



THE ARCHDIOCESE *of* BIRMINGHAM

**Birmingham Diocesan Trust**  
**Annual report and financial statements**  
for the year ended 31 December 2022

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 6EU

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) \*(7) #  
Rt. Rev. S Wright LLB, STL (Auxiliary Bishop) \*(1) (2) (5) (6) (7) # Resigned 14 June 2023  
Rt. Rev. D Evans (Auxiliary Bishop) \*(1) (2) (8) #  
Rev. R Walker (Vicar General) (1) (2) (3) (6) #  
Rev. J Veasey STL\*(Director of the Diocesan Education Service) (3) (4) (8) #  
Mr. C Loughran DL FBCS CIP \* (1) (2) (4) (5) (7)  
Prof. D Kelly CBE DL \*(6) (7)  
Ms. J Francis \*(3)  
Ms. S Pain BA ACMA \* (1) (5) (8)  
Mr. P Vince MRICS \*(2) (4)  
Mr. P Vella \* (3) (5)  
Mr. T Piotrowski \* (2) Appointed 28 January 2022

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

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

\*(3) Member of the Workforce & Remuneration Sub-Committee

\*(4) Member of Education Sub-Committee

\*(5) Member of Investment Sub-Committee

\*(6) Member of the Safeguarding Sub-Committee

\*(7) Member of the Safeguarding Response Group

\*(8) 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.

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  
10th Floor  
103 Colmore Row  
Birmingham  
B3 3AG

**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**

Evelyn Partners  
103 Colmore Row  
Birmingham  
B3 3AG

**PROPERTY CONSULTANTS**

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

**SOLICITORS**

Charles Russell Speechlys  
Compass House  
Lypiatt Rd  
Cheltenham  
GL50 2QJ

Breakwells Solicitors  
Allium House  
36 Water Street  
Birmingham  
B3 1HP

DWF Solicitors  
1 Snow Hill  
Snow Hill  
B4 6GA

# Birmingham Diocesan Trust

Trustees' report

For the year ended 31 December 2022

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## Introduction

Archbishop Bernard Longley – Chair of Trustees

I am pleased to present the financial statement for the Archdiocese of Birmingham for the year ended 31 December 2022.

Our work on the Synod, called by Pope Francis, and the Diocesan Vision: *Unfolding God's Plan* continued throughout 2022.

If you recall our Vision is:

*We are called to be a Catholic diocese which is:*

- *faithful to the mission entrusted to us by Jesus Christ*
- *full of missionary disciples who work together co-responsibly in vibrant communities of faith,*
- *joyful in their service of God and neighbour.*



In 2021 and 2022 we used the Synodal process of *Walking Together* to hear your thoughts on the themes we considered as part of the Vision, what you think we should all be doing to help make our parishes better, and what you feel our focus should be, as part of the wider Catholic Church.

We were overwhelmed with the responses and engagement from you. Over 90% of our parishes replied, as well as over 100 individual school responses, 29 groups and 271 individuals. This all fed into the Diocesan Synthesis which was produced and submitted to the Catholic Bishops' Conference of England and Wales in April 2022.

Various documents from around the world have since been produced as part of the continuing Synod journey, with the first General Assembly taking place in Rome in October 2023.

From 2022 and into 2023 we worked with our Deaneries to review their practices and to identify how we can develop more vibrant communities of faith. A Deanery is a group of parishes which can cover a wide area. It enables the sharing of resources amongst parishes in those areas and a strengthening of fraternal support among the priests and people in those areas.

Our spiritual journey throughout 2022 continued to gather 'in person' momentum post-Covid.

We saw the return of most activities in our parish communities and increased attendance at the Harvington Pilgrimage along with our reinstated pilgrimages to Walsingham, Hednesford and also to Lourdes in May 2022. Although there was a smaller group of people in attendance, it was wonderful to return in person to be in communion with Our Lady of Lourdes.

The spiritual nourishment of being present in Lourdes cannot be underestimated and I invite all to consider joining us on future pilgrimages - not only to Lourdes but the diocesan pilgrimages to Walsingham, Hednesford and Harvington too.

One of the most significant events of 2022 was the participation of the Archdiocese in the national tour of the Relics of St Bernadette in September and October. This was a great blessing to us. Several thousand visitors came to venerate the relics and experience the special gifts and charisms of Lourdes at St Chad's Cathedral, Our Lady of Lourdes in Hednesford and the Immaculate Conception in Bicester.

We also thanked God for the ordinations to our Diocesan family of two men to the priesthood (Steven Fleming and Toby Duckworth) and two to the permanent diaconate (Andrew Lansberry and Martin Casey).

For the first time since 2019 we were able to celebrate these occasions in full at St Chad's Cathedral.

## Birmingham Diocesan Trust

### Trustees' report (continued)

#### For the year ended 31 December 2022

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Other highlights of 2022 included the Dedication of the Altar at St Chad's Cathedral in June on the Solemnity of the Dedication of the Cathedral.

2022 also marked 1,350 years since the death of Lichfield Cathedral's co-patron saint and the first bishop of Lichfield, St Chad. On 8 November 2022 a truly historic moment saw the Cathedral reinstate a shrine of St Chad in the location of the original medieval shrine. A relic of St Chad was translated from St Chad's Roman Catholic Cathedral in Birmingham to Lichfield Cathedral as a mark of unity within the Christian Church.

On the national and international stage 2022 we witnessed the Invasion of Ukraine, the Commonwealth Games in Birmingham, the Queen's Platinum Jubilee followed by her passing a few months later, and the death of Pope Emeritus Benedict XVI on 31 Dec 2022. Requiescant in Pace.

This report provides an opportunity to reflect on the resources we have to progress our Mission and Vision for the Archdiocese over the coming years. I hope you find it informative and useful.

Thank you for your continued prayers and support.

With every blessing

Archbishop Bernard

# Birmingham Diocesan Trust

## Trustees' report

For the year ended 31 December 2022

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### Eric Kirwan – Chief Operating Officer

Following on from Archbishop Bernard's introduction, 2022 was very much focused on bringing together learnings and feedback from the synodal pathway and the main themes of the Diocesan Vision.

The new deanery structure introduced in 2021 was finalised, creating 11 larger deaneries from the previous 18. Recent deanery meetings and Visitations, where they have taken place, have been focused on considering how parishes might work together in the future to fulfil the Archbishop's vision. A clear trend is emerging of parishes forming groups or clusters, co-ordinating Mass times, sharing resources with clergy and laity working in collaboration.

Mass attendance recovered from the low points of covid and whilst it is still below pre-covid levels, this is a very welcome step forward. We are most grateful for parishioners' generosity as offertory income increased by 9.4% and also moved closer to pre-pandemic levels.

The financial impact of covid, the war in Ukraine, energy costs and inflation have contributed to a very challenging economic environment for all. Energy costs alone increased by £850k (71%) in 2022. Despite this increase, parishes and the curia have worked hard to reduce costs wherever possible enabling us to report an improved operating result compared to 2021. However, expenditure remains higher than income at the curia and moving to a balanced budget remains a priority. Investment returns were significantly impacted by the global economy and fell during the year leading to an overall loss for the Trust as a whole.

Parishes and schools have made every effort to support foodbanks, warm hubs, those arriving from Ukraine and other countries as well as supporting many charitable causes. The Archdiocese has continued to provide support to Fatima and Tabor House in collaboration with Father Hudson's Care as well as a number of other charities, whilst acknowledging that charitable grants in general have had to be reduced as our income has fallen.

We have continued to make progress with the academisation of schools to ensure all schools are in a family of schools aligned to the Vision and that no schools, particularly vulnerable and small rural primary schools, are left behind or isolated. Finally, I would like to express my gratitude to clergy, staff and our amazing volunteers for all they do for the Archdiocese in support of our Vision and Mission.

Eric Kirwan

# Birmingham Diocesan Trust

## Trustees' report

For the year ended 31 December 2022

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The trustees present their annual report and the audited financial statements for the year ended 31 December 2022. 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

For the year ended 31 December 2022

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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:

- 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 health 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.
- 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.

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 mission and is encouraging increased co-responsibility between clergy and lay volunteers. It is estimated that during the year, approximately 643,000 hours (2021: 607,500) were provided by some 7,700 volunteers (2021: 4,500) in our parishes and chaplaincies. If this is valued at £11.00 per hour, the volunteer contribution amounts to some £7.07m (2021: £6.68m) which is not included in the financial statements. In addition to the above, in our schools and multi academy companies we have 1,750 volunteer governors or directors, which equates to approximately 102,380 hours (2021: 1,700 volunteer governors or directors, equating to 99,450 hours).

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 2022

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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; a role undertaken by the Chief Operating Officer, and existing trustees 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. Sub Committees include the following:

- Safeguarding
- Finance
- Property
- Education
- Investment
- Workforce & Remuneration
- Maryvale Institute

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 centralised services of the Archdiocese is known collectively as the "Curia".). 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, and the Historic Churches Committee office, which is responsible for the supervision of works carried out to our buildings of historic importance.

The Council of Priests 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 deanery 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.

# Birmingham Diocesan Trust

## Trustees' report (continued)

For the year ended 31 December 2022

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### Trustees (continued)

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. 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 Government Agencies including Department of Education, Education Skills and Funding Agency & Ofsted to provide consistency and equality of Catholic education. The office is situated in Coleshill.

### 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 24 to 27. While there has been some depletion of cash reserves in 2022, 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. Income for the whole charity from offertory, collections and donations has increased since 2021 by £242k or 2.7%, yet the trustees are mindful of the impact on its income that may arise from the cost of living challenges faced by many of our parishioners, and the declining trend in mass attendance, along with the associated cost of maintaining the considerable number of ageing buildings. The trust has therefore 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.

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 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, restructuring deaneries and creating clusters of parishes where appropriate, and in encouraging collaboration where it is in the best interest of the community the parish serves. With regards to safeguarding, the team now comprises professional social workers, and policies and procedures are in keeping with recent changes in legislation and national standards as prescribed by the Catholic Safeguarding Standards Agency (CSSA).

# Birmingham Diocesan Trust

## Trustees' report (continued)

### For the year ended 31 December 2022

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#### Our Diocesan Vision

In 2022 and 2023 we have used the synodal process and visitations by Bishops to listen carefully to parishioners and other groups about how to achieve our vision at a local level. The new deaneries formed have been focused on discussing how to organise themselves in the future to fulfil the Vision and manage the expected fall in numbers of priests. As a result some parishes are, and others moving towards, working collaboratively in small groups or clusters. Laity are called to work co-responsibly with parish priests in supporting and making these changes possible.

#### Parishes

As well as being the focal point for the celebration of the liturgy and the provision of spiritual and pastoral care our parishes also provide much other unseen and unheralded charitable work to enrich the local communities which they serve. Throughout covid and latterly in response to the economic climate they have continued to provide financial and practical support to many via foodbanks and other facilities. Weekly average Mass attendance was approximately 37,000 (2021: 30,065 [re-stated]\*), including both adults and children. During the year there were 4,435 baptisms and receptions (2021: 2,067) 578 marriages (2021: 204) and 3,029 funerals (2021: 3,641).

Mass count in 2022 compared to 2021 increased by 23%\* indicating a partial recovery of the physical return to mass after Covid. Parish offertories and other collections (excluding tax reclaims) increased to £7.0m (2021: £6.4m). The average offertory giving amount per head (including children) fell by £0.46p to £3.64 per week (2021: £4.09\*). In addition, parishes raised more than £0.94m (2021: £0.55m) on behalf of other religious and charitable organisations.

*\* Mass count numbers are re-stated due to a clerical error in the mass attendance numbers quoted in the 2021 accounts. All other statistics were correct, and figures based on mass attendance 2021, use the re-stated figure of 30,065*

#### Performance review

##### Diocesan Curia

The day to day legal and financial affairs of the Archdiocese are administered by the curia, with the Chief Operating Officer (Finance Officer in Canon Law) overseeing the work of Safeguarding, Finance, Property, Human Resources, Education Services, Communications, Fundraising, Legal and Planning functions.

The curia's role is to provide services, guidance and professional advice to support the Archdiocese and specifically parishes, schools and communities in fulfilling the Archbishop's Vision and in meeting the charitable objectives.

During 2022 the curia team has continued to evolve in response to the needs of the Diocesan Vision and restructured to reduce costs.

# Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2022

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## Performance review (continued)

### Safeguarding

Providing a safe environment for all is the responsibility of **all** persons employed or involved in the Archdiocese. The Safeguarding department provides support for any person who has suffered abuse as well as education, training, guidance and support for clergy and lay members of our community. Safeguarding is the most important support function in our diocese, parishes and schools and the safeguarding team has been provided with the appropriate resources and full support of the Archbishop and Trustees. We continue to invest in a professionally-led and managed safeguarding team. A new Head of Department was recruited early in 2023 to continue the progress made under her predecessor.

In July 2022 an independent review by children's charity Barnardo's relating to concerns about Joseph Quigley, a priest active in the Archdiocese between 1990 and 2008 convicted of child sex offences, was published. The review, commissioned by the Archdiocese, made 18 recommendations which were accepted in full by the Archdiocese with appropriate changes made to practise and policy.

We continue to place survivor victims of abuse at the very centre of our decision-making and regularly meet with our Survivor Group, to listen and to learn from their experience and to use the feedback to inform our practice and policy.

We are committed to working to the principles and standards as set out by the Catholic Safeguarding Standards Agency (CSSA).

Management oversight of safeguarding is provided by the Chief Operating Officer and via the Safeguarding Sub Committee. External review of practice is provided by Barnardo's.

### 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 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.

The provision of, and support for, Catholic schools is central to the Vision for the Archdiocese as part of the wider work of evangelisation and adult faith formation.

We continue to move forward with our academisation strategy with 149 of our 236 schools now in a multi academy company (MAC), of which there are 16. (2021: as 2022).

£6.5 million of funding for capital works in our schools was secured and administered through a programme of 48 different projects, of which 3 were valued in excess of £1m. This funding is not included in the accounts, as the Diocese act as the agent not the principal. (See page 13 & note 14)

Our schools continue to perform above the national average with 91% of primary schools being judged as Good or better by OFSTED compared to the national average of below 89%. Our secondary schools perform significantly above the national average at 88.5% compared to 82%.

Almost all of our schools are now signed up to CAFOD's Live Simply Award making a vital contribution towards the Archdiocese's commitment to care for creation.

It is intended to recruit a new Director of Education in late 2023 to undertake a review and restructure of the DES in response to the changing national landscape and increased academisation of schools.

# Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2022

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## Performance review (continued)

### Youth activities

Provision for youth activities was amalgamated under The Kenelm Youth Trust Limited (KYT) in 2016. Diocesan funding for KYT has been reduced from £406k in 2019 (including a one off building grant of £25k) to £314k in 2022 in response to financial pressure.

One of the trustees of the Archdiocese also served as trustees of KYT in 2022, 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, is 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.

### Property

The diocese is responsible for over 1,000 properties, including school, parish and investment buildings. To better align activities, the school and parish property departments have been merged to reduce costs and improve service levels. This will be achieved by developing a network of contractors and professional service providers across the Archdiocese. These will be necessary to support the anticipated increase in property matters and transactions as we implement the Diocesan Vision.

Property sales have been used to supplement income during and post covid. Aston Hall has now been sold and Maryvale House remains on the market. The Birmingham University chaplaincy has moved to the university campus enabling us to exit the lease and liabilities for Newman House. The new property team will also lead on Health and Safety matters and play a key role in our response to the call to Care for Creation.

The diocese has complied with the Department of Education guidance with regards to RAAC (Reinforced autoclaved aerated concrete) in school buildings. Surveys having either been carried out or planned for autumn 2023. Diocesan and parish properties will be subject to survey in late 2023 and 2024.

### Development & 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 currently 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.

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.

# Birmingham Diocesan Trust

## Trustees' report (continued)

### For the year ended 31 December 2022

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#### Performance review (continued)

The charity received a total of £548k from external grant providers, including school funding where the Diocese acted as the principal. During 2022, in spite of the funding landscape fundamentally changing we were very pleased to secure funding via the curia team (excluding school funding grants) totalling £224,340 via 33 grants for 13 separate parishes. In addition, a number of parishes were successful in obtaining their own grants. (2021: £762k via thirty successful grant applications).

In addition there was one grant which the Trust assisted with for an external partner charity of £100k for a Homeless Shelter project.

Projects for which funding was secured included:

- £42,500 towards the community hall and toilets refurbishment at St Mary's Church, Willenhall
- £33,971 towards church roof repair at Our Lady of Lourdes Church, Hednesford,
- £30,150 towards the community hall refurbishment at Corpus Christi, Stechford
- £13,855 towards the community hall refurbishment at Our Lady of Perpetual Succour, Rednal

*\*The charity received additional funding for school capital projects in its capacity of agent during the year of £6.27m (2021: £7.7m). It manages the allocation of grants and their expenditure, but they are not included in the accounts as income or expenditure, the net balance remaining at the year end is included in the balance sheet. See note 14.*

#### 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.

In 2022 the Communications Team continued to play a crucial role in supporting the Vision and The Synod through a mixed programme of communications. Work in these two areas remains a priority for the team.

Going forward the Team continues to develop a communications plan to ensure all stakeholders are aware of activities related to the four themes of the Vision, as well as initiatives to engage young people and families and to encourage increased commitment to co-responsibility and to raise awareness of actions being taken to address the climate emergency.

#### Maryvale Institute

The Maryvale Institute closed applications to its higher and further education courses in 2022. Existing students are now in a 'teaching out phase'. The Bachelor of Divinity Degree and some Further Education courses are expected to be offered in partnership with other providers from 2023.

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

The fund finances the cost of clergy who are doing further studies and events organised for the ongoing formation of clergy. In the academic year 2022/23 there was one seminarian at the Royal English College in Valladolid, Spain, three 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 14 men in formation for the permanent diaconate.

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, including 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 during 2021/22 the department was re-structured to include evangelisation, formation, marriage and married life.



# Birmingham Diocesan Trust

## Trustees' report (continued)

### For the year ended 31 December 2022

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#### Performance review (continued)

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. 25 new Standing Orders were set up in 2022, 17 of which are Gift Aided.

The overall Gift Aid Figures run from the tax year dates, so from April 2022 – April 2023: A total of 497 regular donors (standing order and envelope giving) 117 that give via envelope. The tax claim back on the Gift Aid for this tax year was £10,120.

#### Birmingham Diocesan Lourdes Pilgrimage

In 2022 the first in person pilgrimage to Lourdes took place since the pandemic, albeit a much smaller one compared to pre Covid numbers due to some continuing restrictions in France. 300 pilgrims attended, as well as the Archbishop and two Auxiliary Bishops. Masses and events were live streamed from Lourdes, using a mixture of social media and live streaming platforms. The welcome video received two thousand views and the livestreamed Opening Mass received over one thousand five hundred views.

#### 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, Tilney Smith & Williamson Investment Management LLP (re-branded as Evelyn Partners June 2022). 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 2022 the value of Diocesan stock market investments, in line with stock markets generally decreased. The trustees consider the total return on investments to be reasonable over the long term, 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 2022 amounted to £28.7m (2021: £33.2m), and recorded a loss of £5.5m in the accounts (2021 increase of £3.7m).

Income (dividends, interest etc) from stock market investments in the year was £0.77m (2021 £0.75m). Sales of assets may be required in 2022/23 to compensate for reduced income and increased costs in parishes in 2022/23, fuelled by the difficult UK and global economy and inflationary effects.

#### 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.



## Performance review (continued)

### Ethical Investment Policy

The trustees have approved 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 by adopting this policy the level of income and the total return generated by investments may be restricted. The policy seeks to balance the long-term needs of the investment portfolio performance with the desire to invest in 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.

Fossil fuel divestment is a powerful act of faith that hundreds of religious institutions around the world have taken to respond to the climate emergency. It increases pressure on governments and financial institutions to end financing for the fossil fuel industry.

### External factors affecting performance

#### 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 on Catholic Schools

The charity's spending on schools is 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 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)

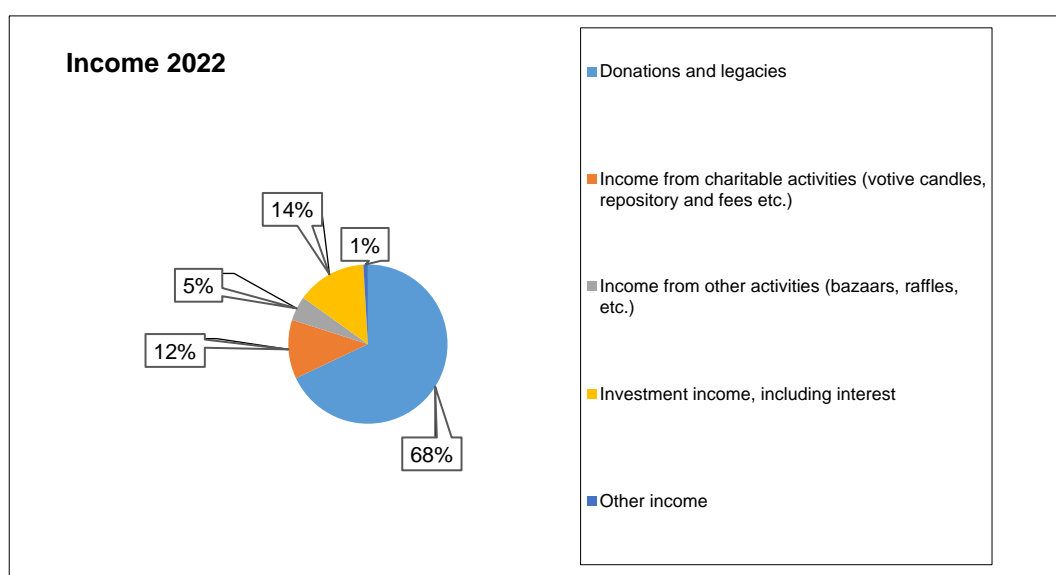
### For the year ended 31 December 2022

## 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 2022 on pages 24 and 25 shows income of £20.14m (2021: £18.3m) analysed as follows:

	%	£	%	£
	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
Donations and legacies (offertories, donations, legacies, Gift Aid, etc.)	68%	13.68	71%	12.93
Income from charitable activities (votive candles, repository and fees etc.)	12%	2.41	9%	1.63
Income from other activities (bazaars, raffles etc.)	5%	1.00	5%	0.99
Investment income, including interest	14%	2.86	14%	2.54
Other income	1%	0.19	1%	0.21
		<u>20.14</u>		<u>18.30</u>



# Birmingham Diocesan Trust

## Trustees' report (continued)

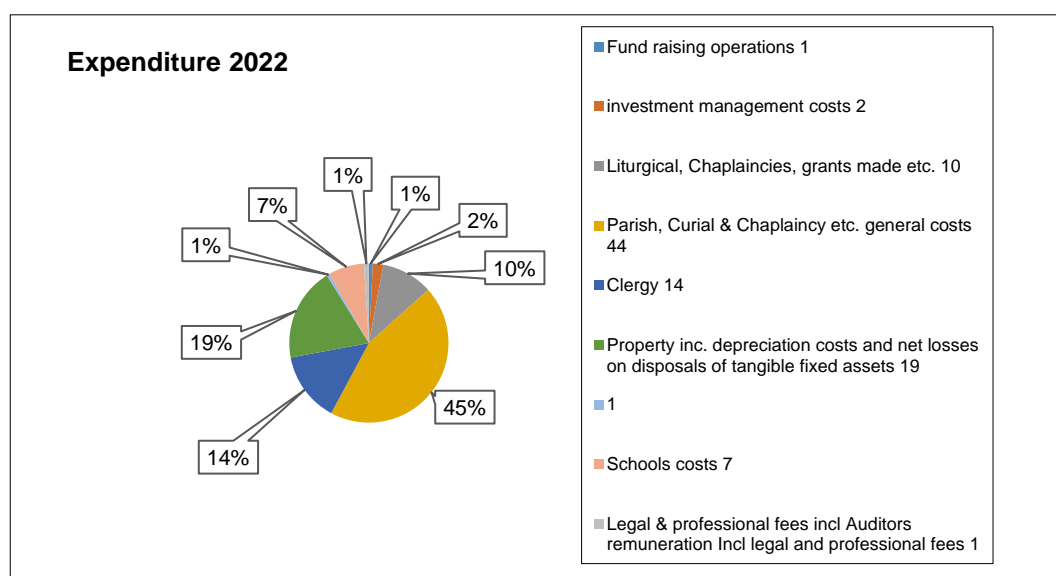
For the year ended 31 December 2022

### Financial review (continued)

Expenditure amounted to £22.15m (2021: £22.87m) analysed as follows: -

	%	£	%	£
	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
Expenditure on raising funds:				
Fundraising operations	1%	0.17	1%	0.15
Investment management costs	2%	0.47	2%	0.5
Charitable Activities:				
Liturgical, Chaplaincies, grants made etc.	10%	2.31	13%	2.97
Curial, Parish and Chaplaincies* etc. general and administrative costs	45%	9.81	44%	10.15
Clergy costs	14%	3.14	10%	2.38
Property inc. depreciation costs and net losses on disposals of tangible fixed assets	19%	4.20	21%	4.84
Votive candles, newspapers and repositories costs	1%	0.14	0%	0.11
Schools' costs	7%	1.59	7%	1.6
Legal and professional fees (including auditor's remuneration)	1%	0.32	1%	0.17
		<u>22.15</u>		<u>22.87</u>

\*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 £2.01m {£2.8m loss on unrestricted funds, £0.8m surplus on restricted and endowment funds} (2021: £4.6m loss {£3.93m loss on unrestricted funds, £0.63m loss on restricted and endowment funds}).

An overall deficit for the year of £5.14m after investment losses on the stock market, and investment property gains. {£5.26m loss on unrestricted funds, £0.12m surplus on restricted and endowment funds, and before transfers} (2021: £2.86m gain {£2.9m surplus on unrestricted funds, £0.041m loss on restricted and endowment funds, and before transfers}).

# Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2022

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## Financial review (continued)

The investments held by the parishes and the Archdiocese (mainly quoted investments) again produced income to defray running costs, however there were realised and unrealised losses amounting to £5.53m {£4.88 loss on unrestricted funds, £0.65m loss on restricted funds and endowments} (2021: £3.779m gains {£3.341m gain on unrestricted funds, £0.438m gain on restricted funds and endowments}) as a result of very challenging market conditions in the year. Realised and unrealised gains on investment properties amounted to £2.4m (2021: £3.7m gain).

The net effect of the above is that, over the year, the funds of the charity decreased by £5.14m (2021: £2.86m increase) to £117.56m (2021: £122.70m).

Weekend Mass attendance figures increased by 23% (2021: 35%). Mass offertory increased by 9.4%. (2021: increased by 18.5%). Overall income from offertory, legacies, grants and donations increased by £0.75m (2021: increase of £1.6m). There was an increase in the overall value of legacies of £0.74m, to £2.39m in 2022 (2021: £1.66m). Grants decreased in 2022 by £0.55m to £0.55m (2021: £1.1m).

## Cash reserves

The charity's total cash reserves decreased by £0.5m to £4.6m (2021: £1.2m decrease to £5.1m). Unrestricted cash reserves in parishes increased by £1m to £5.3m (2021: £1.2m decrease to £4.3m) whilst Diocesan unrestricted cash reserves decreased by £2.1m to a deficit position of £18.5m (2021: £1.1m decrease to £16.4m deficit). This movement is a result of curia costs being higher than income, property purchases and maintenance 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 - £23.2m (2021: £24.7m), are approximately 105% of annual unrestricted expenditure (2021: 108%).

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

## 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).

# Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2022

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## Key management personnel and remuneration

The trustees consider the Board of Trustees, including the Auxiliary Bishops and the Vicar General 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. Remuneration of all personnel, including key management is set by the Workforce and Remuneration Sub Committee, and is advised by HR professional advisors. 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 7, 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.

Deaneries and parishes will in 2023 and 2024 work co-responsibly with laity to implement the diocesan vision with parishes increasingly working together in small groups. Property needs will be reviewed and where appropriate property will be re-purposed or sold to provide funds to support the new parish structures and vision. The curia model will continue to evolve as the new deaneries become more established, with the aim of providing improved services via a network of local contractors and service providers. To achieve a balanced operating result, plans to increase income and further reduce costs will be introduced. Safeguarding will remain as a priority.

The academisation of all schools will be completed to provide the very best Catholic education for all our children and to ensure no vulnerable schools are left behind or isolated.

## **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 20<sup>th</sup> October 2023 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 2022 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 2022 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 20, 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, the 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 laws 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*

RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountants  
10<sup>th</sup> Floor  
103 Colmore Row  
Birmingham  
B3 3AG

Date 24 October 2023

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 2022

	Note	PAROCHIAL			DIOCESAN			TOTAL			TOTAL	
		Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2022	2021
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	(Note 8)
<b>INCOME AND ENDOWMENTS FROM:</b>												
<b>Donations, legacies and grants</b>	1	11,404	1,210	-	536	525	-	11,940	1,735	-	13,675	12,928
<b>Charitable activities</b>	2	1,075	71	-	1,263	3	-	2,338	74	-	2,412	1,633
<b>Other trading activities</b>	3	981	2	-	21	-	-	1,002	2	-	1,004	988
<b>Investment income</b>	4	2,340	10	30	430	35	15	2,770	45	45	2,860	2,544
<b>Other income</b>								-	-	-	-	-
Profit on sale of tangible fixed assets		-	-	-	26	-	-	26	-	-	26	97
Other income	5	156	-	-	2	-	-	158	-	-	158	105
<b>Total</b>		<b>15,956</b>	<b>1,293</b>	<b>30</b>	<b>2,278</b>	<b>563</b>	<b>15</b>	<b>18,234</b>	<b>1,856</b>	<b>45</b>	<b>20,135</b>	<b>18,295</b>
<b>EXPENDITURE ON</b>												
<b>Raising funds</b>												
Fund raising operations		149	10	-	7	6	-	156	16	-	172	152
Investment management costs	6	452	-	-	18	-	-	470	-	-	470	496
<b>Charitable activities</b>	7	13,268	604	30	7,158	431	15	20,426	1,035	45	21,506	22,219
<b>Total</b>		<b>13,869</b>	<b>614</b>	<b>30</b>	<b>7,183</b>	<b>437</b>	<b>15</b>	<b>21,052</b>	<b>1,051</b>	<b>45</b>	<b>22,148</b>	<b>22,867</b>
<b>Net (expenditure)/income before gains on investment assets</b>		<b>2,087</b>	<b>679</b>	<b>-</b>	<b>(4,905)</b>	<b>126</b>	<b>-</b>	<b>(2,818)</b>	<b>805</b>	<b>-</b>	<b>(2,013)</b>	<b>(4,572)</b>
<b>Gains on investment assets</b>												
Gains, losses and revaluations on investment properties	12	2,506	-	-	(62)	(43)	-	2,444	(43)	-	2,401	3,655
Gains, losses and revaluations on other investments	12	(3,431)	(77)	(229)	(1,450)	(226)	(119)	(4,881)	(303)	(348)	(5,532)	3,779
<b>Total</b>		<b>(925)</b>	<b>(77)</b>	<b>(229)</b>	<b>(1,512)</b>	<b>(269)</b>	<b>(119)</b>	<b>(2,437)</b>	<b>(346)</b>	<b>(348)</b>	<b>(3,131)</b>	<b>7,434</b>
<b>Net income/(expenditure)</b>		<b>1,162</b>	<b>602</b>	<b>(229)</b>	<b>(6,417)</b>	<b>(143)</b>	<b>(119)</b>	<b>(5,255)</b>	<b>459</b>	<b>(348)</b>	<b>(5,144)</b>	<b>2,862</b>

# Birmingham Diocesan Trust

Statement of financial activities (continued)  
for the year ended 31 December 2022

	Note	PAROCHIAL			DIOCESAN			TOTAL			TOTAL	
		Unrestricted	Restricted	Endowment	Unrestricted	Restricted	Endowment	Unrestricted	Restrict ed	Endowment	2022	2021
		funds	funds	funds	funds	funds	funds	funds	funds	funds		(Note 8)
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Net income/(expenditure)</b>		1,162	602	(229)	(6,417)	(143)	(119)	(5,255)	459	(348)	(5,144)	2,862
<b>Transfers between funds</b>	18	(2,258)	(185)	(40)	2,249	233	1	(9)	48	(39)	-	-
<b>Net movement in funds</b>		(1,096)	417	(269)	(4,168)	90	(118)	(5,264)	507	(387)	(5,144)	2,862
<b>Reconciliation of funds</b>												
Total funds brought forward		99,211	3,715	1,758	11,328	5,962	723	110,539	9,677	2,481	122,697	119,835
<b>Total funds carried forward</b>		<b>98,115</b>	<b>4,132</b>	<b>1,489</b>	<b>7,160</b>	<b>6,052</b>	<b>605</b>	<b>105,275</b>	<b>10,184</b>	<b>2,094</b>	<b>117,553</b>	<b>122,697</b>

All of the charity's activities are continuing.

2021 comparatives for the above are analysed in Note 8.

# Birmingham Diocesan Trust

## Statement of financial position

At 31 December 2022

charity number 234216

	Note	2022 £000	2022 £000	2021 £000	2021 £000
<b>FIXED ASSETS:</b>					
Tangible assets	11		49,809		51,029
Investments	12		65,373		67,655
<b>Total fixed assets</b>			<u>115,182</u>		<u>118,684</u>
<b>CURRENT ASSETS:</b>					
Debtors due in under one year	13	3,202		3,226	
Debtors due in more than one year	13	-		80	
Total Debtors	13	<u>3,202</u>		<u>3,306</u>	
Cash at bank and in hand		4,557		5,138	
<b>Total current assets</b>		<u>7,759</u>		<u>8,444</u>	
<b>CURRENT LIABILITIES:</b>					
Creditors: Amounts falling due within one year	14	(5,353)		(4,395)	
<b>NET CURRENT ASSETS</b>			<u>2,406</u>		<u>4,049</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>117,588</u>		<u>122,733</u>
Creditors: Amounts falling due after more than one year	15		(35)		(36)
<b>NET ASSETS</b>	20		<u>117,553</u>		<u>122,697</u>
<b>THE FUNDS OF THE CHARITY:</b>					
Endowment funds	17		2,094		2,481
Restricted funds	18		10,184		9,677
Unrestricted funds:					
Designated income funds	19	49,141		50,371	
General income funds	19	56,134		60,168	
			<u>105,275</u>		<u>110,539</u>
<b>TOTAL CHARITY FUNDS</b>			<u>117,553</u>		<u>122,697</u>

These financial statements were approved and authorised for issue at the trustees' meeting held on 20<sup>th</sup> October 2023, 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 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
<b>Cash flows from operating activities:</b>					
<b>Net cash used in operating activities</b>	21		(2,571)		(7,561)
<b>Cash flows from investing activities</b>					
Interest received		82		2	
Interest /dividends from investment in the stock market		771		756	
Rental income from investment property		2,008		1,786	
Purchase of tangible fixed assets		(603)		(1,378)	
Proceeds of disposal of fixed assets		579		97	
Purchase of investments		(4,331)		(3,437)	
Proceeds of sale of investments		3,275		7,100	
Net movement attributable to endowment funds		(387)		197	
Purchase of investment properties		(287)		-	
Proceeds of sale of investment properties		496		1,486	
<b>Net cash provided by investing activities</b>			1,603		6,609
<b>Cash flows from financing activities</b>					
Net movement attributable to endowment funds		387		(197)	
<b>Net cash used in financing activities</b>			387		(197)
<b>Net (decrease)/increase in cash and cash equivalents</b>			<b>(581)</b>		<b>(1,149)</b>
<b>Cash and cash equivalents at the beginning of the year</b>					
			<b>5,138</b>		<b>6,287</b>
<b>Cash and cash equivalents at the end of the year</b>					
			<b>4,557</b>		<b>5,138</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		5,138	(581)		4,557
Loans		(36)	1		(35)
<b>Total</b>		<b>5,102</b>	<b>(580)</b>		<b>4,522</b>

# Birmingham Diocesan Trust

## Accounting policies

for the year ended 31 December 2022

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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 2023 taking into account the impact of the cost of living crisis and external domestic economic factors on projected income and expenditure, such as inflation and bank interest rates. They continue to monitor the cash position on a regular basis (£4.6m at year end). The Diocese also has a significant investment portfolio (£28.7m at year end) that suffered a considerable loss due to stock market turbulence during 2022 and other UK and global and economic forces, the unrestricted element of which provides an extra buffer to be utilised if necessary. The Trustees continue to monitor the performance of the investments, and challenge the charity's investment advisors. 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 2022

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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 2022

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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 school governing bodies and not the DES. Expenditure on school building projects and IT where the DES acted as agent in the year amounted to £6.4m (2021: £8.6m), income from grants was £6.27m (2021: £7.7m) and the net position of £0.13m (2021: £0.9m) is included in the creditor for 2022, which is £2.55m as at the year end (2021: £2.42m). 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 2022

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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 2022

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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 2022 the building insurance valuation via the Diocesan insurers for the voluntary aided schools and academies in the charity's ownership was £199m (2021: £197m). In continuing the trend from previous years, there were further schools including academies that insured with other insurers/RPA in 2022 compared to 2021.

*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 2022

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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 2022. All investment properties are professionally valued on a rolling 5-year programme. During 2022, 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 2021 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 2022

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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 2022

1	DONATIONS, LEGACIES AND GRANTS							
	Parochial			Diocesan			Total	Total
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2022 £000	2021 £000
Offertories, collections and donations	8,119	622	-	148	158	-	9,047	8,805
Tax reclaimed on offertories and donations	1,571	15	-	107	-	-	1,693	1,358
Legacies	1,565	427	-	225	170	-	2,387	1,664
Grants receivable *	149	146	-	56	197	-	548	1,101
	11,404	1,210	-	536	525	-	13,675	12,928

\* Included in grants receivable were Government grants, amounting to £205k (2021: £807k). In 2021, this also included the Coronavirus Job Retention Scheme, amounting to £263k. This excludes Schools funding (refer to note 7).

## DONATIONS, LEGACIES AND GRANTS - 2021 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 £000
	Offertories, collections and donations*	7,589	603	-	90	523	-
Tax reclaimed on offertories and donations	1,246	18	-	85	9	-	1,358
Legacies	1,212	425	-	6	21	-	1,664
Grants receivable **	577	351	-	148	25	-	1,101
	10,624	1,397	-	329	578	-	12,928

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

2	CHARITABLE ACTIVITIES							
	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Endowment funds £000	Total 2022 £000	Total 2021 £000
Votive candles, newspapers and repositories	479	-	-	4	-	-	483	314
Chaplaincy income	-	-	-	-	-	-	-	86
Fees and other charges	101	-	-	1,234	3	-	1,338	1,052
Other income	495	71	-	25	-	-	591	181
	1,075	71	-	1,263	3	-	2,412	1,633

### CHARITABLE ACTIVITIES - 2021 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 £000
Votive candles, newspapers and repositories	312	-	-	1	1	-	314
Chaplaincy income	86	-	-	-	-	-	86
Fees and other charges	-	-	-	1,049	3	-	1,052
Other income	103	-	-	78	-	-	181
	501	-	-	1,128	4	-	1,633

3	OTHER TRADING ACTIVITIES							
	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Endowment funds £000	Total 2022 £000	Total 2021 £000
Social income	981	2	-	21	-	-	1,004	988
	981	2	-	21	-	-	1,004	988

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

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

### OTHER TRADING ACTIVITIES - 2021 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2021
	£000	£000	£000	£000	£000	£000	£000
Social income	886	78	-	24	-	-	988
	886	78	-	24	-	-	988

4	INVESTMENT INCOME							
	Parochial			Diocesan			Total	Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2022	2021
	£000	£000	£000	£000	£000	£000	£000	£000
Income from UK investments	460	10	30	227	29	15	771	756
Rental income	1,846	-	-	160	2	-	2,008	1,786
Interest receivable	34	-	-	43	4	-	81	2
	2,340	10	30	430	35	15	2,860	2,544

### INVESTMENT INCOME - 2021 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2021
	£000	£000	£000	£000	£000	£000	£000
Income from UK investments	464	7	30	212	17	26	756
Rental income	1,662	-	-	122	2	-	1,786
Interest receivable	1	-	-	1	-	-	2
	2,127	7	30	335	19	26	2,544

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

5	OTHER INCOME							
	Parochial			Diocesan			Total	Total
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2022 £000	2021 £000
Insurance claims	13	-	-	-	-	-	13	83
Funds introduced	-	-	-	-	-	-	-	22
Donations of assets	28	-	-	-	-	-	28	-
Sundry income	115	-	-	2	-	-	117	-
	156	-	-	2	-	-	158	105

### OTHER INCOME - 2021 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 £000
	Insurance claims	83	-	-	-	-	-
Funds introduced	22	-	-	-	-	-	22
	105	-	-	-	-	-	105

6	INVESTMENT MANAGEMENT COSTS							
	Parochial			Diocesan			Total	Total
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2022 £000	2021 £000
Costs of management of investment properties and other investments	452	-	-	18	-	-	470	496
	452	-	-	18	-	-	470	496



## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

### INVESTMENT MANAGEMENT COSTS - 2021 COMPARATIVES

	<i>Parochial</i>			<i>Diocesan</i>			<i>Total</i>
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Endowment funds</i>	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Endowment funds</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
<i>Costs of management of investment properties and other investments</i>	490	-	-	6	-	-	496
	490	-	-	6	-	-	496

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

7	CHARITABLE ACTIVITIES							
	Parochial			Diocesan			Total	Total
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2022 £000	2021 £000
Liturgical and pastoral costs	1,021	50	7	524	7	-	1,609	1,122
Curial, Parish and Chaplaincy etc. general support costs *	6,811	151	-	2,452	(162)	15	9,267	10,063
Clergy costs	1,892	1	-	836	407	-	3,136	2,383
Property refurbishment, maintenance and major repairs	2,085	385	23	345	108	-	2,946	3,556
Depreciation	1,061	-	-	202	7	-	1,270	1,282
Bank Charges	114	-	-	39	1	-	154	83
Votive candles, newspapers and repository costs etc.	132	-	-	6	-	-	138	106
Chaplaincy expenditure	-	-	-	489	35	-	524	1,170
Schools' costs (including impairment losses)**	-	-	-	1,587	7	-	1,594	1,605
Grant funding	151	15	-	357	21	-	544	679
External audit fees	-	-	-	61	-	-	61	58
Safeguarding costs ***	-	-	-	186	-	-	186	66
Other professional fees	1	2	-	74	-	-	77	46
<b>Total charitable activities</b>	<b>13,268</b>	<b>604</b>	<b>30</b>	<b>7,158</b>	<b>431</b>	<b>15</b>	<b>21,506</b>	<b>22,219</b>

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

\*\* Included in Schools costs is £240k (2021: £1,141k) which represents the net costs on activities where the Trust is acting as principal, and payments made under a PFI agreement (see page 57). The net position relates to income of £2,094k and £1,854k expenditure (2021: £3,069k income and expenditure of £4,210k). These costs relate to an excess of spending over grant income for which the DES acted as the principal in those building contractual arrangements.

\*\*\*Included in these costs were payments to Barnardo's for supervision and training of safeguarding staff, commissioning of a report into standards of safeguarding in the Archdiocese, and legal and professional costs.

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 2022

7

### CHARITABLE ACTIVITIES - 2021 COMPARATIVES

	Parochial			Diocesan			Total 2021 £000
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	
Liturgical and pastoral costs	777	25	4	311	5	-	1,122
Curial, Parish and Chaplaincy etc. general support costs *	6,513	97	-	3,435	-	18	10,063
Clergy costs	1,146	-	-	931	306	-	2,383
Property refurbishment, maintenance and major repairs	2,471	568	26	458	25	8	3,556
Depreciation	1,059	-	-	216	7	-	1,282
Bank Charges	46	-	-	36	1	-	83
Votive candles, newspapers and repository costs etc.	106	-	-	-	-	-	106
Chaplaincy expenditure	-	-	-	1,001	169	-	1,170
Schools' costs (including impairment losses)**	3	-	-	178	1,424	-	1,605
Grant funding	114	31	-	517	17	-	679
External audit fees	-	-	-	58	-	-	58
Safeguarding costs ***	-	-	-	66	-	-	66
Other professional fees	-	-	-	46	-	-	46
<b>Total charitable activities</b>	<b>12,235</b>	<b>721</b>	<b>30</b>	<b>7,253</b>	<b>1,954</b>	<b>26</b>	<b>22,219</b>

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

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### COMPARATIVES (BY FUND) FOR 2021 STATEMENT OF FINANCIAL ACTIVITIES

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	2021 £000	
<b>INCOME AND ENDOWMENTS FROM:</b>											
<i>Donations, legacies &amp; grants</i>	1	10,624	1,397	-	329	578	-	10,953	1,975	-	12,928
<i>Charitable activities</i>	2	501	-	-	1,128	4	-	1,629	4	-	1,633
<i>Other trading activities</i>	3	886	78	-	24	-	-	910	78	-	988
<i>Investment income</i>	4	2,127	7	30	335	19	26	2,462	26	56	2,544
<i>Other income</i>											-
<i>Profit on sale of tangible fixed assets</i>		97	-	-	-	-	-	97	-	-	97
<i>Other income</i>	5	105	-	-	-	-	-	105	-	-	105
<i>Disposal of school building</i>		-	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>14,340</b>	<b>1,482</b>	<b>30</b>	<b>1,816</b>	<b>601</b>	<b>26</b>	<b>16,156</b>	<b>2,083</b>	<b>56</b>	<b>18,295</b>
<b>EXPENDITURE ON:</b>											
<b>Raising funds</b>											
<i>Fund raising operations</i>		107	32	-	4	9	-	111	41	-	152
<i>Investment management costs</i>	6	490	-	-	6	-	-	496	-	-	496
<i>Charitable activities</i>	7	12,235	721	30	7,253	1,954	26	19,488	2,675	56	22,219
<b>Total</b>		<b>12,832</b>	<b>753</b>	<b>30</b>	<b>7,263</b>	<b>1,963</b>	<b>26</b>	<b>20,095</b>	<b>2,716</b>	<b>56</b>	<b>22,867</b>
<i>Net (expenditure)/income before gains on investment assets</i>		1,508	729	-	(5,447)	(1,362)	-	(3,939)	(633)	-	(4,572)

# Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

8

## COMPARATIVES (BY FUND) FOR 2021 STATEMENT OF FINANCIAL ACTIVITIES

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	2021 £000
<i>Net (expenditure)/income before gains on investment assets</i>	1,508	729	-	(5,447)	(1,362)	-	(3,939)	(633)	-	(4,572)
<b>Gains on investment assets</b>										
<i>Gains, losses and revaluations on other investments</i>	2,331	65	138	1,010	206	29	3,341	271	167	3,779
<i>Gains, losses and revaluations on investment properties</i>	3,338	-	-	317	-	-	3,655	-	-	3,655
	5,669	65	138	1,327	206	29	6,996	271	167	7,434
<b>Net income/(expenditure)</b>	<b>7,177</b>	<b>794</b>	<b>138</b>	<b>(4,120)</b>	<b>(1,156)</b>	<b>29</b>	<b>3,057</b>	<b>(362)</b>	<b>167</b>	<b>2,862</b>
<b>Transfers between funds</b>										
	(2,997)	(89)	30	2,843	213	-	(154)	124	30	-
<b>Net movement in funds</b>	<b>4,180</b>	<b>705</b>	<b>168</b>	<b>(1,277)</b>	<b>(943)</b>	<b>29</b>	<b>2,903</b>	<b>(238)</b>	<b>197</b>	<b>2,862</b>
<b>Reconciliation of funds</b>										
<i>Total funds brought forward</i>	95,031	3,010	1,590	12,605	6,905	694	107,636	9,915	2,284	119,835
	99,211	3,715	1,758	11,328	5,962	723	110,539	9,677	2,481	122,697

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

<b>9</b>	<b>NET INCOME</b>	<b>2022</b>	<b>2021</b>
		<b>£000</b>	<b>£000</b>
	Net income for the year is stated after charging:		
	Depreciation of tangible fixed assets	1,270	1,275
	PFI facilities management fees	138	133
	Auditor's remuneration		
	- for audit services	61	58
	- for non-audit services	1	-
		<u>          </u>	<u>          </u>
<b>10</b>	<b>INFORMATION REGARDING EMPLOYEES, TRUSTEES AND VOLUNTEERS</b>	<b>2022</b>	<b>2021</b>
		<b>£000</b>	<b>£000</b>
	Staff costs comprise the following:		
	Salaries and wages	4,453	4,230
	Social security costs	380	293
	Pension costs	431	432
	Death in service premium	22	23
		<u>          </u>	<u>          </u>
		<u>5,286</u>	<u>4,978</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:

	2022	2021
	Number	Number
£60,000 - £70,000	4	4
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-
	<u>          </u>	<u>          </u>

The charity contributed £47,005 (2021: £42,150) in pension contributions in respect of these employees. The Chief Operating Officer is included within the above disclosure. Due to the operation of a salary sacrifice scheme, 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	
	2022	2021	2022	2021	2022	2021
Parishes	9	5	204	198	71	70
Other Diocesan services	29	29	25	29	40	44
Central/Curial Services	28	35	16	14	38	37
	<u>66</u>	<u>69</u>	<u>245</u>	<u>241</u>	<u>149</u>	<u>151</u>

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

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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.

Five of the twelve trustees listed on page 1 also serve as clergy of the charity (2021: Seven), and in addition to their responsibilities as trustees are actively involved in carrying out the objects of the charity. Five of those trustees benefited from accommodation costs and other associated expenditure included within charitable activities (2021: Seven) (see Note 7). These trustees received in total £76,880 (2021: £79,721) 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 and 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 2022 was £105,390 (2021: £104,407). There was a change of COO during 2021, which also reverted from a part time to a full time post.

During the year charity funds were used to pay a premium of £6,100 (2021: £4,400) 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 643k hours (2021: 610k) were provided by some 7,700 (2021: 4,500) volunteers in parishes. If this is valued at £11.00 per hour, the volunteer contribution amounts to some £7.07m (2021: £6.68m). Volunteer roles fulfil liturgical, pastoral and administrative activities of the charity. In addition, there were 1,750 volunteers working as volunteer governors or directors in our schools and multi academy trusts. (2021: 1,700) This contribution by volunteers is not included in the financial statements.

# Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

## 11 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

Functional Property	note	Church/ presbytery £000	Improvements & Contents £000	Other £000	Total £000
<b>Cost</b>					
At 1 January 2021		44,903	36,887	891	82,681
Additions		181	292	130	603
Transfers from investment property	12	-	-	-	-
Transfers to investment property	12	-	-	-	-
Disposals		(582)	-	(255)	(837)
At 31 December 2022		44,502	37,179	766	82,447
<b>Depreciation and impairment</b>					
At 1 January 2021		12,611	18,333	708	31,652
Charge for the year		420	737	113	1,270
Eliminated on disposal		(30)	-	(254)	(284)
Eliminated on transfer to investment property		-	-	-	-
At 31 December 2022		13,001	19,070	567	32,638
<b>Net book value</b>					
At 31 December 2022		31,501	18,109	199	49,809
At 31 December 2021		32,291	18,554	184	51,029

The net book value of functional property includes £3,022k long leasehold properties (2021: £3,412k).

The total insured value of the functional buildings and contents is £771m (2021: £720m). 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 31.

Previously, fixed assets above included freehold land of £2.3m in relation to schools that has been fully impaired in earlier years.



## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

### 12 INVESTMENTS HELD AS FIXED ASSETS

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Investments comprise the following:</b>		
Investment properties	36,628	34,435
Other investments	28,745	33,220
	<u>65,373</u>	<u>67,655</u>

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Investment properties at valuation</b>		
Fair value at 1 January 2022	34,435	33,449
Additions at cost	287	-
Transfers from functional property (Note 11)	-	32
Transfers to functional property (Note 11)	-	(1,215)
Disposals	(495)	(1,486)
Gains and losses on revaluations and disposals	2,401	3,655
	<u>36,628</u>	<u>34,435</u>

The investment properties are included based on a 5 year rolling programme of internal valuations completed by professionally qualified (MRICS) staff – see page 32.

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Other investments comprise the following:</b>		
Equities	26,239	30,537
Fixed interest securities	2,506	2,683
	<u>28,745</u>	<u>33,220</u>

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

### INVESTMENTS HELD AS FIXED ASSETS (continued)

#### Stock exchange investments at fair value

			2022	2021
	Diocesan	Parishes	Total	Total
	£000	£000	£000	£000
Fair value at 1 January 2022	10,706	22,515	33,221	33,105
Additions	1,236	3,095	4,331	3,437
Disposal proceeds	(698)	(2,577)	(3,275)	(7,100)
Realised and unrealised investment (losses)/gains	(1,795)	(3,737)	(5,532)	3,779
Fair value at 31 December 2022	9,449	19,296	28,745	33,221

The historic cost of investments held at 31 December 2022 was £22m (2021: £21m). There were no investment holdings which represented more than 5% by value of the portfolio excluding cash.

There was a significant reduction in the value of investments, which was affected by global economic and political factors during 2022.

#### Stock exchange investments by location

	Fair value	Cost	Fair value	Cost
	2022	2022	2021	2021
	£m	£m	£m	£m
UK listed investments	16.0	13.0	19.7	12.9
Overseas listed investments	12.8	9.4	13.5	8.3
	28.8	22.4	33.2	21.2

#### 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.

#### Ownership of trading limited company

The charity owns 100% of the share capital of The Shop at Harvington Hall Limited, a private limited company. Total called up share capital and net asset value is £4. Turnover was £34k. The company made no profit during the year. As this is not material to the financial statements of the charity, the trustees have not prepared consolidated accounts for 2022. All transactions between the charity and the company are noted in note 24, related party transactions. Two members of staff of the charity acted as directors during the year. No remuneration was paid to the directors.

#### 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 2022

### 13 DEBTORS

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Debtors: amounts due in under one year</b>		
Amounts due in respect of school building projects	442	367
Accrued investment income	23	27
Accrued Gift Aid Tax reclaimable	1,556	1,718
Other debtors including trade debtors, major bequests and property sales	1,101	1,038
Unsecured concessionary loans to priests etc.	-	12
Unsecured concessionary loan to other religious charities and bodies	-	59
*Secured concessionary loan to priests etc.	80	5
Total	<u>3,202</u>	<u>3,226</u>
<b>Debtors: amounts due in more than one year</b>		
Secured concessionary loans to priests etc.	-	80
Total	<u>-</u>	<u>80</u>
<b>TOTAL DEBTORS</b>	<u><b>3,202</b></u>	<u><b>3,306</b></u>

\*The secured concessionary loan was secured on a property which the Diocese funded, and which became re-payable on the death of the occupant, which occurred during 2022. This will be repaid on the sale of the property which is expected to complete during 2023.

### 14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
*Amounts due in respect of school building projects	82	305
Due to other religious charities	668	499
**Other creditors	2,783	3,049
Accruals	1,820	542
	<u>5,353</u>	<u>4,395</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 2022 this was £2,554k (2021: £2,429k). 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 30.

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

### 15 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2022 £000	2021 £000
Concessionary loans	35	36
	35	36

### 16 FINANCIAL ASSETS AND LIABILITIES

Financial assets held at fair value are included in Note 12. Note 13 includes financial instruments of £547k (2021: £465k) held at amortised cost and concessionary loans of £80k (2021: £156k) held at cost plus accrued interest, less impairment where applicable. Notes 14 and 15 include financial instruments held at amortised cost of £3,618k (2021: £3,895k).

### 17 ENDOWMENT FUNDS

	Balance at 1st January 2022 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (losses) on investments £000	Balance at 31st December 2022 £000
Diocesan funds						
Various Diocesan funds	661	12	(12)	-	(115)	546
Maryvale	62	3	(3)	-	(3)	59
Various small trust funds:						
registered charities	221	4	(4)	-	(32)	189
other	1,537	26	(26)	(39)	(198)	1,300
	2,481	45	(45)	(39)	(348)	2,094

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 14). 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.

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

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### 17 ENDOWMENT FUNDS (continued)

The 2021 analysis of endowment funds follows:

#### *ENDOWMENT FUNDS - 2021 COMPARATIVES*

	<b>Balance at 1st January 2021 £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Transfers £000</b>	<b>Gains/ (losses) on investments £000</b>	<b>Balance at 31st December 2021 £000</b>
Diocesan funds						
Various Diocesan funds	639	21	(21)	-	22	661
Maryvale	55	5	(5)	-	7	62
Various small trust funds:						
registered charities	215	5	(5)	-	6	221
other	1,375	26	(26)	30	132	1,537
	<u>2,284</u>	<u>57</u>	<u>(57)</u>	<u>30</u>	<u>167</u>	<u>2,481</u>

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

### 18 RESTRICTED FUNDS

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

	Balance at 1st January 2022 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (losses) on investments (stock market) £000	Balance at 31st December 2022 £000
<b>Restricted funds</b>						
Poor Mission Fund	397	32	-	(87)	-	342
Memorial Mass Fund	458	8	(3)	-	(44)	419
Religious Workers Accommodation Fund	60	1	(9)	-	-	52
Specific bequests						
University Chaplaincy	796	14	(7)	(7)	-	796
Other funds	827	27	(50)	7	(136)	675
Canons Chapter Fund	344	-	(14)	-	(44)	286
Clergy Training Fund	261	94	(258)	302	(42)	357
Maryvale	209	6	-	-	(3)	212
Diocesan Education Service – schools projects*	2,619	250	-	-	-	2,869
Harvington Hall	-	133	(96)	-	-	37
Other Chaplaincies	7	-	-	-	-	7
Parish building and other projects	3,699	1,291	(614)	(167)	(77)	4,132
	<u>9,677</u>	<u>1,856</u>	<u>(1,051)</u>	<u>48</u>	<u>(346)</u>	<u>10,184</u>

# Birmingham Diocesan Trust

## Notes to the financial statements (continued)

### for the year ended 31 December 2022

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

\* Schools projects. As set out on page 29 the income and expenditure in relation to activities where the Trust acts as principal are shown net on page 49. The net movement of £250k (2021: (£1,424k)) above, comprises income of £2,104k (2021: £3,069k); and expenditure of £1,854k. (2021: £4,493k).

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 £49k (2021: £124k), 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 2022

The 2021 analysis of restricted funds follows:

### **RESTRICTED FUNDS - 2021 COMPARATIVES**

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

	<b>Balance at 1st January 2021 £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Transfers £000</b>	<b>Gains/ (losses) on investments (stock market) £000</b>	<b>Balance at 31st December 2021 £000</b>
<b>Restricted funds</b>						
<i>Poor Mission Fund</i>	453	24	-	(80)	-	397
<i>Memorial Mass Fund</i>	436	8	(16)	-	30	458
<i>Religious Workers Accommodation Fund</i>	63	-	(3)	-	-	60
<i>Specific bequests</i>						
<i>University Chaplaincy</i>	725	14	(7)	(7)	71	796
<i>Other funds</i>	364	401	(32)	-	94	827
<i>Canons Chapter Fund</i>	316	6	(4)	-	26	344
<i>Clergy Training Fund</i>	265	139	(443)	300	-	261
<i>Maryvale</i>	232	10	(33)	-	-	209
<i>Diocesan Education Service – schools projects*</i>	4,043	-	(1,424)	-	-	2,619
<i>Other Chaplaincies</i>	7	-	-	-	-	7
<i>Parish building and other projects</i>	3,011	1,481	(754)	(89)	50	3,699
	<b>9,915</b>	<b>2,083</b>	<b>(2,716)</b>	<b>124</b>	<b>271</b>	<b>9,677</b>



## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

### 19 UNRESTRICTED FUNDS

	General £000	Designated £000	Total £000
At January 2022	60,168	50,371	110,539
Net income	(5,255)	-	(5,255)
Transfers: endowment funds	39	-	39
Transfers: restricted funds (Note 18)	(48)	-	(48)
Transfers: designated funds	1,228	(1,228)	-
At 31 December 2022	<u>56,134</u>	<u>49,141</u>	<u>105,275</u>

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 2021 analysis of unrestricted funds follows:

#### **UNRESTRICTED FUNDS 2021 COMPARATIVES**

	General £000	Designated £000	Total £000
<i>At January 2021</i>	<i>58,182</i>	<i>49,454</i>	<i>107,636</i>
<i>Net income</i>	<i>3,057</i>	<i>-</i>	<i>3,057</i>
<i>Transfers to endowment</i>	<i>(30)</i>	<i>-</i>	<i>(30)</i>
<i>Transfers from restricted funds (Note 18)</i>	<i>(124)</i>	<i>-</i>	<i>(124)</i>
<i>Transfer to designated funds</i>	<i>(917)</i>	<i>917</i>	<i>-</i>
<i>At 31 December 2021</i>	<u><i>60,168</i></u>	<u><i>50,371</i></u>	<u><i>110,539</i></u>

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

### 20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted (general) £000	Unrestricted (designated) £000	Restricted £000	Endowment £000	2022 Total £000
Tangible fixed assets	199	49,141	469	-	49,809
Investments	60,848	-	2,431	2,094	65,373
Other net assets / liabilities	(4,913)	-	7,284	-	2,371
At 31 December 2022	56,134	49,141	10,184	2,094	117,553

"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 - 2021 COMPARATIVES

	Unrestricted (general) £000	Unrestricted (designated) £000	Restricted £000	Endowment £000	2021 Total £000
Tangible fixed assets	183	50,371	475	-	51,029
Investments	62,485	-	2,689	2,481	67,655
Other net assets / liabilities	(2,500)	-	6,513	-	4,013
At 31 December 2021	60,168	50,371	9,677	2,481	122,697

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

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

	2022 £000	2021 £000
Net income/(expenditure) for the reporting period	(5,144)	2,862
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	1,270	1,282
Fair value (gains) on investment properties	(2,401)	(3,655)
Fair value losses /(gains) on investments on the stock exchange	5,532	(3,779)
(Gain) on disposal of tangible assets	(26)	(97)
Dividends, interest and rents from investments	(2,861)	(2,544)
	(3,630)	(5,931)
<b>Movements in working capital:</b>		
Decrease/(Increase) in debtors	111	(821)
Increase/(Decrease) in creditors	948	(809)
	(2,571)	(7,561)

### 22 CAPITAL COMMITMENTS

At 31 December 2022, the charity was committed to future capital expenditure of approximately £nil (2021: £nil.)

### 23 OTHER COMMITMENTS

#### 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 £147k (2021: £135k) within one year, £641k (2021: £568k) between one and five years, and £nil (2021: £149k) 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 organisations mentioned below were served by one or more common trustees during the year:

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

During the year £44,293 (2021: £51,031) of rent and other costs and £157,400 (2021: £141,000) of students' fees was paid to St Mary's College, Oscott. There was a £nil balance (2021: £nil) owing to St Mary's College, Oscott at the year-end in respect of miscellaneous costs or student fees. There was also £68,270 paid by Oscott in relation to recharges relating to priests' stipends and expenses (2021: £43,000). A further £16,900 was paid for the secondment of Oscott's archivist (2021: £14,000), £10,640 for secretarial services (2021: £10,440) and a further £4,500 for events and miscellaneous costs (2021: £nil). Most Rev. B Longley is a Trustee in common.

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

During the year, £69,300 (2021: £29,000) 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 2022, but also for a special collection for aid for the people from Ukraine who were being supported by

## Birmingham Diocesan Trust

Notes to the financial statements (continued)  
for the year ended 31 December 2022

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### 24 RELATED PARTY TRANSACTIONS (continued)

the charity. The Diocese also paid for residential care for sick and retired priests in Father Hudson's Residential Care Home, amounting to £96,000(2021: £75,000). In addition to these, grants were also made to Father Hudson's totalling £37,000(2021: £28,000) for them to administer on behalf of the Archdiocese to aid social outreach work through other Catholic agencies, and also with a special focus on Fatima House, a women's shelter for refugees.

There was a balance as at the year-end in respect of collections not paid over to Father Hudson's amounting to £2,000 (2021: £nil), and care costs of £nil (2021: £3,700). 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 £304,260 were made to Kenelm Youth Trust in 2022 (2021: £397,000). 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 2022 (2021: £nil). Right Rev S. Wright is a trustee in common.

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

During the year, £43,070 was paid to Parish Accounting Services Limited (2021: £52,400) in respect of software licencing fees of parish accounting software. In addition, the Diocese received £12,280 from the company (2021: £10,250) in respect of costs of providing management time. There were no balances outstanding at the year-end.

#### **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 (2021: £20,000). Mr C. Loughran is a trustee in common.

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

A grant was made to the charity in 2022 of £nil, as grant requests were suspended for 2022 (2021: £19,770). There were no balances outstanding at the year-end. The Most Rev. B Longley is a trustee.

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

A reimbursement of expenses was received from the Venerable English College Trust by the Archdiocese in respect of fundraising costs of £2,800 (2021: £10,000). There were no balances outstanding at the year-end.

The Most Rev. B Longley is a trustee in common.

#### **Catholic Agency for Development Overseas (CAFOD) – Registered Charity 1160384**

During the year, parish collections raised amounted to £88,690, of which £7,120 was due to be paid at the year end.

Right Rev S. Wright is a trustee in common.

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

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

The Diocese paid a total of £2,690 on behalf of the club during 2022 for which it was reimbursed. This included £2,650 insurance premium. Rev J Veasey is a director.

#### **Transactions with wholly owned trading subsidiaries**

##### **The Shop at Harvington Hall registered company 03047240**

The shop serves as a trading subsidiary to collect income from visitors to Harvington Hall. During the year, £7,890 was paid to the charity as a management charge for services provided. There were no balances outstanding at the year end.