



## THE LONDON DIOCESAN FUND

Trustees' report  
and financial statements  
for the year ended  
31 December 2024

The purpose of the London Diocesan Fund is  
to support the mission and growth of the Church of England in the Diocese of London



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Registered Charity number: 241083  
[www.london.anglican.org](http://www.london.anglican.org)

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## Foreword from the General Secretary

The Diocese of London is the largest and most diverse in the Church of England. Over four million people live here. Millions more come regularly to the city for work or to participate in its unique life.

The Diocese's 500 church communities are there for all these people, seeking to enable them to encounter the love of God in Christ – our vision as a diocese – by nurturing confident disciples, showing compassion in their service of their local communities, and growing creatively.

The London Diocesan Fund exists to support those churches, by providing ministry and support to enable them to become as fruitful as possible. We raise the resources that mean every church and chaplaincy can have the ordained ministry leadership it needs. We provide support to them, regardless of their financial means, so that they can respond to their contexts and the people in their communities.

This Trustees Report shows the range of ways we are enabling the Church's mission in London and working towards our priorities of becoming a younger, safer and more racially just Church. It also shows how our ministry provision is growing and our churches are recovering following the major disruption of the Covid-19 pandemic. Attendance once again grew and parishes increased their financial contributions to ministry through the Common Fund. For this growth and mutual support, we are grateful to God and to people across the Diocese.

In 2025, we are building on the plans that have developed over the last year and look forward to ongoing support to and partnership with our church communities as they enable Londoners where they are to encounter the love of God in Jesus Christ.



Oliver Home

## Strategic Report

The Church of England in London is vibrant and at the heart of communities within our diocese. The trustees believe that by promoting the work of the Church of England in the Diocese of London, the London Diocesan Fund (LDF) helps to promote the whole mission of the Church, including its pastoral, evangelistic, social and ecumenical aspects more effectively, both in the Diocese as a whole and in its individual parishes. In doing so, it provides a benefit to the public throughout the LDF's activities. These activities are set out in more detail in the following report, and public benefit is considered in more detail on page 19.

### Purpose of the London Diocesan Fund (LDF)

The purpose of the LDF is to support the mission and growth of the Church of England in the Diocese of London.

In common with other dioceses the LDF has responsibility for paying and housing parish clergy and providing training and support services. Parishes contribute to the cost of these services through the Common Fund, a collaborative funding model that enables ministry and support to be provided across the Diocese. The LDF generates further funding through grants, investment and other operational income.

The LDF's activities are guided by the Diocese's 2030 Vision – **'for every Londoner to encounter the love of God in Christ'**. Parishes, worshipping communities and chaplaincies are encouraged to work towards three Ambitions and focus on three Priorities:

#### Ambitions:

- Confident Disciples
- Compassionate Communities
- Creative Growth

#### Priorities:

- Growing Younger
- Safer Churches (Safeguarding)
- Racial Justice

These ambitions and priorities are enabled by the wise stewardship of the LDF as an organisation and its resources, namely people, buildings and finances.

## Achievements and Performance

### Ministry across the Diocese

At the end of 2024, there were 755 clergy and 118 Licensed Lay Ministers across the Diocese of London's 402 parishes, 33 Bishop's Mission Orders and varied chaplaincies.

559 of the clergy posts were paid for by the LDF through a combination of Common Fund, Locally Supported Ministry agreements, grant funding and other diocesan income. 350 of these were Incumbent equivalent roles with others serving as BMO ministers, Associate Ministers, stipendiary Training Curates or Chaplains. A further 194 clergy were licensed as Self-Supporting Ministers, with some serving in other institutions in chaplain roles.

In the course of 2024, 30 clergy left for ministries beyond the Diocese and 16 retired. 56 clergy were recruited to new or vacant posts, 26 of whom came from outside the Diocese.

Of the 170 curates in training, 50 were ordained deacon in 2024, including 11 who had completed the Caleb Stream training, and 57 were ordained priests. The Caleb stream is an innovative approach to enable older candidates to progress through the discernment process who, due to their age, may have felt unable to access traditional training pathways.

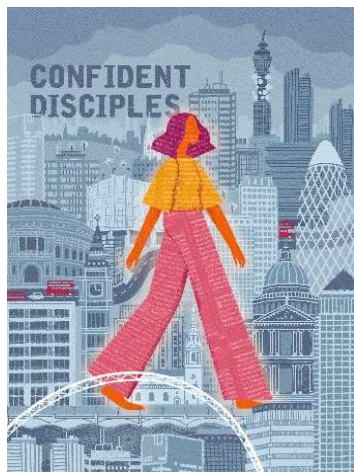
The Diocese of London offers some of the most diverse and rewarding training posts in the country, with 130 ordinands (58 of whom started in 2024) engaged in flexible and purposeful training to equip them for the challenges of modern ministry.

*The Diocesan Ministry Team supports all these ministers, working with the Area Bishops to support lay and ordained candidates through the initial discernment process, through formal training and into their curacies, first roles and beyond. The team also provides for clergy wellbeing, disability awareness and lay ministry portfolios, seeking to support, encourage and release ministry throughout the Diocese.*

### Three Ambitions:

As part of the 2030 Vision, each church is encouraged to nurture confident disciples, compassionate communities and create growth. This is primarily led by ordained and lay leaders at a local level. The LDF provides support and resources to encourage and support these Ambitions.

#### 1) Confident Disciples



*Discipleship is best formed and nurtured locally according to context and tradition and is expressed in countless ways in daily lives. The additional support for this ambition, coordinated by one part time lead, focuses on helping churches explore how a shared Way of Life can strengthen and deepen discipleship within their community.*

#### 2024 highlights:

As well as increased engagement with the Way of Life resources and Communal Practices Toolkit, the diocesan-wide Lent Offering introduced Listening Groups across the Areas, encouraging individuals and churches to explore listening as a tool for deepening discipleship. 155 people signed up with 121 unique attendees (some of which were groups) across two online sessions, alongside a five-week guided resource for churches.

## 2) Compassionate Communities

*Parishes serve their communities in a wide variety of ways, showing God's love in action. The Compassionate Communities Team supports this ambition in a range of areas, through training, awareness raising and schemes to participate in.*



### 2024 highlights:

The Team mapped out and shared on the website which parishes are involved in what type of compassionate care, related to the themes of work most pertinent to London. These are: mental health & isolation (105); refugees & asylum seeker (91); modern slavery support (12); food & low-income support (77); debt & money advice (26); homelessness response (61); and safer communities for young people (62). The team also engaged with local, regional and national government around various themes, including Net Zero Carbon, youth violence and refugee and asylum issues.

Caring for the environment and tackling climate change remains part of the Diocese's Compassionate Communities ambition as we progress towards our target of being Net Zero Carbon by 2030.

32 more churches signed up to the Eco Church Award scheme. 232 churches are now registered and awards now stand at 88 Bronze, 35 Silver and two Gold.

In 2024, 53% of churches filled in their 'energy footprint tool' (EFT) and 74 energy and net zero audits were carried out for churches as part of Parish Buying scheme for the top 20% carbon emitting churches nationally.

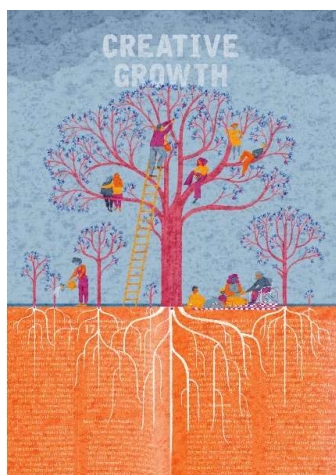
## 3) Creative Growth

*The Creative Growth ambition encourages parishes to grow in health, depth and impact and support new worshipping communities to reach new people - across all traditions and sizes of church. The Creative Growth ambition is supported by the Deans of Mission as well as the Gregory Centre for Church Multiplication (CCX).*

### 2024 Highlights:

In 2024, early draft statistics indicate that Average Weekly Attendance in London grew by 7.5%. At least 11 New Worshipping Communities were planted, from a Portuguese-speaking service at St Anne's Tottenham to a revitalisation at St Matthew Ponders End.

The Diocese was awarded £9.4m from the Church of England's Diocesan Investment Programme (DIP) to galvanise growth across the boroughs of Hackney and Islington. The funding is for extra capacity to deliver sustainable partnerships between churches as well as new plants to strengthen a mixed ecology of churches to become increasingly young and culturally diverse, while impacting low-income communities and seeing renewal of catholic mission.



The total value of C of E pledged investment is just under £27m across 15 programmes and capacity grants, ranging from £250,000 Innovation projects to the multi-parish programmes like Hackney and Islington which seeks to revitalise large areas.

Two cohorts began the Grow Course (to help churches be intentional about growing in health, depth and impact), representing Stepney, Willesden, and Kensington. The Plant Course launched two cohorts, supporting seven planting teams, with three plants awarded £10,000 grants to launch their plans.



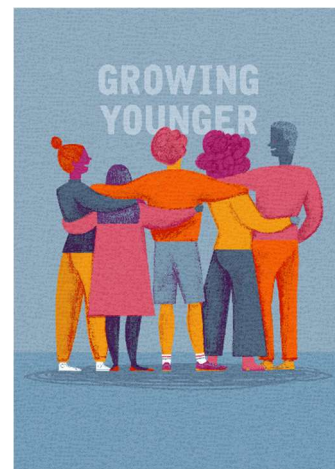
## Three Priorities:

### 1) Growing Younger

*Our Children and Youth Team raises the standards of children and youth provision across the Diocese. The team provides training and development via an online platform (Mighty Leaders), a one-year course for paid workers (Cultivate), training for clergy (Launchpad), topical training events, as well as supporting individual parishes to grow and improve their youth and children provision.*

#### 2024 highlights:

With help from Church of England funding, the team appointed a record nine Apprentices this year, bringing the total to 19. Youth Apprentices help grow parish youth numbers and create pathways for new youth workers, ending the scheme with a qualification in youth work. By the end of 2024, the Apprentices engaged 715 young people weekly.



The team ran two Launchpad courses in Willesden and Kensington, training 18 clergy in youth work. Volunteers in Kensington and Willesden received training, along with clergy and youth workers in Stepney.

The team played a key role in planning the Growing Younger-themed Multiply Conference across three cities in the summer. The focus was to help churches grow youth numbers, either from a standing start, from very low numbers (less than 10) or to grow engagement beyond 25.

The Hackney and Islington Programme enabled the launch of five Youth Minsters, which were in turn able to help 21 parishes to grow youth ministry.

### 2) Safer Churches

*Our Safeguarding Team, with a Diocesan Safeguarding Advisor in each Episcopal Area, works proactively with parishes and responds to safeguarding questions, concerns and allegations. The team supports parishes with their safeguarding arrangements, ensuring that respondents, victims and survivors receive specialist support and pastoral care.*

#### 2024 highlights:

In a challenging year, the publication of the Makin and Scolding reports contributed to a substantial rise in referrals to the team, requiring a well-balanced response, including supporting the wellbeing of those affected. The Bishop of London and the General Secretary commissioned a working group to review and action relevant findings.

Investment in the Parish Safeguarding Dashboard and Hubs supported safer recruitment and excellence in activities and practices. Parish use of the dashboard rose to 92% (of all parishes) in 2024 from 83% in 2023.

As a cornerstone of a Safer Church, an extensive portfolio of safeguarding training included 50 leadership sessions (789 attendees) and a range of topical masterclasses.



A programme of support was offered to Parish Safeguarding Officers through regular drop-in sessions, communications and duty line access. 262 people attended the induction training, improving their confidence and competence.

3,808 Disclosure and Barring Service checks were completed (3,628 in 2023) resulting in 30 blemished returns for risk assessment.

### 3) Racial Justice

*The Racial Justice priority supports the Diocese of London's commitment to combatting the evil of racism within our structures, systems and people to build a better future for all.*

Under the new leadership of the Bishop of Edmonton we repositioned the Steering Committee and recruited a new Head of Racial Justice Priority, who started in February 2025, to build on the good work of 2024.

2024 highlights:

- Ran Race Equality Week and Racial Justice Sunday, with churches reflecting on racial justice and committing to action under the national theme *Action/Challenge/Change*.
- Celebrated Black History Month through various collaborative events between churches and schools.
- Increased clergy ethnicity data collection response rates from 56% to 70%
- Secured funding for a trial support service for Global Majority Heritage (GMH)/UK Minority Ethnic (UKME) clergy.
- Launched 'Healing Together: Coaching Support for Healing from Racial Trauma', with plans to expand support further.
- Contributed to Race Equality Foundation research on complaint handling in the Church of England.
- Launched The World Reimagined art initiative at St Paul's Cathedral.



## LDF support services to resource and support the church in London:

### Communications

*The Communications Team provides parishes with news, resources, information, and opportunities through multiple channels. The team offers press support for parishes, senior clergy and the LDF and, with support from the National Church, they help churches improve their online presence.*

2024 highlights:

The team launched the new and well-received diocesan website in March 2024, with a new and easier-to-navigate architecture, as well as a refreshed look and feel.

On top of good news stories and opinion pieces, the team also handled a substantial amount of more challenging PR, particularly related to safeguarding concerns following publications of the Makin Review and the Scolding Review.



## Governance

*The Governance Team provides overall support for the governance operations at diocesan, area, deanery, and parish levels. This includes facilitating the meetings and elections for Diocesan Synod, Diocesan Bishop's Council and Area Councils, as well as providing governance and data protection advice to clergy and parish officers.*

2024 highlights:

Elections were a major feature of the team's work this year, with elections of members to the Diocesan Synod, Diocesan Bishop's Council and Area Councils – in readiness for the new triennium. There were also elections to the Vacancy in See committee and the Diocesan Board of Patronage, as well as a by-election to General Synod. Elections to the Diocesan Finance Committee will follow in early 2025.

## Finance

*The Finance Team supports the operational activity of the LDF and the parishes. They manage income and expenditure of more than £50m per year and provide accurate and timely financial information for decision makers to fulfil the Diocese's legal responsibilities.*

2024 highlights:

Following the success of the 2023 Digital Giving Rollout initiative in partnership with National Church, we launched a 'Try Before You Buy' scheme for parishes interested in trying out contactless card readers before committing to buying one. Finance Advisers also held online sessions to encourage giving in parishes, alongside an introduction to the Parish Giving Scheme and support with preparation of the parish accounts.

## Housing & Investment Property

*The Housing Team maintains clergy housing, managing reactive repairs, quinquennial maintenance, and ingoing works projects. Through a programme of inspections and testing, the team ensures that all clergy housing is safe to occupy. The team also generates income from letting operational housing to reduce pressure on Common Fund.*

2024 highlights:

The team managed around 1,693 reactive repairs, 1,061 planned maintenance events, 18 quinquennial maintenance projects, 19 window replacement projects and 53 ingoing works projects.

Of the 378 feedback forms completed by clergy on how we managed repairs to their housing, 90% rated '5' or excellent and 99% rated either '4' or '5', which shows very high levels of satisfaction.

To ensure our clergy housing is safe to occupy, the team managed 628 gas boiler safety tests and conducted 118 fixed wiring electrical inspections. The reinspection of the housing estate to check for asbestos continued, bringing total surveys up to 368.

Through our continued letting of operational housing to reduce pressure on Common Fund giving, the team generated around £3.25 million of income for the Diocese. The team are now working on the Net Zero Carbon strategy in conjunction with the wider housing strategy for the Diocese.

£8.6m was spent capital improvements and purchases in 2024 (2023: £10.1m). Particular highlights were the purchase of 19 Armitage Road (new home for the Bishop of Edmonton) and 23 St Peter's Street (replacement for 1 Arlington Square at 0612 St James Islington). Significant capital refurbishments were undertaken at 44 King Henry's Road (1609 St Mary's Primrose Hill), 3 Bletchley Street (0525 Holy Trinity Hoxton), and 11 St Silas Place (1706 St Silas the Martyr with Holy Trinity).

## Parish Property & Fundraising

*The Parish Property and Fundraising Team has five primary workstreams:*

- *The care and change of church buildings*
- *Fundraising for PCCs and for LDF projects*
- *Closed church leases and disposals, and other linked LDF property in Parish use*
- *Property management support for PCCs – advice on leases, licences and disposals, alongside direct oversight of LDF property*
- *Administration linked with the Mission & Pastoral Measure*

2024 highlights:

The Diocesan Advisory Committee for the Care of Churches (DAC) handled around 300 applications for church alterations, repairs, and improvements, ensuring all align with each church's mission. With extra resources through a Church of England grant, we ramped up support of the Church of England's Carbon Net Zero initiative, with an initial focus on the highest emitting churches.

Over the past four years, fundraising efforts have secured around £36m for over 100 PCCs and the LDF, funding vital repairs, training, and new facilities to support mission and community work. Strategic funding has also driven programs like the 'Square Mile Churches'.

Each year, our Asset Managers oversee 420 leases and handle 1,000 property queries, assisting parishes with complex transactions, marketing, and rent reviews. We are now selling long-closed buildings, generating significant funds—an estimated £15m over five years—to reinvest in open churches.

Pastoral casework grew in both scale and complexity. At the end of 2024, over 20 proposals were active, with more than 40 in development. Casework relates to major changes, such as benefices, parish boundaries, or the closure of churches.

## Plans for the future

In June 2024, the Trustees agreed an overall Strategic Framework to guide planning, decision making and the use of resources in support of the 2030 Vision. It is underpinned by a set of inter-related principles, addresses challenges and has three main components related to mission, people and finances.

The principles ensure approaches taken are:

- Distinctively Christ-centred
- Committed to all people and places, Anglican traditions and church expressions
- Leading to long term fruitfulness and sustainability
- Fostering interdependence and mutual accountability across the Diocese

The Trustees agreed a Financial Plan with the aim to bring the General Fund into balance prior to 2030 while maintaining its overall investment in the provision of ministry and support. This will be primarily achieved by (a) increasing parish contributions to Common Fund back to a similar proportion of ministry and support costs they were meeting in 2019; and (b) a capital programme to decarbonise, renew and invest in parsonages, thus reducing ongoing maintenance and repair costs, meaning that the LDF cost base will reduce in real terms.

In 2025, the following elements of the Strategic Framework will be developed:

1. Identify major mission programmes in larger geographical areas where the Church of England's ministry and mission needs most strengthening.

2. Develop supporting programmes for mission amongst a) youth and children, b) estates and lower income communities and c) multicultural settings. These programmes (1 and 2) will form the basis of a Diocesan Investment Programme application in 2026.
3. Renew the approach to Common Fund and recommunicate its purpose and value.
4. Detailed planning for implementation of the Housing Strategy to renew the clergy housing portfolio.

In addition, the LDF will:

1. Prepare and participate in the Independent Audit of the Diocese's Safeguarding arrangements by INEQE in September 2025.
2. Develop a new Racial Justice Action Plan with the support of the new Head of Racial Justice Priority and Racial Justice Steering Group.
3. Receive and implement the outcomes of the Clergy Ministerial Development Review.

# Financial Review

## Financial summary

The London Diocesan Fund has continued to invest in sustaining and developing parish ministry and supporting parishes and worshipping communities across the Diocese over 2024. Parishes, Bishop's Mission Orders, grant funders and the stewardship of the LDF's assets have together funded the range of the LDF's activity. The LDF is extremely grateful to all parishes and partners who contributed to the LDF through Common Fund, payments and grants to enable ministry and mission in the Diocese of London.

Across all funds the LDF is reporting an operating deficit of £4.2m before transfers and gains (2023: -£6.6m). Total income decreased by £2.6m and total expenditure reduced by £5.0m, reducing the operating deficit by £2.4m.

During the year the LDF recognised £3.0m of realised gains (2023: £7.7m) on tangible fixed assets, resulting from the reshaping of the property portfolio. Operational properties are held at cost in the accounts and so the gains on sale represent the increase in value of the asset over time. Property values increased in 2024 with £6.5m in unrealised gains and revaluations (2023: loss of £6.8m). Net gains on investments amounted to £2.8m (2023: £2.6m). Therefore, the accounts show an overall increase in the value of all funds of £8.1m for the year to £511.9m (2023: £503.8m).

The following table summarises the overall financial position:

<b>All Funds</b>	<b>2024 £m</b>	<b>2023 £m</b>
<b>Operating Deficit*</b>	(4.2)	(6.7)
<b>Other recognised gains and losses:</b>		
Net gains/(losses) on investments	2.8	2.6
Realised gains on tangible fixed assets	3.0	7.7
Unrealised gains/(losses) on tangible fixed assets	6.5	(6.8)
<b>Net movement in funds for the year</b>	<b>8.1</b>	<b>(3.2)</b>

\*Net income/(expenditure) line in SOFA, p. 29

## General Fund

The LDF has maintained a planned general fund deficit since 2020 to support parishes following the impact of the Covid-19 pandemic and to allow time for recovery and readjustment of resources to local missional need. In 2024 there was a deficit before year-end adjustments of £3.4m (2023: £1.7m deficit).

**Income decreased by £1.6m from £42.2m to £40.6m.**

Following a reduction in 2023, contributions from parishes through the Common Fund increased by £0.9m (4%) to £23.2m (2023: £22.3m). Some parishes continue to see an improvement in their local circumstances, however £0.26m (2023: £0.75m) was withheld by parishes to register their disquiet regarding General Synod decisions over the blessing for same sex relationships. Common Fund pledges for 2025 indicate further increases in contributions in the year ahead.

The LDF is grateful to the Trust for London who, through the City Church Fund, continue to provide distributions towards ministry and support in the Diocese. This was £1.8m in 2024 (2023: £2.4m). Other sources of income, including rental and investment income, showed a decrease of 10% to reach £15.5m (2023: £17.3m). This was partly due to a one-off receipt of £0.9m in 2023, a reduction in dividend income and lower interest income due to reduced cash balances.

**Expenditure decreased by £2.1m from £44.3m to £42.2m.**

The primary expenditure streams are Resourcing Ministry & Mission costs of £31.9m (2023: £34.6m) and Support for Parish Ministry £5.1m (2023 £5.4m). Resourcing Ministry & Mission costs include clergy housing and property costs of £7.2m (2023: £11.1m).

## Policies

### Reserves policy and management

At the end of the year to 31 December 2024 the LDF held net assets of £511.9m (2023: £503.8m), split between the various funds as shown in the table below:

Fund categories	2024 £m	2023 £m
General	5.7	8.1
Designated	158.2	141.7
Restricted	9.3	28.0
Endowment	338.7	326.0
Total Funds	<b>511.9</b>	<b>503.8</b>

**General reserves** are held to finance working capital requirements (principally stipends, salaries and property costs) not matched by simultaneous receipt of Common Fund and investment income. The policy was revised in 2020 in response to the greater financial volatility and uncertainty caused by the Covid-19 pandemic. Previously the policy was that General Fund reserves equivalent to approximately one month's expenditure should be held in cash or near cash. The policy from July 2020 is to hold General Fund reserves of c.£5.1m, which was calculated by reference to the expected deficits and the need for greater resilience over the next few years.

General reserves at 31 December 2024 were £5.7m (2023: £8.1m). This level of reserves is considered to be appropriate for the time-being due to the ongoing economic uncertainty, the high levels of inflation, and the expected operating deficits. The level is kept under review.

**Designated reserves** to the value of £158.2m (2023: £141.7m) include the following key funds:

LDF Property Funds represent both operational and investment property that are not covered by Measures that govern Stipends Capital and Parsonages. Operational Property of £79.0m (2023: £76.2m) represents Diocesan offices and over 133 units of property generally used to house clergy who are not housed in Parsonages.

The investment property fund of £59.2m (2023: £56.5m) is used to generate income for the following purposes:

- To mitigate financial risk, such as significant changes in the environment in which the LDF operates and to protect the LDF from insolvency or serious disruption to its work.
- To aid an equitable balance of expenditure between generations. Many of the assets used by the LDF today were provided by past generations and there is a need to preserve these assets for future generations.
- To supplement the Common Fund in furtherance of the LDF's charitable objectives.

At the year-end the designated funds balance includes funds relating to Closed Churches Property and the Diocesan Pastoral Account – until now recognised in the restricted funds. The balances at the year-end 2024 were transferred and redesignated to help with transparency of information and to improve the compliance with the National Church Accounting Guidelines.

**Restricted reserves** with a value of £9.3m (2023: £28.1m) are restricted in their application in accordance with conditions specified by the donors, the main reserves being Sole Trust Expendable Fund. The funds include those managed on behalf of the Angola, London and Mozambique Association (ALMA) of £1.0m (2023: £1.1m).

**Endowment reserves** with a value of £338.6m (2023: £326.0m) mainly comprise of restricted expendable endowment funds. These include glebe assets, consisting of historic endowment land given to provide stipends for parochial clergy, now owned and managed by LDF, and Parsonage House capital, representing the net book value of freehold and leasehold benefice houses.

## Investment policy

### Policy

The investments managed by the LDF are in two clear classes: a) Investment Property and b) Investment Funds (Equities and Bonds). The LDF regularly reviews its investment policy and receives periodic guidance from its Non-Property Investment Guidance Group and from the Property Guidance Group.

The LDF acts within its powers as a charity and is mindful of the approaches taken by the wider Church of England, and in particular the advice of the Ethical Investment Advisory Group (EIAG). The LDF believes that incorporating ethical considerations into our Investment Process is in the best interests of the organisation and consistent with both our Memorandum and Articles of Association and the values of our stakeholders. The LDF aims to be a responsible and ethical investor across all assets.

The following policy relates to investment funds.

### Investment Funds (Equities and Bonds)

- a) The LDF invests in investment funds rather than directly in a segregated portfolio of shares, in order to achieve an acceptable level of risk and fees whilst achieving diversification with a relatively modest amount of funds invested (c£48.3m as at December 2024).
  - b) The LDF will choose funds that meet the returns target set and meet our Ethical, Social and Governance (ESG) criteria.
  - c) The LDF invests in Funds that sign-up to the UN-backed Principles for Responsible Investment (UNPRI) and/or the UK's Stewardship Code, and this informs discussions with fund managers. We therefore expect that fund managers will engage effectively to ensure companies are incentivised to act justly.
- However, there are certain areas of activity in which we do not wish to invest. This is generally because to do so would be in conflict with the missional aims and objectives of the Church.

The LDF has an ethical investment policy that applies primarily to its non-property investments. The policy was reviewed and revised in 2022 and in January 2023 the Bishops Council agreed to the exclusion of Fossil Fuel Extraction. This change in policy was implemented in 2023.

The policy states that the LDF will invest only in investment funds that have exclusions as set out in the table below. In instances where fund managers have such exclusions by practice rather than by policy, the LDF will continue to engage regularly with the fund managers and review the portfolio.

<i>LDF Exclusions* and Requirements</i>	<i>Investment type/requirement</i>
<i>LDF excludes investment in the following sectors:</i>	Arms
	Pornography
	Tobacco
	Gambling
	Fossil Fuel Extraction
	High Interest Lending
<i>LDF requirement of Fund Managers</i>	Be signatories to UNPRI and/or UK Stewardship Code

\*Revenue exclusions prohibit individual underlying holdings which generate revenue in excess of 5% of the stated rate from the specified investment category.



## Investment returns

### *Investment property*

The strategic work to reshape the investment property portfolio continues as we look to increase the level of income generated from the asset base. This work commenced in 2013, when net income of £1.3m per year was generated and by 2023 it exceeded £4.2m. There were no purchases, one sale agreed, and three units transferred into the portfolio from operational housing in the year ended 31 December 2024. In total the investment property portfolio generated net income in excess of £4.35m in 2024 (2023: £4.25m).

The portfolio has seen significant capital growth since inception although some property values decreased due to adverse market conditions in 2024, leaving a value of £120.7m, after a transfer in of £1.58m from the operational portfolio (2023: £110.8m).

### *Equity Investments*

Investments in equities, fixed interest securities and other quoted securities amounted to £48.3m (2023: £38.1m). As at 31 December 2023, £6.6m of funds disinvested from M&G were still to be reinvested into Sarasin Managed fund, the transaction being completed in February 2024. Gains of £2.7m were achieved (2023: £3.0m) and investment income of £1.5m (2023: £2.2m) received.

	2024 %	2023 %	2022 %	2021 %	2020 %	2019 %	2018 %
Historical gains/(losses) on LDF investments	8.5	8.8	(9.8)	14.9	1.3	19.9	(11.2)
Historical gains/(losses) on FTSE all-share index	5.9	2.4	(4.1)	14.5	(12.5)	14.0	(12.3)

## Valuation of operational property assets

The majority of the operational property assets are held for long-term use by the LDF rather than for re-sale and are valued in the accounts at their deemed cost in accordance with the provisions of FRS 102.

## Pension schemes

### *Church of England Funded Pension Scheme – Clergy:*

The Pension Scheme valuation as at December 2021 showed no deficit. The overall contribution rate for scheme members has reduced a number of times from 36% of National Minimum Stipend to , most recently 25% in April 2024. The latest communication from the Pension Board continues with that trend announcing a new contribution rate of 22% from April 2025.

As of 31 December 2024, pensions liability was valued at NIL (2023: £NIL), therefore, it has been agreed there will be no deficit contributions made towards the clergy pension scheme for the foreseeable future.

### *Lay Church Workers' Pension Fund:*

The final salary section was closed to future accrual on 31 December 2021 with all members transferring to the PB14 section, a cash balance scheme, from 1 January 2022. This is the default for new members of staff alongside a defined contribution pension scheme which is managed by Aviva.

## Risk management

The Senior Management Group and the Archdeacons regularly consider, evaluate and record the major areas of risk to which the LDF is exposed, assessing both the likelihood and impact of those risks crystallising, together with measures to manage and mitigate such risks.

The process of identification and assessment of risk, the risks identified and the measures for mitigation are reviewed annually by the Audit and Risk Committee. The risk register is available for inspection by all directors and trustees. As part of new directors' and trustees' induction, details of the risk management process are provided. A formal report on risk management is considered by the Bishop's Council annually.

The risk management framework is due to be reviewed during 2025.

The risks which are currently assessed as scoring highest, and the plans to address them, include:

- **We recognise that nationally divisive issues**, such as the outworking of the Living in Love and Faith (LLF) process may lead to loss of clergy and/or congregations and finances. While the situation has stabilised over 2024 it remains unresolved. *Mitigation* remains strong episcopal leadership and professional support in handling difficult issues.
- **Current or historic abuse of a child or a vulnerable adult in the Diocese** results in reduced trust and negative impact on the victims. Safeguarding has been a focus at National level over 2024 including the early retirement of the Archbishop of Canterbury. *Mitigation* includes having an independently audited safeguarding programme, which is professionally run. We aim to have safeguarding officers and children's champions in every relevant parish.
- **Mistakes made in Clergy Appointments leading to** the weakening of missional and financial health of parishes. *Mitigation* includes seeking the fullest possible information about candidates for posts and ensuring that knowledge about parish opportunities is shared in a timely fashion. Full support for PCCs is provided by Archdeacons.
- **Common Fund** system loses support from PCCs, or there is an inability to sustain sufficient incremental increases each year, resulting in insufficient income to cover committed LDF budget. *Mitigation* includes annual Common Fund presentations to engage parishes and provide support where necessary. We have set up a Common Fund Review Group in 2024 to ensure consistent attention to the issue, following good practice set out by a National Church review. Existing trends are reviewed regularly alongside consideration of parishes' future capacity to sustain Common Fund increases. Targeted interventions are carried out as necessary with concerned parishes.

## Funds held as custodian trustee

The LDF is custodian trustee for trust assets of £19.3m (2023: £18.7m). Most of these trusts are held on behalf of parishes whose charitable purposes are broadly parallel to those of the LDF. Assets held under these trusts are held separately from those of the LDF. Detailed certificates of holdings as at 31 December 2024 have been sent to parishes and other managing trustees.

## Other matters

The LDF also supports connected charities, one of which is the London Diocesan Board for Schools, to which we grant the use of facilities at London Diocesan House to the value of £448k (2023: £444k), and to whom a cash grant of £171k was made in 2024 (2023: £171k).

Other support is provided to parishes in the form of grants and loans. In 2024 grants to London parishes totalled £2.1m (2023: £2.5m). This includes funds from National Church Strategic Development Funds (SDF).

## Going concern

The trustees have reviewed the charity's financial position, particularly in light of the recent developments around LLF and financial challenges for parishes. While it is expected that the LDF may experience a reduction in the level of income received, particularly in respect of Common Fund received from parishes, detailed reviews of the LDF cash flows and forecasts show that it is expected that the LDF has sufficient cash levels to operate successfully for the foreseeable future. Therefore, taking account of the satisfactory levels of reserves and cash, the annual budget and five-year financial plan, and our systems of financial and risk management, it is the trustees' opinion that the charity is well placed to manage operational and financial risks successfully.

Accordingly, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and do not believe that there are any material uncertainties as to the going concern of the charity. Therefore, the trustees are content that the charity continues to adopt the going concern basis of accounting in preparing the annual accounts.

## Governance, structure and management

### The Diocese of London

The Diocese of London was founded in Roman times and was re-founded in 604 by St Mellitus. In its current form, it includes most of Greater London north of the River Thames and west of the River Lea, covering 17 London Boroughs and the Spelthorne District in Surrey. It serves over four million people in 277 square miles.

The Diocese is led by the Bishop of London, the Rt Revd and Rt Hon Dame Sarah Mullally. The Bishop of London has delegated certain powers to four Area bishops, the Bishops of Edmonton, Kensington, Stepney and Willesden, and two Suffragan bishops, the Bishops of Fulham and Islington.

There is an archdeacon for each of the episcopal areas. There is also an Archdeacon of London and an Archdeacon of Charing Cross, for the Two Cities area which is led by the Bishop of London.

There are 21 deaneries within the Diocese. Each deanery consists of between 10 and 26 parishes; there are approximately 400 parishes in the Diocese, each of which is governed by a Parochial Church Council (PCC). The PCC is made up of the incumbent as chair, the churchwardens and a number of other ex officio, elected and possibly also, co-opted members. Each PCC is a corporate body and a separate charity. PCCs are responsible for, inter alia, the maintenance of churches and certain other buildings. Except where shown, the transactions of PCCs do not form part of these financial statements.

The statutory governing body of the Diocese is its Synod, which is a largely elected body with representation from all parts of the Diocese. The Diocese conducts its financial and operational affairs through a number of corporate bodies, the main ones being the London Diocesan Fund (LDF) – relating to churches - and the London Diocesan Board for Schools (LDBS), an independent registered charity – relating to schools.

### The London Diocesan Fund

The LDF is a company limited by guarantee and registered in England & Wales (150856). It is also a registered charity (241083). Its registered and principal office is at London Diocesan House, 36 Causton Street, London SW1P 4AU. The LDF was incorporated in England & Wales on 29 June 1918.

All members of the Bishop's Council are directors of the company for the purposes of the Companies Act 2006 and are trustees under charity law.

### Management and senior staff

The bishops and archdeacons exercise day to day oversight of the Diocese. The General Secretary acts as secretary to the Bishop's Council.

Some Senior Management Group (SMG) members have the title Director in their job titles, but they are not directors of the LDF for the purposes of company law nor are they trustees of the charity. The SMG comprises:

General Secretary:	Mr Oliver Home
Director of Housing and Investment Property:	Mr Jeremy Lock
Director of People:	Mrs Poli Shajko
Director of Finance and Operations:	Mr Christopher Harris
Director of Parish Property and Fundraising:	Mr Kevin Rogers
Director of Strategy and Communications:	Mr Angus Stephenson

### Remuneration

The HR Committee (formerly named the Remuneration Committee) meets at least annually to provide assurance to the Diocesan Finance Committee (DFC) that the LDF has appropriate remuneration procedures in place and to oversee issues relating to the remuneration of all LDF clergy and staff. It makes recommendations to the DFC regarding the LDF's remuneration policy and pay increases.

## Statutory functions

The LDF has a statutory responsibility for management of glebe assets (historic endowment land given to provide stipends for parochial clergy, now owned and managed by LDF), to generate income to support the cost of stipends. It is the Diocesan authority for parochial and other trusts, and also discharges the responsibilities of the Diocesan Parsonages Board.

## Charity Governance Code

The LDF has incorporated the 'Charity Governance Code' as a key tool in its governance management framework. At each meeting of the charity's Audit and Risk Committee a section of the Code is reviewed and the LDF's application of it assessed. The aim is to develop and embed the Code's principles and practices in the organisation's operations.

## Principal activities

The principal activity of the LDF is to serve and support the parishes and people within the Diocese of London in their mission of proclaiming the Gospel of Jesus Christ.

It does this operationally through the provision of stipend and housing to parish clergy and chaplains and supporting their ministry as well as that of the parishes and other worshipping communities.

Ministry and associated costs, including property, account for the majority of the LDF's expenditure. This is financed principally by the collection of voluntary income from the parishes, termed 'Common Fund', supplemented by rental and investment income.

Grants are awarded to parishes by the Area Councils and to mission initiatives by the Bishop of London's Mission Fund (BLMF), which is a designated fund within the LDF.

The LDF also acts as custodian trustee and as agent to other boards, committees and trusts within the London Diocese.

## Fundraising

The LDF fundraising plan incorporates three streams:

- To provide parishes with advice and guidance to encourage them to adhere to best practise in their fundraising activities.
- To drive campaigns around specific and strategic fundraising needs.
- To support and enable strategic relationship management.

The LDF does not engage with any direct marketing activities, nor does it share or purchase any donor data with or from third parties. The LDF occasionally engages with independent professional fundraisers and if so will always ensure there is an appropriate contract in place. The LDF has signed up to the regulation scheme established by the Fundraising Regulator. No complaints regarding fundraising have been received.

## Public benefit of activities

The trustees have a statutory duty under the Charities Act 2011 to have regard to the public benefit guidance issued from time to time by the Charity Commission. The trustees have noted the Charity Commission's guidance *Charities and Public Benefit* and have regard to this in making relevant decisions. Guidance was included in the Trustee Induction material distributed to the Diocesan Bishop's Council in February 2025. The trustees believe that this report, taken as a whole, provides evidence of the public benefit of the charity's work in 2024.

The trustees believe that, by promoting the work of the Church of England in the Diocese of London, the LDF helps to promote the whole mission of the Church, including its pastoral, evangelistic, social and ecumenical aspects more effectively, both in the Diocese as a whole and in its individual parishes. The principal public benefits of the LDF are the advancement of the Christian religion by supporting ministers of religion and others

who lead, encourage and support members of the various and diverse communities of the world city of London by and in:

- the provision of public worship and ceremonies
- the moral and spiritual improvement of the public
- the provision of comfort to the bereaved and distressed
- contributing towards a better society, by promoting social cohesion and social capital
- contributing to the spiritual and moral education of children
- carrying out, as a practical expression of religious belief, other activities to meet needs
- contributing to good mental and physical health
- the provision and maintenance of sacred spaces, principally churches (many of which are listed buildings) and churchyards, open to the public and
- the provision of public spaces, such as church halls, as an expression of faith.

Parishes are independent registered charities, and therefore legally distinct from the LDF. However, the support provided to parishes by the LDF directly contributes towards their mission and ministry, and therefore how they provide public benefit. Parishes across the Diocese carry out diverse activities, including provision of night shelter work, debt advice, specialised ministries and numerous community projects.

## Committees

The Diocesan Synod has appointed the Bishop's Council as the Diocesan Mission and Pastoral Committee. The Council has delegated certain powers to Area Councils and to the Diocesan Finance Committee (DFC). Additional members may be co-opted by these committees and councils or nominated by the Diocesan Bishop.

### Diocesan Finance Committee (DFC)

The DFC is a committee of the Bishop's Council. Its membership comprises laity and clergy. The committee meets at least six times each year. The Bishop of London, the archdeacons, and the clerical and lay vice chairs of the Bishop's Council are ex officio members.

The DFC makes recommendations to the Bishop's Council on matters in connection with finance, property and staff business of the LDF.

### Audit and Risk Committee

The Audit and Risk Committee (ARC) is a committee of the Bishop's Council. Members are appointed by the Bishop's Council for three years. Its membership is drawn from the Council, the Diocesan Synod, the DFC, and from independent bodies. The ARC meets four times a year.

The ARC ensures that the LDF's financial control and regulatory and statutory reporting are effective, that their accounts are appropriately audited; that risks are appropriately identified, assessed and managed; and that incidences of actual or alleged malpractice and fraud are reported, and necessary action taken on them.

## Trustee training

The trustees periodically review their knowledge, skills and experience. Appropriate training sessions are designed to address any gaps in skills and knowledge.

New trustees are provided with documentation outlining their main responsibilities and new trustee induction sessions are conducted each triennium.

### *Disclosure of information to auditors*

Each trustee who held office at the date of approval of this trustees' report confirms that, so far as he or she is aware, there is no relevant audit information of which the LDF's auditors are unaware, and that he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the LDF's auditors are aware of that information.

'Relevant audit information' means information needed by the LDF's auditors in connection with the preparation of their report.

In doing so, the trustees have made enquiries of their fellow directors and of the LDF's auditors and have taken such other steps (if any) for that purpose, as are required by their duty as directors of the LDF to exercise reasonable care, skill and diligence.

## Statement of trustees' and directors' responsibilities in respect of the Trustees' Report and the Financial Statements

The trustees are responsible for preparing the Directors' and Trustees' Report, incorporating the Strategic Report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for that financial year. In preparing these financial statements, the trustees are required to:

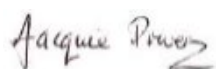
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the 'going concern' basis unless it is inappropriate to presume that the charity will continue in its activities; and
- observe the methods and principles in the Charities Statement of Recommended Practice.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006.

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In approving this trustees' report, the trustees are also approving the Strategic Report included here, in their capacity as company directors.



Jacquie Driver  
Chair of the Diocesan Finance Committee  
14 May 2025



## Appendices – committee membership and administrative details

### Directors, Trustees and Members of the Diocesan Bishop's Council

All members of the Bishop's Council are directors and members of the company for the purposes of the Companies Acts and are trustees under charity law. The following members served during the period from 1 January 2024 until 14 May 2025, the date of approval of this report:

#### Chair

The Rt Revd and Rt Hon Dame Sarah E Mullally  
DBE BSc MSc DSc (Hon) Bishop of  
London

#### Lay & Clerical Vice Chairs

Mr Ade Adebajo  
Diocesan Synod House of Laity  
The Revd Christopher Trundle  
Diocesan Synod House of Clergy

#### Ex Officio

The Bishop of Stepney,  
the Rt Revd Joanne Woolway Grenfell  
The Bishop of Kensington,  
the Rt Revd Dr Emma Ineson  
The Bishop of Edmonton,  
the Rt Revd Dr Anderson Jeremiah (from  
25/04/2024)  
The Bishop of Willesden,  
the Rt Revd Lusa Nsenga-Ngoy  
The Bishop of Fulham,  
the Rt Revd Jonathan M R Baker  
The Bishop of Islington,  
the Rt Revd Ric C Thorpe  
The Archdeacon of London,  
the Ven Luke J Miller  
The Archdeacon of Hackney,  
the Ven Peter Farley-Moore  
The Archdeacon of Middlesex,  
the Ven Richard Frank  
The Archdeacon of Hampstead,  
the Ven John E I Hawkins  
The Archdeacon of Northolt,  
the Ven Catherine R Pickford  
The Archdeacon of Charing Cross,  
the Ven Katherine Hedderly (from  
15/04/24)  
The Dean of St Paul's Cathedral,  
the Very Revd Andrew Tremlett

#### Elected by the House of Laity, Diocesan Synod

Mr David Banks (from 01/01/2025)  
Mr Jonty Bayliss (from 01/01/2025)  
Ms Jacquie Driver (from 01/01/2025)  
Mrs Sarah Finch

Mr Jonathan Wolstenholme  
Mr Toby Partridge (until 31/07/2024)

#### Nominated by the Bishop of London

Mr Richard N Perry (until 31/12/2024)  
Ms Jacquie Driver (until 31/12/2024)  
Mr Paul Nicholas  
Ms Liz Curran (from 01/01/2025)

The following members were elected by the  
Diocesan Synod members of the respective areas:

#### Two Cities

The Revd Thomas Wright (from 01/01/2025)  
Mr Brian O'Donoghue  
Mr Jeremy Thomas (until 31/12/2024)  
Mrs Sarah Tett  
Mr Zi Ken Toh  
Mr Nathan Van Sittert (from 01/01/2025)

#### Stepney

The Revd Graham Hunter  
The Revd Aidan Bartlett (from 01/01/2025)  
Dr Phillip Rice  
Mrs Christina T Sosanya (until 31/12/2024)  
Mr Duncan McAndrew (from 01/01/2025)  
Ms Josile Munro  
Mr Peter Sinclair

#### Kensington

The Revd Samuel Cross (until 31/12/2024)  
The Revd Samuel Follett  
The Revd Mike Neville (from 01/01/2025)  
Mr David Hurst  
Mr Stephen Garside  
Mr Robin Field-Smith (from 01/01/2025)

#### Edmonton

The Revd Ian Chandler (from 01/01/2025)  
The Revd Thomas Watts  
Mr Julian Desborough (from 01/01/2025)  
Ms Sue Johnson (from 01/01/2025)  
Mr Inigo R M Woolf (until 31/12/2024)  
Dr Christopher R M Ward  
Miss Amanda McIntyre  
Mrs Margarita Barr-Hamilton (until 31/12/2024)

### **Willesden**

The Revd Christopher Phillips (until 31/12/2024)  
The Revd Matthew Cashmore (until 8/04/2024)  
Mrs Monica Bolley (from 01/01/2025)  
Mr John R Dolling (until 18/05/2024)  
Mr Mervyn Hogg (from 01/01/2025)  
Mr Clive R Scowen

Members are shown in the categories in which they are currently elected. They may previously have served as members in a different capacity.

### **Members of the Diocesan Finance Committee as at 14 May 2025**

#### **(also Members of the Bishop's Council)**

The Archdeacon of London,  
the Ven Luke J Miller  
The Archdeacon of Hackney,  
the Ven Peter Farley-Moore  
The Archdeacon of Middlesex,  
the Ven Richard Frank  
The Archdeacon of Hampstead,  
the Ven John E I Hawkins  
The Archdeacon of Northolt,  
the Ven Catherine R Pickford  
The Archdeacon of Charing Cross,  
the Ven Katherine Hedderly (from 15/04/24)  
The Revd Christopher Trundle  
The Revd Matthew Cashmore (until 08/04/24)  
The Revd Graham Hunter (from 14/05/2024)  
Mr Ade Adebajo  
Ms Jacquie Driver (Chair)  
Mr Paul Nicholas  
Mr Inigo R M Woolf (until 19/03/2025)  
Mr David Hurst  
Ms Josile Munro  
Mr Clive Scowen  
Mr Stephen Garside  
Mr Jonty Bayliss (from 20/03/2025)

#### **(not Members of the Bishop's Council)**

Mr Andrew Garwood-Watkins (until 19/03/2025)  
Mr Anthony Dixon  
Mr Julian Desborough  
Mr Michael Bithell  
Mr Noel Manns  
Mr Rich Spens  
Mr Richard Myers  
Ms Juliet Maggs (until 19/03/2025)  
Ms Jane Templeman (from 20/03/2025)  
Ms Cathy Butcher (from 20/03/2025)

### **Members of the Audit and Risk Committee as at 14 May 2025**

#### **(also Members of the Bishop's Council)**

Mr Richard N Perry (Chair) (until 02/12/2024)  
Ms Liz Curran (Chair) (from 01/01/2025)  
Dr Phillip Rice  
Stephen Garside

#### **(not Members of the Bishop's Council)**

Mr Don Bawtree (until 02/12/2024)  
Mrs Elizabeth Marshall (until 02/12/2024)  
Mr Mohan Yogendran  
The Revd Owen Higgs  
Mr Christopher Longden  
Mr Gerard Hargreaves (from 25/01/2024)

### **The Bishop of London's Fund**

Patron: The Most Revd and Rt Hon the Lord  
Archbishop of Canterbury, Justin Welby  
(until 6 January 2025)  
President: The Rt Revd and Rt Hon the Lord Bishop  
of London Dame Sarah E Mullally DBE BSc  
MSc DSc  
Treasurer: Mr Inigo R M Woolf  
The president and treasurer are ex officio trustees.

#### *Other trustees of the Bishop of London's Fund*

The Ven Luke J Miller  
Mr David Roberts  
Secretary: Mr Oliver Home

The Bishop of London's Fund (BLF) was established in 1863 and was incorporated by the Board of the Charity Commissioners for England and Wales under the Charitable Trustees Incorporation Act 1872 (since replaced by other legislation) on 7 July 1882.

The BLF is a registered charity (249021). The Finance Committee of the LDF constitutes its Executive Committee. Certain title and trust deeds are in the name of the BLF.

For day to day purposes and in accordance with a special resolution of 29 October 1918, its activities are subsumed into the LDF, with which it shares common objectives. The majority of the BLF's assets were transferred to the LDF in the last century.

## The London Diocesan Board of Finance

President and Chair: The Rt Revd and Rt Hon the  
Lord Bishop of London  
The Rt Revd and Rt Hon Dame Sarah E  
Mullally DBE BSc MSc DSc

Trustees: The Trustees of the LDF  
Secretary: Mr Oliver Home

The London Diocesan Board of Finance (LDBF) was registered in England as a company limited by guarantee on 30 April 1914. The Diocesan Boards of Finance Measure 1925 provides that every Diocese in the Church of England should have a DBF. It stipulates however that those Dioceses with existing trust bodies (provided they are incorporated under the Companies Acts) are allowed to use these bodies to carry out the functions of the DBF.

Clause 3(c) of the Memorandum of Association of the LDF (company number 150856) formed in 1918 specifically empowers the LDF to carry out (inter alia) all of the functions of the LDBF. The Articles of Association of the LDBF were amended on 7 June 1926 to amalgamate the functions of the DBF into the LDF, except anything which was unable to be amalgamated because of statutory provisions.

The LDBF is a registered charity (249022) and a company limited by guarantee (135519).

## Professional Advisers

### Auditors

Moore Kingston Smith  
LLP  
6th Floor,  
9 Appold Street,  
London EC2A 2AP

### Bankers

Barclays Bank PLC  
1 Churchill Place  
London E14 5HP

### Insurers

Ecclesiastical Insurance  
Group PLC  
Beaufort House  
Brunswick Road  
Gloucester GL1 1JZ

### Solicitors

Birketts LLP  
106 Leadenhall Street  
London EC3A 4AA

### Communications Consultants

Luther Pendragon Limited  
3 Priory Court  
Pilgrim Street  
London EC4V 6DR

## Independent Auditors' Report to the Members of the London Diocesan Fund

### Opinion

We have audited the financial statements of The London Diocesan Fund ('the company') for the year ended 31 December 2024 which comprise of the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 its incoming resources and application of resources, including its 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 twelve months from when the financial statements are authorised for issue.

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

- adequate accounting records have not been kept, 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, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.



- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

### 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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Moore Kingston Smith LLP".

James Cross (Senior Statutory Auditor)  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street  
London  
EC2A 2AP

Date: 17 June 2025

**Statement of Financial Activities – for the year to 31 December 2024**

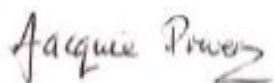
		Unrestricted Funds		Restricted Funds	Endowment Funds	Total	Total
		General	Designated	Funds	Funds	2024	2023
		£000	£000	£000	£000	£000	£000
<b>Income and endowments from</b>	Notes						
<i>Donations, legacies &amp; grants</i>							
Common Fund		23,200	-	-	-	23,200	22,264
Parish reimbursements for clergy costs		4,232	-	-	-	4,232	4,193
Donations and legacies		667	31	1,641	-	2,339	2,881
Church Commissioners'		4	16	3,692	-	3,712	4,427
City Church Fund		1,875	-	-	-	1,875	2,617
<i>Charitable activities</i>							
Operational property rental income		3,208	-	238	-	3,446	3,540
Parochial fees		346	-	-	-	346	359
<i>Investment Income</i>							
Dividends and interest receivable	11a	1,336	34	226	-	1,596	2,177
Investment property rentals	11b	5,047	-	604	-	5,651	5,507
<i>Other income</i>		707	101	104	-	912	1,978
<b>Total income</b>		<b>40,622</b>	<b>182</b>	<b>6,505</b>	<b>-</b>	<b>47,309</b>	<b>49,942</b>
<b>Expenditure on</b>							
<i>Raising funds</i>							
<i>Investment management costs</i>							
Rental portfolio costs-agent fees	5a	143	-	8	49	200	145
Investment property repairs and maintenance	5a	864	106	101	216	1,287	1,259
<i>Charitable activities</i>							
Contributions to Archbishop's Council	5b	1,800	-	-	-	1,800	1,549
Resourcing Ministry and Mission	5c	31,855	1,508	968	4	34,335	35,976
Cost of Operational Property Rentals	5d	1,880	-	1	-	1,881	2,060
Support for Parish ministry	5e	5,066	938	5,366	-	11,370	15,362
Expenditure on Education	5f	619	-	-	-	619	186
<i>Other expenditure</i>		-	-	-	-	-	-
<b>Total expenditure</b>	5	<b>42,227</b>	<b>2,552</b>	<b>6,444</b>	<b>269</b>	<b>51,492</b>	<b>56,537</b>
Net income/(expenditure) before investment gains		( 1,605)	( 2,370)	61	( 269)	( 4,183)	( 6,595)
Realised gains on tangible fixed assets		-	302	2,074	619	2,995	7,696
Net gains/(losses) on investments	8	-	12	372	2,399	2,783	2,570
<b>Net incoming resources for the year</b>		<b>( 1,605)</b>	<b>( 2,056)</b>	<b>2,507</b>	<b>2,749</b>	<b>1,595</b>	<b>3,671</b>
Transfers between funds	13d	( 693)	15,811	( 18,229)	3,111	-	-
<b>Other recognised (losses)/gains</b>							
Pension deficit movement		-	-	-	-	-	-
Unrealised (losses)/gains on tangible fixed assets	7a & 7b	-	2,737	( 3,052)	6,805	6,490	( 6,799)
<b>Net movement in funds for the year</b>		<b>( 2,298)</b>	<b>16,492</b>	<b>( 18,774)</b>	<b>12,665</b>	<b>8,085</b>	<b>( 3,128)</b>
<b>Reconciliation of funds:</b>							
Funds at 1 January 2024		8,034	141,698	28,108	325,950	503,790	506,919
<b>Funds at 31 December 2024</b>		<b>5,736</b>	<b>158,190</b>	<b>9,334</b>	<b>338,615</b>	<b>511,875</b>	<b>503,791</b>

Balance Sheet – as at 31 December 2024

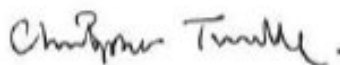
Company number: 150856

		Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2024	Total 2023
		General £000	Designated £000	£000	£000	£000	£000
	Notes						
<b>Fixed Assets</b>							
Operational property	7a	-	94,488	-	258,359	352,847	345,246
Investment property	7b	-	84,527	-	36,070	120,597	110,728
Non-property investments	8	-	1,670	6,678	39,991	48,339	38,132
Fixtures and fittings		128	-	-	-	128	172
		<b>128</b>	<b>180,685</b>	<b>6,678</b>	<b>334,420</b>	<b>521,911</b>	<b>494,278</b>
<b>Current Assets</b>							
Debtors	10a	4,414	2,780	851	389	8,434	8,971
Cash at bank		9,833	(12,510)	2,325	4,669	4,317	17,427
		14,247	(9,730)	3,176	5,058	12,751	26,398
<b>Creditors</b>							
Amounts falling due within one year	12	(8,639)	(1,313)	(520)	(863)	(11,335)	(8,115)
Net Current Assets		5,608	(11,043)	2,656	4,195	1,416	18,283
Total assets less current liabilities		<b>5,736</b>	<b>169,642</b>	<b>9,334</b>	<b>338,615</b>	<b>523,327</b>	<b>512,561</b>
<b>Creditors – amounts falling due after one year</b>							
Pension scheme liabilities	15	-	-	-	-	-	-
Other creditors	12	-	(11,452)	-	-	(11,452)	(8,770)
Net Assets		5,736	158,190	9,334	338,615	511,875	503,791
<b>Funds</b>							
General		5,736	-	-	-	5,736	8,034
Designated	13a	-	158,190	-	-	158,190	141,698
Restricted	13b	-	-	9,334	-	9,334	28,108
Endowment	13c	-	-	-	338,615	338,615	325,951
Total Funds		<b>5,736</b>	<b>158,190</b>	<b>9,334</b>	<b>338,615</b>	<b>511,875</b>	<b>503,791</b>

The financial statements on pages 29 to 58 were approved, and authorised for issue, by the Diocesan Bishop's Council on 14 May 2025.



Jacquie Driver  
Chair of the Diocesan Finance Committee



The Revd Christopher Trundle  
Clerical Vice-Chair of Bishop's Council

**Summary income and expenditure account – for the year to 31 December 2024**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Income	47,309	49,941
Expenditure	( 51,223)	( 56,435)
Net (expenditure) before investment gains	( 3,914)	( 6,494)
Net gains on investments	384	199
Realised gains on property assets	2,376	7,125
<b>Net income /(expenditure) for the year</b>	<b>( 1,154)</b>	<b>830</b>
<b>Other comprehensive income:</b>		
Unrealised gains/(losses) on property assets	(315)	( 6,418)
Net movement on defined benefit pension schemes	-	-
<b>Total comprehensive income/(expenditure)</b>	<b>(1,469)</b>	<b>( 5,588)</b>

All incoming and expended resources relate to continuing operations.

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 29 with movements in endowment funds excluded to comply with company law.

**Cash flow statement – for the year 31 December 2024**

		<b>2024</b>	<b>2023</b>
		<b>£'000</b>	<b>£'000</b>
<b>Net cash (outflow) from operating activities</b>	Notes 14a	( 12,611)	( 14,352)
<b>Net cash (outflows)/inflows from investing activities</b>	14b	( 5,499)	19,452
<b>Net cash (outflows)/inflows from financing activities</b>	14c	5,000	-
<b>(Reduction)/increase in cash in the year</b>		<b>( 13,110)</b>	<b>5,100</b>
<b>Cash and cash equivalents</b>			
As at 1 January		17,426	12,327
As at 31 December		4,317	17,426

The notes on pages 32 to 58 form part of these financial statements.

## Notes to the financial statements

### 1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2015) (Second Edition, effective 1 January 2019) and with regard to the Diocesan Annual Report and Financial Statements Guide (v5. 2015).

The accounts comply with the Charities Act 2011 and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently except as stated, is set out below.

#### 1.1 Basis of preparation

The LDF prepares its annual financial statements on the historical cost basis of accounting as adjusted for the revaluation of investments and investment properties. The financial statements are prepared on a going concern basis (see page 16).

#### 1.2 Key judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

- non-depreciation of fixed assets as per accounting policy (see note 1.7)
- pension scheme liabilities (see note 15)

#### 1.3 Funds

The LDF has various types of fund for which it is responsible and which require separate disclosure. Note 13 shows the balances and movements on each fund together with details of their uses. The directors' and trustees' report gives an overview of the LDF's Reserves Policy.

##### Unrestricted Funds

Unrestricted funds arise from all the accumulated surpluses and deficits in the provision of general charitable activities:

- General Funds
- Designated Funds (note 13a)

The latter are funds earmarked by the LDF trustees for a specific purpose. The trustees have discretion over the purpose and use of the funds. They can be re-allocated or otherwise undesignated without reference to outside agencies.

##### Restricted Funds (note 13b)

These are funds subject to specific conditions imposed by the donor or by the specific terms of a trust deed or other legal measure. Income and expenditure on restricted funds are taken directly to those in the Statement of Financial Activities except to the extent that income is freely available for the general purpose of the LDF.

##### Endowment Funds (note 13c)

Permanent endowment capital must be held permanently, whereas expendable endowment capital can be used in certain circumstances. Income arising is included in general or restricted funds depending on the terms of the trust instrument.

#### 1.4 Taxation status

The LDF is a registered charity and as such is able to take advantage of exemptions granted under the relevant tax legislation including the Corporation Taxes Act 2010. It is not liable to corporation tax on charitable income or income from charitable activities.

### 1.5 Pensions

The LDF participates in two defined benefit pension schemes: the Church of England Defined Benefit Scheme (DBS), for some of its lay employees but now closed to new joiners and future accrual, and the Church of England Pensions Scheme, for clergy. The schemes are considered to be multi-employer schemes as described in Section 28 of FRS 102. This means that it is not possible to attribute the schemes' assets and liabilities to specific employers and that contributions are accounted for as if the schemes 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, plus any impact of the deficit contributions. Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability.

### 1.6 Statement of Financial Activities

All material income and expenditure is accounted for on an accruals basis.

#### Income

#### Explanation

#### **Donations, legacies and grants**

Common Fund Contributions paid by the churches in the Diocese of London to the LDF

Parish reimbursements for clergy costs Amounts received in respect of clergy involved in largely local initiatives, financed directly by parishes or other institutions

Donations Gifts from external organisations and individuals

Church Commissioners Grant income from the Church Commissioners

City Church Fund Grant income from the City Church Fund

#### **Charitable Activities**

Operational property rental income Operational property is usually held to house clergy. Where property is not used for this purpose in the short-term, it is let out at market rates to generate additional income. Designated and glebe operational rental income is receivable within general funds.

Parochial fees Parochial fees are statutory charges for weddings and funerals, of which part is due to the local PCC, and part is due to the LDF. The LDF element is used to help fund the overall stipends bill.

#### **Investment Income**

Dividends and interest receivable Income arising is credited to the relevant funds on a receipts basis for dividends, and on an accruals basis for interest income.

Investment property rental income Investment property is let out at the market rate. Designated and glebe investment rental income is receivable within general funds.

#### **Raising funds – investment management costs**

Rental portfolio costs: agent fees Agent fees paid in relation to the management of the property portfolio.

Investment property repairs and maintenance Repairs and maintenance relating to the investment property portfolio.



### Charitable activities

National Church	The LDF's contribution to the National Church's costs.
Resourcing ministry and mission	This cost of clergy stipends, national insurance, and pension contributions for both parish and other clergy, their housing costs, clergy grants and other non-stipendiary expenditure
Cost of functional property rentals	Repairs and maintenance relating to the functional let property portfolio.
Support for Parish Ministry	This represents costs of supporting the parishes in delivery of their mission through area and deanery activities, supporting activities in children's ministry, community ministry and social justice, selection and education of future clergy, support in maintaining the fabric of church buildings and safeguarding.
Expenditure on education	Annual cash grant to the London Diocesan Board for Schools and support cost allocation for the use of Causton Street Offices.

## 1.7 Tangible Fixed Assets

### Property

Operational property is generally held at deemed historic cost and investment property at market value. Assets in the course of construction are held at cost.

#### **(a) Benefice Houses**

The LDF has adhered to the requirements of FRS 102 in its accounting treatment of benefice houses in following the substance of arrangements rather than their strict legal form. Although the LDF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over future use, the legal title and right to beneficial occupation is vested in the incumbent. The trustees therefore consider the most suitable accounting policy is to capitalise such properties as expendable endowment assets and, in line with the transitional arrangements under FRS 102, value such properties at deemed historic cost being the net book value as at 1 January 2015.

### Depreciation

In accordance with the implementation of FRS 102, annual depreciation is not charged on benefice and operational, freehold properties. Until 2015, fixed assets were depreciated over their useful economic life as follows:

Benefice Houses	150 years
Other freehold properties	50 years
Leasehold properties	Lease term

#### **(b) Burial Grounds**

Burial grounds owned by the LDF are held at £nil value as the trustees believe that the cost of a practical valuation is onerous compared to any additional benefits to be gained. The LDF is unable to sell or change the use of any of these assets without reference to external organisations such as the Church Commissioners. These restrictions, together with the inherent difficulties of applying conventional property valuation methods, are all significant factors in the adoption of the valuation approach for this class of assets.

#### **(c) Closed Church Buildings**

Church buildings closed for regular public worship (referred to as 'Closed Church Buildings', and formerly known as 'Redundant Churches') are valued at suitable multiples of annual rental income where this is significant. Where this approach is not applicable, the asset is held at £nil value.

#### **(d) Properties purchased using Church Commissioners' value linked loans**

Properties purchased using Church Commissioners' value linked loans are valued at fair value at the balance sheet date, being estimated market value.

**(e) Assets in the course of construction and major capital projects**

All costs incurred for assets in the course of construction are capitalised. Major capital project costs in total over £75,000 per property are capitalised. Property costs over £10,000 are capitalised where there has been significant enhancement to the underlying assets.

**(f) Fixtures, fittings and equipment**

Fixtures, fittings and equipment additions under £10,000 are written off fully in the year of purchase. Items over £10,000 are capitalised.

**(g) Lease extensions**

Leaseholds extensions on LDF freehold properties for more than 25 years are treated as capital sale income in the year. Leasehold extensions for less than 25 years are treated as other income in the SOFA.

**Depreciation**

Depreciation is charged on fixtures, fittings and equipment over four years, being their expected useful life.

**1.8 Financial instruments**

Financial assets measured at fair value comprise listed investments. Financial assets measured at amortised cost comprise contributions to the Common Fund, rent receivable, loans to parishes, loans to individuals and other debtors. Financial liabilities measured at amortised cost comprise parish loans payable, grants payable and other creditors. Financial liabilities measured at fair value comprise Church Commissioners' value linked loans.

**1.9 Investments**

**Investment Property**

The trustees' policy is that freehold and long leasehold properties held for investment purposes have been included at the trustees' best estimate of market value. In 2022 a detailed review of the LDF's investment property resulted in the vast majority of its investment property portfolio being professionally valued externally. Future external valuations will take place as required, in accordance with relevant accounting standards. Interim valuations for the top 30 value properties are undertaken in intervening years by external valuers, the rest of the portfolio is to be valued by a suitably qualified officer of the LDF.

Investment property is not depreciated. Realised gains and losses on investment property are taken to the Statement of Financial Activities under the heading of realised gains/(losses) on tangible fixed assets.

**Other Investments**

Non-property investments are stated at fair value calculated by reference to the bid market value at 31 December. Realised gains or losses on disposal are calculated as the difference between disposal proceeds and carrying value.

**1.10 Custodian Trusts**

Trusts where the LDF acts as custodian trustee with no control over the management or use of the funds are not included in the Balance sheet or Statement of Financial Activities of the LDF. A separate Balance sheet and Statement of Financial Activities is set out on page 61 with supporting notes on pages 62 to 64. The custodian trustee funds have been subject to a non-statutory audit and the audit report thereon covering pages 61 to 64 is to be found on page 65.

**2. Post balance sheet events**

There have been no material events to report since 31 December 2024 which affect the values stated in these accounts.

### 3. Net incoming resources for the financial year

The net incoming resources for the financial year is stated after charging

	2024	2023
	£'000	£'000
Depreciation – fixtures, fittings and equipment	63	64
	<u>63</u>	<u>64</u>
Auditors' Remuneration (including VAT)		
Statutory audit	40	38
Non-Audit Services:		
■ Non-statutory advice (RCF & tax)	8	1
■ Non-statutory review of Custodian Trusts	3	3
	<u>51</u>	<u>42</u>

### 4. Clergy and Staff Costs

#### Clergy costs

*Clergy holding parochial or archidiaconal posts*

(including Common Fund clergy, off-Common Fund clergy and chaplains.)

	2024	2023
	£'000	£'000
Gross stipends	16,689	15,988
Employer's National Insurance contributions	1,494	1,370
Employer's pension contributions	3,716	3,866
	<u>21,899</u>	<u>21,224</u>
Average number of total stipendiary clergy posts	531	516
Number of total stipendiary clergy posts at 31 December	532	516

Church measures state that income from Glebe assets, both property and investments, should be applied to the cost of stipends. The value of this income in 2024 was £2,589k (2023: £2,313k).

	2024	2023
	£'000	£'000
<i>Costs of lay staff</i>		
Wages and Salaries	5,645	5,039
Employer's National Insurance	590	522
Employer's Pension contributions	813	713
	<u>7,048</u>	<u>6,274</u>

#### 4. Clergy and Staff Costs (continued)

The Full Time Equivalent average number of lay people employed on diocesan business, and funded out of unrestricted general funds, was 87 (2023: 85). A further 36 Full Time Equivalent lay employees (2023: 27) were funded from restricted or designated funds. Therefore, the Full Time Equivalent average number of people employed was 123 (2023: 112).

The number of employees whose emoluments for the year exceeded £60,000 are as follows

	2024	2023
	No	No
£120,001 - £130,000	1	-
£110,001 - £120,000	1	-
£100,001 - £110,000	1	-
£90,001 - £100,000	1	2
£80,001 - £90,000	3	-
£70,001 - £80,000	5	4
£60,001 - £70,000	3	2

*Emoluments, above, is defined as gross salary.*

Aggregate employer normal pension contributions for all the higher-paid employees were £198,517 (2023: £98,711) payable to various pension schemes, of which £198,517 (2023: £98,711) was payable to defined contribution pension schemes.

#### *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. For these purposes, key management are deemed to be the senior management group (see page 18) and the trustees.

Remuneration for the Senior Management Group amounted to salary of £640,252 (2023: £594,120), Employer's NI £77,096 (2023: £66,857), and Employer's pension contributions of £101,007 (2023: £91,832). Expenses reimbursed amounted to £6,564 (2023: £9,594)

## 5. Governance costs and the allocation of Support Costs between Charitable Activities

Resources Expended		Before allocation of support costs	Support costs	Total	Total
				2024	2023
		£'000	£'000	£'000	£'000
<b>Raising funds</b>					
<i>Investment management costs</i>					
Rental portfolio costs - agent fees		200	-	200	145
Investment Property repairs & maintenance		1,218	69	1,287	1,259
	5a	1,417	69	1,487	1,404
<b>Charitable activities</b>					
<i>National Church</i>					
Training for Ministry		1,396	-	1,396	1,382
National Church Responsibilities		977	-	977	951
Mission agency pension costs		-	-	-	44
Retired clergy housing		581	-	581	548
Pooling of ordinands maintenance grants		(1,154)	-	(1,154)	(1,376)
	5b	1,800	-	1,800	1,549
<i>Resourcing Ministry and Mission</i>					
Parish Ministry Stipends, NI and associated costs		17,458	1,461	18,919	17,937
Parish Ministry pension contributions		3,540	295	3,835	3,986
Other Clergy Stipends, NI and associated costs		844	61	905	847
Other Clergy pension Contributions		195	14	209	199
Clergy Housing costs		8,070	576	8,646	11,303
Removal, resettlement and grants		698	61	759	546
Other non- stipendiary costs		986	76	1,062	1,065
	5c	31,791	2,544	34,335	35,882
<i>Cost of Functional Property Rentals</i>	5d	1,731	150	1,881	2,060
<i>Support for Parish Ministry</i>					
Parish and area support services incl. Vision 2030		3,166	147	3,313	3,790
Resourcing ministerial education		1,749	132	1,881	3,578
Grants to Parishes & Overseas		2,083	8	2,091	3,510
Care of churches		3,227	54	3,281	3,837
Safeguarding		740	64	804	741
	5e	10,965	405	11,370	15,456
<i>Expenditure on Education</i>					
Support for Schools and parishes	5f	171	448	619	186
<b>Total Charitable Activities</b>		<b>46,459</b>	<b>3,547</b>	<b>50,005</b>	<b>55,132</b>
<b>Total Resources Expended</b>		<b>47,876</b>	<b>3,616</b>	<b>51,492</b>	<b>56,536</b>

In 2024, there is a change in allocation method for the Expenditure on Education, which is now based on an estimated cost of their use of the offices at Diocesan House, Causton Street (please see Note 10b. Related parties p. 45). For all the other expenditure lines the support costs are being allocated based on resources expended on directly on the activities, as in prior years. In accordance with SORP 2015, governance costs of £354,000 (2023: £371,000) have been allocated on the same basis.

## 5. Governance costs and the allocation of Support Costs between Charitable Activities - continued

The reasons for the biggest variances between the cost reported in 2023 and 2024 are:

- Clergy Housing costs – the decrease in maintenance expenses was due to more ingoing and quinquennial works being capitalised in 2024.
- Resourcing ministerial education – a significant drop in ministerial education expenditure was due to a change in funding from the National Church – from September 2023, the Archbishops Council pays fees from Theological colleges directly. The costs also reduced due to a lower number of ordinands in training in 2024.
- Grants to Parishes & Overseas – the lower amount in 2024 was due to a lower value of grants through ALMA to the new dioceses in Angola and Mozambique.
- Support for Schools and parishes – The higher cost was due to a change in method used in support cost allocation.

## 6. Grants to Parishes and Overseas

Funding source:	General funds	Designated funds	Restricted funds	Endowment funds	Total 2024	Total 2023
<i>Grants to Parishes from:</i>	£'000	£'000	£'000	£'000	£'000	£'000
Archbishops' Council	-	-	1,244	-	1,244	981
Core funds	8	-	66	-	75	633
Area pastoral funds	75	258	24	-	357	383
Bishop of London's Mission Fund	-	-	-	-	-	19
Funds held for parish benefit	4	7	190	-	201	488
	<b>87</b>	<b>265</b>	<b>1,524</b>	<b>-</b>	<b>1,877</b>	<b>2,503</b>
<i>Overseas:</i>						
Angola and Mozambique (ALMA) and Lent projects	3	-	203	-	206	1,001
Grant administration allocation	8	-	-	-	8	6
	<b>98</b>	<b>265</b>	<b>1,727</b>	<b>-</b>	<b>2,091</b>	<b>3,510</b>

Grants from core funds represent funds awarded from primarily general fund sources such as Archdeacons Discretionary funds and other monies held to support parishes. The above monies funded grant awards to 183 institutions (2023: 184). The higher core grants amount in 2023 was due to a one-off compensation grant of £470k received following the closure of the fraud case, paid in full to the Trust for London for the future benefit of the City of London parishes.

## 7a. Tangible Fixed Assets – Operational Property

Properties are valued in accordance with the accounting policies set out in note 1.

In accordance with transitional arrangements upon the implementation of FRS 102, first adopted in 2015, the LDF took advantage of the concession whereby benefice and operational houses, previously valued under UK GAAP at depreciated insurance value, are carried forward at deemed historical cost being the book value of these assets at 1 January 2015, with the exception of properties purchased using value linked loans (see page 46).

**7a. Tangible Fixed Assets – Operational Property** (continued)

	Designated Funds				Restricted Funds	Endowment Funds				
	Freehold Property £'000	Long Leasehold Property £'000	Closed Churches £'000	Sub-total £'000	Closed Churches £'000	Leasehold Benefice Houses £'000	Freehold Benefice Houses £'000	Glebe Property £'000	Sub-total £'000	Grand Total £'000
<b>At cost or valuation</b>										
At 1 January 2024	93,803	5,157	-	98,960	2,351	2,890	239,653	29,829	272,372	373,684
Additions	3,789	-	-	3,789	-	161	7,130	84	7,375	11,165
Transfers	(3,618)	1,688	2,343	413	(2,343)	1,788	(2,188)	658	258	(1,673)
Disposals	-	-	-	-	(8)	-	(914)	(1,171)	(2,086)	(2,094)
Revaluation	30	-	-	30	-	-	-	-	-	30
At 31st December 2024	94,004	6,845	2,343	103,192	-	4,839	243,681	29,400	277,920	381,112
<b>Depreciation</b>										
At 1 January 2024	8,425	349	-	8,774	-	426	16,801	2,474	19,701	28,476
Charge for the year	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-
Transfers	(99)	29	-	(70)	-	-	-	(19)	(19)	(89)
Disposals	-	-	-	-	-	-	(69)	(53)	(122)	(122)
Revaluation	-	-	-	-	-	-	-	-	-	-
At 31st December 2024	8,326	378	-	8,704	-	426	16,732	2,403	19,561	28,265
<b>Net Book Value</b>										
At 31st December 2024	<b>85,678</b>	<b>6,467</b>	<b>2,343</b>	<b>94,488</b>	<b>-</b>	<b>4,413</b>	<b>226,949</b>	<b>26,997</b>	<b>258,359</b>	<b>352,847</b>
<b>Net Book Value</b>										
At 31 December 2023	<b>85,378</b>	<b>4,808</b>	<b>-</b>	<b>90,186</b>	<b>2,351</b>	<b>2,464</b>	<b>222,852</b>	<b>27,355</b>	<b>252,671</b>	<b>345,208</b>



## 7a. Tangible Fixed Assets – Operational Property (continued)

Properties purchased using Church Commissioners' value linked loans are valued at fair value at the balance sheet date, being estimated market value. As at 31 December 2024, the value of these properties was £8,800,000 (2023: £8,770,000). The valuation as at 31 December 2024 was undertaken by a suitably qualified officer of the LDF, based on knowledge of the properties (such as refurbishment levels and general condition) with reference to available market data for similar properties in similar locations. Future external valuations will take place as required. The carrying amount on a cost basis of the revalued properties is £3,627,000.

### Capital Commitments

As at 31 December 2024, the LDF had £605k of capital commitments (2023: £530k) in relation to capital work on major developments planned for 2025 and onwards.

## 7b. Fixed Assets – Investment Property

	Designated Funds				Restricted Funds	Expendable Endowment Funds	Grand
	Freehold	Long Leasehold	Closed	Sub-Total	Closed	Glebe	
	Property £'000	Property £'000	Churches £'000		Churches £'000	Property £'000	Total £'000
<b>At cost or valuation</b>							
At 1 January 2024	67,093	5,600	-	72,693	8,356	29,679	<b>110,728</b>
Additions	33	-	-	33	-	67	<b>100</b>
Transfers	1,108	-	7,956	9,064	(7,956)	476	<b>1,584</b>
Disposals	-	-	-	-	-	(956)	<b>(956)</b>
Revaluation	2,687	50	-	2,737	(400)	6,804	<b>9,241</b>
<b>At 31st December 2024</b>	<b>70,921</b>	<b>5,650</b>	<b>7,956</b>	<b>84,527</b>	<b>-</b>	<b>36,070</b>	<b>120,597</b>
<b>Fair Value</b>							
At 31 December 2023	<b>67,093</b>	<b>5,600</b>	<b>-</b>	<b>72,693</b>	<b>8,356</b>	<b>29,679</b>	<b>110,728</b>

The trustees' policy is that freehold properties held for investment purposes are included at the trustees' best estimate of market value. In 2022 a detailed review of the LDF's investment property resulted in the vast majority of its investment property portfolio being professionally valued externally. The next triennial review will take place in 2025, in accordance with relevant accounting standards. In 2024 the top 30 properties by NBV were valued externally by Cluttons LLP, Savills Plc and Strutt & Parker, while the rest are reviewed by a suitably qualified officer of the LDF.

## 8. Non-Property Investments

	General funds	Designated funds	Restricted funds	Endowment funds	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Market value at 1 January 2024	-	245	3,735	34,151	38,131	46,198
Additions (at cost)	-	95	3,935	3,468	7,498	10,029
Transfers	-	1,318	(1,318)	-	-	-
Disposals	-	-	(17)	(26)	(43)	(21,664)
Net gains/(losses) on revaluation	-	12	343	2,398	2,753	3,567
Market value at 31 December 2024	-	1,670	6,678	39,991	48,339	38,130

Non-property investments are represented by:

	2024	2023
	£'000	£'000
CBF Global Equity Income Fund	20,221	19,030
CBF Investment Fund	9,009	8,796
Newton BNY Mellon Fund	11,140	10,305
Sarasin	7,969	
	<u>48,339</u>	<u>38,131</u>

CBF investments are valued by the CCLA.

The historic cost of the investments held at 31 December 2024 was £32,676,000 (2023: £25,211,000).

Following a change in the Ethical Investment Policy, the LDF proceeded with disinvestment from M&G Charifund. Some of the funds were already reinvested into Newton Fund during 2023, the remaining £6.6m was held as cash at bank as at 31 December 2023, but reinvested in Sarasin Fund in February 2024. The rest of the additions of £0.9m relates to the London Clergy Holiday Fund, which now forms the Sole Trusts Expendable Funds.

## 9. Investments in subsidiary undertakings

The LDF owns 100% of the issued share capital of a subsidiary undertaking, Causton Street Farms Limited (registered company number 2768104). The company has been dormant since 1 January 2005. The subsidiary is excluded from consolidation because it is not material to the financial statements of the LDF.

**10a. Debtors**

	<b>General funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Endowment funds</b>	<b>Total 2024</b>	<b>Total 2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Contributions to the Common Fund</i>						
Rent receivable	1,586	287	-	225	<b>2,098</b>	<b>1,833</b>
Prepayments and accrued income	1,076	208	764	164	<b>2,212</b>	<b>3,176</b>
	<b>2,662</b>	<b>495</b>	<b>763</b>	<b>389</b>	<b>4,310</b>	<b>5,009</b>
<i>Loans to Parishes</i>						
Diocesan Bishop's Council awarded	934	-	-	-	<b>934</b>	<b>1,092</b>
Area Council awarded	-	961	-	-	<b>961</b>	<b>888</b>
	<b>934</b>	<b>961</b>	<b>-</b>	<b>-</b>	<b>1,895</b>	<b>1,980</b>
<i>Loans to individuals</i>	95	158	-	-	<b>253</b>	<b>285</b>
<i>Other debtors</i>	723	1,166	87	-	<b>1,976</b>	<b>1,697</b>
	<b>4,414</b>	<b>2,780</b>	<b>851</b>	<b>389</b>	<b>8,434</b>	<b>8,971</b>

**Movements in Loans to Parishes**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
As at 1 January 2024	<b>1,980</b>	<b>1,403</b>
Additions (new loans and interest)	<b>361</b>	<b>740</b>
Repayments	<b>(446)</b>	<b>(163)</b>
As at 31 December 2024	<b>1,895</b>	<b>1,980</b>

During the year, interest on Diocesan Bishop's Council (Finance Committee) loans to parishes was charged, depending upon the rules in force when the loan was awarded, at rates of 1% above the Central Board of Finance (CBF) rate, or 2% above the Bank of England base rate depending on the balance of an individual loan. No interest was charged on other loans.

Certain loans to parishes and individuals fall due after more than one year, and the total of these at 31 December 2024 was £1,520,000 (2023: £1,502,000).

**10b. Related Parties**
**London Diocesan Board for Schools (LDBS)**

The LDBS is a charitable company (charity registration no. 313000, company registration no. 00198131). The LDF and the LDBS are separate charities but the members of various Diocesan bodies appoint or elect the majority of the trustees/directors of the two organisations

The LDF makes an annual grant to the work of the LDBS accounting to £171,000 (2023: £171,000) and a contribution towards the cost of staff time of £NIL (2022: £NIL). At 31 December 2024 other creditors included £202,227 for payroll items relating to the LDBS (2023: £1,811).

### 10b. Related Parties (continued)

In addition to the grant described above, the LDF makes the following donations in kind to the LDBS. These relate to office space and provision of house services including reception, cleaning, utilities, IT and payroll support. The estimated value of such services is:

	2024	2023
	£'000	£'000
Accommodation - rent	103	131
House services and meeting rooms	345	313
	<u>448</u>	<u>444</u>

#### *The Gregory Centre for Church Multiplication (CCX)*

The CCX is a charitable company (charity registration no. 1201506, company registration no. 14429617). The CCX working on the Church growth and multiplication in London and beyond was part of the LDF undertakings until 31 March 2023, when they started operating as a new, independent charity. The move out of the LDF much better reflects the geographical reach of their activities. The LDF continues the pursuit of some of its Church growth ambitions through the programmes run by CCX. A number of members are trustees/directors of both charities:

- The Bishop of Islington, the Rt Revd Ric C Thorpe, trustee of the LDF became a trustee of CCX on 1 April 2023.
- Ms Jacquie Driver, trustee of the LDF became a trustee of CCX on 1 April 2023.

In 2024 the LDF paid £503,088 (2023: £331,828) in grants to CCX towards the operational cost of LDF Vision2030 programmes. There was no material balance outstanding at year end.

#### *Trustees' expenses and remuneration*

In 2024 the LDF reimbursed a total of £19,095 to 12 members of the Bishop's Council (2023: £22,233 to 6members). The vast majority of these expenses related to working expenses, for example as Archdeacons, Area Dean or other ecclesiastical roles, rather than as expenses reimbursed in their role as trustees. In 2024, a further £2,170 (2023: £41,491) was paid to 3 (2023: 11) trustees, representing removal grants for clergy and other clergy grants. These amounts are in line with the LDF's usual practice regarding clergy expenses and are not related to their roles as trustees.

The LDF is responsible for a substantial part of the stipend of the clerical members of the Bishop's Council by virtue of their clerical office, along with National Insurance and costs associated with housing. The stipends, National Insurance and pensions of Bishops are borne and funded by the Church Commissioners.

The following was paid to 18 (full time equivalent: 13) other members of the clergy in 2024 who were members of the Bishop's Council (2023: 12 members; full time equivalent: 12).

	2024	2023
	£'000	£'000
Gross Stipends	437	413
Employer's National Insurance contributions	41	35
Employer's pension contribution	97	95
	<u>575</u>	<u>543</u>

Under the Repair of Benefice Buildings Measure 1972 the Diocese is responsible for the upkeep of parsonages. Eight members of Bishop's Council during the year (2023: 7) were housed in parsonages by virtue of their clerical office.

A further 11 members of Bishop's Council and Diocesan Finance Committee (2023: 9) and 12 employees who are also clergy, including chaplains (2023: 12), were housed in properties owned by the London Diocesan Fund. Finally, three chaplains (2023: 3) do not live in properties owned by the London Diocesan Fund but receive a housing allowance in addition to their stipend instead.

For the purpose of this disclosure note transactions with Parochial Church Councils, where there may be a relationship because members of Bishop's Council are also trustees of those bodies, have not been included.

## 10b. Related Parties (continued)

### Other

- the Archbishops' Council (Charity No 1074857), from which the LDF receives grants and to which the LDF pays a donation based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, including General Synod. The Archdeacon of London is a trustee.
- the Church Commissioners for England (Charity No 1140097), from which the LDF receives grants and which acts on behalf of clergy with HM Revenue and Customs. The LDF pays for clergy stipends through the Church Commissioners.
- the Church of England Pensions Board (Charity No 236627), to which the LDF pays contributions for clergy and employees and makes contributions towards the provision of housing for clergy in retirement.
- Trust for London (Charity No 205629). The Bishop of London has control over part of the City Church Fund which is held by Trust for London. The Bishop of London receives recommendations on the allocation of the fund by the City Churches Grants Committee, comprising the Archdeacon of London, the General Secretary and the Chair of the Finance Committee of the LDF, the Area Dean and the Lay Chair of the City Deanery. The fund can only be used to support churches within the City of London.
- The cost of academic training of the LDF ordinands is incurred at multiple colleges. The LDF members are the trustees/directors at some of them. In 2023 there were transactions with Wycliff Hall College and The Society of St Stephen's House – Mrs Sarah Finch and The Bishop of Fulham, the Rt Revd Jonathan M R Baker were respectively trustees for these organisations.
- PCCs and deaneries where the Diocese of London holds a custodian responsibility. The LDF is required to be a custodian trustee in relation to PCC property, but the LDF has no control over PCCs, which are independent charities. PCCs and deaneries are able to influence the decision-making within the LDF and at Diocesan Synod level through representations to those bodies and through the input of their Deanery Synods.

## 11a. Dividends and Interest Receivable

	General funds	Designated funds	Restricted funds	Endowment funds	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Dividends	928	8	132	-	1,068	1,768
Cash and deposit interest	323	2	94	-	419	320
Loan interest	85	24	-	-	109	89
	<b>1,336</b>	<b>34</b>	<b>226</b>	<b>-</b>	<b>1,596</b>	<b>2,177</b>

## 11b. Investment Property Rentals

	General funds	Designated funds	Restricted funds	Endowment funds	Total 2022	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Investment Property Rentals	<b>5,047</b>	<b>-</b>	<b>604</b>	<b>-</b>	<b>5,651</b>	<b>5,507</b>

**12. Creditors**

	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2023 £'000	Total 2022 £'000
<b>Amounts falling due within one year:</b>						
Parish Loans Payable	230	311	-	-	541	464
Grants Payable	-	301	519	-	820	776
Other Creditors	1,692	310	(19)	28	2,011	2,954
Revolving Credit Facility	5,000	-	-	-	5,000	-
Accruals and deferred income	1,717	391	20	835	2,963	3,921
	<b>8,639</b>	<b>1,313</b>	<b>520</b>	<b>863</b>	<b>11,335</b>	<b>8,115</b>
<b>Amounts falling due after one year:</b>						
Closed Churches Liability	-	2,652	-	-	2,652	-
Value Linked Loans	-	8,800	-	-	8,800	8,770
<b>Due to Church Commissioners</b>	<b>-</b>	<b>11,452</b>	<b>-</b>	<b>-</b>	<b>11,452</b>	<b>8,770</b>

To support LDF operational cashflow needs, the Charity has taken out a Revolving Credit Facility at 1.95% + BoE rate of £5m with Barclays during 2024 (2023: £NIL). The balance is to be repaid in full in 2025.

13a(i). Designated Funds	At 1 January 2024 £'000	Income* £'000	Expenditure £'000	Unrealised Gains/(Losses) £'000	Transfers £'000	At 31 December 2024 £'000
Capital Strategy Fund	6,801	-	( 331)	-	( 4,533)	1,937
LDF Property Operational	76,168	426	( 24)	-	2,420	78,990
LDF Property Investment	56,468	-	( 9)	2,737	-	59,196
LDF Maintenance Fund	-	-	( 1,184)	-	1,184	-
Designated Trusts	364	10	( 7)	12	-	379
Mission Opportunity	185	-	( 40)	-	-	145
Bishop of London's Mission Fund	101	47	( 91)	-	6	63
Clergy Training and Support	251	-	( 59)	-	-	192
Area Pastoral Funds	1,274	-	( 262)	-	176	1,188
Strategic Development Reserve	165	-	( 29)	-	-	136
St Edmunds Course (Lay Ministry)	7	1	( 8)	-	-	-
PPF Capital Strategy Funds	( 85)	-	( 509)	-	594	-
Closed Churches Operational	-	-	-	-	1,676	1,676
Closed Churches Investment	-	-	-	-	9,818	9,818
Parish Property Asset Management	-	-	-	-	2,396	2,396
Diocesan Pastoral Account	-	-	-	-	2,074	2,074
<b>Total Designated Funds</b>	<b>141,699</b>	<b>484</b>	<b>( 2,553)</b>	<b>2,749</b>	<b>15,811</b>	<b>158,190</b>

\*Income includes realised gains/(losses)

Note 13d

Prior Year Designated Funds	At 1 January 2023	Income*	Expenditure	Unrealised Gains/(Losses)	Transfers	At 31 December 2023
<b>Total Designated Funds 2023</b>	<b>143,861</b>	<b>7,617</b>	<b>( 2,163)</b>	<b>( 5,422)</b>	<b>( 2,196)</b>	<b>141,699</b>

\*Income includes realised gains/(losses)

13a(ii).Designated Funds	Fixed Asset Tangible	Investments	Current Assets	Creditors	Net Assets
	£'000	£'000	£'000	£'000	£'000
Capital Strategy Fund	-	-	1,937	-	1,937
LDF Property Operational	92,145	-	( 4,327)	( 8,828)	78,990
LDF Property Investment	76,571	-	( 17,390)	15	59,196
LDF Maintenance Fund			143	( 143)	-
Designated Trusts	-	351	28	-	379
Mission Opportunity	-	-	156	( 12)	145
Bishop of London's Mission Fund	-	-	68	( 5)	63
Clergy Training and Support	-	-	192	-	192
Area Pastoral Funds	-	-	1,794	( 606)	1,188
Strategic Development Reserve	-	-	136	-	136
Closed Churches Operational	2,343	-	( 527)	( 140)	1,676
Closed Churches Investment	7,956	-	4,587	(2,726)	9,818
Parish Property Asset Management	-	1,319	1,077	-	2,396
Diocesan Pastoral Account	-	-	2,395	( 321)	2,074
<b>Total Designated Funds 2024</b>	<b>179,015</b>	<b>1,670</b>	<b>( 9,730)</b>	<b>( 12,765)</b>	<b>158,190</b>

Prior Year Designated Funds	Fixed Asset Tangible	Investments	Current Assets	Creditors	Net Assets
<b>Total Designated Funds 2023</b>	<b>162,925</b>	<b>245</b>	<b>( 12,077)</b>	<b>( 9,394)</b>	<b>141,699</b>

#### Capital Strategy Fund

The Capital Strategy fund holds the net capital proceeds from the sale of assets that have been identified as appropriate sites for development. The proceeds from such developments release capital to be redeployed elsewhere in the Diocese, as part of the LDF's Capital Strategy. From 2025 this activity will be captured in the property fund to which the asset relates, i.e. endowment parsonage net capital proceeds will be deposited in the endowment parsonage fund. The aim is to simplify and clarify this activity.

#### LDF Property

This fund represents both operational and investment property that are not covered by Measures that govern Stipends Capital and Parsonages. Operational property includes the Diocesan offices and over 100 units of property generally used to house clergy who are not housed in parsonages. Investment property comprises over 50 freehold and leasehold properties, held to generate income and capital growth, which helps fund stipends and other charitable activities.



### **13a. Designated Funds (continued)**

The LDF Property fund is inclusive of the Inspection & Maintenance Fund, benefitting from the budgeted general fund contribution to ingoing and quinquennial costs (2024: £3.48m, 2023: £NIL). Works are either expensed or capitalised in the year, leaving a year-end balance of £nil (2023: £nil).

#### *Designated Trusts*

These funds represent proceeds arising from the sale of parish-based properties that were in use by those parishes but were legally owned by the Diocese. Each sale of such property is assessed on a case-by-case basis and where there is a compelling reason the sale proceeds may be designated for parish purposes, usually to fund a parish-based development or replacement facility. These funds are expected to be held on an on-going basis.

#### *Mission Opportunity*

This fund was established to meet a range of specific clergy and related costs that are necessary in implementing Diocesan mission and ministry policy.

#### *Bishop of London's Mission Fund (BLMF)*

This fund is used for new local mission initiatives (not capital projects) throughout the Diocese. The balance remaining in this fund is supporting the Apprenticeship Schemes which are due to finish in 2025.

#### *Clergy Training and Support*

This fund is for providing general clergy training and support leadership courses and individual coaching and mentoring sessions. The designated budget holder for the fund is the Director of Ministry.

#### *Area Pastoral Funds*

These are funds for each of the five episcopal areas which can be used for loans and grants for specific projects in each area. Decisions on the use of the funds are taken by Area Councils. Loans and grants are awarded each year and the fund is replenished from general funds to ensure the fund is not depleted. It is anticipated that this will continue into the foreseeable future.

#### *Strategic Development Reserve*

This reserve funds the remainder of the 2020 Vision Strategic Development team work, which supported our work in several major areas of regeneration. This includes the Genesis Barge project. Previously funded from the designated Capital Strategy Fund and a contribution from the general fund, expenditure is now for direct project costs only.

#### *Churches Capital Strategy*

The Churches Capital Strategy holds the net capital proceeds from the sale of assets, specifically closed churches. The proceeds are to be redeployed for use to benefit other church buildings. This fund has been reorganised to improve clarity and funds been transferred to the new Parish Property Asset Management Fund.

#### *Closed Churches Property*

These funds were previously recognised under restricted funds. They represent fixed assets, both operational and investment closed church buildings, governed by the Mission and Pastoral Measure 2011. Use of the fund is decided in accordance with this Measure and future maintenance cost estimates for these buildings. Income from these closed churches, which is not required for closed church maintenance, may be used toward stipend and clergy housing maintenance costs.

#### *Parish Property Asset Management*

This fund is new in the year, designed to capture the Parish Property Support & Fundraising work, replacing the Churches Capital Strategy fund. The balance represents the costs incurred on behalf of open parishes in 2024 and the transfer from the Diocesan Pastoral Account related to historic LDF surplus from the sale of Closed Churches.

#### *Diocesan Pastoral Account (DPA)*

This is a designated fund for the purposes defined in the Mission and Pastoral Measure 2011. It represents capital receipts released from the sale of benefice houses (parsonages) and redundant churches. To the extent that any

remaining funds are not required, or not likely to be required, for these purposes then the funds may be applied to any general purpose of the LDF. The balance represents net funds from the sale of St James West Ealing.

<b>13b(i). Restricted Funds</b>	<b>At 1 January 2024</b>	<b>Income*</b>	<b>Expenditure</b>	<b>Unrealised Gains/(Losses)</b>	<b>Transfers</b>	<b>At 31 December 2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Sole Trust Expendable Funds (inc. ALMA)	6,923	1,086	( 438)	313	-	<b>7,884</b>
Closed Church Buildings Fund	19,262	3,008	( 1,413)	(3,022)	( 17,834)	-
Area Church Building Funds	876	-	( 179)	-	-	<b>697</b>
Diocesan Church Building Fund	99	-	-	-	(180)	<b>(81)</b>
Net Carbon Zero Strategy	-	100	( 46)	-	(54)	-
Strategic Development funds	-	897	( 869)	-	( 28)	-
Strategic Capacity Funding	6	378	( 324)	-	( 51)	<b>9</b>
Diocesan Investment Programme	-	331	( 331)	-	-	-
Ordinands Training Fund	713	223	( 216)	-	115	<b>835</b>
Strategic Ministry Fund	79	1,246	( 1,139)	-	( 141)	<b>45</b>
The Gregory Centre for Church Multiplication (CCX)	1	128	( 123)	-	( 6)	-
Projects restricted fund	149	877	( 1,029)	-	( 52)	<b>(55)</b>
Bishops' secretaries fund	-	335	( 337)	-	2	-
<b>Total Restricted Funds</b>	<b>28,108</b>	<b>8,609</b>	<b>( 6,444)</b>	<b>(2,709)</b>	<b>(18,229)</b>	<b>9,334</b>

\*Income includes realised gains/(losses)

Note 13d

<b>Prior Year Restricted Funds</b>	<b>At 1 January 2023</b>	<b>Income*</b>	<b>Expenditure</b>	<b>Unrealised Gains/(Losses)</b>	<b>Transfers</b>	<b>At 31 December 2023</b>
<b>Total Restricted Funds 2023</b>	<b>31,001</b>	<b>7,181</b>	<b>( 9,934)</b>	<b>( 616)</b>	<b>477</b>	<b>28,108</b>

<b>13b(ii). Restricted Funds</b>	<b>Fixed Asset Tangible</b>	<b>Investments</b>	<b>Current Assets</b>	<b>Creditors</b>	<b>Net Assets</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Sole Trust Expendable Funds (inc. ALMA)	-	6,678	1,205	-	<b>7,884</b>
Area Church Building Fund	-	-	1,216	( 519)	<b>697</b>
Diocesan Church Building Fund	-	-	( 81)	-	<b>(81)</b>
Strategic Capacity Funding	-	-	9	-	<b>9</b>
Ordinands Training Fund	-	-	823	12	<b>835</b>
Strategic Ministry Fund	-	-	45	-	<b>45</b>
Projects restricted fund	-	-	( 62)	7	<b>(55)</b>
Bishops' secretaries fund	-	-	20	( 20)	-
<b>Total Restricted Funds 2024</b>	<b>-</b>	<b>6,678</b>	<b>3,176</b>	<b>( 520)</b>	<b>9,334</b>

<b>Prior Year Restricted Funds</b>	<b>Fixed Asset Tangible</b>	<b>Investments</b>	<b>Current Assets</b>	<b>Creditors</b>	<b>Net Assets</b>
<b>Total Restricted Funds 2023</b>	<b>10,699</b>	<b>3,736</b>	<b>14,558</b>	<b>( 885)</b>	<b>28,108</b>

#### *Sole Trust Expendable Funds*

This fund comprises over 30 restricted trusts which are held for specific parish or Diocesan purposes. These trusts are consolidated with the main LDF accounts as the LDF acts as sole trustee and therefore has control. The permanent endowment element is disclosed in note 13c. Each Trust is governed by its own trust instrument which may be in the form of a Charity Commission scheme. The activity of the Angola, London and Mozambique Association (ALMA) is consolidated under this heading, comprising funds of £1m at 31 December 2024 (2023: £1.1m).

#### *Closed Church Building Funds*

These are fixed assets, both operational and investment closed church buildings, governed by the Mission and Pastoral Measure 2011. Use of the fund is decided in accordance with this Measure and future maintenance cost estimates for these buildings

These funds are now transferred from the restricted to designated funds. Please see Note 13.d Transfers between funds p.53.

#### *Area Church Building Funds*

This reserve comprises net funds released after the sales of closed churches, having been set up in 2019. The fund will be used to reinvest in open or new church buildings to help repair, develop and create church buildings that support mission and ministry across the Diocese. Within this fund, funds are allocated to specific Episcopal areas.

#### *Diocesan Church Building Fund*

This fund comprises net funds released after the sale of closed churches. It was set up in 2022. The fund is used to reinvest in open or new church buildings, to help repair, develop and create church buildings that support mission and ministry across the Diocese.

#### *Net Carbon Zero Strategy*

This fund comprises the income and expenditure relating to two restricted grants from Archbishop's Council to build capacity to carry Net Carbon Zero works.

The Net Carbon Zero capacity grant was agreed in December 2023 for a total of £165,000 over two years for employment and equipment costs. The Buildings for Mission Grant was agreed in February 2024 for a total of £95,360 over two years for employment and equipment costs. Both grants are for a two year period.

### **13b. Restricted Funds (continued)**

#### *Strategic Development Funds*

This fund comprises the income and expenditure relating to the restricted funding received from the Church Commissioners towards Church Planting, Church Growth and Youth Strategies and Transforming Tower Hamlets, Southall & Hounslow. Each grant has been awarded for six years, the earliest awarded in 2015, with the final project due to end in 2028.

#### *Strategic Capacity Fund*

The fund comprises of income and expenditure relating to restricted funding received from Church Commissioners towards Growing Younger Apprentice Scheme and the Ministry Development Team. These grants were awarded in 2023 and are for 5 years.

#### *Diocesan Investment Programme Fund*

The fund comprises of income and expenditure relating to restricted funding from the Archbishops Council to revitalise the Church.

The Youth Apprentice Grant is for a total of £1,503,871 and commenced in Autumn 2023 and will run for 5 years. The programme is to employ Youth Apprentice's within Parishes to grow Youth capacity across the Diocese.

The Hackney & Islington Grant is for a total of £9,413,835 and commenced in Summer 2024 and will run for 5 years. The programme has 4 work streams covering Planting & Partnerships, Catholic Renewal, Estates and Youth across the Hackney & Islington Area.

#### *Ordinands Training Fund*

This fund is for training Ordinands covering college and some grants to Ordinands received from Church Commissioners. From September 2023 Church Commissioner pay Colleges directly. The unused funds will be repaid to the National Church over a period to be agreed.

#### *Strategic Ministry Fund*

This fund is used to cover 50% of costs of additional Curacy placements across the Diocese. The programme has been running since 2021 and each cohort lasts for 3 years. It is anticipated that a further cohort will be placed in summer 2024.

#### *The Gregory Centre for Church Multiplication (CCX)*

These funds are grants that were raised by CCX and the fund balances have transferred to them as they now operate as a separate charity.

#### *Projects Restricted Fund*

This fund comprises a small number of projects for which the LDF receives restricted funding. Income sometimes relates to the aggregate match funding received in relation to a number of projects.

#### *Bishops' Secretaries Fund*

This shows the restricted funding received from the Church Commissioners as a contribution towards the cost of the Bishops' secretaries.

<b>13c(i).Endowment Funds</b>	<b>At 1 January 2024</b>	<b>Income*</b>	<b>Expenditure</b>	<b>Unrealised Gains/(Losses)</b>	<b>Transfers</b>	<b>At 31 December 2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Expendable Endowment</b>						
Glebe property (investment)	44,235	-	( 233)	6,804	-	50,806
Glebe property (operational)	44,233	(241)	( 32)	2,113	260	46,333
Parsonage House Fund	231,813	860	( 4)	-	2,851	235,520
<b>Permanent Endowment</b>						
Sole Trust Permanent Endowment	5,669	-	-	287	-	5,956
<b>Total Endowment Funds</b>	<b>325,950</b>	<b>619</b>	<b>( 269)</b>	<b>9,204</b>	<b>3,111</b>	<b>338,615</b>

*Note 13d*

<b>Prior Year Endowment Funds</b>	<b>At 1 January 2023</b>	<b>Income*</b>	<b>Expenditure</b>	<b>Unrealised Gains/(Losses)</b>	<b>Transfers</b>	<b>At 31 December 2023</b>
<b>Total Endowment Funds 2023</b>	<b>324,598</b>	<b>( 244)</b>	<b>( 102)</b>	<b>2,807</b>	<b>( 1,108)</b>	<b>325,950</b>

*\*Income includes realised gains.*

<b>13c(ii). Endowment Funds</b>	<b>Fixed Asset Tangible</b>	<b>Investments</b>	<b>Current Assets</b>	<b>Creditors</b>	<b>Net Assets</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Expendable Endowment</b>					
Glebe property (investment)	36,070	-	14,816	( 80)	50,806
Glebe property (operational)	26,997	34,035	( 14,700)	1	46,333
Parsonage House Fund	231,362	-	4,942	( 784)	235,520
<b>Permanent Endowment</b>					
Sole Trust Permanent Endowment	-	5,956	-	-	5,956
<b>Total Endowment Funds</b>	<b>294,429</b>	<b>39,991</b>	<b>5,058</b>	<b>( 863)</b>	<b>338,615</b>
<b>Prior Year Endowment Funds</b>	<b>Fixed Asset Tangible</b>	<b>Investments</b>	<b>Current Assets</b>	<b>Creditors</b>	<b>Net Assets</b>
<b>Total Endowment Funds 2023</b>	<b>282,350</b>	<b>34,151</b>	<b>9,994</b>	<b>( 544)</b>	<b>325,950</b>

#### *Glebe Property Funds*

This represents the net book value of glebe property with movements shown in note 7. Rental income from glebe property is credited to general funds where it is used to fund clergy stipend payments. This fund also represents the carrying value of glebe investments and cash, which is used for the purchase and refurbishment of glebe operational and investment properties. When a property is sold, the sale proceeds are credited to these funds. The use of glebe assets is governed by the Diocesan Stipends Funds Measure 1953 and the Endowments and Glebe Measure 1976.

#### *Parsonage House Fund*

These funds are used for the purchase and refurbishment of freehold and leasehold benefice houses (see note 7), as well as cash and investments used for the purchase and refurbishment of houses that form part of this fund.

#### *Sole Trust Permanent Endowment*

This fund represents those amounts held under the LDF's sole trusteeship where the capital is not expendable.

**13d. Transfer between funds – detailed breakdown of movements**

	General	Designated	Restricted	Endowment	Total	Reference
	£'000	£'000	£'000	£'000	£'000	
Transfer of budgeted items in the General Fund from various designated funds	( 2,123)	( 181)	-	2,304	-	i
Designation of Closed Churches Fund	1,276	16,559	( 17,835)	-	-	ii
Net transfers (to)/from designated funds at year-end	42	138	(180)	-	-	iii
Net transfers (to)/from restricted funds at year-end	111	49	( 214)	54	-	iv
Net transfers (to)/from endowment funds at year-end	-	( 753)	-	753	-	v
	<b>( 694)</b>	<b>15,811</b>	<b>( 18,229)</b>	<b>3,111</b>	<b>-</b>	

*Note 13a      Note 13b      Note 13c*

- i. The LDF budget included a number of transfers between the funds – these were mainly relating to the property expenditure. The agreed annual contribution from the Housing Strategy Fund to the Clergy Housing Budget which helps to pay for the costs incurred in the general fund, the transfer of budgeted quinquennial and ingoing expenditure from the general fund to the designated maintenance fund allows for better smoothing of lumpy costs and the unpredictable split between maintenance and capital expenditure. The latter is being expressed by the transfer of capital expenditure to endowment parsonage fund , where we recognise the underlying assets. Finally, the Area Pastoral Funds transfer represents General Fund annual budget to fund area grants supporting parishes.
- ii. The Diocesan Pastoral Account itself is not restricted. It is ruled by the Mission and Pastoral Measure 2011 (MPM 2011) section 94, which lists how the board of finance can utilise the funds. The scope for use the LDF share of the sale proceeds is so wide, that it is deemed as unrestricted. The LDF has historically treated closed church funds as restricted. However, treating the funds relating to the Closed Churches and Parish Property activities overall as designated provides for better consistency of accounting treatment, transparency and compliance with the National Church Accounting guidelines. These transfers are all actioned at the year end in preparation for this revised treatment from Jan 1 2025.  
This transfer covers:
  - a) funds originating from the LDF share of the net proceeds from the historic sales of the closed churches is not restricted for that activity but designated. This treatment would allow for consistency with the recognition of the Housing Strategy Fund as a designated fund. As both originate from the Diocesan Pastoral Account.
  - b) Closed Churches as assets are not actually restricted but on disposal 1/3 of net proceeds will be payable to the Church Commissioners. Closed Churches include both the operational and investment properties.
  - c) Transfer relating to the value of the assets relating to the sale of St James West Ealing which are the only assets held by the DPA.
  - d) The net assets used to fund parish property maintenance of closed and occasionally open churches
  - e) income generated from Closed Churches in the investment property portfolio in 2023 and 2024 (to the general fund)
- iii. These relate to transfers agreed at the year-end between the General Fund and specific designated funds in normal course of the business.
- iv. These relate to transfers agreed at the year-end between the General Fund and specific restricted funds in normal course of the business.
- v. These relate to transfers agreed at the year-end between the designated funds, restricted funds and specific endowment funds. These amounts relate to reclassification of 3 properties between designated and endowment fund to reflect in funds the legal position of these assets.

# 14. Notes to the cash flow statement

## Notes to the cash flow statement

	2024	2023
	Total	Total
	£'000	£'000

### 14a. Reconciliation of operating (deficit) to operating cash flows

Operating (deficit)	(4,183)	(6,595)
Depreciation release	63	64
(Increase)/decrease in debtors	538	(1,775)
Increase/(decrease) in creditors	(1,781)	1,638
Non-cash movement in pension liability	-	-
Investment and rental income	(7,248)	(7,684)
<b>Net cash (outflow) from operating activities</b>	<b>(12,611)</b>	<b>(14,352)</b>

	2024	2023
	Total	Total
	£'000	£'000

### 14b. Gross cash flows

#### Cash flows from investing activities

Dividends and interest received	1,596	2,177
Rental Income	5,651	5,507
Sale of property	5,928	10,008
Purchase of property	(11,273)	(10,134)
Other fixed asset purchases	(18)	(143)
Sale of investments	116	22,066
Purchase of investments	(7,498)	(10,029)
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(5,499)</b>	<b>19,452</b>

	2024	2023
	Total	Total
	£'000	£'000

### 14c. Cash flows from financing activities

Revolving Credit Facility	5,000	-
<b>Net cash inflow from financing activities</b>	<b>5,000</b>	<b>-</b>
<b>Increase/(Reduction) in cash in the year</b>	<b>(13,110)</b>	<b>5,100</b>

### 14d. Analysis of changes in net funds

	At 01 January 2024 £'000	Cash flows £'000	Other £'000	At 31 December 2024 £'000
<i>Funds</i>				
Cash at bank and in hand	17,427	(13,110)		4,317
Value linked loans and Closed Churches	(8,770)	-	(2,682)	(11,452)
Liability due after one year	8,657	(13,110)	(2,682)	(7,135)



## 15. Pensions

	2024	2023
	Total £'000	Total £'000
<i>Pension liabilities</i>		
Lay staff pensions ( <i>see note a below</i> )	-	-
Clergy pensions ( <i>see note b below</i> )	-	-
	<u>-</u>	<u>-</u>

### 15(a). Lay staff pensions

The LDF participates in the Defined Benefits Scheme section of the Church Workers Pension Fund (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.

### Defined Benefits Scheme

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. This does not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2024: £NIL, 2023: £NIL) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £NIL for 2024 (2023: £NIL).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board having taken advice from the Actuary.

A valuation of DBS is carried out once every three years. At the most recent valuation at 31 December 2022 there was a surplus of £73.6m.

The next actuarial valuation is due at 31 December 2025.

Since 31 December 2023, the Board has entered into a full buy-in agreement with Aviva to insure all accrued benefits within the DBS of the CWPF.

**15(a). Lay staff pensions (continued)**

The Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the Employer's financial statements as at 31 December 2023 or 31 December 2024.

The movement in the provision is set out below:

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SOFA)	-	-
Remaining charge to the balance sheet liability*	-	-
Balance sheet liability at 31 December	<u>-</u>	<u>-</u>

\*comprises change in agreed deficit recovery plan and change in discount rate between year ends.

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

	December 2024	December 2023	December 2022
Discount rate	N/A	N/A	0.0%

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

**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. No pensions costs relating to this scheme were charged to the SoFA in the year, and the contributions payable was NIL (2023: NIL).

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 Classic section, the 2019 valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2024, 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 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2023. There is no requirement for deficit payments at the current time.

### 15(a). Lay staff pensions (continued)

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 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, employer could become responsible for paying a share of the failed employer's pension liabilities.

### 15(b). Clergy pensions

From 1 January 1998, Diocesan clergy became members of the Church of England Pensions Scheme (CEFPS). This non-contributory Scheme provides benefits based on national minimum stipends. The Church of England Pensions Board is the trustee and administers the Pension Scheme. The Scheme provides pensions that relate to pensionable service from 1 January 1998. The Scheme's assets are held separately from those of the LDF. Past service clergy pensions for service before 1 January 1998 are paid by the Church Commissioners at no cost to the LDF.

The LDF is the sponsoring employer for 564 members (2023: 566) of the Scheme out of a total membership of approximately 7,418 active members. 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 £3,716k in 2024 (2023: £3,866), plus any figures arising from contributions in respect of the Scheme's deficit (see below). 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% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards.
- Increase in pensionable stipends of CPIH.
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates 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%).

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

	% of pensionable stipends
31 December 2021	7.1% payable from January 2021 to December 2022
31 December 2022	Nil
31 December 2023	Nil
31 December 2024	Nil

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

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

**15(b). Clergy pensions** - continued

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there were no deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31

December 2023 and 31 December 2024 is nil. The movement in the balance sheet liability over 2023 and over 2024 is set out in the table below.

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost (recognised in SOFA)	-	-
Remaining charge to the balance sheet liability*	-	-
Balance sheet liability at 31 December	<u>-</u>	<u>-</u>

*\*comprises change in agreed deficit recovery plan and change in discount rate between year ends.*

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

**16. Members' Liability**

The London Diocesan Fund is a company registered in England as a company limited by guarantee, having no share capital. At 31 December 2024 there were 41 members (2023: 42) who were liable to contribute £1 each in the event of the company being wound up.

## **Custodian Trusts – Custodian Trustee Report and Non-Statutory Financial Statements for the year ended 31 December 2024**

The following pages do not form part of the statutory financial statements of the London Diocesan Fund for the year ended 31 December 2024

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## Report of the Custodian Trustee

The council of the London Diocesan Fund, usually acting as Custodian Trustee under ecclesiastical and UK law, presents the report and non-statutory financial statements for the year ended 31 December 2024.

### Legal Status

Under the Parochial Church Councils (Powers) Measure 1956, the London Diocesan Fund acts as Diocesan Authority (in effect, custodian trustee) of parish buildings and land. It also acts as custodian trustee for monies held on specific trust. These pages report the specific trust holdings only and provide an aggregation of the financial assets of some 89 separate trusts (92 in 2023). Land and building assets held by the London Diocesan Fund as Diocesan Authority are not shown.

Certain title and trust deeds are held in the name of the Bishop of London's Fund. This is a corporate body that pre-dated the formation of the London Diocesan Fund in 1918 and in which some property and capital were vested. For day-to-day purposes, its activities have been subsumed into the London Diocesan Fund since 1 January 1918.

### Review of the Year

Total incoming resources from interest and dividends for the period was £0.6m (2023: £0.6m)

Funds continue to be expended in line with the purposes for which they were intended, with £0.6m expended for charitable purposes during 2024 (2023: £1.1m). The funds expended vary year on year in line with the specific needs of the managing trustee bodies.

The overall value of funds held by the London Diocesan Fund as custodian trustee at 31 December 2024 was £19.3m (2023: £18.7m). The increase of £0.6m from the prior year is attributable to unrealised gains on investments of £0.4m and additional new resources of £0.2m.

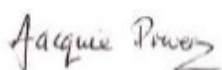
### Statement of Custodian Trustee's responsibilities

The Charities Act 2022 requires managing trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the funds and of their incoming resources and application of resources, including their income and expenditure.

The Custodian Trustee has chosen to prepare these statements in accordance with the Charities Act 2022. In preparing these financial statements in accordance with the Charities Act 2022, the Custodian Trustee is required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.

The Custodian Trustee is responsible for keeping proper accounting records with respect to the transactions and the financial position of the funds and to enable them to ensure that the financial statements comply with the Charities Act 2022. The Custodian Trustee has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the funds and to prevent and detect fraud and other irregularities.



Jacquie Driver

Chair of the Diocesan Finance Committee and Lay Vice-Chair of Bishop's Council

14 May 2025

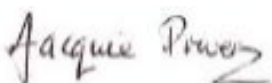
**Non-Statutory Financial Statements of the Custodian Trusts**  
**Statement of Financial Activities – for the year ended 31 December 2024**

	Permanent Endowment Fund £m	Restricted Capital Fund £m	Restricted Unexpended Income £m	Total 2024 £m	Total 2023 £m
<b>Income and endowments from:</b>					
Investment income	-	-	0.6	0.6	0.6
<b>Total income</b>	<b>-</b>	<b>-</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>
<b>Expenditure on:</b>					
Income paid to beneficiaries	-	-	(0.4)	(0.4)	(0.4)
Objects of the trusts	(0.1)	(0.1)	-	(0.2)	(0.7)
<b>Total expenditure</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.4)</b>	<b>(0.6)</b>	<b>(1.1)</b>
<b>Net (expenditure) before investment gains</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>0.2</b>	<b>-</b>	<b>(0.5)</b>
Net (losses)/gains on investment assets	0.3	0.1	-	0.4	1.1
Net (resources expended)/incoming resources for the year	0.2	-	0.2	0.4	0.6
Transfers between funds	-	-	-	-	-
Additional new resources	0.2	-	-	0.2	0.1
<b>Net movement in funds for the year</b>	<b>0.4</b>	<b>-</b>	<b>0.2</b>	<b>0.6</b>	<b>0.7</b>
<b>Reconciliation of funds:</b>					
<b>Funds at 1 January 2024</b>	<b>14.9</b>	<b>2.9</b>	<b>0.9</b>	<b>18.7</b>	<b>18.0</b>
<b>Funds at 31 December 2024</b>	<b>15.3</b>	<b>2.9</b>	<b>1.1</b>	<b>19.3</b>	<b>18.7</b>

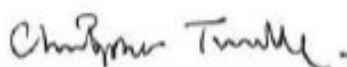
**Custodian Trusts Balance Sheet – as at 31 December 2024**

	Notes	Total 2024 £m	Total 2023 £m
<b>Assets</b>			
Fixed Asset Investments	2	18.2	17.8
Current Asset Investments	3	1.1	0.9
Net Assets		<u>19.3</u>	<u>18.7</u>
<b>Funds</b>			
Permanent Endowment	2	15.4	14.9
Restricted - Capital	2	2.8	2.9
Restricted – Unexpended Income	3	1.1	0.9
		<u>19.3</u>	<u>18.7</u>

The notes on pages 59 - 61 form part of these non-statutory financial statements. The non-statutory financial statements of the custodian trustee were approved by the Diocesan Bishop's Council acting as custodian trustee on 14 May 2025.



Jacquie Driver  
Chair of the Diocesan Finance Committee



The Revd Christopher Trundle  
Clerical Vice-Chair of Bishop's Council

## Notes to the Custodian Trusts Financial Statements – for the year ended 31 December 2024

### 1. Accounting policies

These non-statutory financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the Statement of Recommended Practice, 'Accounting and Reporting by Charities'. A summary of the principal accounting policies, which have been applied consistently except as stated, is set out below.

#### a. Basis of Preparation

Under the Parochial Church Councils (Powers) Measure 1956, the London Diocesan Fund acts as custodian trustee of parish buildings and land. The London Diocesan Fund also acts as custodian trustee for monies held on trust. These pages report the specific trust holdings only and provide an aggregation of the transactions and balances of the financial assets of some 89 trusts (92 in 2023).

The Balance Sheet as at 31 December 2024 has been prepared, together with a Statement of Financial Activities, which analyses the movement in funds. Comparative figures for 2023 have been provided.

The non-statutory financial statements have been prepared on a basis consistent with figures included in the LDF's Balance Sheet. As custodian trustee, the LDF prepares these non-statutory financial statements on the historical cost basis of accounting, adjusted for the revaluation of investment.

As the LDF has no day to day control over their disposition, custodian trusts are not included within the LDF's main figures.

A cash flow statement has not been prepared as the custodian trustee considers that each custodian trust meets the criterion of a 'small' company for this purpose.

A specific trust bank account is maintained for trust transactions. Each trust has its own designated investment ledger and account codes.

It is the LDF's policy that where possible all income should go directly to the beneficiaries.

#### b. Fund Balances

All funds are subject to the specific conditions imposed by the donor or by the terms of the trust deed or other applicable legal instrument. The expendable capital funds and unexpended income are classified as restricted funds. Endowment funds are funds subject to the condition that they be held as permanent capital.

Income and expenditure on restricted funds are taken directly to the appropriate fund except to the extent that income is freely available to the managing trustees; and unexpended income from endowment assets is carried forward as a restricted fund.

#### c. Investment Income

Dividend and interest income is accounted for on a receipts basis. Rental income is accounted for on an accruals basis.

#### d. Other Income and Expenditure

Additional capital represents capital introduced to an existing custodian trust, or the creation of a new trust. Expenditure on objects of the trusts represents the spending of capital and income in line with the terms of the trust deed or other applicable governing instrument.

#### e. Investments

Investments are stated at market value, calculated by reference to the mid-market value at 31 December. Realised and unrealised gains or losses on investments in the year are credited to the appropriate funds.



## Notes to the Custodian Trusts Financial Statements (continued)

### 2. Fixed Asset Investments represented by Permanent Endowment Capital

	1 January 2024	Additions	Disposals	Unrealised Gains/(Losses)	Other Asset/ Liability Movements and Transfers	31 December 2024
	£'000	£'000	£'000	£'000	£'000	£'000
M&G Charifund	2,386	-	(1,595)	21	-	812
Sarasin Responsible Global Equity Fund	-	30	-	2	-	32
Investments held by CCLA:						
CBF Short Duration Bond	17	-	-	-	-	17
CBF Investment Fund	10,170	1,632	(39)	221	-	11,984
CBF Global Equity Fund	-	67	-	1	-	68
COIF Investment Fund	688	-	-	18	-	706
CBF Property Fund	109	-	-	(1)	-	108
Deposits held by CCLA: CBF Deposit Fund	1,579	217	(91)	-	-	1,705
	<b>14,949</b>	<b>1,946</b>	<b>(1,725)</b>	<b>262</b>	<b>-</b>	<b>15,432</b>

### Fixed Asset Investments represented by Expendable Capital

M&G Charifund	229	-	(229)	-	-	-
Investments held by CCLA:						
CBF Short Duration Bond	144	-	-	4	-	148
CBF Global Equity Fund	-	227	-	2	-	229
CBF Investment Fund	1,847	-	(86)	40	-	1,801
Deposits held by CCLA: CBF Deposit Fund	604	-	-	-	-	604
	<b>2,824</b>	<b>227</b>	<b>(315)</b>	<b>46</b>	<b>-</b>	<b>2,782</b>
<b>Total Fixed Assets</b>	<b>17,773</b>	<b>2,173</b>	<b>(2,040)</b>	<b>308</b>	<b>-</b>	<b>18,214</b>

## Notes to the Custodian Trusts Financial Statements (continued)

### 3. Current Asset Investments represented by Unexpended Income from Permanent Endowment Assets

	1 January 2024 £'000	Additions £'000	Disposals £'000	Unrealised Gains/(Losses) £'000	Other Asset/ Liability Movements and Transfers £'000	31 December 2024 £'000
Investments held by CCLA: CBF Investment Fund	276	4	-	6	-	286
Deposits held by CCLA: CBF Deposit Fund	552	198	(65)	-	-	685
	<b>828</b>	<b>202</b>	<b>(65)</b>	<b>6</b>	<b>-</b>	<b>971</b>

### Current Asset Investments represented by Unexpended Income from Expendable Capital Assets

	1 January 2024 £'000	Additions £'000	Disposals £'000	Unrealised Gains/(Losses) £'000	Other Asset/ Liability Movements and Transfers £'000	31 December 2024 £'000
Investments held by CCLA: CBF Investment Fund	2	-	-	-	-	2
Deposits held by CCLA: CBF Deposit Fund	42	28	(25)	-	-	45
	<b>44</b>	<b>28</b>	<b>(25)</b>	<b>-</b>	<b>-</b>	<b>47</b>
Other Assets/(Liabilities)	32	-	-	-	(5)	27
<b>Total Current Assets</b>	<b>904</b>	<b>230</b>	<b>(90)</b>	<b>6</b>	<b>(5)</b>	<b>1,045</b>
<b>TOTAL</b>	<b>18,677</b>	<b>2,403</b>	<b>(2,130)</b>	<b>314</b>	<b>(5)</b>	<b>19,259</b>

## **Independent Auditors' Report to the Custodian Trustee of the Funds**

We have audited the non-statutory financial statements of Custodian Funds for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Custodian Trustee as a body. Our audit work has been undertaken so that we might state to the Custodian Trustee 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 Custodian Trustee as a body for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Custodian Trustee's Responsibilities set out on page 61, the Custodian Trustee is responsible for the preparation of the non-statutory financial statements which give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on the non-statutory financial statements**

In our opinion the non-statutory financial statements give a true and fair view of the financial position of the Custodian Funds as at 31 December 2024 and of their incoming resources and application of resources for the year then ended.



Moore Kingston Smith LLP  
Statutory Auditor  
6th Floor, 9 Appold Street,  
London EC2A 2AP

Date: 17 June 2025

Moore Kingston Smith LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006