
ST MARY'S COLLEGE OSCOTT CIO

REPORT AND FINANCIAL STATEMENTS

31 JULY 2018

Charity number: 1172979

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As detailed in the Report of the Trustees, the assets, liabilities and activities of St Mary's College, Oscott (charity number 529036) were transferred to St Mary's College Oscott CIO on 31 July 2017.

Note 22 provides details of the assets, liabilities and funds that were transferred as part of this transaction on 31 July 2017 and which formed the opening balance sheet of the CIO.

REPORT OF THE TRUSTEES

Period ended 31 July 2018

The Trustees of St Mary's College Oscott CIO are pleased to present their first report and audited financial statements as a charitable incorporated organisation (CIO) for the charity's first period ended 31 July 2018.

The CIO was incorporated with the Charity Commission on 10 May 2017 and was until 31 July 2017 when the assets, liabilities, employees and activities of Oscott College were transferred from Charity no. 529036 ("St Mary's College, Oscott (Oscott College)") following an order made on 22 June 2017 under section 105 of the Charities Act 2011. Details of the assets, liabilities and funds transferred to the CIO on 31 July 2017 are shown in note 22.

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 comprised the Trustees of St Mary's College Oscott CIO and, unless stated otherwise, who served during the period 10 May 2017 until 31 July 2018:

The Most Rev B Longley MA STL	
Rt Rev D McGough LSS STL	
Mr A J Broom KSG FCA * §	
Mr B Basford §	
Mr P Horgan KSG FCA § #	
Mrs C O'Brien BA	
Rev R Walker LLB STL	
Rev Mr D Palmer FCA * #	
Mr A Grant FRICS DL	
Rt Rev R Byrne CO BD AKC	(Appointed 17 October 2017, Resigned 28 February 2019)
Rev M Dolman	(Appointed 17 October 2017)

- * denotes membership of the Investment sub-committee
- § denotes membership of the Maintenance sub-committee
- # denotes membership of Remuneration sub-committee

Subsequent to the year end, the Trustees have adopted a new Governance Framework in response to the Charity Governance Code and have reviewed the committee structure. 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; Investments; Remuneration and HR; Legal Compliance and Governance; and Property.

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

REPORT OF THE TRUSTEES

Period ended 31 July 2018

Senior management personnel

Rector	Rev Canon Dr David J Oakley KHS STL MEd PhD
Vice Rector	Rev Paul Keane MA, STL
Dean of Theology	Rev Paul Keane, MA, STL
Dean of Philosophy	Rev Dr Bruce Burbidge ARCO, STB, MA, PhD
Director of Spiritual Formation	Rev Canon John Udris, STL
Director of Pastoral Formation	Rev Giles Goward, BSc MA MTheol STL
Director of Human Formation	Mr Pete Smallwood
Director of Studies	Professor Judith Champ PhD
College Bursar	Mrs Jackie Hall FCA
House and Grounds Manager	Mr Mark Carroll

Secretary to the Trustees

Mrs C O'Brien BA

Auditors

PKF Cooper Parry Group Limited
Statutory Auditors
One Central Boulevard
Blythe Valley Business Park
Solihull
B90 8BG

Bankers

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

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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Investment advisers

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

REPORT OF THE TRUSTEES

Period ended 31 July 2018

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 A J Broom, Mr B Basford, Mr P Horgan, Mrs C O'Brien and Mr A Grant, 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 gets the majority of its income from fees charged to Dioceses and religious orders for training their candidates for Priesthood. The 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 bishops and hopefully the quality of our formation programme bears witness to the high standards here at Oscott.

Formation staff

The training and education of priests is a highly specialised role and as such requires highly educated academics with theological degrees who are able to deliver the course lectures and tutor support. There is a shortage of priests able to teach to the level required who have the appropriate qualifications. Generally, as priest numbers decline, 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 that there is a shortage of lecturers with the ability and opportunity to serve as formation tutors and lecturers. The college is looking to start 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 ongoing formation. This should enable the future academic need for qualified priests to be more readily met.

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 workings of the college, and maintain the fabric of the building whilst keeping student fees to a reasonable 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.

REPORT OF THE TRUSTEES

Period ended 31 July 2018

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 1840s. The college 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 student numbers have increased, following the closure of the seminary at Ushaw in 2011, there is less spare capacity in the building for office and lecture rooms. It is this awareness that has led to the development of plans to relocate elements of the existing museum and recusant library collection to underused areas, including out of the main complex to an alternative suitable building on the college site, thereby freeing up additional lecture and office space.

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 and House and Grounds Manager - are in attendance as and when necessary and meet with the Rector and Vice-Rector at least once a month. The Rector meets with the Vice Rector on a weekly basis. Management accounts are regularly prepared and presented three to four times a year. The performance compared to budget is closely monitored.

The Trustees meet in plenary session three times a year. In addition, there were two sub-committees – Investment and Maintenance – which met 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.

Details of Trustee expenses and related party transactions are disclosed in note 10 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.

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.

The total costs of senior management personnel, which include the costs of a number of external priests and employees were £331k.

REPORT OF THE TRUSTEES

Period ended 31 July 2018

Related Parties

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

Birmingham Roman Catholic Diocesan Trust
Maryvale Institute, Birmingham
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

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.

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 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 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.

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.

St Mary's College Oscott CIO, shares the related objective of the maintenance and propagation of the Roman Catholic religion with the Birmingham Roman Catholic Diocesan Trustees registered at Archbishop's House, St Chad's, Birmingham.

REPORT OF THE TRUSTEES

Period ended 31 July 2018

Achievements, Activities and Performance

Formation Staff

Our formation staff team and academic faculty has remained fairly stable during this college year. A formation tutor was appointed at the beginning of the 2017/18 year but could not continue beyond the twelve months and the appointment ceased.

The Seminary Formation Programme (Students for the Priesthood)

In September 2017 Oscott began the academic year with 64 seminarians representing 22 dioceses and 3 religious congregations. There were 14 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. Our validating institutions, Birmingham University and KU Leuven conduct regular reviews of our programme content and quality assessments. Written and informal feedback is 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. 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.

Development of Building Resources

There is a recognised need by the Senior Management of the College and the Trustees, to manage our space resources in a more effective manner, in order to facilitate our core business of clergy formation. This involves the provision of more adequate teaching and learning spaces and the development of student and staff accommodation. Initial research with appropriate specialist assistance has been initiated to develop this project. Plans to house part of the Oscott museum and the Diocesan Archive in the college grounds have not been progressed. The Recusant Library collections have now been relocated to another part of the college site. The former space is now a well-designed and furnished boardroom meeting space.

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.

REPORT OF THE TRUSTEES

Period ended 31 July 2018

Environmental considerations

The College has established a "Live Simply" group with a view to reducing costs and ensuring responsible use of energy resources.

The College is working hard to try to reduce utility costs where possible, and also 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. The College now heats the majority of the college (where practical) by means of Biomass including logs and woodchip. This not only generates income from the Government's Renewable Heat Incentive scheme, but serves to reduce our more costly gas consumption. Other projects to reduce the impact of the college on the environment are sought, and the college continues to try to reduce waste through recycling and re-using where possible.

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 Roman Catholic faith

As in previous years, the College has been actively supporting the propagation of the Roman Catholic faith. This takes a variety of forms from hosting large events to visits by seminarians to local parishes to publicise the work of the Seminary.

Public Lectures and access

In addition to the use of the College facilities for visiting clergy and school groups, Oscott also hosts Public Lectures and Visitor Sundays when the College and Museum are open to the public. During the year over 5,000 visitors attended events. Oscott continues to host weekly guided tours of the building followed by afternoon tea. The College chapel is also 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.

Oscott College Library

The Oscott College library has been fully catalogued, with the intention to provide greater awareness of the documents held at Oscott and at the Archdiocese. As well as being a source of reference for our students and staff, the library's books and journals are regularly accessed by visiting clergy and academics wishing to study the Catholic writings and other historical documents. The collections are accessible to the public by appointment through prior arrangement with the Librarian.

REPORT OF THE TRUSTEES

Year ended 31 July 2018

Financial Review

The CIO was dormant for the period from registration on 10 May 2017 until 31 July 2017 when the assets, liabilities and activities of the college were transferred to it. The CIO recorded the transfer of the net assets of Oscott College as a donation received with effect from 31 July 2017 of £43,627k.

The figures shown in this Trustee report and these financial statements, for the current period, therefore represent the activity from 1 August 2017 until 31 July 2018, and the position at the period end. Comparative figures are NIL for the CIO, however, in order to assist understanding, the commentary here refers to 2017** comparative results as recorded in the previous 12 month period ending 31 July 2017 within charity 529036, and therefore relate to activities in the previous Trust.

The accounts for the year show a net income of £45,130k (2017**: £1,718k surplus). Excluding the transfer of the net assets of Oscott College and other recognised gains and losses, the net operating deficit for the period was £(266)k (2017**: £(476)k deficit).

Income

Income from normal operations of the college (excluding the transfer of net assets of Oscott College) amounted to £2,701k (2017**: £2,780k) which overall was comparable to the previous year. Gross investment income decreased 8% to £1,009k (2017**: £1,096k) mainly due to reduced dividend income. Student formation income remained relatively constant at £1,343k (2017**: £1,321k).

The annual gross tuition fees charged to Dioceses per student increased by 4.5% to reflect increasing costs, although costs of Student Formation and running the college site are not fully covered, and the charity continues to subsidise fees with our investment income. Diaconate student fees charged per student remained the same as in the previous year, with fee income totalling £123k (2017**: £118k) within the total fees shown above.

Income from the cemetery was constant at £282k (2017**: £282k). College site income includes £32k (2017**: £37k) of Renewable Heat Incentive (RHI) income, in addition to income from group hire and accommodation.

Expenditure

The costs of raising funds relates to Investment manager fees for managing the portfolio. Charitable expenditure has decreased by 9% to £2,865k (2017**: £3,164k).

Student formation costs of £1,221k (2017**: £1,171k) include costs of resident and external lecturers, costs of the chapel, library and direct costs applicable to students. The increased employee costs of £228k (2017**: £213k) and lecturers/materials costs of £283k (2017**: £230k) result from the increased number and cost of support staff and external lecturers needed to deliver the formation programme. Increased pilgrimage costs of £52k (2017**: £9k) are in part due to a new annual pilgrimage for Year 4 students to the Holy Land.

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 £350k (2017**: £386k) reflect lower apportioned support costs of £33k (2017**: £44k) and reduced employee costs of £131k (2017**: £153k). More of the college's grounds are now maintained by those fulfilling community payback with the Probation Service.

REPORT OF THE TRUSTEES

Period ended 31 July 2018

Financial Review (continued)

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 decreased significantly from £1,358k in 2017** to £1,073k primarily due to a reduction in depreciation charged on the building, whereby a residual value after 50 years has been estimated. This has had the effect of reducing the depreciation charge from £270k in 2017** to £60k for the building and college site fixed assets.

In addition, reduced expenditure on maintenance of, and reduced employee costs of £131k (2017**: £164k) due to staff vacancies, have also reduced the costs of running the college site.

Building maintenance costs were 8% lower at £693k (2017**: £752k). 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. 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 by nearly 7% to £157k (2017**: £147k).

Propagation of the Roman Catholic faith costs include museum and heritage costs as well as Archdiocesan support, and have reduced slightly to £124k (2017**: £134k). This includes £4k of discretionary grants to religious organisations (2017**: £21k) to promote the Roman Catholic faith.

Support Costs of £647k (2017**: £712k), which are allocated over the above headings, include the housekeeping costs of the College (kitchen and domestic) as well as administrative staff costs and expenses. Administrative costs have decreased to £165k (2017**: £220k) primarily due to a reduction in professional fees compared to the prior year to £10k (2017**: £76k). Kitchen and domestic costs have decreased slightly to £482k (2017**: £492k) reflecting decreased food and catering supplies of £129k (2017**: £138k) and lower Cleaning and laundry supplies of £25k (2017**: £31k) mitigated by slightly higher employee costs of £322k (2017**: £317k).

Other recognised gains and losses

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. Gains on quoted investment assets of £1,625k (2017**: gains of £2,193k) include both realised gains of £1,231k (2017**: £1,098k realised gain) on share disposals and unrealised gains of £394k (2017**: unrealised gains of £1,095k) from the movement in value of those quoted securities, held at the year end, during the year to July 2018. 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.

In addition the freehold investment properties and ground leases were revalued as at 31 July 2018. The revaluation resulted in unrealised gains of £100k and £44k respectively (2017**: £NIL).

REPORT OF THE TRUSTEES

Period ended 31 July 2018

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, Cardiff, Copenhagen, Dunkeld, East Anglia, Gibraltar, Hallam, Hexham & Newcastle, Lancaster, Leeds, Liverpool, Menevia, Motherwell, Northampton, Nottingham, Portsmouth, 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.

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 12b.

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 Diocese. The Charity also owns freehold ground leases against which it receives ground rents.

These investment property assets were revalued by Reeves and Partners on 31 July 2018.

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

REPORT OF THE TRUSTEES

Period ended 31 July 2018

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 £6.7 million compared with cost (2017**: £6.3 million surplus). The change in the market value of the portfolio is consistent with movements in the stock market values during the period.

Reserves policy

The Accumulated Funds of the Charity amount to £45.1m, and are mainly represented by investments and Land and Buildings. The accumulated funds transferred to the CIO on 31 July 2017 amounted to £43.6 million. 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 - £7.4m**
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 - £13.2m**
This represents the surplus on revaluation of College land (£2.2 million) and buildings (£11.0 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 - £3.8m**
This is an amount set aside to meet the estimated cost of providing future maintenance to the burial plots during the 75-year lease.

REPORT OF THE TRUSTEES

Period ended 31 July 2018

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.

The college is looking to supplement the accommodation and increase the type of courses provided by the college to a Master's level equivalent. The aim is to introduce an STL qualification, validated by the Pontifical University of Leuven within the next two years.

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.

REPORT OF THE TRUSTEES

Period ended 31 July 2018

Auditors

PKF 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 30 May 2019 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 period ended 31 July 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 2018, and of its incoming resources and application of resources, for the period 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 12, 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.

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.

PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor
One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

30 May 2019

PKF 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 period ended 31 July 2018**

	Note	2018 Total funds £'000
Income from:		
Donations	3	43,639
Investments	4	1,009
Charitable activities	5	1,680
		<hr/>
Total income		46,328
		<hr/>
Expenditure on:		
Raising funds		102
Charitable activities	6	2,865
		<hr/>
Total expenditure		2,967
		<hr/>
Other recognised gains and losses		
Gains on investment assets	13	1,769
		<hr/>
Net movement in funds being net income for the period		45,130
Reconciliation of funds		
Total funds brought forward		-
		<hr/>
Total funds carried forward	16	45,130
		<hr/> <hr/>

All of the above results are derived from continuing activities. There were no recognised gains or losses for 2018 other than those stated above.

All funds relate to unrestricted funds.

The notes on pages 19 to 37 form part of these financial statements.

ST MARY'S COLLEGE OSCOTT CIO

BALANCE SHEET**as at 31 July 2018**

	Note	£'000	2018
			£'000
Fixed assets			
Tangible assets	12(a)	13,684	
Heritage assets	12(b)	825	
Investments	13	<u>31,621</u>	
			46,130
Current assets			
Debtors	14	211	
Cash at bank and in hand		<u>330</u>	
		541	
Liabilities			
Creditors: amounts falling due within one year	15	<u>(1,541)</u>	
Net current liabilities			<u>(1,000)</u>
Total net assets			<u>45,130</u>
			<u><u>45,130</u></u>
Unrestricted funds			
Designated	16		30,181
General	16		14,949
			<u>45,130</u>
			<u><u>45,130</u></u>

The notes on pages 19 to 37 form part of these financial statements.

The financial statements were approved by the Trustees on 30 May 2019 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 period ended 31 July 2018

	Note	2018 £'000
Net cash used in operating activities	20	(1,105)
Net cash provided by investing activities	21	1,097
		<hr/>
Change in cash and cash equivalents in the reporting period		(8)
Net movement in cash		
Cash and cash equivalents at 10 May 2017		-
Cash and cash equivalents donated at 31 July 2017		338
		<hr/>
Cash and cash equivalents at 31 July 2018		330
		<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 July 2018

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 on 16 July 2014, 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 2015.

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 12.

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

Period ended 31 July 2018

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 12.

- (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

Period ended 31 July 2018

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.
- 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

Period ended 31 July 2018

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

These financial statements have been prepared on a going concern basis.

2 Net outgoing resources

2018

These are stated after charging the following:

£'000

Depreciation	85
Auditor's remuneration	14

3 Donations

Donation from St Mary's College, Oscott (Charity no. 529036) (Note 22)	43,627
Other	12
	=====
	43,639
	=====

4 Investment income

Dividends	950
Rents	59
	=====
	1,009
	=====

5 Incoming resources from charitable activities

Student formation	1,343
Cemetery	282
College Site	46
Propagation of the Roman Catholic Faith	9
	=====
	1,680
	=====

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 July 2018

6 Expenditure on charitable activities

	Student Formation & Grounds £'000	Cemetery & Grounds £'000	College site £'000	Propagation of Roman Catholic faith £'000	2018 Total £'000
Employee costs	228	131	130	26	515
Maintenance/building costs	-	136	693	-	829
Archdiocesan events and support	-	-	-	83	83
Utilities & insurance	-	-	157	-	157
Lecturers/materials	283	-	-	-	283
Pilgrimages and retreats	52	-	-	-	52
Depreciation	-	25	60	-	85
Library Books, periodicals	12	-	-	-	12
Exams / Course Validation	50	-	-	-	50
Staff travel & training	27	1	16	-	44
Vehicle costs	-	18	-	-	18
Chapel / Organ costs	18	-	-	-	18
Museum and Heritage costs	-	-	-	11	11
Health & Safety / Welfare	21	3	2	-	26
Grants	-	-	-	4	4
Other costs	13	3	15	-	31
	<u>704</u>	<u>317</u>	<u>1,073</u>	<u>124</u>	<u>2,218</u>
Support costs (Note 7)	<u>517</u>	<u>33</u>	<u>81</u>	<u>16</u>	<u>647</u>
Total	<u>1,221</u>	<u>350</u>	<u>1,154</u>	<u>140</u>	<u>2,865</u>

7 Support costs

	Administrative £'000	Kitchen & domestic £'000	Total 2018 £'000
Employee costs	90	322	412
Provisions/catering supplies	-	129	129
Cleaning, kitchen and laundry	-	25	25
Computer support /licences	14	-	14
Stationery, postage and printing	19	-	19
Photocopying	5	-	5
Professional fees	10	-	10
Training	4	5	9
Governance (Note 8)	19	-	19
Sundries	4	1	5
	<u>165</u>	<u>482</u>	<u>647</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

Period ended 31 July 2018

8	Governance costs	2018 £'000
	Auditor's remuneration	14
	Professional advice/Support costs	5
		—
		19
		====

9	Employee costs and numbers	2018 £'000
	Salaries, wages and related costs	782
	Social security costs	69
	Pension costs	76
		—
		927
		====

The average number of full-time equivalent employees during the year was:

	2018
	No.
Domestic & Manual	23
Administration	3
Educational and Heritage	6
	—
	32
	====

There were no employees earning more than £60,000.

The total employment benefits including employer pension contributions of the senior management personnel were £331k.

10 Related party transactions

Transactions with the Archdiocese of Birmingham are included within Archdiocesan events and support (note 6). A number of trustees of St Mary's College Oscott CIO are also trustees of the Archdiocese of Birmingham.

The Archdiocese of Birmingham made a concessionary loan to the college of £1.2m. This loan was repaid in August 2018 and is included within current liabilities.

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.

11 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

Period ended 31 July 2018

12(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 10 May 2017	-	-	-	-	-	-	-
Transferred into CIO on 31 July 2017	2,200	11,475	490	129	141	188	14,623
Additions	-	-	-	-	9	22	31
	-----	-----	-----	-----	-----	-----	-----
At 31 July 2018	2,200	11,475	490	129	150	210	14,654
	-----	-----	-----	-----	-----	-----	-----
Depreciation							
As at 10 May 2017	-	-	-	-	-	-	-
Transferred into CIO on 31 July 2017	-	459	98	67	106	155	885
Charge for year	-	23	25	8	16	13	85
	-----	-----	-----	-----	-----	-----	-----
At 31 July 2018	-	482	123	75	122	168	970
	-----	-----	-----	-----	-----	-----	-----
Net book value							
At 31 July 2018	2,200	10,993	367	54	28	42	13,684
	=====	=====	=====	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 July 2018

12(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.

ST MARY'S COLLEGE OSCOTT CIO

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 July 2018

12(b) Heritage assets

	Museum artefacts
	£'000
Heritage Valuation	
At 10 May 2017	-
Transferred into CIO on 31 July 2017	825
	<hr/>
As at 31 July 2018	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

Period ended 31 July 2018

12(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.

ST MARY'S COLLEGE OSCOTT CIO

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 July 2018

13	Fixed asset investments	2018 £'000
	Quoted investments	
	Market value at 10 May 2017	-
	Transferred into CIO on 31 July 2017	28,603
	Additions	3,882
	Disposals	(4,124)
	Net unrealised investment gains/(losses)	394
	Realised gains on disposals	1,231
		<hr/>
	Market value at 31 July 2018	29,986
	Cash held by Investment managers	1,000*
		<hr/>
		30,986
		<hr/> <hr/>
	Quoted investments historical cost at 31 July 2018	23,255
		<hr/> <hr/>

No individual quoted investments are valued at 5% or over.

* the cash held by Investment managers includes £876k which was transferred to the CIO on 31 July 2017.

Unquoted Investments

		2018 £'000
	Market value at 10 May 2017	-
	Transferred into CIO on 31 July 2017	1
	Disposals	(1)
		<hr/>
	Market value as at 31 July 2018	-
		<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 July 2018

13 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.

	2018
	£'000
Freehold Property investments	
Grove House, Sutton Coldfield	
Market value at 10 May 2017	-
Transferred to CIO on 31 July 2017	450
Revaluation gain	100
	<hr/>
Market value at 31 July 2018	550
	<hr/> <hr/>

Valuations of Freehold Property Investments and Ground Leases were carried out as at 31 July 2018.

ST MARY'S COLLEGE OSCOTT CIO

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 July 2018

13 Fixed asset investments (continued)

Freehold Ground Leases	2018 £'000
Market value at 10 May 2017	-
Transferred to CIO on 31 July 2017	41
Revaluation gains	44
	<hr/>
Market value at 31 July 2018	85
	<hr/> <hr/>

Freehold Ground leases were re-valued in July 2018 at between £13,000 and £32,000 each, by Reeves and Partners, Chartered Surveyors and Property Consultants on an open market basis.

Summary of Fixed asset investments

	2018 £'000
Quoted investments (including cash)	30,986
Freehold Property investments	550
Freehold Ground Leases	85
	<hr/>
	31,621
	<hr/> <hr/>

Summary of gains/(losses) on investment assets

Quoted investments – unrealised gains/(losses)	394
Quoted investments – realised gains	1,231
Revaluation gain on freehold property investments	100
Revaluation gain on freehold ground leases	44
	<hr/>
	1,769
	<hr/> <hr/>

ST MARY'S COLLEGE OSCOTT CIO

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 July 2018

14	Debtors: amounts due within one year	2018
		£'000
	Debtors	28
	Prepayments and accrued income	81
	Sundry other receivables	102
		<hr/>
		211
		<hr/> <hr/>
15	Creditors: amounts due within one year	2018
		£'000
	Creditors	277
	Taxation and social security	28
	Accruals	36
	Concessionary loan	1,200
		<hr/>
		1,541
		<hr/> <hr/>

The concessionary loan of £1.2 million included in creditors was repaid to the Archdiocese of Birmingham on 31 August 2018.

ST MARY'S COLLEGE OSCOTT CIO

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 July 2018

16 Unrestricted funds	(Note 22) 31 July 2017 £'000	Incoming resources £'000	Outgoing resources £'000	Recognised (losses)/gains £'000	Transfers £'000	31 July 2018 £'000
Designated funds						
Investment revaluation Fund	6,829	-	-	538	-	7,367
Heritage assets revaluation Fund	825	-	-	-	-	825
Land and buildings revaluation fund	13,216	-	(23)	-	-	13,193
College maintenance Fund	5,000	-	(692)	-	692	5,000
Cemetery maintenance Fund	3,749	-	(19)	-	66	3,796
	29,619	-	(734)	538	758	30,181
General funds	14,008	2,701	(2,233)	1,231	(758)	14,949
Total	43,627	2,701	(2,967)	1,769	-	45,130

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.

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 July 2018

16 Unrestricted funds (continued)

Land and buildings revaluation fund

This represents the revaluation of College land and. 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.

17 Analysis of net assets between funds

	General funds £'000	Designated funds £'000	Total £'000
Investments	15,458	16,163	31,621
Tangible fixed assets	491	13,193	13,684
Heritage assets	-	825	825
Current assets	541	-	541
Current liabilities	<u>(1,541)</u>	<u>-</u>	<u>(1,541)</u>
	<u>14,949</u>	<u>30,181</u>	<u>45,130</u>

18 Capital commitments

At 31 July 2018 the charity had capital commitments as follows:

Contracted for but not provided in these financial statements

**2018
£'000**

-

19 Commitments under operating leases

At 31 July 2018 the charity has no annual commitments under non-cancellable operating leases.

ST MARY'S COLLEGE OSCOTT CIO

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 July 2018

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

	2018
	£'000
Net income for the reporting period (before gains on investment assets)	43,361
Depreciation charge	85
Investment income receivable	(1,009)
Increase in debtors	(32)
Increase in creditors	117
Donation of assets and liabilities from St Mary's College, Oscott	(43,627)
	<hr/>
Net cashflow used in operating activities	(1,105)
	<hr/> <hr/>

21 Net cash provided by investing activities

	2018
	£'000
Investment income received	1,009
Purchase of tangible fixed assets	(31)
Purchase of investments by investment manager	(3,882)
Sale of investments by investment manager	4,125
Movement in cash held by investment manager	(124)
	<hr/>
	1,097
	<hr/> <hr/>

ST MARY'S COLLEGE OSCOTT CIO

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 July 2018

22 Transfer of assets and liabilities from St Mary's College, Oscott

All assets and liabilities of St Mary's College, Oscott were transferred to the CIO at the end of the financial year 31 July 2017, following an order made on 22 June 2017 under section 105 of the Charities Act 2011.

The following is a breakdown of the assets and liabilities transferred in this transaction:

	Book Value	Fair value adjustments	Balance sheet transferred to CIO as at 31 July 2017	
	£'000	£'000	£'000	£'000
Fixed assets				
Tangible fixed assets	13,738	-	13,738	
Heritage assets	825	-	825	
Investments	29,971	-	29,971	
	<hr/>	<hr/>	<hr/>	
	44,534	-		44,534
Current assets				
Debtors	28	-	28	
Prepayments and accrued income	23	-	23	
Sundry other receivables	128	-	128	
Cash at bank and in hand	338	-	338	
	<hr/>	<hr/>	<hr/>	
	517	-	517	
Creditors: amounts falling due within one year				
Creditors	(170)	-	(170)	
Taxation and social security	(21)	-	(21)	
Accruals	(33)	-	(33)	
	<hr/>	<hr/>	<hr/>	
	(224)	-	(224)	
Net current assets	293	-		293
Creditors: amounts falling due after more than one year				
Concessionary loan	(1,200)	-		(1,200)
	<hr/>	<hr/>	<hr/>	
Total assets	43,627	-		43,627
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

ST MARY'S COLLEGE OSCOTT CIO

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 July 2018

22 **Transfer of assets and liabilities from St Mary's College, Oscott (continued)**

The following is a breakdown of the funds transferred to the CIO:

	£'000
Designated Funds	
Investment revaluation fund	6,829
Heritage assets revaluation fund	825
Land and buildings revaluation fund	13,216
College maintenance fund	5,000
Cemetery maintenance fund	3,749
	<hr/>
	29,619
 General Fund	 14,008
	<hr/>
	43,627
	<hr/> <hr/>