



THE ARCHDIOCESE *of* BIRMINGHAM

BIRMINGHAM DIOCESAN TRUST  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
for the year ended 31 December 2019

# BIRMINGHAM DIOCESAN TRUST

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# BIRMINGHAM DIOCESAN TRUST

## Legal and administrative information

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### NAME

The name of the charity is Birmingham Diocesan Trust. The charity, in its day to day dealings, is also known as the Archdiocese of Birmingham or "the Diocese". The charity registration number is 234216.

### PRINCIPAL OFFICE

Cathedral House  
St Chad's Queensway  
Birmingham  
B4 6EX

Website: [www.birminghamdiocese.org.uk](http://www.birminghamdiocese.org.uk)

### TRUSTEES

#### BIRMINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES REGISTERED

Comprising:

Most Rev. B Longley MA STL (Archbishop of Birmingham) \*(9) #  
Rt. Rev. W Kenney CP KCHS Fil k and STL PhD (hc) (Auxiliary Bishop) \*(1) (2) #  
Rt. Rev. D McGough LSS STL (Auxiliary Bishop) \*(1) (2) (4) (5) #  
Rt. Rev. S Wright LLB, STL (Auxiliary Bishop) \*(1) (2) (8) (9) (Appointed 1 September 2019) #  
Rt. Rev. D Evans (Auxiliary Bishop) \*(1) (2) (10) (Appointed 19 March 2020) #  
Rt. Rev. R Byrne Cong Orat (Auxiliary Bishop) (Resigned 25 January 2019)  
Rt. Rev. Mgr. T Menezes STB SLL (Resigned 1 September 2019)  
Rev. R Walker (Vicar General) (Appointed 1 September 2020) (1) (2) (3) (7) (8) #  
Rev. J Veasey STL\*(Director of the Diocesan Education Service) (5) (7) (10) #  
Ms. H Bardy \*(10)  
Rev. Mr. D Palmer BA FCA CTA MCIPD (Treasurer) \*(1) (2) (3) (4) (5) (6) (7) (10)  
Mr. C Loughran DL FBCS CIP \* (1) (2)(5) (6) (9)  
Prof. D Kelly CBE DL \*(8) (9) (Appointed 12 April 2019)  
Ms. J Francis \*(7) (Appointed 12 April 2019)  
Ms. S Pain BA ACMA \* (1) (10) (Appointed 1 September 2019)  
Mr. Peter Vince MRICS \*(2) (Appointed 24 April 2020)  
Mr. Peter Vella \* (4) (Appointed 10 July 2020)  
Mr. M Weaver LLB (Resigned 4 January 2019)  
Sr. T Browne SP (Resigned 30 September 2019)

\*(1) Member of the Finance Sub-Committee

\*(2) Member of the Property Sub-Committee

\*(3) Member of Care of Clergy Sub-Committee

\*(4) Member of Communications Sub-Committee

\*(5) Member of Education Sub-Committee

\*(6) Member of Investment Sub-Committee

\*(7) Member of Remuneration Sub-Committee

\*(8) Member of the Safeguarding Commission

\*(9) Member of the Safeguarding Response Group

\*(10) Member of the Maryvale Institute Sub-Committee

# Member of the Board of Trustees with a clerical Diocesan role (e.g. Priest, Bishop etc.) receiving a stipend in connection with that role, and which is not connected to their voluntary work as a Trustee.

With effect from 1 January 2020 the Finance and Property Sub-Committee was split into two Committees: one dealing with Finance and one dealing with Property. The Committee membership shown above reflects the position as at the date of the signing of the Report and Accounts.

# BIRMINGHAM DIOCESAN TRUST

## Legal and administrative information

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### PROFESSIONAL ADVISERS

#### AUDITOR

RSM UK Audit LLP  
Chartered Accountants  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

#### BANKERS

National Westminster Bank plc  
4th Floor, 2 St. Philips Place  
Birmingham  
B3 2RB

#### INSURANCE BROKERS

D E Ford (Insurance Brokers) Ltd  
Poppleton Grange  
Low Poppleton Lane  
York  
YO2 6AZ

#### INVESTMENT MANAGERS

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

#### PROPERTY CONSULTANTS

Reeves & Partners Limited  
2 Euston Place  
Leamington Spa  
Warwickshire  
CV32 4LE

#### SOLICITORS

Gateley Plc  
One Eleven  
Edmund Street  
Birmingham  
B3 2HJ

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

Breakwells Solicitors  
Allium House  
36 Water Street  
Birmingham  
B3 1HP

# BIRMINGHAM DIOCESAN TRUST

Trustees' report

For the year ended 31 December 2019

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## INTRODUCTION

Archbishop Bernard Longley – Chair of Trustees

There is no doubt that one of the highlights of 2019 for our Archdiocese was the canonisation of St John Henry Newman in October. He spent much of his life in the Archdiocese and at this difficult time for us all we ask for his prayers as we live through the devastating effects of the global pandemic. Despite our current situation we know that we can look forward with hope in God's mercy and providence.



Looking back on 2019 I am grateful to the many people who have given themselves in service to all aspects of our work as we proclaim the good news to those whose lives we touch. We continue to strive to ensure that our parish and school communities are fully supported as they carry out our shared Mission.

One area that was the focus of much of our work in 2019 was safeguarding. The Board of Trustees remains committed to continuing to improve and learn lessons from the past. We fully supported the Charity Commission in its Statutory Inquiry into Safeguarding Governance within the Archdiocese and we are implementing its findings into our work. The Independent Inquiry into Child Sexual Abuse published its report on the Archdiocese in June. Since the public hearing in 2018 a huge amount of work has taken place to improve all aspects of safeguarding. The Archdiocese has committed additional resources to this area and fundamentally changed its practices and processes. In particular, we are striving to ensure we have a more open and compassionate response to victims and survivors.

2019 was also a year marked by many comings and goings. In August the Maryvale Institute formally merged with the Archdiocese of Birmingham. This change is intended to secure the future of the Institute and ensure that it is well placed to help the people of the Archdiocese grow in faith and be better equipped to take Christ's message to the world.

Last year we were also delighted to welcome three new priests, who were ordained at St Chad's Cathedral. This was a momentous day for Frs Marco Egawhary, Ryan Service and John Waters, who had spent several years studying at the Venerable English College, Rome.

We bade farewell to Bishop Robert Byrne as he was appointed Bishop of Hexham & Newcastle, and after many years of dedicated service as Vicar-General, Mgr Timothy Menezes took up his new role as Dean of the Cathedral. My thanks to them and also to Sr Therese Browne and Matthew Weaver for their many years of support as Trustees as they stepped down in 2019. In their place last year I was delighted to welcome Prof Deirdre Kelly, Jacqui Francis, and Sophia Pain as trustees. We have seen further changes this year with two additional trustees Peter Vince and Peter Vella and very recently the episcopal ordinations of Bishops David Evans and Stephen Wright and the appointment of Canon Richard Walker as Vicar General.

As I look forward I am very aware that the pandemic leaves us with many challenges. However I have every confidence that with prayer and God's help we will continue to grow and become a diocese that is ever more faithful to the mission entrusted to us by Jesus Christ, full of intentional disciples in vibrant communities of faith, joyful in their service of God and others, where many more lay people are engaged in collaborative ministry

Whilst the 2019 Report and Accounts state our financial results, they also are an opportunity to reflect on all the work that so many do to further our Mission. I am grateful to all who have contributed in so many ways.

# BIRMINGHAM DIOCESAN TRUST

Trustees' report (continued)

For the year ended 31 December 2019

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## David Brooks – Chief Operating Officer

Reflecting on the work of the curial team during 2019 allows us a brief moment to remember a world before the impact of the coronavirus pandemic that has changed all of our lives in so many different ways.

During 2019 we made further progress in ensuring that in the vitally important areas of Safeguarding and Health & Safety we were developing and implementing improved systems and processes that would protect our parish communities and the most vulnerable within them.

There is further work to do in these areas and I would like to thank all those volunteers in our parishes who give their time so generously in so many ways but particularly to those who serve as Parish Safeguarding Representatives and Parish Health & Safety Coordinators.



Work on unfolding God's plan for our diocese continued. The Archbishop set out his Vision and has called for many more lay people to be engaged in collaborative ministry. The Diocesan Plan Steering Group has been working on how we can support our parishes in taking up this call to action and using the four themes (Evangelisation, Formation, Charity & Social Outreach and Worship & Sacramental Life) to develop their local plans to help them grow as communities of faith.

In 2019 we also began to look at the activities that the curia undertakes on behalf of all parishes and the diocese, and the level of funding available to finance it. This work has carried over into 2020 and once finalised should deliver a more sustainable outcome that balances more effectively curial activity and funding. Of course it remains to be seen what the lasting impact of the pandemic will be on parish and curial finances and we will need to take this into account as we look forward and consider how we can best support the work of the diocese.

In thanking all the members of the curial office for their work during 2019 I would also like to remember our much-loved colleague Pat Flanagan who sadly passed away last year, may she rest in peace.

# BIRMINGHAM DIOCESAN TRUST

## Trustees' report (continued)

For the year ended 31 December 2019

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The trustees present their annual report and the audited financial statements for the year ended 31 December 2019. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

Birmingham Diocesan Trust is a charitable Trust constituted by a Declaration of Trust dated 3 July 1931. By a certificate dated 20 October 1931, the trustees of Birmingham Diocesan Trust are registered as a body corporate known as Birmingham Roman Catholic Diocesan Trustees Registered. All property assets are vested in the name of the body corporate. In order to update the constitution, the Declaration of Trust was amended by Resolution on 22 September 2017 and a Deed of Variation dated 26 January 2018. A copy of the Trust Deed is available on request.

The Archdiocese of Birmingham, the name by which the trust is more commonly known, is made up of 217 registered parishes when measured in financial terms. This figure therefore excludes Mass centres and order parishes, the latter of which are also subject to the liturgical direction of the Archbishop but which report financially to other organisations including various religious orders etc. The Archdiocese geographically covers the West Midlands, Staffordshire, Worcestershire, Warwickshire and Oxfordshire.

Certain trustees also serve on the Boards of other registered charities with objectives congruent to those of the Archdiocese including:

|                                  |                  |
|----------------------------------|------------------|
| Father Hudson's Society          | (Social care)    |
| St Mary's College, Oscott        | (Seminary)       |
| The Kenelm Youth Trust Ltd       | (Youth services) |
| Barberi and Newman Academy Trust | (Education)      |

A uniting direction given by the Charity Commissioners is in force in respect of various small trust funds as set out in Note 17. These trust funds are represented by 2 separate registered charities, and 7 other separate funds, and have been donated to the Charity by the donor. The assets of the funds are represented by investment in the Diocesan Unit Scheme. The capital cannot be spent, and any income generated must be spent in line with the various donors' instructions. These funds have been classed as endowment funds.

The Trustees are mindful of the need to review and report on Governance in the light of the Charity Governance Code issued in July 2017 and have considered each of the seven sections of the Code.

Work is continuing to implement the guidance contained in the Code although in some areas the requirements of Church Canon Law preclude the adoption of the Code in full. In particular the Chair of Trustees is not an elected position – as the Code would recommend.

The Archbishop of Birmingham is the ex-officio Chair of Trustees and is the Charity's Chief Executive Officer. He is appointed to that position by the Holy See rather than by the trustees. In addition, certain trustees - Auxiliary Bishops, Vicar General, Director of the Diocesan Education Service and Treasurer also hold the office of trustee in an ex-officio capacity, rather than being appointed by the other trustees.

# BIRMINGHAM DIOCESAN TRUST

Trustees' report (continued)

For the year ended 31 December 2019

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## OBJECTIVES AND ACTIVITIES

The objectives of the Trust are set out in the Diocesan Trust Deed, under which the Trust furthers its charitable purposes for the public benefit. They can be summarised as:

- The provision of religious services
- The provision, maintenance and upkeep of churches, presbyteries and schools
- The maintenance and support of clergy during their active service and in retirement
- The provision of education and youth services for children attending Diocesan schools and young members of the Church
- The provision of education and training for clergy and those wishing to be ordained
- The relief of the poor and those in need
- Generally, for any such charitable purpose or purposes as in the opinion of the Archbishop may be conducive to the advancement or maintenance of the Roman Catholic Religion in the Archdiocese.

Activities are also undertaken by the various individuals and groups within the Archdiocese, which are inclusive of the public at large and the wider communities that are served geographically by the various parishes. These include:

- Evangelisation and Catechesis
- Outreach work with disadvantaged and vulnerable members of society
- Provision of support to the elderly, particularly at parish level by providing essential community gathering places, organised activities, support and advice
- Assisting with mental and other health issues through our hospital and prison chaplains
- Working with those struggling financially to supply basic needs for their families such as clothing and food, by providing support through the activities of organisations such as the Society of St Vincent De Paul and food and clothing banks
- Family and Marriage guidance, and family support.

These objectives are achieved primarily through the parishes and Catholic schools together with a considerable number of Catholic societies and organisations based within the Archdiocese. There are numerous other pastoral activities, the more significant of which are referred to under "Achievements and Performance" below.

The church is reliant on the contribution of many volunteers to help achieve its objectives and is fortunate in that they see their contribution as an integral part of their individual vocation. It is estimated that during the year, approximately 916,000 hours (2018: 910,000) were provided by some 10,600 volunteers (2018: 11,200). If this is valued at £11.00 per hour, the volunteer contribution amounts to some £10m (2018: £10m), which is not included in the financial statements.

In all of the activities undertaken by the Archdiocese, the trustees continue to be very grateful for the work done by so many people, both paid staff and volunteer helpers. The trustees also take the opportunity to thank the members of the many Religious Orders who assist in numerous parishes and other parts of the Archdiocese. Without the help of so many people, the Archdiocese could not carry out its important work of spreading the Good News of Jesus Christ.



# BIRMINGHAM DIOCESAN TRUST

## Trustees' report

For the year ended 31 December 2019

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### TRUSTEES

The trustees who served during the year are listed on page 1.

The affairs of the charity are governed by the trustees, who are recruited from the senior clergy and suitably qualified and experienced lay faithful of the Archdiocese. New trustees are introduced to their role and responsibilities by the Diocesan Treasurer at which time relevant Charity Commission literature is issued together with copies of the trust deed and the latest financial information available. As and when required, trustees attend formal and informal training sessions. The trustees normally hold meetings on a quarterly basis to conduct the operations of the charity, to review the minutes of Sub-Committee meetings and implement other policies.

The **Finance Sub-Committee** usually meets five times per year to consider and take major decisions on financial issues.

The **Property Sub-Committee** usually meets five times per year to consider and take major decisions on property issues.

The **Care of Clergy Sub-Committee** usually meets twice a year to consider and take major decisions on issues relating to clergy welfare, including retired clergy.

The **Communications Sub-Committee** usually meets quarterly to consider and take major decisions on communications issues.

The **Education Sub-Committee** usually meets quarterly to consider and take major decisions on educational matters as implemented through the Diocesan Education Services.

The **Investment Sub-Committee** usually meets three times a year to consider and take major decisions on investment issues in conjunction with the Diocese's Investment Managers.

The **Remuneration Sub-Committee** usually meets twice a year to consider and take major decisions on issues relating to employee matters - recruitment, evaluation of pay structures, etc.

The **Safeguarding Commission** usually meets three times a year to advise on the work of the Safeguarding team. Its membership includes a number of professionals working in this area.

The **Safeguarding Response Group** was set up in September 2018 with a view to overseeing the implementation of recommendations identified in the reviews of Safeguarding procedures. The group met several times during 2019.

The **Maryvale Institute Sub-Committee** was set up in September 2019 with a view to overseeing the work of the Maryvale Institute as part of the Diocese and includes a number of the former Trustees of the Maryvale Institute. This Committee normally meets four times per year.

On the above committees, in addition to Trustee and employee members, competent advisors are invited to contribute.

The pastoral oversight of the charity is conducted by the Archbishop in regular consultation with the **Archbishop's Council**. This body assists the Archbishop in all decisions affecting the life of the Archdiocese. A majority of members of the Archbishop's Council are also Diocesan Trustees.

The Board of Trustees fulfils the Canonical role of the **Diocesan Finance Committee** as set out in the requirements in Canon Law in Canon 492. The **Vicar General's Office**, situated in the registered office, has a defined canonical role. The Vicar General, an ex officio Trustee, is responsible for personnel issues relating to the clergy in the Archdiocese. Appointments to parishes and other diocesan offices are made by the Archbishop in consultation with the Vicar General and the Archbishop's Council.

The day to day legal and financial affairs of the charity are administered from the registered office (known within the Archdiocese as the "**Curial Office**"). The Chief Operating Officer, Mr David Brooks, oversees the work of the Finance, Property, Human Resources, Communications, Fundraising, Legal and Planning functions. The Treasurer, an ex officio Trustee, has the defined canonical role of Finance Officer for the Diocese and works with the Chief Operating Officer.

Also based at the Registered Office is the Diocesan Tribunal, which deals mainly with marriage annulment petitions, the office of the Chancellor who deals with other Canonical matters, the Diocesan

# BIRMINGHAM DIOCESAN TRUST

Trustees' report (continued)

For the year ended 31 December 2019

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## TRUSTEES (CONTINUED)

Safeguarding office and the Historic Churches Committee office, which is responsible for the supervision of works carried out to our buildings of historic importance.

There is also the **Council of Priests** which meets twice per year with the Archbishop to discuss and give advice on a wide range of issues. The Council is composed of approximately 35 priests of the Archdiocese, with a representative of each of 18 deaneries together with ex officio priests with diocesan responsibilities and the members of the Archbishop's Council.

Each Diocesan Bishop is empowered to appoint a **Chapter of Canons** to take responsibility for the organisation and maintenance of his Cathedral. Within the Archdiocese of Birmingham, 16 senior priests constitute the Chapter of Canons and are consulted by the Archbishop on important Diocesan matters (Code of Canon Law 503ff). They have also been constituted as "The College of Consulters" to fulfil the legal requirements of Canon 495ff.

At parish level, the parish priest is responsible for all aspects of running his parish. Parish priests are not employees; in HM Revenue and Customs terms they are Holders of Religious Office and effectively act as agents for the Trustees in all but the purchase and disposal of property and investment assets. Each parish is required to have a finance committee which meets at least twice per year to support and advise the priest, particularly in the areas of finance and property. A comprehensive manual of "Parish Financial and Administration Guidelines" is issued by the Archdiocese to parishes. This is updated regularly. An "ad clerum" is issued by the Archbishop regularly through which policies are communicated to priests covering both liturgical/pastoral and, when required, financial and administrative matters. Further support is also available from Deans and the Archdiocese.

The **Diocesan Education Service** deals with all issues concerning Catholic primary and secondary schools within the Archdiocese. This includes administration of all school building projects, liaison with school governors, admittance appeals procedures, policies for teacher appointments and the establishment of a policy for conversion of schools to Academy status. It also works in conjunction with Ofsted to ensure consistency and equality of Catholic education. The office is situated in Coleshill.

## COVID 19

The work of the Diocese has been affected by the Covid 19 pandemic and the Government restrictions imposed in March 2020 and subsequently. All churches were closed for some months as were both central and parish offices. A committee including two Trustees has been meeting regularly to oversee the reopening of Churches. Guidance from both the Government and from the Catholic Bishops' Conference has been disseminated to all parishes. An on line risk assessment procedure was made mandatory before any churches were opened for private prayer and also for the holding of public Masses. Many of the Churches in the Diocese were able to utilise live streaming of Masses and this has proved extremely popular. A group has been created to consider how to utilise live streaming of Masses not just to meet the needs of those who cannot attend, but also as a way of reaching out to other members of the community.

The Diocesan Education Service has been supporting schools with advice on the measures required to reopen and the Maryvale Institute Committee has been overseeing the appropriate measures at Maryvale which has continued its work providing academic courses on-line, since residential courses have not been possible since March 2020. At present it is not possible to assess when residential courses might be resumed. Courses supporting the Catechetical work in parishes have been suspended while restrictions are in place.

A separate committee has been considering the procedures for the reopening of offices and appropriate risk assessment procedures have been put in place. The Diocese has availed itself of the Government furlough scheme to assist with meeting the salaries of staff unable to work from home. At one stage some 40% of Diocesan staff were on furlough. Fortunately, most staff are now able to work, although a number of new working practices have been introduced to cope with the restrictions due

# BIRMINGHAM DIOCESAN TRUST

Trustees' report (continued)

For the year ended 31 December 2019

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## COVID 19 (CONTINUED)

to the need to avoid virus transmission, including facilitation of working from home. In parishes, guidance has been provided to local Parish Priests and staff to cope with the fact that many parish offices are located within the Presbytery - which is also the Priest's residence.

In all of the above, the safety of clergy, staff, parishioners and students has been seen as paramount. While restrictions continue to be necessary the Trustees will continue to monitor the situation and oversee implementation of guidance received as it is issued.

Financially there have been three main impacts: on income received, on costs and on investment values.

For the period when public Masses were not possible the normal Sunday collections could not be taken. Measures were put in place to encourage giving by other means e.g. standing orders, and the Diocesan website was configured to enable it to accept on-line donations for any of the parishes within the Diocese. Income from hall hire and other sundry sales has ceased, or been greatly reduced, but this has been mitigated by the fact that costs have reduced commensurately. The full year impact of this on 2020 has yet to be established.

General Costs have been reduced in many cases since offices were temporarily unusable and salary costs were mitigated by the Government Furlough scheme. However, costs have increased through the need for additional personal protection - most especially at parishes, although the Trustees are very mindful of, and grateful for, the work of many hundreds of volunteers who assist with cleaning and stewarding to enable their local parish Masses to take place.

The value of Diocesan Investments fell sharply in the early part of 2020 as the full impact of the virus became better known. However, since then the portfolio has recovered much of its value, although it remains below the level at the start of the year. Income from investments is expected to reduce for 2020 and the subsequent year.

Overall the level of reserves and liquid resources held by the Diocese ensures that there is no cause for concern. However, in order to alleviate any local impact on individual parishes the Committee which oversees the allocation of grants to "poor" parishes has taken special care to ensure consideration is given to increasing grants to cover short term needs due to the impact of the virus. It remains difficult to make precise judgements about the long term impact of the virus on parish life. How the Diocese meets the spiritual and social needs of its parishioners and those in the community it serves will change to reflect the "new normal". However, the Trustees do believe that the Trust is well placed to meet the challenges this will bring.

## GOING CONCERN

The Trust's activities, together with the factors likely to affect its future development, principal risks and uncertainties facing the Trust and its availability of unencumbered cash reserves are set out within the Trustees' Report on the following pages.

Its financial position in terms of the year's results, its assets and liabilities and movement in cash is set out in the primary financial statements on pages 25 to 28. While there has been some depletion of cash reserves in 2019, it is important to note that there are fixed asset investments which are readily available to defray these if required. The Trust has considerable financial resources, mainly in the form of investments and property, and whilst it recognises that offertory income is declining, it has taken steps to mitigate this by employing additional personnel to evangelise, assist in strategic planning, and to investigate additional income streams, including external grant funding and planned giving within parishes.

# BIRMINGHAM DIOCESAN TRUST

Trustees' report (continued)

For the year ended 31 December 2019

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## GOING CONCERN (CONTINUED)

The Trustees believe that there are no material uncertainties about the Trust's ability to continue as a going concern. The Trustees therefore have a reasonable expectation that the Trust has adequate resources to continue its operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

## PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have a formal risk management process to assess risks and implement risk management strategies. This involves the identification of the types of risk faced by the charity, assessing the likelihood and potential impact of occurrence and identifying means of mitigation. Risks have been categorised under five broad headings: Governance, Operational, Financial, External and Compliance.

These are assessed as to the likelihood of their occurring and the severity of the effects of the risk leading to a potential overall impact calculation in order to give a scale of relative importance/urgency to each one.

The current highest overall adverse impact risks identified are; to income through lapsation of the faithful and resultant reducing Mass attendances; an increasingly ageing and therefore reducing number of clergy who are expected to undertake ever more administrative responsibilities; adverse publicity in an increasingly secular society; and the continual drain on financial resources of maintaining functional properties many of which are listed. The Trust has taken steps to mitigate these risks, by recruiting priests from overseas, amalgamating small parishes where possible, and in encouraging collaboration where it is in the best interest of the community the parish serves. The Trust has robust and efficient complaints procedures, a whistleblowing policy and crisis management policy and procedures.

## ACHIEVEMENTS AND PERFORMANCE REVIEW

### Diocesan Curia

The Diocesan Curia continues to support the activities of the clergy in the parishes as well as providing financial support for various activities relating to pastoral care and help such as youth formation and activities, religious education, area catechists, marriage guidance and poor parishes. Financial support is also given to Catholic national organisations together with chaplaincies and commissions within the Archdiocese e.g. prisons, hospitals, universities, ethnic and disabled groups, ecumenism, interfaith, justice and peace, and overseas development. The Archdiocese maintains the offices of the Vicar General, Safeguarding Team, Matrimonial Tribunal and Treasury functions together with the Press Office, Diocesan Archives, Historic Churches Committee, and also supports the Bishops' houses together with the Liturgy Commission and the Art and Architecture Committee. The Archdiocese continues to work closely with and support its associated charities, Father Hudson's Society, St Mary's College - Oscott, The Kenelm Youth Trust Ltd and Barberi Newman Academy Trust, through liaison and common trustees.

### Evangelisation

In 2019, the Evangelisation department supported and promoted national events with Fr James Mallon and Sherry Weddell, both with a large turnout both geographically and demographically diverse. October's Extraordinary Month of Mission was a successful event in collaboration with BCYS, the Columbans, Vocations department and some Oscott seminarians. During the day, several young people took part in street evangelisation in Birmingham city centre, followed by a reflection and Mass

*Sharing Hope in Crisis* training introduced a caring approach to sharing our faith, particularly with those facing challenging situations.

Natalie Orefice acted as spokesperson in BBC radio interviews about the canonisation of St John Henry Newman.

# BIRMINGHAM DIOCESAN TRUST

Trustees' report (continued)

For the year ended 31 December 2019

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## ACHIEVEMENTS AND PERFORMANCE REVIEW (CONTINUED)

Ecumenical work included collaboration in Midland Missioners, regular support for those involved in church mission and Fresh Expressions mission training.

The department's work continued to focus on Evangelisation training, Alpha training and courses, Divine Renovation training and Nightfever.

In preparation for 2020 the department worked towards:

- Year of the Word: The God who Speaks (now partly taking place in 2021).
- Growing Leaders parish training course, in a Staffordshire parish.
- Developing a parish vision training day for an Oxfordshire parish.
- Preparation for the Oxford City-Wide Mission with parishes in the Oxford North Deanery that was due to take place May-June 2020 (postponed)

Additionally, the Evangelisation team supports parish evangelisation teams and with parish Alpha training.

### Communications

The communications team supports and promotes the work of curial departments, parishes and schools in a variety of ways; utilising the website, social media channels, diocesan publications and press. It also responds to media enquiries and supports parishes, clergy and staff in their dealings with the media.

There were three editions of the official Diocesan publication, *The Sower* in 2019. These were made available online in addition to the hard copies provided to every parish for distribution. An E-newsletter has been created and is issued every two weeks. This focusses on the Archdiocese and covers news, information and events. It has an increasing number of subscribers.

The Diocesan Website [www.birminghamdiocese.org.uk](http://www.birminghamdiocese.org.uk) has been updated and the number of visitors has increased to 130,009 from 117,640 in 2018. The Diocesan Social Media presence includes Twitter, Facebook and Instagram. The Diocese has 3,511 Twitter followers (2,976, 2018), 2,173 Facebook page likes (1,922, 2018) and 764 Instagram followers (519, 2018).

In the Autumn of 2019 there was considerable media interest in the Canonisation of Saint John Henry Newman. The Diocese were heavily involved in promoting this event and 10 Diocesan experts on his life were provided with a media training session hosted by communications team to assist them in dealing with media enquiries.

### Marriage and Family Life

Supporting Marriage and Family Life is an important part the work of the Diocese. The first Diocesan Thanksgiving Mass for Marriage which was held at the Cathedral in February 2019 and was attended by over 700 'milestone' couples and engaged couples. A search found the diocese's longest married couple - 75 years. Various agencies and charities supported the day and provided a showcase of resources, especially for Natural Family Planning and Marriage Enrichment.

Assistance was given to develop a practical course (Cliff College Family Ministry course) for Marriage and Family Life workers in England and Wales as a follow on to the Catechesis on Marriage and Family which is offered at Maryvale. The team were also invited to Rome to share the Diocesan success with the World Meeting of Families at the Dicastery for Laity, Family and Life.

Additional work included events and workshops to support others working in this field and providing assistance to parish and school communities in accompanying families.

# BIRMINGHAM DIOCESAN TRUST

Trustees' report (continued)

For the year ended 31 December 2019

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## ACHIEVEMENTS AND PERFORMANCE REVIEW (CONTINUED)

### Parishes

The parishes are the core of the Archdiocese. A major function of parishes is the celebration of the liturgy and the provision of spiritual and pastoral care; however, much other unseen and unheralded charitable work also goes on greatly enriching the local communities which they serve.

Weekly average Mass attendance was approximately 53,300 (2018: 55,700), including both adults and children. During the year there were baptisms and receptions 4,442 (2018: 4,971) 504 marriages (2018: 705) and 3,233 funerals (2018: 3,440).

Mass count fell by 4% (4% fall in 2018), parish offertories and other collections (excluding tax reclaims) decreased to £7.7m (2018: £7.8m). The average offertory giving amount per head (including children) increased by 10p to £2.55 per week (2018: £2.45). In addition, parishes raised and paid over more than £1.15m (2018: £1.5m) on behalf of other religious and other charitable organisations

### Development

During 2019, the Development Department secured funding valued at just over £1.1 million from 68 individual grant applications, supporting over 40 separate projects. Two of these projects were capital works valued at over £100k which resulted in new community facilities being developed at St Joseph's in Wolverhampton and the church of St John & St Martin in Balsall Heath.

The total cost of all projects in 2019 amounted to around £2 million, with the majority of work being completed within this financial year. There were a larger number of smaller projects with which the team assisted parishes during the year, securing funding from both private and public grant-making bodies, in many cases financing the entire cost of the work undertaken.

The scope of assistance to parishes was broadened by giving advice on community fundraising to finance improvements to community halls and support community need, a foodbank being one such example. Supporting parishes to become their own community fundraisers has helped to build awareness, and to develop lasting relationships between parish and community members, creating a credible and sustainable presence locally.

In 2019, Development engaged with a number of churches to trial contactless giving schemes and embarked upon a number of planned giving initiatives, which will become increasingly important in the years ahead.

All of these activities continue to raise the profile of our churches within the neighbourhoods they serve, giving them new opportunities to evangelise and to engage in a more meaningful way with their local communities, through spiritual and pastoral care, welfare support and recreational and educational activities.

The trustees would like to express their very grateful thanks to all of those individual donors and grant making organisations for their vital support throughout 2019.

### Maryvale

With effect from 31 July 2019 the work of the Maryvale Institute (charity number 1068634) has been absorbed into the Diocese. The assets and liabilities of Maryvale Institute were transferred to the Diocese on that date. The value of the net assets transferred was £2.75m, including an unrestricted liability of £39k.

Work is progressing on the integration of Maryvale's work into the Diocese with the creation of a sub-committee to oversee its activities on behalf of the Trustees. Dr. Birute Briliute, PhD, STD, KU Leuven, FHEA was appointed as Dean in January 2020, with responsibility for ensuring academic standards and independence within the Institute. Maryvale is working with Bishop David Evans on an academic conference on the newly released Directory of Catechesis. This is one way in which the Institute staff can express their creativity in initiating and sustaining an effective dialogue and cooperation with all our diocesan key pastoral workers in the field of catechesis and evangelisation.

# BIRMINGHAM DIOCESAN TRUST

Trustees' report (continued)

For the year ended 31 December 2019

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## ACHIEVEMENTS AND PERFORMANCE REVIEW (CONTINUED)

### Diocesan Education Service

The Diocesan Education Service (DES), based in Coleshill, represents the interests of the charity in relation to the 240 maintained Catholic schools within the diocese. Of these, 237 schools (203 schools for children aged 4-11 and 34 schools for those aged 11-16/19) operate under the charity's trust deed and 3 operate under separate trust deeds of religious congregations. No capital expenditure is made by the charity in relation to the latter 3 schools; however, the Service does provide some advisory services to them.

In 2019 the Diocesan Academy Strategy continued to develop significantly across the Archdiocese:

- New role of Catholic Senior Executive Leader (CSEL) post emerged - a hugely positive development in terms of the Executive Leadership of our Multi Academy Companies (MACs).
- 12 Diocesan maintained schools converted to Academy status
- 2 MACs merged and 1 new MAC was formed
- There were 114 Academy Schools within 18 MACs at the end of 2019.

The Service's functions include:

- the obtaining of grant finance and management of building projects for diocesan schools
- the administration of "School Building Fund" accounts for each school
- the administration and appointment of foundation governors
- the administration and appointment of Academy Foundation Directors and Foundation Academy Representatives
- ensuring sufficiency of places for Catholic children in liaison with the Department for Education and the 13 Local Authorities within the diocese
- the provision of training and support to schools, governors and academy board directors with day to day operations including admissions and appeals, grievance and disciplinary procedures and safeguarding issues.

The grant assisted capital programme for the year ended 31 March 2020 was £11.3 million, of which the Diocese was allocated £7.6 million for capital works in our schools.

The Service administered a building programme of 79 different projects. Of these 22 were over £100,000 and 2 were over £200,000. As explained on page 31, a significant proportion of this programme is conducted on an agency basis and is therefore not included in these accounts.

Working with the Catholic Education Service, Department for Education, local authorities and other national agencies, the Service makes valuable contributions to the on-going development of Catholic education in this country, offering guidance on the publication of new resources and contributing to advisory groups and national working bodies. The DES continually strives to provide the best possible assistance for Catholic schools in a changing climate of education in this country.

### Youth activities

All provision for young people was amalgamated under The Kenelm Youth Trust Limited (KYT) in 2016. KYT receives a significant amount of funding from the Archdiocese to maintain provision of the Diocesan youth services.

Two of the trustees of the Archdiocese also served as trustees of KYT in 2018, providing the strategic links with the Archdiocese.

KYT provides a comprehensive and unified ministry for 11-25 year olds, which includes the residential retreat centre at Alton Castle in Staffordshire. The Soli Centre for Youth Ministry which is a residential centre for those aged 15-25 located next to Alton Castle, the Birmingham Catholic Youth Service (BCYS) which works within parishes, and the School Chaplaincy Project, working closely with the Diocesan Education Service in schools within the Archdiocese.

Further information on the work undertaken by KYT can be found on the Kenelm Youth Trust website.

# BIRMINGHAM DIOCESAN TRUST

Trustees' report (continued)

For the year ended 31 December 2019

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## ACHIEVEMENTS AND PERFORMANCE REVIEW (CONTINUED)

### Vocations Office and Clergy Training Fund (CTF)

The principal purpose of the Clergy Training fund is to finance the costs of formation of seminarians preparing for the priesthood and those men in formation for the permanent diaconate in the Archdiocese. The fund also finances the cost of clergy who are doing further studies and events organised for the ongoing formation of clergy.

In the academic year 2019/20 there were three students at the Venerable English College in Valladolid, Spain, five students for the priesthood at St Mary's College, Oscott, and five students at the Venerable English College, Rome (three of these had been ordained priests in July 2019 and were completing the final year of their STL). In this academic year there were also twelve students in formation for the permanent diaconate.

In July 2019 there were three ordinations to the priesthood (2018: two). Two permanent deacons were ordained (2018: five). The Vocations Office continues to promote vocations to the clerical and religious life.

The CTF finances the work of promoting a culture of vocation throughout the Archdiocese, and in encouraging young people to discern a call to the specific states of life: Priesthood, Diaconate, Consecrated, Single and Marriage. This is done mostly by initiating projects, organising events and programmes for universities and schools, parishes and deaneries, liaising with and advising partner agencies and groups, producing and distributing publicity materials and maintaining a variety of online media, including websites and social media channels.

Five annual priesthood discernment weekends are planned each year and the Vocations Office supports diocesan clergy formation days. In the autumn term of 2019, the Vocations Office partnered with Kenelm Youth Trust to host three events responding to – the Synod on young people, faith and vocational discernment and the Extraordinary Month of Mission. The first event was for clergy, looking at the outcomes of the Youth Synod and sharing the hopes expressed in the Apostolic Exhortation, *Christus Vivit*. The second was an event for 250 Key Stage 4/5 girls in diocesan schools which explored and celebrated their unique dignity as young women and the discernment of their call to marriage and religious life for the enrichment of society and the Church today. The third event was a day in response to Pope Francis Extraordinary Month of Mission for young people of our diocese to experience different forms of missionary outreach and to reflect upon this essential aspect of Christian life.

The CTF supports the Vocations Director, and since the winter of 2018/19 employs two full-time Vocation Promotion Outreach fieldworkers. The work of the Vocations Office is supported by three part-time administrative staff.

The fund's main sources of income are the annual second collection in parishes on Vocations Sunday and a regular giving scheme organised through parish CTF secretaries. Regular parish appeals are made throughout the year to increase the revenue and donors are encouraged where appropriate to Gift Aid their contributions. They are also asked to consider including a bequest in their wills.

### Birmingham Diocesan Lourdes Pilgrimage

The Lourdes Committee organises an annual Diocesan Pilgrimage each year providing facilities to take sick, infirm and disabled pilgrims to Lourdes.

The 2019 pilgrimage comprised 709 pilgrims; of which 576 pilgrims travelled with the pilgrimage tour operator and 112 affiliated pilgrims who made their own travel arrangements. Within the 709, 21 sick pilgrims were accommodated in the hospital.

In 2019, the pilgrimage was covered on the Diocesan website through photos, videos and audio recordings to share with those who did not or could not attend. 1,574 people accessed the Lourdes page over that week and in July.



# BIRMINGHAM DIOCESAN TRUST

Trustees' report (continued)

For the year ended 31 December 2019

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## ACHIEVEMENTS AND PERFORMANCE REVIEW (CONTINUED)

### Fundraising

The Charities (Protection and Social Investment) Act 2016 requires charities which are subject to an audit, to make disclosure in their Financial Statements about their fundraising activities.

The Trust receives a large proportion of its income from donations and legacies from its supporters who are generally parishioners or those who have close connections to the Church. Without this valuable support the Trust would not be able to carry out most of its mission. The Trustees are mindful of their duty of care to those who support the Trust including vulnerable people, and therefore ensure that fundraising is done in a responsible and caring manner, always bearing in mind that the people themselves are integral to the Church. The Trust does not use external professional fundraisers or require its parishioners to donate in order to share in the generous resources that God has provided for their use. It rather encourages a culture of giving where this is possible; as little or as much as can be afforded in the spirit of the story of the Widow's mite (Luke 21 1:4), the Trust therefore places no pressure on its donors to give more than is affordable.

The Trust encourages the use of Gift Aid to maximise giving where this is possible, and ensures that donors are fully informed of the scope of Gift Aid in relation to their tax status so that they can make an informed choice. The Trust also operates a legacy scheme whereby parishioners are given information at parish level to enable them to think about remembering the Church in their wills. The Trust is registered with the Fundraising Regulator whose code of Fundraising Practice provides a framework within which the Trust operates to ensure that its fundraising practices meet the moral, compliance and professional standards expected of a charity. The Trust has to its knowledge, fully complied with the Fundraising Regulator's code of Fundraising Practice, and there have been no complaints to the Trust in regards to its fundraising activities.

### Investments

Investments held by the charity were acquired in accordance with the powers available to the trustees and are held under the nominee name of its Investment Managers, Smith & Williamson Investment Management LLP. The Diocesan Investment Scheme allows individual parishes to benefit from the opportunities available from investing in the stock market, this activity generates income for these parishes, which in turn aids their charitable work by providing additional resources for use in the parish and wider community. The charity's investment managers professionally manage the underlying investment portfolio, the performance of which is regularly reviewed by the Diocesan Investment Sub-Committee. The investment managers are also responsible for the safe custody of these assets. Included in the value of investments is a significant unrealised surplus and this figure will vary year on year as property and stock market values fluctuate. The trustees have adopted a "total return" approach to the charity's investments in order both to generate further funds for charitable activity and also to ensure the best possible overall return on its investments by allowing its brokers to take advantage of capital growth opportunities.

In the year to 31 December 2019 the value of Diocesan stock market investments, in line with stock markets generally, showed a recovery. This is reflected in these accounts. The trustees consider the total return on investments to be reasonable over the years, when measured against the various published indices used to monitor performance and the prevailing market conditions. The fair value of the Diocesan Investments at 31 December 2019 amounted to £35.5m (2018: £33.4m). This includes some realisation of investments to fund property acquisitions and the increase in value on revaluation as shown in these accounts of £5.2m (2018 loss of £2.5m). Income from stock market investments in the year was £1.14m (2018 £1.18m).

### Investment policy

The trustees intend that the real value of their assets be maintained and enhanced over the long term by investment in a portfolio comprising equities, fixed interest stocks and cash. The portfolio is managed on a discretionary basis. The current investment criterion is that a balance should be maintained between income and longer term capital appreciation within the framework of a low/medium attitude to risk.

# BIRMINGHAM DIOCESAN TRUST

Trustees' report (continued)

For the year ended 31 December 2019

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## ACHIEVEMENTS AND PERFORMANCE REVIEW (CONTINUED)

### Ethical Investment Policy

The trustees wish to invest in accordance with the teachings of the Catholic Church and have adopted an ethical investment policy in the light of Church teaching and the Charity Commission's guidance on ethical and responsible investment. The trustees are aware that ethical restrictions limit the scope to invest and may affect the level of income and the total return generated by investments, thereby potentially reducing the income available to fulfil the Charity's objectives. The policy seeks to balance the long-term needs of the investment portfolio performance with the desire to invest within ethical industries and avoid investment in organisations operating in conflict with Church teaching. The policy applies only to companies held directly within the portfolio but the policy includes the proviso that investment managers should seek to exclude from the portfolio funds with major investments in prohibited areas on a best endeavours basis. A copy of the full policy can be found on the Diocesan website.

### External factors affecting performance

#### Independent Inquiry into Child Sexual Abuse (IICSA)

As previously reported the Archdiocese was selected by the Independent Inquiry into Child Sexual Abuse to be one of two case studies as part of their investigation into the Catholic Church. In order to fully cooperate with the Inquiry, specific Independent Reports were commissioned by the Diocese to review both past and current Safeguarding practices and procedures. These reports were received by the Trustees in September 2018 and formed part of the evidence provided to the Inquiry. The public hearings took place in November and December 2018 and IICSA published its report in June 2019.

The report was critical of past failings by the Diocese in regard to its handling of complaints and allegations but noted that action had been and continued to be taken to improve these matters. The costs of compliance with meeting the information requirements of the Inquiry – which included paperwork relating back in some cases to 1945 – have been considerable. In 2019 these amounted to £277k (2018: £2,090k). These costs are not recoverable from Insurers since they did not arise from any claim for wrongdoing. The trustees are continuing to implement their responses to the recommendations of the report.

#### Charity Commission Statutory Inquiry

On 31 December 2018 the Diocese was formally informed by the Charity Commission that a Statutory Inquiry had been opened into the management of safeguarding procedures at the Archdiocese. The Investigation phase of this Inquiry was completed by 31 March 2019 and in April the Archdiocese was required to report on 19 specific areas of its safeguarding work. The Archdiocese complied with the requirements of the Charity Commission and submitted a report on those areas on 21 July 2019. On 3 September 2019 the Charity Commission issued a Report and closed the Inquiry. No external costs have been incurred in respect of the Charity Commission Statutory Inquiry.

Safeguarding arrangements in respect of children and adults who may be at risk continue to be developed in line with the policies and procedures of the Catholic Church in England and Wales, which are issued in conformity with the relevant legislation and guidance, including the Charity Governance Code.

#### The Charity as part of the worldwide Catholic Church

The charity forms part of the wider Catholic Church throughout the world and as such is answerable ultimately to the Pope and the Vatican. Therefore, policies or situations and activities involving the wider church, which of course includes other Dioceses in the UK, will have an effect on the policies, strategies and performance of the charity. In managing its affairs, the charity must also be mindful of the requirements of Canon Law as promulgated by the church authorities.

# BIRMINGHAM DIOCESAN TRUST

Trustees' report (continued)

For the year ended 31 December 2019

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## ACHIEVEMENTS AND PERFORMANCE REVIEW (CONTINUED)

### The impact of Government policy of Catholic Schools

The charity's spending on schools will also inevitably be influenced by Government policy.

### Public benefit

Much consultation has been had between the Charity Commission and religious charities in relation to the question of public benefit. We are encouraged that the Commission acknowledges the intangible spiritual benefits that the charity works to provide. Jesus said "you shall love your neighbour as yourself". Our parishes and retreat centres etc. reach out beyond their own congregations locally, nationally and indeed internationally, via all sorts of initiatives from simple collections at the end of Mass, to more practical assistance such as assisting the disabled, bereavement counselling and visiting the sick at home and in hospital. Catholic schools are increasingly populated with non-Catholic children whose parents value not just their proven educational excellence, but also the moral codes and practices which support it. The young adults leaving our schools will go on to become valued members of society. Our churches etc. and the services of our clergy are open to all who wish to explore whether the Catholic Church can help them to enrich their spiritual lives.

The Trustees believe that they have complied with the duty in Section 17 of the 2011 Charities Act to give due regard to the various guidance notes published by the Commission.

# BIRMINGHAM DIOCESAN TRUST

Trustees' report (continued)

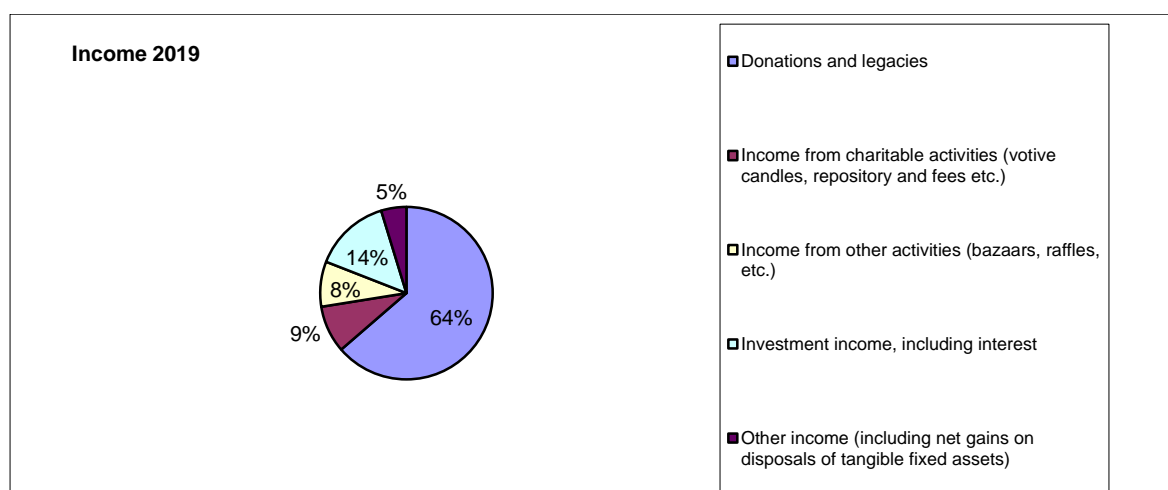
For the year ended 31 December 2019

## FINANCIAL REVIEW

The financial statements reflect the activities of the parishes within the Archdiocese, the central support activities, the Diocesan Education Services, youth services and the operation of various centres of religious activities. The financial statements also include the transactions, assets and liabilities of those charities and trust funds detailed in Note 17 to the financial statements. The figures do not include the operation of parish clubs, nor do they include separately registered Roman Catholic charities within the Archdiocese, other than those listed in Notes 17 & 18 to the financial statements.

The Statement of Financial Activities of the Archdiocese for the year ended 31 December 2019 on pages 25 and 26 shows income of £22.23m (2018: £22.58m) analysed as follows:

|  | %<br>2019 | 2019<br>£m | %<br>2018 | 2018<br>£m |
|--|-----------|------------|-----------|------------|
| Donations and legacies (offertories, donations, legacies, Gift Aid, etc.)    | 64        | 14.15      | 68        | 15.32      |
| Income from charitable activities (votive candles, repository and fees etc.) | 9         | 1.96       | 7         | 1.62       |
| Income from other activities (bazaars, raffles etc.)                         | 8         | 1.88       | 9         | 2.00       |
| Investment income, including interest  | 14        | 3.19       | 14        | 3.27       |
| Other income (including net gains on disposals of tangible fixed assets)     | 5         | 1.05       | 2         | 0.37       |
|  |           | <hr/>      |           | <hr/>      |
|  |           | 22.23      |           | 22.58      |
|  |           | <hr/>      |           | <hr/>      |



# BIRMINGHAM DIOCESAN TRUST

Trustees' report (continued)

For the year ended 31 December 2019

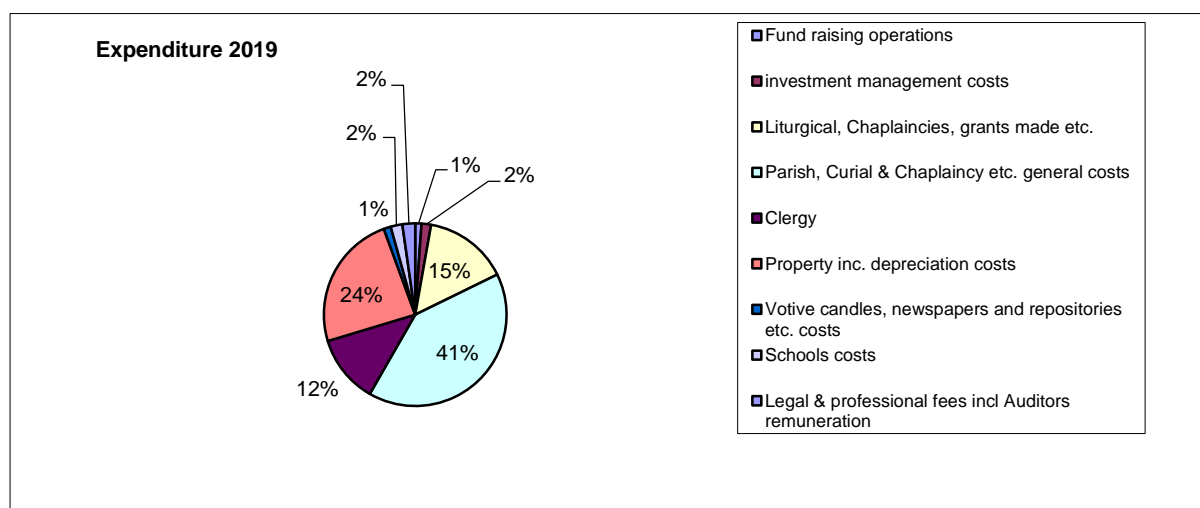
## FINANCIAL REVIEW (CONTINUED)

Expenditure amounted to £26.13m (2018: £26.59) analysed as follows: -

|   | %    | 2019  | %    | 2018  |
|---|------|-------|------|-------|
|   | 2019 | £m    | 2018 | £m    |
| Expenditure on raising funds:   |      |       |      |       |
| Fundraising operations  | 1    | 0.29  | 1    | 0.36  |
| Investment management costs   | 2    | 0.44  | 2    | 0.45  |
| Charitable Activities:  |      |       |      |       |
| Liturgical, Chaplaincies, grants made etc.                              | 15   | 3.91  | 11   | 3.05  |
| Curial, Parish and Chaplaincies** etc. general and administrative costs | 41   |       | 36   |       |
| Clergy costs  |      | 10.59 |      | 9.46  |
| Property (including depreciation and impairment)                        | 12   | 3.15  | 11   | 3.04  |
| Property (including depreciation and impairment)                        | 24   | 6.29  | 25   | 6.7   |
| Votive candles, newspapers and repositories costs                       | 1    | 0.33  | 1    | 0.36  |
| Schools costs   | 2    | 0.54  | 3    | 0.81  |
| Legal and professional fees (including auditor's remuneration)*         | 2    | 0.59  | 9    | 2.36  |
|   |      | 26.13 |      | 26.59 |

\*Legal and professional fees include costs relating to IICSA of £0.28m (2018: £2m).

\*\*Chaplaincy etc. general costs include Diocesan activities relating to university and other chaplaincies catering for specific communities and groups within the Archdiocese.



This resulted in an operating deficit (i.e. before considering the impact of gains and losses on investments and other assets) of £3.996m {£4.104m loss on unrestricted funds, £0.208m surplus on restricted funds and endowment funds} (2018: £3.99m loss {£2.92m loss on unrestricted funds, £1.07m loss on restricted funds and endowment funds}), and an overall surplus for the year of £4.313m after investment gains on the stock market, and investment property gains. {£3.603m surplus on unrestricted funds, £0.710m surplus on restricted funds and endowment funds, and before transfers} (2018: £3.28m loss {£1.97m loss on unrestricted funds, £1.3m loss on restricted funds and endowment funds, and before transfers}).

# BIRMINGHAM DIOCESAN TRUST

## Trustees' report

For the year ended 31 December 2019

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### FINANCIAL REVIEW (CONTINUED)

The investments held by the parishes and the Archdiocese (mainly quoted investments) again produced substantial income to defray running costs, however there were realised and unrealised gains amounting to £5.2m {£4.7m gain on unrestricted funds, £0.5m gain on restricted funds and endowments} (2018: £2.5m loss {£2.3m loss on unrestricted funds, £0.2m loss on restricted funds and endowments}) as a result of an improvement in market conditions in the first half of the year. Realised and unrealised gains on investment properties amounted to £3.0m (2018: £3.2m gain).

The net effect of the above is that, over the year, the funds of the charity increased by £4.32m (2018: £3.3m decrease) to £121.66m (2018: £117.34m).

Weekend Mass attendance figures reduced by 4% (4% in 2018). Mass offertory fell by 0.4%. (2018: decreased by 1.8%). While overall income from offertory, legacies and donations decreased by £1.2m, this movement is mainly as a result of a very large legacy received in 2018. There was a decrease in the overall value of legacies of £1.7m, to £1.4m in 2019 (2018: £3.1m). Grants increased in 2019 by £0.24m to £1.2m (£0.96m 2018).

Costs rose with the substantial expenditure on the maintenance of churches, presbyteries and parish halls (due partly to the increase in available resources from grant income). Legal costs were significantly less for 2019, due to costs relating to IICSA having mainly crystallised in 2018. Schools costs decreased, due to the timing difference on school building projects for which the Diocese acts as principal, and which therefore are included in the accounts. Costs also include those to train men for the priesthood, look after aged and sick priests, as well as the normal everyday costs of running parishes.

Pressure on an increasingly ageing priest resource continues which has meant that further linking of parishes has been needed and will continue. Priests now need more and more to focus on their Eucharistic, Sacramental and Pastoral ministry, often being asked to take on dual or multiple roles. This has meant them having to delegate the historically administrative side of their roles to the laity, many of whom will prove a more expensive alternative. Central and administrative costs continue to feature with the ever increasing burden of statutory and regulatory controls imposed on the charity. Thus with the general trend of falling parishioner and priest numbers, the trustees are mindful of the need for prudent financial resource management and also the need to continue to investigate increasing income streams going forwards.

#### Cash reserves

The charity's total cash reserves decreased by £0.7m to £3.2m (2018: £1.6m decrease to £3.9m). Cash was used for legal and professional costs relating to IICSA (£0.3m) (2018: £1.7m cash, £0.3m was accrued) and repairs, purchase and improvements to functional properties. Unrestricted cash reserves in parishes decreased by £1.0m to £6.2m (2018: £0.1m decrease to £7.2m) whilst Diocesan unrestricted cash reserves decreased by £1.4m to a deficit position of £16.0m (2018: £3.0m decrease to £14.6m deficit). This movement being in the main a historic legacy of spending on schools and also during 2018 a reflection on the timing of the receipt of various grants, together with increased central costs and grants made to other charities as referred to above.

#### Reserves policy

Unencumbered reserves, for this purpose defined as unrestricted stock market investments and cash - £27.2m (2018: £26.7m), are approximately 114% of annual unrestricted expenditure (2018: 112%).

The trustees would not normally wish to see unencumbered reserves of less than 100% of annual unrestricted expenditure but they recognise that this figure may be exceeded because of the nature of the charity's activities and short to medium term spending exigencies that can arise from parish properties (the timing of which is often based on individual parish reserve levels rather than diocesan led policy) and schools that can vary considerably from year to year.

# BIRMINGHAM DIOCESAN TRUST

## Trustees' report

For the year ended 31 December 2019

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### FINANCIAL REVIEW (CONTINUED)

#### Fixed assets

In order to fulfil its charitable objectives, the Archdiocese needs a considerable number of properties. Any property which becomes surplus to requirements will be sold but the remainder, although unrestricted, cannot be realised without undermining the work of the Archdiocese.

The fixtures and fittings, and other contents of the properties and the motor vehicles are similarly all used in the work of the charity.

A very small proportion of the fixed assets are already represented by Restricted Funds (Note 18). The trustees also consider it appropriate that the value of other functional buildings and the contents of fixed property assets should be held for charity use and as these assets are therefore unavailable for other uses, they are shown in a designated fund representing the value of these assets (see Note 19).

### KEY MANAGEMENT PERSONNEL AND REMUNERATION

The trustees consider the Board of Trustees, including the Auxiliary Bishops, the Vicar General and the Diocesan Treasurer, together with the Chief Operating Officer are the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give their time freely, and no trustee receives any remuneration in respect of the work undertaken in the role of trustee. There are members of the Board of Trustees who are also members of the senior clergy of the Archdiocese, and as with other members of the clergy receive a stipend for the work they undertake in their clerical role only. These trustees are identified in the list of trustees on page 1.

Details of key management personnel remuneration and trustee expenses; and related party transactions are disclosed in Notes 10 and 24 (respectively) to the accounts. Trustees are required to disclose all relevant interests and register them with the Diocesan Treasurer and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

### PLANS FOR THE FUTURE

The intention for the future is to continue to meet the objectives of the charity as outlined on page 6, in addition to ensuring that the charity continues to meet its statutory obligations, and in particular, the findings of the report from IICSA and the Charity Commission Statutory Inquiry.

Work is continuing on the formulation of a comprehensive Diocesan Pastoral Plan to ensure that resources are focussed on the main themes which have been identified as key to the work of the Diocese. These are Evangelisation, Formation, Worship and Sacramental Life, Charity and Social Outreach. These themes have been presented to Clergy and plans are being formulated to develop discussions with Religious and Laity in Parishes to involve as many people as possible in the process of identifying and delivering the Charity's objectives in future years.

As part of the strategy to increase funding streams for parishes for capital and charitable purposes, further work is planned to increase the use of online giving through internet use, and to continue to identify projects for grant funding.

The Charity continues to review the impact of Covid19 and the associated restrictions on parish life and the extent to which new technology can assist in maintaining and furthering the Charity's mission in a Post-Covid 19 environment.

# BIRMINGHAM DIOCESAN TRUST

Trustees' report (continued)

For the year ended 31 December 2019

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## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and 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 the financial information included on the charity's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware.

Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved at the trustees' meeting held on 16<sup>th</sup> October 2020 and signed on behalf of the trustees.

*Most Rev. B Longley, MA, STL*  
*Archbishop of Birmingham*



# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BIRMINGHAM DIOCESAN TRUST

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We have audited the financial statements of Birmingham Diocese Trust (the 'charity') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, Balance Sheet the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"(United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

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

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

## Conclusions relating to going concern

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

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

## Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BIRMINGHAM DIOCESAN TRUST

## Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 22, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <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 charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Steve D. Holden*

RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountants  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

Date: 20 October 2020

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# BIRMINGHAM DIOCESAN TRUST

## Statement of financial activities

for the year ended 31 December 2019

| Note  | PAROCHIAL                  |                          |                         | DIOCESAN                   |                          |                         | TOTAL                      |                          |                         | TOTAL        |                          |                |
|---|----------------------------|--------------------------|-------------------------|----------------------------|--------------------------|-------------------------|----------------------------|--------------------------|-------------------------|--------------|--------------------------|----------------|
|   | Unrestricted funds<br>£000 | Restricted funds<br>£000 | Endowment funds<br>£000 | Unrestricted funds<br>£000 | Restricted funds<br>£000 | Endowment funds<br>£000 | Unrestricted funds<br>£000 | Restricted funds<br>£000 | Endowment funds<br>£000 | 2019<br>£000 | 2018<br>(Note 8)<br>£000 |                |
| <b>INCOME AND ENDOWMENTS</b>                                      |                            |                          |                         |                            |                          |                         |                            |                          |                         |              |                          |                |
| <b>FROM:</b>  |                            |                          |                         |                            |                          |                         |                            |                          |                         |              |                          |                |
| <b>Donations, legacies and grants</b>                             | 1                          | 11,450                   | 1,450                   | -                          | 411                      | 773                     | 63                         | 11,861                   | 2,223                   | 63           | 14,147                   | 15,323         |
| <b>Charitable activities</b>                                      | 2                          | 964                      | -                       | -                          | 999                      | 1                       | -                          | 1,963                    | 1                       | -            | 1,964                    | 1,621          |
| <b>Other trading activities</b>                                   | 3                          | 1,778                    | 82                      | -                          | 22                       | -                       | -                          | 1,800                    | 82                      | -            | 1,882                    | 1,998          |
| <b>Investment income</b>  | 4                          | 2,494                    | 3                       | 42                         | 568                      | 62                      | 16                         | 3,062                    | 65                      | 58           | 3,185                    | 3,266          |
| <b>Other income</b>   |                            |                          |                         |                            |                          |                         |                            |                          |                         |              |                          |                |
| Profit on sale of tangible fixed assets                           |                            | 764                      | -                       | -                          | 176                      | -                       | -                          | 940                      | -                       | -            | 940                      | 245            |
| Other income  | 5                          | 111                      | -                       | -                          | 1                        | -                       | -                          | 112                      | -                       | -            | 112                      | 126            |
| <b>Total</b>  |                            | <b>17,561</b>            | <b>1,535</b>            | <b>42</b>                  | <b>2,177</b>             | <b>836</b>              | <b>79</b>                  | <b>19,738</b>            | <b>2,371</b>            | <b>121</b>   | <b>22,230</b>            | <b>22,579</b>  |
| <b>EXPENDITURE ON</b>   |                            |                          |                         |                            |                          |                         |                            |                          |                         |              |                          |                |
| <b>Raising funds</b>  |                            |                          |                         |                            |                          |                         |                            |                          |                         |              |                          |                |
| Fund raising operations   |                            | 234                      | 13                      | -                          | 11                       | 34                      | -                          | 245                      | 47                      | -            | 292                      | 356            |
| Investment management costs                                       | 6                          | 432                      | -                       | -                          | 9                        | -                       | -                          | 441                      | -                       | -            | 441                      | 445            |
| <b>Charitable activities</b>                                      | 7                          | 14,609                   | 1,476                   | 42                         | 8,547                    | 703                     | 16                         | 23,156                   | 2,179                   | 58           | 25,393                   | 25,774         |
| <b>Total</b>  |                            | <b>15,275</b>            | <b>1,489</b>            | <b>42</b>                  | <b>8,567</b>             | <b>737</b>              | <b>16</b>                  | <b>23,842</b>            | <b>2,226</b>            | <b>58</b>    | <b>26,126</b>            | <b>26,575</b>  |
| <b>Net (expenditure)/income before gains on investment assets</b> |                            | <b>2,286</b>             | <b>46</b>               | <b>-</b>                   | <b>(6,390)</b>           | <b>99</b>               | <b>63</b>                  | <b>(4,104)</b>           | <b>145</b>              | <b>63</b>    | <b>(3,896)</b>           | <b>(3,996)</b> |
| <b>Gains on investment assets</b>                                 |                            |                          |                         |                            |                          |                         |                            |                          |                         |              |                          |                |
| Gains, losses and revaluations on investment properties           | 12                         | 2,506                    | -                       | -                          | 457                      | -                       | -                          | 2,963                    | -                       | -            | 2,963                    | 3,214          |
| Gains, losses and revaluations on other investments               | 12                         | 2,926                    | 20                      | 188                        | 1,818                    | 215                     | 79                         | 4,744                    | 235                     | 267          | 5,246                    | (2,497)        |
| <b>Total</b>  |                            | <b>5,432</b>             | <b>20</b>               | <b>188</b>                 | <b>2,275</b>             | <b>215</b>              | <b>79</b>                  | <b>7,707</b>             | <b>235</b>              | <b>267</b>   | <b>8,209</b>             | <b>717</b>     |
| <b>Net income/(expenditure)</b>                                   |                            | <b>7,718</b>             | <b>66</b>               | <b>188</b>                 | <b>(4,115)</b>           | <b>314</b>              | <b>142</b>                 | <b>3,603</b>             | <b>380</b>              | <b>330</b>   | <b>4,313</b>             | <b>(3,279)</b> |

**BIRMINGHAM DIOCESAN TRUST**  
 STATEMENT OF FINANCIAL ACTIVITIES (continued)  
 for the year ended 31 December 2019

| Note                               | PAROCHIAL                  |                          |                         | DIOCESAN                   |                          |                         | TOTAL                      |                          |                         | TOTAL          |                          |
|------------------------------------|----------------------------|--------------------------|-------------------------|----------------------------|--------------------------|-------------------------|----------------------------|--------------------------|-------------------------|----------------|--------------------------|
|                                    | Unrestricted funds<br>£000 | Restricted funds<br>£000 | Endowment funds<br>£000 | Unrestricted funds<br>£000 | Restricted funds<br>£000 | Endowment funds<br>£000 | Unrestricted funds<br>£000 | Restricted funds<br>£000 | Endowment funds<br>£000 | 2019<br>£000   | 2018<br>(Note 8)<br>£000 |
| Net income/(expenditure)           | 7,718                      | 66                       | 188                     | (4,115)                    | 314                      | 142                     | 3,603                      | 380                      | 330                     | 4,313          | (3,279)                  |
| Transfers between funds            | 18                         | (2,296)                  | -                       | -                          | 2,487                    | (191)                   | -                          | 191                      | (191)                   | -              | -                        |
| <b>Net movement in funds</b>       | <b>5,422</b>               | <b>66</b>                | <b>188</b>              | <b>(1,628)</b>             | <b>123</b>               | <b>142</b>              | <b>3,794</b>               | <b>189</b>               | <b>330</b>              | <b>4,313</b>   | <b>(3,279)</b>           |
| <b>Reconciliation of funds</b>     |                            |                          |                         |                            |                          |                         |                            |                          |                         |                |                          |
| Total funds brought forward        | 89,949                     | 2,246                    | 1,358                   | 16,567                     | 6,682                    | 541                     | 106,516                    | 8,928                    | 1,899                   | 117,343        | 120,622                  |
| <b>Total funds carried forward</b> | <b>95,371</b>              | <b>2,312</b>             | <b>1,546</b>            | <b>14,939</b>              | <b>6,805</b>             | <b>683</b>              | <b>110,310</b>             | <b>9,117</b>             | <b>2,229</b>            | <b>121,656</b> | <b>117,343</b>           |

All of the charity's activities are continuing.

2018 comparatives for the above are analysed in Note 8.

# BIRMINGHAM DIOCESAN TRUST

Statement of financial position

At 31 December 2019

charity number 234216

|   | Note | 2019<br>£000 | 2019<br>£000   | 2018<br>£000   | 2018<br>£000   |
|---|------|--------------|----------------|----------------|----------------|
| <b>FIXED ASSETS:</b>                                    |      |              |                |                |                |
| Tangible assets   | 11   |              | 49,630         |                | 46,677         |
| Investments   | 12   |              | 67,993         |                | 63,685         |
| <b>Total fixed assets</b>                               |      |              | <u>117,623</u> |                | <u>110,362</u> |
| <b>CURRENT ASSETS:</b>                                  |      |              |                |                |                |
| Debtors due in under one year                           | 13   | 3,208        |                | 5,142          |                |
| Debtors due in more than one year                       | 13   | 105          |                | 121            |                |
| Total Debtors   | 13   | <u>3,313</u> |                | <u>5,263</u>   |                |
| Cash at bank and in hand                                | 12   | 3,207        |                | 3,941          |                |
| <b>Total current assets</b>                             |      | <u>6,520</u> |                | <u>9,204</u>   |                |
| <b>CURRENT LIABILITIES:</b>                             |      |              |                |                |                |
| Creditors: Amounts falling due within one year          | 14   | (2,447)      |                | (2,181)        |                |
| <b>NET CURRENT ASSETS</b>                               |      |              | <u>4,073</u>   |                | <u>7,023</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>            |      |              |                |                |                |
|   |      |              | <u>121,696</u> |                | <u>117,385</u> |
| Creditors: Amounts falling due after more than one year | 15   |              | (40)           |                | (42)           |
| <b>NET ASSETS</b>                                       | 20   |              | <u>121,656</u> |                | <u>117,343</u> |
| <b>THE FUNDS OF THE CHARITY:</b>                        |      |              |                |                |                |
| Endowment funds   | 17   |              | 2,229          |                | 1,899          |
| Restricted funds  | 18   |              | 9,117          |                | 8,928          |
| Unrestricted funds:                                     |      |              |                |                |                |
| Designated income funds                                 | 19   | 49,315       |                | 46,449         |                |
| General income funds                                    | 19   | 60,995       |                | 60,067         |                |
| <b>TOTAL CHARITY FUNDS</b>                              |      |              | <u>110,310</u> | <u>106,516</u> |                |
|   |      |              | <u>121,656</u> | <u>117,343</u> |                |

These financial statements were approved and authorised for issue at the trustees' meeting held on 16<sup>th</sup> October 2020 and signed on behalf of the trustees by:

Most Rev. B Longley, MA, STL  
Archbishop of Birmingham

# BIRMINGHAM DIOCESAN TRUST

## Statement of cash flows

For the year ended 31 December 2019

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|   | Note | 2019<br>£000 | 2019<br>£000        | 2018<br>£000 | 2018<br>£000        |
|---|------|--------------|---------------------|--------------|---------------------|
| <b>Cash flows from operating activities:</b>                  |      |              |                     |              |                     |
| Net cash used in operating activities                         | 21   |              | (4,546)             |              | (7,100)             |
| <b>Cash flows from investing activities</b>                   |      |              |                     |              |                     |
| Interest received   |      | 89           |                     | 52           |                     |
| Interest /dividends from investment in the stock market       |      | 1137         |                     | 1,160        |                     |
| Rental income from investment property                        |      | 1,959        |                     | 2,039        |                     |
| Purchase of tangible fixed assets                             |      | (4,585)      |                     | (1,934)      |                     |
| Proceeds of disposal of fixed assets                          |      | 1,400        |                     | 469          |                     |
| Purchase of investments                                       |      | (2,976)      |                     | (3,518)      |                     |
| Proceeds of sale of investments                               |      | 6,091        |                     | 7,064        |                     |
| Net movement attributable to endowment funds                  |      | 330          |                     | (127)        |                     |
| Proceeds of sale of investment properties                     |      | 697          |                     | 130          |                     |
| <b>Net cash provided by investing activities</b>              |      | <u>4,142</u> |                     | <u>5,335</u> |                     |
| <b>Cash flows from financing activities</b>                   |      |              |                     |              |                     |
| Net movement attributable to endowment funds                  |      | <u>(330)</u> |                     | <u>127</u>   |                     |
| <b>Net cash used in financing activities</b>                  |      |              | <u>(330)</u>        |              | <u>127</u>          |
| <b>Net decrease in cash and cash equivalents</b>              |      |              | <b>(734)</b>        |              | <b>(1,638)</b>      |
| <b>Cash and cash equivalents at the beginning of the year</b> |      |              |                     |              |                     |
|   |      |              | <b>3,941</b>        |              | <b>5,579</b>        |
| <b>Cash and cash equivalents at the end of the year</b>       |      |              |                     |              |                     |
|   |      |              | <u><b>3,207</b></u> |              | <u><b>3,941</b></u> |

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# BIRMINGHAM DIOCESAN TRUST

## Accounting policies for the year ended 31 December 2019

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The Birmingham Diocesan Trust ("the Archdiocese", "the charity" or "the Trust") is a charity registered with the Charity Commission of England and Wales, charity number 234216. The address of the Trust's registered office and principal place of operations is Cathedral House, St Chad's Queensway, Birmingham, B4 6EX.

The Trust's principal activity is to provide spiritual and pastoral guidance and care to Catholics and the wider community within the geographical area it covers in central England, in the main the West Midlands, Staffordshire, Worcestershire, Warwickshire and Oxfordshire.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

### BASIS OF PREPARATION AND ASSESSMENT OF GOING CONCERN

#### Basis of accounting

The financial statements have been prepared in accordance with the accounting policies set out below and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)). The Trust constitutes a public benefit entity as defined by FRS102.

The financial statements have been drawn up under the historical cost convention as modified by the revaluation of investments and are presented in sterling, (£'000 except where otherwise noted) which is also the functional currency of the Trust.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Charities SORP (FRS102)., rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

The Trustees continue to adopt the going concern basis of preparation of the financial statements. Management have revisited the financial budget for 2020/21 taking into account the potential impact of COVID 19 on projected income and expenditure. They continue to monitor the cash position on a regular basis (£3.2m at year end). The Diocese also has a significant investment portfolio (£32.4m at year end) that has continued to perform strongly, despite the stock market turbulence in March 2020, the unrestricted element of which provides an extra buffer to be utilised if necessary. Based on the forecasts prepared the Trustees are satisfied that the Diocese has sufficient cash resources to continue in operation for the foreseeable future and can confirm that there are no material uncertainties in relation to the going concern basis of preparation of the financial statements.

The financial statements incorporate the activities of the parishes within the Archdiocese, the central support activities, the Diocesan Schools Commission, youth services and other centres of religious activities. The financial statements also include the transactions, assets and liabilities of those charities and other trust funds detailed in Note 17 to the financial statements. The figures do not include the operation of parish clubs nor do they include the activities of separately registered Roman Catholic charities within the Archdiocese other than those listed in Notes 17 and 18.

Special and other charitable collections on behalf of other charities have not been included in the Statement of Financial Activities as they are not regarded by the trustees as being funds of the Archdiocese. Where any balance has not been paid to the respective organisation concerned, it has been included in creditors.

# BIRMINGHAM DIOCESAN TRUST

Accounting policies  
for the year ended 31 December 2019

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## CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The trustees do not consider that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

## FUND ACCOUNTING

The charity maintains various types of funds as follows:

### *Restricted funds*

These represent funds received which are allocated by the donor for specific purposes. They cannot be used for purposes other than those specified by the donor. The aim and use of the restricted funds is set out in the notes to the financial statements.

### *Endowment funds*

These represent various trust funds which have been donated to the charity. The capital cannot be spent, and any income generated must be spent in line with the donor's instructions.

### *Unrestricted General and Designated funds*

These represent unrestricted income which is expendable at the discretion of the trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment. However, whilst these funds are unrestricted, they include amounts which have been invested in fixed assets and cannot therefore be realised without undermining the ongoing work of the charity. Such funds have been classified as designated funds by the trustees (see Note 19).

## INCOME

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met and there is reasonable assurance of receipt and there being reasonable certainty as to amount. Where a claim for repayment of income tax has been or will be made, such income is grossed up for the tax recoverable. The following accounting policies are applied to income:

### *Donations, legacies and grants*

Offertories and donations are included in income when receivable. Legacies are included in income upon the receipt becoming probable. Probability of receipt occurs where there is a grant of probate, the executors have established there are sufficient assets to pay the legacy and any conditions attached to the legacy are either within the control of the charity or have been met. Gifts in kind, if material, are included at an estimate of fair value. Included here also are grants receivable. Grants are recognised in the Statement of Financial Activities when the grant conditions have been complied with.



# BIRMINGHAM DIOCESAN TRUST

Accounting policies (continued)  
for the year ended 31 December 2019

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## INCOME (CONTINUED)

### *Charitable activities*

Includes income from votive candles and newspapers etc., mainly in parishes, together with chaplaincy income, and whilst this is recognised on a cash received basis, this is not materially different from an accruals basis.

### *Other trading activities*

Includes income from activities such as parish totes, bazaars and other events, which is described as social income and whilst this is recognised on a cash received basis, this is not materially different from an accruals basis.

### *Investment income*

Income from investments is included on an accruals basis. Property rental income is recognised on a receivable basis.

### *Proceeds from the disposal of school properties*

These proceeds are treated as restricted income as the charity is required to give an undertaking to make the disposal proceeds available for the provision of replacement schools elsewhere in accordance with Sch. 22 para. 3 of the Schools Standards and Framework Act 1998. Where such proceeds are material they are shown separately on the face of the Statement of Financial Activities.

### *Income from Government and other grants*

Income from Government and other grants, whether 'capital' or 'revenue' grants, is credited to the Statement of Financial Activities when the Trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Income is deferred only if these criteria are not met or when the provider specifies that the grant must be used in future periods.

### *School Building Grants*

The Diocesan Education Service (DES) assists voluntary aided schools with the administration of funding for school building projects and IT equipment. The Trustees have reviewed these arrangements and concluded that the DES acts as agent on behalf of the school governing body in certain circumstances in receiving funding from the Department for Education, Local Authority and other funding sources and settling and matching it with contractors' costs and associated professional fees.

As a result of this review, the income and expenditure from these activities are not reflected in the Statement of Financial Activities because the risk and reward of those transactions are those of the governing body and not the DES. Expenditure on school building projects and IT where the DES acted as agent in the year amounted to £7.4m (2018: £7.3m), income from grants was £7.1m (2018: £7.1m) and the net position of £0.03m (2018: £0.3m) is included as a creditor for 2019. Further information on this is included in Note 7.

In addition, there were some activities in the year whereby the DES acted as principal, and those transactions are reflected in the accounts, further explanation is provided in Note 18.

## EXPENDITURE

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any value added tax which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

- Fundraising operations are those costs incurred in attracting voluntary income.
- Investment management costs, which includes the cost of managing the Trust's investments, including investment property costs.

# BIRMINGHAM DIOCESAN TRUST

## Accounting policies for the year ended 31 December 2019

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### EXPENDITURE (CONTINUED)

- Charitable activities include expenditure associated with the mission of the church and include both the direct costs and support costs relating to these activities together with primary purpose trading activities that raise funds; and governance costs, which include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. These costs include central functions and have been allocated on a basis consistent with the use of resources, which were in the main staff costs, by the time spent.

### GRANTS PAYABLE

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. Grants are accounted for when either the charity has given the recipient a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Trust.

### OPERATING LEASES

Rentals are charged on a straight-line basis, having taken account of lease incentives.

### PENSION COSTS

The charity operates a defined contribution scheme for the benefit of its employees. The scheme is funded by contributions from the charity and its employees. The payments made by the charity are included in expenditure. The charity operates a salary sacrifice arrangement for pension contributions.

### GAINS AND LOSSES ON INVESTMENTS

Realised and unrealised gains and losses on investments and investment properties are credited or charged to the Statement of Financial Activities. Unrealised gains and losses are calculated as the movement in fair value during the year. Realised gains and losses are calculated as the difference between disposal proceeds and fair value brought forward – fair value is considered by reference to bid value.

### TANGIBLE FIXED ASSETS

#### *Churches and other functional property*

Prior to December 1996, capital expenditure on Churches and other functional property (i.e. buildings used for the primary purposes of the Archdiocese) and their contents were written off when incurred. The financial statements prepared for previous years, therefore, did not include amounts for these categories of fixed assets.

In December 1996, these assets were included in the financial statements at an estimate of their historic cost. This was derived by using the retail price index to index the present insurance value back to the date the building was constructed and applying rates of depreciation calculated to write off the estimated historic cost evenly over the whole of their useful life. Depreciation rates were calculated by using the age of the building and its expected useful life. A similar basis was used to estimate the contents of Churches and Presbyteries on the assumption that the contents of Churches and Presbyteries are renewed every 45 years.

# BIRMINGHAM DIOCESAN TRUST

## Accounting policies for the year ended 31 December 2019

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### TANGIBLE FIXED ASSETS (CONTINUED)

The cost of new functional church property, improvements and contents is capitalised and is being depreciated over the expected useful lives at the following rates:

|  | <b>% per annum</b> | <b>Years</b> |
|--|--------------------|--------------|
| Churches, Presbyteries, Halls and other functional property: |                    |              |
| - Land element   | Nil                | -            |
| - Building element   | 1.0                | 100          |
| Improvements to and contents of Churches and Presbyteries    | 2.2 - 6.6          | 15- 45       |

Individual items of less than £25,000 are not capitalised.

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist the recoverable amount of the asset is estimated. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairments are recognised in the Statement of Financial Activities.

#### *School property*

The Archdiocese has 240 voluntary aided schools and academies which are constituted as separate charities. The school properties (land and buildings) are vested in the name of the trustees. The trustees cannot take a unilateral decision to dispose of these properties. Disposal can only occur if the school governors and the Secretary of State for Education decide that all or part of a school site is no longer required for education. In most circumstances, where a disposal occurs, the trustees will be required under S22 of the School's Standards and Framework Act 1998 to pay to the Local Authority so much of the proceeds as may be determined by the Secretary of State. Although no rights of ownership vest in the school governing body, most other rights and obligations, such as for the maintenance and repair of the school and its facilities, are passed to the governors. The trustees therefore consider that, for the purposes of these financial statements, whilst being used as a school, the nature of their ownership is that of a custodianship and therefore these properties have not been recognised.

At 31 December 2019 the building insurance valuation via the Diocesan insurers for the voluntary aided schools and academies in the charity's ownership was £698m (2018: £742m). An increasing number of schools and academies are insured with other insurers and the Government's RPA scheme for academies which are not included in this figure.

#### *Fixed assets other than property*

The cost of motor vehicles, Diocesan office equipment and fixtures and fittings is capitalised and depreciated over their expected useful lives, at the following rates:

|                                 | <b>% per annum</b> | <b>Years</b> |
|---------------------------------|--------------------|--------------|
| Motor vehicles                  | 25                 | 4            |
| Office equipment, fixtures etc. | 25                 | 4            |

Individual items of less than £2,500 are not capitalised.

# BIRMINGHAM DIOCESAN TRUST

## Accounting policies for the year ended 31 December 2019

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### INVESTMENTS

#### *Investment properties*

Investment properties such as houses and non-functional properties have been included at the trustees' estimate of their fair value at 31 December 2019. All investment properties are professionally valued on a rolling 5-year programme. During 2019, approximately one-fifth in number of investment properties were professionally valued at open market value by the Diocesan in-house qualified chartered surveyors. In accordance with Financial Reporting Standard 102, no depreciation is provided.

#### *Other investments*

Other investments consist mainly of stocks and shares quoted on the London Stock Exchange. They have been included at fair value at the year end.

### FINANCIAL INSTRUMENTS

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument, and are offset only when the Trust currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Financial Assets

##### *Debtors*

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

##### *Cash and cash equivalents*

Cash and cash equivalents include cash and short term highly liquid assets with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts held as part of the charity's treasury management activities.

##### *Concessionary loans (assets)*

Loans which are made (or committed and not taken up at the year-end) to priests, employees and other beneficiaries of the Trust are considered concessionary loans. Unsecured loans are generally for a term of up to 5 years, no interest is payable, and do not normally exceed £5,000 (although these limits may be exceeded at the discretion of the Diocesan Treasurer). In addition, secured, concessionary, interest free loans are made usually for the purposes of purchasing property being secured on the property, the loan term usually being for a period of up to 10 years.

# BIRMINGHAM DIOCESAN TRUST

## Accounting policies for the year ended 31 December 2019

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### *Concessionary loans (assets) (continued)*

All concessionary loans are initially measured at their transaction value, and subsequently are recognised at their carrying value, less impairment. They are repayable within the agreed payment term, or the cessation of employment in the case of an employee or cessation of office in the case of a priest, whichever is the soonest. A provision for impairment is established when there is objective evidence that the amounts due will not be collected according to the original terms of the loan agreement. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the loan over the present value of the future cash flows. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

Concessionary loans are aggregated within the financial statements as this does not obscure significant information. Where applicable, concessionary loans committed but not yet taken up at the year-end are included in the financial statements, but are not aggregated in the total.

### Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Trust after deducting all of its liabilities. The Trust considers it has no equity instruments.

### *Creditors*

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

### *Concessionary loans (liabilities)*

Loans made (or committed and not taken up at the year-end) by parishioners to a parish of the Archdiocese are considered concessionary loans. These may be for a period of 1 year upwards, sometimes with no end date. No interest is payable. These are initially measured at their transaction value, and subsequently are recognised at their carrying value, less impairment. They are always unsecured.

Concessionary loans are aggregated within the financial statements as this does not obscure significant information. Where applicable, concessionary loans committed but not yet taken up at the year-end are included in the financial statements, but are not aggregated in the total.

### De-recognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

## RECOGNITION OF LIABILITIES

Liabilities are recognised when either a constructive or legal obligation exists.

## JOINTLY CONTROLLED ENTITIES

Entities in which the charity has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities. Jointly controlled entities are accounted for using the cost model.

# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements  
for the year ended 31 December 2019

| <b>1 DONATIONS, LEGACIES AND GRANTS - 2019</b> |                                    |  |                                 |                                    |   |                                 |                            |                            |
|--|------------------------------------|--|---------------------------------|------------------------------------|---|---------------------------------|----------------------------|----------------------------|
|  | <b>Unrestricted funds<br/>£000</b> | <b>Parochial Restricted funds<br/>£000</b> | <b>Endowment funds<br/>£000</b> | <b>Unrestricted funds<br/>£000</b> | <b>Diocesan Restricted funds<br/>£000</b> | <b>Endowment funds<br/>£000</b> | <b>Total 2019<br/>£000</b> | <b>Total 2018<br/>£000</b> |
| Offertories, collections and donations         | 8,970                              | 459  | -                               | 195                                | 462                                       | 63                              | 10,149                     | 9,855                      |
| Tax reclaimed on offertories and donations     | 1,298                              | 3  | -                               | 70                                 | 10  | -                               | 1,381                      | 1,396                      |
| Legacies                                       | 970                                | 38   | -                               | 86                                 | 301                                       | -                               | 1,395                      | 3,116                      |
| Grants receivable*                             | 212                                | 950  | -                               | 60                                 | -   | -                               | 1,222                      | 956                        |
|  | <u>11,450</u>                      | <u>1,450</u>                               | <u>-</u>                        | <u>411</u>                         | <u>773</u>                                | <u>63</u>                       | <u>14,147</u>              | <u>15,323</u>              |

\* Included in Offertories, collections and donations is the net credit of £275k (£314k restricted funds, (£39k) unrestricted funds) relating to the inclusion of the net assets and liabilities of Maryvale following the merger.

\*\* Included in grants receivable were Government grants, amounting to £804k (2018: £682k).

## **DONATIONS, LEGACIES AND GRANTS – 2018 COMPARATIVES**

|  | <b>Unrestricted funds<br/>£000</b> | <b>Parochial Restricted funds<br/>£000</b> | <b>Endowment funds<br/>£000</b> | <b>Unrestricted funds<br/>£000</b> | <b>Diocesan Restricted funds<br/>£000</b> | <b>Total 2018<br/>£000</b> |
|--|------------------------------------|--|---------------------------------|------------------------------------|---|----------------------------|
| Offertories, collections and donations     | 8,971                              | 454  | -                               | 242                                | 188                                       | 9,855                      |
| Donations of property                      | -                                  | -  | -                               | -                                  | -   | -                          |
| Tax reclaimed on offertories and donations | 1,290                              | 17   | -                               | 79                                 | 10  | 1,396                      |
| Legacies                                   | 2,994                              | 8  | -                               | 87                                 | 27  | 3,116                      |
| Grants receivable*                         | 206                                | 682  | -                               | 68                                 | -   | 956                        |
|  | <u>13,461</u>                      | <u>1,161</u>                               | <u>-</u>                        | <u>476</u>                         | <u>225</u>                                | <u>15,323</u>              |

**BIRMINGHAM DIOCESAN TRUST**  
Notes to the financial statements (continued)  
for the year ended 31 December 2019

|  | <b>CHARITABLE ACTIVITIES</b>           |  |                                     |  |   |                                     | <b>Total<br/>2019<br/>£000</b> | <b>Total<br/>2018<br/>£000</b> |
|--|--|--|-------------------------------------|--|---|-------------------------------------|--------------------------------|--------------------------------|
|  | <b>Unrestricted<br/>funds<br/>£000</b> | <b>Parochial<br/>Restricted<br/>funds<br/>£000</b> | <b>Endowment<br/>funds<br/>£000</b> | <b>Unrestricted<br/>funds<br/>£000</b> | <b>Diocesan<br/>Restricted<br/>funds<br/>£000</b> | <b>Endowment<br/>funds<br/>£000</b> |                                |                                |
| Votive candles,<br>newspapers<br>and<br>repositories | 729                                    | -  | -                                   | 8                                      | -   | -                                   | 737                            | 716                            |
| Chaplaincy<br>income                                 | 129                                    | -  | -                                   | -                                      | -   | -                                   | 129                            | 129                            |
| Fees and other<br>charges                            | -                                      | -  | -                                   | 885                                    | 1   | -                                   | 886                            | 578                            |
| Other income   | 106                                    | -  | -                                   | 106                                    | -   | -                                   | 212                            | 198                            |
|  | <u>964</u>                             | <u>-</u>   | <u>-</u>                            | <u>999</u>                             | <u>1</u>  | <u>-</u>                            | <u>1,964</u>                   | <u>1,621</u>                   |

**CHARITABLE ACTIVITIES – 2018 COMPARATIVES**

|                                   | <b>Unrestricted<br/>funds<br/>£000</b>                     | <b>Parochial<br/>Restricted<br/>funds<br/>£000</b> | <b>Endowment<br/>funds<br/>£000</b> | <b>Unrestricted<br/>funds<br/>£000</b> | <b>Diocesan<br/>Restricted<br/>funds<br/>£000</b> | <b>Total<br/>2018<br/>£000</b> |
|-----------------------------------|--|--|-------------------------------------|--|---|--------------------------------|
|                                   | <i>Votive Candles,<br/>newspapers and<br/>repositories</i> | 711  | -                                   | -                                      | 1   | 4                              |
| <i>Chaplaincy<br/>Income</i>      | 129  | -  | -                                   | -                                      | -   | 129                            |
| <i>Fees and other<br/>charges</i> | -  | -  | -                                   | 576                                    | 2   | 578                            |
| <i>Other income</i>               | 85   | -  | -                                   | 113                                    | -   | 198                            |
|                                   | <u>925</u>   | <u>-</u>   | <u>-</u>                            | <u>690</u>                             | <u>6</u>  | <u>1,621</u>                   |

**BIRMINGHAM DIOCESAN TRUST**  
Notes to the financial statements (continued)  
for the year ended 31 December 2019

| <b>3 OTHER TRADING ACTIVITIES</b> |                               |                             |                            |                               |                             |                            |                       |                       |
|-----------------------------------|-------------------------------|-----------------------------|----------------------------|-------------------------------|-----------------------------|----------------------------|-----------------------|-----------------------|
|                                   | Parochial                     |                             |                            | Diocesan                      |                             |                            | Total<br>2019<br>£000 | Total<br>2018<br>£000 |
|                                   | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 |                       |                       |
| Social income                     | 1,778                         | 82                          | -                          | 22                            | -                           | -                          | 1,882                 | 1,988                 |

Social income includes parish tote/200 etc. clubs, income from parish social events, parish occasional fundraising such as bazaars, fetes and bingo and occasional fundraising by youth centres and chaplaincies.

**OTHER TRADING ACTIVITIES – 2018 COMPARATIVES**

|               | Unrestricted funds<br>£000 | Parochial                   | Endowment<br>funds<br>£000 | Diocesan                      |                             | Total<br>2018<br>£000 |
|---------------|----------------------------|-----------------------------|----------------------------|-------------------------------|-----------------------------|-----------------------|
|               |                            | Restricted<br>funds<br>£000 |                            | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 |                       |
| Social income | 1,917                      | 62                          | -                          | 19                            | -                           | 1,988                 |

| <b>4 INVESTMENT INCOME</b> |                               |                             |                            |                               |                             |                            |                       |                       |
|----------------------------|-------------------------------|-----------------------------|----------------------------|-------------------------------|-----------------------------|----------------------------|-----------------------|-----------------------|
|                            | Parochial                     |                             |                            | Diocesan                      |                             |                            | Total<br>2019<br>£000 | Total<br>2018<br>£000 |
|                            | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 |                       |                       |
| Income from UK investments | 627                           | 3                           | 42                         | 402                           | 47                          | 16                         | 1,137                 | 1,176                 |
| Rental income              | 1798                          | -                           | -                          | 159                           | 2                           | -                          | 1,959                 | 2,039                 |
| Interest receivable        | 69                            | -                           | -                          | 7                             | 13                          | -                          | 89                    | 51                    |
|                            | 2494                          | 3                           | 42                         | 568                           | 62                          | 16                         | 3,185                 | 3,266                 |

**INVESTMENT INCOME – 2018 COMPARATIVES**

|                            | Unrestricted<br>funds<br>£000 | Parochial                   | Endowment<br>funds<br>£000 | Diocesan                      |                             | Total<br>2018<br>£000 |
|----------------------------|-------------------------------|-----------------------------|----------------------------|-------------------------------|-----------------------------|-----------------------|
|                            |                               | Restricted<br>funds<br>£000 |                            | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 |                       |
| Income from UK investments | 585                           | 6                           | 42                         | 456                           | 71                          | 1,176                 |
| Rental income              | 1,850                         | -                           | -                          | 186                           | 3                           | 2,039                 |
| Interest receivable        | 38                            | -                           | -                          | 6                             | 7                           | 51                    |
|                            | 2,473                         | 6                           | 42                         | 648                           | 81                          | 3,266                 |



# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)  
for the year ended 31 December 2019

|                  | OTHER INCOME                  |  |                            |                               |   |                            | Total<br>2019<br>£000 | Total<br>2018<br>£000 |
|------------------|-------------------------------|--|----------------------------|-------------------------------|---|----------------------------|-----------------------|-----------------------|
|                  | Unrestricted<br>funds<br>£000 | Parochial<br>Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 | Unrestricted<br>funds<br>£000 | Diocesan<br>Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 |                       |                       |
| Insurance claims | 111                           | -  | -                          | 1                             | -                                       | -                          | 112                   | 126                   |

## OTHER INCOME – 2018 COMPARATIVES

|                  | Parochial                     |                             |                            | Diocesan                      |                             | Total<br>2018<br>£000 |
|------------------|-------------------------------|-----------------------------|----------------------------|-------------------------------|-----------------------------|-----------------------|
|                  | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 |                       |
| Insurance claims | 123                           | -                           | -                          | 3                             | -                           | 126                   |

|  | INVESTMENT MANAGEMENT COSTS   |  |                            |                               |   |                            | Total<br>2019<br>£000 | Total<br>2018<br>£000 |
|--|-------------------------------|--|----------------------------|-------------------------------|---|----------------------------|-----------------------|-----------------------|
|  | Unrestricted<br>funds<br>£000 | Parochial<br>Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 | Unrestricted<br>funds<br>£000 | Diocesan<br>Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 |                       |                       |
| Costs of management of investment properties and other investments | 432                           | -  | -                          | 9                             | -                                       | -                          | 441                   | 445                   |

## INVESTMENT MANAGEMENT COSTS – 2018 COMPARATIVES

|  | Parochial                     |                             |                            | Diocesan                      |                             | Total<br>2018<br>£000 |
|--|-------------------------------|-----------------------------|----------------------------|-------------------------------|-----------------------------|-----------------------|
|  | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 |                       |
| Costs of management of investment properties and other investments | 431                           | -                           | -                          | 14                            | -                           | 445                   |

# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)  
for the year ended 31 December 2019

7

## CHARITABLE ACTIVITIES

|  | Unrestricted<br>funds<br>£000 | Parochial<br>Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 | Unrestricted<br>funds<br>£000 | Diocesan<br>Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 | Total<br>2019<br>£000 | Total<br>2018<br>£000 |
|--|-------------------------------|--|----------------------------|-------------------------------|---|----------------------------|-----------------------|-----------------------|
| Liturgical and<br>pastoral costs*                                    | 1,593                         | 25                                       | 6                          | 420                           | 8                                       | -                          | 2,052                 | 1,669                 |
| Curial, Parish and<br>Chaplaincy etc.<br>general support<br>costs ** | 6,893                         | 58                                       | -                          | 3,470                         | 4                                       | 16                         | 10,441                | 9,328                 |
| Clergy costs   | 1,410                         | -  | -                          | 1,369                         | 368                                     | -                          | 3,147                 | 3,062                 |
| Property<br>refurbishment,<br>maintenance and<br>major repairs       | 3,168                         | 1,358                                    | 36                         | 452                           | 8                                       | -                          | 5,022                 | 5,470                 |
| Depreciation   | 1,012                         | -  | -                          | 249                           | 3                                       | -                          | 1,264                 | 1,201                 |
| Impairment of land   | -                             | -  | -                          | -                             | -                                       | -                          | -                     | 30                    |
| Bank charges   | 76                            | -  | -                          | 78                            | -                                       | -                          | 154                   | 99                    |
| Votive candles,<br>newspapers<br>and<br>repositories<br>etc. costs   | 326                           | -  | -                          | -                             | -                                       | -                          | 326                   | 355                   |
| Chaplaincy<br>expenditure  | -                             | -  | -                          | 880                           | 170                                     | -                          | 1,050                 | 573                   |
| Schools costs<br>(including<br>impairment<br>losses)***              | 9                             | -  | -                          | 390                           | 138                                     | -                          | 537                   | 815                   |
| Grant funding  | 122                           | 35                                       | -                          | 646                           | 4                                       | -                          | 807                   | 808                   |
| External audit fees  | -                             | -  | -                          | 58                            | -                                       | -                          | 58                    | 58                    |
| IICSA Costs ****   | -                             | -  | -                          | 277                           | -                                       | -                          | 277                   | 2,090                 |
| Other professional<br>fees   | -                             | -  | -                          | 258                           | -                                       | -                          | 258                   | 216                   |
| <b>Total Charitable<br/>Activities</b>                               | <b>14,609</b>                 | <b>1,476</b>                             | <b>42</b>                  | <b>8,547</b>                  | <b>703</b>                              | <b>16</b>                  | <b>25,393</b>         | <b>25,774</b>         |

\* Included in liturgical/pastoral costs for 2018 is the write back of the Maryvale loan. In 2017, a provision of £600k was made against the loan, and this was released in 2018. See note 24, page 58.

\*\*General costs include buildings utilities and upkeep costs, housekeeping costs, parish and chaplaincy wages and office expenses.

\*\*\* Included in Schools costs is £119k (2018: £411k) which represents the net costs on activities where the Trust is acting as principal, and payments made under a PFI agreement (see page 56). The net position relates to income of £2,943k and £3,062k expenditure (2018: £1,102k income and expenditure of £1,513k). These costs relate to an excess of spending over grant income for which the DES acted as the principal in those building contractual arrangements.

\*\*\*\* These costs were incurred in the preparation and participation in the Independent inquiry into historic child sexual abuse (IICSA).

The costs above relate directly to the activity concerned and no form of estimation or apportionment has therefore been necessary.

# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)  
for the year ended 31 December 2019

## CHARITABLE ACTIVITIES – 2018 COMPARATIVES

|   | <i>Parochial</i>                       |                                      |                                     | <i>Diocesan</i>                        |                                      | <i>Total<br/>2018<br/>£000</i> |
|---|--|--------------------------------------|-------------------------------------|--|--------------------------------------|--------------------------------|
|   | <i>Unrestricted<br/>funds<br/>£000</i> | <i>Restricted<br/>funds<br/>£000</i> | <i>Endowment<br/>funds<br/>£000</i> | <i>Unrestricted<br/>funds<br/>£000</i> | <i>Restricted<br/>funds<br/>£000</i> |                                |
| <i>Liturgical and<br/>pastoral costs</i>                                      | 1,726                                  | 105                                  | 10                                  | (180)                                  | 8                                    | 1,669                          |
| <i>Curial, Parish and<br/>Chaplaincy etc.<br/>general support<br/>costs *</i> | 6,185                                  | 145                                  | -                                   | 2,981                                  | 1                                    | 9,328                          |
| <i>Clergy costs</i>   | 1,330                                  | -                                    | -                                   | 1,243                                  | 489                                  | 3,062                          |
| <i>Property<br/>refurbishment,<br/>maintenance and<br/>major repairs</i>      | 3,481                                  | 1,227                                | 32                                  | 722                                    | 8                                    | 5,470                          |
| <i>Depreciation</i>   | 973                                    | -                                    | -                                   | 228                                    | -                                    | 1,201                          |
| <i>Impairment of land</i>   | 30                                     | -                                    | -                                   | -                                      | -                                    | 30                             |
| <i>Bank charges</i>   | 59                                     | -                                    | -                                   | 39                                     | 1                                    | 99                             |
| <i>Votive candles,<br/>newspapers<br/>and<br/>repositories<br/>etc. costs</i> | 350                                    | 5                                    | -                                   | -                                      | -                                    | 355                            |
| <i>Chaplaincy<br/>Expenditure</i>   | -                                      | -                                    | -                                   | 436                                    | 137                                  | 573                            |
| <i>Schools costs<br/>(including<br/>impairment<br/>losses)**</i>              | 21                                     | -                                    | -                                   | 383                                    | 411                                  | 815                            |
| <i>Grant Funding</i>  | 141                                    | 24                                   | -                                   | 641                                    | 2                                    | 808                            |
| <i>External audit fees</i>  | -                                      | -                                    | -                                   | 58                                     | -                                    | 58                             |
| <i>IICSA Costs ****</i>   | -                                      | -                                    | -                                   | 2,090                                  | -                                    | 2,090                          |
| <i>Other professional fees</i>  | 3                                      | 10                                   | -                                   | 203                                    | -                                    | 216                            |
| <b><i>Total Charitable<br/>Activities</i></b>                                 | <b>14,299</b>                          | <b>1,516</b>                         | <b>42</b>                           | <b>8,844</b>                           | <b>1,057</b>                         | <b>25,774</b>                  |

# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)  
for the year ended 31 December 2019

## 8 COMPARATIVES (BY FUND) FOR 2018 STATEMENT OF FINANCIAL ACTIVITIES

| Note  | PAROCHIAL                     |                             |                            | DIOCESAN                      |                             |                            | TOTAL                         |                             |                            | TOTAL<br>2018<br>£000 |                |
|---|-------------------------------|-----------------------------|----------------------------|-------------------------------|-----------------------------|----------------------------|-------------------------------|-----------------------------|----------------------------|-----------------------|----------------|
|   | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 |                       |                |
| <b>INCOME AND ENDOWMENTS FROM:</b>                                |                               |                             |                            |                               |                             |                            |                               |                             |                            |                       |                |
| <i>Donations, legacies and grants</i>                             | 1                             | 13,461                      | 1,616                      | -                             | 476                         | 225                        | -                             | 13,937                      | 1,386                      | -                     | 15,323         |
| <i>Charitable activities</i>                                      | 2                             | 925                         | -                          | -                             | 690                         | 6                          | -                             | 1,615                       | 6                          | -                     | 1,621          |
| <i>Other trading activities</i>                                   | 3                             | 1,917                       | 62                         | -                             | 19                          | -                          | -                             | 1,936                       | 62                         | -                     | 1,988          |
| <i>Investment income</i>  | 4                             | 2,473                       | 6                          | 42                            | 648                         | 81                         | 16                            | 3,121                       | 87                         | 58                    | 3,266          |
| <i>Other income</i>   |                               |                             |                            |                               |                             |                            |                               |                             |                            |                       |                |
| <i>Profit on sale of tangible fixed assets</i>                    |                               | 245                         | -                          | -                             | -                           | -                          | -                             | 245                         | -                          | -                     | 245            |
| <i>Other income</i>   | 5                             | 123                         | -                          | -                             | 3                           | -                          | -                             | 126                         | -                          | -                     | 126            |
| <b>Total</b>  |                               | <b>19,144</b>               | <b>1,229</b>               | <b>42</b>                     | <b>1,836</b>                | <b>312</b>                 | <b>16</b>                     | <b>20,980</b>               | <b>1,541</b>               | <b>58</b>             | <b>22,579</b>  |
| <b>EXPENDITURE ON:</b>  |                               |                             |                            |                               |                             |                            |                               |                             |                            |                       |                |
| <b>Raising funds</b>  |                               |                             |                            |                               |                             |                            |                               |                             |                            |                       |                |
| <i>Fund raising operations</i>                                    |                               | 313                         | 22                         | -                             | 2                           | 19                         | -                             | 315                         | 41                         | -                     | 356            |
| <i>Investment management costs</i>                                | 6                             | 431                         | -                          | -                             | 14                          | -                          | -                             | 445                         | -                          | -                     | 445            |
| <i>Charitable activities</i>                                      | 7                             | 14,299                      | 1,516                      | 42                            | 8,844                       | 1,057                      | 16                            | 23,143                      | 2,573                      | 58                    | 25,774         |
| <b>Total</b>  |                               | <b>15,043</b>               | <b>1,538</b>               | <b>42</b>                     | <b>8,860</b>                | <b>1,076</b>               | <b>16</b>                     | <b>23,903</b>               | <b>2,614</b>               | <b>58</b>             | <b>26,575</b>  |
| <b>Net (expenditure)/income before gains on investment assets</b> |                               | <b>4,101</b>                | <b>(309)</b>               | <b>-</b>                      | <b>(7,024)</b>              | <b>(764)</b>               | <b>-</b>                      | <b>(2,923)</b>              | <b>(1,073)</b>             | <b>-</b>              | <b>(3,996)</b> |
| <b>Gains on investment assets</b>                                 |                               |                             |                            |                               |                             |                            |                               |                             |                            |                       |                |
| <i>Gains, losses and revaluations on investment properties</i>    | 12                            | 2,985                       | -                          | -                             | 229                         | -                          | -                             | 3,214                       | -                          | -                     | 3,214          |
| <i>Gains, losses and revaluations on other investments</i>        | 12                            | (1338)                      | (9)                        | (91)                          | (919)                       | (104)                      | (36)                          | (2,257)                     | (113)                      | (127)                 | (2,497)        |
| <b>Total</b>  |                               | <b>1,647</b>                | <b>(9)</b>                 | <b>(91)</b>                   | <b>(690)</b>                | <b>(104)</b>               | <b>(36)</b>                   | <b>957</b>                  | <b>(113)</b>               | <b>(127)</b>          | <b>717</b>     |
| <b>Net income/(expenditure)</b>                                   |                               | <b>5,748</b>                | <b>(318)</b>               | <b>(91)</b>                   | <b>(7,714)</b>              | <b>(868)</b>               | <b>(36)</b>                   | <b>(1,966)</b>              | <b>(1,186)</b>             | <b>(127)</b>          | <b>(3,279)</b> |

**BIRMINGHAM DIOCESAN TRUST**  
Notes to the financial statements (continued)  
for the year ended 31 December 2019

8 COMPARATIVES (BY FUND) FOR 2018 STATEMENT OF FINANCIAL ACTIVITIES (continued)

| Note                           | PAROCHIAL                     |                             |                            | DIOCESAN                      |                             |                            | TOTAL                         |                             |                            | TOTAL<br>2018<br>£000 |
|--------------------------------|-------------------------------|-----------------------------|----------------------------|-------------------------------|-----------------------------|----------------------------|-------------------------------|-----------------------------|----------------------------|-----------------------|
|                                | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Endowment<br>funds<br>£000 |                       |
| Net income/(expenditure)       | 5,748                         | (318)                       | (91)                       | (7,714)                       | (868)                       | (36)                       | (1,966)                       | (1,186)                     | (127)                      | (3,279)               |
| Transfers between funds        | 18                            | (1,989)                     | (80)                       | -                             | 2,437                       | (368)                      | -                             | 448                         | (448)                      | -                     |
| Net movement in funds          | 3,759                         | (398)                       | (91)                       | (5,277)                       | (1,236)                     | (36)                       | (1,518)                       | (1,634)                     | (127)                      | (3,279)               |
| <b>Reconciliation of funds</b> |                               |                             |                            |                               |                             |                            |                               |                             |                            |                       |
| Total funds brought forward    | 86,190                        | 2,644                       | 1,449                      | 21,844                        | 7,918                       | 577                        | 108,034                       | 10,562                      | 2,026                      | 120,622               |
| Total funds carried forward    | <b>89,949</b>                 | <b>2,246</b>                | <b>1,358</b>               | <b>16,567</b>                 | <b>6,682</b>                | <b>541</b>                 | <b>106,516</b>                | <b>8,928</b>                | <b>1,899</b>               | <b>117,343</b>        |

# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)  
for the year ended 31 December 2019

|          |   |                   |                   |
|----------|---|-------------------|-------------------|
| <b>9</b> | <b>NET INCOME</b>                                 | <b>2019</b>       | <b>2018</b>       |
|          |   | <b>£000</b>       | <b>£000</b>       |
|          | Net income for the year is stated after charging: |                   |                   |
|          | Depreciation of tangible fixed assets             | 1,264             | 1,201             |
|          | Impairment of land                                | -                 | 30                |
|          | Operating lease expenditure                       | 28                | 28                |
|          | PFI facilities management fees                    | 131               | 129               |
|          | Auditor's remuneration                            |                   |                   |
|          | - for audit services                              | 58                | 58                |
|          | - for non-audit services                          | -                 | -                 |
|          |   | <u>          </u> | <u>          </u> |

|           |   |                   |                   |
|-----------|---|-------------------|-------------------|
| <b>10</b> | <b>INFORMATION REGARDING EMPLOYEES, TRUSTEES AND VOLUNTEERS</b> | <b>2019</b>       | <b>2018</b>       |
|           |   | <b>£000</b>       | <b>£000</b>       |
|           | Staff costs comprise the following:                             |                   |                   |
|           | Salaries and wages  | 4,378             | 3,851             |
|           | Social security costs   | 295               | 276               |
|           | Pension costs*  | 348               | 254               |
|           | Death in service premium  | 28                | 20                |
|           |   | <u>          </u> | <u>          </u> |
|           |   | <u>5,049</u>      | <u>4,401</u>      |

Staff costs relate to curial staff, staff at parishes and staff employed in Diocesan related activities.

The number of employees whose emoluments (excluding employer's pension contributions and national insurance) amounted to over £60,000 in the year was as follows:

|                   |                   |                   |
|-------------------|-------------------|-------------------|
|                   | 2019              | 2018              |
|                   | Number            | Number            |
| £60,000 - £70,000 | 2                 | 1                 |
| £70,001 - £80,000 | 1                 | 1                 |
| £80,001 - £90,000 | 1                 | 1                 |
|                   | <u>          </u> | <u>          </u> |

\*The charity contributed £26,334 (2018: £17,492) in pension contributions in respect of these employees. The Chief Operating Officer is included within the above disclosure. Due to a change in pension arrangements, whereby during 2018 a salary sacrifice scheme was implemented, part of the 2018 pension contributions related to the amount paid as employer's contributions under that scheme. Salary sacrifice contributions related to all the contributions paid on behalf of these staff as employer's contributions in 2019. These therefore do include amounts sacrificed by staff under those arrangements.

The number of employees and full-time equivalent employees, analysed by function, during the year was as follows:

|                         | Full Time |           | Part Time  |            | Full Time Equivalent |            |
|-------------------------|-----------|-----------|------------|------------|----------------------|------------|
|                         | 2019      | 2018      | 2019       | 2018       | 2019                 | 2018       |
| Parishes                | 9         | 8         | 222        | 242        | 82                   | 83         |
| Other Diocesan services | 35        | 21        | 47         | 31         | 47                   | 34         |
| Central/Curial Services | 32        | 31        | 25         | 22         | 40                   | 38         |
|                         | <u>76</u> | <u>60</u> | <u>294</u> | <u>295</u> | <u>169</u>           | <u>155</u> |

# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)  
for the year ended 31 December 2019

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## **10 INFORMATION REGARDING EMPLOYEES, TRUSTEES AND VOLUNTEERS (continued)**

It should be noted that (as in previous years) just over 200 diocesan priests actively working within the charity are self-employed office holders and not employees of the charity. The increase in 2019 of staff attributable to Other Diocesan Services, is mainly due to the merger with Maryvale. All staff under existing Maryvale contracts were transferred to the Diocese under TUPE arrangements.

Eight of the fifteen trustees listed on page 1 also serve as clergy of the charity, and in addition to their responsibilities as trustees are actively involved in carrying out the objects of the charity. Seven of those trustees benefited from accommodation costs and other associated expenditure included within charitable activities (see Note 7). These trustees received in total £51,535 (2018: £51,316) of allowances as serving clergy but not in their office as trustee. The remaining trustees do not derive any income from the charity. Similarly, no trustee is paid expenses in relation to their activities as a Trustee, only in their canonical roles as serving clergy. Non-clerical trustees are not paid expenses.

The Trust considers its key management personnel comprise the Archbishop, Auxiliary Bishops, Vicar General, Chief Operating Officer and Diocesan Treasurer. None of these individuals with the exception of the Chief Operating Officer are employees, they are office holders of the Trust. The remuneration, including Employers Pension contributions and National Insurance of the Chief Operating Officer for 2019 was £86,920 (2018: £90,080)

During the year charity funds were used to pay a premium of £2,800 (2018: £2,800) in respect of Trustees' Indemnity Insurance. This insurance protects the charity from loss arising from the neglect or defaults of its trustees, employees or agents or to indemnify the trustees or other officers against the consequences of any neglect or default on their part.

It is estimated that during the year, approximately 0.92million hours (2018: 0.91 million) were provided by some 10,600 (2018: 11,200) volunteers. If this is valued at £11.00 per hour, the volunteer contribution amounts to some £10m (2018: £10m). Volunteer roles fulfil liturgical, pastoral and administrative activities of the charity. This amount is not included in the financial statements.

# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)  
for the year ended 31 December 2019

## 11 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

### Functional property

|   | Church /<br>presbytery<br>£000 | Improve-<br>ments and<br>contents<br>£000 | Freehold<br>land<br>£000 | Other<br>£000 | Total<br>£000 |
|---|--------------------------------|---|--------------------------|---------------|---------------|
| <b>Cost</b>                                       |                                |   |                          |               |               |
| At 1 January 2019                                 | 40,553                         | 33,640                                    | 2,256                    | 1,061         | 77,510        |
| Additions   | 1,986                          | 2,543                                     | -                        | 56            | 4,585         |
| Transfers from Investment<br>Properties (Note 12) | 90                             | -   | -                        | -             | 90            |
| Disposals   | (461)                          | (109)                                     | -                        | (253)         | (823)         |
|   | <hr/>                          | <hr/>                                     | <hr/>                    | <hr/>         | <hr/>         |
| At 31 December 2019                               | 42,168                         | 36,074                                    | 2,256                    | 864           | 81,362        |
|   | <hr/>                          | <hr/>                                     | <hr/>                    | <hr/>         | <hr/>         |
| <b>Depreciation &amp; impairment</b>              |                                |   |                          |               |               |
| At 1 January 2019                                 | 11,519                         | 16,161                                    | 2,256                    | 897           | 30,833        |
| Charge for the year                               | 419                            | 746                                       | -                        | 97            | 1,262         |
| Impairment  | -                              | -   | -                        | -             | -             |
| Eliminated on disposals                           | (81)                           | (29)                                      | -                        | (253)         | (363)         |
|   | <hr/>                          | <hr/>                                     | <hr/>                    | <hr/>         | <hr/>         |
| At 31 December 2019                               | 11,857                         | 16,878                                    | 2,256                    | 741           | 31,732        |
|   | <hr/>                          | <hr/>                                     | <hr/>                    | <hr/>         | <hr/>         |
| Net book value                                    |                                |   |                          |               |               |
| At 31 December 2019                               | 30,311                         | 19,196                                    | -                        | 123           | 49,630        |
|   | <hr/>                          | <hr/>                                     | <hr/>                    | <hr/>         | <hr/>         |
| At 31 December 2018                               | 29,034                         | 17,479                                    | -                        | 164           | 46,677        |
|   | <hr/>                          | <hr/>                                     | <hr/>                    | <hr/>         | <hr/>         |

The net book value of functional property includes £1,083k long leasehold properties (2018: £1,095k).

The total insured value of the functional buildings and contents is £608m (2018: £604m). No value is attached to the land element, which has been treated as being impaired. There is no intention to sell the land in the ordinary course of the charity's activities and no income is generated from the ownership of this land.

School properties are not included above as they are treated as not recognised in accordance with the accounting policy on page 33.



# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)  
for the year ended 31 December 2019

| 12 INVESTMENTS HELD AS FIXED ASSETS            | 2019<br>£000                   | 2018<br>£000 |
|--|--------------------------------|--------------|
| <b>Investments comprise the following:</b>     |                                |              |
| Investment properties                          | 32,454                         | 30,277       |
| Other investments                              | 35,539                         | 33,408       |
|  | 67,993                         | 63,685       |
|  | 2019<br>£000                   | 2018<br>£000 |
| <b>Investment properties at valuation</b>      |                                |              |
| Fair value at 1 January 2019                   | 30,277                         | 27,613       |
| Transfers to functional property (Note 11)     | (90)                           | (420)        |
| Disposals                                      | (696)                          | (130)        |
| Gains and losses on revaluations and disposals | 2,963                          | 3,214        |
|  | 32,454                         | 30,277       |
|  | Fair value at 31 December 2019 | 30,277       |

The investment properties are included based on a 5 year rolling programme of internal valuations completed by professionally qualified (MRICS) staff – see page 34.

|  | 2019<br>£000                           | 2018<br>£000 |
|--|--|--------------|
| <b>Other investments comprise the following:</b> |  |              |
| Equities   | 33,158                                 | 30,580       |
| Fixed interest securities                        | 2,381                                  | 2,828        |
|  | 35,539                                 | 33,408       |
|  | Investments listed on a stock exchange | 33,408       |

In previous years un-invested cash intended for investment was shown as part of fixed asset investments, these amounts are now properly shown as cash balances. The comparative figures for 2018 have been adjusted accordingly. The impact of the change in the comparative balances has been to increase the amount disclosed as cash by £3,941, reduce investments by £4,220 and reduce creditors amounts due within one year by £279.

# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)  
for the year ended 31 December 2019

## 12 INVESTMENTS HELD AS FIXED ASSETS (continued)

### Stock exchange investments at fair value

|  | Diocesan | Parishes | 2019    | 2018    |
|--|----------|----------|---------|---------|
|  | £000     | £000     | Total   | Total   |
|  |          |          | £000    | £000    |
| Fair value at 1 January 2019             | 12,270   | 21,138   | 33,408  | 39,451  |
| Additions                                | 1,032    | 1,944    | 2,976   | 3,678   |
| Disposal proceeds                        | (2,363)  | (3,728)  | (6,091) | (7,224) |
| Realised and unrealised investment gains | 2,112    | 3,134    | 5,246   | (2,497) |
| Fair value at 31 December 2019           | 13,051   | 22,488   | 35,539  | 33,408  |

The historic cost of investments held at 31 December 2019 was £25m (2018: £28m). There were no investment holdings which represented more than 5% by value of the portfolio excluding cash.

### Stock exchange investments by location

|                             | Fair value | Cost | Fair value | Cost |
|-----------------------------|------------|------|------------|------|
|                             | 2019       | 2019 | 2018       | 2018 |
|                             | £m         | £m   | £m         | £m   |
| UK listed investments       | 22.0       | 15.5 | 20.5       | 16.8 |
| Overseas listed investments | 13.5       | 9.8  | 12.9       | 11.2 |
|                             | 35.5       | 25.3 | 33.4       | 28.0 |

### Jointly controlled entity

The charity owns 50% of the £2 ordinary share capital of Parish Accounting Services Limited, a company which was formed during 2015 in order to purchase the intellectual property rights, and ownership of computer software known as OPAS. This is a bespoke accounting and gift aid system used widely within the Archdiocese, and was purchased in order to ensure its continued availability for the Trust. The remaining 50% is owned by the Archdiocese of Westminster and is jointly managed by the two Trusts, with two directors serving from each Archdiocese.

The company operated at a small operating profit in 2019. The company was financed by two loans each of £71,999 one from each Diocese, and is considered an unsecured concessionary loan (see Note 13). The loans carry no interest and no fixed repayment term. It is intended that the loans will be repaid over time from income generated by the company from sales to other Catholic organisations. Repayments were made in 2019 of £20,000 (£10,000 each Diocese) (2018: £12,000, £6,000 each Diocese).

### Ownership of dormant private limited company

The charity owns 100% of the share capital of The Sower Limited, a dormant private limited company. Total called up share capital is £3. There are no other assets or liabilities.

# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)  
for the year ended 31 December 2019

| <b>13</b> | <b>DEBTORS</b>   | <b>2019</b>         | <b>2018</b>         |
|-----------|--|---------------------|---------------------|
|           |  | <b>£000</b>         | <b>£000</b>         |
|           | <b>Debtors: amounts due in under one year</b>                            |                     |                     |
|           | Amounts due in respect of school building projects                       | 808                 | 1,032               |
|           | Accrued investment income  | 74                  | 63                  |
|           | Accrued Gift Aid Tax reclaimable   | 1,253               | 1,297               |
|           | Other debtors including trade debtors, major bequests and property sales | 934                 | 1,747               |
|           | Unsecured concessionary loans to priests etc.                            | 16                  | 15                  |
|           | Unsecured concessionary loan to other religious charities and bodies     | 68                  | 921                 |
|           | Unsecured concessionary loan to Jointly Controlled Entity                | 44                  | 56                  |
|           | Secured concessionary loan to priests etc.                               | 11                  | 11                  |
|           | Total  | <u>3,208</u>        | <u>5,142</u>        |
|           | <b>Debtors: amounts due in more than one year</b>                        |                     |                     |
|           | Unsecured concessionary loans to priests etc.                            | 1                   | 8                   |
|           | Secured concessionary loans to priests etc.                              | 104                 | 113                 |
|           | Total  | <u>105</u>          | <u>121</u>          |
|           | <b>TOTAL DEBTORS</b>   | <u><b>3,313</b></u> | <u><b>5,263</b></u> |
| <b>14</b> | <b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>                    | <b>2019</b>         | <b>2018</b>         |
|           |  | <b>£000</b>         | <b>£000</b>         |
|           | *Amounts due in respect of school building projects                      | 294                 | 262                 |
|           | Due to other religious charities   | 593                 | 406                 |
|           | **Other creditors  | 805                 | 987                 |
|           | Accruals   | 755                 | 526                 |
|           | Total  | <u>2,447</u>        | <u>2,181</u>        |

\* The amount noted above as "amounts due in respect of school building projects" is in respect of transactions for which the Diocesan Education Service (DES) acted as principal.

\*\*Included here is an amount held in respect of grant income not spent on school building projects which were managed by the DES in its role acting as agent. For 2019 this was £29k (2018: £272k).  
The distinction between certain school building project transactions is explained on page 31.

# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)  
for the year ended 31 December 2019

|           |  |                      |                      |
|-----------|--|----------------------|----------------------|
| <b>15</b> | <b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b> | <b>2019<br/>£000</b> | <b>2018<br/>£000</b> |
|           | Concessionary loans  | 40                   | 42                   |

## 16 FINANCIAL ASSETS AND LIABILITIES

Financial assets held at fair value are included in Note 12. Note 13 includes financial instruments of £970k (2018: £1,098k) held at amortised cost and concessionary loans of £244k (2018: £1,124k) held at cost plus accrued interest, less impairment where applicable. Notes 14 and 15 include financial instruments held at amortised cost of £1,732k (2018: £1,697k).

## 17 ENDOWMENT FUNDS

|                                  | <b>Balance at<br/>1 January<br/>2019<br/>£000</b> | <b>Income<br/>£000</b> | <b>Expenditure<br/>£000</b> | <b>Transfers<br/>£000</b> | <b>Gains on<br/>investments<br/>£000</b> | <b>Balance at<br/>31<br/>December<br/>2019<br/>£000</b> |
|----------------------------------|---|------------------------|-----------------------------|---------------------------|--|---|
| Diocesan funds:                  |   |                        |                             |                           |  |   |
| Various                          | 541   | 16                     | (16)                        | -                         | 76                                       | 617   |
| Diocesan funds                   |   |                        |                             |                           |  |   |
| Maryvale – transferred on merger | -   | 65                     | (2)                         | -                         | 3  | 66  |
| Various small trust funds:       |   |                        |                             |                           |  |   |
| - registered charities           | 183   | 5                      | (5)                         | -                         | 26                                       | 209   |
| - other                          | 1,175   | 35                     | (35)                        | -                         | 162                                      | 1,337   |
|                                  | <b>1,899</b>                                      | <b>121</b>             | <b>(58)</b>                 | <b>-</b>                  | <b>267</b>                               | <b>2,229</b>  |

These funds are linked to specific parishes and funds held by the Diocese, and are endowment in nature, i.e. the capital donated cannot be spent and any income generated must be spent in line with the donor's instructions. In the main the purposes of these funds are to provide education, relieve poverty, support priests and to provide for church repairs within the parishes concerned. The assets of all the funds listed are represented by investment in the Diocesan Investment Scheme (see page 15). There are two separate registered charities (Leamington Trust, registered charity no. 248948; and Birmingham Roman Catholic Diocesan Educational Trust no. 528881) and thirteen other separate funds. A uniting direction given by the Charity Commissioners is in force in respect of these funds. £63,068 held as an endowment fund in investments was transferred to the Diocese upon the merger with Maryvale.

# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)  
for the year ended 31 December 2019

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## 17 ENDOWMENT FUNDS (continued)

The 2018 analysis of endowment funds follows:

### *ENDOWMENT FUNDS – 2018 COMPARATIVES*

|                                      | <i>Balance at<br/>1 January<br/>2018<br/>£000</i> | <i>Income<br/>£000</i> | <i>Expenditure<br/>£000</i> | <i>Transfers<br/>£000</i> | <i>Gains on<br/>investments<br/>£000</i> | <i>Balance at<br/>31<br/>December<br/>2018<br/>£000</i> |
|--------------------------------------|---|------------------------|-----------------------------|---------------------------|--|---|
| <i>Diocesan funds</i>                | 577   | 16                     | (16)                        | -                         | (36)                                     | 541   |
| <i>Various small<br/>trust funds</i> |   |                        |                             |                           |  |   |
| - registered<br>charities            | 196   | 6                      | (6)                         | -                         | (13)                                     | 183   |
| - other                              | 1,253   | 36                     | (36)                        | -                         | (78)                                     | 1,175   |
|                                      | <hr/> 2,026                                       | 58                     | (58)                        | -                         | (127)                                    | <hr/> 1,899   |

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# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)

for the year ended 31 December 2019

## 18 RESTRICTED FUNDS

Restricted funds comprise the following unexpended balances of donations etc. given for specific purposes:

|   | Balance at 1<br>January 2019 | Income       | Expenditure    | Transfers    | (Losses)/Gains<br>on investments<br>(stock market<br>and property) | Balance at 31<br>December<br>2019 |
|---|------------------------------|--------------|----------------|--------------|--|-----------------------------------|
|   | £000                         | £000         | £000           | £000         | £000   | £000                              |
| <b>Restricted funds</b>                           |                              |              |                |              |  |                                   |
| Poor Mission Fund                                 | 518                          | 54           | -              | (187)        | 18   | 403                               |
| Memorial Mass Fund                                | 412                          | 8            | (19)           | -            | 35   | 436                               |
| Religious Workers Accommodation Fund              | 71                           | -            | (4)            | -            | -  | 67                                |
| Specific bequests                                 |                              |              |                |              |  |                                   |
| - University Chaplaincy                           | 622                          | 18           | (15)           | (4)          | 84   | 705                               |
| Other funds                                       | 357                          | 10           | (10)           | -            | 43   | 400                               |
| Canons Chapter Fund                               | 278                          | 8            | (5)            | -            | 34   | 315                               |
| Clergy Training Fund                              | 73                           | 472          | 543            | -            | -  | 2                                 |
| Maryvale  | -                            | 254          | -              | -            | -  | 254                               |
| Diocesan Education Service – schools<br>projects* | 4,344                        | 11           | (140)          | -            | -  | 4,215                             |
| Other Chaplaincies                                | 7                            | -            | -              | -            | -  | 7                                 |
| Parish building and other projects                | 2,246                        | 1,536        | (1,490)        | -            | 21   | 2,313                             |
|   | <u>8,928</u>                 | <u>2,371</u> | <u>(2,226)</u> | <u>(191)</u> | <u>235</u>   | <u>9,117</u>                      |

# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)  
for the year ended 31 December 2019

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## 18 RESTRICTED FUNDS (continued)

\* Schools projects. As set out on page 31 the income and expenditure in relation to activities where the Trust acts as principal are shown net on page 52 and 53. The net movement of (£129k) (2018: (403k)) above, comprises income of £11k (2018: £8k) and expenditure of £140k (2018: £411k).

The Poor Mission Fund exists to support parishes which struggle to meet their financial obligations. The Memorial Mass Fund provides for people's desire for annual Masses to be said for their intentions.

The Religious Workers Accommodation Fund was created during 2016 and after some specific grants to assist the work of agencies caring for the homeless and for disadvantaged youth made during that year, the balance is to be used for the provision of accommodation for religious workers in the Diocese.

The Canons Chapter Fund represents sums which were previously recognised as part of the affiliated bodies, and were therefore not in the past included within the funds of the Archdiocese. The Trustees now deem it more appropriate that these funds are included within the Archdiocese accounts as its aim is specifically to support repairs and maintenance of the Cathedral.

The Clergy Training Fund's primary purpose is to support students in training and formation for the priesthood and permanent diaconate as well as ordained priests and deacons undertaking further studies.

The "Diocesan Education Service – schools' projects" fund relates to historic schools' sales proceeds which can only be used to finance the building of new schools, or expansion of existing schools due to capacity needs, and includes grant funds received but not yet expended.

The transfers shown above of £191k principally represent amounts paid (2018: £448k), in accordance with the terms of the restriction, to certain parishes and other entities within the Archdiocese. In the case of "Parish building and other projects" the amount transferred relates to capitalised spending completed in accordance with the terms of the restriction. These parish assets are included within the unrestricted property assets of the charity; the associated restricted funding being regarded as having been effectively discharged.

**BIRMINGHAM DIOCESAN TRUST**  
Notes to the financial statements (continued)  
for the year ended 31 December 2019

The 2018 analysis of restricted funds follows:

**RESTRICTED FUNDS – 2018 COMPARATIVES**

*Restricted funds comprised the following unexpended balances of donations etc. given for specific purposes:*

|   | <i>Balance at 1<br/>January 2018</i> | <i>Income</i> | <i>Expenditure</i> | <i>Transfers</i> | <i>Gains on<br/>investments<br/>(stock market<br/>and property)</i> | <i>Balance at 31<br/>December 2018</i> |
|---|--------------------------------------|---------------|--------------------|------------------|---|--|
|   | <i>£000</i>                          | <i>£000</i>   | <i>£000</i>        | <i>£000</i>      | <i>£000</i>   | <i>£000</i>                            |
| <b>Restricted funds</b>                                   |                                      |               |                    |                  |   |  |
| <i>Poor Mission Fund</i>                                  | 711                                  | 60            | -                  | (243)            | (1)   | 518                                    |
| <i>Memorial Mass Scheme</i>                               | 423                                  | 10            | (4)                | -                | (17)  | 412                                    |
| <i>Perpetuity Mass Fund</i>                               | 119                                  | 10            | (13)               | (118)            | 2   | -                                      |
| <i>Religious Workers Accommodation Fund</i>               | 73                                   | -             | (2)                | -                | -   | 71                                     |
| <i>Specific bequests</i>                                  |                                      |               |                    |                  |   |  |
| <i>- Masses</i>   | 11                                   | 17            | (16)               | (10)             | (2)   | -                                      |
| <i>- University Chaplaincy</i>                            | 820                                  | 23            | (16)               | (164)            | (41)  | 622                                    |
| <i>Other funds</i>  | 451                                  | (10)          | 7                  | (73)             | (18)  | 357                                    |
| <i>Canons Chapter Fund</i>                                | 299                                  | 8             | (12)               | -                | (17)  | 278                                    |
| <i>Clergy Training Fund</i>                               | 257                                  | 184           | (608)              | 240              | -   | 73                                     |
| <i>Diocesan Education Service – schools<br/>projects*</i> | 4,747                                | 8             | (411)              | -                | -   | 4,344                                  |
| <i>Other Chaplaincies</i>                                 | 7                                    | -             | -                  | -                | -   | 7                                      |
| <i>Parish building and other projects</i>                 | 2644                                 | 1,231         | (1,539)            | (80)             | (10)  | 2,246                                  |
|   | <u>10,562</u>                        | <u>1,541</u>  | <u>(2,614)</u>     | <u>(448)</u>     | <u>(113)</u>  | <u>8,928</u>                           |



# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)  
for the year ended 31 December 2019

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| <b>19</b> | <b>UNRESTRICTED FUNDS</b>                 | <b>General<br/>£000</b> | <b>Designated<br/>£000</b> | <b>Total<br/>£000</b> |
|-----------|---|-------------------------|----------------------------|-----------------------|
|           | At 1 January 2019                         | 60,067                  | 46,449                     | 106,516               |
|           | Net income                                | 3,603                   | -                          | 3,603                 |
|           | Transfers from restricted funds (Note 18) | 191                     | -                          | 191                   |
|           | Transfer to designated funds              | (2,866)                 | 2,866                      | -                     |
|           |   | <hr/>                   | <hr/>                      | <hr/>                 |
|           | At 31 December 2019                       | 60,995                  | 49,315                     | 110,310               |
|           |   | <hr/> <hr/>             | <hr/> <hr/>                | <hr/> <hr/>           |

The trustees have created a designated fund to the value of the unrestricted net book value of functional property assets and contents. The trustees are of the opinion that these assets cannot be readily realised without undermining the ongoing work of the charity. Transfers to designated funds relate to net fixed asset movements and depreciation.

The 2018 analysis of unrestricted funds follows:

| <b><i>UNRESTRICTED FUNDS – 2018 COMPARATIVES</i></b> | <b><i>General<br/>£000</i></b> | <b><i>Designated<br/>£000</i></b> | <b><i>Total<br/>£000</i></b> |
|--|--------------------------------|-----------------------------------|------------------------------|
| <i>At 1 January 2018</i>                             | <i>62,602</i>                  | <i>45,432</i>                     | <i>108,034</i>               |
| <i>Net expenditure</i>                               | <i>(1,966)</i>                 | <i>-</i>                          | <i>(1,966)</i>               |
| <i>Transfer from restricted funds (Note 18)</i>      | <i>448</i>                     | <i>-</i>                          | <i>448</i>                   |
| <i>Transfer to designated funds</i>                  | <i>(1,017)</i>                 | <i>1,017</i>                      | <i>-</i>                     |
|  | <hr/>                          | <hr/>                             | <hr/>                        |
| <i>At 31 December 2018</i>                           | <i>60,067</i>                  | <i>46,449</i>                     | <i>106,516</i>               |
|  | <hr/> <hr/>                    | <hr/> <hr/>                       | <hr/> <hr/>                  |

# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)  
for the year ended 31 December 2019

## 20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

|                                  | <b>Unrestricted<br/>(general)<br/>£000</b> | <b>Unrestricted<br/>(designated)<br/>£000</b> | <b>Restricted<br/>£000</b> | <b>Endowment<br/>£000</b> | <b>2019<br/>Total<br/>£000</b> |
|----------------------------------|--|---|----------------------------|---------------------------|--------------------------------|
| Tangible fixed assets            | 123  | 49,315  | 192                        |                           | 49,630                         |
| Investments                      | 63,912                                     | -   | 1,764                      | 2,229                     | 67,905                         |
| Other net assets/<br>liabilities | (3,040)                                    | -   | 7,161                      |                           | 4,121                          |
|                                  | -----                                      | -----   | -----                      | -----                     | -----                          |
| At 31 December 2019              | 60,995                                     | 49,315  | 9,117                      | 2,229                     | 121,656                        |
|                                  | =====                                      | =====   | =====                      | =====                     | =====                          |

"Tangible fixed assets" represents the book value of the charity's tangible fixed assets, principally land and buildings, currently held for charity use and the funds are therefore unavailable for other uses.

Included in the figure for investments is a significant unrealised surplus and this figure will vary year on year as property and stock market values fluctuate.

## *ANALYSIS OF NET ASSETS BETWEEN FUNDS – 2018 COMPARATIVES*

|                                  | <b>Unrestricted<br/>(general)<br/>£000</b> | <b>Unrestricted<br/>(designated)<br/>£000</b> | <b>Restricted<br/>£000</b> | <b>Endowment<br/>£000</b> | <b>2018<br/>Total<br/>£000</b> |
|----------------------------------|--|---|----------------------------|---------------------------|--------------------------------|
| Tangible fixed assets            | 164  | 46,449  | 64                         | -                         | 46,677                         |
| Investments                      | 63,912                                     | -   | 2,094                      | 1,899                     | 67,905                         |
| Other net assets/<br>liabilities | (4,009)                                    | -   | 6,770                      | -                         | 2,761                          |
|                                  | -----                                      | -----   | -----                      | -----                     | -----                          |
| At 31 December 2018              | 60,067                                     | 46,449  | 8,928                      | 1,899                     | 117,343                        |
|                                  | =====                                      | =====   | =====                      | =====                     | =====                          |

# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)  
for the year ended 31 December 2019

## 21 RECONCILIATION OF NET INCOME TO NET CASH FLOW USED IN OPERATING ACTIVITIES

|  | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
|  | <b>£000</b> | <b>£000</b> |
| Net income/(expenditure) for the reporting period              | (4,313)     | (3,279)     |
| <b>Adjustments for:</b>  |             |             |
| Depreciation of tangible fixed assets                          | 1,264       | 1,201       |
| Impairment losses on tangible fixed assets                     | -           | 30          |
| Fair value (gains) on investment properties                    | (2,963)     | (3,214)     |
| Fair value (gains)/losses on investments on the stock exchange | (5,246)     | 2,497       |
| (Gain) on disposal of tangible assets                          | (940)       | (245)       |
| Dividends, interest and rents from investments                 | (3,185)     | (3,250)     |
|  | <hr/>       | <hr/>       |
|  | (6,757)     | (6,260)     |
| <b>Movements in working capital:</b>                           |             |             |
| (Increase)/decrease in debtors                                 | 1,950       | (663)       |
| (Decrease)/increase in creditors                               | 261         | (177)       |
|  | <hr/>       | <hr/>       |
| Net cash used in operating activities                          | (4,546)     | (7,100)     |
|  | <hr/> <hr/> | <hr/> <hr/> |

## 22 CAPITAL COMMITMENTS

At 31 December 2019, the charity was committed to future capital expenditure of approximately £0.4m (2018: £0.4m). This relates primarily to spending in parishes.

## 23 OTHER COMMITMENTS

### Operating leases

The charity leased office space on a five-year term. The lease expires in 2021. The total commitment falls due as follows:

|  | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
|  | <b>£000</b> | <b>£000</b> |
| Less than one year                           | 28          | 28          |
| More than one year, but less than five years | 29          | 57          |
|  | <hr/>       | <hr/>       |
| Total due                                    | 57          | 85          |
|  | <hr/> <hr/> | <hr/> <hr/> |

# BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)  
for the year ended 31 December 2019

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## 23 OTHER COMMITMENTS (continued)

### **PFI Scheme**

The Trust, through the Diocesan Education Service (DES) is party to a facilities management contract under a PFI scheme in respect of a school. Total commitments under the contract are £132k (2018: £130k) within one year, £556k (2018: £544k) between one and five years, and £447k (2018: £590k) greater than 5 years. These costs may change, dependent on changes to indexation. The costs are calculated using RPI. These costs are met from within the restricted funds held for the purposes of spending on new schools.

## 24 RELATED PARTY TRANSACTIONS

The charities mentioned below were served by one or more common trustees during the year:

### **St Mary's College, Oscott – Registered Charity 1172979**

During the year £45,000 (2018: £40,000) of rent and other costs and £171,000 (2018: £163,000) of students' fees was paid to St Mary's College, Oscott. (In 2018 in addition, there was a contribution to the refurbishment of a property which had been used rent free by the Diocese for some years of £178,000, in lieu of rent). There was a £nil balance (2018: £nil) owing to St Mary's College, Oscott at the year-end in respect of miscellaneous costs or student fees. There was also £75,000 paid by Oscott in relation to recharges relating to priests' stipends and expenses (2018: £69,000). A further £14,000 was paid for the secondment of Oscott's archivist (nil 2018) and a further £2,000 for events and miscellaneous costs (2018: nil). Most Rev. B Longley, Right Rev. D McGough, and Rev. Mr. D Palmer are all Trustees in common.

### **Father Hudson's Society - Registered Charity 512992**

During the year, £51,000 (2018: £63,000) was collected on behalf of and paid over to Father Hudson's in the main via a retiring collection following Masses said in parishes in September 2019. The Diocese also paid for residential care for sick and retired priests in Father Hudson's Residential Care Home, amounting to £88,000 (2018: £143,000). In addition to these, grants were also made to Father Hudson's totalling £37,000 (2018: £37,000) for them to administer on behalf of the Archdiocese to aid social outreach work through other Catholic agencies, and also with a special focus on Fatima House, a women's shelter for refugees.

There was a balance as at the year-end in respect of collections not paid over to Father Hudson's amounting to £2,400 (2018: £976). Whilst not a Trustee of Father Hudson's, Most Rev. B Longley is President of the charity.

### **Maryvale Institute - Registered Charity 1068634**

Grants totalling £88,000 (2018: £190,000) were made to Maryvale Institute during 2019 up to 31 July, at which point it ceased to be a related party due to the merger with the Diocese. These funds were used in supporting the provision of catechetical work for the parishes and schools of the Archdiocese and for the fostering and nurturing of marriage and family life through Maryvale's courses and departmental work, and also for essential building maintenance work. Additionally, miscellaneous costs of £4,000 (2018: £1,830) and £nil (2018: £9,000) was paid in respect of contributions to office costs of the Evangelisation Field Workers based at Maryvale. A provision for a loan made in 2017 of £600k was released in 2018. This was part of the assets and liabilities transferred to the Diocese upon merger.

The Most Rev. B Longley, Rev. Mgr. T Menezes and Rev. Mr. D Palmer and Ms S Pain were trustees in common.

## 24 RELATED PARTY TRANSACTIONS (continued)

### ***The Kenelm Youth Trust Ltd– Charitable company registration number 1144209***

Grants totalling £292,000 were made to Kenelm Youth Trust in 2019 (2018: £327,000). Receipts for rent and utility costs of £15,000 were received by the Diocesan Education Service in 2019 (2018: £6,080). KYT is a separate charity that was set up to provide all of the Trust's youth services from 1 January 2016. No balances were outstanding at 31 December 2019 (2018: £nil). Right Rev. W Kenney and Ms H Bardy are trustees in common. Ms H Weaver wife of Mr M Weaver (Former trustee of the Archdiocese) is a Trustee of KYT.

### ***Parish Accounting Services Limited – Company registration number 09503675***

During the year, in addition to the loan disclosed in notes 12 and 13, £51,660 was paid to Parish Accounting Services Limited (2018: £51,280) in respect of software licencing fees of parish accounting software, and £5,570 in respect of re-charged expenses (2018: nil) In addition, the Diocese received £7,500 from the company (2018: nil) in respect of costs of providing management time. There were no balances outstanding at the year-end. Rev. Mr. D Palmer, a trustee of the charity, is a director of Parish Accounting Services Limited.

### ***Cornerstone Regeneration – Registered charity 1143282***

Rent was received from Cornerstone by one of the parishes of the Archdiocese in respect of property, of £20,000 (2018: £20,000). There were no balances outstanding at the year-end. Rev. Mr. D Palmer is a trustee in common.

### ***Birmingham Churches Together – Registered charity 243931***

A grant was made to the charity in 2019 of £19,770 (2018: £19,770). There were no balances outstanding at the year-end. The Most Rev. B Longley is a trustee.

### ***Holy Souls Social Club Ltd – Registered Company 07170727***

There were no transactions between the Club and the Diocese during the year, however one of the trustees, Rev J Veasey became a director on 1<sup>st</sup> January 2019.

### ***The Venerable English College Trust – Registered Charity 1142558***

A reimbursement of expenses was received from the Venerable English College Trust by the Archdiocese in respect of fundraising costs of £2,410 (2018: £nil). There were no balances outstanding at the year-end.

The Most Rev. B Longley and Rev. Mr. D Palmer are trustees in common.

None of the trustees noted above received any remuneration from the related parties named.

## 25 POST BALANCE SHEET EVENTS

In March 2020 the country entered into a lockdown in response to the impact of COVID-19. Whilst this has created a new challenge for the organisation the Trustees continue to review all aspects of the ongoing needs of the Diocese and its Parishes. There are short term implications in relation to income generation while restrictions are in place. However, the investment portfolio has recovered from a fall in March and continues to perform well. Income performance has been encouraging and savings in expenditure have also been identified. COVID 19 therefore has not had a material financial impact on the Diocese. The trustees consider that there are no other post balance sheet events that have a material effect on the financial statements.