



THE DIOCESE OF LONDON

Annual Report to Parishes for the year ended 31 December 2010

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Foreword from the Bishop of London

Beloved in Christ

Have you seen the Common Fund Film? This short, well-made video, viewable at www.london.anglican.org/Common-Fund, sheds welcome light on the question of how our ministry to London is funded.



The Common Fund is the mechanism through which we share a common purpose and responsibility and in particular maintain a Christian presence in some of the most challenging wards in the entire country. Discipline, prudence and mutual understanding has resulted in a balanced budget for the 7th year in succession. This is a huge achievement and a demonstration of the reality of our partnership in the Gospel in the Diocese of London.

So once again we have met this key element of the London Challenge, other aspects of which are covered later in this report.

2010 also saw the launch of a new training and development programme for Licensed Lay Ministers in the Diocese, provided by St Mellitus College. The talented people who are offering themselves to serve is a testimony to the vigour of the church in London and numbers continue to grow.

The future in a context of national financial stringency and increasing social challenges will be tough but full of opportunity. The achievements of 2010 show what we are capable of when we work and pray together.

With thanks for our partnership in the Gospel.

A handwritten signature in black ink that reads 'Richard Chartres'. The signature is written in a cursive style and is positioned above a long horizontal line.

The Rt Revd and Rt Hon Richard Chartres KCVO DD FSA

The London Challenge: achievements and performance

The London Challenge, first launched in January 2002, focused us on some common strategic objectives for the five years finishing in December 2006. The London Challenge has been refreshed with clear objectives for the period 2007-2012.



We are committed to sharing the good news of Jesus Christ in 21st century London

**London Challenge
2012**

The Diocese supports over 500 worshipping communities.

There are also over 150 chaplaincies in schools, colleges, hospitals, the Met Police, railways, the Olympics, prisons, theatres, the forces, football clubs, Canary Wharf, livery companies, shops and City institutions. The number of people on parishes' electoral rolls has grown from 63,500 in 2007 to 74,000 in 2010.

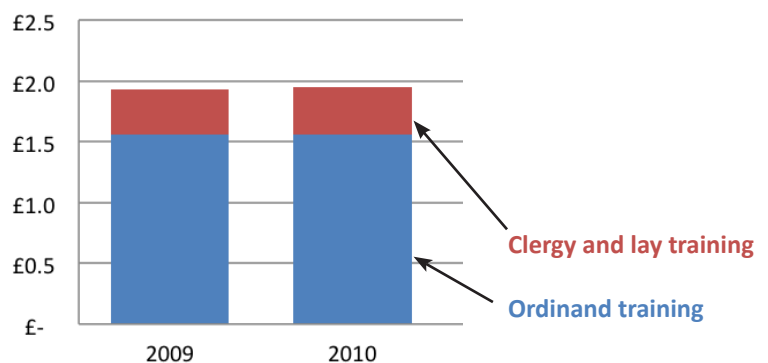
We are committed to equipping the servants of Jesus Christ

The Diocese continues to put a high priority on training and development of both clergy and lay ministers. Around £2m has again been invested in training new clergy (with over 140 sponsored ordinands), the professional development of around 700 stipendiary and self supporting clergy, and the training, support and development of numerous licensed and commissioned lay ministers.

Amongst new developments in 2010 have been the establishment of an exciting new training programme for Licensed Lay Ministers with St Mellitus College. Over 20 people began the course in September, Following a successful pilot in 2009, a new residential programme *Renewing Vision, Renewing Ministry* has been established for clergy seeking to develop their ministries as they approach the final stages of stipendiary ministry. Post ordination training directors from across the Diocese are working together to establish an enhanced programme and framework for curates.

Through 2010 the Training and Development team, together with St Mellitus College, have been actively exploring new ways to develop clergy engagement. As a result, during the course of 2011 they will be proposing a major strategic development for clergy professional development.

Clergy Training Spend (£m)



The Children's Ministry Adviser provides training and support for parishes working with children. This year we have provided an eight session course in children's ministry to develop those working with children. Over the year we have been developing a Charter scheme for parishes to help them to improve the welcome they extend to children within their mission action plan. The LDF supports the statutory checking of those who work with both the young and the vulnerable in parishes and elsewhere.

London Challenge update

We are committed to telling the story of Jesus Christ afresh for this generation and especially for the young

The educational work of the Diocese is led by the London Diocesan Board for Schools, which champions and supports 149 schools encompassing 50,000 pupils and 6,500 staff; the LDF supports its work through grants and provision of benefits in kind.

LDBS has already achieved the goal of providing an additional 2,012 secondary school places by 2012, following substantial investment over the past five years including Greig City Academy, Haringey, St Mary Magdalene Academy, Islington, Wren Academy, Barnet, Chelsea Academy and the sixth form at Sir John Cass's Foundation and Redcoat CofE School, Stepney.

LDBS is now focused on meeting the demand for more primary school places; and the Diocese is supporting St Luke's Church in North Camden which is aiming to be the first Church of England School to open under the Government's Free Schools programme.

We are committed to serving London and all her people

We continue to work to ensure that we remain present in all our communities — particularly amongst the poor. 2010 has seen the continuation of support through the work of Community Ministry and the deployment of community development workers to areas of need across the Diocese.

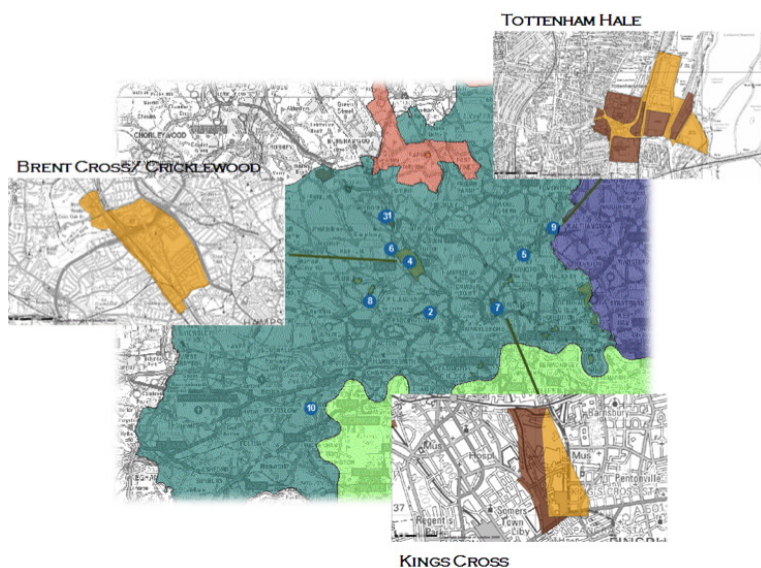
The year has also seen a significant number of developments to ensure that the resources given by past generations and the mechanism of the Common Fund are best used to ensure our commitment to all communities.

In particular the work of Strategic Development has been directed by the Diocesan Strategic Policy Committee to enable both a local and strategic response to the identified areas for investment.

The Strategic Development analysis and mapping has been identified by government and General Synod as a method and approach that others should follow. High profile and detailed work on the plans at Kings Cross saw clear information being provided to Bishop's Council to enable it to make robust decisions on the next steps needing to be taken.

The work at Tottenham Hale has flourished with the development of a clear vision and plan for the shape of mission and ministry for the future. Work has begun at Cricklewood using the approach developed at Tottenham Hale and will draw on the strengths of the many mission approaches and energy which the Diocese of London has the fortune to have within it.

The strategic approach has also enabled significant match funding from external agencies to be secured to enable local mission and ministry initiatives. These have been further supported by strategically established partnerships with external agencies which provide skills and staffing not otherwise available to parishes.



We are committed to expressing God's love in our World City

Work has been undertaken this year to understand better how to support parishes in demonstrating God's love in the communities of this great World City. Two particular strands of work stand out.

The first is the survey of what parishes are doing to express that love through service: in short, what we are doing for and with our communities. Three years ago we found over 650 community focused projects that were actively expressing God's love. Our current work is showing that this commitment has continued through the recession and 2011 will see us analysing the new information to show us how we can best support local responses through strategic resourcing.

The second is the *Project Catalyst* initiative that has been developed and will be piloted in 2011. *Project Catalyst* is a response to a need which parishes have highlighted, this being how to get hold of funding and skills to develop projects in mission and ministry beyond the initial availability of feasibility funding. It is all too easy for projects to close without help and funding, and thus lose what would be many excellent initiatives across the Diocese. A pilot in 2011 will see us testing out with a number of projects how the provision of gap funds and skills to move projects through to launch could work.

The LDF supports the Diocese in implementing the Church of England policy on shrinking its environmental footprint and playing its full part in the debate on ecological matters. The previously reported carbon saving of 11.4% from 2005-2008 has reduced to 3.5% from 2005 to 2009. Whilst there was exceptional cold weather during 2009 and 2010 (counter to the global trend), efforts will be redoubled to achieve the target of 20.12% savings by 2012.

Sixty one churches are taking part in Energy-saving Benchmarking. There is also a drive to install solar panels and take advantage of the new Feed-in Tariff (solar panels are now operating at five churches). Home energy surveys have been carried out for 289 residential properties (60%).

We are committed to making four Capital Investments: recruit and train 2,012 Ambassadors for Jesus Christ under the age of 35; increase provision in Church of England Secondary Schools by 2,012 places; raise £2,012,000 for development in Africa by 2012 (ALMA); and raise £2,012,000 to support mission in London

Work is underway on all four Capital Investments. New buildings for Chelsea Academy were completed in 2010 and opened by Michael Gove MP; the Lent appeals are being dedicated to projects in Africa. Examples of projects funded by the BLMF are showcased in 'London Mission', a film to raise awareness of the Mission Fund and to assist the fund raisers. 'London Mission' can be viewed at <http://bit.ly/London-Mission>.

We are committed to generating the resources in finance and property to enable the church to respond adequately to the London Challenge

The London Challenge includes a commitment to maintaining a balanced general fund budget and high standards of maintenance for the Diocese's buildings, many of which are of architectural and historical importance. In 2010, the LDF was once again able to maintain a balanced budget and the same is planned for 2011 though current economic conditions are likely to make its delivery challenging. Economic challenges that we are specifically affected by include individuals'/church giving, investment returns (interest and rental income), government cuts (e.g. impact on ordinand training costs) and increasing demand for community support.

The Bishop of London's Mission Fund

Awards made in 2010

Recipient	Ref.	Mission Project	Total grant £
Diocesan			
Olympics Ambassador		Youth engagement	36,000
Presence & Engagement Network		Co-ordinator	20,000
International churches		Chaplain	54,000
London Diocese		Development Workers	179,500
Board for Schools		Prom Praise 2011	15,000
Stepney			
St Michael & All Angels	0512	Children's, Youth and Families Worker	12,000
Barnsbury Team	0605	Kids and Youth Mission	60,000
St Andrew's Whitehall Park	0618B	Children and families Worker	66,000
St Paul and St Mark, Old Ford	0713	Youth Worker	45,000
Kensington			
Shepherd's Bush	0822	Pioneer Minister	30,576
St Saviour	1211	Intermission Youth Theatre	75,000
Edmonton			
Edgware	1513	Pioneer Minister, Stonegrove Estate	90,000
St Ann, South Tottenham	0904	Youth Evangelist	24,000
Willesden			
Oaktree Anglican Fellowship	2219	Pioneer Minister	79,200
Christ Church, Roxeth	2405	Community Development Worker	51,000
St Giles, Ickenham & St Mary, Harefield	2511/2503	Youth Worker	35,000
			£872,276

Also, during 2010, recipients of previous awards drew £297,590 of funding.

Information on the Mission Fund and the application process can be found at www.london.anglican.org/BLMF or by contacting Theresa Moses, the Secretary, at London Diocesan House.

Foreword from the General Secretary and Chief Executive of the London Diocesan Fund

The London Diocesan Fund (LDF) is the charitable body which underpins the Church of England in London. My colleagues and I work here to support the mission of the Church.

A crucial aspect of this support is to manage the money well and to ensure that all of you – who give the money and receive the benefit of the resulting expenditure – can see where it comes from and where it goes.

If you are an enthusiast for numbers, do please read the full Reports and Financial Statements on our website. (You might like to know that our accounts were so good that they were short listed for best charity accounts of the year. Have a look and tell us what you think.)

If you do not fall into the category of ‘numbers enthusiast’ and you do not want to immerse yourself in the detail, then the brief description below, plus the tables that follow, should suffice.

Leaving the theology to the theologians, the job of diocesan administration is pretty straight forward – supporting vicars and the churches in every community.

The finances reflect this: three quarters of expenditure is paying clergy (the ‘stipend’) and maintaining the houses in which they live.

The rest of expenditure is training the next generation of clergy, supporting the national church and paying the diocesan staff who keep it all running.

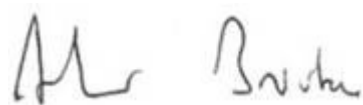
Put together, this means that the General Fund – through which nearly all our money flows – spends around £30 million a year.

The bulk of income comes from the generosity of those same churches via Common Fund contributions. The rest of our income comes from donations and grants, plus rents on properties.

A key point for 2010 is that income was roughly equal to expenditure. That might not sound like much, but in an organisation in which the bulk of expenditure is fixed and the bulk of income voluntary, that is a major achievement, particularly in the current financial climate.

Balancing the budget on General Fund is part of our commitment to good stewardship within the London Challenge.

Enjoy the numbers.



Andy Brookes
General Secretary and Chief Executive

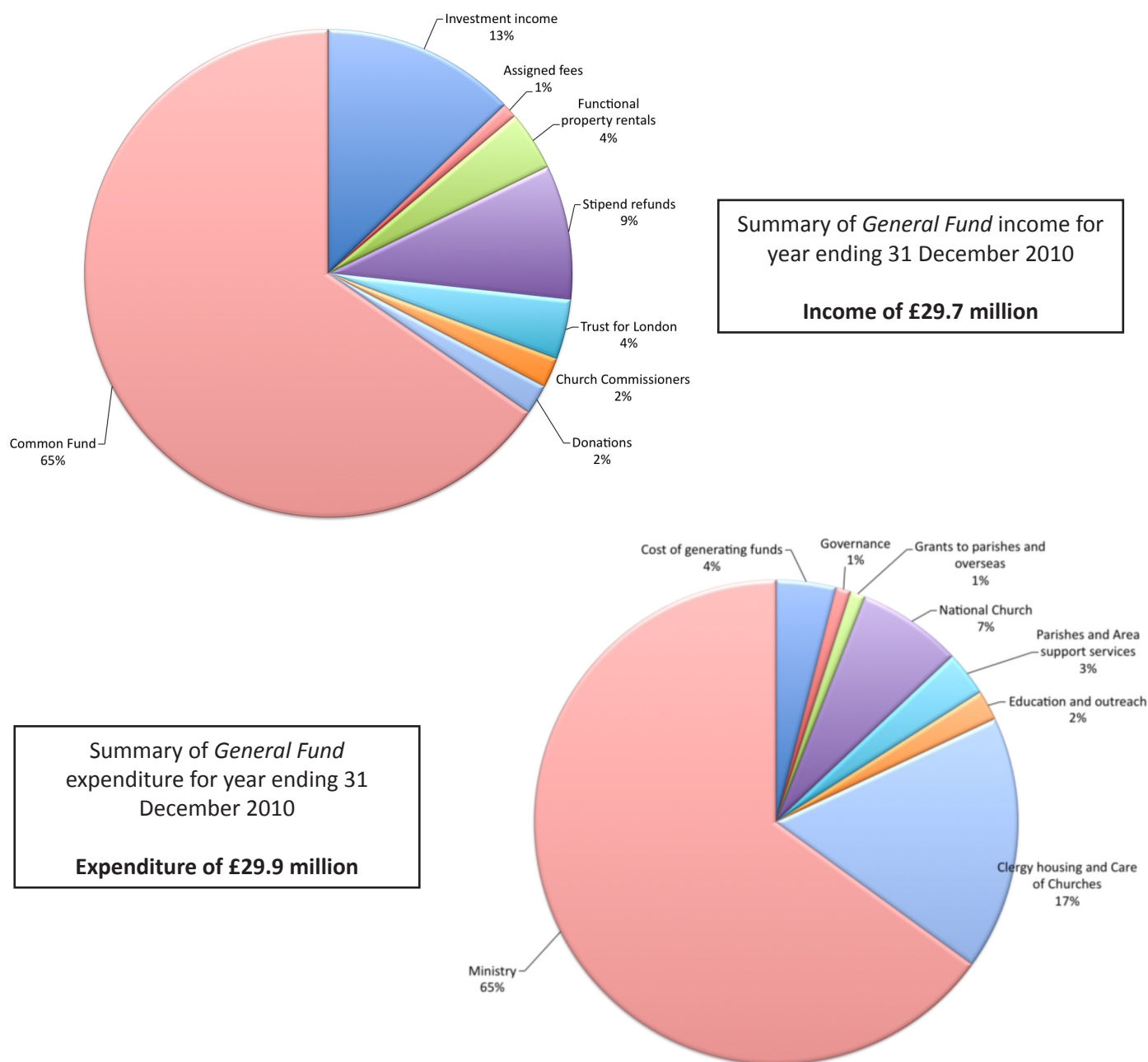
Summary financial results

Summary financial results of the London Diocesan Fund

The framework for all of our diocesan activities is set out in the London Challenge. We are committed to serving London and all her people and we are committed to generating the resources in finance and property to enable the Church to respond adequately to the London Challenge.

Income and Expenditure 2010

A summary of the *General Fund* income and expenditure is set out below, along with an extract from the statutory financial statements covering all funds of the Diocese for 2010.



These figures relate only to the **General Fund** column shown in the Statement of Financial Activities (SOFA). The other columns in the SOFA refer to monies that in one way or another are set aside or restricted to particular funds.

The Common Fund: for all, from all

The Common Fund is the main way in which the financial resources are generated to sustain our Churches. Highlighted below, the Common Fund received totalled £19.4 million in 2010, which in broad terms paid for our stipendiary clergy and their housing.

This chart shows the amount overpaid and unpaid to the Common Fund at 31 July 2011.

Ref	Deanery	Due 2010	Received by 31 July 2011	Overpaid / (unpaid)	Percentage paid as at 31 July 2011
01	City	1,049,013	932,115	(116,898)	88.9%
02	Paddington	492,238	484,238	(8,000)	98.4%
03	St Margaret's	1,059,810	1,060,215	405	100.0%
04	St Marylebone	549,000	557,855	8,855	101.6%
05	Hackney	679,242	632,739	(46,503)	93.2%
06	Islington	1,002,611	1,003,012	401	100.0%
07	Tower Hamlets	536,217	544,981	8,764	101.6%
08	Hammersmith & Fulham	972,239	972,562	323	100.0%
09	Hampton	957,219	941,015	(16,204)	98.3%
10	Hounslow	1,024,458	1,001,298	(23,160)	97.7%
11	Kensington	799,108	768,127	(30,981)	96.1%
12	Chelsea	811,100	811,098	(2)	100.0%
13	Spelthorne	528,735	513,935	(14,800)	97.2%
14	Central Barnet	680,244	679,490	(754)	99.9%
15	West Barnet	568,031	576,285	8,254	101.5%
16	North Camden	610,551	610,555	4	100.0%
17	South Camden	526,456	526,265	(191)	100.0%
18	Enfield	1,208,040	1,149,640	(58,400)	95.2%
19	East Haringey	344,064	339,296	(4,768)	98.6%
20	West Haringey	507,526	495,795	(11,731)	97.7%
21	Brent	913,168	883,914	(29,254)	96.8%
22/23	Ealing	1,631,394	1,623,933	(7,461)	99.5%
24	Harrow	1,371,157	1,372,739	1,582	100.1%
25	Hillingdon	1,007,625	930,705	(76,920)	92.4%
	Total	19,829,246	19,411,807	(417,439)	97.9%

Figures in brackets denote the unpaid element of the initial promise. The total shortfall of over £446,000 is reduced by some overpayments to give a net shortfall of £417,439.

Summary financial results

Summarised statement of financial activities of the London Diocesan Fund

A summary extract from the Statement of Financial Activities of the London Diocesan Fund for the year ended 31 December 2010 is given below. The full financial statements are available at www.london.anglican.org/Finance.

	Unrestricted funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	2010	2009
	£m	£m	£m	£m	£m	£m
Incoming Resources						
Incoming Resources from generated funds						
<i>Voluntary income</i>						
Common Fund	19.4	-	-	-	19.4	18.9
Donations	0.6	-	0.6	-	1.2	1.1
Church Commissioners	0.2	0.3	0.2	-	0.7	0.9
Trust for London	1.2	-	-	-	1.2	1.2
Stipend refunds	2.8	-	-	-	2.8	2.2
<i>Activities for generating funds</i>						
Functional Property Rentals	1.1	-	-	-	1.1	1.0
Assigned Fees	0.4	-	-	-	0.4	0.4
<i>Investment Income</i>						
Dividends and Interest Receivable	0.7	-	0.2	-	0.9	1.1
Investment Property Rentals	3.3	-	0.3	-	3.6	3.6
Other Incoming Resources	-	0.1	-	-	0.1	0.1
Total Incoming Resources	29.7	0.4	1.3	-	31.4	30.5
Resources Expended						
Cost of generating funds						
<i>Investment management costs</i>						
Rental portfolio costs - agent fees	0.3	-	-	-	0.3	0.3
Investment Property repairs & maintenance	0.8	-	0.2	-	1.0	1.0
Charitable activities						
Ministry	19.5	0.2	0.1	-	19.8	18.9
Education & Outreach	0.6	-	-	-	0.6	0.6
Parish and Area Support Services	1.0	0.1	0.3	-	1.4	1.4
Clergy Housing & Care of Churches	5.1	1.6	-	1.7	8.4	7.5
National Church	2.1	-	-	-	2.1	2.1
Grants to Parishes & Overseas	0.2	1.1	0.4	-	1.7	1.3
Governance	0.3	-	-	-	0.3	0.2
Other resources expended	-	-	0.1	-	0.1	0.1
Total Resources Expended	29.9	3.0	1.1	1.7	35.7	33.4
Net incoming/(outgoing) resources for year before transfers	(0.2)	(2.6)	0.2	(1.7)	(4.3)	(2.9)
Net incoming/(outgoing) resources for year before transfers	(0.2)	(2.6)	0.2	(1.7)	(4.3)	(2.9)
Transfers between funds	(0.4)	4.8	-	(4.4)	-	-
Net incoming/(outgoing) resources for year after transfers	(0.6)	2.2	0.2	(6.1)	(4.3)	(2.9)

Extract from balance sheet

An extract from the Balance Sheet of the London Diocesan Fund for the year ended 31 December 2010 is given below.

	Unrestricted General Fund £m	Unrestricted Designated Funds £m	Restricted Funds £m	Endowment Funds £m	Total 2010 £m	Total 2009 £m
Fixed Assets						
Functional Property	-	44.0	1.4	197.8	243.2	241.2
Investment Property	-	26.6	12.2	41.1	79.9	75.6
Fixtures, Fittings and Equipment	0.1	-	-	-	0.1	0.1
Investments	-	3.2	3.4	9.4	16.0	15.0
	0.1	73.8	17.0	248.3	339.2	331.9
Current Assets						
Debtors	2.0	3.8	0.3	-	6.1	4.2
Cash and short term deposits	5.1	12.1	4.3	(0.8)	20.7	17.9
	7.1	15.9	4.6	(0.8)	26.8	22.1
Creditors:						
Amounts falling due within one year	2.0	3.8	0.3	-	6.1	4.5
Net Current Assets	5.1	12.1	4.3	(0.8)	20.7	17.6
Total assets less current liabilities	5.2	85.9	21.3	247.5	359.9	349.5
Creditors:						
Amounts falling due after one year	2.9	3.1	0.8	-	6.8	3.8
Net Assets	2.3	82.8	20.5	247.5	353.1	345.7
Funds						
General	2.3	-	-	-	2.3	2.9
Designated	-	82.8	-	-	82.8	79.2
Restricted	-	-	20.5	-	20.5	20.3
Endowment	-	-	-	247.5	247.5	243.3
Total Funds	2.3	82.8	20.5	247.5	353.1	345.7

The above data is only an extract summary of information relating to both the Statement of Financial Activities (SOFA) and the Balance sheet.

For more information on the finances of the Diocese we recommend that you read the Trustees' report and full financial statements. Copies may be obtained from Richard Antcliffe, Head of Financial Accounting, London Diocesan House, 36 Causton Street, London SW1P 4AU or from www.london.anglican.org/Finance.

The full financial statements were approved, and authorised for issue, by the Diocesan Bishop's Council on 11 May 2011, and signed on their behalf by two trustees. They will be delivered to the Charity Commission and the Registrar of Companies. The financial statements have been audited by a registered auditor, Mazars LLP, who have issued an unqualified report on the full financial statements and on the consistency of the Trustees' Annual Report with those financial statements. Their report on the full annual financial statements contained no statement under sections 498(2)(a), 498(2)(b) or 498(3) of the Companies Act 2006.

Summary financial results

Independent Auditor's Statement to the trustees of the London Diocesan Fund

We have examined the summarised financial statements of the London Diocesan Fund for the year ended 31 December 2010 which comprise the extracts from the Statement of Financial Activities and the Balance Sheet and related notes set out on pages 10 to 13 and are contained within the charity's non-statutory Annual Report to Parishes. The summarised financial statements are non-statutory accounts prepared for the purpose of inclusion in the Annual Report to Parishes.

This statement is made, on terms that have been agreed with the charity, solely to the charity in order to meet the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice revised 2005. Our work has been undertaken so that we might state to the charity those matters we have agreed to state to it in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees are responsible for the preparation of the summarised financial statements in accordance with applicable company law. Our responsibility is to report to the charity our opinion on the consistency of the summarised financial statements on pages 10 to 13 within the Annual Report to Parishes with the statutory Annual Report and Financial Statements and the relevant requirements of section 427 of the Companies Act 2006.

We also read the other information contained within the Annual Report to Parishes and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summarised financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/3 The auditor's statement on the summary financial statement issued by the Auditing Practices Board. Our separate report on the charity's statutory Annual Report and Financial Statements for the year ended 31 December 2010 describes the basis of our opinion on those Financial Statements.

Opinion

In our opinion, the summarised financial statements set out on pages pages 10 to 13 are consistent with the statutory Annual Report and Financial Statements for the year ended 31 December 2010 and comply with the applicable requirements of section 427 of the Companies Act 2006 and the regulations made thereunder.

We have not considered the effects of any events between the date on which we signed our report on the full statutory Annual Report and Accounts (11 May 2011) and the date of this statement.

Mazars LLP

Chartered Accountants and Registered Auditors Times House, Throwley Way, Sutton SM1 4JQ
August 2011

The Diocese of London

3.7 million people

277 square miles

479 churches

Over 140 people in training for ordained ministry

74,000+ adults listed as members on church electoral rolls

149 church schools

50,000 pupils

Countless social responsibility and community projects



www.london.anglican.org