
ST MARY'S COLLEGE OSCOTT CIO

REPORT AND FINANCIAL STATEMENTS

31 JULY 2021

Charity number: 1172979

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ST MARY'S COLLEGE OSCOTT CIO

REPORT OF THE TRUSTEES**Year ended 31 July 2021**

The Trustees of St Mary's College Oscott CIO are pleased to present their report and audited financial statements as a charitable incorporated organisation (CIO) for the year ended 31 July 2021.

The CIO was incorporated with the Charity Commission on 10 May 2017. The Trustees made the decision to form a CIO so that the College can be more conveniently and efficiently managed and operated as an incorporated charity.

Reference and Administrative Information

Charity Name	St Mary's College Oscott CIO
Charity Registration Number	1172979
Registered Office	Chester Road Sutton Coldfield West Midlands B73 5AA

Trustees

The following are the Trustees of St Mary's College Oscott CIO who, unless stated otherwise, served as trustees during the year ended 31 July 2021:

	Sub-committee membership	
The Most Rev B Longley MA STL	F, LCG	
Rt Rev D McGough LSS STL	F	
Mr B Basford	AFM#	
Rev M Dolman	F	(Resigned 1 June 2021)
Mr T Fenwick	H#	
Mr A Grant FRICS DL	I, P#	
Mr P Horgan KSG FCA	AFM, R#, P	
Mrs C O'Brien BA	LCG#, P	
Rev Mr D Palmer FCA	I#, AFM, R	
MR M Swinburne BA FCA	I, AFM, R	(Appointed 27 July 2021)
Rev R Walker LLB STL	F#, LCG	

F denotes membership of the Formation sub-committee
I denotes membership of the Investment sub-committee
AFM denotes membership of the Audit, Finance and Maintenance sub-committee
R denotes membership of the Remuneration & HR sub-committee
LCG denotes membership of the Legal, Compliance and Governance sub-committee
P denotes membership of the Property sub-committee
H denotes membership of the Heritage & Fundraising sub-committee
denotes sub-committee chairperson

The Trustees have adopted a Governance Framework in accordance with the Charity Governance Code.

The Trustees are mindful of the need to review and report on Governance in the light of the Charity Governance Code issued in July 2017, and updated in 2020, and have considered each of the seven sections of the Code. Work is continuing to implement the guidance contained in the Code although in some areas the requirements of Church Canon Law preclude the adoption of the Code in full. In particular the Chair of Trustees is not an elected position – as the Code would recommend. The Archbishop of Birmingham is the ex-officio Chair of Trustees and appoints all the other Trustees, and the College Rector. He is appointed to the position of Archbishop by the Holy See rather than being appointed by the other Trustees.

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Year ended 31 July 2021

From 1 August 2018 there are seven sub-committees in addition to the main Trustee body covering: Formation; Audit, Finance and Maintenance; Heritage and Fundraising; Investment; Remuneration and HR; Legal Compliance and Governance; and Property. Trustees chair these committees which also include members of College management and staff.

None of the Trustees has any beneficial interest in the College and all serve without remuneration.

Senior management personnel

Rector	Rev Canon Giles Goward BSc MA MTheol STL (from July 2020 to January 2021)
Rector	Rev Michael Dolman BSc, PGCE, BA, STB (July 2021 to date)
Acting Rector	Rev Paul Keane MA (Cantab), STL (January 2021 to June 2021)
Vice Rector & Theology Rep	Rev Paul Keane MA (Cantab), STL
Dean of Studies	Rev Paul Keane MA (Cantab), STL (to January 2021)
Director of Studies	Dr Mary McCaughey BBS, BD, STL, DD (February 2021 to date)
Dean of Theology	Dr Mary McCaughey BBS, BD, STL, DD (to January 2021)
Dean of Philosophy	Rev Dr Bruce Burbidge ARCO, STB, MA, PhD
Director of Spiritual Formation	Rev Canon John Udris STL (to July 2021)
Director of Spiritual Formation	Rev James Preston BA (Hons), CertEd (August 2021 to date)
Director of Pastoral Formation	Rev Gerardo Fabrizio STB, JCL, Dip. Juris
Director of Human Formation	Mr Pete Smallwood MBACP (Acc.), Dip.Couns
College Bursar	Mrs Jackie Hall FCA
HR & Strategic Manager	Mrs Jayne Tomkinson BSc, SA NCS (Acc.), PGCMC, FdSc, MBACP, Cert Ed
House and Grounds Manager	Mr Mark Carroll

Secretary to the Trustees

Mrs C O'Brien BA

Auditors

Cooper Parry Group Limited
Statutory Auditors
Sky View, Argosy Road
East Midlands Airport, Castle Donington
Derby, DE74 2SA

Bankers

National Westminster Bank plc
6 Parade
Sutton Coldfield
West Midlands
B72 1PL

Investment advisers

Smith & Williamson Investment Management LLP
9 Colmore Row
Birmingham
B3 2BJ

Solicitors

Gateley plc
One Eleven
Edmund Street
Birmingham
B3 2HJ

Charles Russell Speechlys
Compass House
Lypiatt Road
Cheltenham, Gloucestershire
GL50 2QJ

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Year ended 31 July 2021

Structure, Governance and Management

Governing Document

The College is governed under a constitution dated 12 January 2017 and registered as a Charitable Incorporated Organisation (CIO) with the Charity Commission on 10 May 2017.

Recruitment and Appointment of Trustees

Under the terms of the Constitution the power of appointing and removing Trustees is vested with the Archbishop of Birmingham. In exercising these powers the Archbishop gives consideration to any identified skills gap within the existing trustee body.

Trustee Induction and Training

Apart from Mr B Basford, Mr T Fenwick, Mr A Grant, Mr P Horgan, Mrs C O'Brien and Mr M Swinburne, all the Trustees are clergy, most of whom have studied or taught at the College and have been Trustees for a considerable time. On agreeing to become a Trustee an individual is thoroughly briefed by the Co-Trustees on the history of the charity, the day to day management, the responsibilities of Trustees and the current objectives and future plans of the charity.

Some of the Trustees attend seminars and conferences on Charity matters and other related subjects on a regular basis. The knowledge and experience gained through these seminars is imparted to the remaining Trustees at Trustee meetings.

Risk Management

The Trustees monitor the risk register and developments since the last review at each main Trustee meeting, three times a year. The Trustees consider the main risks and mitigating factors to be as follows:

Student numbers

The College obtains the majority of its income from fees charged to Dioceses and religious orders for the formation of candidates for the Priesthood and the Permanent Diaconate. Income is therefore dependent on continuing applications from men who have discerned a vocation for the priesthood and have been supported in this by their Diocese. Numbers are dependent upon vocation discernment and applications from Dioceses for their candidates to enter formation at Oscott. We seek to maintain a good relationship with the Bishops and provide a high quality formation programme which is attractive to them.

Formation staff

The formation and education of priests is a highly specialised role and as such requires highly educated academics with Pontifical theological degrees who are able to deliver the course lectures and tutor support. Other specialisms beyond the academic are also needed, notably professional counsellors who are suitable for human accompaniment and safeguarding training. There is a shortage of priests who have the appropriate qualifications and able to teach to the level required. With a decline in the number of priests nationally, there is a shortage of men available to serve as parish priests and so dioceses may be reluctant to release men to teach at Oscott. This means there is a need to recruit lay staff who are suitably qualified and require professional academic salaries. The College has considered introducing a programme of Master's level Pontifical degrees, which will enable priests to more easily gain the necessary qualifications at Oscott as part of their on-going formation. This should enable the future academic need for qualified priests to be more readily met.

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Year ended 31 July 2021

Investment returns

The College has a significant investment portfolio, which is managed by independent investment managers. The College relies on the income from the portfolio to subsidise the work of the College, and maintain the fabric of the building whilst keeping student fees to an affordable level. It is important that the income from the portfolio and its underlying value is maintained in the long term to support the work of the College. To reduce the risk of devaluation of our portfolio, the investments are in high-grade quoted equities, bonds and gilts, and are managed by professional advisors on a discretionary basis, although Trustees recognise that valuations can fluctuate due to market conditions and factors outside their control. The College regularly reviews the provision of this advice and changes advisors as deemed necessary.

The Trustees meet with advisors at least three times per year, and target income of £1m, approximately 3-4% with a total return target of nearer 6%.

Building maintenance

The College operates from a complex of buildings built primarily in the 1830s. The College building is Grade II* listed, and the Trustees are aware of the need to maintain the building so that it is fit for purpose. The historical significance of the College, including its chapel, means that the cost of building maintenance is often more expensive than for a modern equivalent. Similarly deferring expenditure usually results in higher overall costs when work is eventually carried out. The Trustees monitor maintenance costs carefully and authorise necessary expenditure based on quinquennial and specialist reports. Trustees are also aware of the changing needs of the College. As Oscott is now only one of two Catholic seminaries in Great Britain, it is conscious of the need to maintain adequate accommodation for future seminarians.

Organisational Structure

The day to day operations of the Charity are administered by the Rector who is appointed by the Archbishop of Birmingham. He is responsible to the Trustees of the Charity. The Rector is responsible for the appointment of teaching staff subject to approval by the Archbishop.

A management committee consisting of the formation staff, with the Rector as Chairman, meets weekly and is responsible for the various day to day functions of the Charity. Other officers of the College - College Bursar, House and Grounds Manager, and HR Manager - meet with the Rector and Vice-Rector at least once a month. During the pandemic these meetings took place remotely on a weekly basis. The Rector also meets separately with the Vice Rector on a weekly basis. Management accounts are regularly prepared and presented to the Trustees three times a year. The performance compared to budget is closely monitored.

The Trustees meet in plenary session three times a year. In addition, the sub-committees meet at least once a year. The Investment and Maintenance sub-committees meet more regularly to consider and make day to day decisions on investment and property maintenance issues.

Key management personnel

The Trustees consider the Board of Trustees as listed on page 1, to be the key management personnel of the charity in charge of directing and controlling the charity, and the senior management personnel listed on page 2 in charge of running and operating the charity on a day to day basis.

All Trustees give their time freely, and no Trustee receives any remuneration in respect of the work undertaken in the role of Trustee.

The remuneration of senior management personnel, and rates for priests are determined by a remuneration committee, which meets annually or as necessary. Remuneration levels for employees are based on market rates for similar roles, where possible, and on the level of responsibility of the person concerned. Salaries are increased annually in line with a cost of living increase. The fees for priests' services are remunerated to the Diocese which they serve.

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Year ended 31 July 2021

As shown in note 10, the total costs of senior management personnel, which include the costs of a number of external priests and employees were £379k (2020: £399k).

Related Parties

Details of Trustee expenses and related party transactions are disclosed in note 11 to the accounts. Trustees are required to disclose all relevant interests and register them with the College Bursar and, in accordance with the College's policy, withdraw from decisions where a conflict of interest arises.

Related parties with a number of common Trustees are as follows:

Birmingham Roman Catholic Diocesan Trust
Father Hudson's Society
Newman University College, Birmingham
The Venerable English College Trust
The Pontifical Bede College, Rome
The Royal College of St. Alban, Valladolid
The English Benedictine Order of Oulton Abbey near Stone, Staffs
Friends of the Holy Land
Catholic Trust for England and Wales
The British Trust for the Ecumenical Institute for Advanced Theological Study in Jerusalem
Birmingham Churches Together

Objectives

In shaping the objectives of the College and planning its activities, the Trustees have taken into consideration the Charity Commission's guidance on public benefit, including the specific guidance on the advancement of religion for the public benefit.

St Mary's College Oscott CIO is a Seminary for the formation of Catholic men for the priesthood and for the diaconate. The aim of the formation programme is to form priests and deacons who will be men of faith, hope and love, who know themselves called to share the ministry and mission of Christ. Deacons, configured to Christ the Servant and priests, to Christ the Teacher, Sanctifier and Shepherd, are ordained within the Church to build apostolic faith-communities within society by the power of the Holy Spirit. Both priests and deacons seek to develop the common good in the building of communities of service towards others, especially those who need support beyond that which is offered by national and local government services.

The primary function of Oscott College therefore is twofold:

- to help those who have been accepted by their Ordinaries as potential candidates for the Catholic priesthood or permanent diaconate to discern further their vocation; and
- to form them for service as priests or permanent deacons.

This means helping students develop a clear sense of their identity as priests or deacons and of their mission within contemporary culture.

The Seminary was founded in May 1794 and the present College was built in 1835-1838. The College quickly became a symbol of the rebirth of the Catholic faith in England and played a prominent part in the life of the Church since. When Pope Benedict XVI made a state visit to the UK in September 2010, Oscott was the last stop on his programme. Over a period, the College acquired and had been donated a number of works of art and historic treasures and it seeks to preserve its patrimony as a spiritual, intellectual and historical centre for the Catholic community of England and Wales.

REPORT OF THE TRUSTEES

Year ended 31 July 2021

The CIO constitution also provides for:

- the preservation, maintenance, upkeep and equipping of the College building for the education of students;
- the provision of land for, and the upkeep, maintenance and administration of, a Roman Catholic cemetery for burial;
- the ongoing formation and training of those in Holy Orders in the Roman Catholic Church; and
- such other lawful charitable purposes connected with the maintenance and propagation of the Roman Catholic religion as the Archbishop shall from time to time decide.

Achievements, Activities and Performance

Formation Staff

Our formation staff team and academic faculty continues to remain stable during this College year, except for the significant change of the Rector. Canon Giles Goward, who became the Rector in July 2020, sadly died in January 2021. Revd Fr Michael Dolman was appointed as the new Rector in July 2021 and in between, Revd Fr Paul Keane, Vice-Rector, was appointed by Archbishop Bernard Longley to act as Acting-Rector.

The Seminary Formation Programme (Students for the Priesthood)

In September 2020 Oscott began the academic year with 49 seminarians representing 17 dioceses and 2 religious congregations. There were 12 new seminary students.

The overall seminary programme consists of four dimensions of formation: human, spiritual, intellectual and pastoral. In each year of the programme there is an average of nine intellectual courses with a total of 120 credits. Birmingham University validate the first three years of the academic programme with a BA (Hons) degree in Catholic Theology. Oscott is affiliated to KU Leuven and issues a STB canonical degree after six years of study. Both Universities conduct regular reviews of our programme content and quality assessments. Written and informal feedback continues to be positive and encouraging.

The students have courses on spiritual and human formation which are not credited. The students also spend a month on a pastoral placement each January in their home diocese, over the whole of the six-year programme. Many are expected by their dioceses to undertake further pastoral placements during the summer weeks. In year four, the students spend the first semester from September to Christmas on an extended parish placement in their home diocese. This gives them an opportunity to put into practice everything they have learned in their first three years of formation. It also gives them a longer opportunity to experience the life of a priest in a parish in order for them to reflect and prepare for making deeper commitment to their preparation for priesthood. On return to Oscott, fourth year men spend two weeks in the Holy Land for an accompanied and taught study pilgrimage experience. The goal of the programme is the discernment of a life-long vocation to a challenging life and ministry. Inevitably some choose to step down from formation. Others continue to the joyful day when they leave the seminary and are ordained priests.

Throughout the last academic year, the College has followed its COVID-19 policy which has enabled seminary community to return and most aspects of formation to take place as normal within the college. It has been the pastoral programme of formation which has been most affected, as seminarians have not been allowed to visit hospitals, schools, parishes, and prisons as they would normally have done. Thankfully, the subsequent lifting of restrictions has enabled this aspect of formation to continue this year. During the last year, we have not been able to host external groups as we would normally. For the sake of all those involved with the life of the College, we continue to review our COVID-19 policy, responding to national updates.

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Year ended 31 July 2021

Development of Building Resources

With the continuing support of the Trustees, the College has been able to continue an ambitious programme of restoration of the College buildings both for the sake of good maintenance and the enhancement of living / working spaces. During 2020-2021 work was carried out in the main cloister including improvements to lighting and heating. Roof repairs were also carried out where needed, although further work to roofs is planned. The building's communal spaces are significant for the resident community and for hosting diocesan and national Church events. Their restoration supports the core work of the College and its reputation.

Cemetery and Grounds

We continue to develop the cemetery and have made plans for a staged process of reclaiming land and developing grave plots and an attractive site for the burial of cremated remains.

Environmental considerations

The College is working hard to try to reduce utility costs where possible, and to reduce its impact on the environment. Over 10,000 saplings have been planted in order to produce sufficient coppiced wood to run a wood burner. The wood burner, in association with solar panels, provides hot water for the kitchens. The College also makes every effort to compost kitchen waste, and recycle as much paper and card refuse as possible. Energy saving bulbs are used where possible with automatic switches to turn lights off in low traffic areas.

College site

Given their historic nature, the maintenance and preservation of the buildings is an important part of the College's activities. Inevitably, with a building of this age there is a certain amount of reactive maintenance. A schedule of maintenance is drawn up each year. Expenditure is prioritised based on the risk associated with each area, such that high risks are dealt with as a priority. Consultants are used to assess the Fire, Plumbing and Building related issues faced by the College. The Trustees approve all such expenditure either directly or through the Maintenance Sub-committee. At least two quotations are sought for all work over £10,000. Spend against budget is monitored throughout the year by the Maintenance Sub Committee of Trustees, with the majority of larger projects taking place outside term time.

Propagation of the Catholic Faith

As in previous years, the College has actively supported the propagation of the Roman Catholic faith, although this has inevitably been curtailed due to COVID restrictions. This would normally take a variety of forms including hosting large events and visits by seminarians to local parishes to publicise the work of the Seminary. This year, large events did not take place, but the life of the College was publicised online where possible.

Public Events and access

In addition to the use of the College facilities for visiting clergy and school groups, Oscott also hosts Events, Public Lectures and Visitor Sundays when the College and Museum are open to the public. During normal years up to 5,000 visitors attended events, but during 2020-21 these were cancelled due to safety concerns resulting from the pandemic. Oscott has recently re-started weekly guided tours of the building followed by afternoon tea. The College chapel is also normally open to the public for Evening Sunday Prayer during term time. All these public events are advertised on our website www.oscott.org as well as in the local parishes and press. A conservative estimate suggests there are 20,000 visitors to the College during the course of a normal College year, but the pandemic has severely curtailed this for obvious reasons.

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Year ended 31 July 2021

Oscott College Library

The Library has a qualified part-time Librarian. With his assistance, the College has developed its on-line resources, including subscriptions to journals. The College is also looking to increase access to its main Library and Recusant collections, by increasing staffing levels. Conscious that the Library is one of the most significant Catholic libraries in the country, we continue to buy the latest relevant books in large numbers, while seeking to plug gaps in specialisations.

Financial Review

The accounts for the year show a net surplus of £5,307k (2020: £(1,738)k net deficit). Excluding other recognised gains and losses, the net operating deficit for the year was £(304)k (2020: £(149)k deficit).

The current year reported in these accounts incorporated time of significant change and disruption due to the untimely death of our recently appointed Rector, Canon Giles Goward in January 2021 and the ongoing operational challenges caused by the COVID-19 pandemic. The college was able to provide face to face lectures for the first semester, although visitors and social mixing were curtailed to protect the resident community. The college provided a mix of online and face to face tuition with only senior year groups returning to college in January. The remaining seminarians returned to Oscott prior to Easter, and remained in situ until the end of term.

Income

Income from normal operations of the College amounted to £2,596k (2020: £2,649k). This slight decrease was due to reduced income from donations and government grants. Gross investment income fell 15% to £797k (2020: £936k). This reflected uncertainty in economic markets with a 16% drop in dividend income to £761k (2020: £901k).

Charitable income increased by 12% to £1,702k (2020: £1,521k). Student formation income decreased slightly to £1,164k (2020: £1,179k). The annual gross tuition fee charged to Dioceses per student remained unchanged for a second year running, despite increasing costs. The costs of Student Formation and running the College site are not fully covered, and the charity continues to heavily subsidise fees with its investment income. Diaconate student fees charged per student remained the same as in the previous year, with fee income totalling £125k (2020: £98k) within the total fees shown above.

Income from the cemetery increased to £318k (2020: £294k), reflecting increased number of burials. College site income includes income from group hire and accommodation charges, as well as £32k (2020: £33k) of Renewable Heat Incentive (RHI) income. College site income increased to £218k (2020: £45k) mainly due to rent charged for temporarily subletting accommodation to the Jesuit community from September 2020.

The college took advantage of the Coronavirus Job Retention Scheme ("CJRS"), by furloughing staff where they were unable to work remotely, and received grants totalling £30k for the period to 31 July 2021 (2020: £82k). Employees continued to be paid in full, as the Trustees agreed that the CJRS furlough income should be supplemented up to 100% of wages.

Expenditure

The costs of raising funds of £107k (2020: £100k) relates to Investment manager fees for managing the investment portfolio on a discretionary basis. Charitable expenditure has increased by 3.5% to £2,793k (2020: £2,698k).

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Year ended 31 July 2021

Financial Review (continued)

Student formation costs of £1,247k (2020: £1,280k) include costs of resident priests and external lecturers, costs of the chapel, library and direct costs applicable to students. The increased employee costs of £319k (2020: £309k) and lecturers/materials costs of £282k (2020: £291k) result from the increased number and cost of lay employees and external lecturers needed to deliver the formation programme. Where lectures were held remotely, there were external lecturer travel cost savings. Validation fees are paid to the University of Birmingham for seminarians in years 1-3 undertaking a degree in theology Pilgrimage and retreat costs of £9k (2020: £44k) reflect the postponement of the annual pilgrimage for Year 4 students to the Holy Land scheduled for January 2021. The previous year's Holy Land pilgrimage had gone ahead as planned in January 2020.

Cemetery and grounds costs include maintenance of graves, paths, woodlands and fields as well as vehicle and security costs of the whole site. Overall costs this year of £356k (2020: £299k) reflect higher maintenance costs of £105k (2020: £69k) and increased employee costs of £150k (2020: £132k). More work was carried out in the grounds and cemetery this year, in part to catch up on the prior year. The cemetery remained open for burials, in line with government guidelines throughout the pandemic, although public access was restricted during lockdowns. More of the College's grounds are now maintained by those fulfilling community payback with the Probation Service, although this work had to be curtailed during the pandemic.

College site costs include building and maintenance costs, health and safety, staff training and development as well as the cost of utilities and insurance. Excluding support cost allocation, the College site costs have increased from £977k in 2020 to £990k in 2021, of which maintenance expenditure is £455k (2020: £456k). Employee costs have increased to £268k (2020: £248k).

The maintenance team on site has expanded over recent years, so that more of the work is carried out in-house, resulting in cost savings overall. Site maintenance continues to be a significant cost for the charity, as the age of the Victorian grade II* listed building necessitates ongoing work, and refurbishment to be fit for purpose, and meet changing needs. A Surveyor's Quinquennial report on the building is used to highlight areas where additional maintenance work is needed in the coming years.

Utility costs, including insurance and purchase of wood fuel for the Biomass system, have increased to £187k (2020: £176k). During the prior year, 2020, savings were made in heating, cooking and lighting costs (gas and electricity) due to the site being largely shut down during lockdown. Gas costs for 2021 were up over 30% to £35k, and insurance up 15% to £44k, while electricity costs were relatively static.

Propagation of the Roman Catholic faith costs include museum and heritage costs have increased significantly to £89k (2020: £29k). There was a window restoration project in the current financial year, so Museum and Heritage costs were £64k (2020: £7k).

Support Costs of £674k (2020: £671k), which are allocated over the above headings, include the housekeeping costs of the College (kitchen, laundry and cleaning) as well as administrative staff costs and expenses. Administrative costs have decreased to £217k (2020: £231k) primarily due to lower computer support costs, and savings on stationery and photocopying.

Kitchen and domestic costs have increased to £457k (2020: £440k) reflecting increased food and catering supplies costs of £110k (2020: £97k), and cleaning and laundry supplies of £28k (2020: £15k). Cleaning has increased in frequency with additional sanitisation of communal spaces during the past year. Decreased employee costs of £305k (2020: £317k) reflect staff changes during the year.

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Year ended 31 July 2021

Other recognised gains and losses

These relate to the realised gains and unrealised losses on the investment portfolio. The portfolio of quoted securities has generally moved in line with the market although asset allocation has produced returns that are better than that benchmark.

The COVID-19 pandemic brought significantly more volatility than normal to the stock market, and the investment portfolio value decreased by more than 20% in the period from 21 January to 17 March 2020 (from £31.8m to £25.0m). By the previous year end, 31 July 2020, the investment portfolio had recovered some of the losses and was valued at £29.3m (including investment cash). The portfolio has subsequently gained value to £34.5m (including investment cash).

Gains for the year on quoted investment assets were £5,561k (2020: £(1,589)k losses). These include both realised gains of £851k (2020: £735k realised gain) on share disposals, and unrealised gains of £4,710k (2020: £(2,324)k unrealised losses) from the movement in value of those quoted securities, held at the year end. This latter amount can vary on a day to day basis depending upon the performance of the Stock Market. It is for this reason that the Trust designates an investment revaluation fund. The Stock market continues to show volatility as a result of COVID variants, and other geopolitical and environmental factors.

Also included in the other recognised gains and losses, are unrealised revaluation gains on the investment property of £25k and Ground leases of £25k (2020: £nil).

Principal Funding Sources

The principal funding sources arise through:

- (i) *Fees payable for the student tuition*
Student fees are financed by the Diocese which sponsors them. Although the College is closely linked with the Birmingham Archdiocese, other Dioceses – Aberdeen, Brentwood, East Anglia, Hallam, Hexham & Newcastle, Lancaster, Leeds, Liverpool, Menevia, Motherwell, Northampton, Portsmouth, Plymouth, Salford and Shrewsbury - also sponsored students to the College during the year. This is now the largest source of income for the College.
- (i) *Investment income derived from the Charity's portfolio of investments*
This is currently the second largest of the College's sources of income.
- (ii) *Income derived from the operation of the cemetery which is available for both interment of clergy and the public.*
- (iv) *Hospitality income arising through conferences, retreats etc.*
This arises mainly from Church and parochial events which mainly take place out of term time, as well as College tours.

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Year ended 31 July 2021

College Land and Buildings and Heritage Assets

A valuation of the College land and buildings was last conducted by Reeves and Partners at 31 July 2015. On 31 July 2017 the College Land and buildings were transferred to the CIO from the previous trust at Net Book Value. No fair value adjustments were made, although a residual value was estimated, which served to reduce the annual depreciation charge on the building.

Heritage assets comprise a wide variety of relics, religious artefacts and works of art in the Museum which have been donated to the College over its history. There have been no changes to this valuation. Details are given in note 13b.

Investment Property Assets

The Charity owns Grove House, close to the College, which historically was used for College staff in the 1980's but is now occupied by clergy from the Birmingham Archdiocese. The Charity also owns freehold ground leases against which it receives ground rents.

These investment property assets were revalued by GJS Dillon in July 2021. The Trustees are satisfied that valuations are appropriate as at 31 July 2021.

Investment policy

The Charity has an investment portfolio, the income from which is used to support the work of the College. The fund is primarily invested in quoted shares and fixed interest gilts and bonds rated "A" or higher.

The investment objectives are for a secure level of income together with some capital appreciation in order to maintain the real value of the fund. The Trustees (through a committee) receive professional advice on the structure of the portfolio and all investment decisions.

The Trustees' ethical policy is that, "the charity seeks not to invest in undertakings directly or mainly involved in manufacture and/or supply of goods and services which would not be in accordance with the teachings of the Gospel and the social teachings of the Roman Catholic Church. The charity's investments are reviewed regularly and advice sought from competent sources with regard to ethical concerns. The charity may continue to invest in companies involved in activities which may give rise to ethical concerns where these activities are considered minimal in relation to that company's overall business. Where appropriate, the charity will engage in dialogue and seek to make its views known to such companies in which it invests."

The performance of the Investment manager is reviewed regularly and benchmarked against recognised performance measurements.

Included in the value of quoted investments is an unrealised surplus of £10.0m compared with surplus (2020: £5.3 million). The change in the market value of the portfolio is consistent with movements in the stock market values during the period.

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Year ended 31 July 2021

Reserves policy

The Accumulated Funds of the Charity amount to £50.0m (2020: £44.7m) and are mainly represented by investments and Land and Buildings. The income generated from the investments is necessary to fund the ongoing and developing activities and is not available for other purposes.

Furthermore, part of the reserves is represented by unrealised profits or revaluation surpluses on the investments and assets used in carrying out the Charity's activities. It is also considered by the Trustees that part of the reserves should be used to maintain the property in a condition which recognises not only the work of training new priests but also preserving the buildings in a condition fit and proper to their historical importance.

Burial plots are sold on a 75 year licence, which can be extended to 99 years in total. This obligates the Charity to suitably maintain those plots over the licence period. In view of this future liability, the Trustees consider it prudent to set up a fund for cemetery maintenance to contribute to the cost.

The Trustees have decided to designate or set aside the funds for specific purposes as follows:

- (i) Investment revaluation fund - £10.7m**
This represents the surplus value above cost of the investments (including investment property) which fluctuate on a day to day basis. The Trustees believe that it is inappropriate to consider that this unrealised surplus is available for the ongoing work of the College.
- (ii) Heritage assets revaluation fund - £0.8m**
This represents the revaluation of Heritage assets held by the College. The Trustees believe that it is inappropriate to consider that this unrealised valuation surplus is available for the ongoing work of the College. The nature of the items included as Heritage assets are such that they are a fundamental part of Oscott, and would not be freely convertible into general funds for the charitable purposes of the Trust.
- (iii) Land and buildings revaluation fund - £13.1m**
This represents the surplus on revaluation of College land (£2.2 million) and buildings (£10.9 million) held by the College less accumulated depreciation since the valuation. The Land and Buildings were last professionally revalued as at 31 July 2015. The Trustees believe that it is inappropriate to consider that this unrealised valuation surplus is available for the ongoing work of the College.
- (iv) College maintenance fund - £5.0m**
This is an estimate based on approximately 10 years' worth of average maintenance expenditure. This does not cover any major building or refurbishment projects, but the day to day repair and upkeep of a building that is over 150 years old.
- (v) Cemetery maintenance fund - £3.9m**
This is an amount set aside to meet the estimated cost of providing future maintenance to the existing burial plots during the remainder of their 75-year leases.

The Trustees consider that the level of reserves is appropriate to generate the available income required for the College and to provide for the maintenance of the historic buildings and artefacts.

Plans for Future Periods

The College continues to look at ways to improve the use of the building for the purposes of the CIO and maintain its condition. In order to reduce the college's carbon footprint, a review of utilities is underway. The college already takes advantage of Biomass to heat the majority of the college, but we continue to investigate alternatives including solar panels. The intention is to move to electric vehicles where possible by 2023, and install charging points on site. The Jesuit Novitiate, who have been resident since September 2020 will move to their redeveloped site in Harborne in summer 2022. This will return accommodation to college use.

REPORT OF THE TRUSTEES

Year ended 31 July 2021

Post-Balance Sheet Events

At the date of signing, all seminarians have returned to the college site, all lectures are in person.

Though there remains a high level of uncertainty about the extent and the timeframe of the virus on the global economy, the Trustees believe the Charity is well placed to handle any downturn that may occur. The planned trip to the Holy Land in January 2022 did not proceed due to the complexities of travel and quarantine restrictions. Otherwise the college has been able to operate as normal.

Statement of Responsibilities of the Trustees

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Cooper Parry Group Limited have expressed their willingness to continue in office and will be proposed for re-appointment at the Annual General Meeting.

Approved by the Trustees on 17 February 2022 and signed on its behalf by The Most Rev B Longley Archbishop of Birmingham.

For and on behalf of the Trustees

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

ST MARY'S COLLEGE OSCOTT CIO

Opinion

We have audited the financial statements of St Mary's College Oscott CIO (the 'charity') for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2021, and of its incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

ST MARY'S COLLEGE OSCOTT CIO

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 set out on page 13, the Trustees are responsible for the preparation of financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

Our assessment focussed on key laws and regulations the charity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Charities Act 2011, taxation legislation, data protection and anti-bribery.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charity and how the charity is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the charity's control environment and how the charity has applied relevant control procedures, through discussions with Trustees and other management;
- obtaining an understanding of the charity's risk assessment process, including the risk of fraud; and

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

ST MARY'S COLLEGE OSCOTT CIO

- performing audit testing to address the risk of management override of controls, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Cooper Parry Group Limited
Statutory Auditors

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 17 February 2022

Cooper Parry Group Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ST MARY'S COLLEGE OSCOTT CIO

STATEMENT OF FINANCIAL ACTIVITIES**for the year ended 31 July 2021**

		2021 Total funds £'000	2020 Total funds £'000
Income from:	Note		
Donations and legacies	3	67	110
Investments	4	797	936
Charitable activities	5	1,702	1,521
Grants receivable	6	30	82
		<hr/>	<hr/>
Total income		2,596	2,649
		<hr/>	<hr/>
Expenditure on:			
Raising funds		107	100
Charitable activities	8	2,793	2,698
		<hr/>	<hr/>
Total expenditure		2,900	2,798
		<hr/>	<hr/>
Other recognised gains and losses			
Gains / (losses) on investment assets	14	5,611	(1,589)
		<hr/>	<hr/>
Net movement in funds being net income / (expenditure) for the period		5,307	(1,738)
Reconciliation of funds			
Total funds brought forward		44,678	46,416
		<hr/>	<hr/>
Total funds carried forward	17	49,985	44,678
		<hr/> <hr/>	<hr/> <hr/>

All of the above results are derived from continuing activities. There were no recognised gains or losses for 2020 and 2021 other than those stated above.

All funds relate to unrestricted funds.

The notes on pages 20 to 36 form part of these financial statements.

ST MARY'S COLLEGE OSCOTT CIO

BALANCE SHEET

as at 31 July 2021

	Note	2021	2020
		£'000	£'000
Fixed assets			
Tangible assets	13(a)	13,484	13,546
Heritage assets	13(b)	825	825
Investments	14	<u>35,122</u>	<u>29,915</u>
		49,431	44,286
Current assets			
Debtors	15	185	110
Cash at bank and in hand		<u>510</u>	<u>497</u>
		695	607
Liabilities			
Creditors: amounts falling due within one year	16	<u>(141)</u>	<u>(215)</u>
Net current liabilities		<u>554</u>	<u>392</u>
Total net assets		49,985	44,678
		<u><u>49,985</u></u>	<u><u>44,678</u></u>
Unrestricted funds			
Designated	17	33,611	28,814
General	17	16,374	15,864
		<u>49,985</u>	<u>44,678</u>
		<u><u>49,985</u></u>	<u><u>44,678</u></u>

The notes on pages 20 to 36 form part of these financial statements.

The financial statements were approved by the Trustees on 17 February 2022 and signed on its behalf by The Most Rev B Longley Archbishop of Birmingham.

For and on behalf of the Trustees

ST MARY'S COLLEGE OSCOTT CIO

STATEMENT OF CASH FLOWS

for the year ended 31 July 2021

	Note 2020	2021 £'000	£'000
Net cash used in operating activities	21	(1,170)	(919)
Net cash provided by investing activities	22	1,183	1,046
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		13	127
Net movement in cash			
Cash and cash equivalents at beginning of period		497	370
		<hr/>	<hr/>
Cash and cash equivalents at end of period		510	497
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2021

1 Accounting policies

1.1 Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared on a going concern basis under the historical cost convention as modified for the revaluation of certain tangible fixed assets, investments and Heritage assets and include the results of the charity's operations which are described in the Report of the Trustees. The financial statements are prepared in Sterling which is the functional currency of the charity.

A wholly owned limited company, Oscott Trading Limited, was incorporated in 2010. This company has remained dormant and accordingly, consolidated accounts have not been prepared.

1.2 Fixed assets

Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Motor vehicles	-	25% per annum on cost
Fixtures, fittings and equipment	-	10% and 20% per annum on cost
Computer equipment	-	33 1/3% per annum on cost
Cemetery improvements	-	6 2/3% per annum on cost
Biomass heating project	-	5% per annum on cost

The Land and Buildings of the College are shown in the Balance Sheet at a depreciated replacement cost being the current cost of replacing an asset with its modern equivalent asset, less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

The College buildings are depreciated over 50 years based on the depreciated replacement cost (as calculated in 2015) less the estimated residual value. A valuation of Land and Buildings, as at 31 July 2015, was carried out as noted in note 13a.

Investments

Investments are stated at market value. Realised and unrealised gains and losses on investments are reflected in the Statement of Financial Activities. Unrealised gains and losses represent the movement in market value during the year. Realised gains and losses are computed by comparing disposal proceeds with the historic book cost. Investment properties are professionally revalued every 5 years. No depreciation is charged on investments.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2021

Heritage assets

Oscott has three collections of heritage assets which are held in support of the CIO constitution requirement of Propagation of the Roman Catholic Religion, with the objective of promoting appreciation, knowledge and understanding of the faith and its history and heritage in the UK. More information of these is given in note 13b.

- (i) Museum artefacts and artwork;
- (ii) Recusant Library; and
- (iii) Chapel and Sacristy Fixtures and fittings.

Heritage assets are valued where practically possible, and where the cost of such a valuation is in proportion with the accuracy and relevance of the information gained.

In the case of the Museum artefacts and artwork the Trustees do not consider that reliable cost or valuation information can be obtained for the majority of items held; however a valuation has been included based on an assessment of all items considered to be worth at least £10,000.

The Chapel and Sacristy items and the Recusant Library collection have not been valued as it has not been possible to identify suitable experts that are willing or able to value such items at a cost of valuation that the Trustees find acceptable given the limited benefit of such a valuation to the Charity. It is the intention of the Trustees to review the possibility of valuation regularly. These items have been donated to the College over the last 200 years, and so no reliable cost information is available. They have therefore not been recognised on the Balance Sheet. No donations have been received in over 10 years.

Expenditure, which in the Trustees view, is required to preserve or clearly prevent further deterioration of individual heritage items is recognised as expenditure in the year it is incurred. No depreciation is charged on heritage assets as the assets are deemed to have indeterminate lives.

The College is not looking to extend its collection of heritage assets; however any donations received are reported at the best estimate of value and acquisitions made are reported at cost.

1.3 Fund accounting

Unrestricted funds and designated funds

Unrestricted funds represent funds that are expendable at the discretion of the Trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment. Designated funds are those funds which are unrestricted in nature but which have been designated by the Trustees to be used in a particular manner.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2021

1.4 Recognition of income

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income by way of grants, donations and gifts is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when it becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance. Where income is received in advance of performance it is treated as deferred income and included within creditors.
- Legacies are recognised on a receivable basis when there is sufficient evidence of entitlement, receipt is probable and the amount can be reliably measured. Probability of receipt occurs where there is a grant of probate, the executors have established there are sufficient assets to pay the legacy and any conditions attached to the legacy are either within the control of the charity or have been met.
- Income from investments is included in the Statement of Financial Activities in the year it is receivable.
- Fees and charges for services are accounted for in the period in which tuition and services are provided. Fees received in advance are treated as deferred income.

1.5 Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are reflected in the Statement of Financial Activities as incurred.

1.6 VAT

Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities and tangible fixed assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2021

1.7 Employee benefits

The charity contributes to the personal pension schemes of certain of its employees. All employees are eligible to join the scheme provided they have completed the necessary probation period and make contributions themselves. The College has operated an Auto Enrolment Pension Scheme since August 2015. Contributions are charged to the Statement of Financial Activities in the year in which they are incurred.

1.8 Going concern

Having considered the ongoing impact of COVID-19 on the College's operations and investment portfolio, and having considered future operating levels, the Trustees are confident the College has sufficient assets to continue to operate. The college has cash reserves at the Bank and within the investment portfolio to fully cover any operating losses for significantly longer than the next 12 months from the date of signing these accounts. The level of future operating losses (excluding investment gains / losses) is expected to be manageable. Seminarian numbers are expected to remain roughly constant. Accordingly, these financial statements have been prepared on a going concern basis.

2 Net outgoing resources

	2021	2020
	£'000	£'000
These are stated after charging the following:		
Depreciation	80	89
Auditor's remuneration	9	14
	<u> </u>	<u> </u>

3 Donations and legacies

	2021	2020
	£'000	£'000
Coin proceeds	-	69
Legacy	62	22
Other donations	5	19
	<u> </u>	<u> </u>
	67	110
	<u> </u>	<u> </u>

4 Investment income

	2021	2020
	£'000	£'000
Dividends	761	901
Rents	36	35
	<u> </u>	<u> </u>
	797	936
	<u> </u>	<u> </u>

ST MARY'S COLLEGE OSCOTT CIO

Year ended 31 July 2021

5	Incoming resources from charitable activities	2021	2020
		£'000	£'000
	Student formation	1,164	1,179
	Cemetery	318	294
	College Site	218	45
	Propagation of the Roman Catholic Faith	2	3
		<u>1,702</u>	<u>1,521</u>
		<u><u>1,702</u></u>	<u><u>1,521</u></u>
6	Grants receivable	2021	2020
		£'000	£'000
	Coronavirus Job Retention Scheme	30	82
		<u>30</u>	<u>82</u>
		<u><u>30</u></u>	<u><u>82</u></u>
7	Governance costs	2021	2020
		£'000	£'000
	Auditor's remuneration	9	14
	Professional advice/Support costs	10	5
		<u>19</u>	<u>19</u>
		<u><u>19</u></u>	<u><u>19</u></u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2020

8 Expenditure on charitable activities

	Student Formation & £'000	Cemetery & Grounds £'000	College site £'000	Propagation of Roman Catholic faith £'000	2021 Total £'000	2020 Total £'000
Employee costs	319	150	268	23	760	711
Maintenance/building costs	-	105	455	-	560	525
Lecturers/materials	282	-	-	-	282	291
Utilities & insurance	-	-	187	-	187	176
Depreciation	-	12	68	-	80	89
Museum and Heritage costs	-	-	-	64	64	7
Exams / Course Validation	44	-	-	-	44	37
Vehicle costs	-	33	-	-	33	23
Staff travel & training	13	9	6	-	28	48
Library Books, periodicals	24	-	-	-	24	19
Health & Safety / Welfare	16	4	2	-	22	15
Chapel / Organ costs	19	-	-	-	19	12
Pilgrimages and retreats	9	-	-	-	9	44
Other costs	1	-	4	2	7	30
	<u>727</u>	<u>313</u>	<u>990</u>	<u>89</u>	<u>2,119</u>	<u>2,027</u>
Support costs (Note 9)	<u>520</u>	<u>43</u>	<u>89</u>	<u>22</u>	<u>674</u>	<u>671</u>
Total	<u>1,247</u>	<u>356</u>	<u>1,079</u>	<u>111</u>	<u>2,793</u>	<u>2,698</u>
2020	<u>1,280</u>	<u>299</u>	<u>1,067</u>	<u>52</u>	<u>2,698</u>	

9 Support costs

	Administrative £'000	Kitchen & domestic £'000	Total 2021 £'000	Total 2020 £'000
Employee costs	149	305	454	468
Provisions/catering supplies	-	110	110	97
Cleaning, kitchen and laundry	-	28	28	15
Training & welfare	5	14	19	12
Governance (Note 7)	19	-	19	19
Computer support /licences	18	-	18	23
Stationery, photocopying, postage and printing	16	-	16	20
Professional fees	9	-	9	9
Sundries	1	-	1	8
Total	<u>217</u>	<u>457</u>	<u>674</u>	<u>671</u>
2020	<u>231</u>	<u>440</u>	<u>671</u>	

Support costs are allocated to activities on a percentage basis linked to staff time spent on activities.

ST MARY'S COLLEGE OSCOTT CIO

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2021

10	Employee costs and numbers	2021	2020
		£'000	£'000
	Salaries, wages and related costs	1,003	970
	Social security costs	89	88
	Pension costs	122	121
		<u>1,214</u>	<u>1,179</u>
		<u><u>1,214</u></u>	<u><u>1,179</u></u>
	The average number of full-time equivalent employees during the year was:	2021	2020
		No.	No.
	Domestic & Manual	26	24
	Administration	3	4
	Educational and Heritage	9	8
		<u>38</u>	<u>36</u>
		<u><u>38</u></u>	<u><u>36</u></u>

There were two employees (2020: none) earning between £60,000 and £70,000 during the year. One of those employees' earnings included invoiced charges of £7,650 for lecturing services.

The total employment benefits including employer pension contributions, of the senior management personnel were £379k (2020: £399k).

11 Related party transactions

Most Rev. B Longley, and Very Rev Richard Walker are trustees of St Mary's College Oscott CIO and are also trustees of the Archdiocese of Birmingham – Charity no 234216.

Student fees are charged to the Archdiocese for seminarians at the standard full rate. During the year £187k was charged to the Archdiocese of Birmingham in Seminarian and diaconate fees (2020: £142k). In addition, rent of £36k (2020: £35k) was charged to the Archdiocese for use of Grove House and other office space on the College site. Rent is charged at market rates and included within rental income. Recharges for staff seconded to the Archdiocese amounted to £21k (2020: £23k). At the year end there was a balance of £15k (2020: £8k) owed to the college.

Stipends and expenses of £50k (2020: £53k) were paid to the Archdiocese of Birmingham in respect of resident priests, and are included within Lecturers' costs. No balances remained payable at the year end (2020: £nil).

In the current year, the £3.5k balance of a loan of £6k, made to the Vice-Rector in 2020, was repaid.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

12 Taxation

As a charity, St Mary's College Oscott CIO, is exempt from tax on income and gains falling within section 478 of the Taxes Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen within the charity.

ST MARY'S COLLEGE OSCOTT CIO

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2021

13(a) Tangible fixed assets

	Land (including cemetery)	College Buildings	Biomass system	Cemetery Project	Motor Vehicles	Fixtures fittings and equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
As at 1 August 2020	2,200	11,475	490	129	155	243	14,692
Additions	-	-	-	-	-	18	18
At 31 July 2021	2,200	11,475	490	129	155	261	14,710
Depreciation							
As at 1 August 2020	-	528	171	93	150	204	1,146
Charge for year	-	23	26	8	3	20	80
At 31 July 2021	-	551	197	101	153	224	1,226
Net book value							
At 31 July 2021	2,200	10,924	293	28	2	37	13,484
Net book value At 31 July 2020	2,200	10,947	319	36	5	39	13,546

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2021

13(a) Tangible fixed assets (continued)

Oscott College Land and Buildings

In the original Indenture of 1899 the Seminary (and other property) are stated to have been acquired "from time to time out of monies voluntarily contributed with the object of promoting the education of Roman Catholic Students... and applicable as capital or income for any purpose directed to that object...".

The Indenture endowed the assets to trustees for the future. The College Buildings and Land forming the College site were therefore conferred on the charity as part of its original Trust Deeds.

The College is situated on approximately 50 acres of land including the Oscott Cemetery which is a private Catholic Cemetery. The Main buildings were constructed in the 1830's and designed by Pugin. Certain outbuildings have been added since, and a major renovation project was undertaken in the 1980s. A valuation was carried out as at 31 July 2015 by Reeves and Partners, Chartered Surveyors and Property Consultants to determine the depreciated replacement cost of the land and College buildings. These were transferred to the CIO at net book value on 31 July 2017.

Acquisition, preservation, management and disposal

The CIO constitution states that one of the charitable objects of the trust is to preserve and maintain the College buildings and land (including the cemetery). The costs of maintaining the buildings and land, as well as the cemetery, are shown as maintenance costs and are expensed in the year in which they occur. The Trustees look to ensure that as much of the building is in active use as is possible. The maintenance schedule is decided based upon the need to maintain a safe environment for staff and students and also to invest to reduce running costs where possible. Projects are identified annually and then costed within an overall maintenance budget. There are a team of groundsmen and maintenance staff employed by the College, and subcontractors are used where in-house skills are not available. The Seminary has been based at Oscott for over 150 years, and there are no present intentions to dispose of the land or the buildings.

Cemetery project

The cemetery project represents improvements to car parking, landscaping and facilities within Oscott Cemetery.

Biomass system

Assets referred to as the Biomass System are in respect of the replacement of gas boilers with a biomass system to heat the majority of the College. The work was completed in November 2013 but the majority of the plant was operational during September 2013.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2021

13(b) Heritage assets	Museum artefacts
	£'000
Heritage Valuation	
As at 31 July 2020	825
	<hr/>
As at 31 July 2021	825
	<hr/> <hr/>

Heritage assets

The Seminary was founded in May 1794 and the present College was built in 1836. The College quickly became a symbol of the rebirth of the Catholic faith in England and played a prominent part in the life of the Church in the nineteenth century. Over a period, the College acquired and has had donated to it a number of works of art and historic treasures, which it aims to hold in perpetuity as it seeks to preserve its patrimony as a spiritual, intellectual and historical centre for the Catholic community of England and Wales. The assets, where practical, have been valued as noted below.

Heritage assets reported in the balance sheet**Museum artefacts and artwork**

The Museum at Oscott contains artefacts, garments, sculptures and artwork primarily relating to the Catholic Heritage of Oscott and the Catholic Church in the West Midlands.

Acquisition, preservation, management and disposal

There are around 1,000 items in the Museum collection including a significant amount of memorabilia which is of no commercial value. These items have either been used historically by the Seminary, or have been donated by local parishes or individuals linked with the College. No significant donations have been received in the last 10 years. In order to assess the value of the collection in a timely and cost effective manner, only items with an individual valuation of £10,000 or more were professionally assessed in July 2011. 69 items were identified as falling into this category, including furniture, sculptures and paintings, and these items were then assessed by Mr Brendan Flynn, who is an expert art historian, a Curator of Fine Art and a lead officer at Birmingham City Council for the CAS Special Collections Scheme and the Art Fund International Scheme. He is also a mentor for the RBSA and the work was carried out via VA Conservation, Oxford. The valuation of these items is shown on the balance sheet. A group of volunteers is looking at how best to improve the display of the collection, and to preserve the artefacts. Where costs are incurred relating to the preservation of items these are expensed in the year in which they occur. The majority of items within the collection are unlikely to be disposed of as they relate directly to the history of the College. Any such disposal would be with the authorisation of the Trustees, but the value of the collection is more in terms of heritage, rather than a significant value in monetary terms.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2021

13(b) Heritage assets (continued)

Heritage assets not reported in the balance sheet

Records maintained of the collections and access by the public

All Museum items are recorded in an inventory supported by a photographic archive of the major pieces in the collection. The majority of items are kept in the College Museum although some of the larger pieces of sculpture are on display around the College. The Public have access to Oscott on many occasions during the year, but are specifically able to view items in the Museum collection during Visitor Sundays (held once each term) and during College Tours, which run on most Wednesday afternoons during term time, as long as this does not interfere with the needs of the Seminary.

(i) Recusant Library

The Recusant Library contains a collection of some 20,000 books from the 15th -18th Century. These were donated to the College going back over nearly 200 years and records of the donors are not available in most cases. The books have been collected over the years through donations by individuals and parishes, but no significant donations have been received in the last 10 years.

No valuation has been derived for the contents of the Recusant Library. It is the intention of the Trustees to identify experts who may be able to value these collections, but it is our opinion that it is not currently possible to provide a reliable estimate of their value in a cost effective manner. The lack of similar collections means that the cost of valuing such a diverse array of books significantly outweighs the benefit to the charity of doing so. The Library is an important part of the history of the Catholic Church in the United Kingdom enabling research to be undertaken whilst preserving the books for future generations. No similar books have been sold recently so no market values are available with which to compare the Oscott Collection. All books are catalogued and are available to researchers and members of the public by prior appointment with the Librarian. It is very unlikely that the collection would ever be disposed of. Upon request, and payment of a fee to cover costs, certain books have been digitally scanned so that researchers overseas are able to access the texts. Some books are so delicate that this would not be possible. The collection is housed in an environmentally controlled and damp proof room to preserve the books in as good a condition as possible. The cost of any restoration or preservation is assessed on a book by book basis and has to be considered in relation to the perceived importance of the documents concerned. Any such costs are expensed as they occur and are usually budgeted for in advance. Because the collection is kept in a controlled environment the costs of such preservation are hopefully minimised.

(ii) Chapel and Sacristy Fixtures and fittings

There are various vessels, chasubles and other church objects that are used in daily worship in the College Chapel by Oscott's staff and students. The majority of the items have been at the College for a considerable time and have been donated for Chapel use during the last 150 years or more. These items have not been valued as the cost of doing so is deemed by the Trustees to outweigh the benefit as the College would not look to dispose of any items. The College has Public Sunday evening worship, during which the items are used and on display. All items have been catalogued and are locked away when not in use. Any costs relating to their preservation or repair are expensed as they occur.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2021

14	Fixed asset investments	2021 £'000	2020 £'000
	Quoted investments		
	Market value at beginning of period	27,352	30,251
	Additions	3,998	5,248
	Disposals	(2,923)	(6,558)
	Net unrealised investment gains/(losses)	4,710	(2,324)
	Realised gains on disposals	851	735
		-----	-----
	Market value at end of period	33,988	27,352
	Cash held by Investment managers	475	1,954
		-----	-----
		34,463	29,306
		=====	=====
	Quoted investments historical cost at 31 July 2021	23,951	22,024
		=====	=====

The trustees consider individual holdings in excess of 5% of the investment portfolio value to be material. At 31 July 2021 there were no such holdings.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2021

14 Fixed asset investments (continued)**Investment in subsidiary undertaking**

The CIO owns 100 per cent of the issued share capital of Oscott Trading Limited comprising one Ordinary £1 share. The company was incorporated on 9 April 2010 and has been dormant since incorporation.

	2021	2020
	£'000	£'000
Freehold Property investments		
Grove House, Sutton Coldfield		
Market value at 1 August 2020	550	550
Revaluation – unrealised gain	25	-
	<u>575</u>	<u>550</u>
Market value at 31 July 2021	<u><u>575</u></u>	<u><u>550</u></u>

Valuations of Freehold Property Investments and Ground Leases were carried out as in July 2021 by GJS Dillon, Chartered Surveyors and valuers on an open market basis.

	2021	2020
	£'000	£'000
Freehold Ground Leases		
Market value at 1 August 2020	59	59
Revaluation – unrealised gain	25	-
	<u>84</u>	<u>59</u>
Market value at 31 July 2021	<u><u>84</u></u>	<u><u>59</u></u>

Freehold Ground leases were re-valued in July 2021 at between £22,000 and £40,000 each. The Trustees are satisfied that this is a true reflection of fair value as at 31 July 2021.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2021

14 Fixed asset investments (continued)**Summary of Fixed asset investments**

	2021 £'000	2020 £'000
Quoted investments (including cash)	34,463	29,306
Freehold Property investments	575	550
Freehold Ground Leases	84	59

	35,122	29,915
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Summary of gains/(losses) on investment assets

Quoted investments – unrealised gains / (losses)	4,710	(2,324)
Quoted investments – realised gains	851	735
Freehold ground leases – unrealised gains	25	-
Freehold property investments – unrealised gains	25	-

	5,611	(1,589)
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15 Debtors: amounts due within one year

	2021 £'000	2020 £'000
Debtors	50	19
Prepayments and accrued income	133	85
Sundry other receivables	2	6

	185	110
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16 Creditors: amounts due within one year

	2021 £'000	2020 £'000
Creditors	74	97
Taxation and social security	22	22
Accruals	45	96

	141	215
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2021

17 Unrestricted funds

Current year	31 July 2020 £'000	Incoming resources £'000	Outgoing resources £'000	Recognised (losses)/gains £'000	Transfers £'000	31 July 2021 £'000
Designated funds						
Investment revaluation Fund	5,937	-	-	4,759	-	10,696
Heritage assets revaluation Fund	825	-	-	-	-	825
Land and buildings revaluation fund	13,147	-	(23)	-	-	13,124
College maintenance Fund	5,000	-	(455)	-	455	5,000
Cemetery maintenance Fund	3,836	-	(48)	-	112	3,900
Museum Fund	69	-	(3)	-	-	66
	<u>28,814</u>	<u>-</u>	<u>(529)</u>	<u>4,759</u>	<u>567</u>	<u>33,611</u>
General funds	<u>15,864</u>	<u>2,596</u>	<u>(2,371)</u>	<u>852</u>	<u>(567)</u>	<u>16,374</u>
Total	<u>44,678</u>	<u>2,596</u>	<u>(2,900)</u>	<u>5,611</u>	<u>-</u>	<u>49,985</u>

Prior year	31 July 2019 £'000	Incoming resources £'000	Outgoing resources £'000	Recognised (losses)/gains £'000	Transfers £'000	31 July 2020 £'000
Designated funds						
Investment revaluation Fund	8,271	-	-	(2,334)	-	5,937
Heritage assets revaluation Fund	825	-	-	-	-	825
Land and buildings revaluation fund	13,170	-	(23)	-	-	13,147
College maintenance Fund	5,000	-	(456)	-	456	5,000
Cemetery maintenance Fund	3,790	-	(69)	-	115	3,836
Museum Fund	-	69	-	-	-	69
	<u>31,056</u>	<u>69</u>	<u>(548)</u>	<u>(2,334)</u>	<u>571</u>	<u>28,814</u>
General funds	<u>15,360</u>	<u>2,580</u>	<u>(2,250)</u>	<u>745</u>	<u>(571)</u>	<u>15,864</u>
Total	<u>46,416</u>	<u>2,649</u>	<u>(2,798)</u>	<u>(1,589)</u>	<u>-</u>	<u>44,678</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2021

17 Unrestricted funds (continued)

Investment revaluation fund

This represents the revaluation element of the investments which fluctuate on a day to day basis. The trustees believe that it is inappropriate to consider that this unrealised surplus is available for the ongoing work of the College. This includes unrealised valuation movements in investment property.

Heritage asset revaluation fund

This represents the revaluation of Heritage assets held by the College. The trustees believe that it is inappropriate to consider that this unrealised valuation surplus is available for the ongoing work of the College.

Land and buildings revaluation fund

This represents the revaluation of College land and buildings. The trustees believe that it is inappropriate to consider that this unrealised valuation surplus is available for the ongoing work of the College.

College maintenance fund

This fund is calculated based on an estimate of future maintenance of the College building and grounds over the next ten years. It represents the ongoing annual maintenance costs associated with an asset of the size and quality of the College, in order to keep the fabric of the building sound and suitable for the purposes of the charity.

Cemetery maintenance fund

This is an amount set aside to meet the estimated cost of providing future maintenance to the burial plots, each of which is leased to the plot holder for a period of 75 years.

Museum Fund

This fund has been created to identify the revenue from the coin sale in 2020, which has been set aside to fund a refurbishment of the Museum displays and storage cabinets in the coming years.

18 Analysis of net assets between funds

	General funds	Designated funds	Total
Current Year	2021	2021	2021
	£'000	£'000	£'000
Investments	15,460	19,662	35,122
Tangible fixed assets	360	13,124	13,484
Heritage assets	-	825	825
Current assets	695	-	695
Current liabilities	(141)	-	(141)
	<u>16,374</u>	<u>33,611</u>	<u>49,985</u>
	<u> </u>	<u> </u>	<u> </u>
Prior Year	General funds	Designated funds	Total
	2020	2020	2020
	£'000	£'000	£'000
Investments	15,073	14,842	29,915
Tangible fixed assets	399	13,147	13,546
Heritage assets	-	825	825
Current assets	607	-	607
Current liabilities	(215)	-	(215)
	<u>15,864</u>	<u>28,814</u>	<u>44,678</u>
	<u> </u>	<u> </u>	<u> </u>

ST MARY'S COLLEGE OSCOTT CIO
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2021

19 Capital commitments

At 31 July 2021 the charity had no capital commitments contracted for but not provided in these financial statements (2020: NIL).

20 Commitments under operating leases

The charity has the following annual commitments under non-cancellable operating leases.

	2021	2020
	£'000	£'000
Non-cancellable operating leases	2	5
	<u> </u>	<u> </u>

21 Reconciliation of net expenditure to net cash flow from operating activities

	2021	2020
	£'000	£'000
Net income for the reporting period (before gains on investment assets)	(304)	(149)
Depreciation charge	80	89
Investment income receivable	(797)	(936)
(Increase) / decrease in debtors	(75)	16
(Decrease) / increase in creditors	(74)	61
	<u> </u>	<u> </u>
Net cashflow used in operating activities	(1,170)	(919)
	<u> </u>	<u> </u>

22 Net cash provided by investing activities

	2021	2020
	£'000	£'000
Investment income received	797	936
Purchase of tangible fixed assets	(18)	(14)
Purchase of investments by investment manager	(3,998)	(5,248)
Sale of investments by investment manager	2,923	6,558
Decrease / (Increase) in cash held by investment manager	1,479	(1,186)
	<u> </u>	<u> </u>
	1,183	1,046
	<u> </u>	<u> </u>