



THE ARCHDIOCESE *of* BIRMINGHAM

**Birmingham Diocesan Trust**  
**Annual report and financial statements**  
for the year ended 31 December 2020

Charity Registration No. 234216

# 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) # Resigned 23 July 2021  
Rt. Rev. D McGough LSS STL (Auxiliary Bishop) \*(1) (2) (4) (5) # Resigned 23 July 2021  
Rt. Rev. S Wright LLB, STL (Auxiliary Bishop) \*(1) (2) (8) (9) #  
Rt. Rev. D Evans (Auxiliary Bishop) \*(1) (2) (10) (Appointed 19 March 2020) #  
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)Resigned 31 December 2020  
Mr. C Loughran DL FBCS CIP \* (1) (2)(5) (6) (9)  
Prof. D Kelly CBE DL \*(8) (9)  
Ms. J Francis \*(7)  
Ms. S Pain BA ACMA \* (1) (10)  
Mr. Peter Vince MRICS \*(2) (Appointed 24 April 2020)  
Mr. Peter Vella \* (4) (Appointed 10 July 2020)

\*(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.

**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**

PIB Insurance Brokers  
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 2020

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## Introduction

Archbishop Bernard Longley – Chair of Trustees

COVID-19 has shaped a significant part of our lives in 2020 and its impact cannot be downplayed. Many of us have lost loved ones to COVID-19, have seen jobs and livelihoods disappear and seen our lives change significantly.

It has also brought out the very best in people. There have been many messages of hope and encouragement too. During the lockdown period there were countless wonderful stories emerging from across the archdiocese of communities working together to help the most vulnerable. Parish and school communities responded in many ways, from the making or donation of PPE, and the setting up of foodbanks and calls to the lonely and vulnerable to name but a few. Our schools worked tirelessly to provide education and care throughout the year, with many staying open throughout holidays to cater for the children of essential workers.



The pandemic has focused our minds on what really matters. We have had the opportunity to get back to the basics of our faith and become acutely aware of the part we all need to play in the service of others, especially the vulnerable and those in particular need. One example, being the work done by Tabor House to provide shelter for the homeless in central Birmingham.

Despite the restrictions faced, our Archdiocese has been blessed with the ordination of four new priests and three new Permanent Deacons. We are also delighted to have celebrated the episcopal ordinations of Bishops David Evans and Stephen Wright and the appointment of Vicar General Canon Richard Walker.

With churches partially reopening later in 2020, numbers attending Mass increased and a priority for 2021 is to provide a safe environment, so that all our parishioners can return to Sunday worship at the earliest opportunity.

By embracing technology and live streaming of mass in particular, many parishes were able to maintain contact with existing parishioners as well as attracting new participants. Similarly, schools were able to continue to provide lessons and Mass for pupils. Technology also allowed the annual Lourdes pilgrimage to go ahead via a 6 day 'virtual' event. Contactless payment devices were trialled and installed in a number of churches to help offset the impact of the removal of the traditional collection after churches re-opened.

In 2020 safeguarding continued to be a priority for the Board of Trustees following the IICSA (Independent Inquiry into Child Sexual Abuse) and Charity Commission inquiries of preceding years. Safeguarding is integral to all that we do within the Archdiocese and embedding this effectively is part of the cultural change that we aspire to achieve to demonstrate that we are learning the lessons made so painfully clear to us, especially from survivors of abuse. This will be an ongoing journey as the Archdiocese adapts to national changes in safeguarding arrangements following a review undertaken at the completion of the IICSA hearings into the Church nationally.

We are excited by the continued progress of our Diocesan plan, and to sharing the plan with our parishioners in 2021 as we begin to implement the changes necessary to achieve our vision of developing and supporting vibrant and joyful communities full of missionary disciples. Also in 2021, the diocesan Synodal Pathway in preparation for the Synod of Bishops 2023 will be launched, offering the faithful the opportunity to engage in dialogue with the future of the Church and diocese.

Whilst the 2020 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 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.

## Eric Kirwan – Chief Operating Officer

I would like to begin by thanking clergy, staff and our many dedicated volunteers for their response and dedication in meeting the challenges presented by the pandemic throughout 2020.

They enabled Mass to be offered online and churches to safely re-open as soon as government policy allowed. Our school leaders, governors and directors ensured schools remained accessible during holidays for the children of key workers and the vulnerable, and in all parish communities we witnessed people working together to provide financial and practical support for those in need.

With offices closed for most of the year, we did unfortunately have to furlough staff in several departments and in parish offices.

At the same time, we maintained a very clear commitment to further strengthening our safeguarding team and by the end of 2020 had a permanent team in place to continue the work already begun to improve safeguarding arrangements and compliance with the evolving national standards.

Whilst the pandemic delayed the implementation of the Diocesan vision, planning continued around the four themes of the plan: Evangelisation, Formation, Charity and Social Outreach and Worship and Sacramental. The Diocesan Plan will be fully launched in 2021 in tandem with the Synod of Bishops, and includes a review of our deanery structure to reflect future demographic changes and more importantly to ensure the resources of the diocese are used in the most effective way to support our mission.

With a focus on young people and families, and a commitment to achieving co-responsibility at all levels the plan will empower the lay community to play an active and vital part in developing and implementing the plan. Our school academisation strategy will continue to be extended and aligned with the diocesan plan, increasing collaboration and mutual support between Multi Academy Companies, Schools and Parish in fulfilling all the themes and ambitions of the plan.

Income fell by 20.4% during the year due to church closures and the resultant reduction in cash donations. The work done in recent years at parish level to increase donations by standing orders, coupled with greater access to online giving and the introduction of contactless payment devices helped to mitigate the fall in numbers attending church in person. Even after re-opening it was not possible to re-commence the usual Sunday and second collections and we envisage non-cash donations to increase in 2021 and beyond.

With the full re-opening of churches unlikely until very late in 2021, pressure on finances will remain. Resources and spending continue to be reviewed and to be a focus throughout the year and will remain so throughout 2021. We will continue in 2021 to ensure we use our human and physical resources in the most effective and efficient way, in support of our mission and vision.

We look forward with optimism and renewed commitment to fulfilling our mission, and once more express our deep gratitude to clergy, staff and volunteers from all areas of the archdiocese.



# Birmingham Diocesan Trust

## Trustees' report (continued)

### For the year ended 31 December 2020

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The trustees present their annual report and the audited financial statements for the year ended 31 December 2020. The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

### 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, and Vicar General 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 2020

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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 663,000 hours (2019: 916,000) were provided by some 4,400 volunteers (2019: 10,600). If this is valued at £11.00 per hour, the volunteer contribution amounts to some £7.3m (2019: £10m), which is not included in the financial statements. This of course has been impacted by COVID-19, as churches were closed fully for a period in 2020.

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 (continued)

For the year ended 31 December 2020

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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 2020.

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.

During the year, meetings were held virtually given the restrictions on meeting in person due to COVID-19.

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 oversees the work of the Safeguarding, Finance, Property, Human Resources, Communications, Fundraising, Legal and Planning functions.

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,

# Birmingham Diocesan Trust

## Trustees' report (continued)

### For the year ended 31 December 2020

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#### Trustees (continued)

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 provide 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. 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 were able to work from

### COVID-19 (continued)

home with others taking advantage of the flexible furlough options. A number of new working practices have been introduced to cope with the restrictions.

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.

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 26 to 29. While there has been some depletion of cash reserves in 2020, 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 reviewing the deanery structure including strategic planning to respond to demographic changes, and to investigate additional income streams, including external grant funding and planned giving within parishes.

### 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 reducing Mass attendances generally and specifically as a consequence of COVID-19; an increasingly ageing and therefore reducing number of clergy who are expected to undertake ever more administrative responsibilities; adverse publicity and financial impact of historic abuse cases; data protection and security and the continued challenge of maintaining property. 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.

### 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.

#### Safeguarding

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. As a result of the final and initial reports, the Diocese has put in place a number of improvements to its Safeguarding provisions.

- IICSA and the national review of safeguarding arrangements
- Following the Independent Inquiry into Child Sexual Abuse (IICSA) case study of the Archdiocese of Birmingham which reported in 2019, IICSA completed their inquiry into the Catholic Church in England and Wales in 2020. The final IICSA report highlighted the concerns identified across its case studies and additional hearings into the Church nationally, as such abuse and failings previously identified relating to the Archdiocese were again reported. However, there was also some more

## Achievements and performance review (continued)

positive comment on changes that had taken place more recently within the Archdiocese in response.

A review was commissioned of safeguarding nationally through the Catholic Bishops Conference of England and Wales, following the IICSA hearings and this reported in 2020 with a series of recommendations. Whilst most significant changes relate to national structures there will be an impact locally especially regarding safeguarding governance with the replacement of the Safeguarding Commission with a Sub-committee of Trustees. Changes are being implemented in 2021. Religious congregations will no longer be aligned to individual Dioceses for the provision of safeguarding services (around 30 had been aligned to Birmingham). The costs associated with the outcomes of the inquiry amounted to £193k (2019: £277k).

- Relationship with Barnardo's

The Archdiocese has continued its relationship with Barnardo's in 2020 to provide professional social work supervision to the Head of Safeguarding and to review safeguarding casework. Reports from Barnardo's in 2020 consistently highlighted the high quality of the current practice of the safeguarding team.

- Full permanent team

Following the recruitment of a permanent Head of Safeguarding in 2019 final appointments were made in 2020 to replace agency staff and a full permanent team is now in place.

The trustees are continuing to implement their responses to the recommendations of the IICSA report, and to monitor its safeguarding provision more effectively.

### 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 22,200 (2019: 53,300), including both adults and children. During the year there were 2,068 baptisms and receptions (2019: 4,442) 203 marriages (2019: 504) and 3,695 funerals (2019: 3,233).

Mass count fell by 59% (2019:4% fall), which is in the main, due to the impact of COVID-19 on mass attendance, and churches being temporarily closed during part of 2020. Parish offertories and other collections (excluding tax reclaims) decreased to £5.4m (2019: £7.7m). The average offertory giving amount per head (including children) increased by £2.11p to £4.66 per week (2019: £2.55). However, it should be noted that many parishioners continued to make their weekly offertories by standing order or online giving, despite not attending mass, and therefore not being included in the mass attendance data, so this has caused an anomalous average. In addition, parishes raised and paid over more than £0.44m (2019: £1.15m) on behalf of other religious and other charitable organisations.

### 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. As part of our mission and aims the DES remains committed to providing the best possible service to all of our schools and academies in order that they are able to deliver the best possible Catholic education to all of our children and young people across the diocese.

# Birmingham Diocesan Trust

## Trustees' report (continued)

For the year ended 31 December 2020

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### Achievements and performance review (continued)

In 2020 the Diocesan Academy Strategy continued to develop significantly across the Archdiocese:

- A 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).
- 7 Diocesan maintained schools converted to Academy status
- There were 121 Academy Schools within 18 MACs at the end of 2020.

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.
- Advice and guidance for School Leaders, Person In Charge of Catholic Life (PICCLs), RE Leads and Lay Chaplains in regard to Catholic Education
- Provide updates regarding aspects of RE, Catholic Life and Collective Worship
- Provide inspections and interim visits to ensure that schools meet their statutory obligations in relation to Section 48 and Canon 806.
- Provision of advice and guidance on good practice in relation to all aspects of the recruitment and appointment of senior leaders, Executive Leaders, Heads of RE, PICCLs and curriculum leaders of RE.

The grant assisted capital programme for the year ended 31 March 2021 was £ 110 million, of which the Diocese was allocated £8.3 million for capital works in our schools.

The Service administered a building programme of 96 different projects. Of these 31 were valued over £100,000 and 4 over £200,000. As explained on page 32, 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 significant 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 2020, providing the strategic links with the Archdiocese.

KYT provides a comprehensive and unified ministry for 7-25 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.

## **Achievements and performance review (continued)**

### Evangelisation

Evangelisation staff were furloughed for part of the year, and when they returned to work responded to the challenge of the pandemic by developing online sessions, YouTube videos and podcasts to remain connected to parish communities. The national God Who Speaks campaign was actively promoted throughout the year, with Alpha and Sycamore projects also run via Zoom.

Monthly Zoom meetings were established to share ideas on New Evangelisation, and support was provided for a Diocesan wide weekly Lent retreat. A COVID impact survey was also undertaken. In the summer of 2020, the 'Something Greater' initiative was launched to reconnect parishes to consider how to reconnect with returning parishioners.

### Marriage and Family Life

The highlight of the year was the Thanksgiving Mass for Marriage, celebrated at St Chad's and live streamed. Over 100 couples with significant anniversaries were represented.

Earlier in the year, we attended the Dicastery for Laity, Family and Life in Rome, an international conference on the pastoral care of the elderly.

Promoting and assisting parishes with marriage preparation, support and enrichment alongside the main providers – Marriage Care, Worldwide Marriage Encounter (Engaged Encounter), Smart Loving, Teams of Our Lady.

By moving online, we were able to increase our support to couples experiencing difficulties.

As part of the Year of the Word, resources were provided to parishes to encourage families to explore scripture in the home, with weekly reflection on the Sunday Gospel being circulated, as well as Lenten resources.

### 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 media outlets. It also responds to media enquiries and supports parishes, clergy and staff in their dealings with the media.

There were two editions of the official Diocesan publication, *The Sower*, in 2020, reduced from three due to the pandemic. The second edition, issued for Advent, focused on the good work of families, parishes, schools and communities during the pandemic and was particularly well received.

In 2020, the work of the communications team increased as many more resources and videos were added online to support Catholics during the pandemic, as well as updates on church closures, vaccinations and other COVID-19 related issues. The number of visitors to the website increased to 186,277 from 130,009 in 2019 and 182,292 of these were new visitors.

The team supported St Chad's Cathedral with the set up of a camera for live streaming just ahead of Easter. The website listed all parish webcams, provided Easter resources and ran a virtual Walk of Witness. The team also supported with the running of the first online Lourdes pilgrimage in May.

### **Achievements and performance review (continued)**

#### **Maryvale**

With the appointment of the new Dean, Dr Birute Briliute in January 2020 the Institute was able to focus on the teaching program offered. In response to the global pandemic all teaching and exams were moved online from March 2020 for both academic years. The Institute also began rationalizing courses offered and focusing on student recruitment. We were also delighted that Bishop David Evans, newly appointed auxiliary bishop responsible for the formation strand of the Diocesan plan was appointed to the Maryvale Institute Council.

The financial impact on the Institute of COVID-19 has been significant and required the Institute to reorganize and reduce costs, with an ongoing review of operations continuing through 2021.

#### **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 2020/21 there was one seminarian at the Royal English College in Valladolid, Spain, four seminarians for the priesthood at St Mary's College, Oscott, and three seminarians at the Venerable English College, Rome. In this academic year there were also fourteen men in formation for the permanent diaconate.

In 2020 there were 4 ordinations to the priesthood, and 3 permanent deacons were appointed. The Vocations Office primary purpose is to promote vocations to the priesthood, the diaconate and the religious life.

The CTF also finances the work of promoting a culture of vocation throughout the Archdiocese, and seeks to 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 parishes, deaneries, schools and universities. They produce and distribute publicity materials and maintain a variety of online media, including websites and social media channels.

Each year, five discernment weekends at St Mary's College, Oscott are planned for those discerning a vocation to the priesthood. The Vocations Office also supports the work of the Ongoing Formation Committee which organises formation days for the clergy of the archdiocese. Unfortunately, due to the COVID-19 restrictions, a number of ongoing formation events this year have had to be cancelled or postponed, but work is currently underway to develop the calendar for the coming year.

The Guild of St Stephen for Altar Servers is also run from the Vocations Office, and this provides a confraternity for Altar Servers around our Archdiocese. Events for Altar Servers are planned by the Vocations Office, and these include, the annual Mass at St Chad's Cathedral, a retreat for Altar Servers and a training day. These are also further opportunities to raise an awareness of discerning God's call for the young servers of the archdiocese.

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. In the past year, the CTF has been encouraging people to take out standing orders for their donations and increasing the number of Gift Aid donations.



## Achievements and performance review (continued)

### 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. For 2020 however, due to the restrictions resulting from COVID-19, the annual pilgrimage was unfortunately cancelled.

In 2021 as restrictions persisted on overseas travel, in its stead a virtual pilgrimage was held with masses and events live-streamed from Lourdes, using a mixture of social media and live streaming platforms. The virtual pilgrimage was held over 6 days, and held over 773 hours of content, with 21 videos and live

streams. There were over 3,500 social media engagements (likes, comments, shares) and almost 9,000 visits to the pilgrimage web page. There are plans to repeat this in 2022, which will enable those unable to make the visit to experience the spiritual and uplifting joy of Lourdes from home, and perhaps encourage visits to Lourdes in the future. There are plans to hold a trip to Lourdes in 2022.

### Development

Despite a major shift within the funding landscape and changing priorities for local and national funders, the development team successfully secured funding valued at just over £1 million via 49 successful grant applications.

Additionally, as an example of our commitment to partnership working, we helped secure a grant of just over £2.9 million from the *Bishop's Conference* to fund capital works to Catholic churches around the country; of which £142k which was used to update the Cathedral fire alarm, reflected in these accounts. Finances accrued by the Team have helped us support 35 valuable projects including the Archives Project at the Venerable English College in Rome (awarded by Porticus Foundation) and a successful £186,000 (reflected in the financial statements) bid to the Heritage Lottery Fund used for essential repairs to St Mary & St Egwin Church in Evesham.

Other significant projects for which grants were obtained included £92,000 from Historic England to update St. Chad's Cathedral's fire alarm system; £48,000 awarded by the Heritage Lottery Fund to continue our support and development of Harvington Hall and our engagement with the Enovert Community Fund to aid in the refurbishment of both St Thomas Church in Wolverhampton and Our Lady of Lourdes Church in Hednesford.

The team's commitment to our parishes has been vital throughout 2020. We have increased our online giving portals by assisting parishes to create donate buttons and install contactless devices. With the move to virtual worship, we have expanded virtual donating opportunities and revenue streams. Also opening up an ongoing conversation with regard to social action and local parish community support to create a growth area within our funding streams when supporting our buildings. At a time when parishioners were unable to access places of worship and introspection in the traditional ways, it was the team's priority to ensure that support was available for them to access spiritual, pastoral and emotional guidance in whatever ways prudent and practical. As demonstrated by the projects we continue to support through funding and knowledge, this has been a time to put systems in place which support the longevity of the Church and its assets both locally and further afield. As always we extend gratitude to all the trustees who have contributed at this unusual time.

### Fundraising

The *Charities (Protection and Social Investment) Act 2016* requires those charities subject to auditing to disclose in their Financial Statements their fundraising activities.

The Trust ensures the highest ethical standards with a dignified approach. This is rooted in respect for our donors and parishes and follows the principles of Christian stewardship. The Trust accomplishes these standards within a truly transparent and efficient framework. The Trust does not use external fundraisers, allowing for all parishioners to donate, secure in the knowledge that their contributions will be used to enable the Church to continue playing a major role in their communities, encompassing buildings, worship, prayer, catechesis and pastoral care.

### **Achievements and performance review (continued)**

Our donation and legacy programmes continue to provide a large portion of our income. This is where our knowledge and experience of working within the diocese is essential in maintaining trust and accountability. Understanding the importance of the clergy, at all levels, cannot be underestimated, as they are the official representatives of the Church and the ones with the personal and pastoral relationships with the people. The Trust recognises and values each and every donation from its supporters and are mindful to use funds responsibly and in line with The Churches Mission and Vision.

The Trust works closely with internal stakeholders to maximise giving wherever possible and create a community of generous stewards united in using all God has given us to love him, love ourselves, and to love our neighbour as ourselves. The Trust actively encourages the use of Gift Aid and promotes and ensures fully inclusive information to support donors concerning their tax status. The Trust places no pressure on our Church communities but works towards creating a culture of giving where possible, allowing for diverse and inclusive methods of donating including Time and Talent. The Trust is keenly aware of the ethical and moral implications of accepting donations and are committed to ensuring the emotional and physical health of those donating.

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 regard 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 2020 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 2020 amounted to £33.1m (2019: £35.5m).

This includes some realisation of investments to fund property acquisitions and the increase in value on revaluation as shown in these accounts of £1.1m (2019 increase of £5.2m). Income from stock market investments in the year was £0.84m (2019 £1.14m). Sales of assets may be required in 2021/22 to compensate for reduced income in parishes in 2020/21.

### **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.

## 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

#### 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.

#### 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)

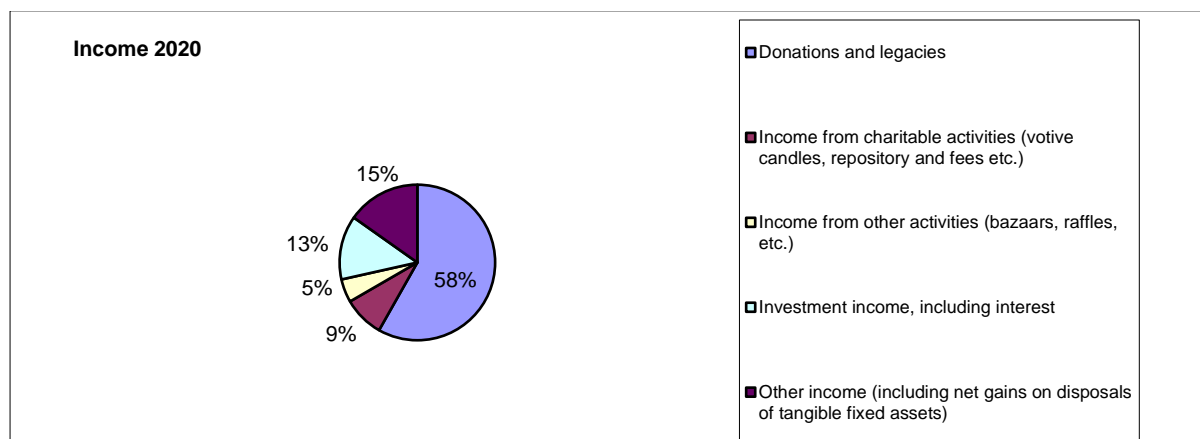
### For the year ended 31 December 2020

#### 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 2020 on pages 26 and 27 shows income of £19.5m (2019: £22.23m) analysed as follows:

	% 2020	2020 £m	% 2019	2019 £m
Donations and legacies (offertories, donations, legacies, Gift Aid, etc.)	58	11.29	64	14.15
Income from charitable activities (votive candles, repository and fees etc.)	9	1.64	9	1.96
Income from other activities (bazaars, raffles etc.)	5	0.94	8	1.88
Investment income, including interest	13	2.66	14	3.19
Other income (including net gains on disposals of tangible fixed assets)	15	2.95	5	1.05
		19.48		22.23



**Birmingham Diocesan Trust**  
Trustees' report (continued)  
For the year ended 31 December 2020

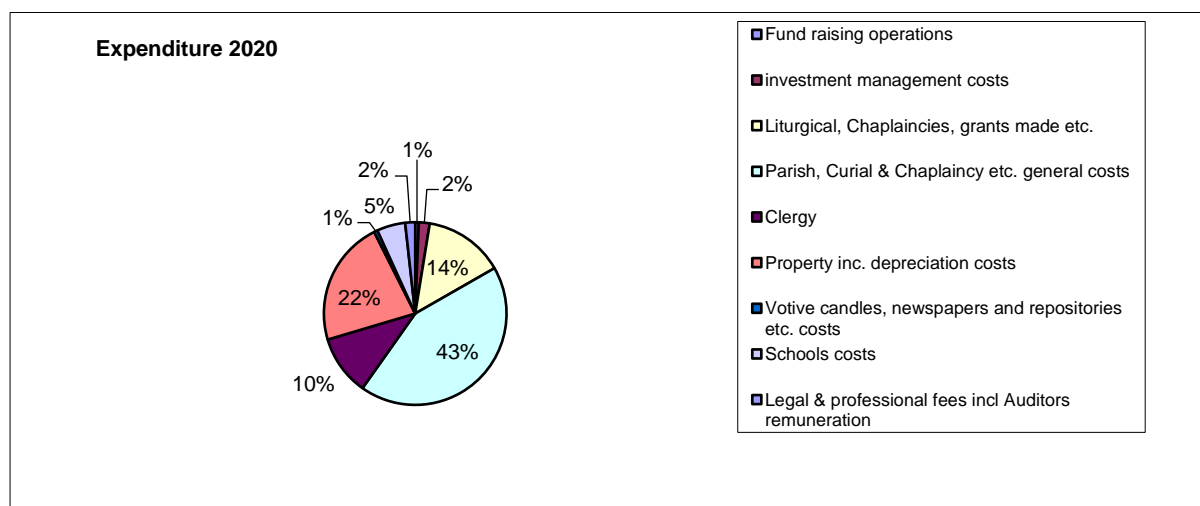
**Financial review (continued)**

Expenditure amounted to £23.85m (2019: £26.13m) analysed as follows: -

	%	2020	%	2019
	2020	£m	2019	£m
Expenditure on raising funds:				
Fundraising operations	1	0.15	1	0.29
Investment management costs	2	0.46	2	0.44
Charitable Activities:				
Liturgical, Chaplaincies, grants made etc.	14	3.38	15	3.91
Curial, Parish and Chaplaincies** etc. general and administrative costs	43	10.27	41	10.59
Clergy costs	10	2.53	12	3.15
Property (including depreciation and impairment)	22	5.29	24	6.29
Votive candles, newspapers and repositories costs	1	0.15	1	0.33
Schools costs	5	1.20	2	0.54
Legal and professional fees (including auditor's remuneration)*	2	0.42	2	0.59
		23.85		26.13

\*Legal and professional fees include costs relating to IICSA of £0.19m (2019: £0.28m).

\*\*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 £4.4m {£4.9m loss on unrestricted funds, £0.48m surplus on restricted funds and endowment funds} (2019: £3.996m loss {£4.104m loss on unrestricted funds, £0.208m surplus on restricted funds and endowment funds}), and an overall loss for the year of £1.821m after investment gains on the stock market, and investment property gains. {£2.432m loss on unrestricted funds, £0.611m surplus on restricted funds and endowment funds, and before transfers} (2019: £4.313m surplus {£3.603m surplus on unrestricted funds, £0.710m surplus on restricted funds and endowment funds, and before transfers}).

# Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2020

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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 £1.05m {£0.921m gain on unrestricted funds, £0.129m gain on restricted funds and endowments} (2019: £5.2m gains {£4.7m gain on unrestricted funds, £0.5m gain on restricted funds and endowments}) as a result of an improvement in market conditions in the second half of the year. Realised and unrealised gains on investment properties amounted to £1.5m (2019: £3.0m gain).

The net effect of the above is that, over the year, the funds of the charity decreased by £1.82m (2019: £4.31m increase) to £119.84m (2019: £121.66m).

Weekend Mass attendance figures reduced by 59% (4% in 2019). Mass offertory fell by 23.9%. (2019: decreased by 0.4%). While overall income from offertory, legacies and donations decreased by £2.9m, this movement is mainly as a result of the COVID-19 pandemic. There was a decrease in the overall value of legacies of £0.7m, to £0.7m in 2020 (2019: £1.4m). Grants increased in 2020 by £0.2m to £1.4m (2019: £1.2m). The net increase in grants was due to the Government's Coronavirus Job Retention Scheme. Other grant income reduced because of funding being withdrawn for projects that were not COVID-19 related. Awards for All for example changed their funding criteria to allow only projects that were COVID-19 related.

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 2020, due to costs relating to IICSA having mainly crystallised in 2018, but there was still some expenditure as a result of the findings of the IICSA report, and work that was done to address the recommendations. Schools' costs increased, 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 increased by £3.1m to £6.3m (2019: £0.7m decrease to £3.2m). Cash was used for legal and professional costs relating to IICSA (£0.2m) (2019: £0.3m cash, £0.3m was accrued) and repairs, purchase and improvements to functional properties. Unrestricted cash reserves in parishes decreased by £0.7m to £5.5m (2019: £1.0m decrease to £6.2m) whilst Diocesan unrestricted cash reserves increased by £0.7m to a deficit position of £15.3m (2019: £1.4m decrease to £16.0m deficit). This movement being in the main a historic legacy of spending on schools and also during 2020 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 - £24.2m (2019: £27.2m), are approximately 111% of annual unrestricted expenditure (2019: 114%).

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

# Birmingham Diocesan Trust

## Trustees' report (continued)

### For the year ended 31 December 2020

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#### Financial review (continued)

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.

#### 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 COVID-19 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.

## **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 18<sup>th</sup> October 2021 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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## Opinion

We have audited the financial statements of Birmingham Diocesan Trust (the 'charity') for the year ended 31 December 2020 which comprise Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## Other information

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

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

We have nothing to report in this regard.

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

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## **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.

## **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.

## **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the charity operates in and how the charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

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

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- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the charity's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting any correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Safeguarding, Data Protection Act 2018, and Canon Law. We performed audit procedures to inquire of management and those charged with governance whether the entity is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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.

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

Date: 21 October 2021

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 2020

Note	PAROCHIAL			DIOCESAN			TOTAL			TOTAL		
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 £000	2019 (Note 8) £000	
<b>INCOME AND ENDOWMENTS FROM:</b>												
<b>Donations, legacies and grants</b>	1	9,209	1,317	-	492	276	-	9,701	1,593	-	11,294	14,147
<b>Charitable activities</b>	2	486	-	-	1,148	2	-	1,634	2	-	1,636	1,964
<b>Other trading activities</b>	3	823	117	-	1	-	-	824	117	-	941	1,882
<b>Investment income</b>	4	2,149	7	33	422	28	24	2,571	35	57	2,663	3,185
<b>Other income</b>												
Profit on sale of tangible fixed assets		651	-	-	1,434	-	-	2,085	-	-	2,085	940
Other income	5	68	-	-	-	-	-	68	-	-	68	112
Disposal of school buildings		-	-	-	-	799	-	-	799	-	799	-
<b>Total</b>		<b>13,386</b>	<b>1,441</b>	<b>33</b>	<b>3,497</b>	<b>1,105</b>	<b>24</b>	<b>16,883</b>	<b>2,546</b>	<b>57</b>	<b>19,486</b>	<b>22,230</b>
<b>EXPENDITURE ON</b>												
<b>Raising funds</b>												
Fund raising operations		113	27	-	2	7	-	115	34	-	149	292
Investment management costs	6	426	-	-	29	-	-	455	-	-	455	441
<b>Charitable activities</b>	7	13,088	478	33	8,075	1,551	24	21,163	2,029	57	23,249	25,393
<b>Total</b>		<b>13,627</b>	<b>505</b>	<b>33</b>	<b>8,106</b>	<b>1,558</b>	<b>24</b>	<b>21,733</b>	<b>2,063</b>	<b>57</b>	<b>23,853</b>	<b>26,126</b>
<b>Net (expenditure)/income before gains on investment assets</b>		<b>(242)</b>	<b>936</b>	<b>-</b>	<b>(4,609)</b>	<b>(453)</b>	<b>-</b>	<b>(4,851)</b>	<b>483</b>	<b>-</b>	<b>(4,368)</b>	<b>(3,896)</b>
<b>Gains on investment assets</b>												
Gains, losses and revaluations on investment properties	12	1,345	-	-	152	(1)	-	1,497	(1)	-	1,496	2,963
Gains, losses and revaluations on other investments	12	669	31	44	252	43	11	921	74	55	1,050	5,246
<b>Total</b>		<b>2,014</b>	<b>31</b>	<b>44</b>	<b>404</b>	<b>42</b>	<b>11</b>	<b>2,418</b>	<b>73</b>	<b>55</b>	<b>2,546</b>	<b>8,209</b>
<b>Net income/(expenditure)</b>		<b>1,773</b>	<b>967</b>	<b>44</b>	<b>(4,205)</b>	<b>(411)</b>	<b>11</b>	<b>(2,432)</b>	<b>556</b>	<b>55</b>	<b>(1,821)</b>	<b>4,313</b>

# Birmingham Diocesan Trust

## STATEMENT OF FINANCIAL ACTIVITIES (continued) for the year ended 31 December 2020

Note	PAROCHIAL			DIOCESAN			TOTAL			TOTAL	
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 £000	2019 (Note 8) £000
Net income/(expenditure)	1,773	967	44	(4,205)	(411)	11	(2,432)	556	55	(1,821)	4,313
Transfers between funds	18	(2,113)	(269)	-	1,871	511	-	(242)	242	-	-
<b>Net movement in funds</b>	<b>(340)</b>	<b>698</b>	<b>44</b>	<b>(2,334)</b>	<b>100</b>	<b>11</b>	<b>(2,674)</b>	<b>798</b>	<b>55</b>	<b>(1,821)</b>	<b>4,313</b>
<b>Reconciliation of funds</b>											
Total funds brought forward	95,371	2,312	1,546	14,939	6,805	683	110,310	9,117	2,229	121,656	117,343
<b>Total funds carried forward</b>	<b>95,031</b>	<b>3,010</b>	<b>1,590</b>	<b>12,605</b>	<b>6,905</b>	<b>694</b>	<b>107,636</b>	<b>9,915</b>	<b>2,284</b>	<b>119,835</b>	<b>121,656</b>

All of the charity's activities are continuing.

2019 comparatives for the above are analysed in Note 8.

# Birmingham Diocesan Trust

## Statement of financial position

At 31 December 2020

charity number 234216

	Note	2020 £000	2020 £000	2019 £000	2019 £000
<b>FIXED ASSETS:</b>					
Tangible assets	11		49,749		49,630
Investments	12		66,553		67,993
<b>Total fixed assets</b>			<u>116,302</u>		<u>117,623</u>
<b>CURRENT ASSETS:</b>					
Debtors due in under one year	13	2,407		3,208	
Debtors due in more than one year	13	80		105	
Total Debtors	13	<u>2,487</u>		<u>3,313</u>	
Cash at bank and in hand	12	6,287		3,207	
<b>Total current assets</b>		<u>8,774</u>		<u>6,520</u>	
<b>CURRENT LIABILITIES:</b>					
Creditors: Amounts falling due within one year	14	(5,205)		(2,447)	
<b>NET CURRENT ASSETS</b>			<u>3,569</u>		<u>4,073</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>119,871</u>		<u>121,696</u>
Creditors: Amounts falling due after more than one year	15		(36)		(40)
<b>NET ASSETS</b>	20		<u>119,835</u>		<u>121,656</u>
<b>THE FUNDS OF THE CHARITY:</b>					
Endowment funds	17		2,284		2,229
Restricted funds	18		9,915		9,117
Unrestricted funds:					
Designated income funds	19	49,454		49,315	
General income funds	19	58,182		60,995	
			<u>107,636</u>		<u>110,310</u>
<b>TOTAL CHARITY FUNDS</b>			<u>119,835</u>		<u>121,656</u>

These financial statements were approved and authorised for issue at the trustees' meeting held on 18<sup>th</sup> October 2021 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 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
<b>Cash flows from operating activities:</b>					
<b>Net cash used in operating activities</b>	21		(4,258)		(4,546)
<b>Cash flows from investing activities</b>					
Interest received		30		89	
Interest /dividends from investment in the stock market		841		1,137	
Rental income from investment property		1,792		1,959	
Purchase of tangible fixed assets		(1,659)		(4,585)	
Proceeds of disposal of fixed assets		2,350		1,400	
Purchase of investments		(1,437)		(2,976)	
Proceeds of sale of investments		4,921		6,091	
Net movement attributable to endowment funds		55		330	
Proceeds of sale of investment properties		500		697	
<b>Net cash provided by investing activities</b>			7,393		4,142
<b>Cash flows from financing activities</b>					
Net movement attributable to endowment funds		(55)		(330)	
<b>Net cash used in financing activities</b>			(55)		(330)
<b>Net decrease in cash and cash equivalents</b>			<b>3,080</b>		<b>(734)</b>
<b>Cash and cash equivalents at the beginning of the year</b>			<b>3,207</b>		<b>3,941</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>6,287</b>		<b>3,207</b>
<b>Analysis of changes in net debt</b>					
		<b>At start of year £000</b>	<b>Cash flows £000</b>	<b>At end of year £000</b>	
Cash		3,207	3,080	<b>6,287</b>	
Loans		(40)	4	<b>(36)</b>	
<b>Total</b>		<b>3,167</b>	<b>3,084</b>	<b>6,251</b>	

# Birmingham Diocesan Trust

## Accounting policies

for the year ended 31 December 2020

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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 2021 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 (£6.3m at year end). The Diocese also has a significant investment portfolio (£33.1m 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 (continued)

### for the year ended 31 December 2020

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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 2020

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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 tates, 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 £6.5m (2019: £7.4m), income from grants was £9.7m (2019: £7.1m) and the net position of £3.3m (2019: £0.03m) is included as a creditor for 2020. 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 (continued)

### for the year ended 31 December 2020

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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 (continued)  
 for the year ended 31 December 2020

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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 2020 the building insurance valuation via the Diocesan insurers for the voluntary aided schools and academies in the charity's ownership was £191m (2019: £698m). 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, there were a significant number of schools including academies that insured with other insurers/RPA in 2020 compared to 2019, hence the significant fall in insured value.

*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 (continued)

### for the year ended 31 December 2020

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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 2020. All investment properties are professionally valued on a rolling 5-year programme. During 2020, 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. The value of each property has been prepared having regard to RICS Valuation – Global Standards (Red Book) effective from 31 January 2020 where market value is defined as: *"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion"*.

### *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 (continued)

#### for the year ended 31 December 2020

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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 2020

<b>1 DONATIONS, LEGACIES AND GRANTS</b>								
	<b>Unrestricted funds £000</b>	<b>Parochial Restricted funds £000</b>	<b>Endowment funds £000</b>	<b>Unrestricted funds £000</b>	<b>Diocesan Restricted funds £000</b>	<b>Endowment funds £000</b>	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
Offertories, collections and Donations*	6,807	979	-	100	195	-	8,081	10,149
Tax reclaimed on offertories and donations	1,024	14	-	62	10	-	1,110	1,381
Legacies	655	16	-	16	28	-	715	1,395
Grants receivable**	723	308	-	314	43	-	1,388	1,222
	<u>9,209</u>	<u>1,317</u>	<u>-</u>	<u>492</u>	<u>276</u>	<u>-</u>	<u>11,294</u>	<u>14,147</u>

\* Included in 2019 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 £1,264k (2019: £804k). In 2020, this also includes the Coronavirus Job Retention Scheme, amounting to £656k. This excludes Schools funding (refer to note 7).

## **DONATIONS, LEGACIES AND GRANTS – 2019 COMPARATIVES**

	<b>Unrestricted funds £000</b>	<b>Parochial Restricted funds £000</b>	<b>Endowment funds £000</b>	<b>Unrestricted funds £000</b>	<b>Diocesan Restricted funds £000</b>	<b>Endowment funds £000</b>	<b>Total 2019 £000</b>
Offertories, collections and Donations*	8,970	459	-	195	462	63	10,149
Tax reclaimed on offertories and donations	1,298	3	-	70	10	-	1,381
Legacies	970	38	-	86	301	-	1,395
Grants receivable**	212	950	-	60	-	-	1,222
	<u>11,450</u>	<u>1,450</u>	<u>-</u>	<u>411</u>	<u>773</u>	<u>63</u>	<u>14,147</u>

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2020

2	CHARITABLE ACTIVITIES							
	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Endowment funds £000	Total 2020 £000	Total 2019 £000
Votive candles, newspapers and repositories	251	-	-	1	-	-	252	737
Chaplaincy income	105	-	-	-	-	-	105	129
Fees and other charges	-	-	-	1,139	2	-	1,141	886
Other income	130	-	-	8	-	-	138	212
	<u>486</u>	<u>-</u>	<u>-</u>	<u>1,148</u>	<u>2</u>	<u>-</u>	<u>1,636</u>	<u>1,964</u>

### CHARITABLE ACTIVITIES – 2019 COMPARATIVES

	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Total 2019 £000
	Votive Candles, newspapers and repositories	729	-	-	8	-
Chaplaincy Income	129	-	-	-	-	129
Fees and other charges	-	-	-	885	1	886
Other income	106	-	-	106	-	212
	<u>964</u>	<u>-</u>	<u>-</u>	<u>999</u>	<u>1</u>	<u>1,964</u>



## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2020

3 OTHER TRADING ACTIVITIES								
	Parochial			Diocesan			Total 2020 £000	Total 2019 £000
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000		
Social income	823	117	-	1	-	-	941	1,882
	<u>823</u>	<u>117</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>941</u>	<u>1,882</u>

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 – 2019 COMPARATIVES

	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Total 2019 £000
	Social income	1,778	82	-	22	-
	<u>1,778</u>	<u>82</u>	<u>-</u>	<u>22</u>	<u>-</u>	<u>1,882</u>

4 INVESTMENT INCOME								
	Parochial			Diocesan			Total 2020 £000	Total 2019 £000
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000		
Income from UK investments	505	7	33	248	24	24	841	1,137
Rental income	1,624	-	-	165	3	-	1,792	1,959
Interest receivable	20	-	-	9	1	-	30	89
	<u>2,149</u>	<u>7</u>	<u>33</u>	<u>422</u>	<u>28</u>	<u>24</u>	<u>2,663</u>	<u>3,185</u>

### INVESTMENT INCOME – 2019 COMPARATIVES

	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Endowment funds £000	Total 2019 £000
	Income from UK investments	627	3	42	402	47	16
Rental income	1,798	-	-	159	2	-	1,959
Interest receivable	69	-	-	7	13	-	89
	<u>2,494</u>	<u>3</u>	<u>42</u>	<u>568</u>	<u>62</u>	<u>16</u>	<u>3,185</u>

# Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2020

	Parochial			Diocesan			Total 2020 £000	Total 2019 £000
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000		
Insurance claims	68	-	-	-	-	-	68	112

## OTHER INCOME – 2019 COMPARATIVES

	Parochial			Diocesan		Total 2019 £000
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	
Insurance claims	111	-	-	1	-	112

	Parochial			Diocesan			Total 2020 £000	Total 2019 £000
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000		
Costs of management of investment properties and other investments	426	-	-	29	-	-	455	441

## INVESTMENT MANAGEMENT COSTS – 2019 COMPARATIVES

	Parochial			Diocesan		Total 2019 £000
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	
Costs of management of investment properties and other investments	432	-	-	9	-	441

# Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2020

7

## CHARITABLE ACTIVITIES

	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Endowment funds £000	Total 2020 £000	Total 2019 £000
Liturgical and pastoral costs	759	18	5	429	6	-	1,217	2,052
Curial, Parish and Chaplaincy etc. general support costs *	6,609	65	-	3,474	-	24	10,172	10,441
Clergy costs	1,105	-	-	1,078	340	-	2,523	3,147
Property refurbishment, maintenance and major repairs	3,137	380	28	442	27	-	4,014	5,022
Depreciation	1,029	-	-	242	4	-	1,275	1,264
Bank charges	51	-	-	55	1	-	107	154
Votive candles, newspapers and repositories etc. costs	151	-	-	-	-	-	151	326
Chaplaincy expenditure	-	-	-	1,061	177	-	1,238	1,050
Schools costs (including impairment losses)**	6	-	-	227	971	-	1,204	537
Grant funding	237	15	-	652	25	-	929	807
External audit fees	-	-	-	58	-	-	58	58
IICSA Costs ***	-	-	-	193	-	-	193	277
Other professional fees	4	-	-	164	-	-	168	258
<b>Total Charitable Activities</b>	<b>13,088</b>	<b>478</b>	<b>33</b>	<b>8,075</b>	<b>1,551</b>	<b>24</b>	<b>23,249</b>	<b>25,393</b>

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

\*\* Included in Schools costs is £676k (2019: £119k) which represents the net costs on activities where the Trust is acting as principal, and payments made under a PFI agreement (see page 59). The net position relates to income of £2,280k and £2,956k expenditure (2019: £2,943k income and expenditure of £3,062k). 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), and ongoing legal and settlement costs resulting from the findings of the inquiry.

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 2020

### CHARITABLE ACTIVITIES – 2019 COMPARATIVES

	<i>Parochial</i>			<i>Diocesan</i>			<i>Total 2019 £000</i>
	<i>Unrestricted funds £000</i>	<i>Restricted funds £000</i>	<i>Endowment funds £000</i>	<i>Unrestricted funds £000</i>	<i>Restricted funds £000</i>	<i>Endowment funds £000</i>	
<i>Liturgical and pastoral costs</i>	1,593	25	6	420	8	-	2,052
<i>Curial, Parish and Chaplaincy etc. general support costs *</i>	6,893	58	-	3,470	4	16	10,441
<i>Clergy costs</i>	1,410	-	-	1,369	368	-	3,147
<i>Property refurbishment, maintenance and major repairs</i>	3,168	1,358	36	452	8	-	5,022
<i>Depreciation</i>	1,012	-	-	249	3	-	1,264
<i>Impairment of land</i>	-	-	-	-	-	-	-
<i>Bank charges</i>	76	-	-	78	-	-	154
<i>Votive candles, newspapers and repositories etc. costs</i>	326	-	-	-	-	-	326
<i>Chaplaincy Expenditure</i>	-	-	-	880	170	-	1,050
<i>Schools costs (including impairment losses)**</i>	9	-	-	390	138	-	537
<i>Grant Funding</i>	122	35	-	646	4	-	807
<i>External audit fees</i>	-	-	-	58	-	-	58
<i>IICSA Costs ****</i>	-	-	-	277	-	-	277
<i>Other professional fees</i>	-	-	-	258	-	-	258
<b><i>Total Charitable Activities</i></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>

# Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2020

## 8 COMPARATIVES (BY FUND) FOR 2019 STATEMENT OF FINANCIAL ACTIVITIES

Note	PAROCHIAL			DIOCESAN			TOTAL			TOTAL 2019 £000	
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000		
<b>INCOME AND ENDOWMENTS FROM:</b>											
<i>Donations, legacies and grants</i>	1	11,450	1,450	-	411	773	63	11,861	2,223	63	14,147
<i>Charitable activities</i>	2	964	-	-	999	1	-	1,963	1	-	1,964
<i>Other trading activities</i>	3	1,778	82	-	22	-	-	1,800	82	-	1,882
<i>Investment income</i>	4	2,494	3	42	568	62	16	3,062	65	58	3,185
<i>Other income</i>											
<i>Profit on sale of tangible fixed assets</i>		764	-	-	176	-	-	940	-	-	940
<i>Other income</i>	5	111	-	-	1	-	-	112	-	-	112
<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>EXPENDITURE ON:</b>											
<b>Raising funds</b>											
<i>Fund raising operations</i>		234	13	-	11	34	-	245	47	-	292
<i>Investment management costs</i>	6	432	-	-	9	-	-	441	-	-	441
<i>Charitable activities</i>	7	14,609	1,476	42	8,547	703	16	23,156	2,179	58	25,393
<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>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>Gains on investment assets</b>											
<i>Gains, losses and revaluations on investment properties</i>	12	2,506	-	-	457	-	-	2,963	-	-	2,963
<i>Gains, losses and revaluations on other investments</i>	12	2,926	20	188	1,818	215	79	4,744	235	267	5,246
<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>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>

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2020

### 8 COMPARATIVES (BY FUND) FOR 2019 STATEMENT OF FINANCIAL ACTIVITIES (continued)

Note	PAROCHIAL			DIOCESAN			TOTAL			TOTAL
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2019 £000
Net income/(expenditure)	7,718	66	188	(4,115)	314	142	3,603	380	330	4,313
Transfers between funds	18	(2,296)	-	-	2,487	(191)	-	191	(191)	-
Net movement in funds	5,422	66	188	(1,628)	123	142	3,794	189	330	4,313
<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
Total funds carried forward	<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>

# Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2020

<b>9</b>	<b>NET INCOME</b>	<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
	Net income for the year is stated after charging:		
	Depreciation of tangible fixed assets	1,275	1,264
	Operating lease expenditure	28	28
	PFI facilities management fees	143	131
	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>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
	Staff costs comprise the following:		
	Salaries and wages	4,803	4,378
	Social security costs	354	295
	Pension costs	506	348
	Death in service premium	24	28
		<u>          </u>	<u>          </u>
		<u>5,687</u>	<u>5,049</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:

	2020	2019
	Number	Number
£60,000 - £70,000	5	2
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
	<u>          </u>	<u>          </u>

The charity contributed £50,442 (2019: £26,334) 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 in 2018, whereby a salary sacrifice scheme was implemented, pension contributions stated above include the employee pension contributions paid on behalf of these staff as employer's contributions. 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	
	2020	2019	2020	2019	2020	2019
Parishes	13	9	214	222	83	82
Other Diocesan services	33	35	23	47	44	47
Central/Curial Services	32	32	13	25	36	40
	<u>78</u>	<u>76</u>	<u>250</u>	<u>294</u>	<u>163</u>	<u>169</u>

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2020

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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.

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 £34,166 (2019: £51,535) 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. 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 2020 was £86,920 (2019: £86,920)

During the year charity funds were used to pay a premium of £4,400 (2019: £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 0.63 million hours (2019: 0.92 million) were provided by some 4,400 (2019: 10,600) volunteers. If this is valued at £11.00 per hour, the volunteer contribution amounts to some £7.3m (2019: £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 2020

### 11 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

#### Functional property

	Church / presbytery £000	Improve- ments and contents £000	Freehold land £000	Other £000	Total £000
<b>Cost</b>					
At 1 January 2020	42,168	36,074	2,256	864	81,362
Additions	902	679	-	78	1,659
Transfers from Investment Properties (Note 12)	-	-	-	-	-
Disposals	(355)	(52)	-	(124)	(531)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	42,715	36,701	2,256	818	82,490
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation &amp; impairment</b>					
At 1 January 2020	11,857	16,878	2,256	741	31,732
Charge for the year	423	758	-	94	1,275
Impairment	-	-	-	-	-
Eliminated on disposals	(96)	(45)	-	(125)	(266)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	12,184	17,591	2,256	710	32,741
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 December 2020	30,531	19,110	-	107	49,749
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	30,311	19,196	-	123	49,630
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of functional property includes £1,017k long leasehold properties (2019: £1,083k).

The total insured value of the functional buildings and contents is £699m (2019: £608m). 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 34.

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2020

<b>12 INVESTMENTS HELD AS FIXED ASSETS</b>	<b>2020 £000</b>	<b>2019 £000</b>
<b>Investments comprise the following:</b>		
Investment properties	33,449	32,454
Other investments	33,104	35,539
	<hr/>	<hr/>
	66,553	67,993
	<hr/> <hr/>	<hr/> <hr/>
	<b>2020 £000</b>	<b>2019 £000</b>
<b>Investment properties at valuation</b>		
Fair value at 1 January 2020	32,454	30,277
Transfers to functional property (Note 11)	-	(90)
Disposals	(500)	(696)
Gains and losses on revaluations and disposals	1,496	2,963
	<hr/>	<hr/>
<b>Fair value at 31 December 2020</b>	<b>33,450</b>	<b>32,454</b>
	<hr/> <hr/>	<hr/> <hr/>

The investment properties are included based on a 5 year rolling programme of internal valuations completed by professionally qualified (MRICS) staff – see page 35.

	<b>2020 £000</b>	<b>2019 £000</b>
<b>Other investments comprise the following:</b>		
Equities	30,032	33,158
Fixed interest securities	3,073	2,381
	<hr/>	<hr/>
Investments listed on a stock exchange	33,105	35,539
	<hr/> <hr/>	<hr/> <hr/>

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2020

### 12 INVESTMENTS HELD AS FIXED ASSETS (continued)

#### Stock exchange investments at fair value

	<b>Diocesan</b>	<b>Parishes</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>	<b>Total</b>	<b>Total</b>
			<b>£000</b>	<b>£000</b>
Fair value at 1 January 2020	11,554	23,985	35,539	33,408
Additions	467	970	1,437	2,976
Disposal proceeds	(1,735)	(3,186)	(4,921)	(6,091)
Realised and unrealised investment gains	306	744	1,050	5,246
Fair value at 31 December 2020	<u>10,592</u>	<u>22,513</u>	<u>33,105</u>	<u>35,539</u>

The historic cost of investments held at 31 December 2020 was £22m (2019: £25m). There were no investment holdings which represented more than 5% by value of the portfolio excluding cash.

#### Stock exchange investments by location

	<b>Fair value</b>	<b>Cost</b>	<b>Fair value</b>	<b>Cost</b>
	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
UK listed investments	19.2	13.5	22.0	15.5
Overseas listed investments	13.9	8.9	13.5	9.8
	<u>33.1</u>	<u>22.0</u>	<u>35.5</u>	<u>25.3</u>

#### 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 2020. 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 2020 of £30,000 (£15,000 each Diocese) (2019: £20,000, £10,000 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 2020

13	<b>DEBTORS</b>	<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
	<b>Debtors: amounts due in under one year</b>		
	Amounts due in respect of school building projects	539	808
	Accrued investment income	34	74
	Accrued Gift Aid Tax reclaimable	1,065	1,253
	Other debtors including trade debtors, major bequests and property sales	629	934
	Unsecured concessionary loans to priests etc.	13	16
	Unsecured concessionary loan to other religious charities and bodies	74	68
	Unsecured concessionary loan to Jointly Controlled Entity	31	44
	Secured concessionary loan to priests etc.	22	11
	Total	<u>2,407</u>	<u>3,208</u>
	<b>Debtors: amounts due in more than one year</b>		
	Unsecured concessionary loans to priests etc.	-	1
	Secured concessionary loans to priests etc.	80	104
	Total	<u>80</u>	<u>105</u>
	<b>TOTAL DEBTORS</b>	<b><u>2,487</u></b>	<b><u>3,313</u></b>
14	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
	*Amounts due in respect of school building projects	341	294
	Due to other religious charities	475	593
	**Other creditors	3,856	805
	Accruals	533	755
	Total	<u>5,205</u>	<u>2,447</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 2020 this was £3,256k (2019: £29k). This relates to grants received in advance of projects starting, mainly due to delays with COVID-19. The distinction between certain school building project transactions is explained on page 32.

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2020

<b>15</b>	<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
	Concessionary loans	36	40
		<u>          </u>	<u>          </u>

### 16 FINANCIAL ASSETS AND LIABILITIES

Financial assets held at fair value are included in Note 12. Note 13 includes financial instruments of £702k (2019: £970k) held at amortised cost and concessionary loans of £220k (2019: £244k) held at cost plus accrued interest, less impairment where applicable. Notes 14 and 15 include financial instruments held at amortised cost of £4,716k (2019: £1,732k).

### 17 ENDOWMENT FUNDS

	Balance at 1 January 2020	Income	Expenditure	Transfers	Gains/ (losses) on investments	Balance at 31 December 2020
	£000	£000	£000	£000	£000	£000
Diocesan funds:						
Various	617	21	(21)	-	22	639
Diocesan funds						
Maryvale	66	3	(3)	-	(11)	55
Various small trust funds:						
- registered charities	209	5	(5)	-	6	215
- other	1,337	29	(29)	-	38	1,375
	<u>2,229</u>	<u>58</u>	<u>(58)</u>	<u>-</u>	<u>55</u>	<u>2,284</u>

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 16). 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 2020

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### 17 ENDOWMENT FUNDS (continued)

The 2019 analysis of endowment funds follows:

#### *ENDOWMENT FUNDS – 2019 COMPARATIVES*

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

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2020

### 18 RESTRICTED FUNDS

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

	Balance at 1 January 2020	Income	Expenditure	Transfers	(Losses)/Gains on investments (stock market and property)	Balance at 31 December 2020
	£000	£000	£000	£000	£000	£000
<b>Restricted funds</b>						
Poor Mission Fund	403	107	(88)	32	(1)	453
Memorial Mass Fund	436	8	(16)	-	8	436
Religious Workers Accommodation Fund	67	-	(4)	-	-	63
Specific bequests						
- University Chaplaincy	705	15	(8)	(8)	21	725
Other funds	400	15	(25)	(32)	6	364
Canons Chapter Fund	315	6	(13)		8	316
Clergy Training Fund	2	144	(400)	519	-	265
Maryvale	254	11	(33)	-	-	232
Diocesan Education Service – schools projects*	4,215	799	(971)	-	-	4,043
Other Chaplaincies	7	-	-	-	-	7
Parish building and other projects	2,313	1,441	(505)	(269)	31	3,011
	<u>9,117</u>	<u>2,546</u>	<u>(2,063)</u>	<u>242</u>	<u>73</u>	<u>9,915</u>

# Birmingham Diocesan Trust

## Notes to the financial statements (continued)

### for the year ended 31 December 2020

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#### **18 RESTRICTED FUNDS (continued)**

\* Schools projects. As set out on page 34 the income and expenditure in relation to activities where the Trust acts as principal are shown net on page 51 and 52. The net movement of (£172k) (2019: (£129k)) above, comprises income of £799k (2019: £11k) which relates to the sale of school buildings; and expenditure of £971k (2019: £140k).

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 £242k (2019: £191k), principally represent amounts paid 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 2020

The 2019 analysis of restricted funds follows:

### **RESTRICTED FUNDS – 2019 COMPARATIVES**

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

	<i>Balance at 1 January 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>(Losses)/Gains on investments (stock market and property)</i>	<i>Balance at 31 December 2019</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>	518	54	-	(187)	18	403
<i>Memorial Mass Fund</i>	412	8	(19)	-	35	436
<i>Religious Workers Accommodation Fund</i>	71	-	(4)	-	-	67
<i>Specific bequests</i>						
<i>- University Chaplaincy</i>	622	18	(15)	(4)	84	705
<i>Other funds</i>	357	10	(10)	-	43	400
<i>Canons Chapter Fund</i>	278	8	(5)	-	34	315
<i>Clergy Training Fund</i>	73	472	543	-	-	2
<i>Maryvale</i>	-	254	-	-	-	254
<i>Diocesan Education Service – schools projects*</i>	4,344	11	(140)	-	-	4,215
<i>Other Chaplaincies</i>	7	-	-	-	-	7
<i>Parish building and other projects</i>	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 2020

<b>19 UNRESTRICTED FUNDS</b>	<b>General £000</b>	<b>Designated £000</b>	<b>Total £000</b>
At 1 January 2020	60,995	49,315	110,310
Net income	(2,432)	-	(2,432)
Transfers from restricted funds (Note 18)	(242)	-	(242)
Transfer to designated funds	(139)	139	-
	<hr/>	<hr/>	<hr/>
At 31 December 2020	58,182	49,454	107,636
	<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 2019 analysis of unrestricted funds follows:

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

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2020

### 20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<b>Unrestricted (general) £000</b>	<b>Unrestricted (designated) £000</b>	<b>Restricted £000</b>	<b>Endowment £000</b>	<b>2020 Total £000</b>
Tangible fixed assets	107	49,454	188	-	49,749
Investments	61,752	-	2,517	2,284	66,553
Other net assets/ liabilities	(3,677)	-	7,210	-	3,533
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	58,182	49,454	9,915	2,284	119,835
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

"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 – 2019 COMPARATIVES

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

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2020

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Net income/(expenditure) for the reporting period	(1,821)	4,313
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	1,275	1,264
Fair value (gains) on investment properties	(1,496)	(2,963)
Fair value (gains)/losses on investments on the stock exchange	(1050)	(5,246)
(Gain) on disposal of tangible assets	(2,085)	(940)
Dividends, interest and rents from investments	(2,663)	(3,185)
	<u>(7,840)</u>	<u>(6,757)</u>
<b>Movements in working capital:</b>		
(Increase)/decrease in debtors	826	1,950
(Decrease)/increase in creditors	2,756	261
	<u>(4,258)</u>	<u>(4,546)</u>

### 22 CAPITAL COMMITMENTS

At 31 December 2020, the charity was committed to future capital expenditure of approximately £1.9m (2019: £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>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Less than one year	29	28
More than one year, but less than five years	-	29
Total due	<u>29</u>	<u>57</u>

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2020

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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 £135k (2019: £132k) within one year, £566k (2019: £556k) between one and five years, and £301k (2019: £447k) 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 £49,000 (2019: £45,000) of rent and other costs and £166,000 (2019: £171,000) of students' fees was paid to St Mary's College, Oscott. There was a £nil balance (2019: £nil) owing to St Mary's College, Oscott at the year-end in respect of miscellaneous costs or student fees. There was also £58,000 paid by Oscott in relation to recharges relating to priests' stipends and expenses (2019: £75,000). A further £14,000 was paid for the secondment of Oscott's archivist (2019: £14,000) and a further £nil for events and miscellaneous costs (2019: £2,000). 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, £20,000 (2019: £51,000) 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 £40,000 (2019: £88,000). In addition to these, grants were also made to Father Hudson's totalling £37,000 (2019: £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 £nil (2019: £2,400), and care costs of £6,550 (2019: £nil). Whilst not a Trustee of Father Hudson's, Most Rev. B Longley is President of the charity.

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

Grants totalling £405,700 were made to Kenelm Youth Trust in 2020 (2019: £292,000). Receipts for rent and utility costs of £nil were received by the Diocesan Education Service in 2020 (2019: £15,000). 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 2020 (2019: £nil). Right Rev. W Kenney and Ms H Bardy are trustees in common.

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

During the year, in addition to the loan disclosed in notes 12 and 13, £52,400 was paid to Parish Accounting Services Limited (2019: £51,660) in respect of software licencing fees of parish accounting software, and £70 in respect of re-charged expenses (2019: £5,570). In addition, the Diocese received £10,000 from the company (2019: £7,500) 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 (2019: £20,000). An additional £5,000 relating to 2021 was received in 2020, which was deferred to 2021 in the financial statements. There were no balances outstanding at the year-end. Rev. Mr. D Palmer, and Mr C. Loughran are trustees in common.

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2020

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### 24 RELATED PARTY TRANSACTIONS (continued)

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

A grant was made to the charity in 2020 of £19,770 (2019: £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 £15,000 (2019: £2,410). 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.