

Annual Report To Parishes



Dear Friends

It is an exciting and challenging time to be part of the Church of England in the Diocese of London.

Capital Vision 2020

We have together launched Capital Vision 2020, our strategy for the next seven years. Capital Vision is the result of many conversations, much thought and a good deal of prayer. Thank you for your part in shaping this bold and intentional vision.

The launch in St Paul's was joyful and inspirational. Witnessing hundreds of church wardens, incumbents, chaplains, along with archdeacons, bishops and diocesan staff, commit themselves to pursuing the good of London for the sake of Jesus Christ was deeply moving and encouraging. For my part, I will be doing everything I can to support the church across London as we work to fulfil this vision.

Lots has happened since the launch in June.

See: www.london.anglican.org/news/capital-vision/story/1266 for a flavour.

A number of churches have asked me how parishes should engage with Capital Vision. Some thoughts:

Remember that it came from all the churches. Input from across the whole Diocese distilled to the three themes of Confident in speaking and living the Gospel of Jesus Christ; Compassionate in serving communities with the love of God the Father; and Creative in reaching new people and places with the Good News in the power of the Spirit and the accompanying ten priorities.

Be encouraged by it. So many churches are doing so much good work that chimes with the Capital Vision themes and priorities. None of us do this alone, and the stories of others encourage.

Be resourced by it. Many resources are available; more are coming. Check out the website for starters.

Be provoked by it. The bold priorities in Capital Vision reflect need in London and beyond. For example, more men and women are needed to serve in ordained ministry: hence the CV2020 aim of 50% more ordinands. How will ordained vocations be discerned in your church?

How should that engagement with Capital Vision happen – at parish, deanery and Area level? That's up to you. Many churches are showing the 90-second film; giving the Capital Vision summary to all their congregations; using it to help refresh Mission Action Plans; and much else. But it is simply a matter of doing what works best where you are.

Now About The Money

Our aim is to serve you in managing money and other resources professionally and responsibly. You entrust us each year with generous and hard-given Common Fund contributions. We use these to pay our clergy and house them. The General Fund – through which this income and expenditure flows – balanced again in 2012 for the ninth consecutive year. All this work is subject to detailed scrutiny by the Diocesan Finance Committee, Audit Committee and external Auditors. The latter gave the LDF a 'gold star' again for the 2012 Accounts.

For those who want to know more, I enclose a four-page summary of the 2012 accounts. This shows the significant items of income and expenditure in easily digestible form. It is the diocesan version of the summary report that Treasurers present to APCMs each year. It comes to you at this time of year following the Bishop's Council's formal approval of the full statutory accounts for 2012 (from which these numbers are derived) and the Diocesan Synod's receipt of them in July.

The highlights:

- When all designated and restricted funds are added to the General Fund, the summary statement shows a deficit. This is because particular funds are being expended on the activities for which they were designated.
- The bulk of the LDF's £360mn (at book value) balance sheet is in clergy housing. Of our investment assets, the bulk is also in property.
- Churches continue to give generously to the Common Fund. London churches deliver on their pledges: 98.8% in 2012. This makes planning mission and ministry much easier. Thank you.

For true enthusiasts, the full 2012 signed off report and accounts are on the diocesan website. Do please review these and ask any questions or make comment. Our aim is to be fully transparent, without drowning you in unwanted financial information.

What Else Is Happening?

Our efforts are aligned to supporting and enabling Capital Vision. There is a wide array of work underway, but I particularly wanted to highlight the following.

Beyond Sundays. Our churches are serving their communities in a myriad of ways. This readable report puts some robust stats alongside the stories – 1000+ social impact projects; 10,000+ volunteers; 200,000+ beneficiaries. I enclose a copy. Do use these to encourage your congregations, and to help inform local partners on the scale of our community impact.

Property review. In 2012 we thoroughly reviewed our property function in order to improve further our looking after clergy housing; better help parishes develop their buildings; make more money from our property investments for use in mission. We are busy implementing the recommendations of the review; so watch this space.

Easily digestible statistics on church and parish, using data from the Annual Returns and from the Census. If you have not seen these, do ask your Area Finance Adviser. I suspect that they will provoke a good conversation at your PCC or standing committee.

Very best wishes for the rest of summer and the autumn



Andy Brookes General Secretary

A summary extract from the Statement of Financial Activities of the London Diocesan Fund for the year ended 31 December 2012 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 | 2012 | 2011 |
| | £m | £m | £m | £m | £m | £m |
| Incoming Resources | | | | | | |
| Incoming Resources from generated funds | | | | | | |
| <i>Voluntary income</i> | | | | | | |
| Common Fund | 20.6 | - | - | - | 20.6 | 20.3 |
| Parish Reimbursements for Clergy Costs | 3.2 | - | - | - | 3.2 | 3.0 |
| Donations | 0.5 | - | 0.2 | - | 0.7 | 0.8 |
| Church Commissioners | - | 0.3 | 0.2 | - | 0.5 | 0.5 |
| Trust for London | 1.3 | - | - | - | 1.3 | 1.2 |
| <i>Activities for generating funds</i> | | | | | | |
| Functional Property Rentals | 1.3 | 0.2 | - | - | 1.5 | 1.3 |
| Assigned Fees | 0.5 | - | - | - | 0.5 | 0.5 |
| <i>Investment Income</i> | | | | | | |
| Dividends and Interest Receivable | 1.2 | 0.1 | 0.2 | - | 1.5 | 1.2 |
| Investment Property Rentals | 4.0 | - | 0.1 | - | 4.1 | 4.0 |
| Other Incoming Resources | - | 0.1 | - | - | 0.1 | 0.2 |
| Total Incoming Resources | 32.6 | 0.7 | 0.7 | - | 34.0 | 33.0 |
| Resources Expended | | | | | | |
| Cost of generating funds | | | | | | |
| <i>Investment management costs</i> | | | | | | |
| Rental portfolio costs - agent fees | 0.5 | - | - | - | 0.5 | 0.4 |
| Investment Property repairs & maintenance | 1.2 | 0.1 | 0.3 | - | 1.6 | 1.2 |
| Charitable activities | | | | | | |
| Ministry | 20.2 | 0.2 | - | - | 20.4 | 19.9 |
| Education & Outreach | 0.6 | - | - | - | 0.6 | 0.6 |
| Parish and Area Support Services | 1.2 | 0.1 | 0.2 | - | 1.5 | 1.3 |
| Clergy Housing & Care of Churches | 6.0 | 1.1 | - | 1.7 | 8.8 | 8.3 |
| National Church | 2.1 | - | - | - | 2.1 | 2.0 |
| Grants to Parishes & Overseas | 0.2 | 1.2 | 0.5 | - | 1.9 | 2.0 |
| Governance | 0.3 | - | - | - | 0.3 | 0.2 |
| Other resources expended | - | - | - | - | - | - |
| Total Resources Expended | 32.3 | 2.7 | 1.0 | 1.7 | 37.7 | 35.9 |
| Net incoming / (outgoing) resources for year before transfers and pension deficit costs | 0.3 | (2.0) | (0.3) | (1.7) | (3.7) | (2.9) |
| <i>Pension Deficit costs</i> | - | - | - | - | - | (1.2) |
| Net incoming / (outgoing) resources for year after pension deficit costs and before transfers | 0.3 | (2.0) | (0.3) | (1.7) | (3.7) | (4.1) |
| <i>Transfers between funds</i> | - | (1.6) | (0.4) | (2.0) | - | - |
| Net incoming / (outgoing) resources for year after transfers | 0.3 | (3.6) | (0.7) | (0.3) | (3.7) | (4.1) |

An extract from the Balance Sheet of the London Diocesan Fund for the year ended 31 December 2012 is given below.

| | Unrestricted funds | | Restricted | Endowment | Total | Total |
|--|--------------------|-------------|-------------|--------------|--------------|--------------|
| | General | Designated | Funds | Funds | 2012 | 2011 |
| | £m | £m | £m | £m | £m | £m |
| Fixed Assets | | | | | | |
| Functional Property | - | 45.1 | 1.9 | 204.4 | 251.4 | 253.6 |
| Investment Property | - | 29.4 | 13.2 | 43.6 | 86.2 | 81.5 |
| Fixtures, Fittings and Equipment | - | - | - | - | - | 0.1 |
| Investments | 2.9 | 8.9 | 4.3 | 9.8 | 25.9 | 21.3 |
| | 2.9 | 83.4 | 19.4 | 257.8 | 363.5 | 365.5 |
| Current Assets | | | | | | |
| Debtors | 1.8 | 4.2 | 0.5 | - | 6.5 | 6.1 |
| Cash and short term deposits | 3.0 | 8.3 | 1.5 | 1.2 | 14.0 | 14.4 |
| | 4.8 | 12.5 | 2.0 | 1.2 | 20.5 | 20.5 |
| Creditors: | | | | | | |
| Amounts falling due within one year | 2.1 | 2.4 | 0.4 | 0.1 | 5.0 | 5.3 |
| | 2.7 | 10.1 | 1.6 | 1.1 | 15.5 | 15.2 |
| Net Current Assets | | | | | | |
| | 2.7 | 10.1 | 1.6 | 1.1 | 15.5 | 15.2 |
| Total assets less current liabilities | | | | | | |
| | 5.6 | 93.5 | 21.0 | 258.9 | 379.0 | 371.7 |
| Creditors: | | | | | | |
| Amounts falling due after one year | 3.7 | 3.1 | 0.7 | - | 7.5 | 7.8 |
| | 1.9 | 90.4 | 20.3 | 258.9 | 371.5 | 363.9 |
| Net Assets | | | | | | |
| | 1.9 | 90.4 | 20.3 | 258.9 | 371.5 | 363.9 |
| Funds | | | | | | |
| General | 1.9 | - | - | - | 1.9 | 1.3 |
| Designated | - | 90.4 | - | - | 90.4 | 86.8 |
| Restricted | - | - | 20.3 | - | 20.3 | 20.0 |
| Endowment | - | - | - | 258.9 | 258.9 | 255.8 |
| Total Funds | 1.9 | 90.4 | 20.3 | 258.9 | 371.5 | 363.9 |

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

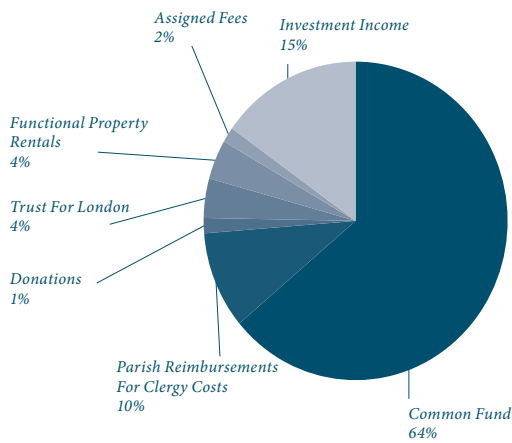
For more information on the finances of the Diocese we recommend that you read the Trustees' report and full financial statements. Copies may be obtained from www.london.anglican.org/Finance

The full financial statements were approved, and authorised for issue, by the Diocesan Bishop's Council on 16 May 2013, 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.

Income and Expenditure 2012

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 2012.

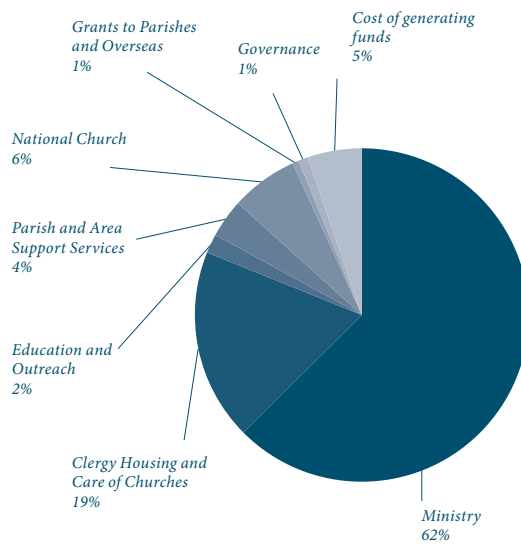
Income



Summary of General Fund income for year ending 31 December 2012

Income of £32.6 million for 2012.

Expenditure



Summary of General Fund expenditure for year ending 31 December 2012

Expenditure of £32.3 million

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 is the main way in which the financial resources are generated to sustain our Churches. Highlighted below, the Common Fund received totalled in excess of £20 million in 2012, 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 26 June 2013.

| Ref | Deanery | Due 2012 | Received by 26 June 2013 | Overpaid/(unpaid) | Percentage as at 26 June 2013 |
|-------|----------------------------|------------|-----------------------------|-------------------|----------------------------------|
| 01 | City | 1,095,983 | 1,065,302 | -30,681 | 97.2% |
| 02 | Paddington | 503,734 | 503,734 | 0 | 100.0% |
| 03 | St Margaret | 1,115,042 | 1,115,042 | 0 | 100.0% |
| 04 | StMarylebone | 617,490 | 613,440 | -4,050 | 99.3% |
| 05 | Hackney | 678,392 | 663,046 | 15,346 | 97.7% |
| 06 | Islington | 1,047,561 | 1,052,561 | 5,000 | 100.5% |
| 07 | Tower Hamlets | 626,110 | 629,215 | 3,105 | 100.5% |
| 08 | Hammersmith & Fulham | 1,056,895 | 1,056,995 | 100 | 100.0% |
| 09 | Hampton | 978,759 | 957,591 | -21,168 | 97.8% |
| 10 | Hounslow | 1,055,953 | 981,678 | -74,275 | 93.0% |
| 11 | Kensington | 793,808 | 808,460 | 14,652 | 101.8% |
| 12 | Chelsea | 840,892 | 840,890 | -2 | 100.0% |
| 13 | Spelthorne | 534,750 | 537,250 | 2,500 | 100.5% |
| 14 | Central Barnet | 696,745 | 691,796 | -4,949 | 99.3% |
| 15 | West Barnet | 625,497 | 609,172 | -16,325 | 97.4% |
| 16 | North Camden | 713,435 | 708,448 | -4,987 | 99.3% |
| 17 | South Camden | 592,894 | 585,974 | -6,920 | 98.8% |
| 18 | Enfield | 1,280,347 | 1,262,844 | -17,503 | 98.6% |
| 19 | East Haringey | 331,559 | 337,915 | 6,356 | 101.9% |
| 20 | West Haringey | 528,190 | 528,190 | 0 | 100.0% |
| 21 | Brent | 943,309 | 942,666 | -643 | 99.9% |
| 22/23 | Ealing | 1,711,310 | 1,697,040 | -14,270 | 99.2% |
| 24 | Harrow | 1,470,649 | 1,442,320 | -28,329 | 98.1% |
| 25 | Hillingdon | 963,838 | 931,309 | -32,529 | 96.6% |
| 3000 | Ordained Pioneer Ministers | 10,000 | 10,000 | 0 | 100.0% |
| | | 20,813,142 | 20,572,878 | -240,264 | 98.8% |

Negative figures denote the unpaid element of the initial promise. The total shortfall of over £271,000 is reduced by some overpayments to give a net shortfall of £240,264.



The London Diocesan Fund includes the Bishop of London's Fund & Associated Organisations.
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