



Westminster Roman Catholic  
Diocesan Trust  
Annual Report & Accounts **2018**

# About the Diocese of Westminster

The Diocese of Westminster is one of the smallest dioceses in England and Wales in geographical area, but the largest in terms of Catholic population and priests. The diocesan boundaries include the London boroughs north of the River Thames, between the River Lea to the east and the Borough of Hillingdon to the west, the County of Hertfordshire to the north and the Borough of Spelthorne in Surrey.

Since the restoration of the Catholic Hierarchy in 1850, its bishop has often been appointed a Cardinal. His Eminence Cardinal Vincent Nichols is the eleventh Archbishop of Westminster, having been installed as Archbishop on 21 May 2009. In an increasingly cosmopolitan city, the diocese reflects wide ethnic and cultural diversity amongst its Catholic population.

## Trustee

The trustees are incorporated as 'Westminster Roman Catholic Diocese Trustee' (WRCDT), a company limited by guarantee. This company does not conduct any trade or business on its own account and has no assets or liabilities. Its sole purpose is to act as trustee of a number of trusts and funds, of which the Westminster Roman Catholic Diocesan Trust is the principal one.

The Directors of the Westminster Roman Catholic Diocese Trustee (herein referred to as Trustees) are:

His Eminence Cardinal V Nichols  
Rt Rev J Sherrington  
Rt Rev N Hudson  
Rt Rev P McAleenan  
Rt Rev J Wilson  
Rev Mgr M Hayes  
Rev Mgr J O'Boyle  
Miss L Ferrar  
Rt Hon R Kelly  
Mr C Kemball  
Mr A Ndoca  
Dame C Bowe



## Diocese of Westminster

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Charity Registration Number 233699

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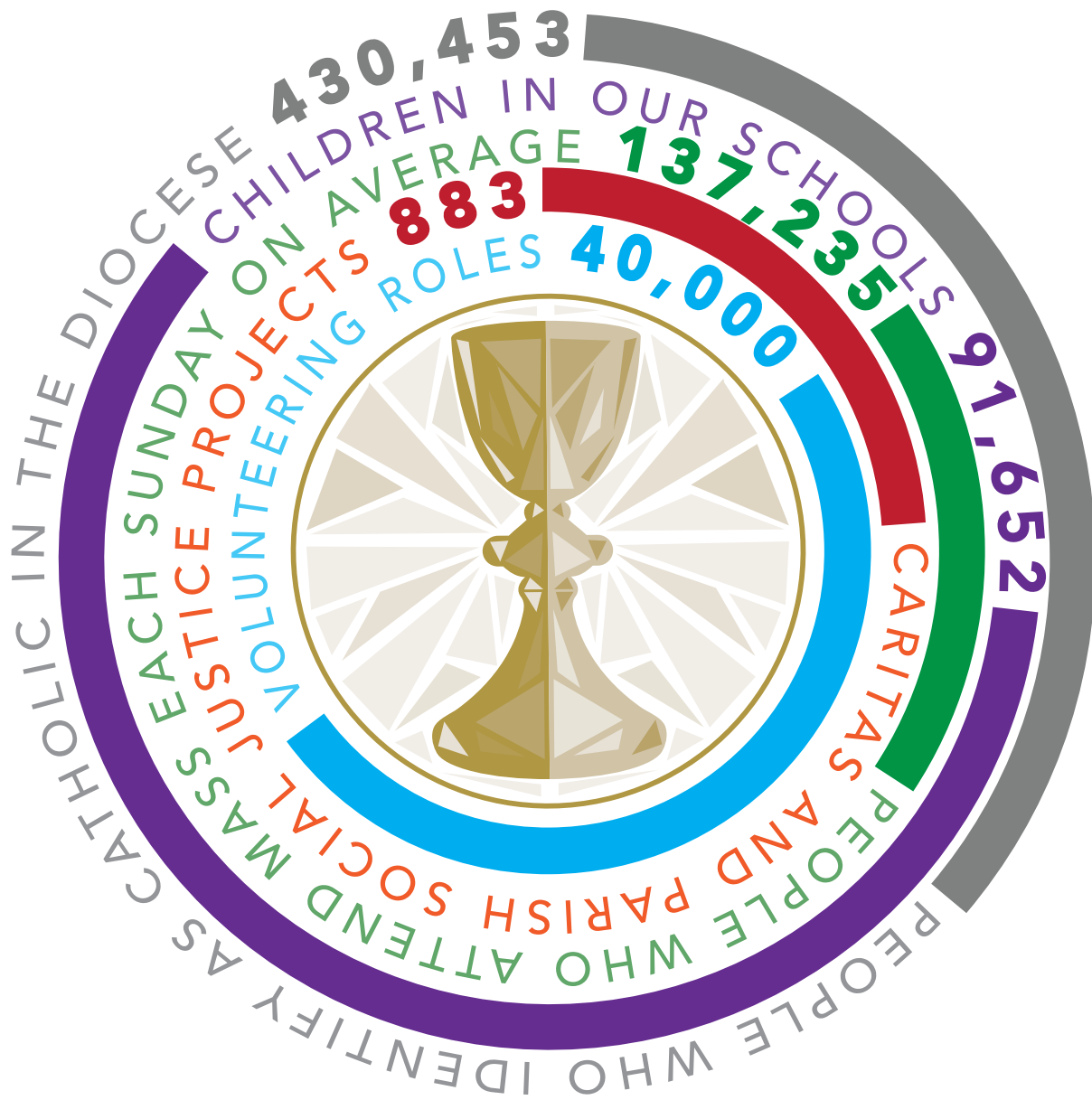
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# The Diocese in Numbers



# Cardinal's Introduction



The grace of Christ builds on all that is good in our nature. If we are to be effective in serving our neighbours, then our actions must take root from him.

A cathedral rose window is an apt image of this relationship. With their symmetrical motif of petals surrounding the central image of Christ, they radiate harmony and help us keep focused on what he calls us to do. Each petal depicts images of the work that we must do to serve and support each other, for in this way we achieve our salvation.

A less exalted rose window, but one that is also inspiring, was assembled in front of our Cathedral in recent times. It was made up of discarded plastic bottles, demonstrating that what might be discarded can create a thing of beauty. As individuals, we may at times feel tired, or even like something discarded, yet even then we can contribute to a work of beauty. As members of the public pedalled stationary bicycles, the window was illuminated and shone brightly. So too, when we work for each other, we can make each other sparkle.

That is what we strive to do in all our work in the diocese, supporting our parishes and schools, and the wider communities in which they are rooted. It is also at the heart of what we do to serve the most vulnerable in our society, whether it is by standing up for their rights, offering practical support, or extending a hand in friendship and solidarity. It is through upholding the dignity of every individual, no matter their abilities or shortcomings, and by focusing on Christ that together we can create a work of art that sparkles.

In the pages of this Annual Report are the stories of individuals, groups and communities who strive daily to illuminate our world by their actions. I commend them to you.

I am most grateful to them for shining unto our society their much-needed light. I extend my gratitude, too, to those who compiled this Report and the Annual Accounts.

+ Vincent Nichols

His Eminence Cardinal Vincent Nichols, Archbishop of Westminster









The architectural feature of the rose window has a long history. It originated in ancient architecture as the *oculus*, which was a round hole, usually in the roof of a building, to admit light. The Latin word means 'eye', that which allows sight. The most famous example of an *oculus* is in the roof of the Pantheon in Rome. In the Romanesque cathedral the *oculus* moved to the wall, usually high in the transept or nave, and was filled with glass. The developments of Gothic architecture allowed these round windows to expand to an enormous scale, illuminating the sanctuary with a natural light hitherto impossible to bring inside a building. Delicate stone tracery formed a pattern of petals or leaves blossoming from a centre *oculus*, and the sublime artistry of the Gothic glaziers filled the spaces created with images and symbols from scripture and tradition.

At *Adoremus*, the National Eucharistic Congress in Liverpool in September 2018, the keynote speaker, Bishop Robert Barron, Auxiliary Bishop of Los Angeles, described his fascination with the rose window in Notre Dame Cathedral in Paris. During his years in France as a graduate student he would go to the cathedral every day to look at the window. Its intricate detail captivated him, and not merely because it is so beautiful. No matter how one looks at the window, what route one takes in from pane to pane, petal to petal, the design draws one straight to the centre *oculus*. All paths, whether of glass petals or stone tracery, arrive at the centre; and at the centre of a rose window is Christ. Bishop Barron uses the rose window as a metaphor for the soul, urging us not to remain at the edges, but to travel towards Christ and make him the centre of our lives; but a rose window is also a beautiful image of the Church.

The Church as a whole, and the Diocese of Westminster as a microcosm of the universal Church, engages in many different ministries and activities: sacramental ministry, faith formation, education, social justice initiatives, community engagement, support of families, ministry to isolated or marginalised persons, and many more besides. Like the different panes of a rose window each of these shines with a different image of the Catholic faith, but each one stems from the same centre: Christ. At the heart of all the Church's activities is the desire to make the beauty of the Gospel visible in modern society in a unique and compelling way, just as the medieval glaziers illuminated Gothic cathedrals with eye-catching images. By witnessing the Gospel message in all we do the Diocese of Westminster and the Diocesan Trustees hope that more people will be inspired to make the journey away from peripheral concerns and life on the narrow edge to find Christ at the heart of their lives, and indeed at the centre of all creation.

*The South Rose Window of Notre Dame Cathedral, depicting Christ at the centre, surrounded by his witnesses on earth. It is especially poignant to feature this particular example to demonstrate solidarity with the Church and people of Paris, following the fire that devastated this great cathedral in April 2019.*

Photo: © Fr Lawrence Lew OP

# Parishes: Family Cohesion

One of the most recognisable images in Catholic iconography is that of the Holy Family: the infant Jesus with his mother, Mary, and his foster-father St Joseph. Families figure prominently in the life of the Catholic Church. Studies now show how strong marriages improve the health and wellbeing of both spouses, and how faith and morals learned in the home from parents or grandparents have a lasting beneficial effect on children, but even before this 'proof' of the value of the family the Church has been a place where family life is nurtured and supported. Because the parish is the centre of religious practice for most Catholics, many of the ways in which families are supported by the Church can be found in parishes.

A variety of assistance and support is offered, starting with marriage preparation for engaged couples, which can be provided by the parish priest, or by teams of lay volunteers, and often by a combination of the two. The sacrament of Holy Matrimony itself is often celebrated in the parish church, and officiated by the parish priest. While the story put forward in the mainstream media is often that marriage is on the decline in British society, 2018 saw an increase in marriages in the Diocese of Westminster, suggesting that their connection with the Church and a parish may be giving some couples the support and confidence to make their marriage vows.

**1,114** marriages took place in the diocese, with a further **1,459** couples prepared for marriage by their parish with their wedding taking place overseas.

After the wedding, the Church continues to offer programmes, such as Retrouvaille and Encounter, to support and accompany couples who are experiencing difficulties or wish to strengthen their marriage. In 2018 the diocese also rolled out a new online audio programme aimed at feeding, enriching, and healing relationships between married couples and within families. Developed in collaboration with Jesuit Ministries, it consists of audio reflections, beginning with a series of meditations on the Holy Family. The programme attracted over 1,000 listeners, and showed the power of new media to reach out to families.

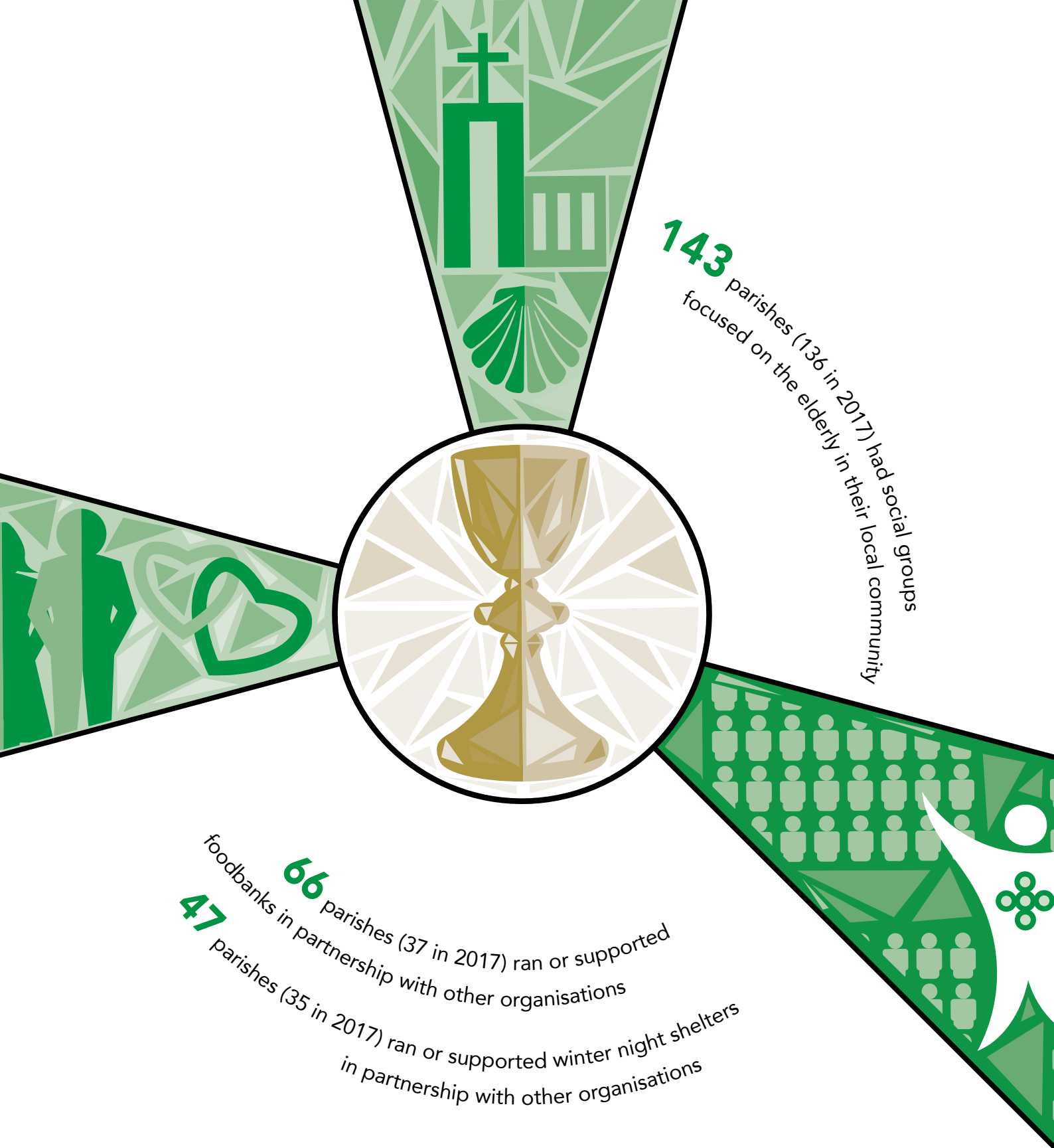
The diocese also celebrates the commitment of married couples every year at the Mass for Matrimony. In 2018 the Mass was attended by 640 couples celebrating their 5th, 10th, 25th, 40th, 50th or 60th+ wedding anniversaries. Many of them were accompanied by their children, who witnessed their parents renewing their wedding vows. These couples join the 5,500 couples who have celebrated significant anniversaries at the Mass for Matrimony since 2008.

When children enlarge a family, the Church continues to walk with families in its catechetical programmes. Parents who wish to have their children baptised in the Church are offered baptismal preparation sessions that aim to prepare them for the responsibility of raising Catholic children, and also to show them the ways in which the practice of the Catholic faith strengthens the family. The Catechism of the Catholic Church states that parents are the first educators of their children in the faith, and baptismal preparation is one of the ways the Church supports them in this role.

There is also a growing trend towards family catechesis in the broader Church, and within the diocese. Family catechesis is faith education given to different generations of the family together. Most commonly this is undertaken in connection with the sacramental preparation of a child. When a child begins preparation for his or her First Holy Communion, for example, the parents (or sometimes grandparents) are invited to shared or parallel sessions. This is in part in response to the lack of confidence expressed by many parents concerning their ability to transmit the substance of the Catholic faith to their children, but the enthusiasm with which families approach these courses speaks of the value they place on Catholic family life.







*'Parents are the first educators of their children in the faith, and baptismal preparation is one of the ways the Church supports them in this role.'*

# Schools: At the Heart of the Community

Newman Catholic College (NCC) in Harlesden, London is a boys' secondary school with a mixed-sex sixth form with an outstanding record of outreach to other schools and the broader community. In 2018 NCC celebrated its 60th anniversary with a Mass at Westminster Cathedral for over 1,000 students and staff, as well as many Old Boys, representatives from the diocese and the local authority, the Metropolitan Police, and the local MP.

The students at NCC are a diverse mix: 95% are from ethnic minority groups; 78% speak English as an additional language (EAL), and amongst the students 64 languages are spoken; 5% of the students have refugee status. There are significant challenges involved in educating such a student body, especially as a large number of students arrive at the school at a non-standard point in the year; many join the school without developed skills in English, and some arrive without any prior experience of formal education. However, NCC's most recent Ofsted report particularly noted how the active commitment of the governors and staff to Catholic moral values has led to a successful and inclusive educational environment, in which all students, including EAL learners and those with additional needs, are welcomed, supported, valued, and enabled to make good progress. The excellent environment at the school has led to NCC receiving a UNICEF Gold Award as a Rights Respecting school. The inspectors summarised the ethos at the school as: 'Everyone counts, everyone contributes, everyone succeeds.'

Outside normal school hours and terms, NCC continues to demonstrate its commitment to the welcome and integration of a diverse community. For the past three summers it has hosted the Syria Summer Camp, which offers 70 places to refugee and displaced children aged four to fourteen. In 2018 four of the families whose children attended had only been in the UK a few weeks.

The camp offers fun activities to develop language skills, confidence, and promote community integration. The well-being of the children, some of whom are coping with significant trauma, separation, or loss, is at the centre of the programme, and counselling is offered as a priority for those who could benefit from it. The Syria Summer Camp is a triumph of community outreach: it is practically and financially supported by Caritas Westminster, the social justice arm of the diocese, and staffed by volunteers from the community, some of whom have undertaken training to be able to help make the project even more of a success.

NCC is committed to collaboration with other schools in its community. It has formed an ongoing partnership with Cardinal Vaughan Memorial School, allowing the two schools to share staff training and development, and to work together for accountability and continuous improvement in education. Extraordinarily, when St Joseph's Catholic Primary School was forced from its building by a fire in 2015, NCC accommodated the students in its own facilities for several weeks until more permanent arrangements could be made for St Joseph's students while their school was rebuilt.

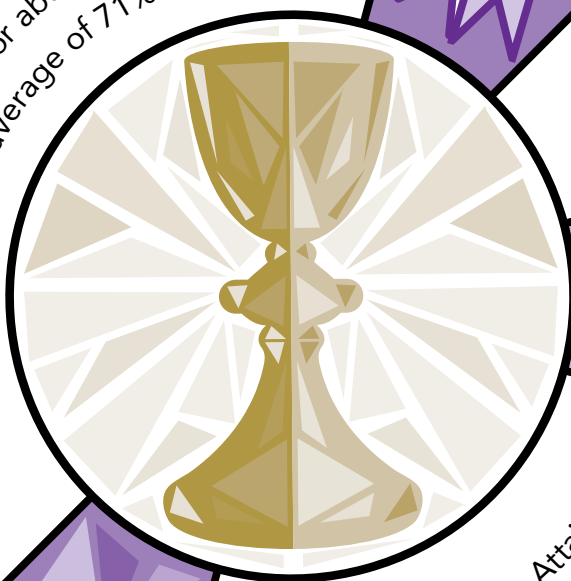
NCC is proud of its successes and the contribution it makes to the wider community, and the wider community is also proud to be associated with NCC. This year headteacher Daniel Coyle was awarded a commendation by the Metropolitan Police Service for 'Commitment, Professionalism and Dedication to the Community'. The award highlighted the proactive approach to safeguarding student well-being at NCC, as well as the involvement of the Safer Schools officer in assemblies and pastoral work, the excellent summer school, and the student bike scheme.

The success of these community partnerships paired with the strong Catholic ethos and values of NCC is shaping the young men and women who attend NCC into well-developed, conscientious and productive members of their community. This is all part of the ethos that the Trustees want to promote across diocesan schools.



**31%** of diocesan primary schools and **49%** of diocesan secondary schools were rated by Ofsted as 'Outstanding', compared to 28% and 38% respectively of peer group schools in London

**82%** of diocesan secondary school students studying Religious Studies being awarded grade 4 or above, compared to a national average of 71%



**5.4** score on the Attainment 8 performance measure across all diocesan secondary schools, compared to a national average of 4.6, on a scale running from 9 (highest) to 1 (lowest)

*'Everyone counts,  
everyone contributes,  
everyone succeeds.'*

# Caritas: Nurturing the Whole Community

## St Joseph's Pastoral Centre

Caritas St Joseph's, a pastoral centre located in Hendon, ministers to a very special part of the community: adults with intellectual disabilities and their families. The centre describes itself as 'a safe place for adults with intellectual disabilities to learn: We recognise their gifts and talents and value their unique place in the world, and encourage them to participate fully in the life of their community and church.' By offering a broad mix of courses tailored to a variety of ability levels, skills and desires for learning and life experience, the centre provides lifelong learning opportunities and a celebration of the God-given gifts of all people. Each week, more than 200 students with intellectual disabilities are able to develop their skills and potential, and to socialise in a warm and welcoming community where they are loved and valued.

The three different types of courses offered, vocational, leisure and therapeutic, are supplemented by a range of supporting facilities such as massage therapy, reflexology, aromatherapy and multi-sensory rooms. Additionally, students at the centre are able to use their vocational skills to participate in enterprise: to learn to work as a team and to create a business by selling the products they produce.

The courses on offer give students more than the skills that are taught. The staff and volunteers are also attentive to the students' personal growth and development. If necessary, the projects are altered to suit the abilities of the students, for example the designs for the chairs and planters made in the carpentry firm the centre took over in 2014. A young man with a high level of additional needs was already working in the shop, and, although he had basic woodworking skills, he lacked confidence because he struggled to produce high-quality items. However, once staff at the centre were able to alter the design of the items the young man made to better suit his skills, he learnt that he can make an excellent product. This success then gave him the confidence to join the centre's gardening enterprise. In 2018, after four years of working on his carpentry and gardening, this very shy young man developed the confidence to apply for a Mencap apprenticeship, and was accepted. This achievement will have a lasting impact on his quality of life and opportunities going forward.

St Joseph's has an active outreach service to make sure that those who could benefit from their offerings have that opportunity. One student, who arrived at the centre through the outreach service, expressed an interest in both gardening and carpentry. Although he was unable to afford these courses, the staff at St Joseph's worked with him to secure a bursary, and when the funding ran out they invited him to volunteer in the gardening enterprise in exchange for his carpentry classes. This arrangement showed the student what value the centre placed on his work and reinforced the truth that his disabilities do not prevent him from contributing to society or having something of himself to offer. When an old tree on the site had to be taken down, the student had the confidence to ask to use his woodworking skills to turn it into a gift for the religious sisters at the centre. With the help of a modified design from staff he made a table, doing all the work himself from start to finish, and presented it to the sisters at the Advent carol service in December.



*'We recognise their gifts and talents, and encourage them to participate fully in their community.'*



**7** development hubs (6 in 2017) helped individuals to run social action projects which met the needs of their local community

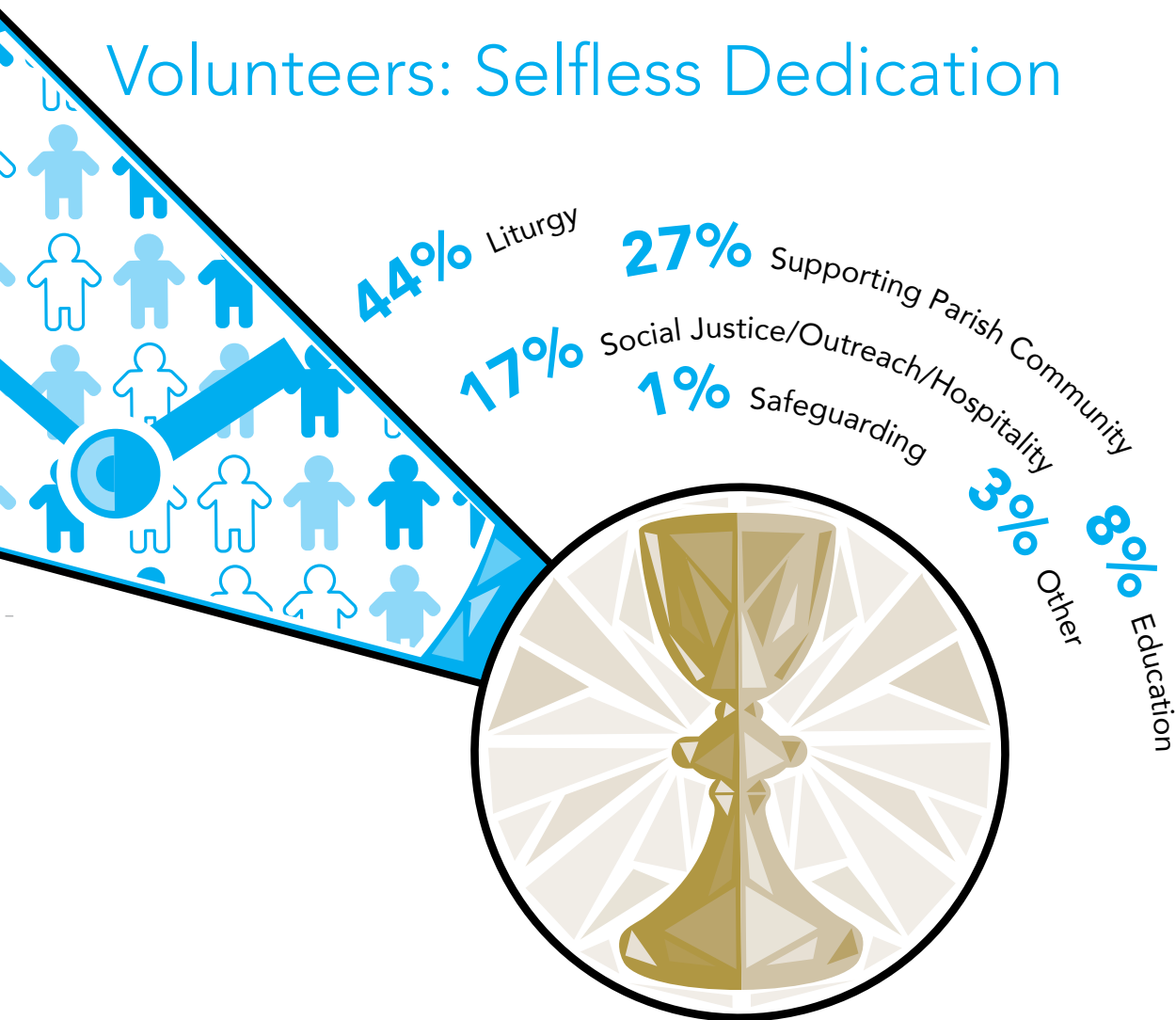
**£171,000** grants (£161,000 in 2017) awarded by the St John Southworth Caritas Fund to tackle poverty and social exclusion throughout the diocese

**544** people (252 in 2017) signed up to the Caritas Volunteer Service

## Deaf Service

The Caritas Deaf Service supports the deaf population in the Diocese of Westminster by offering a signed Mass at least once a month, and the opportunity for the sacrament of confession. In addition to these essential, sacramental services, the Deaf Service offers support to deaf families to allow them to participate more fully in parish community life, for example, in the sacramental ceremonies of their children like Baptism and First Holy Communion, and through Bible study and faith sharing groups. It also offers essential support through a counselling service for deaf persons at risk of suicide or self-harm, and those who have been the victims of domestic violence.

# Volunteers: Selfless Dedication



*'There are few people, no matter how generous, who can claim to have given as much as Ron.'*

Ron Palmer admits he doesn't like change. At 100 years old he has seen plenty of it, both in the world and at the St Joseph's Pastoral Centre, where he has volunteered five days a week as a bookkeeper since 1984. In those 35 years he has seen directors and staff come and go. Indeed, he pays tribute to all who have helped St Joseph's Centre grow into a place where students and their carers enjoy coming.

Ron has seen his work go from using a pen and ledger to an automated online system. He describes the new system as slick, so perhaps not all change is bad.

Ron takes a keen interest in the financial welfare of the centre: he always disliked recording the outgoings, he says; income was more pleasant. When he gave up driving recently, St Joseph's Centre funded a taxi to collect him and return him home, but he worries about the cost, pointing out donations are harder to come by than they used to be.

There are few people, however, no matter how generous they are, who can claim to have given as much to the St Joseph's Pastoral Centre as Ron, who after three and a half decades of dedicated service still says, with characteristic and genuine modesty, that he has done very little.



# Events: Milestones in Church Life



In 2018, individuals, families and groups from the diocese took part in four milestone events that celebrated different aspects of Catholic life.

## **450th Anniversary of the Founding of the English College in Douai**

A number of events and exhibitions took place in England, France and Rome to commemorate the foundation of the English College in Douai. Allen Hall Seminary is a direct successor of the English College. (Pictured is the Coat of Arms of Allen Hall.)

## **World Meeting of Families in Dublin (August)**

The World Meeting of Families is the largest gathering of Catholic families in the world. Since 1994, it has taken place every three years, with Dublin hosting the event in 2018.

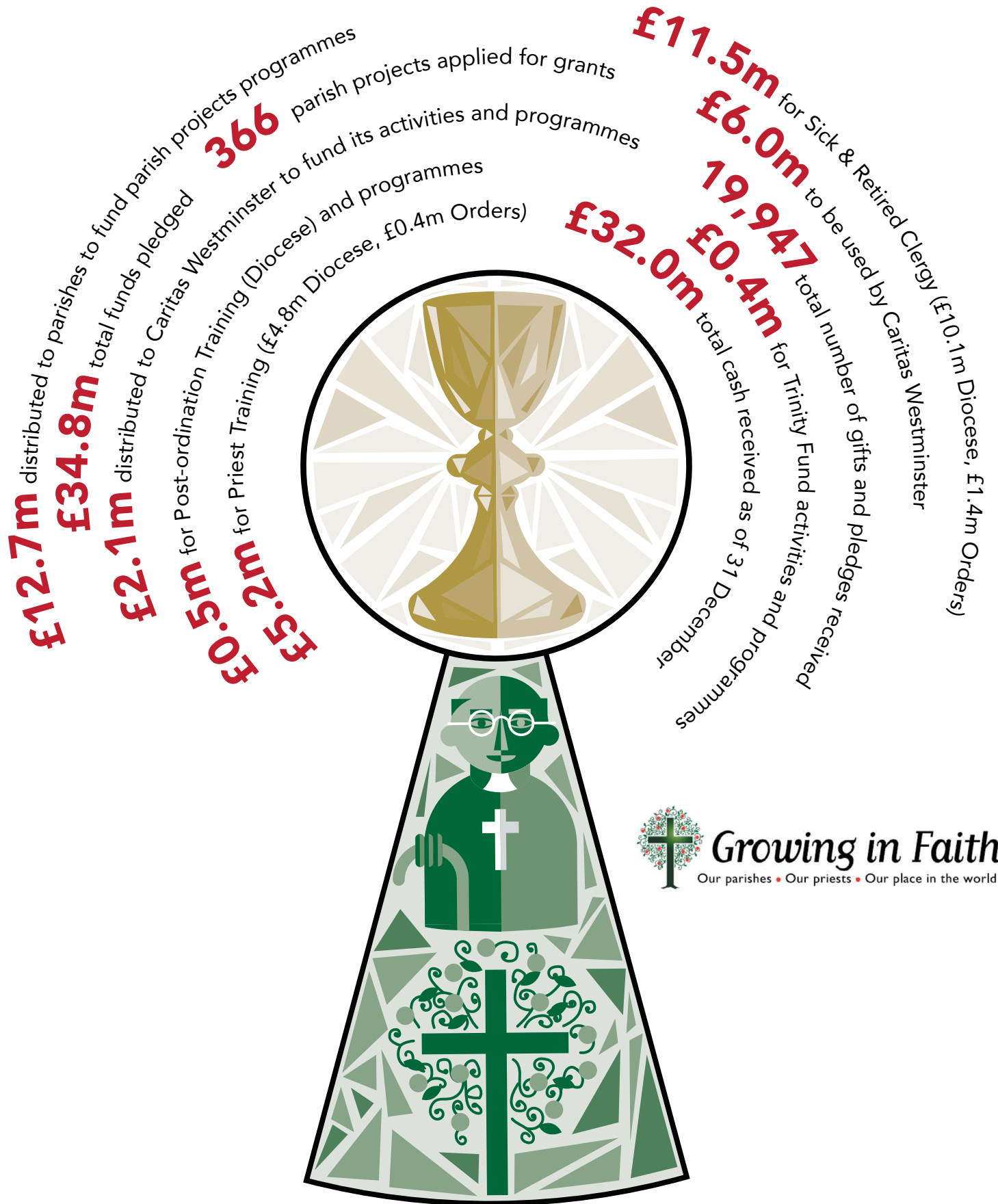
## **Adoremus National Eucharistic Pilgrimage and Congress in Liverpool (September)**

The first Eucharistic Congress in England and Wales since 1908, *Adoremus* brought together Catholics to explore, learn about, and celebrate Eucharist Adoration as one Catholic family.

## **Youth Festival WE ARE FOR: uniqueness, solidarity and creativity in the Vatican (October)**

A number of young adults attended the youth festival, a parallel event to the the Synod on Young People, Faith and Discernment, with Pope Francis and the Bishops.

# Supporting the Vision for our Diocese

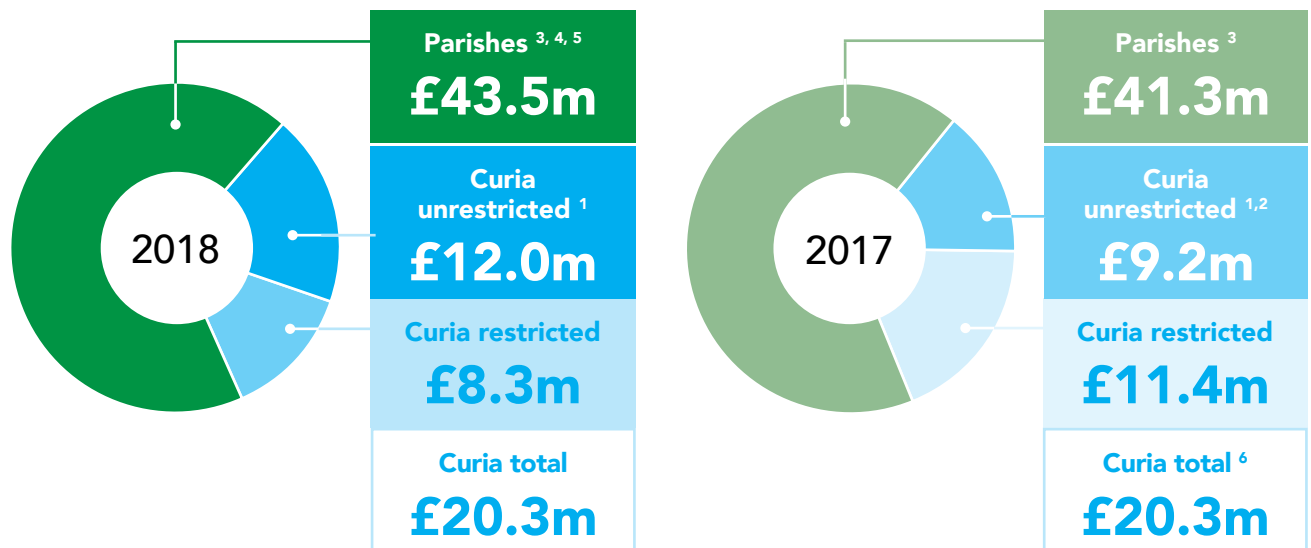


**Growing in Faith**

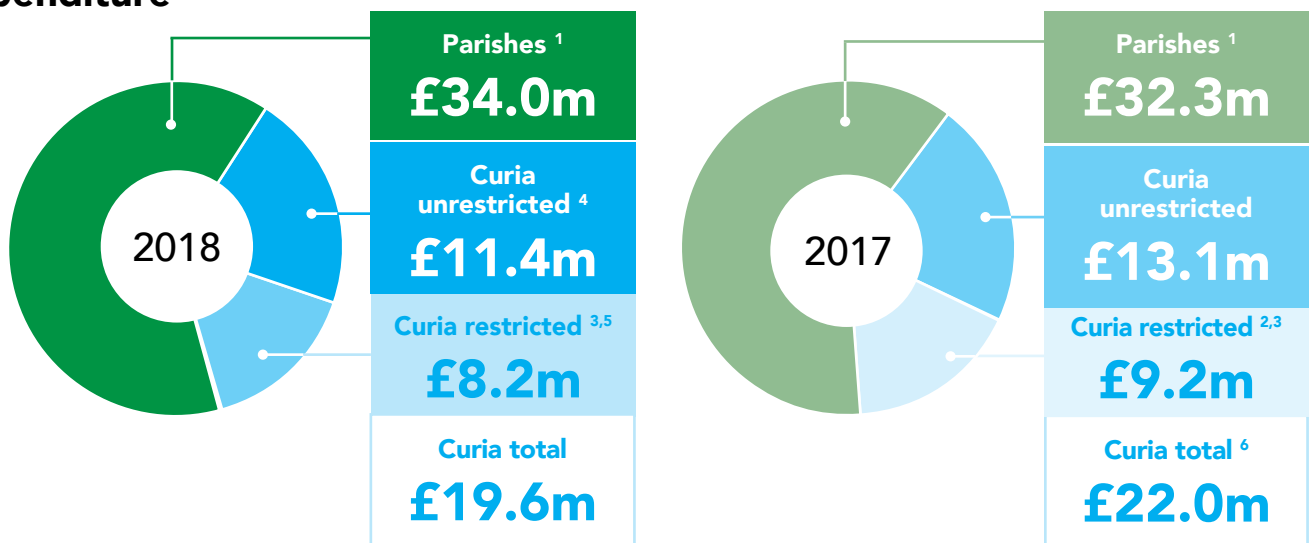
Our parishes • Our priests • Our place in the world

# Consolidated income and expenditure

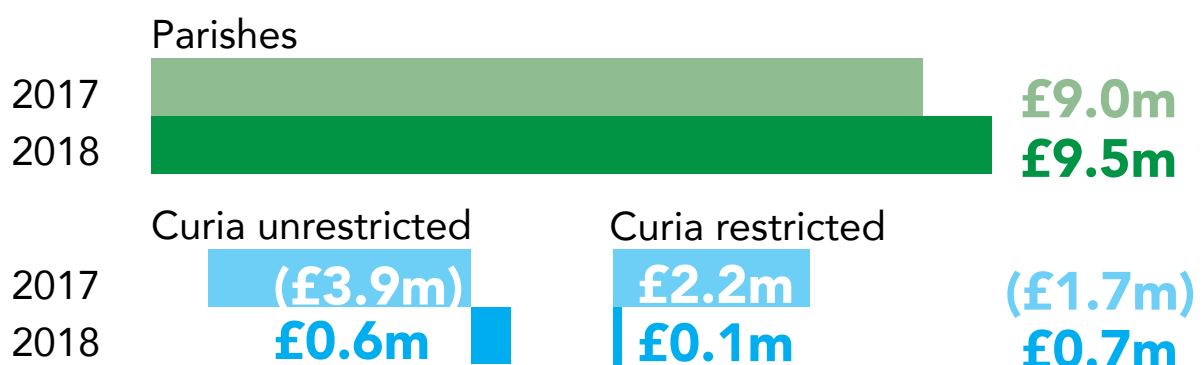
## Income



## Expenditure



## Net income before investment and actuarial gains



1) Includes assessment transferred from parishes to curia unrestricted (£6.1M in 2018 and £5.5M in 2017)

2) Includes other transfers from curia restricted to curia unrestricted (£0.0M in 2018 and £0.3M in 2017)

3) Includes Growing in Faith transfers from curia restricted to parishes (£1.4M in 2018 and £1.3M in 2017)

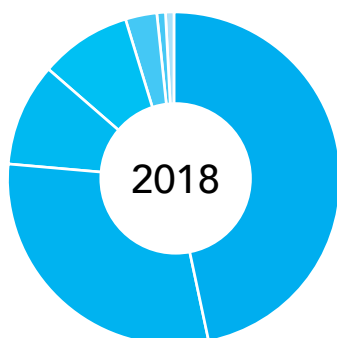
4) Includes other transfers from curia unrestricted to parishes (£1.1M in 2018 and £0.0M in 2017)

5) Includes other transfers from curia restricted to parishes (£0.7M in 2018 and £0.2M in 2017)

6) After eliminating inter-curia transfers (£0.0M in 2018 and £0.3M in 2017)

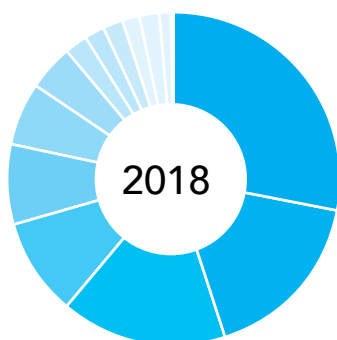


# Curia income and expenditure



## Income

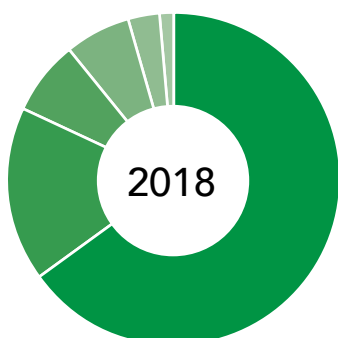
| Income by type (£'000)                   | 2018          | 2017          | % 2018       |
|--|---------------|---------------|--------------|
| Donations and legacies                   | 9,498         | 11,085        | 46.9         |
| Diocesan assessment                      | 6,061         | 5,531         | 29.9         |
| Income from charitable activities        | 1,981         | 1,600         | 9.8          |
| Investment income                        | 1,745         | 1,124         | 8.6          |
| Rents from functional property           | 673           | 645           | 3.3          |
| Trading activities                       | 154           | 141           | 0.8          |
| Assessment for non-consolidated parishes | 150           | 149           | 0.7          |
| <b>Total</b>                             | <b>20,262</b> | <b>20,275</b> | <b>100.0</b> |



## Expenditure

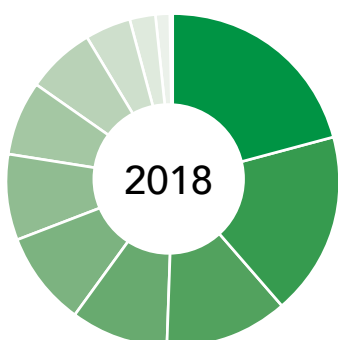
| Expenditure by type (£'000)    | 2018          | 2017          | % 2018       |
|--------------------------------|---------------|---------------|--------------|
| Pastoral and related work      | 5,492         | 3,873         | 28.0         |
| Administration                 | 3,330         | 2,939         | 17.0         |
| Transfers to parishes          | 3,193         | 1,461         | 16.3         |
| School projects                | 1,886         | 8,349         | 9.6          |
| Education and formation        | 1,492         | 1,302         | 7.6          |
| Clergy and consecrated life    | 1,219         | 1,124         | 6.2          |
| Auxiliaries and Vicar General  | 843           | 792           | 4.3          |
| Archbishop's office and house  | 434           | 370           | 2.2          |
| National bodies                | 421           | 425           | 2.1          |
| Fundraising trading and other  | 347           | 400           | 1.8          |
| Growing in Faith projects      | 344           | 448           | 1.8          |
| Communication and safeguarding | 342           | 303           | 1.8          |
| Bank loan interest             | 260           | 203           | 1.3          |
| <b>Total</b>                   | <b>19,603</b> | <b>21,989</b> | <b>100.0</b> |

# Parish income and expenditure



## Income

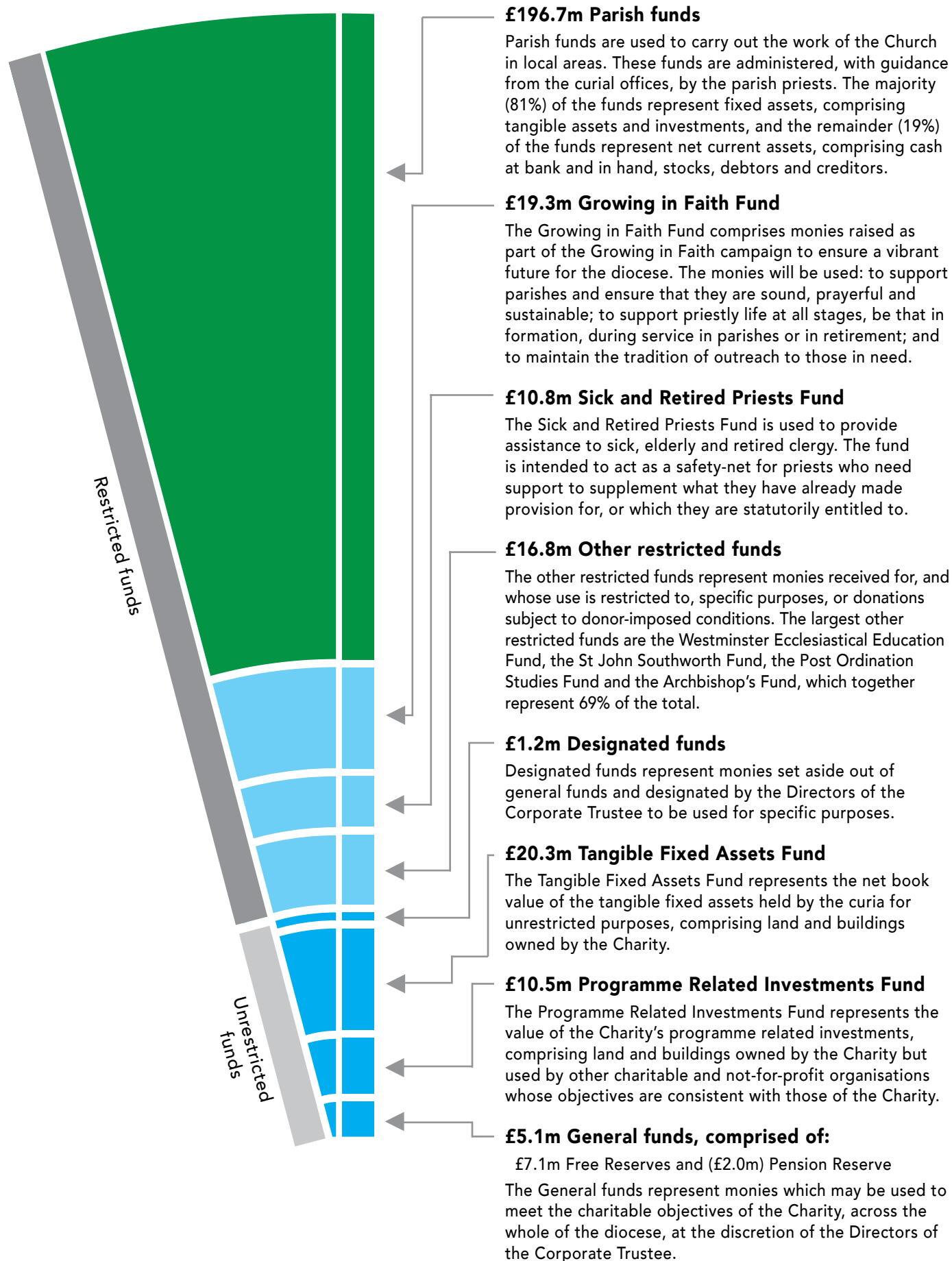
| Income by type (£'000)         | 2018          | 2017          | % 2018       |
|--------------------------------|---------------|---------------|--------------|
| Donations and legacies         | 28,280        | 28,678        | 65.0         |
| Parish activities              | 7,418         | 6,612         | 17.1         |
| Transfers from curia           | 3,193         | 1,461         | 7.3          |
| Investment income              | 2,767         | 2,586         | 6.4          |
| Rents from functional property | 1,289         | 1,407         | 3.0          |
| Trading activities             | 548           | 600           | 1.2          |
| Disposal of assets             | 1             | 3             | 0.0          |
| <b>Total</b>                   | <b>43,496</b> | <b>41,347</b> | <b>100.0</b> |



## Expenditure

| Expenditure by type (£'000)            | 2018          | 2017          | % 2018       |
|--|---------------|---------------|--------------|
| Non-clergy salaries and housekeeping   | 7,124         | 6,888         | 20.9         |
| Diocesan assessment                    | 6,061         | 5,531         | 17.8         |
| Property repairs and renewals          | 3,973         | 3,922         | 11.7         |
| Other                                  | 3,272         | 3,076         | 9.6          |
| Council tax and utilities              | 3,052         | 2,695         | 9.0          |
| Liturgical, candles and repository     | 2,862         | 2,833         | 8.4          |
| Depreciation                           | 2,519         | 2,508         | 7.4          |
| Clergy stipends                        | 2,306         | 2,330         | 6.8          |
| Parish activities                      | 1,517         | 1,303         | 4.4          |
| Donations and grants                   | 890           | 786           | 2.6          |
| Costs of generating trading activities | 469           | 464           | 1.4          |
| <b>Total</b>                           | <b>34,045</b> | <b>32,336</b> | <b>100.0</b> |

# Reserves







Westminster Roman Catholic  
Diocesan Trust  
Annual Report & Accounts **2018**

# Report of the Directors of the Corporate Trustee

## – Year to 31 December 2018

### Introduction

The Directors of the Corporate Trustee (i.e. the Trustees) present their statutory report together with the consolidated accounts of Westminster Roman Catholic Diocesan Trust (the Charity) for the year ended 31 December 2018.

The accounts have been prepared in accordance with the accounting policies on pages 53 to 57 of the attached accounts and comply with the Charity's Trust Deed, with applicable laws and applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and with the requirements of 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 United Kingdom and Republic of Ireland (FRS 102).

### Purpose and Activities

#### The Purpose of the Charity

The Charity's Trust Deed states that the purpose of the Westminster Roman Catholic Diocesan Trust is 'advancing the Roman Catholic religion in the diocese by such means as the Archbishop may think fit and proper'.

The diocese comprises 212 parishes located in the boroughs of London lying north of the Thames and west of the Lea River, in the Borough of Spelthorne in Surrey, and in the County of Hertfordshire.

Like the rose windows described earlier, the Catholic Church is centred on Jesus Christ, and all its activities are like petals flowering from that centre. Everyone who follows the Catholic faith is called to become more like Christ, imitating both his loving obedience to God the Father and his loving care for all persons. It is the teachings and actions of Jesus that shape Catholic practice, and therefore the activities of the Charity. These include worship of God and participation in the sacraments, all of which Catholics believe to be effective signs instituted by Christ himself; the education of children and all the faithful; and also the work of the Church to build, support, and sustain the wider community and care for all those in need. The Gospel of Matthew (25:34-41) memorably recounts how Christ taught that anyone who feeds the hungry, gives drink to the thirsty, clothes the naked, welcomes the stranger, or visits the prisoner not only ministers to those in need, but also serves God.

The Charity therefore fulfils its purpose by offering religious and pastoral services, educational programmes, and charitable support and assistance to all who live within its borders: approximately 430,000 self-identifying Catholics and roughly 4.2 million other residents. The main

vehicles for these ministries are parishes and chaplaincies, schools, and outreach agencies coordinated by Caritas Westminster.

When setting the Charity's aims and planning its work for the year, the Trustees give careful consideration to the Charity Commission's general guidance on public benefit.

### Religious and Pastoral Services provided through Parishes and Chaplaincies

Parishes are geographical regions centred around a church and administered by a priest. The parish church is usually the hub of Catholic activity in a parish: Mass, the heart of Catholic spiritual life, will be offered there almost every day, especially on Sundays, and as often as several times on that day; the sacraments of Baptism, Penance, Confirmation, Holy Communion, and Marriage are performed there; and outside of these liturgies the facilities are often used by various groups (such as prayer and faith-sharing groups, charitable organisations like food banks, youth groups, parent-toddler groups, nurseries, and other community associations) to meet, and to coordinate and carry out their activities. All places of worship are open to the general public for prayer, for quiet and peaceful reflection, for access to burial grounds, and to experience the rich history and beauty of their architecture and the numerous devotional artefacts, stained glass windows and other religious works of art located in them.

Parishes across the diocese are extremely diverse in their populations: one particular parish has nearly 100 nationalities represented amongst its parishioners, and most have persons of all ages and backgrounds; but parishes are places where all people can be integrated into the community. The parish church and its community become deeply important to those who worship or are involved in activities there. The Diocese of Westminster plays host to persons from all over the world. Many of them are likely to say that at their parish church they found a welcoming Catholic community that made somewhere far from where they were born feel more like home: their parish community becomes an adopted family. Equally, there are members of some parishes whose families have lived within its boundaries for generations. There are parishioners who will explain proudly that they, their parents, grandparents, children, and now grandchildren have all been baptised in that same church, indeed in the same baptismal font. For them, too, the parish is a part of their family identity.

### Parish-led Activities

One of the principal activities in each parish is the celebration of Mass by the parish priest. Approximately 137,000 people across the diocese attended this sacred liturgy every Sunday last year. Parish priests do far more

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than just celebrate Mass. They are active leaders in their communities: they are the teachers, social workers and carers in their areas.

With the assistance of nearly 5,250 lay catechists and roughly 400 pastoral assistants, parish priests prepared approximately 7,850 (8,700 in 2017) catechumens and candidates for Baptism/Reception into the Church, presided at around 8,650 (9,000 in 2017) First Holy Communion, assisted diocesan Bishops in conferring roughly 5,800 (5,750 in 2017) Confirmations, celebrated approximately 1,100 (850 in 2017) marriages, and conducted approximately 3,450 (3,500 in 2017) funerals.

Reflecting on these statistics for a moment, the number of Baptisms/Receptions into the Church demonstrates the vibrancy of the Catholic Church in the modern world. Baptisms in infancy (up to 1 year) and childhood (between 1 and 7 years), in which parents present their children for baptism, of which there were 7,150 in 2018 (7,750 in 2017), show the importance parents place on transmitting the Catholic faith to their children and bringing them into the welcoming Catholic community.

The fact that a significant number of Baptisms/Receptions into the Church (about 950 in 2018) take place for people over the age of 7 years, people who actively choose to present themselves for the sacrament, demonstrates compellingly the attraction of the Catholic religion to those raised either with a different faith or with no faith at all.

Furthermore, the statistics indicate that the overwhelming majority of those baptised in infancy and childhood go on to receive other sacraments in the Catholic Church, such as First Holy Communion (95% of all those receiving this sacrament did so while in full-time education) and Confirmation.

While it is often written that marriage is on the decline, in the diocese the reverse appears to be true. 2,550 couples were united in the sacrament of Holy Matrimony in 2018 (2,250 in 2017). Within the Catholic Church, every marriage is seen as the beginning of a new family, as well as a concrete demonstration of the couple's commitment to each other. There is significant statistical evidence that marriage leads to greater stability in family life, and that this stability leads to better outcomes both for the married couple and any children they have.

The diocese tries to support families in all that it does, and the preparation it offers couples for marriage, as well as officiating the marriage itself, are crucial means of accompanying a new family from its earliest days. Couples who have been supported and accompanied by the Church are often inspired to help other couples through assisting in marriage preparation, and offering support and guidance to other married couples who are struggling. The

number of couple volunteers involved in this ministry rose by 20% in 2018 versus 2017, and has nearly doubled since 2016, demonstrating the cohesion of parish communities whose members are willing to reach out to each other, as well as the vibrancy of the vocation of marriage in the diocese and the importance it has for parishioners.

In its annual report, Shelter, the homelessness charity, has identified family and relationship breakdown as one of the causes of homelessness. (Source: Shelter England) By supporting families and helping to strengthen their relationships the diocese helps to keep families out of crisis and to combat potential knock-on effects of family breakdown: isolation, poverty, and homelessness.

This combination of factors bears witness to the continuing relevance of the Catholic Church, and the Catholic religion, to everyone in contemporary society.

Beyond these examples and activities, parish priests engage daily with their congregation (e.g. during daily Mass, when ministering to the home-bound) and also, in concert with the approximately 40,000 volunteers in the diocese, to the wider local community (e.g. when visiting people who are sick or in hospital, when counselling those experiencing pain, loss, hardship or other difficulties, when leading bereavement support groups).

Many parish activities that fulfil the Charity's purpose rely on purpose-built buildings, and the Trustees direct significant resources and funds towards ensuring that parish buildings are fit for their intended purpose. Parish projects include everything from minor repairs, renewals and redecorations, through the reordering, conversion and extension of existing buildings, all the way up to large-scale refurbishment, roof repairs or wholesale replacements, and the construction of brand new buildings. Some of the biggest schemes completed in 2018 were:

- Corpus Christi, Maiden Lane: The interior of this beautiful, central London, Victorian church was completely restored. As well as installing new heating and lighting systems and restoring the old pews, the high altar was restored; a newly-designed altar dedicated to Our Lady of Walsingham was installed; the original redbrick walls were exposed and hung with original fine art work; and a uniquely designed floor was put down, which features parquet flooring around the pews and Victorian tile work elsewhere. Upon the completion of this extensive programme of works, Cardinal Vincent Nichols dedicated the church as the Diocesan Shrine of the Blessed Sacrament. The restoration of this unique church has secured its future, allowing it to serve both its regular parishioners and the pilgrims who will journey to it as a Eucharistic shrine.



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- St Scholastica, Clapton: Having been untouched for almost 30 years, the church and adjoining hall were completely refurbished. The back walls of the sanctuary and the areas around it were clad with marble; the original Travertine marble flooring in the sanctuary was uncovered and polished; new marble flooring was installed on the upper dais and gradine; new lighting was installed; and the whole church was redecorated. At the same time, the parish hall was fitted with a new working kitchen, meeting space, and large assembly area. General fabric and roof repairs were made, double glazing installed, and a suspended ceiling was removed to make way for a new lighting system, creating an attractive and welcoming lofty space. The renovation of both the sacred and community spaces of St Scholastica parish have been a great blessing to the whole community, who can now meet to worship and socialise in beautiful, useable spaces.
- St Hugh's, Letchworth: A meeting room connected to the church was constructed this year. Designed to fit with the surrounding architecture, and including kitchen and toilet facilities, as well as a new, up-to-date audio-visual system, the new meeting room will be the perfect place to hold the parish's sacramental programmes. The parish priest and parishioners worked together to fundraise a significant proportion of the monies for this project, and are delighted to see their hard work bear fruit in the completion of this long-needed project.

Additionally, the Trustees commit significant time and energy to ensuring that parishes are able to offer a comprehensive range of pastoral and educational programmes, and also to ensuring that the programmes offered are appropriately resourced.

Catechesis (instruction in the faith) is one of the key activities of the Church, and is something that is relevant to all parishioners because it is something that happens throughout the whole life of a Catholic. Parents are the first teachers of the faith to their children, but each parish also provides specific religious instruction for its young parishioners before they make their first Confession, receive First Holy Communion, and receive the sacrament of Confirmation. Many parishes complement this catechesis with weekly or monthly children's liturgy programmes, which provide age-appropriate activities, biblical readings, and lessons to young children during Mass, apart from the general congregation.

There is a significant and growing trend in the Catholic Church for family catechesis, where instruction in the faith is offered to families as a whole, or to parents along with their child in sacramental preparation. The philosophy behind family catechesis is that families grow in faith together, and so the First Holy Communion or Confirmation of a child is not simply a step for that child in faith, but for

the family as a whole. By offering family catechesis, and including parents in the sacramental preparation of their children, families are offered opportunities to become more closely integrated into the parish community, parents are supported in their role of teaching the Catholic faith to their children and offered support in deepening their family's practice of the faith, and children are supported through the joint involvement of their parents and parish catechists in their faith formation.

In adulthood, couples wishing to be married in the Church are offered marriage preparation that aims not only to increase their knowledge and understanding of the sacrament of Holy Matrimony, but to equip them to live out their marriage vows faithfully; parents, before they welcome their children into the Church through Baptism, are offered baptismal preparation courses to assist them in their role as first educators of their children in the faith; and those adults who wish to become members of the Catholic Church are typically instructed through the Rite of Christian Initiation for Adults (RCIA).

In addition to these specific catechetical programmes, those who are not in sacramental preparation may find their faith strengthened through a variety of seasonal prayer and catechesis, during Lent or Advent, for example, or through sessions aimed at expanding adult Catholics' knowledge of the faith. All of these catechetical programmes require great knowledge and dedication from both the parish priest and the lay persons who assist him, to transmit the faith sensitively and confidently and to advance the mission of the Church.

Two events in 2018 merit particular mention. The first is the World Meeting of Families, which was held in Dublin in August. Although this event happens every two years, the 2018 meeting was much more accessible than previous meetings have been, and therefore had a greater impact on families in the diocese than previous World Meetings of Families.

The second event was the National Eucharistic Congress, *Adoremus*, held in Liverpool in September. Eucharistic congresses are gatherings of clergy, religious and laity which promote an awareness of the central place of the Eucharist in the life and mission of the Church, and which aim to rejuvenate adoration of the Blessed Sacrament in parishes as the source of strength for daily life and mission. In the diocese, each parish was encouraged to send at least two delegates to the congress to participate in the programme of lectures, presentations, music, and liturgies. More than 430 delegates from 105 parishes from the diocese took part in all three days of the congress.

Through the provision of such a broad, diverse range of religious and pastoral services, parishes offer an inclusive and accessible ministry to everyone living and working within their geographical boundaries.

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In addition to pastoral and spiritual ministry, our parishes, under the leadership of the parish priest and with the assistance of an army of volunteers, offer a variety of social outreach programmes that aim to address the needs of the most vulnerable in society, both in the local community and overseas. For example, a number of parishes are directly involved in hosting night shelters and food banks, working closely with other churches, faith communities and local community groups to provide these much-needed services in their area. Other parishes support this work through fundraising and offering practical support. Yet other parishes are responding to local and international need through a variety of initiatives and fundraising. For some years, a growing number of parishes have been working towards becoming Fairtrade parishes, demonstrating their commitment to ensuring that growers and producers in developing countries earn a fair wage for their goods.

More recently, a number of parishes are responding to Pope Francis' call in his encyclical *Laudato Si'* to show greater care for the environment by joining Cafod's Live Simply initiative and committing to limit their impact on the environment. This commitment also extends to the way energy needs are met, with around 90% of parishes obtaining their energy from sustainable sources.

Another, complementary, way in which the diocese strives to be inclusive in its ministry, and to engage more widely with society, is through its chaplaincies.

## Chaplaincy-led Activities

Chaplaincy is the provision of religious and pastoral services to people in local communities who may have specific needs due to their state of life, who face unique challenges, or who are vulnerable and therefore require special accommodations to be made.

The creation and continued operation of individual chaplaincies reflects not only the changing needs of people in their local communities, but also of contemporary society itself, particularly in relation to social integration and community cohesion.

Most commonly, chaplaincies are connected with secular institutions, such as hospitals, prisons, and schools. In addition to providing such institution-based chaplaincies, the diocese offers a diverse range of other chaplaincies ministering to those who are not affiliated with any secular institution.

For example, there are chaplaincies to provide sacramental and pastoral care and support to people from 34 different ethnic communities, from Albanian-Kosovan to Zimbabwean, from Brazilian to Vietnamese. People engaging with these chaplaincies may simply face a

language barrier, or at the other end of the spectrum may have fled their home nation to escape persecution for their beliefs and have been granted asylum. Each chaplaincy offers the newly-arrived immigrant a safe and welcoming environment in which to engage with their local community, helping them in turn to integrate into society.

The vast majority of ethnic chaplaincies celebrate Mass at least once a month in their native languages, helping to preserve and nourish the diversity of distinct cultural expressions of faith and community present in the diocese, and provide support to new arrivals; others cater for communities, such as Travellers, who are not typically integrated into a particular parish. Still more chaplaincies support those engaged in specific activities, such as the Sports chaplaincy, or those at certain stages of life, such as the Youth and University chaplaincies.

Youth chaplaincy across the diocese is coordinated by the Westminster Youth Ministry (WYM). This chaplaincy caters to the specific needs and interests of young people, and through offering a variety of programmes helps to form them into active, capable citizens, strong and supported in their Catholic faith, and with the confidence required to thrive in modern society.

WYM works closely and collaboratively with parishes as well as other, non-diocesan Catholic agencies, to help build strong, active and sustainable youth and young adult communities, which in turn provide young people with the support and training that they require to fulfil their innate human potential and become a positive role model in society.

University chaplaincy is coordinated by Newman House, the location of the Catholic Chaplaincy Centre in central London, which is responsible for organising and providing religious and pastoral services to the 300,000 students and staff at universities and colleges located in the diocese. At year end, a total of 14 universities and colleges (20 in 2017) were benefitting from active pastoral engagement, including 14 that had at least one formally appointed chaplain (17 in 2017).

Besides welcoming all those seeking to grow closer to Christ and his Church, and providing a place where young adults can explore their faith, meet other young people from a great range of backgrounds and get involved in the chaplaincy community and social outreach, Newman House also offers residential accommodation to 63 full-time Catholic students from London, other parts of the UK and from 20 countries around the world, studying at various levels at many of the institutions of higher learning in London, who have all chosen to live in community for one academic year in order to deepen their faith in a happy and relaxed environment.

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The richness and diversity of the diocese's growing multi-national, multi-cultural constituency presents many challenges for those wishing to practice or to share their faith outside the parish framework.

This is one reason why diocesan chaplaincies, as described above, are found in many different environments, but each aims to offer exactly the same thing: personally-tailored spiritual and emotional support whenever and wherever it is needed, and in a way that accommodates each individual's particular circumstances, in a manner and to an extent that could not, practically, occur in a parish setting.

Consequently, the religious, pastoral and spiritual activities undertaken by chaplains are hugely varied, and can include: performing wedding or funeral ceremonies, providing regular, informal counselling, leading prayers, and personal advocacy on behalf of those who cannot do it themselves (e.g. certain hospital patients). Chaplains do not have to be ordained priests, though many are. Likewise they are not required to undertake theological education, though many have indeed done so.

The success of all the front line activities offered by our parishes and chaplaincies in fulfilling the Church's purpose is facilitated with support from the central services of the diocese. This support takes many practical forms, encompassing the provision of training, the production and dissemination of printed materials, the organisation and promotion of programmes and events, and the hosting of pilgrimages.

#### Central Services

The **Agency for Evangelisation** supports parish priests and catechists in carrying out their work in the diocese. The training and encouragement provided by the agency is essential to ensuring that parish priests and catechists not only have a common knowledge base, but also are confident in transmitting the Catholic faith to those seeking a deeper relationship with Christ and his Church.

Catechesis is a continual process of education, formation and conversion that must be offered in many forms, tailored to each individual's particular circumstances. For example, the catechesis provided to children preparing for their First Holy Communion will differ from that which is given to adults preparing to be received into the Church.

During 2018, to support the work of parish catechists in the delivery of sacramental and other programmes, the agency offered a variety of different training events and courses covering a wide range of themes, from Liturgy of the Word for children to practical catechetical skills and spirituality. Over 400 catechists from around the diocese attended these events and conferences.

As a follow-up to the *Adoremus* Eucharistic Congress, the Agency for Evangelisation has launched a year-long

programme of systematic courses for parish readers and Extraordinary Ministers of Holy Communion. This project is being run in cooperation with the Dominican Sisters of Rosary Priory, Bushey, and is offered in two central locations in the diocese. The three-day programme consists of formal theological and practical training, and includes both classroom learning and a spiritual retreat.

Additionally, as a direct response to the experience of *Adoremus*, the Agency has produced two resources for faith sharing in parishes: *'We Adore You, O Christ, and We Praise You': The Gift of the Holy Eucharist*, by Fr Stephen Wang, and *Holy Families: The Joy of Love*, co-authored by Bishop John Sherrington, Dr Pia Matthews, and Bishop John Wilson. These, along with other faith-sharing materials, are now made available to download for free, or listen to in the form of podcasts. As a result they are incredibly popular across the diocese, with over 2,200 participants using these programmes.

The department of **Marriage and Family Life (MFL)** works at the service of marriage, family and the Gospel of Life, endeavouring to extend the research, policy, educational and pastoral activities that the Diocese of Westminster undertakes in these areas.

In supporting married couples and those who are preparing for marriage, attention is given to all aspects of married life: deepening the understanding of how marriage differs from other forms of relationship, marriage enrichment, and pre-marriage relationships. A number of targeted programmes are offered for each of these groups, including:

- (1) SmartLoving Engaged: a comprehensive marriage preparation course;
- (2) Loving4Life: marriage enrichment weekends offered to married couples to help them rediscover the joy of being a man and woman in love, drawing on authentic Catholic teaching on the Theology of the Body; and
- (3) Retrouvaille: a programme designed to help heal and renew troubled marriages, by offering participants the chance to rediscover themselves, their partner, and a loving relationship in their marriage.

MFL handles the logistics for the Annual Mass for Matrimony held at Westminster Cathedral, which brings together couples from across the diocese to celebrate their 5th, 10th, 25th, 40th, 50th or 60th+ wedding anniversary. In 2018, 640 couples attended, over half of whom were celebrating 40-plus years of marriage and were joined by over 70 children who witnessed their parents renewing their marriage vows. Since 2008 more than 5,500 couples have renewed their vows on this special day.

In 2018 MFL commenced a new initiative in collaboration with Jesuit Ministries (Pray-As-You-Go) to develop a



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number of audio presentations that can be easily accessed by married couples and families to help feed, enrich and heal relationships. It began in Advent with a series of guided reflections on the Holy Family, which was well received and attracted an audience of 1,000 listeners. Developing the opportunities afforded by the new media will form part of their vision for the future.

The theme of August's World Meeting of Families 2018 in Dublin was *The Gospel of the Family, Joy for the World*. Inspired by this, MFL organised *Joy for the World*, a day for everyone involved in Marriage and Family Ministry in June in central London. It was a truly joyous occasion attended by parishioners active in this ministry including representatives from Loving4Life, Cana UK, Teams of Our Lady, Worldwide Marriage Encounter, Familias and Explore Relationships. The keynote speaker was Mary Killeen, Director of Marriage and Family at the Maryvale Institute.

**Westminster Safeguarding Service's** principal mission is to protect children and vulnerable adults in the diocesan Catholic community from experiencing harm, by:

- (1) Safeguarding children and adults at risk;
- (2) Protecting that group from harm;
- (3) Responding to the victims of such abuse and helping them to find the assistance they need;
- (4) Creating a safe environment in which to worship and to be involved in church activities.

At a central level, safeguarding is undertaken by a team comprising a Safeguarding Co-ordinator and a Safeguarding Support Officer, both of whom have a legal background in family law, supported by a Disclosure and Barring Service (DBS) administrator with a wealth of experience of Catholic charity work and disclosure and barring matters, a team administrator and the Episcopal Vicar for Safeguarding.

This team works in collaboration with the Westminster Safeguarding Commission, which has members with expertise spanning a number of safeguarding agencies, including the police, social care, education, nursing and the law. The Commission sets the strategic agenda for safeguarding in the diocese and meets every three months to review the agenda and analyse any cases.

During 2018 the team focused on raising awareness of safeguarding issues and sharing the message of the importance of safeguarding in the diocese: 63 new Parish Safeguarding Representatives were recruited and inducted to the diocesan volunteer safeguarding workforce (27 recruited in 2017); a full-time Safeguarding Support Officer was hired to support Parish Safeguarding Representatives with their work; the Safeguarding Service moved to new offices better adapted to secure and confidential

working practices; the Safeguarding team visited several deaneries to promote the work of the central safeguarding team to encourage parishes to adopt and improve their safeguarding practices, and several more visits are scheduled for 2019; an additional Safeguarding Officer was recruited to help with allegation management work; and the Safeguarding Service collaborated with the Metropolitan Police to provide document identification training for Parish Safeguarding Representatives.

There are now 247 Safeguarding Parish Representatives leading Safeguarding in parishes, creating safe environments in parish communities and ensuring that all volunteers are recruited in accordance with safer recruitment practices, including carrying out the necessary DBS checks.

An online Safeguarding resource centre provides accessible support to all Safeguarding personnel in parishes, through which they have access to all the latest safeguarding information, including the national safeguarding policy and procedures, as well as relevant legislation, DBS matters and training.

During the year safeguarding training was carried out with the clergy of the diocese.

**Data Protection** With the General Data Protection Regulation (GDPR) coming into effect in 2018, the Charity appointed a full time Data Protection Officer (DPO) to direct the work of ensuring the Charity complies with GDPR. The DPO has been providing training and is working with parishes and curial departments to oversee the creation and implementation of data handling and storage protocols. The DPO manages requests from individuals, handles complaints and reports any data breaches to the Information Commissioner.

**Westminster Youth Ministry (WYM)** is, as previously mentioned, responsible for helping to nurture the character of tomorrow's adults, forming them into active, capable citizens with the confidence required to thrive in modern society through supporting youth leaders, developing youth ministry, running retreats, and bringing young people together.

The Charity believes that nurturing the positive role models of tomorrow requires a holistic approach, and so to complement its youth chaplaincy provision, WYM also runs a residential youth retreat centre based in Pinner, called SPEC, that is dedicated to providing an opportunity for children and young people to step back from their daily routines in order to reflect on, and hopefully experience, the presence of God in their lives. In 2018 nearly 6,000 children and young people had the opportunity to experience a retreat at SPEC.

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WYM also comprises the Youth Ministry Team (YM), the purpose of which is to help young people pursue the true, the good, and the beautiful found in Christ. YM's philosophy is that God has made each person for greatness, and it seeks to nurture this potential in young people by developing parish youth ministry, supporting youth leaders, accompanying young people in their personal development, and partnering with various voices in the Church to spread a message of hope for the future.

In April, 2018, YM moved from Somers Town to join the SPEC team at Waxwell Farm. This move allows the two strands of youth ministry to collaborate more efficiently, and thereby increase the impact of their work.

From this new location, YM coordinated more than 50 individual events and programmes, including participation in large events such as World Youth Day, FLAME, and the diocesan pilgrimage to Lourdes. Additionally, YM provides free music scholarships to young people who wish to develop their musical talents in a church setting. In 2018 nine scholars participated in this programme, earning a certificate in music ministry.

**Allen Hall** is the seminary of the Diocese of Westminster where those who believe they are called to and have been accepted for training for the priesthood may discern and respond to their vocation. It is funded by the Westminster Ecclesiastical Education Fund (WEEF), a connected charity that is administered by the Central Finance Office of the Charity and that has charitable objectives aligned to those of the Charity, but is outside the scope of these accounts. During the current educational year, Allen Hall has oversight of about 50 men (no change to 2016/17) from a wide range of countries and backgrounds, each seeking to deepen his appreciation and love of the Eucharist and of the Church, in preparation for serving the people of God in parishes and chaplaincies, and the wider community.

Although about two-thirds of the seminarians are from the Diocese of Westminster itself, Allen Hall also provides training to men from many other Catholic dioceses across the United Kingdom and the rest of the world, as well as to seminarians from several Catholic religious orders. This illustrates the high regard in which Allen Hall is held worldwide as a house of clerical formation.

As part of their training, all seminarians resident at Allen Hall are enrolled for a variety of philosophical and theological courses.

Projects already completed or embarked upon include a number of much-needed improvements to the learning space at Allen Hall, including the construction of new, well-lit classrooms equipped with modern facilities conducive to study, as replacements for the rudimentary prefabricated buildings in which classes have been located for the last thirty years. These improvements,

funded by donations made to a diocesan-wide fundraising programme called Growing in Faith, will enable much of future training to be offered within the Allen Hall complex.

Donations to Growing in Faith also help to fund the training of our future priests through WEEF, which not only supports the training of men called to the priesthood, but also funds the promotion of vocations, as well as the ongoing development of our ordained clergy. In 2018 the Trustees reshaped their approach towards promoting new vocations, creating the post of Vocations Promoter, which is responsible for promoting the discernment of priestly vocation throughout the diocese, quite separate from the existing role of Vocations Director.

Also helping individuals to respond to God's call is the **Justice and Peace Commission**, which invites all who share a vision of a world in which people live in peace and harmony, where our common humanity is respected and where all are able to contribute freely to the common good, to work together for the benefit of all people and for the environment. The commission's aim is for justice and peace activity to be part of the core of the Church's work throughout the Diocese of Westminster, and for it to be perceived to be so by Catholic and non-Catholic alike. Specifically, the commission supports the laity, as well as priests and bishops of the diocese, in developing awareness of, and ensuring positive engagement with and commitment to, justice and peace as an integral part of the life of the Church and its living out of Gospel values.

#### Education provided through Diocesan Catholic Schools

The approach to education taken in the diocese is that set out in canon law: education must attend to the formation of the whole person in moral and spiritual terms, and at the same time promote the common good of society. Children and young people must therefore be cared for in such a way that their physical, moral and intellectual talents develop in a harmonious manner, so that they attain a greater sense of responsibility, develop an understanding of the right use of freedom, and are formed to take an active part in public life.

Underpinning the education offered by each and every school and academy in the diocese are a number of core principles that define the essence of Catholic schools, all of which:

**Have the child at their centre:** Catholic schools are designed and run to provide the very best educational opportunities and life-fulfilling experiences, in communities that have the teachings of Christ and his Church at their centre.

**Have Christ at their heart:** Catholic schools are places where everyone is valued as a child of God, where every

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individual is enabled to grow in unity with Christ, and to achieve his or her full potential.

**Have a liturgical, sacramental and spiritual life:** Catholic schools are worshipping communities whose spiritual identities are expressed most visibly through classroom prayer, whole-school liturgies, and assemblies.

**Are distinctive:** Catholic schools, through their clear and visible Catholic identities, will be for many people the place where they first encounter Christ and his Church, and as such are evangelising communities.

**Are centres of excellence for Religious Education and the wider curriculum:** A Catholic school's entire curriculum is underpinned by and expresses Catholic beliefs and values, so it is vital that an understanding and knowledge of the Catholic faith permeates all aspects of school life.

**Are collaborative:** Catholic schools actively promote strong and positive links with the wider community, including the diocese, deaneries, parishes, local communities, families, and other schools. Given that parents, or those who act in their place, are the primary educators of their children, links between the home, the school and the parish are especially significant.

**Are essential:** Catholic schools are places where every child matters; where safety, well-being, enjoyment, tolerance, respect and dignity are reflected in all aspects of school life; where pupils are cherished for who they are as much as for what they achieve; and where all achievement is recognised and celebrated.

In summary, Catholic schools are designed to provide safe, supportive environments where children are challenged to mature intellectually, socially, morally, and physically, and to embody justice, peace, and mercy in the community.

The Charity has oversight of 211 Catholic schools in the Diocese of Westminster, including 195 diocesan schools comprising 153 primary, 40 secondary and 2 sixth form colleges, and 16 independent schools, some of which are in the trusteeship of religious congregations. These schools are attended by around 92,000 boys and girls from the ages of 4 to 18. As of 1 May 2018, there were nine academy trusts, comprising both primary and secondary schools, responsible for 21 schools.

Both the land and the buildings through which all diocesan schools and academies operate are provided by the Charity, together with advice and guidance for both headteachers and governors on general, school-related employment matters. Furthermore, the Charity appoints all Foundation Governors and Foundation Directors, and through its Education Service is represented at the appointment of all headteachers, deputy headteachers, heads of Religious Education, and chaplains.

As faith leaders in diocesan schools, many headteachers provide retreats for their staff. It is vitally important that they also have the opportunity to be spiritually nourished. In September 2017, the Education Service organised the inaugural Headteacher Retreat, a day which was designed to give headteachers the opportunity for space, reflection and contemplation at the start of the new academic year. The response was so overwhelmingly positive about the benefits of the retreat that it has now become an annual event.

All schools in the diocese are regulated by the Office for Standards in Education, Children's Services and Skills (Ofsted) which conducts a rolling programme of inspections and regulatory visits to all schools in order to achieve excellence in education and skills for learners of all ages, and in the care of children and young people.

In January 2018, Ofsted changed the way in which schools previously graded 'Good', and so inspected under Section 8 (short inspection), were judged. There are now four possible outcomes from a Section 8 inspection but those usually applying to our schools are: continues to be Good (Good), inspected in 4 years under Section 8; currently Good but showing signs of Outstanding (Good plus), inspected within 2 years under Section 5; currently Good but showing signs of Requiring Improvement (Good minus), inspected within 2 years under Section 5. Section 5 is a full inspection, following which a school's grade may be changed.

In total, 96% of all schools in the diocese were judged as Good or Outstanding by Ofsted criteria. This consistency of inspection rating is to be applauded, and it affirms the sterling efforts made by diocesan schools and the Education Service to ensure that a universal, high-quality education is available to all pupils. Equally noteworthy is the fact that diocesan schools achieved on average better ratings than their peers: in 2018, 28% of primary schools in London were rated by Ofsted as Outstanding (diocese: 31%) and 6% as Requires Improvement (diocese: 4%); for secondary schools and sixth form colleges in London Ofsted rated 38% as Outstanding (diocese: 49%) and 10% as Requires Improvement (diocese: one sixth form college).

As of September 2018, 31% of diocesan primary schools were rated by Ofsted as Outstanding (32% in 2017), while just 4% were rated as Requires Improvement (3% in 2017). Amongst diocesan secondary schools and sixth form colleges, Ofsted had assessed 49% as Outstanding (46% in 2017) and one sixth form college as Requires Improvement (none in 2017). No diocesan schools, either primary or secondary, were rated Inadequate/Special Measures in either 2018 or 2017.

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The two headline performance measures are Progress 8 and Attainment 8, each of which can be calculated from the grades achieved across eight different subjects that must include both English and maths.

Progress 8 is intended to measure student progress between primary school and GCSE. A score of 0 is, by definition, the national average, while scores above 0 mean students have performed better than the national average and scores below 0 mean performance has been below the national average. In 2018, students in diocesan secondary schools achieved a Progress 8 score of +0.47, significantly above the national average and an increase on the 2017 Progress 8 score of +0.40.

Attainment 8 is intended to measure average student achievement with an emphasis on the importance of both English and maths. In 2018, students in diocesan secondary schools achieved an Attainment 8 score of 5.4, considerably above the national average (4.6). In 2017 the Attainment 8 score was 5.3 and the national average was 4.5, so diocesan schools are maintaining this achievement, against an improving performance nationally.

Diocesan secondary schools continue to outperform their peers academically on other performance measures. In 2018, 57% of students achieved a grade 5 or above in both English and maths (nationally: 42%). This represents an increase on 2017 results where 55% achieved grade 5 or above compared to a national average of 43%. There was a decrease in the number of students who achieved the English Baccalaureate (EBacc) at grade 5 or above in English and maths: 29% in 2018 compared to 34% in 2017. However, this must be seen in the context of a significant national decrease; in 2018 the national average for EBacc at 5+ was 16% and in 2017 it was 21%.

This impressive overall academic performance was even more remarkable for Religious Studies. The number of students taking the exam is similar for both 2017 and 2018. The nearly 5,700 students who sat the exam in 2018 attained an average grade of 5.7, well above the national average (5.0), and 82% of them were awarded a grade 4 or above (the equivalent of unreformed A\*-C grades), once again significantly above the national average (71%). Furthermore, the approximately 5,300 students for whom a progress score could be calculated achieved an average progress score of +0.68, again significantly above the national average. These results were in line with achievements in 2017, although the number achieving grade 5 or above showed a significant increase on 2017; 72% in 2018 (national average 59%) compared with 64% in 2017 (national average 51%).

Many of our schools also gained recognition, national and international, for their exceptional academic performance and social achievements in 2018, including the following:

- St Gregory's Catholic Science College was recognised at the Schools for Success Awards held at City Hall. The Schools for Success scheme offers support for students requiring additional help or attention to fulfil their unique potential. St Gregory's was particularly praised at the awards for its supportive and inclusive learning environment.
- St Thomas More School in Wood Green has developed a peer mentoring programme. Designed to benefit the development of both the mentors and mentees, the programme has so far given 50 students training in how to offer support, guidance, friendship, and reinforcement to younger pupils.
- St Joseph's Catholic Primary School in Bishops Stortford, which has been an official 'friend' of a local foodbank for a number of years, donated a substantial quantity of food filling many boxes and bags, to help feed the needy in the area. This sizeable donation was the result of two weeks of hard work by the school chaplaincy team, a group comprising year six students.
- St Dominic's Sixth Form College first year students completed a sponsored walk to raise funds to feed African school children who live in dire need. In partnership with Mary's Meals the school sponsors Chiligani 2 Primary School in Malawi, and provides 500 children a day with a hot meal.

During the year, the Education Service continued to conduct its own rolling programme of inspections to assess both the standard of Religious Education (RE) in the classroom and the state of Catholic Life in all its schools. Based on the objective criteria used by the diocese in its assessments, the proportion of primary schools rated as Outstanding for classroom RE was 24% (42% in 2017) and the proportion rated Outstanding for Catholic Life of the School was 86% (88% in 2017). The proportions rated Requires Improvement were 3% and 0% respectively (2% and 1% respectively in 2017). In secondary schools, the same proportions were 71% and 71% (80% and 83% respectively in 2017) rated Outstanding and 14% and 0% as Requires Improvement (3% and 3% respectively in 2017).

The Education Service is eager to promote good practice throughout diocesan schools, so during 2017 they created and launched a new diocesan-wide resource sharing platform specifically for RE at primary schools. This platform includes links to different RE schemes, provides assistance in planning school worship, and has numerous examples of creativity and excellence in RE lessons. It is available to all teachers across the diocese to assist in planning RE lessons, and teachers are strongly encouraged to upload resources to the platform to be shared with their fellow educators.



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The Education Service launched *Our Eucharistic Journey*, a programme to build on *Adoremus*, the National Eucharistic Congress which took place in September. It aims to build greater understanding and therefore devotion among primary and secondary school pupils. Schools have been working closely with their local parishes to promote this initiative and to involve parents and the entire parish community in supporting this initiative. The programme culminated in an all-schools Mass in June 2019 to consolidate and celebrate this learning.

In addition to achieving academic excellence and providing sound moral formation to all their students, Catholic schools strive to care for the whole person: mind, body and soul. Many have formal Healthy Schools policies providing an environment and culture that helps pupils grow up to be healthy and learn in a safe environment, and with the motivation and self-respect to make healthy choices.

Many of our schools have also joined with the diocese in promoting our mission of social justice through initiatives like Fairtrade, which aims to help producers of commodities in developing countries, to achieve better trading conditions, and to promote sustainable farming. Other initiatives include Cafod groups promoting development projects in communities overseas, and Caritas Ambassadors and Mini Vinnies offering assistance to some of the most vulnerable people in the local community.

In coordination with the government, local authorities, school governors and parents, the diocese continues to improve and expand its schools' buildings. At the start of the most recent financial year, a total of 173 school development projects were being overseen by the Trustees, of which 137 projects were still active at the end of the year. The 127 projects that were completed within the year represent a capital investment of about £34.4 million. During the financial year, a total of 91 new projects were initiated, increasing the total number of projects open at the end of the year to 137, representing an estimated total capital investment of £80.0 million. Funding for each project is sourced from a combination of the Department for Education, the relevant Local Education Authority and the school itself. Each school generates its own funding contribution from a mixture of sources, such as fundraising activities, parents and the diocese. School governors are responsible for claiming funds for which they are eligible, with the diocese acting as an agent on their behalf, allowing it to handle the day-to-day administration of the funds received and to pay the suppliers, such as contractors and consultants, appointed by the school.

### The Implementation of Catholic Social Teaching through Caritas

The fundamental principle of all Catholic social teaching is that each and every human person is created in the image and likeness of God, and therefore possesses an innate dignity, irrespective of his or her personal circumstances or faith.

Through a series of papal encyclicals published over the past 115 years, the Church has developed this concept of human dignity to articulate essential truths about what constitutes a just society: one which

- is oriented towards human flourishing;
- supports the natural human community of the family, and the integration of people into broader communities of the Church and society;
- recognises the dignity and worth of human labour;
- guarantees the fundamental human rights of all;
- offers everyone the freedom to fulfil his or her responsibilities; and
- cares appropriately for God's creation.

The unifying, underlying principle required to realise the Church's vision of a just society is solidarity, the real and determined commitment of each person to the welfare of all.

These truths guide us on how to respond to our faith as individuals and to actively respond to God's call to work towards a common good. Volunteering is at the very heart of Catholic social teaching: it is a form of the universal Christian vocation, or calling, to use our gifts for the benefit of others, be they in our local community or in the wider world.

Guiding the strategy for all of Caritas Westminster's activities are the following seven focus areas identified by the Trustees:

- (1) Supporting people who find themselves in food poverty and debt

Debt problems can affect anyone at any time, but they can be particularly debilitating for the most vulnerable in our society. Every year millions of people struggle with debt, be it from credit cards, loans, council tax, utility bills, or even court fines, which prevents them from fully engaging in family, parish and community life.

The parishioners of Blessed Sacrament Church in Copenhagen Street applied to Caritas for a grant to set up a food bank to tackle a growing problem of food poverty afflicting families in the local area. In addition to providing the grant, Caritas helped to set up the food bank and train

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volunteers to run it. Since opening in March, 2018, the food bank has been making an impact in the lives of more than 200 people who might otherwise go hungry. A large group of volunteers is always on hand to welcome those who come for a food parcel, offering them tea, coffee, biscuits, and a chance to chat.

The **St John Southworth Caritas Fund** is an amalgamation of a number of separate funds and legacies dedicated to the alleviation of poverty and hardship: it continued to provide a comprehensive range of grants to tackle poverty and social exclusion throughout the diocese. During the year, the fund significantly increased the number of grants and the value of the financial assistance provided to those in the greatest need, making a total of 81 grants to the value of £170,529 (66 grants totalling £161,000 in 2017) in line with its key priority areas.

The fund awarded 27 crisis grants (30 in 2017) to individuals and families in need, where a small sum of money can make a significant difference, and allow that family to weather a period of financial difficulty. In addition to this support for individuals and families in crisis, the fund made 12 project grants (14 in 2017) to parishes and local organisations working together with parishes, to help either start or develop local social action initiatives (such as food banks, school breakfast clubs, and apprenticeship placement schemes). And finally, funeral poverty is another area of priority for the Fund: In 2018 it awarded 42 grants towards funeral costs in cases of hardship, using a specific fund set up for the purpose (22 in 2017).

### (2) Supporting lonely, isolated and vulnerable people

Over the past few years Caritas has sponsored many initiatives to help refugees in the diocese, particularly those displaced by war. One such initiative is the Syria Summer Camp, which is organised and hosted by Newman Catholic College, and since 2017 has been part-funded by a grant from Caritas Westminster.

This summer camp reaches out to some of the most vulnerable persons in society: children displaced by a brutal war in Syria. Due to the conflict, and sometimes to a long period of time in refugee camps, these children have missed out on a significant part of their education. However, despite the adversity they have experienced these children have the same or higher aspirations for their future as any other child would. To help them settle and succeed in a new country, staff and volunteers have devised a four-week program of learning, creative projects, and therapeutic and fun activities for refugee children.

Some of the children who attended the summer camp in 2018 had only been in the UK for a few weeks and spoke little or no English. Nonetheless, they were supported by a host of volunteers from the parish, the Caritas Volunteer Service, and other sources. Those who needed this type

of care were offered access to visiting counsellors, and therapeutic and wellbeing support was prioritised for all.

The translation of Catholic social teaching into concrete action by these parishes and faith groups exemplifies the diocese's determination to improve the circumstances of the most vulnerable in society, and demonstrates the vibrancy and urgency of the Catholic response to injustices wherever they may be encountered.

### (3) Supporting the Catholic Deaf community

At least once a month throughout the year, the Caritas Deaf Service supports four parishes distributed geographically around the diocese, Westminster Cathedral, Whitton, Limehouse and White City, providing signing at a regular weekly Mass, as well as a dedicated prayer corner with candles and holy water for those members of the Deaf community who wish either just to pray or to attend the sacrament of reconciliation before Mass starts.

The Caritas Deaf Service wants deaf people to be fully involved in the life of the Church. Through this ministry, in May 2018 deaf parents were able to join fully in the celebration of their daughter's First Holy Communion. In the lead-up to *Adoremus*, a deaf Catholic Certificate in Religious Studies (CCRS) student was able to lead a Bible study for other deaf people, and at *Adoremus* itself the Caritas Deaf Service helped with sign interpretation at both the presentations and the liturgies, and even during the Eucharistic procession.

We are blessed that one of our Auxiliary Bishops can sign, raising deaf awareness right across the diocese. Bishop Paul McAleenan, who learnt to sign when he was a parish priest and had a deaf family in his parish, demonstrates the kind of practical love and understanding that is the very foundation of everything Caritas Westminster does.

Another important aspect of the Caritas Deaf Service is the counselling it provides for those at risk of suicide or self-harm, or who have been victims of domestic violence (something which happens in the deaf community at twice the national average rate) and the training courses it runs for those wishing to learn British Sign Language. One participant in a taster BSL course proudly informed the Caritas Deaf Service that in 2018 she achieved a level 3 BSL qualification.

### (4) Supporting people with intellectual disabilities and their families

Some people, unfortunately, find too little love and safety in the world. Places that ought to accept everyone as they are, as God has made them, may not always offer the same welcome to all. Many with intellectual disabilities do not find acceptance in traditional environments of learning or worship that others rely on for comfort and familiarity.

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**Caritas St Joseph's** is one place, however, that offers unconditional love and welcome to all, putting every individual's gifts and needs first and creating a receptive place for each individual person where they know without a shadow of a doubt they are safe and loved. St Joseph's promotes a coherent, comprehensive approach to faith development and learning appropriate for children and adults with special needs.

By offering a broad mix of courses tailored to a variety of ability levels, skills and desires for learning and life experience, the centre provides lifelong learning opportunities and a celebration of the God-given gifts of all people. Each week, more than 200 students with intellectual disabilities are able to develop their potential, progressing further along the path to finding their place in the community, all in a safe and loving environment.

The three different types of courses offered, vocational, leisure and therapeutic, are supplemented by a range of supporting facilities such as massage therapy, reflexology, aromatherapy and a multi-sensory room, and are complemented by additional courses and activities at our hub site, Connect@Hounslow.

### (5) Supporting young people at risk of social exclusion

2018 was a difficult year for many communities looking for a response to the disturbing rise in knife crime. St Mellitus, Tollington Park, had already suffered the loss of two young parishioners over recent years and decided to act. The parish, together with other local churches, initiated an awareness campaign, joined the City Safe Havens campaign and, with support and funding from Caritas, established a Words4Weapons knife bin on its premises, where knives can be disposed of anonymously. At the time of writing, over 650 knives were left in the bin. This solidarity and sense of community are still saving lives today.

### (6) Supporting victims of human trafficking

**Caritas Bakhita House** is the diocese's dedicated accommodation (emergency safe house) for rescued female victims of human trafficking in the UK. It is part of the unique working relationship between the Catholic Church, the Metropolitan Police, the UK's Anti-Slavery Commissioner and law enforcement agencies across the UK, in their efforts to tackle modern slavery.

The quality of the relationships formed by each guest with our professional staff, women religious, volunteers and organisations linked to our Catholic network, delivers an experience that optimises their recovery and rehabilitation, and which provides a foundation for lasting hope in their lives. The values and principles of action from which all guests benefit are:

**Love** expressed in compassionate support and long-term commitment

**Respect** for the gift and dignity of each individual

**Community** that welcomes and creates friendship and belonging

**Spirituality** nurtured by that joy in creative activity which lifts the spirit

In 2018 Caritas Bakhita House hosted 101 guests, each with a unique story. One woman from Ethiopia was brought to Bakhita house by the Metropolitan Police. She had been accused by her employer of stealing £100,000 worth of jewellery, but when they spoke to her the police discovered that the woman had been held in virtual slavery for five years, forced to work for little money, made to sleep in cramped conditions, and not allowed access to her identity documents. The staff at Bakhita House registered her with a doctor, dentist and optician so that her medical needs could be met. The woman began English classes, and studied hard enough to get a six-month placement at Oxfam. After ten months of healing and study at Bakhita House the woman was strong enough to move to asylum-seekers' accommodation in October 2018, and is now on a six-month exit support plan.

### (7) Supporting people who are homeless

There are many different reasons behind the growing problem of homelessness, each unique to the circumstances in which individuals find themselves, but among the most common are low wages and unemployment.

Keen to help address this need, six diocesan parishes have partnered with seven other churches, a synagogue and a mosque to form the Westminster Winter Night Shelter, one of over 100 similar schemes across the country in which faith groups coordinate to help homeless people in their community. Operating between October and May, the shelter provides a hot dinner, a comfortable bed, and breakfast to the homeless every night of the week. Last winter 69 homeless people used the service.

Several other parishes within the diocese are also involved in hosting night shelters in collaboration with other churches and faith group in their local communities; a number of these participate in the Glass Door Night Shelter, the largest homeless shelter network in the UK. Over the last year, a total of 420 guests stayed in the shelters, with 160 of those guests moving into housing and 98 being supported into employment.

On average in 2018 over 4,700 people were sleeping rough in England on any given night, with the majority of those in London and the Southeast (Source: Shelter UK). Many of these people are not entitled to rehousing

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because they do not fall into priority need categories, and there is not enough temporary accommodation to house all the rough sleepers. However, rough sleeping places people at extremely high risk of injury, attack, illness, and even death. Night shelters like Glass Door are a crucial way of helping those who find themselves without any other means of social support, and can also serve as a first point of contact with workers who can help the homeless back into work and permanent housing. In hosting and sponsoring night shelter accommodation for those who would otherwise be sleeping rough, the parishes and the diocese are ministering to some of the most vulnerable and needy in society.

### Conclusion

The services, programmes, events, initiatives, projects, resources and courses described above are just a sample of the plethora of activities undertaken by the Charity in achieving its purpose and ministering to as many people as possible. The vast majority of the Charity's engagement with its beneficiaries happens face to face, but as the years go by the ways in which people first encounter the Charity or experience its work are constantly evolving.

For many, that first point of contact is the critical determinant of how effectively we can help to address an individual's needs and welcome the stranger. The Charity's door is always open, and every effort is made to ensure this first point of contact is a positive one and forms the basis for an ongoing relationship. The Charity continues to embrace new methods of communication as opportunities for it to engage more widely, more deeply and with a greater number of individuals.

In order to serve as many beneficiaries as possible, the Charity must remain vigilant to new trends, evolving needs, changing demographics, social aspirations and societal norms. This requires the Charity to challenge itself constantly to offer activities that best suit the demands of individuals in need, and to do so in ways that are relevant and easily accessible to them, as well as to use and distribute scarce resources and infrastructure fairly and efficiently, so as to magnify the social benefit it creates and to maximise the impact it has on the lives of its beneficiaries.

The Charity is proactive in offering new programmes of engagement to combat the needs it identifies, many of which subsequently become part of the mainstream business environment, such as encouraging responsible employment practices, seeking an end to human trafficking in the supply chain, and engaging with companies on a variety of environmental, social and governance topics.

Good governance is increasingly regarded as a key measure of an organisation's success in achieving its

mission and can have a significant influence on its long-term sustainability. This is particularly apparent for charities as their reputations often determine their likelihood of receiving donations.

In order to ensure the Charity is able to continue improving the lives and circumstances of all in society, the Trustees periodically review internal governance arrangements and operating models to identify potential inefficiencies or deficiencies that need to be eliminated, and to determine those additional services that must be provided to ensure that the Charity offers a comprehensive suite of accessible and appropriate activities for their needs.

The review undertaken during 2017 focused on streamlining the administration of the Charity for both the Trustees and the key management personnel, in order to reduce the time burden of the day-to-day operation of the Charity and thereby enable them to devote greater attention to addressing front-line demands. One of the tangible results of this review was the decision to apply to the Charity Commission for uniting directions, subsequently granted, in respect of five previously separate charities: The Moorfields Charity, Westminster Cathedral Trust, Hare Street House, Diocese of Westminster Sick and Retired Priests Fund and Westminster Ecclesiastical Education Fund (see also note 24).

The Trustees are confident that the Charity and the services, programmes, events, initiatives, projects, resources and courses it offers are more relevant to society today than ever, and are unwavering in their commitment to improving the welfare of all in society according to the principles of the Church's teachings and its beliefs.

One of these teachings is about glorifying God by giving back to him a portion of the blessings he has given us. All Catholics are encouraged to volunteer their time, use their talents and donate their treasures for the benefit and betterment of others. The Charity's work would be immeasurably harder without the extraordinary dedication and commitment of the tens of thousands of volunteers who give so freely of their time, who offer so widely of their talents and who donate so generously in support of the Charity's many activities.

To help finance and support the Charity's activities, and in order to provide for future needs, the Trustees led a fundraising programme called Growing in Faith which ran from January 2012 to December 2014, and which conveyed to each and every parishioner the Charity's key future priorities: a) vibrant and sustainable parishes, b) a sustainable priesthood, and c) providing help to the poor and the marginalised. The campaign received about £34.8 million in gifts and pledges from around 19,500 households, of which about £32 million had been received by year end 2018. We are immensely grateful to all donors



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for their continuing generosity towards this programme. The cost of the campaign was £3.8 million, which cost was met by the curia from its existing reserves.

More recently, the Charity launched the Cardinal's Appeal fundraising initiative to support the innovative work of Catholic parishes, schools, charities and other similar organisations in the Diocese of Westminster in contributing to three fundamental aspects of the Church's mission: strengthening marriages and families; deepening the faith life of our young people; and increasing our social outreach presence in civil society. The appeal has an evangelical focus, stressing the value of strong families grounded in God's sacred plan for us, preparing the next generation of Catholics to lead the Church and society, and offering an important Catholic perspective on the modern world by bearing witness to our faith and putting into practice Catholic teaching in an increasingly secular society.

We believe that the sacramental ministry and spiritual support that the Catholic Church offers to her members, as well as her constantly outward-looking stance, her attempts to build bridges with the broader community and her efforts to advance social justice and the common good in our society, place the Catholic Church at the forefront of the movement towards a more tolerant, cosmopolitan populace.

During the next year, the Charity will continue to build on these concrete achievements in an effort to demonstrate further its resolve to effect meaningful societal change and its commitment to its stated purpose.

## Financial Review

### Scope of the Consolidated Accounts

The consolidated accounts include the assets, liabilities and transactions of the following:

**The Curia:** responsible for the central organisation necessary for the Charity to achieve its stated purpose. Curial funds therefore help the curia provide support to over 200 schools and more than 200 parishes that are part of the diocese as well as support the Archbishop and Bishops in providing diocesan-wide programmes and pastoral care and in meeting the cost of central administration and stewardship. These funds are administered by staff in the curial offices in the Westminster Cathedral Complex and in other diocesan centres.

**The Parishes:** responsible for the local organisation necessary for the Charity to achieve its stated purpose. Parochial funds are therefore used to carry out the work

of the Church within local areas and to help fund the curia. These funds are administered, with guidance from the curial offices, by the parish priests.

**Aedificabo Limited:** a wholly-owned subsidiary trading company carrying out project management to assist the building programme of the diocese in its schools, academies and parishes.

**Westminster Cathedral Limited:** a wholly-owned subsidiary trading company carrying out general activities relating to Westminster Cathedral, whose object is to generate profit for the benefit of the Cathedral.

**Westminster Cathedral Trust:** a charity with the principal objectives of supporting Westminster Cathedral and preserving its fabric, pastoral mission and music.

**The Moorfields Charity:** a charity providing assistance to the parishes of St Mary Moorfields, St Joseph's Bunhill Row and Westminster Cathedral.

**Hare Street House:** a charity providing a residence for the Roman Catholic Archbishop of the Diocese of Westminster.

In 2018, the Charity applied to the Charity Commission for a uniting direction in respect of Diocese of Westminster Sick and Retired Priests Fund and Westminster Ecclesiastical Education Fund. The effect of the uniting direction is to allow the Charity to prepare a single set of accounts that incorporates these two charities as restricted funds. Consequently the consolidated accounts for 2018 also include the assets, liabilities and transactions of the following:

**Diocese of Westminster Sick and Retired Priests Fund:** a charity that provides assistance to sick, elderly and retired clergy.

**Westminster Ecclesiastical Education Fund (otherwise known as the Priests Training Fund):** a charity that provides funding for the promotion of vocations to the priesthood in the Catholic Diocese of Westminster, as well as for the training of candidates through to ordination.

The Diocese of Westminster Sick and Retired Priests Fund was already included in the consolidated accounts prepared for 2017, while Westminster Ecclesiastical Education Fund is included in this year's consolidated accounts for the first time.

Although the Charity is the legal owner of over 200 school properties within the diocese comprising voluntary aided schools and academies, many of which are separate exempt or excepted charities funded through combinations of government grants and voluntary contributions, the nature of the occupation of these properties means that the Trustees do not have the power to dispose of the land and buildings until a school ceases

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occupation, which in turn requires the approval of the school governors and the Secretary of State.

Over the past four years, the Charity has spent significant sums of its own funds on two particular property assets for occupation by Catholic schools: St Richard Reynolds School, a voluntary aided primary and secondary school, in Twickenham, and the Friary, an independent pre-prep school that forms part of the Westminster Cathedral Choir School.

In accordance with the principal accounting policies which form part of the accounts attached to this report, voluntary aided schools and academies which are publicly funded are valued at £nil in the Charity's accounts.

Consequently, the total amount spent by the Charity on St Richard Reynolds School in the past four years (£17.6 million, of which £1.9 million was spent in 2018) has been recognised in the accounts as expenditure. No further expenditure on St Richard Reynolds School is expected to be incurred in 2019.

As of 31 December 2018, the total amount invested in the Friary (£10.5 million) has been recognised in the accounts as a programme related investment.

### Financial Results

The table set out below summarises the financial activities of the diocese.

|   | 2018<br>£m | 2017<br>£m |
|---|------------|------------|
| <b>Parishes</b>                         |            |            |
| Income                                  | 40.3       | 39.8       |
| Expenditure                             | (28.0)     | (26.8)     |
| Surplus before assessment and transfers | 12.3       | 13.0       |
| Diocesan assessment                     | (6.0)      | (5.5)      |
| Transfers from Curia to Parishes        | 3.2        | 1.5        |
| Surplus after assessment and transfers  | 9.5        | 9.0        |
| Investment gains                        | 10.2       | 12.5       |
| Added to reserves                       | 19.7       | 21.5       |
| <b>Curia</b>                            |            |            |
| Diocesan assessment                     | 6.0        | 5.5        |
| Other income                            | 14.2       | 14.8       |
| Total income after assessment           | 20.2       | 20.3       |
| Expenditure                             | (16.4)     | (20.5)     |
| Transfers from Curia to Parishes        | (3.2)      | (1.5)      |
| Surplus (deficit)                       | 0.6        | (1.7)      |
| Investment and actuarial (losses) gains | (0.5)      | 4.9        |
| Funds introduced                        | 6.8        | 0.7        |
| Added to reserves                       | 6.9        | 3.9        |

### Parishes

Parishes are central to fulfilling the Charity's mission. They are communities whose daily activities contribute, both directly and indirectly, to the moral and spiritual wellbeing of everyone living and working within them. They are the places where local communities come together each Sunday to worship, where sacraments are administered, where children are educated in faith and where social outreach programmes are developed, allowing communities to support individuals of all faiths and none in their local area, caring for those in need, and working together for the common good of society.

Parish income (excluding net transfers from curia) was £40.3 million for the year (£39.8 million in 2017), including donations and legacies totalling £28.3 million (£26.8 million in 2017), income from parish and similar activities of £7.4 million (£6.4 million in 2017) and investment income and interest receivable of £2.8 million (£2.0 million in 2017).

Parish expenditure increased by £1.2 million in 2018 to £28.0 million (£26.8 million in 2017), resulting in a surplus before assessment and transfers of £12.3 million (£13.0 million in 2017). The main reasons for the increase in parish expenditure was an increase in non-clergy salaries, utilities and other parish activities.

The diocesan assessment, being monies transferred from parishes to the curia in order to fund diocesan-wide programmes, amounted to £6.0 million (£5.5 million in 2017).

Transfers from the curia to parishes relate to transactions between the curia and the parishes which are eliminated upon consolidation. In 2018 they amounted to £3.2 million for the year (£1.5 million in 2017), and relate mainly to Growing in Faith grants and a one-off transfer of ownership of an investment property from the curia to a parish.

Parish investment gains amounted to £10.2 million (£12.5 million in 2017), resulting from an increase in the value of investment properties held by the parishes of £10.5 million, partially offset by a reduction in the value of listed investments held by the parishes of £0.3 million.

Parish reserves increased by £19.7 million in the current year (£21.5 million in 2017). All parish activities and funds are restricted and can only be used for the benefit of parishes.

### Curia

The curia is responsible for the central organisation necessary for the Charity to achieve its stated purpose and assists the Archbishop and Bishops in supporting the more than 400 schools and parishes across the diocese as well as in providing diocese-wide programmes that enhance the Charity's mission.

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|   | Unrestricted funds |            | Restricted funds |            | Total funds |            |
|---|--------------------|------------|------------------|------------|-------------|------------|
|   | 2018<br>£m         | 2017<br>£m | 2018<br>£m       | 2017<br>£m | 2018<br>£m  | 2017<br>£m |
| <b>Curia</b>                            |                    |            |                  |            |             |            |
| Diocesan assessment                     | 6.0                | 5.5        | –                | –          | 6.0         | 5.5        |
| Other income                            | 5.9                | 3.4        | 8.3              | 11.4       | 14.2        | 14.8       |
| Total income after assessment           | 11.9               | 8.9        | 8.3              | 11.4       | 20.2        | 20.3       |
| Expenditure                             | (10.3)             | (13.1)     | (6.1)            | (7.4)      | (16.4)      | (20.5)     |
| Transfers                               | (1.0)              | 0.3        | (2.2)            | (1.8)      | (3.2)       | (1.5)      |
| Surplus (deficit)                       | 0.6                | (3.9)      | –                | 2.2        | 0.6         | (1.7)      |
| Investment and actuarial gains (losses) | 0.1                | 3.5        | (0.6)            | 1.4        | (0.5)       | 4.9        |
| Funds introduced                        | –                  | –          | 6.8              | 0.7        | 6.8         | 0.7        |
| Added to (deducted from) reserves       | 0.7                | (0.4)      | 6.2              | 4.3        | 6.9         | 3.9        |

Total curial income after assessment in 2018 stood at £20.2 million (£20.3 million in 2017).

As mentioned previously, the diocesan assessment amounted to £6.0 million (£5.5 million in 2017).

Other curial income stood at £14.2 million (£14.8 million in 2017), a decrease of £0.6 million versus the prior year. This income relates to both restricted and unrestricted activities. In 2018, the main components of other curial income are income from Growing in Faith of £2.5 million (£4.3 million in 2017) and other donations and legacies of £5.4 million (£2.4 million in 2017).

As predicted last year, the decrease in curial income is mainly due to the fact that the Growing in Faith campaign is coming to an end. The Growing in Faith campaign supports the vision for the future of the diocese and the restricted funds obtained are intended to fund priests' training, sick and retired clergy, Caritas Westminster and parish projects. The programme incurred no fees in either 2017 or 2016, as it concluded in 2014, and resulted in an amount pledged of £34.8 million over 5 years. The campaign will end in 2019.

Curial expenditure for 2018 decreased to £16.4 million (£20.5 million in 2017). The principal reason for the decrease is the £6.5 million reduction in expenditure on St Richard Reynolds, partially offset by a £1.6 million increase in expenditure on pastoral and related work, driven mainly by the consolidation of WEEF for the first time. After eliminating grants to parishes and Caritas included under Transfers from curia to parishes, Growing in Faith grants in 2018 amounted to £0.3 million (£0.4 million in 2017).

Expenditure recognised in respect of building works at St Richard Reynolds School, Twickenham decreased to £1.9 million in 2018 (£8.4 million in 2017). As of 31 December 2018, the total spend on St Richard Reynolds

School was £17.6 million, of which £6.6 million relates to unrestricted expenditure that has been funded by the Charity from its free reserves.

Investment and actuarial losses for the year amounted to £0.5 million (£4.9 million gain in 2017). Net losses on investments (listed investments and investment properties) were £0.6 million in the year, compared to a net gain of £4.8 million in 2017, and the actuarial gain for the year was £0.1 million (£0.1 million in 2017).

In order to better understand the curial activities during the year, a split between unrestricted and restricted funds is provided in the table above.

Total curial unrestricted income after diocesan assessment stood at £11.9 million in 2018 (£8.9 million in 2017). Total curial unrestricted expenditure amounted to £10.3 million (£13.1 million in 2017), including £0.3 million non-recurrent expenditure in respect of building works at St Richard Reynolds School, Twickenham.

Unrestricted investment and actuarial gains amounted to £0.1 million (£3.5 million in 2017) leading to an increase in the curial unrestricted reserves in the period of £0.7 million (£0.4 million reduction in 2017).

Total curial restricted income after net transfers was £8.3 million in 2018 (£11.4 million in 2017). Curial restricted income largely results from grant income in respect of St Richard Reynolds School (£1.6 million), from income received under the Growing in Faith campaign (£2.5 million) and from income received from the restricted activities developed centrally, in particular Caritas, the Diocese of Westminster Sick and Retired Priests Fund, and Westminster Ecclesiastical Education Fund, which is being consolidated for the first time in 2018 in the diocesan accounts.

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Income and expenditure for the Westminster Ecclesiastical Education Fund was not included in the 2017 consolidated accounts. Funds related to Westminster Ecclesiastical Education Fund are included in the 2018 consolidated accounts as curial restricted funds.

Restricted expenditure was £6.1 million for the year (£7.4 million in 2017) comprising expenditure on St Richard Reynolds school and on the restricted activities developed centrally, in particular Caritas, the Diocese of Westminster Sick and Retired Priests Fund and the Westminster Ecclesiastical Education Fund.

Losses from restricted listed investments amounted to £0.6 million (£1.4 million net gain in 2017) whilst transfers from curial restricted funds amounted to £2.2 million (£1.8 million in 2017) and funds introduced as a result of consolidating Westminster Ecclesiastical Education Fund for the first time amounted to £6.8 million (£0.7 million in 2017 as a result of consolidating Hare Street House for the first time), leading to an increase in curial restricted reserves of £6.2 million (£4.3 million in 2017).

Full details of the income and expenditure are shown in the consolidated statement of financial activities and in the notes to the accounts.

### Reserves Policy

A healthy level of free reserves is essential to ensuring that the Charity can sustainably continue to develop its mission and is an important part of how the Charity is resilient.

In 2018, the Trustees reviewed the Charity's free reserves policy and implemented a new methodology for assessing the desired level of reserves. The Trustees wanted to be more specific about the particular level of reserves. This approach not only aligned the reserves to the risk assessment process, but also linked them to the specific risks faced by the Charity. The specific risks and the desired levels of reserves associated with them will be reviewed annually.

The new methodology allows the Trustees to ensure that the Charity is not accumulating funds unnecessarily so that they are used to enable the diocesan mission instead.

Reviewing the risk register, there are a number of specific risks that have the potential to severely impact the Charity and its ability to be resilient. Below are the major specific risks for the Charity which might not be addressed from restricted funds.

**Decrease in Catholic population:** The number of people attending our parishes and financially contributing to the mission of the Charity has a direct impact on the funds available for unrestricted expenditure. A shortfall of income (i.e. a deficit) means that the curia must bridge the gap by using its free reserves.

Currently, there are several external factors that could significantly affect the population of parishioners in an accelerated manner, including the impact of Brexit on European citizens' rights to freely settle in the diocese, government policy on immigration which is expected to restrict future numbers of immigrants, the rising cost of housing which is driving families out of London, and the impact of the international concerns surrounding the Church. It is currently very difficult to forecast with precision the impact of these factors.

In 2018 the average number of people who attend Mass each Sunday in the diocese declined by just over 5%, with ten parishes seeing a decrease of more than 20% in their parishioner numbers, due primarily to the continuing uncertainty about Brexit and families choosing to return home. It is currently unclear whether the decline in the number of parishioners that was observed in 2018 will continue in 2019, but a conservative estimate would be that the Charity needs to be resilient to a 20% reduction in the Catholic population. This could translate into an income reduction of £1.2 million per year, and it could take as long as three years for the curia to fully implement expenditure reduction plans to conform to this reduced income level. Assuming that expenditure cuts can be phased in over three years, the funds to be set aside for this risk are estimated at around £2.5 million.

**Regulatory and legal externalities:** The ever-changing regulatory environment impacts on the mission of the Church. When changes occur there is typically an impact on the Charity's resources. An example of this is in the field of education, with the Academy policy that was implemented by the government and the implication for voluntary aided schools, where schools could convert to education companies and receive money directly from the government. This programme has gone through various steps from pilot to acceleration and then deceleration. To participate in the programme, appropriate skill sets, resources and finances are required, which were not all available in the Charity when it first began with this programme.

One way to fund the transition of our schools to academies through the programme is by using our free reserves. But this is just one example. There are always various consultations and inquiries which require preparation and participation that cannot necessarily be funded from day-to-day income. The estimated funds needed to guard against these potential additional costs are around £4.0 million.

**Curia building maintenance:** The activities of the curia are undertaken in many sites owned by the Charity. The major physical sites are: Archbishop's House, Vaughan House, St Joseph's Centre Hendon, Allen Hall Seminary, Waxwell Youth Retreat Centre, Newman House, Wembley



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SEIDS and Archives. These sites vary in size and age, but all require regular upkeep and updating. Despite ongoing preventative maintenance, a significant unplanned expenditure could occur at any location at any time.

Although the capital outlay could be fundraised, the sheer financial requirement, the complexity of the sites' needs and the risk of an unplanned but necessary immediate expenditure could require the Charity to spend funds before fundraising is complete. It is very difficult to quantify what funds should be set aside to cover the potential costs arising from risks, but a figure of £2.0 million seems reasonable, with the intent being to reduce this over the next ten years as a result of investing to improve the existing physical plant, as well as proactively fundraising.

## **Increasing number of priests retiring from active service:**

In the next ten years there will be over 80 priests retiring from active service. In general this causes two financial risks. The first is that the Bishop is responsible for their care and therefore needs to fund this care. This funding must cover not just healthcare costs, but also stipend and accommodation costs. Through the generosity of parishioners and donors, the main funding for this activity will be sourced from the Diocese of Westminster Sick and Retired Priests Fund and from the specific allocated portion of Growing in Faith. The second financial risk would be caused by the decrease in the number of parish priests. This might mean that some parishes will have to share priests, which could lead to an increase in lay staffing. These new hires would be funded by the parishes, another restricted fund. Therefore, the net financial risk to reserves is negligible.

**Shock to asset value and working capital:** It is critical that the Charity can address the issues noted above independently of whether there is a shock to the value of its underlying assets. It also needs working capital to properly function, no matter the economic situation. Therefore, the Charity should be able to disburse its free reserves, if needed, even in the middle of a significant market or systemic correction. For the free reserves to still be available for the above needs assuming a 20% correction in assets, the amount that is needed to be set aside is estimated at around £2.5 million.

If all the specific risks listed above were to crystallise at the same time, the Charity would require free reserves of £11.0 million, though this is unlikely to be the case. It may be prudent, therefore, for the Charity to consider a target range for its Free Reserves, with £13.0 million at the upper end of that range and £9.0 million at the lower end. It is clear from this year's accounts that the Charity's free reserves are below the lower end of this range. The Trustees are implementing a strategy to achieve the above range.

## **Funds of the Group**

### **General Funds and Free Reserves**

The Charity's general funds, which represent monies available to the Charity for its general purposes, increased by £0.3 million over the year to reach £5.1 million (£4.8 million in 2017), the equivalent of approximately six months of future unrestricted expenditure (six months in 2017).

The Charity's general funds are subdivided between free reserves totalling £7.1 million (£7.1 million in 2017) and a pension reserve deficit which stands at £2.0 million (£2.3 million in 2017). Excluding the actuarial pension reserve deficit, the Charity's free reserves represent eight months of future budgeted unrestricted expenditure.

### **Other Unrestricted Funds**

Also included in the balance of the unrestricted funds are tangible fixed assets funds totalling £20.3 million (£20.6 million in 2017) and programme related investments funds amounting to £10.5 million (£10.4 million in 2017), both of which represent property and other fixed assets essential to furthering the Charity's mission. By definition, they do not represent liquid assets immediately available for expenditure. Designated funds represent monies set aside for specific purposes, totalling £1.2 million (£0.6 million in 2017).

Total curial unrestricted funds amounted to £37.2 million at 31 December 2018 (£36.5 million in 2017).

### **Restricted Funds**

Curial restricted funds of the Charity total £46.9 million (£40.7 million in 2017) and are not available to the Charity to use for its general purposes. Included in the total is £19.3 million (£19.9 million in 2017) representing monies raised as part of the Growing in Faith campaign.

These monies are essential for ensuring a vibrant future for the diocese and will be used: to support parishes and ensure that they are sound, prayerful and sustainable; to support priestly life at all stages, be that in formation, during service in parishes, or in retirement; and to maintain the tradition of outreach to those in need.

Parochial reserves at 31 December 2018 amounted to £196.7 million (£177.0 million in 2017) and relate solely to the assets and activities of individual parishes. These reserves are not available to the Charity to use for its general purposes, nor are individual parishes able to transfer their funds to other parishes within the diocese.

### **The Charity's Assets**

During 2018, capital expenditure for the Charity was £7.2 million. Of this amount, £5.6 million relates to ongoing capital projects carried out in parishes, ranging

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from major projects, such as replacing church roofs or renovating parish halls, to smaller projects, such as refurbishing or redecorating meeting rooms. The remaining capital expenditure for the year (£1.6 million) is mainly related to restoration projects at Westminster Cathedral and to Caritas SEIDS Hub, our new social enterprise community centre at Wembley.

The net book value of assets disposed of in the year was £0.5 million. Further details of acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

### Connected Charities

The only charity connected with the Charity is Westminster Cathedral Choir School, a charity that aims to train children in church choral music. This charity is the responsibility of the Corporate Trustee, but is outside the scope of these accounts.

### Fundraising Policy

**Introduction** Giving has been central to the Church for two thousand years. Jesus' teaching and the words of Scripture repeatedly affirm the importance of this aspect of Christian life. It is part of the Church's identity and, as early as the first century, 'all who believed were together and had all things in common. And they were selling their possessions and belongings and distributing them to all, as any had need' (Acts 2:44-45).

Whereas 'giving' is a heart-felt gesture of sharing our God-given blessings with others, 'fundraising' can seem like something that donors have done 'to' them. This perception informs our approach to all the fundraising we do, where we strive simply to nurture each individual's natural inclination towards giving.

Catholic priest, theologian and writer Henri Nouwen once spoke of fundraising like this: 'Fundraising is, first and foremost, a form of ministry; it is a way of announcing our vision and inviting other people into our mission'. He went on to say: 'When those with money and those who need money share a mission, we see a central sign of new life in the Spirit of Christ. We belong together in our work because Jesus has brought us together, and our fruitfulness depends on staying connected with him.'

The Trustees recognise the great responsibility they have to carry out fundraising in ways that are consistent with this spirit of generosity, and rooted in the idea of ministering to supporters. They invite all supporters to share the resources that God has given them: prayer, time and money.

**Fundraising Practice** The Charity is registered with the Fundraising Regulator, whose recently revised Code of Fundraising Practice provides the framework within which

all charities need to operate. The Trustees see this as the minimum standard that should be upheld. For instance, the Charity takes great care when processing donations and when speaking to donors on the telephone to ensure that vulnerable adults are not exploited. Parishes, communities in which people build friendships over many years and in which parish priests come to know almost everyone, create an environment in which any concerns about an individual's vulnerability can be discussed in strict confidence. This allows the Charity to tailor its approach and interaction with individuals whenever necessary.

About two-thirds of the Charity's income is generated in the parishes, for the parishes. Most of this income is collected and administered by thousands of volunteers, and consists of small donations made by parishioners week after week, often for many decades. However, supporters are never treated as just 'numbers in a database'. The Charity takes a flexible approach to communication preferences, making it as easy as possible for individuals to control how often and in what way they are contacted.

Many other charities are talking increasingly about the 'supporter journey'. Throughout its history, however, the Church has been blessed with countless supporter journeys that last a lifetime, starting in childhood and often continuing all the way to a gift in someone's will. In this context, the ministry offered to supporters is both service and care. One of the most important ways this is visible is in the approach to protecting supporters' privacy. In this regard, supporter care extends to the relationships the Charity has with the small number of third parties working on its behalf, whose policies are carefully checked, and with whom strict contracts are in place.

The Trustees have systems and processes in place to monitor and respond to any complaints received: thankfully these are extremely rare, totalling only 25 in 2018. During the year, no complaints were received by the Fundraising Regulator about the Charity. Although in most cases this fundraising simply builds upon the connection people have with the Church through their parish, as wide a variety of fundraising activities as necessary are used to fund all aspects of our mission. Thus, fundraising activities range from cash collections and standing order donations in parishes to events focused on specific projects.

In addition, the Charity successfully engages with trusts and corporate foundations, and at different times during the year opportunities are provided to support specific appeals, such as WEEF's appeal around Good Shepherd Sunday and the Sick and Retired Priests Fund appeal in November.

These specific appeals are promoted in various ways, including via the diocesan website, the diocesan

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newspaper (Westminster Record) and, most importantly, via posters and donation envelopes distributed to every parish in the diocese.

In addition, ad hoc donations are received throughout the year which donors wish to go towards (be restricted to) these appeals. There are also over 650 Patrons of the Sick and Retired Priests Fund, who pledge monthly gifts and who are invited to a Patrons' Mass every June.

The Charity makes it as easy as possible for supporters to leave gifts in their wills, producing leaflets and other materials to highlight the wonderful benefit of giving a legacy, of any size, to one's parish or to some other area of the Church's work. Individual parishes are supported in promoting this method of giving, and may occasionally write to supporters directly. Although legal advice is not offered to supporters, information is provided to help them make the right decision for them, whether in writing, over the telephone, on the website or in face-to-face conversations.

The Trustees also take great care in administering the legacy gifts received, ensuring executors and family members are treated professionally, with compassion, dignity and care.

The Trustees recognise that the work of the Church is only possible thanks to the prayers, volunteering and generosity of our parishioners and supporters. In this sense, the Church is much more than an institution or buildings; it is the body of believers who bring its mission to life, and they are truly grateful for all they give.

### Investment Policy

**Introduction** The investment guidelines are set by the Trustees. An Investment Committee implements and reviews the set guidelines.

The Charity's investments comprise units in the Mutual Investment Fund, the investment policy of which is determined by the Investment Committee which meets on a quarterly basis to monitor the performance of the Fund. At the end of the year, the Fund was invested as follows: 15.4% in UK equities; 45.2% in other (overseas) equities; 11.2% in UK fixed interest; 12.2% in alternative and property investments; 16.0% in liquid assets. The overall long-term objective is to manage the portfolio on a total return basis.

The Trustees regularly review information from their investment managers, monitor the performance of the portfolio against their investment guidelines and assess the suitability of the investment strategy. The Trustees have reviewed the performance of investments during the year and remain confident that their medium- to long-term investment objective is being achieved. The Investment Committee reviews the choice of investment managers every three years.

**Faith Consistent Investment (FCI)** The Catholic Church's understanding of faith and finance is drawn from a series of social encyclicals founded upon Pope Leo XIII's encyclical letter, *Rerum Novarum*, issued in 1891. That document set out to restore in contemporary industrial society the priority of the human over the economic, and the spiritual and moral over the material. It remains as relevant today as ever. For example, Pope Francis recently told the world, in *Evangelii Gaudium*, that 'money must serve, not rule'. This powerful statement was in tune with comments made by his predecessor Pope Benedict XVI, in *Caritas in Veritate*, where he stated that the 'economic sphere is neither ethically neutral, nor inherently inhuman and opposed to society. It is part and parcel of human activity and precisely because it is human, it must be structured and governed in an ethical manner.'

The challenge for the Trustees is to reflect these teachings in the investment policy while also adhering to the Charity Law requirement to obtain the best possible financial return that is consistent with commercial prudence.

The Trustees strive to maintain a Faith Consistent Investment (FCI) policy by making value judgements about the products, services and corporate practices of companies as well as by assessing their financial efficacy. In implementing the policy the Trustees have adopted a two-tier approach. First, they believe that positive engagement with companies, while taking more effort and time, can lead to a more sustainable change for the betterment of society. Where this engagement fails to change a company's behaviour, the second approach is to disinvest from that company and exclude it from further investments.

The Trustees continually review the FCI policy, and the officers of the diocese keep up to date on the ongoing discussions about the subject, assessing how they might impact the overall investment approach. Additionally, dialogue and cooperation with other institutions ensure that the policy remains relevant and up to date. It is a complicated journey which requires continual improvements, amendments and learning from mistakes that have been unintentionally made.

The current FCI policy focuses on shareholder activism and engagement with companies to convert them to better comportment. The diocese proactively engages with companies to encourage and promote shareholder initiatives through proxy voting or through direct contact with specific members of company management. Since the size of the diocesan endowment prevents it from influencing many companies' practices in a sole capacity, it participates in the Church Investors Group (CIG), an ecumenical group representing many mainstream Church denominations and Church-related charities, including the Church of England, the Methodists and many other

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Christian organisations, groups and institutions. The Financial Secretary of the diocese, serves on the CIG Trustee Board. Through membership of CIG the diocese is also a member of the Investors Group on Climate Change.

As last year, the main engagement priorities for the Trustees during the year have been addressing modern slavery in listed companies, seeking improvements in corporate governance and ensuring that companies are focusing on their environmental responsibilities.

The Trustees have continued the work of addressing modern slavery in listed company supply chains. This has been led by CCLA, acting as both the Secretariat to the Church Investors Group and one of the diocese's investment managers. In addition to engagement with companies we were pleased to support a submission to the Home Affairs Select Committee calling for revisions to the Modern Slavery Act. Whilst the Act has led to significant improvements in UK-companies' attempts to fight modern slavery, the submission, amongst other requests, called for greater disclosure on the impact of their work.

The Trustees continue to focus on governance issues in companies. This has been led by Sarasin, and exemplified by its engagement with Glencore. Sarasin has engaged with the company on its board structure, business dealings, exposure to coal, and concerns about internal controls. After a long period of engagement with the board, Sarasin has divested and excluded the investments from its portfolio.

Furthermore, the Trustees have continued their longstanding focus on climate change. The diocese continues to have a below index exposure to the traditional energy sector and has investments in assets, such as renewable energy infrastructure, that are designed to accelerate the transition to a low carbon economy. Our investment managers have also continued to actively engage with carbon intensive companies. This engagement led to Royal Dutch Shell setting an ambition to link their product mix to the steps set out in the Paris Climate Change Agreement.

The Trustees continue to participate in initiatives that encourage responsible employment practices, that seek an end to human trafficking in the supply chain, and that promote respect for human rights. Companies are, therefore, excluded if they make significant income from the distribution of pornography, contraceptives, tobacco or arms. Finally, the FCI policy often applies to investments that have a direct impact on the ecological viability of the earth. Companies with 10% turnover from the extraction of oil from oil sands are excluded, and companies that score below C in the Carbon Disclosure Project are divested. The diocese proactively assesses risk and evaluates companies on their efforts to reduce the carbon footprint.

The Trustees estimate that for 2018 the implementation of the FCI policy has increased the CCLA portfolio returns by around 5.4% as a result of sustainability and ESG factors and an additional 0.34% due to the diocese's specific restrictions. The policy also had negligible impact on the Sarasin UK equity investment while having a slightly negative impact of -0.2% on the international equity portfolio. Additionally, the Trustees periodically audit the investment portfolio to ensure that the underlying assets continue to adhere to the FCI policy; when they do not, the Trustees seek to rectify the situation when possible. The review carried out at year-end 2018 identified 1.5% of the holdings in the portfolio being in breach of the policy, which holdings are in the process of being divested in 2019.

There is a potential third aspect to the FCI policy which is positive social impact investment. While the Trustees do not have a specific target, as with last year, currently around 1% of the portfolio assets are invested in 'wholly positive' entities, such as companies involved solely in renewable energy infrastructure and social housing bonds. Besides the investment portfolio, the physical assets of the diocese are used for social justice initiatives such as housing and caring for female victims of human trafficking, hosting Syrian refugee families or housing social workers in economically disadvantaged communities.



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### Structure, Governance and Management

#### Constitution

Westminster Roman Catholic Diocesan Trust is a charitable trust established by a Trust Deed dated 1 November 1940 and is registered under the Charities Act 2011 with Charity Registration No. 233699.

#### Trustees

The Trustees, i.e. the Directors of the Corporate Trustee, are appointed by the Archbishop of Westminster.

The Trustees who served during the year ended 31 December 2018 and who were in office at the date of this report were:

|                                 | Appointed/Resigned        |
|---------------------------------|---------------------------|
| His Eminence Cardinal V Nichols |                           |
| Rt Rev J Sherrington (1,2,4,5)  |                           |
| Rt Rev N Hudson (1)             |                           |
| Rt Rev P McAleenan (1,7)        |                           |
| Rt Rev J Wilson (1,6)           |                           |
| Rev Mgr M Hayes (1,4)           |                           |
| Rev Mgr J O'Boyle               |                           |
| Lord Brennan QC                 | Resigned 12 December 2018 |
| Miss L Ferrar (2,4)             |                           |
| Rt Hon R Kelly                  |                           |
| Mr C Kemball                    |                           |
| Mr A Ndoca (1,3,7)              |                           |
| Dame C Bowe                     | Appointed 5 June 2019     |

Committee member of: 1) Finance Board 2) Audit and Risk Committee  
3) Investment Committee 4) Human Resources Committee  
5) Property Committee 6) Education Commission 7) Caritas Advisory Board

The Trustees met five times during the year.

On agreeing to become a Trustee, individuals are thoroughly briefed by their co-Trustees on the history of the Charity, the day-to-day management, the responsibilities of the Trustees, the current objectives and future plans. The Trustees are also encouraged to attend any courses which they feel are relevant to the development of their role, and to keep up to date on any changes in legislation.

#### Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the annual report and accounts 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 accounts for each financial year which give a true and fair view of the state of affairs of the Charity and its subsidiaries, and the income and expenditure thereof for that period.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 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);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. 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 financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

#### Trustees' Expenses

A number of the Trustees are clergy of the Roman Catholic Diocese of Westminster. They are housed and remunerated by the diocese and are reimbursed expenses for carrying out their ministry in the same way as other priests of the diocese.

However, no Trustee received any remuneration from the Charity, nor had any expenses reimbursed by the Charity, in connection with their duties as Trustees during the year. No Trustee had any beneficial interest in any contract with the Charity.

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### Key Management Personnel

The key management personnel of the Roman Catholic Diocese of Westminster comprises the COO/Financial Secretary together with the heads of the following departments of the Curial Offices/Central Services: Evangelisation, Youth, Education, Caritas, Safeguarding, Human Resources, Finance, Property, Maintenance, Fundraising, Communications, ICT and Data Protection.

Remuneration for key management personnel is set by the Human Resources Committee, taking into account the market rates for similar roles, and is periodically reviewed by the committee in order to recognise and reward outstanding performance.

### Organisation

The Charity is governed by the Trustees, who meet regularly throughout the year to attend to the financial, property, legal and administrative affairs of the diocese. A subset of Trustees comprises the **Finance Board**, which deals with the day-to-day financial operations of the Charity.

The Trustees have instituted a number of committees to assist them and advise them in the proper performance of their duties, including:

**Audit and Risk Committee**, which has delegated responsibility for ensuring that a framework of accountability exists and operates effectively within the Charity; for examining and reviewing all systems and methods of control, both financial and otherwise, including risk analysis and risk management; and for ensuring that the Charity complies with all applicable aspects of the law, relevant regulations and good practice.

**Human Resources (HR) Committee**, which is responsible for reviewing any major changes in diocesan HR strategy, employment law or employee benefits and making recommendations to the Trustees; and for ensuring that all diocesan HR policies, practices and procedures are complete, are professionally and legally administered, fully meet all current and future UK employment legislation, accord with Westminster Roman Catholic Diocesan Trust's Memorandum and Articles of Association and with the social and moral teaching of the Catholic Church, and, where appropriate, also accord with the provisions of canon law.

**Property Committee**, which has delegated responsibility for both advising and making recommendations to the Trustees on all property matters across the diocese; for carrying out, under devolved powers, any necessary advisory work that it sees fit; and for exercising oversight of strategic decisions relating to property matters, taking into account both the civil law of England and Wales and canon law.

**Investment Committee**, which is responsible for reviewing and developing investment objectives and risk priorities, and for ensuring that the Charity's investment objectives are implemented effectively and within desirable risk and ethical parameters. The committee monitors progress towards the successful implementation of the above on a quarterly basis.

**Education Commission**, which is responsible for all areas related to education, in schools, academies and colleges, as set out in canon law and English law. Appointed by the Cardinal Archbishop as a decision-making body which acts in his name, it is responsible to the Trustees for the financial aspects of both providing and maintaining Catholic Education in the diocese.

**Caritas Advisory Board**, which is responsible for advising and reviewing the activity of Caritas Westminster, ensuring that programmes and investments accord with stated objectives and achieve desired impacts.

Further details of the membership of all diocesan committees can be found on page 84.

Supplementing the above diocesan committees is a **Pension Board**, which is responsible for ensuring compliance with all the rules and regulations pertaining to the various pension schemes of the diocese, for which the Charity nominates Pension Trustees, who meet on a quarterly basis to review and apply any changes to regulation or compliance requirements.

The parishes in the diocese are established and operate under the Church's Code of Canon Law, which bestows on them separate canonical status. This explains their treatment in these accounts, specifically the columnar representation and their classification as 'restricted funds'. Also, under canon law, each parish must have a finance committee to help the incumbent parish priest in the proper administration of the parish and its finances.

As required by canon law, a diocesan **Finance Committee**, made up of all the Trustees (as distinct from the Finance Board referred to above), exists to give advice to the Archbishop on financial matters. It must also be consulted on administrative matters of major importance.

The diocese has a **Council of Priests** which meets at least twice a year with the Archbishop to discuss and advise him on a range of issues. The Council is composed of all 22 deans, 22 additional representatives, one from each of the 22 deaneries, together with the Auxiliary Bishops and a number of other senior priests of the diocese.

At the re-establishment of the Catholic Church hierarchy in 1850 each diocesan Bishop was empowered to appoint a **Chapter of Canons** to take responsibility for the organisation and maintenance of his cathedral. In the

# Report of the Directors of the Corporate Trustee

– Year to 31 December 2018

Diocese of Westminster 18 senior priests constitute the Chapter of Canons and are consulted by the Archbishop on important diocesan matters. They are also constituted as the **College of Consultors** to fulfil the legal requirements of Canon 502 s.3.

## Risk Management

The Westminster Roman Catholic Diocesan Trust has in place a risk review process and risks are recorded on a Risk Register. Risks across all departments are identified and rated using a RAG score. Each department is required to reduce risk by implementing mitigating actions. The risk register is reviewed every four months and updated accordingly. The Risk Register is also reviewed by the Audit and Risk Committee and Trustees at least annually.

As in previous years, the three main risks facing the Charity, as identified by the Trustees, are (1) safeguarding; (2) ensuring appropriate, quality education is provided across diocesan Catholic schools while maintaining the Catholic ethos; and (3) the continuing financial sustainability of the Westminster Roman Catholic Diocesan Trust. In addition to these three risks, the Trustees are monitoring the impact of the Independent Inquiry into Child Sexual Abuse (IICSA).

**Safeguarding** 'Being loved and being kept safe go to the very core of the Church's ministry' (Safeguarding with Confidence 2007). The safeguarding of children and of adults at risk is of paramount importance to the Westminster Roman Catholic Diocesan Trust. Failing to prevent abuse of the vulnerable has serious repercussions for the individual, the mission of the Church and the diocese. The consequences of abuse of individuals can be grave and long-lasting. The Charity's aim is to prevent this from happening to children or adults at risk whilst in the care of the Church.

To mitigate this risk, the Charity follows the policies and procedures put in place by the Catholic Church in England and Wales, which are enforced by the Safeguarding department. This department promotes a safe recruitment policy and assists both the curia and parishes with the implementation of prevention measures at recruitment stage. The department also educates and advises on best practice and is currently rolling out a training programme across the Charity to reinforce safeguarding procedures. This programme includes induction days for new parish safeguarding coordinators, mandatory safeguarding training for clergy, religious, chaplains and employees, and a new resource centre of materials available via the intranet. The Safeguarding team also responds to any allegation, past or present, of inappropriate behaviour or actual abuse by any person working for the Charity, whether paid or voluntary, liaising with the police and other statutory authorities. An independent Safeguarding

Commission oversees the work of the Safeguarding team in this respect.

The Westminster Roman Catholic Diocesan Trust is committed to the promotion of a 'one church approach' to the safeguarding of children and adults at risk and the promotion of a culture of safeguarding throughout the Charity.

**Education** The Charity contributes to the education of around 92,000 pupils of all backgrounds, of all faiths and none, through its 211 schools. The Charity's goal is to ensure that every pupil receives the best possible education, despite the many challenges involved in achieving this aim.

One of the risks identified is potential underperformance of diocesan schools. To ensure that a proper standard of education is provided to the pupils of each school, the Trustees, via the Education Commission and the Education Service, regularly monitor Ofsted results. If a school receives notice that it Requires Improvement, the Education Service provides support to help it improve to the necessary standard. Additionally, the Charity, through Section 48, inspects each school for the quality of Catholic Life and Religious Education of its pupils.

The Charity also encourages co-operation between various schools and the sharing of resources. This not only happens within Catholic Academy Trusts that have been established but across all schools within the Charity. The Catholic school network allows for best practices to be shared and practical support to be provided to schools in need.

An additional risk facing the Catholic school system is recent legislative change on the provision of education services. The Charity is currently facing many changes, including several policies on the academy programme, alterations to the school funding regime and cuts to government and local authority funding for education.

These are fundamental changes, which substantially impact upon the educational framework of the Westminster Roman Catholic Diocesan Trust and, in particular, the most vulnerable of the schools.

In December 2016, the Trustees announced their policy to move toward the academisation of schools which proposed that schools be geographically grouped into multi academy trusts. The officers of the Charity are currently working with seven groups of schools on conversions to academy trusts. The Trustees believe this model will provide more support for the challenges that schools will face and improve the standards of education provided to pupils. In the meantime, the Charity is increasing support for schools, creating networks and ensuring vigilance in financial matters and educational standards. The Education

# Report of the Directors of the Corporate Trustee

## – Year to 31 December 2018

Commission retains canonical oversight of diocesan schools in maintaining the Catholic ethos, even if they are converted to academies.

**Financial Sustainability & Resilience of the Charity** As a charity, the Westminster Roman Catholic Diocesan Trust has a demanding list of programmes it would like to carry out. These programmes include enhancing parish community spaces, educating young people and taking care of our neighbours and the poor. Monetary assets are one of the many enablers used to help get the works completed. Thus the financial health of the Charity is crucial in ensuring that its objectives are achieved year in and year out in a sustainable manner.

The financial health of the Charity is affected by many variables which are outside its control: the level of voluntary income received, the value of investment property, the economic environment, the requirement for major capital investment in schools and churches, the volatility of financial markets, and changes in migration that affect London's population. Proactive steps are being taken to mitigate the risk that any of these items might adversely affect the financial health of the Charity.

The income of the Charity is susceptible to external economic shocks. For this reason, there are initiatives in place to address fundraising and asset management in a systematic manner. The majority of the Charity's operational income is from parishioners' contributions and the level of donations is dependent upon the general economic environment. To ensure the financial viability of parishes, the Trustees encourage each parish to save for the long-term future.

For the overarching long-term liabilities of the Charity, the Trustees have a more direct approach to addressing the foreseen funding shortfall by more focused fundraising. Starting in 2012, the Charity had a major fundraising drive, Growing in Faith, not only to help with needs in the parishes but also to address the forecasted funding shortfall in WEEF, and for the care of sick and retired priests. Due to the immense generosity of our parishioners, the forecasted need for funding has been addressed for the near future. Nevertheless, the growing number of priests going into retirement and the increasing costs of training new priests and permanent deacons still pose a challenge in the long term.

On the expenditure and investment side, the Charity has financial management processes to assess and approve investment decisions, taking into consideration risk and impact on its financial health. Major projects, particularly school projects, are monitored on a monthly basis to ensure that the expenditure is within approved budget as well as being on time and within scope. Additionally, for the central service functions and agencies the Charity has

an annual budgetary process which ensures proper yearly funding of the operations. The Trustees encourage the parishes also to complete annual budgets.

The four year plan agreed by the Trustees in 2017 to ensure that the Charity is financially and administratively resilient is being implemented. As risks become more quantifiable, new mitigating steps are being added to complement those already in the plan.

Finally, the volatility of the financial markets is one of the biggest financial risks facing the Charity. As volatility impacts investments, it also affects the ability of the Trustees to fund future activity by reducing the level of free reserves. In light of this, the Trustees have adopted an appropriate investment risk strategy. The Trustees continually monitor the performance of the investment fund with the advice of the Investment Committee.

**Independent Inquiry into Child Sexual Abuse (IICSA)** The Charity has been asked by IICSA to provide information to and participate in this inquiry into the extent of institutional failures to protect children from sexual abuse in the Catholic Church in England and Wales. The diocese has fully and transparently cooperated with the inquiry through providing witness statements and statistical information. The diocese fully supports the aims of the inquiry and actively promotes The Truth Project in the diocese. The inclusion of the Charity in the list of Catholic dioceses in England and Wales to be investigated in the IICSA inquiry presents reputational risk to the diocese and financial risk relating to the associated legal costs.

Signed on behalf of the Trustees:



Trustees

Approved by the Board on: 12 July 2019



## Independent auditor's report to the Directors of The Westminster Roman Catholic Diocese Trustee

### Opinion

We have audited the accounts of Westminster Roman Catholic Diocesan Trust (the 'Charity') and of Westminster Roman Catholic Diocesan Trust and its subsidiaries (the 'Group') for the year ended 31 December 2018 which comprise the consolidated statement of financial activities, the consolidated and Charity balance sheets, the consolidated statement of cash flows, the principal accounting policies, the notes to the accounts and the comparative consolidated statement of financial activities. 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 accounts:

- give a true and fair view of the state of affairs of the Group and of the Charity as at 31 December 2018 and of the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 accounts section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- the Trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Group's or 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 accounts are authorised for issue.

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

### 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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Directors of the Corporate Trustee is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept by the Charity; or
- the Charity accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the Group's and the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

## Independent auditor's report to the Directors of The Westminster Roman Catholic Diocese Trustee

basis of accounting unless the Trustees either intend to liquidate the Group or the Charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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 Directors of the Westminster Roman Catholic Diocese Trustee (the Trustees), as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

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

12 July 2019

## Consolidated statement of financial activities

– Year to 31 December 2018

|  | Notes | Curial funds                   |                              | Parochial funds         |                              | Total<br>2018<br>£'000 | Total<br>2017<br>£'000 |
|--|-------|--------------------------------|------------------------------|-------------------------|------------------------------|------------------------|------------------------|
|  |       | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | Total<br>funds<br>£'000 | Restricted<br>funds<br>£'000 |                        |                        |
| <b>Income:</b>   |       |                                |                              |                         |                              |                        |                        |
| Donations and legacies   |       |                                |                              |                         |                              |                        |                        |
| . Grants receivable  | 1     | –                              | 1,588                        | 1,588                   | –                            | 1,588                  | 4,921                  |
| . Growing in Faith   | 1     | –                              | 2,525                        | 2,525                   | –                            | 2,525                  | 4,296                  |
| . Other donations and legacies   | 1     | 2,173                          | 3,212                        | 5,385                   | 28,280                       | 33,665                 | 30,546                 |
| Assessments  | 2     | 150                            | –                            | 150                     | –                            | 150                    | 149                    |
| Other trading activities   |       |                                |                              |                         |                              |                        |                        |
| . Commercial trading operations  | 3     | 154                            | –                            | 154                     | 548                          | 702                    | 741                    |
| Investment income and interest receivable                                      | 4     | 1,416                          | 329                          | 1,745                   | 2,767                        | 4,512                  | 3,710                  |
| Charitable activities  |       |                                |                              |                         |                              |                        |                        |
| . Rental income from functional properties                                     | 5     | 673                            | –                            | 673                     | 1,289                        | 1,962                  | 2,052                  |
| . Parish and similar activities  | 5     | 1,325                          | 656                          | 1,981                   | 7,418                        | 9,399                  | 8,212                  |
| Other income   |       |                                |                              |                         |                              |                        |                        |
| . Net gains on disposal of tangible fixed assets                               |       | –                              | –                            | –                       | 1                            | 1                      | 3                      |
| <b>Total income</b>  |       | <b>5,891</b>                   | <b>8,310</b>                 | <b>14,201</b>           | <b>40,303</b>                | <b>54,504</b>          | <b>54,630</b>          |
| <b>Expenditure:</b>  |       |                                |                              |                         |                              |                        |                        |
| Cost of raising funds  |       |                                |                              |                         |                              |                        |                        |
| . Fundraising trading: cost of goods sold and other costs                      | 3     | 3                              | –                            | 3                       | 469                          | 472                    | 467                    |
| Charitable activities  |       |                                |                              |                         |                              |                        |                        |
| . Advancement of the Catholic faith primarily in the Diocese of Westminster    | 6     | 10,300                         | 6,107                        | 16,407                  | 27,515                       | 43,922                 | 46,866                 |
| <b>Total expenditure</b>   |       | <b>10,303</b>                  | <b>6,107</b>                 | <b>16,410</b>           | <b>27,984</b>                | <b>44,394</b>          | <b>47,333</b>          |
| <b>Net (expenditure) income before transfers and investment gains (losses)</b> | 7     | <b>(4,412)</b>                 | <b>2,203</b>                 | <b>(2,209)</b>          | <b>12,319</b>                | <b>10,110</b>          | <b>7,297</b>           |
| Transfers between funds  |       |                                |                              |                         |                              |                        |                        |
| . Growing in Faith   |       | –                              | (1,406)                      | (1,406)                 | 1,406                        | –                      | –                      |
| . Assessments  | 2     | 6,061                          | –                            | 6,061                   | (6,061)                      | –                      | –                      |
| . Other  |       | (1,050)                        | (737)                        | (1,787)                 | 1,787                        | –                      | –                      |
|  |       | <b>5,011</b>                   | <b>(2,143)</b>               | <b>2,868</b>            | <b>(2,868)</b>               | <b>–</b>               | <b>–</b>               |
| <b>Net income before investment gains (losses)</b>                             |       | <b>599</b>                     | <b>60</b>                    | <b>659</b>              | <b>9,451</b>                 | <b>10,110</b>          | <b>7,297</b>           |
| Net gains (losses) on investments  |       | 21                             | (642)                        | (621)                   | 10,221                       | 9,600                  | 17,341                 |
| <b>Net income (expenditure)</b>  |       | <b>620</b>                     | <b>(582)</b>                 | <b>38</b>               | <b>19,672</b>                | <b>19,710</b>          | <b>24,638</b>          |
| Actuarial gains  | 8     | 107                            | –                            | 107                     | –                            | 107                    | 131                    |
| <b>Net movement in funds before funds introduced</b>                           |       | <b>727</b>                     | <b>(582)</b>                 | <b>145</b>              | <b>19,672</b>                | <b>19,817</b>          | <b>24,769</b>          |
| Funds introduced   | 24    | –                              | 6,766                        | 6,766                   | –                            | 6,766                  | 645                    |
| <b>Net movement in funds</b>   |       | <b>727</b>                     | <b>6,184</b>                 | <b>6,911</b>            | <b>19,672</b>                | <b>26,583</b>          | <b>25,414</b>          |
| <b>Reconciliation of funds</b>   |       |                                |                              |                         |                              |                        |                        |
| Total funds brought forward at 1 January                                       |       | <b>36,453</b>                  | <b>40,672</b>                | <b>77,125</b>           | <b>177,040</b>               | <b>254,165</b>         | <b>228,751</b>         |
| Total funds carried forward at 31 December                                     |       | <b>37,180</b>                  | <b>46,856</b>                | <b>84,036</b>           | <b>196,712</b>               | <b>280,748</b>         | <b>254,165</b>         |

All of the Group's activities derived from continuing operations during the above two financial periods.

A full comparative consolidated statement of financial activities may be found on page 83.

Income and expenditure for Westminster Ecclesiastical Education Fund are not included in the 2017 financial period.

The total funds brought forward at 1 January 2017 have been restated (see note 10).

## Consolidated balance sheet

– Year to 31 December 2018

|   | Notes | Curial<br>£'000 | Parochial<br>£'000 | Total<br>2018<br>£'000 | Total<br>2017<br>£'000 |
|---|-------|-----------------|--------------------|------------------------|------------------------|
| <b>Fixed assets</b>   |       |                 |                    |                        |                        |
| Tangible assets   | 10    | 22,515          | 96,227             | 118,742                | 113,560                |
| Programme related investments   | 11    | 10,503          | –                  | 10,503                 | 10,425                 |
| Investments   | 12    | 32,282          | 63,719             | 96,001                 | 85,806                 |
|   |       | <b>65,300</b>   | <b>159,946</b>     | <b>225,246</b>         | <b>209,791</b>         |
| <b>Current assets</b>   |       |                 |                    |                        |                        |
| Stocks  |       | –               | 66                 | 66                     | 87                     |
| Debtors   | 13    | 4,391           | 1,031              | 5,422                  | 4,909                  |
| Short term deposits   |       | 17,000          | –                  | 17,000                 | 13,000                 |
| Cash at bank and in hand  |       | 13,345          | 36,489             | 49,834                 | 48,111                 |
|   |       | <b>34,736</b>   | <b>37,586</b>      | <b>72,322</b>          | <b>66,107</b>          |
| <b>Current liabilities</b>  |       |                 |                    |                        |                        |
| <b>Creditors:</b> amounts falling due within one year                   | 14    | (4,447)         | (777)              | (5,224)                | (9,429)                |
| <b>Net current assets before adjustment for inter-fund indebtedness</b> |       | <b>30,289</b>   | <b>36,809</b>      | <b>67,098</b>          | <b>56,678</b>          |
| <b>Elimination of inter-fund indebtedness</b>                           |       | <b>43</b>       | <b>(43)</b>        | <b>–</b>               | <b>–</b>               |
| <b>Net current assets</b>   |       | <b>30,332</b>   | <b>36,766</b>      | <b>67,098</b>          | <b>56,678</b>          |
| <b>Total assets less current liabilities</b>                            |       | <b>95,632</b>   | <b>196,712</b>     | <b>292,344</b>         | <b>266,469</b>         |
| <b>Creditors:</b> amounts falling due after one year                    | 15    | (9,630)         | –                  | (9,630)                | (10,000)               |
| <b>Total net assets excluding pension liability</b>                     |       | <b>86,002</b>   | <b>196,712</b>     | <b>282,714</b>         | <b>256,469</b>         |
| Pension liability   | 8     | (1,966)         | –                  | (1,966)                | (2,304)                |
| <b>Total net assets including pension liability</b>                     |       | <b>84,036</b>   | <b>196,712</b>     | <b>280,748</b>         | <b>254,165</b>         |
| <b>The funds of the Group</b>   |       |                 |                    |                        |                        |
| Restricted funds  |       |                 |                    |                        |                        |
| . Growing in Faith  | 16    | 19,259          | –                  | 19,259                 | 19,909                 |
| . Other restricted funds  | 16    | 27,597          | 196,712            | 224,309                | 197,803                |
| <b>Total restricted funds</b>   |       | <b>46,856</b>   | <b>196,712</b>     | <b>243,568</b>         | <b>217,712</b>         |
| Unrestricted funds  |       |                 |                    |                        |                        |
| . Designated funds  | 17    | 1,248           | –                  | 1,248                  | 583                    |
| . Tangible fixed assets fund  | 18    | 20,320          | –                  | 20,320                 | 20,609                 |
| . Programme related investments fund                                    | 19    | 10,503          | –                  | 10,503                 | 10,425                 |
| . General funds   |       |                 |                    |                        |                        |
| .. Free reserves  |       | 7,075           | –                  | 7,075                  | 7,140                  |
| .. Pension reserve  | 8     | (1,966)         | –                  | (1,966)                | (2,304)                |
|   |       | <b>5,109</b>    | <b>–</b>           | <b>5,109</b>           | <b>4,836</b>           |
| <b>Total unrestricted funds</b>   |       | <b>37,180</b>   | <b>–</b>           | <b>37,180</b>          | <b>36,453</b>          |
|   |       | <b>84,036</b>   | <b>196,712</b>     | <b>280,748</b>         | <b>254,165</b>         |

Approved by the Trustees and signed on their behalf by:



Trustee

Approved on: 12 July 2019

The Consolidated balance sheet includes Aedificabo Ltd. and Westminster Cathedral Ltd.; the Charity balance sheet does not. Tangible assets and Other restricted funds balances at 1 January 2017 have been restated (see note 10).



## Charity balance sheet

– Year to 31 December 2018

|   | Notes | Total<br>2018<br>£'000 | Total<br>2017<br>£'000 |
|---|-------|------------------------|------------------------|
| <b>Fixed assets</b>                                   |       |                        |                        |
| Tangible assets                                       | 10    | 118,739                | 113,474                |
| Programme related investments                         | 11    | 10,503                 | 10,425                 |
| Investments   | 12    | 96,001                 | 83,316                 |
|   |       | <b>225,243</b>         | <b>207,215</b>         |
| <b>Current assets</b>                                 |       |                        |                        |
| Debtors   | 13    | 5,485                  | 4,934                  |
| Short term deposits                                   |       | 17,000                 | 13,000                 |
| Cash at bank and in hand                              |       | 49,776                 | 47,286                 |
|   |       | <b>72,261</b>          | <b>65,220</b>          |
| <b>Current liabilities</b>                            |       |                        |                        |
| <b>Creditors:</b> amounts falling due within one year | 14    | (5,160)                | (16,785)               |
| <b>Net current assets</b>                             |       | <b>67,101</b>          | <b>48,435</b>          |
| <b>Total assets less current liabilities</b>          |       | <b>292,344</b>         | <b>255,650</b>         |
| <b>Creditors:</b> amounts falling due after one year  | 15    | (9,630)                | (10,000)               |
| <b>Total net assets excluding pension liability</b>   |       | <b>282,714</b>         | <b>245,650</b>         |
| Pension liability                                     | 8     | (1,966)                | (2,304)                |
| <b>Total net assets including pension liability</b>   |       | <b>280,748</b>         | <b>243,346</b>         |
| <b>The funds of the Charity</b>                       |       |                        |                        |
| Restricted funds                                      |       |                        |                        |
| . Growing in Faith                                    | 16    | 19,259                 | 19,909                 |
| . Other restricted funds                              | 16    | 224,309                | 186,984                |
| <b>Total restricted funds</b>                         |       | <b>243,568</b>         | <b>206,893</b>         |
| Unrestricted funds                                    |       |                        |                        |
| . Designated funds                                    | 17    | 1,248                  | 583                    |
| . Tangible fixed assets fund                          | 18    | 20,320                 | 20,609                 |
| . Programme related investments fund                  | 19    | 10,503                 | 10,425                 |
| . General funds                                       |       |                        |                        |
| .. Free reserves                                      |       | 7,075                  | 7,140                  |
| .. Pension reserve                                    | 8     | (1,966)                | (2,304)                |
|   |       | <b>5,109</b>           | <b>4,836</b>           |
| <b>Total unrestricted funds</b>                       |       | <b>37,180</b>          | <b>36,453</b>          |
|   |       | <b>280,748</b>         | <b>243,346</b>         |

Approved by the Trustees and signed on their behalf by:

+ John Sheenington

Trustee

Approved on: 12 July 2019

The Charity balance sheet does not include Aedificabo Ltd. and Westminster Cathedral Ltd.; the Consolidated balance sheet does. Tangible assets and Other restricted funds balances at 1 January 2017 have been restated (see note 10).

## Consolidated statement of cash flows

– Year to 31 December 2018

|  | Notes | Total<br>2018<br>£'000 | Total<br>2017<br>£'000 |
|--|-------|------------------------|------------------------|
| <b>Cash flows from operating activities:</b>           |       |                        |                        |
| Net cash provided by operating activities              | A     | 8,006                  | 6,742                  |
| <b>Cash flows from investing activities:</b>           |       |                        |                        |
| Investment income and interest received                |       | 4,512                  | 3,710                  |
| Proceeds from the disposal of tangible fixed assets    |       | 1                      | 505                    |
| Purchase of tangible fixed assets                      |       | (7,153)                | (10,599)               |
| Expenditure on programme related investments           |       | (78)                   | (1,759)                |
| Investment in joint venture                            |       | –                      | (2)                    |
| Net proceeds from disposals of investments             |       | 435                    | 6,230                  |
| <b>Net cash used in investing activities</b>           |       | <b>(2,283)</b>         | <b>(1,915)</b>         |
| <b>Cash flows from financing activities:</b>           |       |                        |                        |
| Cash inflow from borrowing                             |       | –                      | 1,750                  |
| <b>Change in cash and cash equivalents in the year</b> |       | <b>5,723</b>           | <b>6,577</b>           |
| <b>Cash and cash equivalents at 1 January</b>          | B     | <b>61,111</b>          | <b>54,534</b>          |
| <b>Cash and cash equivalents at 31 December</b>        | B     | <b>66,834</b>          | <b>61,111</b>          |

## Notes to the statement of cash flows for the year to 31 December 2018

### A Reconciliation of net movement in funds to net cash provided by operating activities

|   | Total<br>2018<br>£'000 | Total<br>2017<br>£'000 |
|---|------------------------|------------------------|
| <b>Net movement in funds</b> (as per the statement of financial activities) | <b>26,583</b>          | <b>25,414</b>          |
| <b>Adjustments for:</b>   |                        |                        |
| Depreciation charge   | 3,172                  | 2,941                  |
| Gains on investments  | (9,600)                | (17,341)               |
| Investment income and interest receivable                                   | (4,512)                | (3,710)                |
| Surplus on disposal of tangible fixed assets                                | (1)                    | (3)                    |
| Pension cost less contributions payable                                     | (231)                  | (368)                  |
| Actuarial gains   | (107)                  | (131)                  |
| Decrease (increase) in stocks   | 21                     | (13)                   |
| (Increase) decrease in debtors  | (513)                  | 445                    |
| Decrease in creditors   | (4,575)                | (492)                  |
| Tangible fixed assets introduced to the Group                               | (2,231)                | –                      |
| <b>Net cash provided by operating activities</b>                            | <b>8,006</b>           | <b>6,742</b>           |

### B Analysis of cash and cash equivalents

|  | Total<br>2018<br>£'000 | Total<br>2017<br>£'000 |
|--|------------------------|------------------------|
| Short term deposits                    | 17,000                 | 13,000                 |
| Cash at bank and in hand               | 49,834                 | 48,111                 |
| <b>Total cash and cash equivalents</b> | <b>66,834</b>          | <b>61,111</b>          |

## Principal accounting policies

– Year to 31 December 2018

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

### Basis of preparation

These accounts have been prepared for the year to 31 December 2018 with comparative information provided for the year to 31 December 2017.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts 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 (Charities SORP (FRS 102)), with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and with the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest thousand pounds.

### Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- assessing the probability of the receipt of legacy income;
- estimating accrued expenditure including employees' accrued holiday pay;
- estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation charge;
- assessing the appropriateness of the assumptions and methodology used in determining the fair value of investment properties;
- assessing the need for any provision against slow-moving and/or obsolete stock within Westminster Cathedral Limited;
- assessing the recoverability of outstanding debtors and the need for any provision for bad or doubtful debts;
- assessing the appropriateness of the assumptions and methodology used by the scheme actuary in the valuation of the defined benefit pension scheme; and

- determining the value of designated funds needed at the year end to meet specific future expenditure.

### Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect of a period of at least one year from the date of approval of these accounts.

The Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2019, the most significant areas that affect the carrying value of the assets held by the Charity are the level of investment return, the performance of the investment markets and property values (see the investment policy and the risk management sections of the report of the Directors of the Corporate Trustee for more information).

### Basis of consolidation and scope of the accounts

The statement of financial activities and the balance sheet consolidate the accounts of the Charity and its subsidiary undertakings made up to the balance sheet date. No separate statement of financial activities has been prepared for the Charity as the results of the charitable and trading subsidiaries are clearly shown in the consolidated statement of financial activities and supporting notes.

The accounts also include the net assets and transactions of linked charities under the control of the Directors of the Corporate Trustee and whose activities are integral to those of the Westminster Roman Catholic Diocesan Trust and the furtherance of its objectives. Such charities (see note 24) have been incorporated into the accounts as special trusts (or restricted funds).

The accounts do not include the results and net assets of connected entities (see note 22).

### Income recognition

Income is recognised in the period in which the Group and/or Charity has entitlement to the income, where the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises collections, donations, legacies and grants; income from commercial trading activities of trading subsidiaries; investment income and interest

## Principal accounting policies

– Year to 31 December 2018

receivable; rental income from functional properties; income from parish and other similar activities, and net gains on the disposal of tangible fixed assets.

Donations (including income from offertory and similar collections) are recognised when the Group and/or Charity has confirmation of both the amount and the settlement date. When donations are pledged but not received, the income is accrued for when the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the Group and/or Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Group and/or Charity and it is probable that those conditions will be fulfilled within the reporting period.

In accordance with Charities SORP FRS 102, volunteer time is not recognised.

Legacies are included in the statement of financial activities when the Group and/or Charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and the fulfilment of any conditions attached to the legacy is wholly within the control of the Group and/or Charity.

Entitlement is taken as the earlier of: the date on which the Group and/or Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Group and/or Charity that a distribution will be made, and the date on which a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Group and/or Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Group and/or Charity, or where the Group and/or Charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the Group and/or Charity.

Income generated from the commercial trading activities of trading subsidiaries comprises income from the sale of merchandise, concerts and similar performances of the Westminster Cathedral Choir and building development projects. It is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Investment income is recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when it is receivable and the amount can be measured reliably by the Charity; this is normally upon notification from the bank of the interest payable or paid.

Income from the rental of functional properties is recognised when the income is receivable under the contract for hire or lease document, when the amount can be measured reliably and it is probable such income will be received.

Income from parish and similar activities is defined more specifically in note 5 to these accounts and is recognised in each instance when the relevant parish has entitlement to the income, the amount can be measured reliably and it is probable that the income will be received.

The surplus on the disposal of tangible fixed assets is calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal. It is accounted for once legal completion of the disposal has taken place.

Other income is measured at fair value and accounted for on an accruals basis.

### Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Group and/or Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds comprises the costs incurred by subsidiary companies in connection with their commercial trading operations, and investment management fees paid directly to investment managers.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Charity and its subsidiary charities through the provision of charitable activities. Such costs include staff costs and other direct overheads attributable to those purposes. A detailed analysis of the expenditure is provided in note 6.

Charitable donations in support of Catholic foundations and projects are included in the statement of financial activities in the year when approval is granted and when



## Principal accounting policies

– Year to 31 December 2018

the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

### Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Charity and its subsidiary charities, it is necessary to provide support in the form of personnel development, financial procedures and controls, provision of general office services and equipment and a suitable working environment.

Governance costs comprise the costs relating to the public accountability of the Charity (including audit costs) and costs incurred in respect of its compliance with regulation and good practice.

All support costs and governance costs are included within the expenditure of the one principal charitable activity of the Group and/or Charity i.e. advancing the Roman Catholic faith primarily within the Diocese of Westminster.

### Functional freehold property

Functional freehold properties, comprising the Cathedral, churches, presbyteries, halls and similar buildings owned by the Group and/or Charity prior to 1997, are included in the balance sheet at an estimate of their original cost. These estimates were arrived at by discounting the 1997 insurance values of the properties by reference to the inflation statistics from 1997 back to the date on which the properties were acquired or built. For the purpose of these accounts, and consistent with the transitional rules set out in FRS 102, the 1997 valuations are defined as 'deemed cost'.

Additions to functional freehold properties since January 1998 are included in the accounts at cost or, where such assets have been donated or bequeathed to the Group and/or Charity at their estimated market value at the date of the gift.

Properties previously classified as investment properties but, owing to a change in use, reclassified as functional properties are included within functional freehold property at their fair value immediately prior to reclassification. Such fair value will normally equate to market value as determined within the immediately preceding five year period. Original cost figures are not available for many such properties and it is deemed appropriate that the

valuations be regarded as their 'deemed cost' at the point of reclassification.

No value is identified in the accounts in respect to freehold land.

Freehold buildings are depreciated at rates calculated to write off their estimated historic cost, on a straight line basis, as follows:

- Listed properties - 200 to 300 years
- Other properties - 100 years

The condition and net book values of all properties are regularly reviewed to ensure that the depreciation policies adopted are and remain appropriate. Disposals of freehold property are accounted for on completion.

Voluntary aided and grant maintained schools and academies

Whilst the Charity is the legal owner of over 200 school properties within the diocese comprising voluntary aided schools and academies, many of which are separate exempt or excepted charities funded through combinations of government grants and voluntary contributions, the nature of the occupation of these properties means that the Trustees do not have the power to dispose of the land and buildings until a school ceases occupation, which in turn requires the approval of the school governors and the Secretary of State.

Land and buildings legally owned by the Charity and occupied rent free by Catholic voluntary aided schools and academies, which are exempt charities and publicly funded, are valued at £nil for the purposes of these accounts. The Trustees consider that no meaningful value can be attributed to these assets since they are not used directly by the Charity, do not generate income, and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

Any expenditure incurred on the fabric of these buildings is written off in the year it is incurred and treated in these accounts as expenditure on the advancement of the Catholic faith primarily in the Diocese of Westminster.

The governors are responsible for the buildings, and for the repair and refurbishment and insurance costs thereof, and for accounting for any grants received in respect of any of these costs. The Charity assists governors in managing projects and may make grants via the Curial Offices/Central Administration to assist the governors with their liability for school and academy building and repair costs. The Charity administers these monies as managing agent and makes the appropriate payments to contractors for work carried out. Any monies due to the Charity, or

## Principal accounting policies

– Year to 31 December 2018

held by the Charity on behalf of schools and academies, as at the balance sheet date, are treated as debtors or creditors respectively on the balance sheet.

Details of the diocesan voluntary aided schools and academies are given in the Diocesan Year Book and on the Diocesan website.

### Furniture, fittings and equipment

Items of furniture, fittings and equipment costing in excess of £1,000 are capitalised and depreciated on a straight line basis in order to write off their original cost over the expected useful lives of the assets concerned. The depreciation rates applied are as follows:

- Office equipment - 20%
- Fixture and fittings - 10% to 25%

Individual works of art, treasures and plate are not capitalised as they are regarded as heritage assets which are held in a manner consistent with the advancement of the Roman Catholic faith, have very long lives and are worth preserving indefinitely.

### Motor vehicles

Motor vehicles are capitalised and depreciated over a four year period in order to write off the cost of each vehicle over its estimated useful life.

### Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The Charity currently does not acquire put options, derivatives or other complex financial instruments.

As noted above one of the financial risks the Charity is exposed to is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Properties held for investment purposes are included in these accounts at open market value. The valuation has been determined by the Trustees, with professional assistance. Details of the dates and basis of the valuations are given in note 10 to the accounts. Disposals of investment properties are accounted for on completion.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and either their opening carrying value, or their purchase value if acquired subsequent to the first day of the

financial year. Unrealised gains and losses are calculated as the difference between the fair value and the carrying value at year end. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Investments in commercial companies under a joint venture agreement are included within the accounts at the Group's and/or Charity's share of the net assets of the commercial company as at the balance sheet date.

Investments in subsidiary companies are included on the balance sheet at cost.

### Programme related investments

Programme related investments are defined as significant financial contributions made by the Charity towards the development or refurbishment of property assets to which the Charity has freehold title but which are used by other charitable and not-for-profit organisations (including schools) for purposes consistent with the Charity's own objectives.

Programme related investments are included in the accounts at cost with any permanent diminution in value below such cost accounted for as charitable expenditure.

### Stocks

Stocks of miscellaneous items are valued at the lower of cost and net realisable value.

### Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or that have a maturity of less than three months from the date of investment or acquisition. Deposits made for longer than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

### Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors

## Principal accounting policies

– Year to 31 December 2018

and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### Fund accounting

#### • The Curial Funds

These can be used across the whole of the diocese and are subdivided between:

- Restricted funds: monies received for, and whose use is restricted to, a specific purpose, or donations subject to donor-imposed conditions.
- Designated funds: monies set aside out of general funds and designated by the Directors of the Corporate Trustee to be used for specific purposes.
- The tangible fixed assets fund: the net book value of those tangible fixed assets held by the curia for unrestricted purposes.
- The programme related investments fund: the value of the Group's and Charity's programme related investments.
- General funds: monies which may be used to meet the charitable objectives of the Charity, across the whole of the diocese, at the discretion of the Directors of the Corporate Trustee.

#### • The Parochial Funds

These comprise legacies, donations, trust income and interest relating to individual parishes. Under canon law these monies must be utilised by the parishes and therefore cannot be used across the whole of the diocese. As such, the funds are all regarded as restricted for the purpose of these accounts.

### Pension costs

The Charity contributes to a defined benefits pension scheme, closed for accrual of benefits since 2005, providing benefits based on final pensionable salary.

Pension scheme assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet.

Any change in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

All eligible members of staff are auto-enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of financial activities in the year in which they are payable to the scheme.

## Notes to the accounts

– Year to 31 December 2018

### 1 Donations and legacies

| 2018              | Curial funds                |                           |                      | Parochial funds           |                        |
|-------------------|-----------------------------|---------------------------|----------------------|---------------------------|------------------------|
|                   | Unrestricted funds<br>£'000 | Restricted funds<br>£'000 | Total funds<br>£'000 | Restricted funds<br>£'000 | Total<br>2018<br>£'000 |
| Grants receivable | –                           | 1,588                     | 1,588                | –                         | 1,588                  |
| Growing in Faith  | –                           | 2,525                     | 2,525                | –                         | 2,525                  |
| Other donations   | 663                         | 2,569                     | 3,232                | 27,109                    | 30,341                 |
| Legacies          | 1,510                       | 643                       | 2,153                | 1,171                     | 3,324                  |
| <b>Total</b>      | <b>2,173</b>                | <b>7,325</b>              | <b>9,498</b>         | <b>28,280</b>             | <b>37,778</b>          |

| 2017              | Curial funds                |                           |                      | Parochial funds           |                        |
|-------------------|-----------------------------|---------------------------|----------------------|---------------------------|------------------------|
|                   | Unrestricted funds<br>£'000 | Restricted funds<br>£'000 | Total funds<br>£'000 | Restricted funds<br>£'000 | Total<br>2017<br>£'000 |
| Grants receivable | –                           | 4,357                     | 4,357                | 564                       | 4,921                  |
| Growing in Faith  | –                           | 4,296                     | 4,296                | –                         | 4,296                  |
| Other donations   | 246                         | 1,472                     | 1,718                | 26,909                    | 28,627                 |
| Legacies          | 171                         | 543                       | 714                  | 1,205                     | 1,919                  |
| <b>Total</b>      | <b>417</b>                  | <b>10,668</b>             | <b>11,085</b>        | <b>28,678</b>             | <b>39,763</b>          |

### 2 Assessments

Six (six in 2017) parishes operated by specific religious congregations are not consolidated into these accounts. Income from assessments (£150,000 in 2018 and £149,000 in 2017) represents monies received by the Charity from those parishes and is unrestricted.

The diocesan assessment, being monies transferred from parishes to the curia in order to fund diocese-wide programmes, is included under 'Transfers between funds'. In 2018, £6,061,000 was transferred from parochial funds to curial funds (£5,531,000 in 2017).

### 3 Income from other trading activities and cost of raising funds

These categories of income and expenditure comprise the income and expenditure of the Charity's trading subsidiaries. At 31 December 2018 the Charity owned the entire called up ordinary share capital of the following trading companies:

| Company                       | Company No. | Country of incorporation | Principal activity               |
|-------------------------------|-------------|--------------------------|----------------------------------|
| Aedificabo Limited            | 07409205    | England                  | Management of capital projects   |
| Westminster Cathedral Limited | 2784481     | England                  | Miscellaneous trading activities |

Audited accounts of the companies will be filed with the Registrar of Companies.

Summaries of the trading results of Aedificabo Limited and Westminster Cathedral Limited are given on the right.



## Notes to the accounts

– Year to 31 December 2018

### 3 Income from other trading activities and cost of raising funds (continued)

|   | Unrestricted funds |               | Restricted funds              |               |
|---|--------------------|---------------|-------------------------------|---------------|
|   | Aedificabo Limited |               | Westminster Cathedral Limited |               |
|   | 2018<br>£'000      | 2017<br>£'000 | 2018<br>£'000                 | 2017<br>£'000 |
| <b>Turnover</b>   | <b>154</b>         | 141           | <b>548</b>                    | 600           |
| Cost of sales   | –                  | –             | <b>(263)</b>                  | (297)         |
| <b>Gross profit</b>   | <b>154</b>         | 141           | <b>285</b>                    | 303           |
| Administrative expenses   | <b>(109)</b>       | (86)          | <b>(206)</b>                  | (167)         |
| <b>Profit on ordinary activities before Gift Aid and taxation</b> | <b>45</b>          | 55            | <b>79</b>                     | 136           |
| Gift Aid  | <b>(45)</b>        | (55)          | <b>(83)</b>                   | (136)         |
| Loss for the year   | –                  | –             | <b>(4)</b>                    | –             |

Administrative expenses include amounts recharged by the Charity and eliminated on consolidation of £106,000 (£83,000 in 2017).

At 31 December 2018 the called up share capital of Westminster Cathedral Limited comprised 2 ordinary £1 shares and its reserves amounted to £330 (£4,343 in 2017).

At 31 December 2018 the called up share capital of Aedificabo Limited comprised 2 ordinary £1 shares and its reserves amounted to £nil (£ nil in 2017).

### 4 Investment income and interest receivable

| 2018                                      | Curial funds                   |                              |                         | Parochial funds              | Total<br>2018<br>£'000 |
|---|--------------------------------|------------------------------|-------------------------|------------------------------|------------------------|
|   | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | Total<br>funds<br>£'000 | Restricted<br>funds<br>£'000 |                        |
| <b>Investment income</b>                  |                                |                              |                         |                              |                        |
| Income from listed investments            | 42                             | 273                          | 315                     | 233                          | 548                    |
| Income from programme related investments | 619                            | –                            | 619                     | –                            | 619                    |
| Rents and similar income                  | 235                            | 56                           | 291                     | 2,532                        | 2,823                  |
|   | 896                            | 329                          | 1,225                   | 2,765                        | 3,990                  |
| <b>Interest receivable</b>                | 520                            | –                            | 520                     | 2                            | 522                    |
| <b>Total</b>                              | <b>1,416</b>                   | <b>329</b>                   | <b>1,745</b>            | <b>2,767</b>                 | <b>4,512</b>           |

| 2017                                      | Curial funds                   |                              |                         | Parochial funds              | Total<br>2017<br>£'000 |
|---|--------------------------------|------------------------------|-------------------------|------------------------------|------------------------|
|   | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | Total<br>funds<br>£'000 | Restricted<br>funds<br>£'000 |                        |
| <b>Investment income</b>                  |                                |                              |                         |                              |                        |
| Income from listed investments            | 152                            | 236                          | 388                     | 268                          | 656                    |
| Income from programme related investments | 203                            | –                            | 203                     | –                            | 203                    |
| Rents and similar income                  | 178                            | 55                           | 233                     | 2,317                        | 2,550                  |
|   | 533                            | 291                          | 824                     | 2,585                        | 3,409                  |
| <b>Interest receivable</b>                | 300                            | –                            | 300                     | 1                            | 301                    |
| <b>Total</b>                              | <b>833</b>                     | <b>291</b>                   | <b>1,124</b>            | <b>2,586</b>                 | <b>3,710</b>           |

All rents are from properties situated in the United Kingdom.

## Notes to the accounts

– Year to 31 December 2018

### 5 Income from charitable activities

|   | <b>Total<br/>2018<br/>£'000</b> | <b>Total<br/>2017<br/>£'000</b> |
|---|---------------------------------|---------------------------------|
| <b>Rental income from functional properties</b> |                                 |                                 |
| Curial unrestricted funds                       | <b>673</b>                      | 645                             |
| Parochial restricted funds                      | <b>1,289</b>                    | 1,407                           |
|   | <b>1,962</b>                    | 2,052                           |

The Charity and Group own a number of properties which are used primarily for activities oriented towards achieving the Charity's and/or the Group's mission. However, within such properties, certain halls and rooms are occasionally rented out, often for purposes consistent with the charitable objectives of the Charity and resulting in the income shown above.

|  | <b>Total<br/>2018<br/>£'000</b> | <b>Total<br/>2017<br/>£'000</b> |
|--|---------------------------------|---------------------------------|
| <b>Parish and similar activities</b>           |                                 |                                 |
| Candles, repository and newspapers             | <b>2,398</b>                    | 2,479                           |
| Parish centres                                 | <b>1,619</b>                    | 1,602                           |
| Parish activities                              | <b>1,318</b>                    | 1,157                           |
| Catechetics                                    | <b>378</b>                      | 351                             |
| Board and lodging                              | <b>130</b>                      | 85                              |
| Income from clubs                              | <b>38</b>                       | 70                              |
| Chaplaincies                                   | <b>38</b>                       | 46                              |
| Miscellaneous                                  | <b>1,499</b>                    | 822                             |
| Parochial restricted funds                     | <b>7,418</b>                    | 6,612                           |
| Curial unrestricted funds                      | <b>1,325</b>                    | 1,203                           |
| Curial restricted funds – School contributions | <b>656</b>                      | 397                             |
|  | <b>9,399</b>                    | 8,212                           |

#### School contributions

The school contributions are voluntary payments made by the schools and academies in the diocese towards the costs of the school projects team at Vaughan House and agreed as 'Catholic Education Contributions' with the schools and academies.

## Notes to the accounts

– Year to 31 December 2018

### 6 Advancement of the Catholic faith primarily in the Diocese of Westminster

Expenses incurred by the Charity in offering religious and pastoral services and educational programmes through its chaplaincies, through its schools, and through its social outreach agencies coordinated by Caritas Westminster are paid from curial funds. The table below provides a detailed breakdown of these expenses for the year.

| <b>2018</b>                              | <b>Unrestricted funds<br/>£'000</b> | <b>Restricted funds<br/>£'000</b> | <b>Total<br/>2018<br/>£'000</b> |
|--|-------------------------------------|-----------------------------------|---------------------------------|
| <b>Curial funds</b>                      |                                     |                                   |                                 |
| Pastoral and related work                | 2,640                               | 2,852                             | 5,492                           |
| Administration                           | 3,330                               | –                                 | 3,330                           |
| School projects                          |                                     |                                   |                                 |
| .St Richard Reynolds School              | 292                                 | 1,594                             | 1,886                           |
| Education and formation                  | 836                                 | 656                               | 1,492                           |
| Clergy and consecrated life              | 592                                 | 627                               | 1,219                           |
| Auxiliaries and Vicar General            | 843                                 | –                                 | 843                             |
| Cardinal's office and Archbishop's House | 400                                 | 34                                | 434                             |
| National bodies                          | 421                                 | –                                 | 421                             |
| Growing in Faith projects                | –                                   | 344                               | 344                             |
| Bank loan interest                       | 260                                 | –                                 | 260                             |
| Safeguarding                             | 189                                 | –                                 | 189                             |
| Communications                           | 153                                 | –                                 | 153                             |
| Governance costs                         | 70                                  | –                                 | 70                              |
| Ecumenical and interfaith                | 49                                  | –                                 | 49                              |
| Miscellaneous                            | 225                                 | –                                 | 225                             |
| <b>Total</b>                             | <b>10,300</b>                       | <b>6,107</b>                      | <b>16,407</b>                   |

Depreciation of £653,000 (£433,000 in 2017) is included in the above curial fund expenditure.

| <b>2017</b>                              | <b>Unrestricted funds<br/>£'000</b> | <b>Restricted funds<br/>£'000</b> | <b>Total<br/>2017<br/>£'000</b> |
|--|-------------------------------------|-----------------------------------|---------------------------------|
| <b>Curial funds</b>                      |                                     |                                   |                                 |
| Pastoral and related work                | 2,233                               | 1,640                             | 3,873                           |
| Administration                           | 2,939                               | –                                 | 2,939                           |
| School projects                          |                                     |                                   |                                 |
| .St Richard Reynolds School              | 3,992                               | 4,357                             | 8,349                           |
| Education and formation                  | 905                                 | 397                               | 1,302                           |
| Clergy and consecrated life              | 571                                 | 553                               | 1,124                           |
| Auxiliaries and Vicar General            | 792                                 | –                                 | 792                             |
| Cardinal's office and Archbishop's House | 323                                 | 47                                | 370                             |
| National bodies                          | 425                                 | –                                 | 425                             |
| Growing in Faith projects                | –                                   | 448                               | 448                             |
| Bank loan interest                       | 203                                 | –                                 | 203                             |
| Safeguarding                             | 155                                 | –                                 | 155                             |
| Communications                           | 148                                 | –                                 | 148                             |
| Governance costs                         | 57                                  | 5                                 | 62                              |
| Ecumenical and interfaith                | 46                                  | –                                 | 46                              |
| Miscellaneous                            | 289                                 | –                                 | 289                             |
| <b>Total</b>                             | <b>13,078</b>                       | <b>7,447</b>                      | <b>20,525</b>                   |

## Notes to the accounts

– Year to 31 December 2018

### 6 Advancement of the Catholic faith primarily in the Diocese of Westminster (continued)

#### School and academy building works

During the year, the Group and Charity recognised expenditure of £1,886,000 (£8,349,000 in 2017) on St Richard Reynolds School, a voluntary aided school which cannot be disposed of in the open market whilst occupied by the school. This spending is included in the previous table. Grants of £1,588,000 (£4,357,000 in 2017) towards the cost of the building works were received mainly from the Roman Catholic Archdiocese of Southwark and the Government. (These grants are included within grants receivable in note 1).

During the year, the Group and Charity received, as agent, government grants of £36,228,000 (£24,267,000 in 2017) in connection with major repair and capital projects at Church schools and academies in the diocese. These monies, together with the contributions received from governors are used to fund contractor payments also administered by the Charity acting as managing agent for the Church schools and academies concerned. During the year, the Charity made payments to contractors of £37,712,000

(£21,848,000 in 2017). The Charity receives this money in its capacity of managing agent for the governors only and, as such, these amounts are excluded from the statement of financial activities. Consequently, only the Charity's net contribution to costs after deducting the contributions from governors and government grants towards the costs of the projects concerned is included as expenditure in the statement of financial activities.

#### Parochial restricted funds

Religious and pastoral services and educational programmes offered by the Charity through its parishes are funded by the parishes themselves. A detailed breakdown of expenses paid during the year from parochial restricted funds is provided in the table below.

| <b>Parochial restricted funds</b> | <b>Total<br/>2018<br/>£'000</b> | <b>Total<br/>2017<br/>£'000</b> |
|-----------------------------------|---------------------------------|---------------------------------|
| Non-clergy salaries               | 5,724                           | 5,521                           |
| Property repairs and renewals     | 3,973                           | 3,922                           |
| Clergy stipends                   | 2,306                           | 2,330                           |
| Liturgical expenses               | 1,908                           | 1,832                           |
| Heat, light and water             | 1,896                           | 1,582                           |
| Parish activities                 | 1,517                           | 1,303                           |
| Non property asset depreciation   | 1,434                           | 1,452                           |
| Housekeeping                      | 1,400                           | 1,367                           |
| Council tax, insurance and rates  | 1,156                           | 1,113                           |
| Property asset depreciation       | 1,085                           | 1,056                           |
| Office and administration         | 1,084                           | 1,066                           |
| Candles, repository and papers    | 954                             | 1,001                           |
| Donations/grants                  | 890                             | 786                             |
| Catechetics                       | 426                             | 396                             |
| Supply priests                    | 396                             | 405                             |
| Parish Centre expenses            | 354                             | 356                             |
| Travel expenses                   | 260                             | 247                             |
| Mass stipends distributed         | 139                             | 112                             |
| Bank interest                     | 127                             | 83                              |
| Governance costs                  | 5                               | 5                               |
| Miscellaneous expenses            | 481                             | 406                             |
|                                   | <b>27,515</b>                   | <b>26,341</b>                   |

The above are the gross costs relating to each activity/department. Many of these have related income flows which are included within total income. Due to the number of charitable donations made out of both curial and parochial funds it is not practical to provide details of individual donations.



## Notes to the accounts

– Year to 31 December 2018

### 7 Net (expenditure) income before transfers and investment gains (losses)

This is stated after charging:

| 2018<br>Group             | Curial funds                |                           |                      | Parochial funds           | Total<br>2018<br>£'000 |
|---------------------------|-----------------------------|---------------------------|----------------------|---------------------------|------------------------|
|                           | Unrestricted funds<br>£'000 | Restricted funds<br>£'000 | Total funds<br>£'000 | Restricted funds<br>£'000 |                        |
| Staff costs (note 8)      | 5,318                       | 1,172                     | 6,490                | 5,599                     | 12,089                 |
| Auditor's remuneration    |                             |                           |                      |                           |                        |
| . Audit fees current year | 72                          | –                         | 72                   | –                         | 72                     |
| . Other services          | 6                           | 2                         | 8                    | –                         | 8                      |
| Depreciation (note 10)    | 502                         | 151                       | 653                  | 2,519                     | 3,172                  |

| 2017<br>Group             | Curial funds                |                           |                      | Parochial funds           | Total<br>2017<br>£'000 |
|---------------------------|-----------------------------|---------------------------|----------------------|---------------------------|------------------------|
|                           | Unrestricted funds<br>£'000 | Restricted funds<br>£'000 | Total funds<br>£'000 | Restricted funds<br>£'000 |                        |
| Staff costs (note 8)      | 4,862                       | 651                       | 5,513                | 5,666                     | 11,179                 |
| Auditor's remuneration    |                             |                           |                      |                           |                        |
| . Audit fees current year | 59                          | 5                         | 64                   | 11                        | 75                     |
| . Other services          | –                           | –                         | –                    | 1                         | 1                      |
| Depreciation (note 10)    | 355                         | 78                        | 433                  | 2,508                     | 2,941                  |

### 8 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

| Group                 | Total<br>2018<br>£'000 | Total<br>2017<br>£'000 |
|-----------------------|------------------------|------------------------|
| Wages and salaries    | 10,860                 | 10,126                 |
| Social security costs | 826                    | 756                    |
| Other pension costs   | 403                    | 297                    |
|                       | <b>12,089</b>          | <b>11,179</b>          |

The average number of employees and full time equivalents (FTE) was:

|                       | 2018<br>FTE | 2018<br>Total<br>Employees | 2017<br>FTE | 2017<br>Total<br>Employees |
|-----------------------|-------------|----------------------------|-------------|----------------------------|
| Charitable activities | 377         | 683                        | 359         | 683                        |

## Notes to the accounts

– Year to 31 December 2018

### 8 Staff costs and remuneration of key management personnel (continued)

The number of employees who earned more than £60,000 (including benefits but excluding employer's national insurance and pension contributions) during the year was as follows:

|                     | 2018     | 2017     |
|---------------------|----------|----------|
| £60,001 - £70,000   | 2        | 4        |
| £70,001 - £80,000   | 2        | 1        |
| £80,001 - £90,000   | 2        | –        |
| £90,001 - £100,000  | 1        | 1        |
| £110,001 - £120,000 | 1        | 1        |
|                     | <b>8</b> | <b>7</b> |

Employer pension contributions totalling £52,300 (£50,700 in 2017) were made to defined contribution schemes in respect of all those employees who earned £60,000 or more during the year (as defined above).

The key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis comprise the Directors of the Corporate Trustee, the COO/Financial Secretary and the heads of the following departments of the Curial Offices/ Central Services: Evangelisation, Youth, Education, Caritas, Safeguarding, Human Resources, Finance, Property, Maintenance, Fundraising, Communications, ICT and Data Protection. The total remuneration (including taxable benefits and employer's national insurance and pension contributions) of the key management personnel for the year was £1,028,700 (£974,800 in 2017).

A number of the Directors of the Corporate Trustee (i.e. Trustees) are clergy of the Catholic Diocese of Westminster. They are housed and remunerated by the diocese and are reimbursed expenses for carrying out their ministry in the same way as other priests of the diocese. However, none of the Trustees received any remuneration in respect of their services as a Trustee during the year (2017 - £nil), nor were they reimbursed any expenses connected with their duties as Trustees (£nil in 2017).

#### Pension schemes

**Auto-enrolled pension scheme** The Charity offers an auto-enrolled pension scheme provided by Standard Life. The total contributions made by the employer in 2018 to this scheme amounted to £341,000 (£267,000 in 2017).

**Defined benefit scheme** The Charity administers a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Charity, being invested with Friends Life Services Limited and Sarasin & Partners LLP. The contributions are determined on the basis of triennial valuations by a qualified actuary using the projected unit method.

From 6 July 2005 accrual of benefits, death in service benefits and member contributions ceased. The level of funding has been reviewed on a yearly basis. During the first part of 2017, deficit funding contributions were made at the rate of £23,800 per month, before falling to £22,975 per month from 6 July 2017 as agreed during the finalisation of the actuarial valuation referred to below.

The most recent valuation, at 6 April 2016, showed that the market value of the scheme's assets was £7,050,000 and that the level of funding on an ongoing basis was 81%. The principal assumptions made were that the discount rate would be 4.1% per annum before retirement and 2.9% per annum after retirement, and that inflation-linked increases to deferred pensions would be 2.55% per annum and that inflation-linked pension increases in payments would be 3.05% per annum for service between 1 July 2002 and 11 February 2003, and 2.35% per annum for service from 12 February 2003. No allowance was made for possible discretionary increases in pensions beyond those prescribed in the scheme rules.

Financial Reporting Standard 102 (FRS 102) requires the surplus or deficit on the scheme as at 31 December 2018, calculated in accordance with the requirements of FRS 102, to be included on the balance sheet. For the purposes of FRS 102, the assets of the scheme have been taken at market value and the liabilities have been calculated by a qualified independent actuary.

A UK High Court judgement was made on 26 October 2018 in respect of the gender equalisation of Guaranteed Minimum Pensions (GMPs) for occupational pension schemes contracted-out of the State Second Pension between 1990 and 1997. An approximate allowance for the impact of GMP equalisation has been recognised in these disclosures as a past service cost within the statement of financial activities.

The information on the opposite page is based upon an actuarial valuation of the scheme at 31 December 2018 by a qualified independent actuary.

## Notes to the accounts

– Year to 31 December 2018

### 8 Staff costs and remuneration of key management personnel (continued)

The assets and liabilities in the scheme were:

|  | 2018<br>£'000  | 2017<br>£'000  |
|--|----------------|----------------|
| Equities   | 4,146          | 4,500          |
| Corporate bonds, Government bonds and index linked bonds | 1,157          | 971            |
| Property   | –              | 32             |
| Alternative investments                                  | 365            | 362            |
| Annuities  | 2,701          | 2,832          |
| Cash   | 1,256          | 1,087          |
| Total assets   | 9,625          | 9,784          |
| Present value of scheme liabilities                      | (11,591)       | (12,088)       |
| <b>Deficit in the scheme – net pension liability</b>     | <b>(1,966)</b> | <b>(2,304)</b> |

The major assumptions used by the actuary were:

|   | 2018<br>% per annum | 2017<br>% per annum |
|---|---------------------|---------------------|
| Inflation   | 3.5                 | 3.4                 |
| Salary increases  | 2.5                 | 2.4                 |
| Rate of discount  | 2.8                 | 2.5                 |
| Rate of increase in pensions in payment and deferred pensions | 2.5                 | 2.4                 |

The mortality assumptions used were as follows:

|  | 2018<br>years | 2017<br>years |
|--|---------------|---------------|
| Longevity at age 65 for current pensioners |               |               |
| Men  | 22.2          | 22.3          |
| Women                                      | 24.1          | 24.2          |

The net pension liability decreased from £2,304,000 in 2017 to £1,966,000 in 2018.

The deficit decrease is largely due to the improvement in general financial conditions, and in particular by increases in the yields available on high-quality corporate bonds, although the positive impact of these general financial conditions on the deficit has been partially offset by poorer than expected asset performance.

**Contributions** The total contributions made to the defined benefit scheme by the employer in the year were £443,000 (£455,000 in 2017) including an extraordinary annual contribution of £150,000 – the third and final of such extraordinary annual contributions – as a result of the transfer-in of four additional members in November 2016. The contributions expected to be paid by the employer to the scheme for the year ending 31 December 2019 total £293,000.

## Notes to the accounts

– Year to 31 December 2018

### 8 Staff costs and remuneration of key management personnel (continued)

|  |                       |                       |
|--|-----------------------|-----------------------|
| Total operating charge and net interest recognised in the statement of financial activities: | <b>2018<br/>£'000</b> | <b>2017<br/>£'000</b> |
| Administration costs   | (12)                  | (15)                  |
| Past service cost  | (146)                 | –                     |
| <b>Total operating charge</b>  | <b>(158)</b>          | <b>(15)</b>           |
| Interest income on scheme assets   | 246                   | 246                   |
| Interest cost on scheme liabilities  | (300)                 | (318)                 |
| <b>Net interest on net defined benefit liability</b>   | <b>(54)</b>           | <b>(72)</b>           |
| <b>Total amount recognised in the statement of financial activities</b>                      | <b>(212)</b>          | <b>(87)</b>           |

|   |                       |                       |
|---|-----------------------|-----------------------|
| Actuarial net gains (losses) recognised in the statement of financial activities: | <b>2018<br/>£'000</b> | <b>2017<br/>£'000</b> |
| Actual return on assets excluding amounts included in net interest                | (626)                 | 466                   |
| Actuarial gains (losses) on scheme obligations                                    | 733                   | (335)                 |
| <b>Re-measurement gains recognised in the statement of financial activities</b>   | <b>107</b>            | <b>131</b>            |

|  |                       |                       |
|--|-----------------------|-----------------------|
| The reconciliation of the fair value of the scheme assets is as follows: | <b>2018<br/>£'000</b> | <b>2017<br/>£'000</b> |
| Opening fair value of scheme assets                                      | 9,784                 | 8,908                 |
| Interest income  | 246                   | 246                   |
| Contributions by Westminster Roman Catholic Diocesan Trust               | 443                   | 455                   |
| Actual return on assets excluding amount included in net interest        | (626)                 | 466                   |
| Benefits paid  | (222)                 | (291)                 |
| <b>Closing fair value of scheme assets</b>                               | <b>9,625</b>          | <b>9,784</b>          |

|  |                       |                       |
|--|-----------------------|-----------------------|
| The reconciliation of the scheme benefit obligation is as follows: | <b>2018<br/>£'000</b> | <b>2017<br/>£'000</b> |
| Opening defined benefit obligation                                 | 12,088                | 11,711                |
| Administration costs   | 12                    | 15                    |
| Interest cost  | 300                   | 318                   |
| Actuarial (gains) losses   | (733)                 | 335                   |
| Past service cost  | 146                   | –                     |
| Benefits paid  | (222)                 | (291)                 |
| <b>Closing defined benefit obligation</b>                          | <b>11,591</b>         | <b>12,088</b>         |

|  |                       |                       |
|--|-----------------------|-----------------------|
| The actuarial value of the scheme liabilities at 31 December 2018 if different key actuarial assumptions had been used is shown below: | <b>2018<br/>£'000</b> | <b>2017<br/>£'000</b> |
| -0.5% decrease in discount rate  | 12,743                | 13,365                |
| 1 year increase in member life expectation   | 12,055                | 12,571                |
| +0.5% change in inflation  | 11,937                | 12,447                |



## Notes to the accounts

– Year to 31 December 2018

### 9 Taxation

Westminster Roman Catholic Diocesan Trust is a registered charity and, therefore, is not liable to income tax, corporation tax or capital gains tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

Other linked charities are also not liable to income tax, corporation tax or capital gains tax on income or gains derived from their charitable activities.

Aedificabo Limited and Westminster Cathedral Limited are commercial trading companies both of which transfer their profits, if any, to Westminster Roman Catholic Diocesan Trust each year under a Gift Aid compliant Deed of Covenant (see note 3). Neither entity, therefore, incurs a direct taxation charge.

### 10 Tangible fixed assets

| Group  | Functional<br>freehold<br>property<br>£'000 | Plant,<br>equipment,<br>fixtures<br>and fittings<br>£'000 | Motor<br>vehicles<br>£'000 | Total<br>£'000 |
|--|---|---|----------------------------|----------------|
| <b>Cost or valuation</b>                               |   |   |                            |                |
| At 1 January 2018 (as restated)                        | 127,064                                     | 33,211  | 320                        | <b>160,595</b> |
| Introduced to the Group (note 24)                      | 2,487                                       | 481   | –                          | <b>2,968</b>   |
| Additions  | 5,509                                       | 1,617   | 27                         | <b>7,153</b>   |
| Reclassifications from investment properties (note 12) | 727   | –   | –                          | <b>727</b>     |
| Disposals  | (187)                                       | (185)   | (12)                       | <b>(384)</b>   |
| Reclassifications to investment properties (note 12)   | (1,757)                                     | –   | –                          | <b>(1,757)</b> |
| At 31 December 2018                                    | 133,843                                     | 35,124  | 335                        | <b>169,302</b> |
| <b>Original cost (as restated)</b>                     | 106,441                                     | 35,124  | 335                        | <b>141,900</b> |
| <b>Deemed cost – valuation (1997)</b>                  | 26,182                                      | –   | –                          | <b>26,182</b>  |
| <b>Deemed cost – valuation (2013)</b>                  | 1,220                                       | –   | –                          | <b>1,220</b>   |
|  | 133,843                                     | 35,124  | 335                        | <b>169,302</b> |
| <b>Depreciation and impairment</b>                     |   |   |                            |                |
| At 1 January 2018 (as restated)                        | 19,363                                      | 27,376  | 296                        | <b>47,035</b>  |
| Introduced to the Group (note 24)                      | 547   | 190   | –                          | <b>737</b>     |
| Depreciation charge for the year                       | 1,418                                       | 1,746   | 8                          | <b>3,172</b>   |
| On disposals   | (187)                                       | (185)   | (12)                       | <b>(384)</b>   |
| At 31 December 2018                                    | 21,141                                      | 29,127  | 292                        | <b>50,560</b>  |
| <b>Net book values</b>                                 |   |   |                            |                |
| At 31 December 2018                                    | 112,702                                     | 5,997   | 43                         | <b>118,742</b> |
| At 31 December 2017 (as restated)                      | 107,701                                     | 5,835   | 24                         | <b>113,560</b> |

## Notes to the accounts

– Year to 31 December 2018

### 10 Tangible fixed assets (continued)

| Charity  | Functional<br>freehold<br>property<br>£'000 | Plant,<br>equipment,<br>fixtures<br>and fittings<br>£'000 | Motor<br>vehicles<br>£'000 | Total<br>£'000 |
|--|---|---|----------------------------|----------------|
| <b>Cost or valuation</b>                               |   |   |                            |                |
| At 1 January 2018 (as restated)                        | 126,978                                     | 33,056  | 320                        | <b>160,354</b> |
| Introduced to the Charity (note 24)                    | 2,573                                       | 481   | –                          | <b>3,054</b>   |
| Additions  | 5,509                                       | 1,617   | 27                         | <b>7,153</b>   |
| Reclassifications from investment properties (note 12) | 727   | –   | –                          | <b>727</b>     |
| Disposals  | (187)                                       | (185)   | (12)                       | <b>(384)</b>   |
| Reclassifications to investment properties (note 12)   | (1,757)                                     | –   | –                          | <b>(1,757)</b> |
| At 31 December 2018                                    | 133,843                                     | 34,969  | 335                        | <b>169,147</b> |
| <b>Original cost (as restated)</b>                     | 106,441                                     | 34,969  | 335                        | <b>141,745</b> |
| <b>Deemed cost - valuation (1997)</b>                  | 26,182                                      | –   | –                          | <b>26,182</b>  |
| <b>Deemed cost – valuation (2013)</b>                  | 1,220                                       | –   | –                          | <b>1,220</b>   |
|  | 133,843                                     | 34,969  | 335                        | <b>169,147</b> |
| <b>Depreciation and impairment</b>                     |   |   |                            |                |
| At 1 January 2018 (as restated)                        | 19,358                                      | 27,226  | 296                        | <b>46,880</b>  |
| Introduced to the Charity (note 24)                    | 552   | 190   | –                          | <b>742</b>     |
| Depreciation charge for the year                       | 1,418                                       | 1,744   | 8                          | <b>3,170</b>   |
| On disposals   | (187)                                       | (185)   | (12)                       | <b>(384)</b>   |
| At 31 December 2018                                    | 21,141                                      | 28,975  | 292                        | <b>50,408</b>  |
| <b>Net book values</b>                                 |   |   |                            |                |
| At 31 December 2018                                    | 112,702                                     | 5,994   | 43                         | <b>118,739</b> |
| At 31 December 2017 (as restated)                      | 107,620                                     | 5,830   | 24                         | <b>113,474</b> |

The Charity has continued to adopt a policy of not revaluing its tangible fixed assets. The historical cost of the functional properties stated above at a valuation cannot be ascertained with accuracy. The valuation, which was performed in 1997, is an estimate of original cost based on the replacement cost of each property in 1997, discounted back to the original year of purchase, and hence for the purpose of these accounts and consistent with the transition rules set out in FRS 102, the 1997 valuations are defined as 'deemed cost'.

Works of art, treasures and plate are not capitalised in these accounts. They are considered to be heritage assets for the purposes of the Charities SORP (FRS 102). The assets are integral to the Charity's overall objective of advancing the Catholic religion. They all have very long lives and are worth preserving indefinitely. The Trustees consider that it would be prejudicial to the safe custody of these assets to disclose details of their value and usage in these accounts.

All other tangible fixed assets are stated at cost or, where gifted or bequeathed to the Charity, at an estimate of their market value at the date of the gift.

Several of the Charity's properties are subject to restrictions or covenants over their use and/or disposal.

It is likely that there are material differences between the open market values of the Charity's land and buildings and their book values. These arise from the specialised nature of some properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of the Trustees, is not justified in terms of the benefit to the users of the accounts.

Land and buildings legally owned by the Charity and occupied rent free by Catholic voluntary aided schools and academies, which are separate charities and publicly funded, are valued at £nil for the purposes of these accounts. The Trustees consider that no meaningful value

## Notes to the accounts

– Year to 31 December 2018

### 10 Tangible fixed assets (continued)

can be attributed to these assets since they are not used directly by the Charity, do not generate income, and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues. Any expenditure incurred on the fabric of these buildings is written off in the year it is incurred and treated in these accounts as expenditure on the advancement of the Catholic faith primarily in the Diocese of Westminster.

During the year, £651,000 of parochial fixed assets that were included in the accounts for 2017 were identified as belonging to a separate charity. As a result, the opening balance of the tangible fixed assets in 2017 was adjusted by £651,000.

### Capital commitments

At 31 December 2018 the Group and Charity had the following capital commitments:

| Group and Charity                        | 2018<br>£'000 | 2017<br>£'000 |
|--|---------------|---------------|
| Land and buildings – functional property |               |               |
| . Contracted but not provided            | 593           | 3,048         |

The capital commitments are in respect of various parish and curial building works.

### 11 Programme related investments

Programme related investments represent investments made in properties owned by the Charity but which are used by other charitable and not-for-profit organisations for purposes consistent with the Charity's objectives. In some cases, rental income will be received but, in other cases, no rental agreement will be put in place.

| Group and Charity | 2018<br>£'000 | 2017<br>£'000 |
|-------------------|---------------|---------------|
| At 1 January      | 10,425        | 8,666         |
| Additions         | 78            | 1,759         |
| At 31 December    | 10,503        | 10,425        |

Programme related investments comprise:

| Group and Charity       | 2018<br>£'000 | 2017<br>£'000 |
|-------------------------|---------------|---------------|
| The Friary, Westminster | 10,503        | 10,425        |

The Friary is a building adjacent to the Westminster Cathedral Complex that was, historically, part of the Catholic fabric in this location, having been the location of both a Franciscan monastery and the National Catholic Library.

It is leased to the Westminster Cathedral Choir School, a charity connected to the Westminster Roman Catholic

Diocesan Trust (see note 22), to house an independent preparatory school to help to have a sustainable choir in the cathedral. The rental income from the lease will be used to finance repayments due on a £10 million, thirty-year loan granted by HSBC Bank plc in March 2016 in order to purchase and refurbish the property (see note 15).

## Notes to the accounts

– Year to 31 December 2018

### 12 Investments

At 31 December 2018 investments comprised the following:

|                       | <b>Group<br/>2018<br/>£'000</b> | <b>Group<br/>2017<br/>£'000</b> | <b>Charity<br/>2018<br/>£'000</b> | <b>Charity<br/>2017<br/>£'000</b> |
|-----------------------|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Listed investments    | <b>30,304</b>                   | 31,247                          | <b>30,304</b>                     | 31,247                            |
| Investment properties | <b>65,645</b>                   | 54,502                          | <b>65,645</b>                     | 52,012                            |
| Joint venture         | <b>52</b>                       | 57                              | <b>52</b>                         | 57                                |
|                       | <b>96,001</b>                   | 85,806                          | <b>96,001</b>                     | 83,316                            |

#### Listed investments

During the year, listed investments under the control of the Westminster Roman Catholic Diocesan Trust principally comprised units in a Mutual Investment Fund. The Mutual Investment Fund comprises investments managed by Sarasin & Partners LLP and CCLA Investment Management Limited.

The market value of the units in the Mutual Investment Fund at 31 December 2018 amounted to £30,152,000 (£31,083,000 in 2017) and their historical cost as at that date was £25,649,000 (£24,486,000 in 2017).

Investment managers' fees of £118,000 in 2018 and £122,000 in 2017 are charged indirectly through the unit holdings. Fees paid to the investment managers directly during the year amounted to £nil (£nil in 2017).

At 31 December 2018 the composition of the listed investments comprising the Mutual Investment Fund was as follows:

| <b>Group and Charity</b>                          | <b>2018<br/>%</b> | <b>2017<br/>%</b> |
|---|-------------------|-------------------|
| Fixed income                                      | <b>11.2</b>       | 7.3               |
| UK equities                                       | <b>15.3</b>       | 18.9              |
| Global equities                                   | <b>48.2</b>       | 53.6              |
| Property  | <b>1.4</b>        | 1.2               |
| Alternatives                                      | <b>7.9</b>        | 6.9               |
| Liquid assets (money market instruments and cash) | <b>16.0</b>       | 12.1              |
|   | <b>100.0</b>      | 100.0             |

At 31 December 2018, listed investments held as part of the Mutual Investment Fund (the Fund) included the following individual holdings deemed material when compared with the overall valuation of the Fund as at that date:

| <b>Group and Charity</b>   | <b>Percentage<br/>of fund<br/>%</b> | <b>Value<br/>£000</b> |
|--|-------------------------------------|-----------------------|
| Sarasin Equisar – Socially Responsible (Sterling Hedged) – I Inc | 10.9                                | 3,291                 |
| Sarasin Equisar – Socially Responsible – I Inc                   | 10.6                                | 3,183                 |
| ICS-INS Sterl Liq – Heritage ACC (BlackRock)                     | 4.8                                 | 1,444                 |



## Notes to the accounts

– Year to 31 December 2018

### 12 Investments (continued)

Listed investments held at 31 December 2018 and their movements during the year were as follows:

| Group and Charity                                 | 2018<br>£'000 |
|---|---------------|
| <b>Market value</b>                               |               |
| At 1 January                                      | 31,247        |
| Additions at cost                                 | 295           |
| Disposals   | (85)          |
| Net realised and unrealised gains during the year | (1,153)       |
| At 31 December                                    | 30,304        |

#### Investment properties

Investment properties held at 31 December 2018 and their movements during the year were as follows:

| Group and Charity                                     | 2018<br>£'000 |
|---|---------------|
| <b>Market value</b>                                   |               |
| At 1 January  | 54,502        |
| Reclassification from tangible fixed assets (note 10) | 1,757         |
| Disposals   | (645)         |
| Reclassification to tangible fixed assets (note 10)   | (727)         |
| Gains on revaluation during the year                  | 10,758        |
| At 31 December  | 65,645        |

In the first quarter of 2018, the Charity disposed of two curial investment properties with a market value at 31 December 2017 of £645,000. The total sale proceeds realised in respect of these two properties amounted to £645,000.

Investment properties are included in the accounts at market valuations. It is the aim of the Trustees that properties will each be revalued every five years, unless there is an indication that a valuation has changed by a material amount in which case the valuation date will be brought forward. During 2018, the Charity continued an exercise of revaluing its investment properties in accordance with United Kingdom Generally Accepted Accounting Practice. In 2014 Albright Surveyors Limited revalued five investment properties. In 2015 and 2016, nine and eighteen investment properties were revalued by Smith & Knight Property Consultants respectively. In 2017, two investment properties were revalued by Smith & Knight Property Consultants and ten investment properties were revalued by an internal property surveyor in possession of relevant qualifications and knowledge of the property market. In 2018 four investment properties were revalued by Smith & Knight Property Consultants

and five investment properties were revalued by an internal property surveyor in possession of relevant qualifications and knowledge of the property market. It is not possible to ascertain with accuracy the original cost of all the investment properties, the majority of which were purchased many years ago. The Trustees are of the opinion that the costs involved in researching such information outweigh the value of disclosing it.

#### Joint venture

The investment in the joint venture represents the Charity's investment in Parish Accounting Services Limited, a company incorporated in England and Wales (Company Registration No 09503675) on 23 March 2015.

Westminster Roman Catholic Diocesan Trust and Birmingham Roman Catholic Diocesan Trust each own one £1 share in the company which has purchased and developed accounting software for use by parishes within Roman Catholic dioceses. Each of the two partners to the joint venture has lent the company £72,000 to enable it to purchase and develop the software.

## Notes to the accounts

– Year to 31 December 2018

### 12 Investments (continued)

A summary of the trading results and financial position of the company at 31 December 2018 is given below:

| <b>Summary statement of income</b>            | <b>2018<br/>£'000</b> | <b>2017<br/>£'000</b> |
|---|-----------------------|-----------------------|
| Turnover                                      | 136                   | 120                   |
| Cost of sales                                 | (110)                 | (102)                 |
| Gross profit                                  | 26                    | 18                    |
| Administrative expenses                       | (14)                  | (14)                  |
| Profit on ordinary activities before taxation | 12                    | 4                     |
| Taxation                                      | –                     | –                     |
| Profit for the financial period               | 12                    | 4                     |

| <b>Summary statement of financial position and retained earnings</b> | <b>2018<br/>£'000</b> | <b>2017<br/>£'000</b> |
|--|-----------------------|-----------------------|
| Fixed assets   | 79                    | 92                    |
| Current assets   | 27                    | 30                    |
| Current liabilities  | (3)                   | (9)                   |
| Net current assets   | 24                    | 21                    |
| Total assets less current liabilities                                | 103                   | 113                   |
| Creditors: amounts falling due after one year                        | (112)                 | (134)                 |
| Total net liabilities  | (9)                   | (21)                  |

The total net liabilities are represented by called up share capital of £2 and accumulated net losses. The accumulated net losses are shared equally by the two partners. As such, the investment by Westminster Roman Catholic Diocesan Trust as at 31 December 2018 comprises:

|                              | <b>2018</b> |
|------------------------------|-------------|
| Loan balance at 1 January    | 57          |
| Share of profits in the year | 6           |
| Loan repayment in the year   | (11)        |
| Loan balance at 31 December  | 52          |

Both parties to the joint venture are confident that the accumulated losses will be recouped from future trading profits.

## Notes to the accounts

– Year to 31 December 2018

### 13 Debtors

|  | <b>Group<br/>2018<br/>£'000</b> | <b>Group<br/>2017<br/>£'000</b> | <b>Charity<br/>2018<br/>£'000</b> | <b>Charity<br/>2017<br/>£'000</b> |
|--|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| <b>Receivable within one year</b>  |                                 |                                 |                                   |                                   |
| Sundry debtors   | 284                             | 788                             | 284                               | 788                               |
| Legacies receivable  | 1,727                           | 526                             | 1,727                             | 499                               |
| Prepayments and other accrued income   | 2,008                           | 1,598                           | 2,008                             | 1,518                             |
| Amounts due from subsidiaries  | –                               | –                               | 63                                | 132                               |
| School expenditure recoverable from the Department for Education,<br>Local Education Authorities and contract advances (see below and note 21) | 935                             | 1,293                           | 935                               | 1,293                             |
| Other loans (see below)  | 112                             | 102                             | 112                               | 102                               |
|  | <b>5,066</b>                    | <b>4,307</b>                    | <b>5,129</b>                      | <b>4,332</b>                      |
| <b>Receivable after more than one year</b>   |                                 |                                 |                                   |                                   |
| Amount due from the Society of Jesus   | –                               | 263                             | –                                 | 263                               |
| Loan to The Cardinal Hume Centre   | 339                             | 339                             | 339                               | 339                               |
| Other  | 17                              | –                               | 17                                | –                                 |
|  | <b>5,422</b>                    | <b>4,909</b>                    | <b>5,485</b>                      | <b>4,934</b>                      |

School expenditure recoverable from the Department for Education, Local Education Authorities and contract advances represents amounts refundable from these bodies and from School Governors in respect of work and maintenance to school properties and held by the Charity as custodian trustee.

Other loans receivable within one year comprise amounts advanced to priests and schools, and season ticket loans to staff. Other than some school loans which are charged interest rates linked to bank base rates and have set repayment terms, loans are interest free.

### 14 Creditors: amounts falling due within one year

|   | <b>Group<br/>2018<br/>£'000</b> | <b>Group<br/>2017<br/>£'000</b> | <b>Charity<br/>2018<br/>£'000</b> | <b>Charity<br/>2017<br/>£'000</b> |
|---|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| School building projects (see below and note 21)                  | 405                             | 2,046                           | 405                               | 2,046                             |
| Collections payable to third parties                              | 530                             | 779                             | 530                               | 779                               |
| PAYE and national insurance                                       | 304                             | 296                             | 304                               | 296                               |
| Bank loan (see note 15)   | 370                             | –                               | 370                               | –                                 |
| Other loans (see overleaf)  | 317                             | 327                             | 317                               | 327                               |
| St Richard Reynolds   | 603                             | 28                              | 603                               | 28                                |
| Accruals and sundry creditors                                     | 1,613                           | 1,087                           | 1,549                             | 1,080                             |
| Mutual Investment Fund creditors (see overleaf)                   | –                               | 3,757                           | –                                 | 11,120                            |
| Funds held on behalf of the Belarusian Catholic Mission           | 162                             | 189                             | 162                               | 189                               |
| Funds held on behalf of the Congregation for the Eastern Churches | 920                             | 920                             | 920                               | 920                               |
|   | <b>5,224</b>                    | <b>9,429</b>                    | <b>5,160</b>                      | <b>16,785</b>                     |

## Notes to the accounts

– Year to 31 December 2018

### 14 Creditors: amounts falling due within one year (continued)

Amounts due in respect of school building projects represent amounts due to contractors in connection with work and maintenance to school properties.

The majority of the loans are interest bearing with interest rates linked to bank base rates.

The Mutual Investment Fund creditors in 2017 represented amounts held in the Fund in the Charity's name but where the beneficial owner was either Westminster Ecclesiastical Education Fund or Diocese of Westminster Sick and Retired Priests Fund. As explained in note 24, these two entities became linked charities effective from 1 January 2018 under a uniting direction from the Charity Commission allowing the Charity to prepare a single set of accounts incorporating these linked charities.

### 15 Creditors: amounts falling due after more than one year

|           | <b>Group<br/>2018<br/>£'000</b> | Group<br>2017<br>£'000 | <b>Charity<br/>2018<br/>£'000</b> | Charity<br>2017<br>£'000 |
|-----------|---------------------------------|------------------------|-----------------------------------|--------------------------|
| Bank loan | <b>9,630</b>                    | 10,000                 | <b>9,630</b>                      | 10,000                   |

On 22 March 2016, the Charity signed a thirty year loan agreement with HSBC Bank plc for up to £10 million. The loan is secured by a first charge mortgage on two of the Charity's properties.

The loan is repayable in quarterly instalments commencing three years after initial drawdown with interest payable at 2% over the base rate. Of the amounts falling due after more than one year, £1,481,000 (2017 - £1,111,000) is repayable within 2 to 5 years and £8,149,000 (2017 - £8,889,000) is repayable after 5 years.

### 16 Restricted funds

Restricted funds comprise:

|                                 | <b>2018<br/>£'000</b> | 2017<br>£'000 |
|---------------------------------|-----------------------|---------------|
| <b>Charity</b>                  |                       |               |
| Curial                          | <b>46,856</b>         | 29,857        |
| Parochial                       | <b>196,712</b>        | 177,036       |
|                                 | <b>243,568</b>        | 206,893       |
| <b>Group</b>                    |                       |               |
| Subsidiary entities (curial)    | –                     | 10,815        |
| Subsidiary entities (parochial) | –                     | 4             |
|                                 | <b>243,568</b>        | 217,712       |



## Notes to the accounts

– Year to 31 December 2018

### 16 Restricted funds (continued)

#### Curial restricted funds

The income funds of the curia include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

| 2018                                      | At<br>1 January<br>2018<br>£'000 | Income<br>£'000 | Expenditure<br>£'000 | Net<br>losses<br>£'000 | Transfers<br>and funds<br>introduced<br>£'000 | At 31<br>December<br>2018<br>£'000 |
|---|----------------------------------|-----------------|----------------------|------------------------|---|------------------------------------|
| <b>Group and Charity</b>                  |                                  |                 |                      |                        |   |                                    |
| Growing in Faith Fund                     | 19,909                           | 2,525           | (344)                | –                      | (2,831)                                       | 19,259                             |
| Masses Funds                              | 1,082                            | 15              | (115)                | (28)                   | (12)  | 942                                |
| Poor Fund                                 | 529                              | 6               | –                    | (14)                   | (5)   | 516                                |
| Ecclesiastical Education Fund             | 121                              | 2               | –                    | (4)                    | (1)   | 118                                |
| Trinity Fund                              | 31                               | 10              | –                    | –                      | 197   | 238                                |
| Wellesley Colley Fund                     | 287                              | 4               | –                    | (9)                    | (4)   | 278                                |
| Harrow Education Fund                     | 14                               | –               | –                    | –                      | –   | 14                                 |
| St Richard Reynolds                       | –                                | 1,588           | (1,594)              | –                      | 6   | –                                  |
| Archbishop's Fund                         | 708                              | 657             | (105)                | –                      | (110)   | 1,150                              |
| St Joseph's Pastoral Centre               | 279                              | 123             | (212)                | –                      | –   | 190                                |
| Bakhita House                             | 881                              | 571             | (386)                | –                      | –   | 1,066                              |
| Property Repairs Fund                     | 154                              | 2               | –                    | (4)                    | (2)   | 150                                |
| Post-ordination Studies Fund              | 1,337                            | 19              | (55)                 | (45)                   | (19)  | 1,237                              |
| Missions Fund                             | 92                               | 2               | (29)                 | (5)                    | (2)   | 58                                 |
| St John Southworth Fund                   | 2,773                            | 87              | (114)                | (86)                   | (49)  | 2,611                              |
| Filipino Chaplaincy Fund                  | 131                              | 2               | (10)                 | (5)                    | (2)   | 116                                |
| Hare Street House                         | 666                              | 11              | (34)                 | (24)                   | (9)   | 610                                |
| Sick and Retired Priests Fund             | 10,815                           | 1,141           | (598)                | (265)                  | (330)   | 10,763                             |
| Westminster Ecclesiastical Education Fund | –                                | 706             | (1,122)              | (135)                  | 7,172   | 6,621                              |
| Other restricted funds                    | 863                              | 839             | (1,389)              | (18)                   | 624   | 919                                |
| <b>Total</b>                              | <b>40,672</b>                    | <b>8,310</b>    | <b>(6,107)</b>       | <b>(642)</b>           | <b>4,623</b>                                  | <b>46,856</b>                      |

## Notes to the accounts

– Year to 31 December 2018

### 16 Restricted funds (continued)

| 2017                          | At<br>1 January<br>2017<br>£'000 | Income<br>£'000 | Expenditure<br>£'000 | Net gains<br>£'000 | Transfers<br>and funds<br>introduced<br>£'000 | At 31<br>December<br>2017<br>£'000 |
|-------------------------------|----------------------------------|-----------------|----------------------|--------------------|---|------------------------------------|
| Growing in Faith Fund         | 17,851                           | 4,296           | (448)                | –                  | (1,790)                                       | 19,909                             |
| Masses Funds                  | 1,028                            | 15              | (28)                 | 77                 | (10)  | 1,082                              |
| Poor Fund                     | 491                              | 6               | –                    | 38                 | (6)   | 529                                |
| Ecclesiastical Education Fund | 109                              | 2               | –                    | 12                 | (2)   | 121                                |
| Trinity Fund                  | 68                               | 11              | –                    | –                  | (48)  | 31                                 |
| Wellesley Colley Fund         | 263                              | 4               | –                    | 23                 | (3)   | 287                                |
| Harrow Education Fund         | 133                              | 1               | (120)                | –                  | –   | 14                                 |
| St Richard Reynolds           | –                                | 4,357           | (4,357)              | –                  | –   | –                                  |
| Archbishop's Fund             | 631                              | 373             | (60)                 | –                  | (236)   | 708                                |
| St Joseph's Pastoral Centre   | 385                              | 125             | (305)                | –                  | 74  | 279                                |
| Bakhita House                 | 786                              | 378             | (394)                | –                  | 111   | 881                                |
| Property Repairs Fund         | 142                              | 2               | –                    | 12                 | (2)   | 154                                |
| Post-ordination Studies Fund  | 1,235                            | 21              | (26)                 | 125                | (18)  | 1,337                              |
| Missions Fund                 | 117                              | 2               | –                    | 13                 | (40)  | 92                                 |
| St John Southworth Fund       | 2,642                            | 61              | (114)                | 236                | (52)  | 2,773                              |
| Filipino Chaplaincy Fund      | 127                              | 2               | (9)                  | 13                 | (2)   | 131                                |
| Hare Street House             | –                                | 12              | (57)                 | 66                 | 645   | 666                                |
| Other restricted funds        | 708                              | 478             | (971)                | 49                 | 599   | 863                                |
| Charity total                 | 26,716                           | 10,146          | (6,889)              | 664                | (780)   | 29,857                             |
| Sick and Retired Priests Fund | 9,745                            | 1,210           | (558)                | 720                | (302)   | 10,815                             |
| Group total                   | 36,461                           | 11,356          | (7,447)              | 1,384              | (1,082)                                       | 40,672                             |

The specific purposes for which the funds are to be applied are as follows:

- Growing in Faith Fund comprises monies raised as part of the Growing in Faith campaign to ensure a vibrant future for the diocese. The monies will be used: to support parishes and ensure that they are sound, prayerful and sustainable; to support priestly life at all stages, be that in formation, during service in parishes or in retirement; and to maintain the tradition of outreach to those in need.
- Masses Funds represent monies held for Masses.
- Poor Fund is for the relief of poverty in the diocese.
- Ecclesiastical Education Fund is for housing costs for priests.
- Trinity Fund is for major projects in parishes.
- Wellesley Colley Fund is for general charitable purposes of the diocese and for the relief of poverty.
- Harrow Education Fund is for school and catechetical activities in the Harrow Deanery.
- St Richard Reynolds represents grants received in respect of the construction of St Richard Reynolds School, Twickenham. During the year the grants received were put towards the cost of the construction work.
- Archbishop's Fund represents a legacy which is for projects as approved by the Archbishop.
- St Joseph's Pastoral Centre is for a variety of specific projects agreed with individual donors.
- Bakhita House supports the work of Bakhita House.
- Property Repairs Fund is available for repairs to diocesan properties.
- Post-ordination Studies Fund supports priests in further studies.
- Missions Fund supports the work carried out by missions.

## Notes to the accounts

– Year to 31 December 2018

### 16 Restricted funds (continued)

- St John Southworth Fund supports the work of parishes, organisations and projects across a range of issues including poverty, homelessness, old age and infirmity, and children with disabilities or who are in danger of deprivation.
- Filipino Chaplaincy Fund supports the work of the Filipino Chaplaincy.
- Hare Street House represents the net assets of the linked charity (see note 24).
- Sick and Retired Priests Fund represents the net assets of the linked charity (see note 24).
- Westminster Ecclesiastical Education Fund represents the net assets of the linked charity (see note 24).
- Other restricted funds are for specific charitable purposes of the diocese.

Except where they have been explicitly mentioned above, transfers from curial restricted funds principally relate to Growing in Faith grants awarded to parishes and to Caritas.

#### Parochial restricted funds

The parishes in the Diocese of Westminster are established and operate under the Church's Code of Canon Law which bestows on them separate canonical legal status. As such, each parish has been treated as a separate restricted fund in these accounts. The total parish or parochial funds are administered, with guidance from the Central Finance Office, by the parish priests and are used to carry out the work of the Church within local areas and help fund the curia. The transfers from the parochial restricted funds to the curial unrestricted funds represent the payment of the diocesan assessment by the parishes and contributions made towards the central costs of the diocese.

During the year, £651,000 of parochial fixed assets that were included in the accounts for 2017 were identified as belonging to a separate charity. As a result, the opening balance of the parochial restricted funds in 2017 was adjusted by £651,000.

### 17 Designated funds

The income funds of the Charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

| Group and Charity | 2018<br>£'000 | 2017<br>£'000 |
|-------------------|---------------|---------------|
| At 1 January      | 583           | 610           |
| New designations  | 678           | 1             |
| Utilised/realised | (13)          | (28)          |
| At 31 December    | 1,248         | 583           |

### 18 Tangible fixed assets fund

| Group and Charity        | 2018<br>£'000 | 2017<br>£'000 |
|--------------------------|---------------|---------------|
| At 1 January             | 20,609        | 19,288        |
| Net movement in the year | (289)         | 1,321         |
| At 31 December           | 20,320        | 20,609        |

The tangible fixed assets fund represents the net book value of the tangible fixed assets held by the curia for unrestricted purposes.

## Notes to the accounts

– Year to 31 December 2018

### 19 Programme related investments fund

The programme related investments fund represents the value of the Group's and Charity's programme related investments. As explained in note 11, these investments comprise land and buildings owned by the Charity but used by other charitable and not-for-profit organisations whose objectives are consistent with those of the Charity.

It is the intention of the Trustees that such assets should continue to be used for these purposes for as long as needed, and that as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

| <b>Group and Charity</b> | <b>2018<br/>£'000</b> | <b>2017<br/>£'000</b> |
|--------------------------|-----------------------|-----------------------|
| At 1 January             | <b>10,425</b>         | 8,666                 |
| Movement                 | <b>78</b>             | 1,759                 |
| At 31 December           | <b>10,503</b>         | 10,425                |

### 20 Analysis of net assets between funds

| <b>2018</b>  | <b>Curial funds</b>                 |                                   |                              | <b>Parochial funds</b>            |                             |
|--|-------------------------------------|-----------------------------------|------------------------------|-----------------------------------|-----------------------------|
|  | <b>Unrestricted funds<br/>£'000</b> | <b>Restricted funds<br/>£'000</b> | <b>Total funds<br/>£'000</b> | <b>Restricted funds<br/>£'000</b> | <b>Total 2018<br/>£'000</b> |
| <b>Group</b>   |                                     |                                   |                              |                                   |                             |
| <b>Fund balances at 31 December 2018 are represented by:</b> |                                     |                                   |                              |                                   |                             |
| <b>Tangible fixed assets</b>                                 | <b>19,833</b>                       | <b>2,682</b>                      | <b>22,515</b>                | <b>96,227</b>                     | <b>118,742</b>              |
| <b>Programme related investments</b>                         | <b>10,503</b>                       | <b>–</b>                          | <b>10,503</b>                | <b>–</b>                          | <b>10,503</b>               |
| <b>Investments</b>   | <b>12,632</b>                       | <b>19,650</b>                     | <b>32,282</b>                | <b>63,719</b>                     | <b>96,001</b>               |
| <b>Net current assets</b>                                    | <b>5,808</b>                        | <b>24,524</b>                     | <b>30,332</b>                | <b>36,766</b>                     | <b>67,098</b>               |
| <b>Non-current liabilities</b>                               | <b>(9,630)</b>                      | <b>–</b>                          | <b>(9,630)</b>               | <b>–</b>                          | <b>(9,630)</b>              |
| <b>Total net assets excluding pension liability</b>          | <b>39,146</b>                       | <b>46,856</b>                     | <b>86,002</b>                | <b>196,712</b>                    | <b>282,714</b>              |
| <b>Pension liability</b>                                     | <b>(1,966)</b>                      | <b>–</b>                          | <b>(1,966)</b>               | <b>–</b>                          | <b>(1,966)</b>              |
| <b>Total net assets</b>                                      | <b>37,180</b>                       | <b>46,856</b>                     | <b>84,036</b>                | <b>196,712</b>                    | <b>280,748</b>              |

| <b>2017</b>  | <b>Curial funds</b>                 |                                   |                              | <b>Parochial funds</b>            |                             |
|--|-------------------------------------|-----------------------------------|------------------------------|-----------------------------------|-----------------------------|
|  | <b>Unrestricted funds<br/>£'000</b> | <b>Restricted funds<br/>£'000</b> | <b>Total funds<br/>£'000</b> | <b>Restricted funds<br/>£'000</b> | <b>Total 2017<br/>£'000</b> |
| <b>Group</b>   |                                     |                                   |                              |                                   |                             |
| <b>Fund balances at 31 December 2017 are represented by:</b> |                                     |                                   |                              |                                   |                             |
| <b>Tangible fixed assets (as restated)</b>                   | <b>20,609</b>                       | <b>82</b>                         | <b>20,691</b>                | <b>92,869</b>                     | <b>113,560</b>              |
| <b>Programme related investments</b>                         | <b>10,425</b>                       | <b>–</b>                          | <b>10,425</b>                | <b>–</b>                          | <b>10,425</b>               |
| <b>Investments</b>   | <b>17,439</b>                       | <b>16,536</b>                     | <b>33,975</b>                | <b>51,831</b>                     | <b>85,806</b>               |
| <b>Net current assets</b>                                    | <b>284</b>                          | <b>24,054</b>                     | <b>24,338</b>                | <b>32,340</b>                     | <b>56,678</b>               |
| <b>Non-current liabilities</b>                               | <b>(10,000)</b>                     | <b>–</b>                          | <b>(10,000)</b>              | <b>–</b>                          | <b>(10,000)</b>             |
| <b>Total net assets excluding pension liability</b>          | <b>38,757</b>                       | <b>40,672</b>                     | <b>79,429</b>                | <b>177,040</b>                    | <b>256,469</b>              |
| <b>Pension liability</b>                                     | <b>(2,304)</b>                      | <b>–</b>                          | <b>(2,304)</b>               | <b>–</b>                          | <b>(2,304)</b>              |
| <b>Total net assets</b>                                      | <b>36,453</b>                       | <b>40,672</b>                     | <b>77,125</b>                | <b>177,040</b>                    | <b>254,165</b>              |

## Notes to the accounts

– Year to 31 December 2018

### 20 Analysis of net assets between funds (continued)

#### 2018

| Charity   | Total<br>unrestricted<br>funds<br>£'000 | Total<br>restricted<br>funds<br>£'000 | Total<br>2018<br>£'000 |
|---|---|---------------------------------------|------------------------|
| Fund balances at 31 December 2018 are represented by: |   |                                       |                        |
| Tangible fixed assets                                 | 19,833                                  | 98,906                                | 118,739                |
| Programme related investments                         | 10,503                                  | –                                     | 10,503                 |
| Investments   | 12,632                                  | 83,369                                | 96,001                 |
| Net current assets                                    | 5,808                                   | 61,293                                | 67,101                 |
| Non-current liabilities                               | (9,630)                                 | –                                     | (9,630)                |
| Total net assets excluding pension liability          | 39,146                                  | 243,568                               | 282,714                |
| Pension liability                                     | (1,966)                                 | –                                     | (1,966)                |
| Total net assets                                      | 37,180                                  | 243,568                               | 280,748                |

#### 2017

| Charity   | Total<br>unrestricted<br>funds<br>£'000 | Total<br>restricted<br>funds<br>£'000 | Total<br>2017<br>£'000 |
|---|---|---------------------------------------|------------------------|
| Fund balances at 31 December 2017 are represented by: |   |                                       |                        |
| Tangible fixed assets (as restated)                   | 20,609                                  | 92,865                                | 113,474                |
| Programme related investments                         | 10,425                                  | –                                     | 10,425                 |
| Investments   | 24,802                                  | 58,514                                | 83,316                 |
| Net current (liabilities) assets                      | (7,079)                                 | 55,514                                | 48,435                 |
| Non-current liabilities                               | (10,000)                                | –                                     | (10,000)               |
| Total net assets excluding pension liability          | 38,757                                  | 206,893                               | 245,650                |
| Pension liability                                     | (2,304)                                 | –                                     | (2,304)                |
| Total net assets                                      | 36,453                                  | 206,893                               | 243,346                |

#### Unrealised gains and revaluation reserve

It is not possible to ascertain with accuracy the original cost of the investment properties, the majority of which were purchased many years ago and for which records no longer exist recording the costs of acquisition. The Trustees are of the opinion that the costs involved in researching such information outweigh the value of disclosing the accumulated unrealised gains or revaluation reserve.



## Notes to the accounts

– Year to 31 December 2018

### 21 School and academy building works

The Charity is the legal owner of properties comprising voluntary aided schools, academies and two independent schools in the diocese. As explained in the principal accounting policies these properties are valued at £nil for the purpose of these accounts. The responsibility for the improvement, extension and repair of the buildings lies with the governors. Grants towards such work are paid to the governors by the Department for Education (DfE) and the Local Education Authorities. As the governors are responsible for incurring such expenditure and receiving

the associated grant income, this income and expenditure is not included in these accounts. However, the Charity is closely involved in providing practical assistance to Catholic schools and academies in the Diocese of Westminster and acts as an agent for the governing bodies in administering building contracts and recovering grants and contributions towards cost.

The Charity acted as an agent for governors on school and academy building projects as summarised below:

|  | 2018          | 2017          |
|--|---------------|---------------|
| Number of projects   | 142           | 168           |
|  |               |               |
|  | 2018<br>£'000 | 2017<br>£'000 |
| Total amount spent   | 37,712        | 21,848        |
| Less: grants received  | (36,228)      | (24,267)      |
| Net governors' liability (asset)   | 1,484         | (2,419)       |
| Amounts owing on contracts at 31 December (note 14)  | 405           | 2,046         |
| Amounts recoverable from Department for Education, Local Education Authorities and contract advances (note 13) | 935           | 1,293         |

### 22 Connected charities and related party transactions

The Charity is connected to the following charity, which is the responsibility of the same Corporate Trustee, namely Westminster Roman Catholic Diocese Trustee.

| Charity Name                       | Charity Registration Number | Objectives                                      |
|------------------------------------|-----------------------------|---|
| Westminster Cathedral Choir School | 1063761                     | The training of children in church choral music |

Throughout the year, the Trustees who are not members of the clergy attend Mass and other services and events in the Diocese of Westminster in their capacity as parishioners. In the course of doing so, they will contribute to the offertory and make other financial contributions.

The nature of such giving means that it is not possible to quantify the amount donated to the Charity by its Trustees during any financial year.

### 23 Financial activities of charitable subsidiaries

The Charity had no charitable subsidiaries at 31 December 2018. In 2017, the operations of the Diocese of Westminster Sick and Retired Priests Fund were considered integral to the Charity, and therefore its income, expenditure and net assets were consolidated with those of the Charity in the 2017 accounts.

## Notes to the accounts

– Year to 31 December 2018

### 24 Financial activities of linked charities

In 2018, the Charity successfully applied to the Charity Commission for a uniting direction in respect of Diocese of Westminster Sick and Retired Priests Fund and Westminster Ecclesiastical Education Fund (WEEF) which took effect from 1 January 2018. The effect of the uniting direction is to allow the Charity to prepare a single set of accounts that incorporates these linked charities as restricted funds of the Charity. Consequently, these linked charities have been included within curial funds.

The activities of Diocese of Westminster Sick and Retired Priests Fund were previously consolidated with those of the Charity, whereas the activities of Westminster Ecclesiastical Education Fund were not previously consolidated. The net funds introduced into the Charity in respect of WEEF as at 1 January 2018 were £6,766,000, including tangible fixed assets with a net book value at that date of £2,231,000 (note 10).

In 2017, the Charity successfully applied to the Charity Commission for a uniting direction in respect of The Moorfields Charity, Westminster Cathedral Trust and Hare

Street House which took effect from 1 January 2017. The effect of the uniting direction was to allow the Charity to prepare a single set of accounts that incorporated these three charities as restricted funds of the Charity. Consequently, Hare Street House was included in curial funds and both The Moorfields Charity and Westminster Cathedral Trust were included within parochial funds.

The activities of The Moorfields Charity and Westminster Cathedral Trust were previously consolidated with those of the Charity. The net funds introduced into the Charity in respect of Hare Street House as at 1 January 2017 were £645,000, including tangible fixed assets with a net book value at that date of £51,000.

A summary of the statement of financial activities and a statement of the net assets at 31 December 2018 of each of the linked charities is given below.

| 2018                                      | Curial funds                     |   |               | Parochial funds                       |                                       | Total<br>2018<br>£'000 |
|---|----------------------------------|---|---------------|---------------------------------------|---------------------------------------|------------------------|
|   | Hare<br>Street<br>House<br>£'000 | Sick &<br>Retired<br>Priests<br>Fund<br>£'000 | WEEF<br>£'000 | The<br>Moorfields<br>Charity<br>£'000 | Westm.<br>Cathedral<br>Trust<br>£'000 |                        |
| Income                                    | 11                               | 1,141   | 706           | 158                                   | 154                                   | 2,170                  |
| Expenditure                               | (43)                             | (928)   | (716)         | (79)                                  | (379)                                 | (2,145)                |
| Net losses on investments                 | (24)                             | (265)   | (135)         | (98)                                  | (94)                                  | (616)                  |
| Net expenditure and net movement in funds | (56)                             | (52)  | (145)         | (19)                                  | (319)                                 | (591)                  |
| Net assets                                | 610                              | 10,763  | 6,621         | 3,176                                 | 3,222                                 | 24,392                 |

## Notes to the accounts

– Year to 31 December 2018

### 24 Financial activities of linked charities (continued)

A summary of the statement of financial activities and a statement of the net assets at 31 December 2017 is given below.

2017

|  | Curial funds                             | Parochial funds                               |   |                        |
|--|--|---|---|------------------------|
|  | Hare<br>Street<br>House<br>2017<br>£'000 | The<br>Moorfields<br>Charity<br>2017<br>£'000 | Westm.<br>Cathedral<br>Trust<br>2017<br>£'000 | Total<br>2017<br>£'000 |
| Income   | 12                                       | 175   | 239   | 426                    |
| Expenditure  | (57)                                     | (79)  | (718)   | (854)                  |
| Net gains on investments                           | 66                                       | 271   | 321   | 658                    |
| Net income (expenditure) and net movement in funds | 21                                       | 367   | (158)   | 230                    |
| Net assets   | 666                                      | 3,196   | 3,542   | 7,404                  |

### 25 Contingent liability

During 2014, the Charity agreed to act as guarantor to HSBC Bank plc to secure all liabilities in respect of a loan facility made available by HSBC Bank plc to St Etheldreda Trust (Registered Charity No. 1154426) in connection with the purchase and refurbishment of 13 Ely Place, London, EC1N 6RY. The maximum amount of the loan and hence the amount guaranteed by the Charity is £1,500,000. In return for the guarantee, the Charity has been granted a second legal charge over the freehold property purchased

by St Etheldreda Trust at 13 Ely Place. The loan is for a period of 30 years with monthly capital repayments commencing two years after the initial drawdown. Interest on the loan is charged at 1.5% above Bank Rate. St Etheldreda Trust is a charitable trust which owns both St Etheldreda's Church and the adjoining presbytery which serve the Parish of St Etheldreda's in the Roman Catholic Diocese of Westminster.

## Comparative consolidated statement of financial activities

– Year to 31 December 2017

|   |       | Curial funds                |                           |                      | Parochial funds           |                     |
|---|-------|-----------------------------|---------------------------|----------------------|---------------------------|---------------------|
|   | Notes | Unrestricted funds<br>£'000 | Restricted funds<br>£'000 | Total funds<br>£'000 | Restricted funds<br>£'000 | Total 2017<br>£'000 |
| Income:   |       |                             |                           |                      |                           |                     |
| Donations and legacies  |       |                             |                           |                      |                           |                     |
| . Grants receivable   | 1     | –                           | 4,357                     | 4,357                | 564                       | 4,921               |
| . Growing in Faith  | 1     | –                           | 4,296                     | 4,296                | –                         | 4,296               |
| . Other donations and legacies  | 1     | 417                         | 2,015                     | 2,432                | 28,114                    | 30,546              |
| Assessments   | 2     | 149                         | –                         | 149                  | –                         | 149                 |
| Other trading activities  |       |                             |                           |                      |                           |                     |
| . Commercial trading operations   | 3     | 141                         | –                         | 141                  | 600                       | 741                 |
| Investment income and interest receivable                                   | 4     | 833                         | 291                       | 1,124                | 2,586                     | 3,710               |
| Charitable activities   |       |                             |                           |                      |                           |                     |
| . Rental income from functional properties                                  |       | 645                         | –                         | 645                  | 1,407                     | 2,052               |
| . Parish and similar activities   | 5     | 1,203                       | 397                       | 1,600                | 6,612                     | 8,212               |
| Other income  |       |                             |                           |                      |                           |                     |
| . Net gains on disposal of tangible fixed assets                            |       | –                           | –                         | –                    | 3                         | 3                   |
| Total income  |       | 3,388                       | 11,356                    | 14,744               | 39,886                    | 54,630              |
| Expenditure:  |       |                             |                           |                      |                           |                     |
| Cost of raising funds   |       |                             |                           |                      |                           |                     |
| . Fundraising trading: cost of goods sold and other costs                   | 3     | 3                           | –                         | 3                    | 464                       | 467                 |
| Charitable activities   |       |                             |                           |                      |                           |                     |
| . Advancement of the Catholic faith primarily in the Diocese of Westminster | 6     | 13,078                      | 7,447                     | 20,525               | 26,341                    | 46,866              |
| Total expenditure   |       | 13,081                      | 7,447                     | 20,528               | 26,805                    | 47,333              |
| Net (expenditure) income before transfers and investment gains              |       |                             |                           |                      |                           |                     |
|   |       | (9,693)                     | 3,909                     | (5,784)              | 13,081                    | 7,297               |
| Transfers between funds   |       |                             |                           |                      |                           |                     |
| . Growing in Faith  | 2     | –                           | (1,281)                   | (1,281)              | 1,281                     | –                   |
| . Assessments   |       | 5,531                       | –                         | 5,531                | (5,531)                   | –                   |
| . Other   |       | 266                         | (446)                     | (180)                | 180                       | –                   |
|   |       | 5,797                       | (1,727)                   | 4,070                | (4,070)                   | –                   |
| Net (expenditure) income before investment gains                            |       |                             |                           |                      |                           |                     |
|   |       | (3,896)                     | 2,182                     | (1,714)              | 9,011                     | 7,297               |
| Net gains on investments  |       | 3,414                       | 1,384                     | 4,798                | 12,543                    | 17,341              |
| Net (expenditure) income  | 7     | (482)                       | 3,566                     | 3,084                | 21,554                    | 24,638              |
| Actuarial gains   | 8     | 131                         | –                         | 131                  | –                         | 131                 |
| Net movement in funds before funds introduced                               |       | (351)                       | 3,566                     | 3,215                | 21,554                    | 24,769              |
| Funds introduced  | 24    | –                           | 645                       | 645                  | –                         | 645                 |
| Net movement in funds   |       | (351)                       | 4,211                     | 3,860                | 21,554                    | 25,414              |
| Reconciliation of funds:  |       |                             |                           |                      |                           |                     |
| Total funds brought forward at 1 January                                    |       | 36,804                      | 36,461                    | 73,265               | 155,486                   | 228,751             |
| Total funds carried forward at 31 December                                  |       | 36,453                      | 40,672                    | 77,125               | 177,040                   | 254,165             |

All of the Group's activities derived from continuing operations during the above financial period.  
The total funds brought forward at 1 January 2017 have been restated (see note 10).

## Diocesan Committees

– Year to 31 December 2018

|                                  |   |
|----------------------------------|---|
| <b>Audit and Risk Committee</b>  | Mr K Ingram<br>Miss L Ferrar<br>Rt Rev J Sherrington  |
| <b>Caritas Advisory Board</b>    | Rt Rev P McAleenan<br>Rev M Woodruff<br>Mr A Ndoca<br>Mr D Belloso<br>Mr P Camoletto<br>Mrs S Garibaldi<br>Mrs S Macken<br>Mr M McAteer             |
| <b>Education Commission</b>      | Rt Rev J Wilson<br>Rev M Dunne<br>Mr J Asgian<br>Mrs L Barton<br>Mr P Camoletto<br>Mr E Conway<br>Mrs K Griffin<br>Mrs J Jackson<br>Mrs P Singh OBE |
| <b>Finance Board</b>             | Rt Rev J Sherrington<br>Rt Rev N Hudson<br>Rt Rev P McAleenan<br>Rt Rev J Wilson<br>Rev Mgr M Hayes<br>Mr A Ndoca<br>Mr J Gibney                    |
| <b>Human Resources Committee</b> | Rt Rev J Sherrington<br>Rev Mgr M Hayes<br>Miss L Ferrar<br>Mr P Camoletto  |
| <b>Investment Committee</b>      | Mr P Pejacsevich<br>Mr A Ndoca<br>Mr A Fitzalan Howard<br>Mr R McAdie<br>Mr P Camoletto   |
| <b>Property Committee</b>        | Rt Rev J Sherrington<br>Mr R Costelloe<br>Mr C Shepherd<br>Mr E Craston<br>Mr M Collins<br>Mr P Camoletto   |

Members at time of printing.



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The Diocese of Westminster is dependent on voluntary donations and you can make a real difference by supporting one or more of the following activities, besides your parish:

- The care of sick and elderly priests
- The training of new priests
- Evangelisation and formation
- The inclusion of all people in the life of the Church
- The Trinity Fund (which provides a lifeline to parishes with financial problems)
- Work with young people
- Lourdes pilgrimage
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You can also obtain further information about the different ways that you can help by contacting:

Matt Parkes  
Director of Development  
Diocese of Westminster  
46 Francis Street  
London SW1P 1QN

Email: [mattparkes@rcdow.org.uk](mailto:mattparkes@rcdow.org.uk)  
Tel: 020 7798 9375

## The Diocese of Westminster



# Keep in touch with the Diocese of Westminster

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## Westminster Record

Westminster Record is the newspaper for the Diocese of Westminster. It includes news, features and photographs reflecting the mission and life of Catholic parishes, schools and people in the diocese. Westminster Record costs just 20p, and can be bought in most parishes in the diocese.

## Westminster Year Book 2020

Westminster Year Book contains full listings of Catholic parishes, priests, schools and societies. To be published in November 2019, it also includes the 2020 Liturgical Calendar. To order a copy please contact [wyb@rcdow.org.uk](mailto:wyb@rcdow.org.uk).



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**Diocese of Westminster**

