasehold properties in the balance sheet are all vested in the SDBF, except for benefice houses which are vested in the incumbent. All properties in the current year and prior years are stated at Fair Value, except for benefice houses which are stated at deemed cost. The carrying value of benefice houses held at deemed cost at the balance sheet date is £148,683,000 (2023: £148,844,000).

All properties other than benefice houses were revalued to Fair Value at 31 December 2015 and are subject to revaluation on a five-year cycle. Properties with a Fair Value of £21,150,000 at 31 December 2024 (2023: £22,976,000) were revalued. The revaluation was carried out by Rapleys LLP in accordance with Royal Institution of Chartered Surveyors' professional standards and valuation practice statements and resulted in a net increase in the value of these properties, excluding impairments, of £1,622,000 (2023: decrease £2,474,000). An impairment review was carried out on certain parsonage houses. There was no write down in 2024 (2023: £nil).

To maintain consistency with the SDBF's accounting policy of measuring properties other than benefice houses at Fair Value, the results of this valuation have been extrapolated across those assets not revalued at the balance sheet date. This has resulted in a total revaluation gain in the year of £10,368,000 (2023: loss £13,584,000).

The carrying value of leasehold properties included within freehold and leasehold properties amounts to £2,429,000 (2023: £2,029,000). Details of any charges over the tangible fixed assets are shown at note 17.

13. Tangible fixed assets (continued)

Certain properties have been purchased with the help of value-linked loans from the Church Commissioners. The properties are revalued to Fair Value annually. On disposal the agreed share of the net sale proceeds will be remitted to the Church Commissioners and the related loan liability extinguished. The value of these properties included within freehold and leasehold properties amounts to £3,974,000 (2023: £2,610,000). The revaluation gain on these properties amounts to £1,364,000 (2023: £10,000 loss).

14. Fixed assets investments

	At 1 January 2024	Additions	Disposal proceeds	Realised and unrealised gains	At 31 December 2024
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:					
Unit trusts and similar funds	3,143	–	–	88	3,231
Restricted funds:					
Unit trusts and similar funds	2,944	–	–	263	3,207
Endowment funds:					
Unit trusts and similar funds	19,283	2,063	(1,403)	763	20,706
Total	**25,370**	**2,063**	**(1,403)**	**1,114**	**27,144**

Notes to the financial statements

15. Debtors

	2024 £'000	2023 £'000
Due within one year:		
Loans to parishes	38	44
Loans to others	6	10
Other debtors and prepayments	542	509
	586	**563**
Due after more than one year:		
Loans to parishes	467	526
	467	**526**
Total debtors	**1,053**	**1,089**

16. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Bank loan repayment instalments due in one year	–	1,000
Other taxes and social security	153	133
Other creditors and accruals	731	1,000
Total creditors: amounts falling due within one year	**884**	**2,133**

17. Creditors: amounts falling due after more than one year

	2024 £'000	2023 £'000
Loans repayable in instalments due after more than one year:		
Bank loan	2,500	1,000
Church Commissioners' value-linked loans	2,363	2,610
Total creditors: amounts falling due after more than one year	**4,863**	**3,610**

	2024 £'000	2023 £'000
The maturity of the above loans may be analysed as follows:		
Between two and five years	1,000	–
In five years and more	3,863	3,610
	4,863	**3,610**

The bank loan comprises £1,000,000 from NatWest with interest charged at 1.55% above Base Rate. The term of the loan is between two and five years and this loan is charged against the Trinity House Property. £1,500,000 is loaned from HSBC Private under a Lombard Facility with interest charged at 1.25% above Base Rate. This loan is charged against investments.

Value-linked loans from the Church Commissioners are repayable on the sale of the property to which they relate. On disposal the agreed share of the net sale proceeds will be remitted to the Church Commissioners and the related loan liability extinguished.

Notes to the financial statements

18. Summary of fund movements

2024	Balances at 1 January 2024	Income	Expendi-ture	Transfers	Gains and losses	Balances at 31 December 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:						
General	3,278	22,797	(26,130)	2,182	841	2,968
	3,278	**22,797**	**(26,130)**	**2,182**	**841**	**2,968**
Designated funds:						
Diocesan Pastoral Account	787	–	–	–	–	787
Net Zero Carbon	–	–	–	100	–	100
Board Property Fund	37,982	–	–	–	3,632	41,614
Southwark Vision Development Fund	997	–	(20)	157	–	1,134
	39,766	**–**	**(20)**	**257**	**3,632**	**43,635**
Restricted funds:						
Strategic Development Fund	123	2,293	(1,453)	(542)	–	421
Gilmore Fund	365	16	(8)	–	27	400
Dartmouth House Fund	2,992	127	–	–	224	3,343
Strategic Ministry Fund	94	90	(184)	–	–	–
Ordinand Training Fund	240	221	(364)	–	–	97
Other restricted	541	–	–	–	12	553
	4,355	**2,747**	**(2,009)**	**(542)**	**263**	**4,814**
Endowment funds:						
Ministry Fund	3,748	–	–	–	307	4,055
Diocesan Stipendiary Fund	93,982	–	–	–	6,686	100,668
Parsonage Capital Fund	144,783	2,992	–	(1,897)	–	145,878
	242,513	**2,992**	**–**	**(1,897)**	**6,993**	**250,601**
Total funds	**289,912**	**28,536**	**(28,159)**	**–**	**11,729**	**302,018**

18. Summary of fund movements (continued)

2023	Balances at 1 January 2023	Income	Expendi-ture	Transfers	Gains and losses	Balances at 31 December 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:						
General	6,240	22,015	(25,815)	731	107	3,278
	6,240	**22,015**	**(25,815)**	**731**	**107**	**3,278**
Designated funds:						
Diocesan Pastoral Account	3,209	–	–	(2,422)	–	787
Board Property Fund	43,175	–	–	–	(5,193)	37,982
Southwark Vision Development Fund	997	–	–	–	–	997
	47,381	**–**	**–**	**(2,422)**	**(5,193)**	**39,766**
Restricted funds:						
Strategic Development Fund	–	1,166	(709)	(334)	–	123
Gilmore Fund	351	18	–	–	(4)	365
Dartmouth House Fund	2,886	125	–	–	(19)	2,992
Strategic Ministry Fund	–	94	–	–	–	94
Ordinand Training Fund	128	353	(241)	–	–	240
Other restricted	498	–	–	–	43	541
	3,863	**1,756**	**(950)**	**(334)**	**20**	**4,355**
Endowment funds:						
Ministry Fund	3,746	–	–	–	2	3,748
Diocesan Stipendiary Fund	102,131	40	–	–	(8,189)	93,982
Parsonage Capital Fund	142,758	–	–	2,025	–	144,783
	248,635	**40**	**–**	**2,025**	**(8,187)**	**242,513**
Total funds	**306,119**	**23,811**	**(26,765)**	**–**	**(13,253)**	**289,912**

Notes to the financial statements

19. Summary of assets by fund

2024	Fixed assets tangible	Investments	Current assets	Creditors	Net assets
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:					
General	2,950	3,230	2,535	(5,747)	2,968
	2,950	**3,230**	**2,535**	**(5,747)**	**2,968**
Designated funds:					
Diocesan Pastoral Account	–	–	787	–	787
Net Zero Carbon	–	–	100	–	100
Board Property Fund	45,862	–	(4,248)	–	41,614
Southwark Vision Development Fund	–	–	1,134	–	1,134
	45,862	**–**	**(2,227)**	**–**	**43,635**
Restricted funds:					
Strategic Development Fund	–	–	421	–	421
Gilmore Fund	–	338	62	–	400
Dartmouth House Fund	–	2,362	981	–	3,343
Strategic Ministry Fund	–	–	–	–	–
Ordinand Training Fund	–	–	97	–	97
Other Restricted Fund	–	508	45	–	553
	–	**3,208**	**1,606**	**–**	**4,814**
Endowment funds:					
Ministry Fund	–	3,266	339	–	3,605
Diocesan Stipendiary Fund	78,257	17,440	5,422	–	101,119
Parsonage Capital Fund	148,683	–	(2,806)	–	145,877
	226,940	**20,706**	**2,995**	**–**	**250,601**
Total funds	**275,752**	**27,144**	**4,869**	**(5,747)**	**302,018**

19. Summary of assets by fund (continued)

2023	Fixed assets tangible	Investments	Current assets	Creditors	Net assets
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:					
General	2,794	3,143	3,084	(5,743)	3,278
	2,794	**3,143**	**3,084**	**(5,743)**	**3,278**
Designated funds:					
Diocesan Pastoral Account	–	–	787	–	787
Board Property Fund	42,544	–	(4,562)	–	37,982
Southwark Vision Development Fund	–	–	997	–	997
	42,544	**–**	**(2,778)**	**–**	**39,766**
Restricted funds:					
Strategic Development Fund	–	–	123	–	123
Gilmore Fund	–	311	53	–	364
Dartmouth House Fund	–	2,137	856	–	2,993
Strategic Ministry Fund	–	–	94	–	94
Ordinand Training Fund	–	–	241	–	241
Other Restricted Fund	–	496	44	–	540
	–	**2,944**	**1,411**	**–**	**4,355**
Endowment funds:					
Ministry Fund	–	2,959	789	–	3,748
Diocesan Stipendiary Fund	71,509	16,324	6,149	–	93,982
Parsonage Capital Fund	148,844	–	(4,061)	–	144,783
	220,353	**19,283**	**2,877**	**–**	**242,513**
Total funds	**265,691**	**25,370**	**4,594**	**(5,743)**	**289,912**

Notes to the financial statements

20. Description of funds

General Fund	The fund represents the unrestricted, undesignated fund available for any of the SDBF's purposes.
Diocesan Pastoral Account	This is a designated fund for the purposes defined in the Mission and Pastoral Measure 2011. It represents capital receipts released following the sale of benefice houses (parsonages) and redundant churches. To the extent that any remaining funds are not required, or are not likely to be required, for these purposes then the funds may be applied to any general purpose of the SDBF.
Net Zero Carbon Fund	The Net Zero Carbon Fund is to help fund work on parsonages to improve their energy efficiency as part of our plan to achieve Net Zero Carbon in line with the Church of England's Routemap to 2030.
Board Property Fund	This fund is a designated fund. It represents the Fair Value of properties held by the SDBF at the year end.
Southwark Vision Development Fund	This is a designated fund to support Southwark Vision 2024–35 across the diocese with significant expenditure expected in the next two years.
Strategic Development Fund	This is a restricted fund. It represents grants received from the Church Commissioners and Archbishops' Council for specific projects to fund mission and growth across the diocese.
Gilmore Fund	The Isabella Gilmore Fund is a restricted fund for the purpose of the education and development of licensed, commissioned or ordained women.
Dartmouth House Fund	This is a restricted fund for the purpose of facilitating clergy and lay training, retreats or conferences to assist and promote the work of the Church of England in the Diocese of Southwark and to use the monies to acquire any buildings which may be necessary to forward such purposes, subject always to the consent in writing of the Bishop of Southwark.
Ordinand Training Fund	This is a restricted fund. It represents the block grant received from the Archbishops' Council to fund Ordinand training.
Other Restricted Fund	This represents other restricted funds held by the diocese. These include amounts gifted for use in the Croydon Episcopal Area and to assist the training of ordinands throughout the diocese.
Ministry Fund	This is a permanent endowment fund held under the Endowments and Glebe Measure 1976 from which the income arising and/or benefit of use of the asset has been passed to the SDBF for the purpose of supporting clergy stipends within the diocese. Investment income from the fund is credited to the General Fund where it is used only to fund clergy stipend payments.
Diocesan Stipendiary Fund	This is a permanent endowment fund. It represents the glebe assets of benefices from which the income arising and/or benefit of use has been passed to the SDBF under the provisions of the Mission and Pastoral Measure 2011. Investment income from the fund is credited to the General Fund where it is used only to fund clergy stipend payments.
Parsonage Capital Fund	This is an expendable endowment fund. It represents the capital assets relating to benefice houses (parsonages) but which under the Repairs of Benefice Buildings Measure 1972 are maintained by the diocese. Under the Mission and Pastoral Measure 2011, capital receipts released following the sale of benefice houses are held in the Diocesan Pastoral Account, a designated fund. To the extent that the funds are not required for future building or improvement works to benefice houses, the funds may be applied to any general purpose of the SDBF.

21. Capital commitments

At 31 December 2023, the SDBF had no capital expenditure commitments authorised but not contracted for (2023: none), and commitments contracted for but not provided for of £193,890 (2023: £144,000).

22. Operating leases

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

	2024 £'000	2023 £'000
Minimum lease payments payable:		
Within one year of the balance sheet date	656	403
In the second to fifth years inclusive of the balance sheet date	292	171
Total	**948**	**574**

Total lease rental payments expensed in the year are £739,000 (2022: £588,000).

	2024 £'000	2023 £'000
Minimum lease payments receivable:		
Within one year of the balance sheet date	474	392
In the second to fifth years inclusive of the balance sheet date	229	324
More than five years from the balance sheet date	561	528
Total	**1,264**	**1,244**

23. Members' liability

The charitable company is a company limited by guarantee, Company Registration Number 236594 (England and Wales). The trustees are the members of the charitable company for company law purposes. In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1 per member of the charitable company.

Notes to the financial statements

24. Pensions

The SDBF participates in two pension schemes administered by the Church of England Pensions Board: the **Church of England Funded Pensions Scheme (CEFPS)** for stipendiary clergy and the **Church Workers' Pension Fund (CWPF)** for lay staff.

Church of England Funded Pensions Scheme

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

Each participating Responsible Body in the Church of England Funded Pensions Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £2,279,000 in 2024 (2023: £2,324,000). The 2021 valuation showed the Scheme to be fully funded and as such in 2024, following the valuation results being agreed, the deficit contributions paid were £nil (2023: £nil).

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

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

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

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

24. Pensions (continued)

Church Workers' Pension Fund

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

CWPF has two sections:

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

Pension Builder Scheme

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2024: £nil, 2023: £377,000).

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

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

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

The next valuation is due as at 31 December 2025.

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

25. Related party transactions

The SDBF has related party relationships with connected organisations as detailed on page 37 of this annual report. Except as disclosed in notes 10 and 11, there are no related party transactions requiring disclosure (2023: none).

Notes to the financial statements

26. Prior year Statement of Financial Activities

2023		Unrestricted funds		Restricted funds	Endowment funds	Total funds 2023
		General	Designated			
	Note	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations	3					
Parish contributions		16,044	–	–	–	16,044
Archbishops' Council		270	–	1,613	–	1,883
Other donations		2,038	–	–	–	2,038
Charitable activities	4	2,139	–	–	–	2,139
Investments	5	1,129	–	143	–	1,272
Gains on disposal of properties	6	395	–	–	40	435
Total		**22,015**	**–**	**1,756**	**40**	**23,811**
Expenditure on:						
Charitable activities	7	25,815	–	950	–	26,765
Total		**25,815**	**–**	**950**	**–**	**26,765**
Net (expenditure)/income before investment gains/(losses)		**(3,800)**	**–**	**806**	**40**	**(2,954)**
Net unrealised gains on investments	15	107	–	20	204	331
Net (expenditure)/income		**(3,693)**	**–**	**826**	**244**	**(2,623)**
Transfers between funds	13	**731**	**(2,422)**	**(334)**	**2,025**	**–**
Other recognised losses : Revaluation of property	14	–	(5,193)	–	(8,391)	(13,584)
Net movement in funds		**(2,962)**	**(7,615)**	**492**	**(6,122)**	**(16,207)**
Total funds brought forward		6,240	47,381	3,863	248,635	306,119
Total funds carried forward	20	**3,278**	**39,766**	**4,355**	**242,513**	**289,912**

27. Funds held as Diocesan Authority

The SDBF acts as Diocesan Authority or Custodian Trustee for many trust funds by virtue of the Parochial Church Councils (Powers) Measure 1956, as amended, and the Incumbents and Churchwardens (Trusts) Measure 1964 where the managing trustees are PCCs and others. Assets held as Diocesan Authority are not controlled by the SDBF and are not included in these financial statements. They are summarised as follows:

	2024 £'000	2023 £'000
CBF Church of England Investment Fund	11,242	11,089
M&G Equities Investment Fund for Charities	1,443	1,472
CBF Church of England Global Equity Income Fund	786	725
Other CBF Church of England Funds	757	744
Other Common Investment and OEIC holdings	496	611
Direct holdings in UK Equities	216	215
CBF Church of England Deposit Fund	2,471	2,142
Cash	3	7
Total assets held as Diocesan Authority	**17,414**	**17,005**

28. Subsidiary undertaking

The SDBF is the beneficial owner of a subsidiary undertaking, Southwark DBF Trading, a company limited by guarantee, which is registered in England and supplies property and administrative services to the SDBF. The company did not trade during the current or prior year and had no assets or liabilities at the Balance Sheet date (2023: £nil).

Glossary of terms

Acronym	Meaning
ADOs	Area Directors of Ordinands
ARC	Anti-Racism Charter
aSa	Average Sunday Attendance
BAP	Bishops' Advisory Panel
CAH	Church at Home
CBF	Central Board of Finance
CEFPS	Church of England Funded Pensions Scheme
CEMES	Church of England Ministry Experience Scheme
CLTG	Cost of Living Task Group
CTBI	Churches Together in Britain and Ireland
CWPF	Church Workers' Pension Fund
CYP	Children and young people
DAC	Diocesan Advisory Committee
DBF	Diocesan Board of Finance
DBS	Disclosure and Barring Service
DCT	Diocesan Council of Trustees
DIP	Diocesan Investment Programme
DMPC	Diocesan Mission and Pastoral Committee
DRG	Diocesan Referrals Group
DSAP	Diocesan Safeguarding Advisory Panel
DST	Diocesan Safeguarding Team
EDWG	Eco Diocese Working Group
FRC	Financial Reporting Council
FRS	Financial Reporting Standard
fxC	Fresh Expression of Church
GDPR	General Data Protection Regulation
GMH	Global Majority Heritage
HR	Human resources
IICSA	Independent Inquiry into Child Sexual Abuse

Acronym	Meaning
IME2	Initial Ministerial Education Phase 2. The (up to) four years of curacy also referred to as IME 4–6.
ISAs (UK)	International Standards on Auditing (UK)
JPIC	Justice, Peace and Integrity of Creation
LLF	Living in Love and Faith
MAP	Mission Action Plan
MAT	Multi Academy Trust
MFA	Multi-factor Authentication
PCC	Parochial Church Council
PCR2	Past Cases Review 2
PFC	Policy and Finance Committee
PGS	Parish Giving Scheme
PSF	Parish Support Fund
RJC	Racial Justice Committee
SDBE	Southwark Diocesan Board of Education
SDBF	South London Church Fund & Southwark Diocesan Board of Finance
SDF	Strategic Development Funding
SDP	Shared Discernment Process
SIR	Serious Incident Reporting
SMT	Senior Management Team
SoFA	Statement of Financial Activities
SORP	Statement of Recommended Practice for Charities
SPA	Southwark Pastoral Auxiliary
SVDF	Southwark Vision Development Fund
UKME	United Kingdom Minority Ethnic
uSa	Usual Sunday Attendance

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