



THE ARCHDIOCESE *of* BIRMINGHAM

Birmingham Diocesan Trust
Annual report and financial statements
for the year ended 31 December 2023

Charity Registration No. 234216

Birmingham Diocesan Trust

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Birmingham Diocesan Trust

Legal and administrative information

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

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) (6) #
Rt. Rev. R Walker (Auxiliary Bishop) *(1) (2) (3) (6) #
Rt. Rev. T Menezes (Auxiliary Bishop) Appointed 1 September 2024 #
Rev. J Veasey STL (Vicar General) *(3) (4) #
Rev. P Fitzpatrick appointed 20 October 2023. *(1) (2) # Resigned 31 August 2024 #
Ms. J Francis *(3) (10)
Mrs K Gordon *(4) (6) (7) appointed 26 January 2024
Prof. D Kelly CBE DL *(6) (7) Resigned 31 March 2024
Mr. C Loughran DL FBCS CIP * (1) (2) (4) (5) (8)
Ms. S Pain BA ACMA * (1) (5)
Mr. T Piotrowski * (9)
Mr. P Vella * (3) (5) (9)
Mr. P Vince MRICS *(2) (4) (8)

*(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 Care of Creation Sub-Committee

*(9) Member of the Governance, Compliance, Health & Safety and Risk 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
Popleton Grange
Low Popleton Lane
York
YO2 6AZ

INVESTMENT MANAGERS

Evelyn Partners
103 Colmore Row
Birmingham
B3 3AG

Sarasin & Partners
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

PROPERTY CONSULTANTS

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

SOLICITORS

Charles Russell Speechlys
Compass House
Lypiatt Rd
Cheltenham
GL50 2QJ

DWF Solicitors
1 Snow Hill
Snow Hill
B4 6GA

Birmingham Diocesan Trust

Trustees' report

For the year ended 31 December 2023

Introduction

Archbishop Bernard Longley – Chair of Trustees



In the autumn of 2023, we witnessed the first momentous gathering in Rome of the Synod of Bishops, reflecting on the fruits of conversations and discussions held in the local Churches around the world as part of the ongoing synodal process. The second gathering took place in the autumn of 2024.

One of the great things to bear fruit from the start of the process, back in 2021, has been the opportunity for communities across the Archdiocese to gather and to journey together. This is something that has continued long after the initial Synod conversations and I hope it will continue.

The Synod ran in parallel with the ongoing implementation of our *Diocesan Vision*, a rolling programme of work designed to meet the needs of our local Church in the years ahead.

It is enlightening to see our priority areas of **Evangelisation, Formation, Liturgy and Worship** and **Social Outreach** (with *co-responsibility, young people and families*, and the *environment* a focus in every area) becoming a clear focus in our parishes, schools and communities as we continue to work together to embed the Vision in all that we do.

2023 was a busy year for significant appointments as we welcomed a new Head of Safeguarding, Claire Reay, and a new Director of Education, Steve Bell.

We congratulated Bishop Stephen Wright on his appointment as the Fifteenth Bishop of the Diocese of Hexham and Newcastle and witnessed the installation of three new Canons at St Chad's Cathedral - Michael Dolman, Brian McGinley and Paul McNally.

Philip Bracken was ordained to the Permanent Diaconate in front of his home parish in Nuneaton and two new Choral Directors were appointed to the Diocesan Schools Singing Programme.

It was with great sadness that we announced the death of retired Bishop David McGough in March. He had served the Archdiocese since his ordination in 1970 and his death had a huge impact on our faith family.

The Coronation of King Charles III in May offered an occasion of joy and thanksgiving. The characteristics of the liturgy reminded us of the importance of our Christian heritage upon which the monarchy was founded, while the celebration also reflected the needs and aspirations of our society today.

Just a few weeks before His Majesty had handed out Maundy Money during the Maundy Service at York Minster. Thanks to the generosity of Wendy Cleary, Diocesan Gift Aid co-ordinator, she gifted the Maundy Money she had received to St Chad's Cathedral.

We experienced other significant events during 2023. The LOUDfence survivor-led initiative at St Chad's Cathedral attracted great support as we stood in solidarity with all those affected by abuse.

The inaugural History Festival was held at Harvington Hall as the Hall celebrated the centenary of its rescue from ruin by Ellen Ferris, who gifted it to the Archdiocese in 1923. Through Harvington we remember the strength of the faith of those Catholics who were persecuted during the Reformation.

And as the year progressed our attention turned to preparations for the 2024 Year of Prayer which was launched in Advent (2023).

Reflecting on the above – a mere snapshot of all that occurred in 2023 – I wish to thank all who play a part in the work of the Archdiocese.

Birmingham Diocesan Trust
Trustees' report (continued)
For the year ended 31 December 2023

What we were able to achieve, and continue to achieve, is a testament to the commitment of clergy, staff, volunteers, trustees, governors and many others. Long may it continue.

Let us pray to Our Lady, St Chad, St John Henry Newman and Blessed Dominic Barberi to strengthen and inspire us in the years ahead.

With every blessing

A handwritten signature in black ink that reads "+ Bernard". The signature is written in a cursive, flowing style.

Archbishop Bernard Longley

Birmingham Diocesan Trust

Trustees' report

For the year ended 31 December 2023

Eric Kirwan – Chief Operating Officer

The Diocesan Vision remains our priority and 2023 saw further progress at both deanery and parish levels in responding to the opportunities and challenges in creating a basis for creating 'joyful and vibrant' parish communities. The role of deaneries continues to evolve and grow with deanery pastoral councils being established to support dialogue and decision towards the formation of parish clusters or pastoral areas. Co-responsibility between clergy and laity is growing to support the implementation of the vision.

Parishes and schools continue to respond to the call to support those in need in many ways, through combatting winter loneliness for the elderly, increasing education in the world's poorest communities through CAFOD's LiveSimply Award, creating community hubs and fundraising for the homeless and those in need, to name just a few. We continue to collaborate with Father Hudson's Care on many projects including Fatima and Tabor House in Birmingham. The St Vincent de Paul Society (SVP) at parish level continue to run food banks and warm hubs for their local communities regardless of faith or belief. The St Vincent de Paul Society is a national catholic charity which operates at local parish levels.

The merging of the parish and school property team under the leadership of Toni Guest has been completed and as well as bringing efficiencies has also improved service levels to parishes and schools. Health and Safety now forms part of the property team with the aim of providing greater support and guidance for parishes to comply with legislation.

Claire Reay was appointed as our new Head of Safeguarding in early 2023. The safeguarding department was the subject of a benchmarking audit by the CSSA (Catholic Safeguarding Standards Agency) and assessed as making 'firm progress' against the eight standards used to assess dioceses. As with every audit, we recognise the areas where we need to improve and will strive to continue to make the diocese schools and parishes a safe place for all as an essential part of our vision.

Financially we continue to look to use our resources as efficiently as possible, whilst continuing to witness increased costs in common with all organisations and households. Income for the whole charity increased by 17% (£3.5m) primarily due to sales of property. Our main source of recurring income, the weekly offertory increased by 7% (£0.5m). Investment returns returned to being positive to produce a small overall surplus for the charity. Financial pressures do however remain and in 2024 and 2025 we will turn our attention to increasing income as well as continuing to look for further economies.

With the appointment of Steve Bell as Director of Education we have reviewed our education strategy and will be moving to a much smaller number of larger Multi Academy Trusts (MAT's).

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 2023

The trustees present their annual report and the audited financial statements for the year ended 31 December 2023. 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 Caritas | (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.

The Trust continues 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 2023

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 640,000 hours (2022: 643,000) were provided by some 9,300 volunteers (2022: 7,700) in our parishes and chaplaincies. If this is valued at £11.00 per hour, the volunteer contribution amounts to some £7.04m (2022: £7.07m) which is not included in the financial statements. In addition to the above, in our schools and multi academy companies we have 1,956 volunteer governors or directors, which equates to approximately 114,426 hours (2022: 1,750 volunteer governors or directors, equating to 102,380 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 2023

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 2023

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 25 to 28. While there has been some depletion of cash reserves in 2023, 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 (mainly received by the parishes) has increased since 2022 by £778k or 8.6%, yet the trustees are mindful of the continuing potential 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 progressed work begun in 2022 to review the deanery structure. There are now 11 deaneries. Each deanery has been asked to identify opportunities for sharing resources and identifying how best to use those resources to serve the needs of the faithful. The Trustees have undertaken work 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.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

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).

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 45,000 (2022: 37,000), including both adults and children. During the year there were 4,372 baptisms and receptions (2022: 4,435) 1,579 marriages (2022: 578) and 3,216 funerals (2022: 3,029). For context, mass attendance pre-covid was 55,500, and fell to 31,200 post pandemic. Mass attendance is therefore recovering slowly but still significantly below pre-pandemic levels.

Mass count in 2023 compared to 2022 increased by 14% (2022: 21%). Parish offertories and other collections (excluding tax reclaims) increased to £7.5m (2022: £7.0m). The average offertory giving amount per head (including children) fell by £0.41p to £3.23 per week (2022: £3.64). In addition, parishes raised more than £0.99m (2022: £0.94m) on behalf of other religious and charitable organisations.

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 2023 the curia team has continued to evolve in response to the needs of the Diocesan Vision and restructured to reduce costs.

Finance Sub Committee

The Finance Sub Committee oversees the financial governance of the overall charity, providing a strategic overview of the charity's finances. The operational management of the charity's finance is delegated to the parishes under Canon Law, with the Curial finance team being responsible for the day-to-day oversight of parish and curial finance, reporting to the Finance Sub Committee.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

Performance review (continued)

Safeguarding Sub Committee

The Archdiocese of Birmingham operates a zero tolerance policy to abuse. Safeguarding is everybody's responsibility. [Archdiocese of Birmingham Safeguarding Statement](#)
All Church activity should provide a safe environment which promotes and supports the wellbeing of everyone and protects them from harm. The Catholic Church in England and Wales has a single approach to Safeguarding.

The Archdiocese of Birmingham follows the [National Safeguarding Policy \(catholicsafeguarding.org.uk\)](#) provided by the Catholic Safeguarding Standards Agency; is overseen by the Safeguarding Trustee Subcommittee. External review of practice is provided by Barnardo's.

Key responsibilities of the Safeguarding Team include management of allegations or concerns, delivery of safeguarding training to clergy and Parish Safeguarding Representatives, provision of safeguarding advice and acts as a point of contact for anyone hurt by church related abuse. 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.

The Safeguarding Team were audited in November 2023 by the Catholic Safeguarding Standards Agency and were assessed as making "firm progress" against the eight national safeguarding standards. The Safeguarding Team have progressed with all of the recommendations of the CSSA audit and will be reaudited in two years time.

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.

Property Sub Committee

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. Other key strategic sites are under review with the diocese having appointed a strategic development advisor. 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, working in collaboration with schools.

The diocese has complied with the Department of Education (DfE) guidance with regards to RAAC (Reinforced autoclaved aerated concrete) in school buildings. Surveys having been carried out with three schools found to contain RAAC. A programme of removal is being funded by the DfE. Diocesan and parish properties will be subject to survey late in 2024.

Energy Savings Opportunity Scheme (ESOS)

ESOS is a mandatory energy assessment scheme for organisations in the UK that meet the qualification criteria. The Environment Agency is the UK scheme administrator. The Diocese qualifies for ESOS and must therefore carry out ESOS assessments every four years. In August 2024, the diocese made its online submission to the Environment Agency and has an action plan to implement. **Fundraising**

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

Performance review (continued)

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 is registered with the Fundraising Regulator whose code of Functioning 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 registered charity. 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 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. The Trust does not engage external fundraisers.

Historically, we have enjoyed considerable success in securing grant funding to support specific projects throughout the Diocese. The charity received a total of £548k from external grant providers, including school funding where the Diocese acted as the principal. However, in response to the Covid-19 pandemic, many charitable trusts and foundations were forced to reduce their grant funding budgets in the light of declining dividend and investment returns. That said, in 2023, we were pleased to secure grant funding via the curia team (excluding school funding grants) of £164k to assist 14 parishes across the Diocese (2022: £224k, assisting 13 parishes). A further 25 parishes were given advice and assistance with their direct grant applications and local community fundraising. Projects supported directly by the curia team included:

- Sacred Heart, Coventry – new kitchen installed in the church hall
- St Mary & St Thomas More, Cannock – community hall kitchen refurbished
- St Joseph's, Carterton – new heating system installed in the Grade II listed church

From the start of 2024, we have seen a significant improvement in the trust funding environment, and during the first four months of the year, £258,640 has been secured by way of grant funding, which augurs well for the year ahead.

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 works towards creating a culture of responsible giving where possible, allowing for diverse and inclusive methods of donating including Time and Talent.

Care of Clergy Sub Committee

Vocations Office and Clergy Training Fund

The fund finances the formation and grants of men in formation for the Sacred Priesthood. In addition, it also pays for the formation of priests and permanent deacons who are undertaking further study at the request of the Archbishop. In the academic year 2023/24, there were 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 of Thanksgiving at St Chad's Cathedral, a retreat for Altar Servers held at Alton Castle with the support of the Kenelm Youth Trust and a training day at St Mary's College, Oscott. These events are important opportunities for the Vocations Office to raise an awareness of discerning God's call for the young servers of the Archdiocese.

The Office for Mission is also based at the Vocation Office, and this supports the Vision and Diocesan Plan through Evangelisation, Formation and Marriage & Family Life. The Office for Mission budget also covers the events organised for the Ongoing Formation of clergy.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

Performance review (continued)

Education Sub Committee

Diocesan Education Service

The Diocesan Education Service (DES), based in Coleshill, represents the interests of the charity in relation to the 239 maintained Catholic schools within the diocese. Of these, 236 schools (202 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 three 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 151 of our 236 schools now in a multi academy company (MAC), of which there are 16. A further three schools were due to convert on 1st September 2024.

£6.1 million of funding for capital works in our schools was secured and administered through a programme of 54 different projects. 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 improve and perform above the national average with 95.8% of our schools being judged as being good or better.

Ofsted Judgements as of June 2024: Outstanding – 30 schools (12.7%), Good – 196 schools (83.1%), Requires Improvement 9 schools (3.8%), Inadequate – 1 school (0.4%).

Almost all of our schools are now signed up to CAFOD's Live Simply Award. To date, 49 schools have achieved the award. During the **Season of Creation** (1 September - 4 October 2024), schools are being encouraged to get children and young people to speak at a Parish Mass about their work in relation to Live Simply. It is hoped that this will inspire parishes to seek to become Live Simply parishes and that opportunities for collaboration and joint projects between schools and parishes may open up making a vital contribution towards the Archdiocese's commitment to care for creation.

A new Director of Education has been appointed (2024) to undertake a review and restructure of the DES in response to the changing national landscape and increased academisation of schools. A revised academy strategy has been published with the planned creation of the first large, 20,000 pupil Catholic Multi Academy Trust from September 2025.

Maryvale Institute

Maryvale Institute's teach out continued with 38 students graduating from our further education courses, seven students gaining degrees and 12 MAs and three PhDs being awarded. We are pleased to announce that the HIRS (Higher Institute of Religious Sciences) will continue to teach the Bachelor of Divinity and a three-year licence program. Collaboration with other teaching institutions continues so that the programmes will find a new life elsewhere. The Bachelor of Philosophy, MA and PhD will transfer to St Mary's, Twickenham (2024).

Youth Activities / Kenelm Youth Trust (KYT) Provision for youth activities was amalgamated under The Kenelm Youth Trust Limited (KYT) in 2016. Diocesan funding for KYT has been gradually reduced in response to financial pressure.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

Performance review (continued)

One of the trustees of the Archdiocese also served as a trustee of KYT in 2023, and the Diocesan Head of Finance sits on the KYT management board, 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.

Workforce and Remuneration Sub Committee

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 2023 Communications continued to raise awareness of the work of the Archdiocese through a mixed programme of communications.

Priority areas remain in supporting the Vision, the Synod and safeguarding alongside managing the day-to-day business of the department.

A key aim is to tell more stories of faith around the themes of the Vision, through photography, film and testimony from a wide group of people.

Human Resources

Human Resources has been restructured and continues to face significant and increasing demands from parishes to support routine matters. Despite this, the service is more responsive and proactive and has developed improved relationships with third party providers of advice to support more complex matters and to utilise 'free' services via our insurers.

Care of Creation Sub Committee

Following divestments in fossil fuels and other environmental commitments, the Archdiocese of Birmingham created a Climate Action Group in September 2021 to drive the Diocese's response to the climate emergency further. In 2023 this became a formal sub committee to the Trustees, holding its first meeting in December 2023.

The group is working on behalf of the Archbishop and Trustees. Working closely with other curial departments such as development, property and finance its purpose is:

- To develop and maintain oversight of the Archdiocese's response to the climate crisis, the Gospel of Life and adherence to the goals of Laudato Si', aligned to the Diocesan Vision.
- The Care for Creation Committee will create and oversee a strategic plan towards carbon reduction and cultural change. The Committee will set realistic and achievable goals, introduce appropriate measurement of the goals and report on progress to the Board of Trustees.
- The Care for Creation Committee will establish working groups to support with the achievement of the goals outlined in the Care for Creation strategy.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

Performance review (continued)

Lourdes Pilgrimage

The 2023 Diocesan pilgrimage to Lourdes saw the number of pilgrims climb again, following on from reduced numbers in 2022, which was the first Lourdes pilgrimage held after the pandemic.

We welcomed 481 pilgrims through our tour operator Tangney Tours, which included 23 Accueil pilgrims and student nurses from Keele University and BCU. 17 schools participated, with 214 school volunteers (including staff) attending.

26 pilgrims joined as 'affiliates', arranging their own flights and accommodation.

Investments

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 2023 the value of Diocesan stock market investments, in line with stock markets generally increased, following the significant fall in value of the previous year. 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 2023 amounted to £30.5m (2022: £28.7m), and recorded a gain of £1.8m in the accounts (2022 loss of £5.5m).

Income (dividends, interest etc) from stock market investments in the year was £0.9m (2022 £0.8m).

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.

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. The Trust divested itself of fossil fuel investments in 2021, as a direct

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

Performance review (continued)

response to Laudato Si, the Pope's encyclical on the environment, and updated its ethical investment policy to reflect its position.

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)

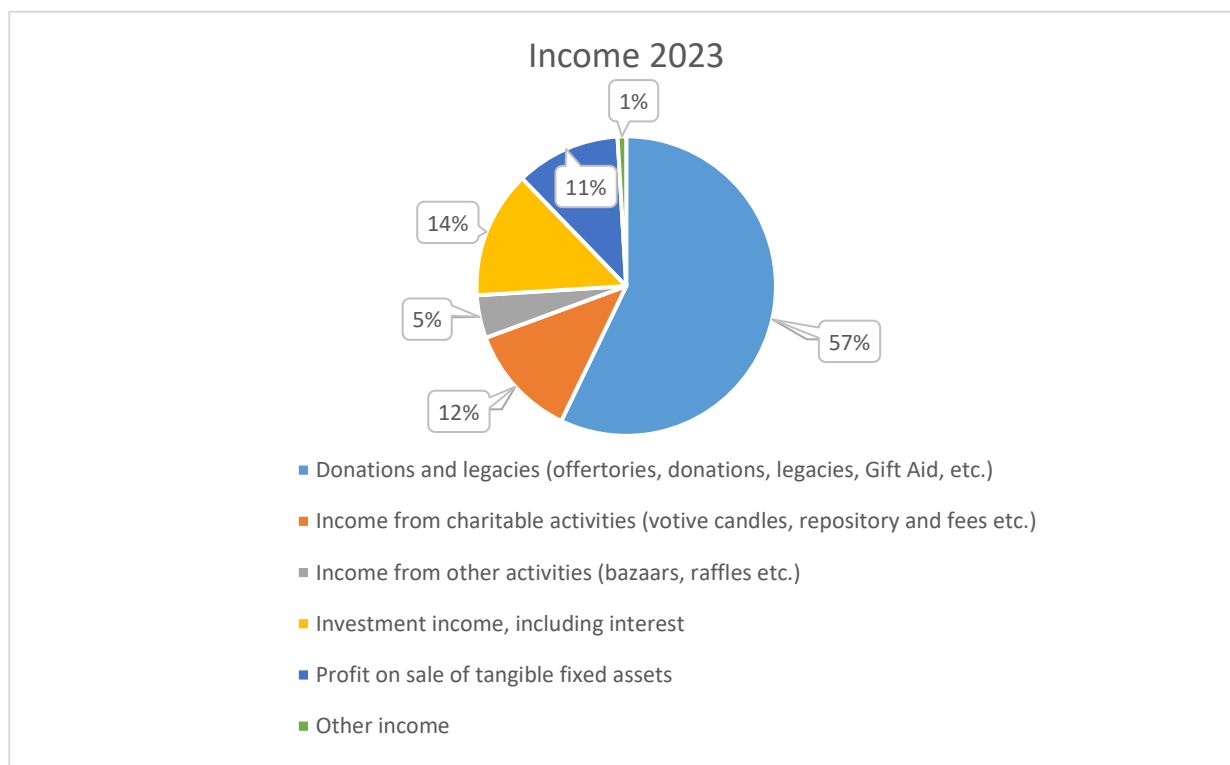
For the year ended 31 December 2023

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 2023 on pages 24 and 25 shows income of £23.71m (2022: £20.14m) analysed as follows:

| | % | £ | % | £ |
|--|-------------|--------------|-------------|--------------|
| | 2023 | 2023 | 2022 | 2022 |
| Donations and legacies (offertories, donations, legacies, Gift Aid, etc.) | 57% | 13.55 | 68% | 13.68 |
| Income from charitable activities (votive candles, repository and fees etc.) | 12% | 2.90 | 12% | 2.41 |
| Income from other activities (bazaars, raffles etc.) | 5% | 1.10 | 5% | 1 |
| Investment income, including interest | 14% | 3.26 | 14% | 2.86 |
| Profit on sale of tangible fixed assets | 11% | 2.68 | 0% | 0 |
| Other income | 1% | 0.22 | 1% | 0.19 |
| | | <u>23.71</u> | | <u>20.14</u> |



Birmingham Diocesan Trust

Trustees' report (continued)

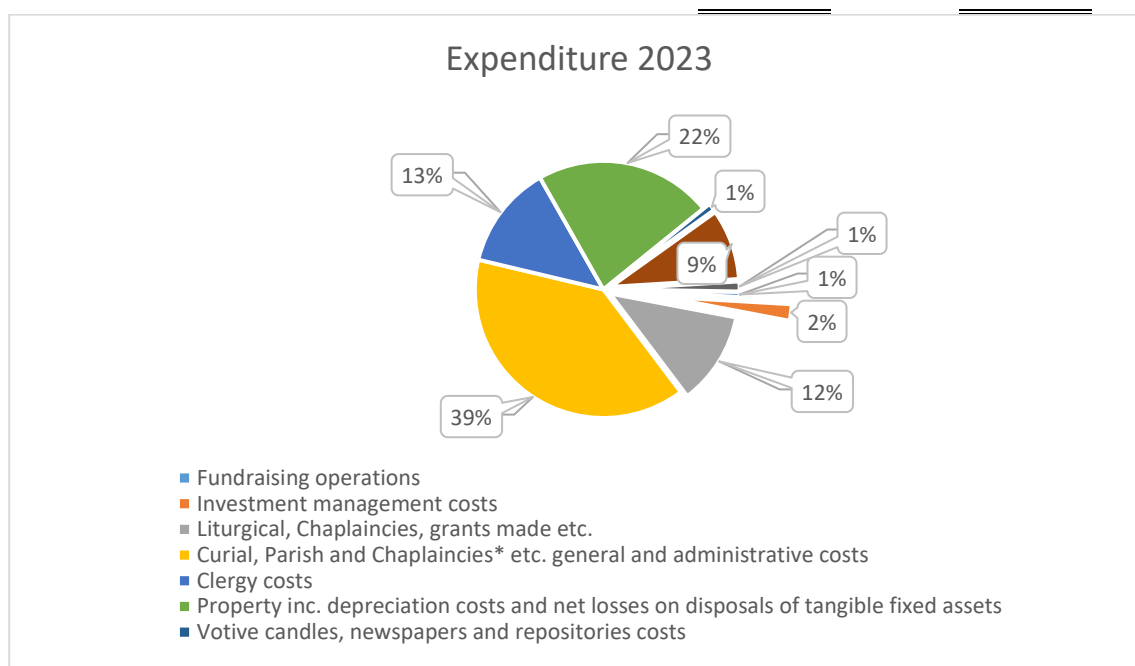
For the year ended 31 December 2023

Financial review (continued)

Expenditure amounted to £25.05m (2022: £22.15m) analysed as follows: -

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

| | % | £ | % | £ |
|---|------|--------------|------|--------------|
| | 2023 | 2023 | 2022 | 2022 |
| Fundraising operations | 1% | 0.16 | 1% | 0.17 |
| Investment management costs | 2% | 0.52 | 2% | 0.47 |
| Liturgical, Chaplaincies, grants made etc. | 12% | 2.94 | 10% | 2.31 |
| Curial, Parish and Chaplaincies* etc. general and administrative costs | 39% | 9.77 | 45% | 9.81 |
| Clergy costs | 13% | 3.27 | 14% | 3.14 |
| Property inc. depreciation costs and net losses on disposals of tangible fixed assets | 22% | 5.61 | 19% | 4.2 |
| Votive candles, newspapers and repositories costs | 1% | 0.24 | 1% | 0.14 |
| Schools' costs | 9% | 2.23 | 7% | 1.59 |
| Legal and professional fees (including auditor's remuneration) | 1% | 0.31 | 1% | 0.32 |
| | | <u>25.05</u> | | <u>22.15</u> |



This resulted in:

An operating deficit (i.e., before considering the impact of gains and losses on investments and other assets) of £1.34m {£1.7m loss on unrestricted funds, £0.36m surplus on restricted and endowment funds} (2022: £2.01m loss {£2.8m loss on unrestricted funds, £0.8m surplus on restricted and endowment funds}).

An overall surplus for the year of £0.71m after investment gains on the stock market, and investment property gains. {£0.13m gain on unrestricted funds, £0.58m surplus on restricted and endowment funds, and before transfers} (2022: £5.14m loss {£5.26m loss on unrestricted funds, £0.12m surplus on restricted and endowment funds, and before transfers}).

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

Financial review (continued)

The investments held by the parishes and the Archdiocese (mainly quoted investments) again produced income to defray running costs, there were realised and unrealised gains amounting to £1.78m {£1.58m gain on unrestricted funds, £0.21m gain on restricted funds and endowments} (2022: £5.53m loss {£4.88m loss on unrestricted funds, £0.65m loss on restricted funds and endowments}). The market showed an improvement after the very challenging market conditions of the previous year. Realised and unrealised gains on investment properties amounted to £0.26m (2022: £2.4m gain). This is significantly less than is normal, due to the revaluation of a parish investment in land. This had been revalued in 2018, due to the expectation of sale yielding a significant return, which did not materialise. This was re-valued in 2023, and the value was significantly impaired, resulting in a revaluation loss on this asset of £1.35m.

The net effect of the above is that, over the year, the funds of the charity increased by £0.7m (2022: £5.14m decrease) to £118.26m (2022: £117.56m).

Weekend Mass attendance figures increased by 21% (2022: 23%). Mass offertory increased by 7%. (2022: increased by 9.4%). Overall income from offertory, legacies, grants and donations decreased by £0.13m (2022: increase of £0.75m). There was a decrease in the overall value of legacies of £1.21m, to £1.18m in 2023 (2022: £2.39m). Grants decreased in 2023 by £0.14m to £0.41m (2022: £0.55m).

Cash reserves

The charity's total cash reserves decreased by £1.1m to £3.5m (2022: £0.5m decrease to £4.6m). Unrestricted cash reserves in parishes decreased by £0.7m to £4.6m (2022: £1m increase to £5.3m) whilst Diocesan unrestricted cash reserves decreased by £0.1m to a deficit position of £18.6m (2022: £2.1m decrease to £18.5m 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 - £19.69m (2022: £18.96m), are approximately 85% of annual unrestricted expenditure (2022: 81%).

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 some years, 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 2023

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 Synodal process of listening to our parishioners provides great hope for the future and we remain committed to our Vision to create 'joyful and vibrant' parish communities for the future.

Trustees have agreed six key priorities for 2025:

1. To increase the pace of change, simplify decision making and clarity of roles and responsibilities
2. To complete the deanery and parish reorganisation and with our 217 parishes creating 80 parish pastoral areas
3. To secure the long-term financial security of all parishes by increasing weekly giving and continuing to implement changes to reduce curia costs
4. To move to a much smaller number of larger MACs to protect vulnerable schools and create flourishing academies placing children and Christ at the centre of all that we do with diocese, parish and schools working co-responsibly as one diocese in support of the diocesan vision
5. Make the four themes of the Vision: Liturgy and Worship, Formation, Evangelisation and Social Outreach the focus of all that we do and make our schools and parishes attractive to young people and families, increasing engagement and mass attendance
6. Provide access to and opportunities for ongoing formation for clergy, school leaders, parishioners, young people and children

We understand the challenges from falling mass attendance and the demographic of our clergy and parishioners, but we embrace the opportunities to evangelise through our many parishes and schools. Our academies and school communities will play a key role in delivering our vision and in collaboration with our parishes, parents and children we will work towards increasing engagement of increasing numbers of young people and families.

We will continue to concentrate on making our parishes safe for all, building on the improvements in safeguarding practise whilst also remaining fully aware that we still have much to do to repair the damage done over many years to victim survivors.

Recent years have focused on cost reduction and whilst continuing to use our resources wisely, increasing income is now one of our core objectives.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

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 18th October 2024 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

Opinion

We have audited the financial statements of Birmingham Diocesan Trust (the 'charity') for the year ended 31 December 2023 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 2023 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

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

- 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
Statutory Auditor
Chartered Accountants
10th Floor
103 Colmore Row
Birmingham
B3 3AG

Date

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 2023

| | Note | PAROCHIAL | | | DIOCESAN | | | TOTAL | | | TOTAL | |
|---|------|--------------------|------------------|-----------------|--------------------|------------------|-----------------|--------------------|------------------|-----------------|----------------|------------------|
| | | Unrestricted funds | Restricted funds | Endowment funds | Unrestricted funds | Restricted funds | Endowment funds | Unrestricted funds | Restricted funds | Endowment funds | 2023 | 2022 |
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | (Note 8) £000 |
| INCOME AND ENDOWMENTS FROM: | | | | | | | | | | | | |
| Donations, legacies and grants | 1 | 11,563 | 1,406 | - | 329 | 256 | - | 11,892 | 1,662 | - | 13,554 | 13,675 |
| Charitable activities | 2 | 1,219 | 149 | - | 1,529 | 3 | - | 2,748 | 152 | - | 2,900 | 2,412 |
| Other trading activities | 3 | 1,091 | 2 | - | 10 | - | - | 1,101 | 2 | - | 1,103 | 1,004 |
| Investment income | 4 | 2,695 | 30 | 36 | 409 | 76 | 17 | 3,104 | 106 | 53 | 3,263 | 2,860 |
| Other income | | | | | | | | | | | | |
| Profit on sale of tangible fixed assets | | 236 | 350 | - | 2,090 | - | - | 2,326 | 350 | - | 2,676 | 26 |
| Other income | 5 | 212 | - | - | 1 | - | - | 213 | - | - | 213 | 158 |
| Total | | 17,016 | 1,937 | 36 | 4,368 | 335 | 17 | 21,384 | 2,272 | 53 | 23,709 | 20,135 |
| EXPENDITURE ON | | | | | | | | | | | | |
| Raising funds | | | | | | | | | | | | |
| Fund raising operations | | 147 | 6 | - | 1 | 6 | - | 148 | 12 | - | 160 | 172 |
| Investment management costs | 6 | 498 | - | - | 22 | - | - | 520 | - | - | 520 | 470 |
| Charitable activities | 7 | 15,515 | 992 | 36 | 6,911 | 900 | 17 | 22,426 | 1,892 | 53 | 24,371 | 21,506 |
| Total | | 16,160 | 998 | 36 | 6,934 | 906 | 17 | 23,094 | 1,904 | 53 | 25,051 | 22,148 |
| Net (expenditure)/income before gains on investment assets | | 856 | 939 | - | (2,566) | (571) | - | (1,710) | 368 | - | (1,342) | (2,013) |
| Gains on investment assets | | | | | | | | | | | | |
| Gains, losses and revaluations on investment properties | 12 | (11) | - | - | 270 | - | - | 259 | - | - | 259 | 2,401 |
| Gains, losses and revaluations on other investments | 12 | 1,120 | 11 | 86 | 463 | 35 | 73 | 1,583 | 46 | 159 | 1,788 | (5,532) |
| Total | | 1,109 | 11 | 86 | 733 | 35 | 73 | 1,842 | 46 | 159 | 2,047 | (3,131) |
| Net income/(expenditure) | | 1,965 | 950 | 86 | (1,833) | (536) | 73 | 132 | 414 | 159 | 705 | (5,144) |

Birmingham Diocesan Trust

Statement of financial activities

for the year ended 31 December 2023

| | 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 | 2023 £000 | 2022 £000 (Note 8) |
| Net income/(expenditure) | | 1,965 | 950 | 86 | (1,833) | (536) | 73 | 132 | 414 | 159 | 705 | (5,144) |
| Transfers between funds | 18 | (2,423) | (68) | - | 2,251 | 240 | - | (172) | 172 | - | - | - |
| Net movement in funds | | (458) | 882 | 86 | 418 | (296) | 73 | (40) | 586 | 159 | 705 | (5,144) |
| Reconciliation of funds | | | | | | | | | | | | |
| Total funds brought forward | | 98,115 | 4,132 | 1,489 | 7,160 | 6,052 | 605 | 105,275 | 10,184 | 2,094 | 117,553 | 122,697 |
| Total funds carried forward | | 97,657 | 5,014 | 1,575 | 7,578 | 5,756 | 678 | 105,235 | 10,770 | 2,253 | 118,258 | 117,553 |

All of the charity's activities are continuing.

2022 comparatives for the above are analysed in Note 8.

Birmingham Diocesan Trust

Statement of financial position

At 31 December 2023

charity number 234216

| | Note | 2023 £000 | 2023 £000 | 2022 £000 | 2022 £000 |
|---|------|--------------|----------------|--------------|----------------|
| FIXED ASSETS: | | | | | |
| Tangible assets | 11 | | 50,633 | | 49,809 |
| Investments | 12 | | 66,196 | | 65,373 |
| Total fixed assets | | | <u>116,829</u> | | <u>115,182</u> |
| CURRENT ASSETS: | | | | | |
| Debtors due in under one year | 13 | 3,534 | | 3,202 | |
| Total Debtors | 13 | <u>3,534</u> | | <u>3,202</u> | |
| Cash at bank and in hand | | 3,546 | | 4,557 | |
| Total current assets | | <u>7,080</u> | | <u>7,759</u> | |
| CURRENT LIABILITIES: | | | | | |
| Creditors: Amounts falling due within one year | 14 | (5,616) | | (5,353) | |
| NET CURRENT ASSETS | | | <u>1,464</u> | | <u>2,406</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| | | | <u>118,293</u> | | <u>117,588</u> |
| Creditors: Amounts falling due after more than one year | 15 | | (35) | | (35) |
| NET ASSETS | 20 | | <u>118,258</u> | | <u>117,553</u> |
| THE FUNDS OF THE CHARITY: | | | | | |
| Endowment funds | 17 | | 2,253 | | 2,094 |
| Restricted funds | 18 | | 10,770 | | 10,184 |
| Unrestricted funds: | | | | | |
| Designated income funds | 19 | 49,960 | | 49,141 | |
| General income funds | 19 | 55,275 | | 56,134 | |
| | | | <u>105,235</u> | | <u>105,275</u> |
| TOTAL CHARITY FUNDS | | | <u>118,258</u> | | <u>117,553</u> |

These financial statements were approved and authorised for issue at the trustees' meeting held on 18th October 2024, 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 2023

| | Note | 2023 £000 | 2023 £000 | 2022 £000 | 2022 £000 |
|---|------|----------------------------------|----------------------------|--------------|--------------------------------|
| Cash flows from operating activities: | | | | | |
| Net cash used in operating activities | 21 | | (6,510) | | (2,571) |
| Cash flows from investing activities | | | | | |
| Interest received | | 218 | | 82 | |
| Interest /dividends from investment in the stock market | | 905 | | 771 | |
| Rental income from investment property | | 2,140 | | 2,008 | |
| Purchase of tangible fixed assets | | (830) | | (603) | |
| Proceeds of disposal of fixed assets | | 2,947 | | 579 | |
| Purchase of investments | | (4,891) | | (4,331) | |
| Proceeds of sale of investments | | 4,847 | | 3,275 | |
| Purchase of investment properties | | - | | (287) | |
| Proceeds of sale of investment properties | | 163 | | 496 | |
| Net cash provided by investing activities | | | 5,499 | | 1,603 |
| Net (decrease)/increase in cash and cash equivalents | | | (1,011) | | (581) |
| Cash and cash equivalents at the beginning of the year | | | 4,557 | | 5,138 |
| Cash and cash equivalents at the end of the year | | | 3,546 | | 4,557 |
| Analysis of changes in net debt | | | | | |
| | | At start of year £000 | Cash flows £000 | | At end of year £000 |
| Cash | | 4,557 | (1,011) | | 3,546 |
| Loans | | (35) | - | | (35) |
| Total | | 4,522 | (1,011) | | 3,511 |

Birmingham Diocesan Trust

Accounting policies for the year ended 31 December 2023

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 and into 2024, 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 (£3.5m at year end). The Diocese also has a significant investment portfolio (£30.6m at year end) that recovered well following the turbulence and losses sustained in 2022, although is still susceptible to other UK and global political and economic force. There is an 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 2023

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 Trust carries its investment properties at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The Trust obtains valuations to determine fair value on a cyclical basis; normally being every five years for investment properties. The trustees consider that this is sufficiently regular to ensure that their carrying amount does not differ materially from their fair value at the reporting date. Some of the key assumptions used to determine the fair value of the assets are based on the valuer's knowledge and experience of the market, values of similar properties that could be deemed subjective.

Revaluation gains on investment properties and the relevant assets are included in Note 12.

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 2023

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 £6.41m (2022: £6.4m), income from grants was £6.67m (2022: £6.27m) and the net position of £0.26m (2022: £0.13m) is included in the creditor for 2023, which is £2.30m as at the year end (2022: £2.55m). 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 2023

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 2023

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:

| | % per annum | Years |
|--|--------------------|--------------|
| 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 2023 the building insurance valuation via the Diocesan insurers for the voluntary aided schools and academies in the charity's ownership was £222m (2022: £199m). In continuing the trend from previous years, there were further schools including academies that insured with other insurers/RPA in 2023 compared to 2022.

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:

| | % per annum | Years |
|---------------------------------|--------------------|--------------|
| 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 2023

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 2023. All investment properties are professionally valued on a rolling 5-year programme. During 2023, 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 2023

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 2023

| 1 | DONATIONS, LEGACIES AND GRANTS | | | | | | | Total | Total | |
|--|--------------------------------|--------------------------|-------------------------|----------------------------|--------------------------|-------------------------|---------------|---------------|-------|------|
| | Parochial | | | Diocesan | | | 2023 | | | 2022 |
| | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | | | | |
| Offertories, collections and donations | 8,778 | 716 | - | 140 | 191 | - | 9,825 | 9,047 | | |
| Tax reclaimed on offertories and donations | 1,569 | 37 | - | 61 | 20 | - | 1,687 | 1,693 | | |
| Donations of property | 450 | - | - | - | - | - | 450 | - | | |
| Legacies | 580 | 498 | - | 89 | 15 | - | 1,182 | 2,387 | | |
| Grants receivable * | 186 | 155 | - | 39 | 30 | - | 410 | 548 | | |
| | <u>11,563</u> | <u>1,406</u> | <u>-</u> | <u>329</u> | <u>256</u> | <u>-</u> | <u>13,554</u> | <u>13,675</u> | | |

* Included in grants receivable were Government grants, amounting to £270k (2022: £205k). This excludes Schools funding (refer to note 7).

DONATIONS, LEGACIES AND GRANTS - 2022 COMPARATIVES

| | Parochial | | | Diocesan | | | Total |
|--|----------------------------|--------------------------|-------------------------|----------------------------|--------------------------|-------------------------|---------------|
| | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | 2022 |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Offertories, collections and donations | 8,119 | 622 | - | 148 | 158 | - | 9,047 |
| Tax reclaimed on offertories and donations | 1,571 | 15 | - | 107 | - | - | 1,693 |
| Legacies | 1,565 | 427 | - | 225 | 170 | - | 2,387 |
| Grants receivable | 149 | 146 | - | 56 | 197 | - | 548 |
| | <u>11,404</u> | <u>1,210</u> | <u>-</u> | <u>536</u> | <u>525</u> | <u>-</u> | <u>13,675</u> |

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2023

| 2 | CHARITABLE ACTIVITIES | | | | | | | |
|---|----------------------------|--------------------------|-------------------------|----------------------------|--------------------------|-------------------------|--------------|--------------|
| | Parochial | | | Diocesan | | | Total | Total |
| | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | 2023 £000 | 2022 £000 |
| Votive candles, newspapers and repositories | 565 | 1 | - | 5 | - | - | 571 | 483 |
| Chaplaincy income | 73 | - | - | 94 | - | - | 167 | - |
| Fees and other charges | 31 | - | - | 1,397 | 3 | - | 1,431 | 1,338 |
| Other income | 550 | 148 | - | 33 | - | - | 731 | 591 |
| | 1,219 | 149 | - | 1,529 | 3 | - | 2,900 | 2,412 |

CHARITABLE ACTIVITIES - 2022 COMPARATIVES

| | Parochial | | | Diocesan | | | Total |
|------------------------|---|--------------------------|-------------------------|----------------------------|--------------------------|-------------------------|--------------|
| | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | 2022 £000 |
| | Votive candles, newspapers and repositories | 479 | - | - | 4 | - | - |
| Chaplaincy income | - | - | - | - | - | - | - |
| Fees and other charges | 101 | - | - | 1,234 | 3 | - | 1,338 |
| Other income | 495 | 71 | - | 25 | - | - | 591 |
| | 1,075 | 71 | - | 1,263 | 3 | - | 2,412 |

| 3 | OTHER TRADING ACTIVITIES | | | | | | | |
|---------------|----------------------------|--------------------------|-------------------------|----------------------------|--------------------------|-------------------------|--------------|--------------|
| | Parochial | | | Diocesan | | | Total | Total |
| | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | 2023 £000 | 2022 £000 |
| Social income | 1,091 | 2 | - | 10 | - | - | 1,103 | 1,004 |
| | 1,091 | 2 | - | 10 | - | - | 1,103 | 1,004 |

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

OTHER TRADING ACTIVITIES - 2022 COMPARATIVES

| | Parochial | | | Diocesan | | | Total |
|--|----------------------------|--------------------------|-------------------------|----------------------------|--------------------------|-------------------------|--------------|
| | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | 2022 £000 |
| | Social income | 981 | 2 | - | 21 | - | - |
| | 981 | 2 | - | 21 | - | - | 1,004 |

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2023

| 4 | INVESTMENT INCOME | | | | | | | |
|----------------------------|----------------------------|--------------------------|-------------------------|----------------------------|--------------------------|-------------------------|--------------|--------------|
| | Parochial | | | Diocesan | | | Total | Total |
| | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | 2023 £000 | 2022 £000 |
| Income from UK investments | 528 | 29 | 36 | 255 | 40 | 17 | 905 | 771 |
| Rental income | 2,002 | - | - | 136 | 2 | - | 2,140 | 2,008 |
| Interest receivable | 165 | 1 | - | 18 | 34 | - | 218 | 81 |
| | <u>2,695</u> | <u>30</u> | <u>36</u> | <u>409</u> | <u>76</u> | <u>17</u> | <u>3,263</u> | <u>2,860</u> |

INVESTMENT INCOME - 2022 COMPARATIVES

| | Parochial | | | Diocesan | | | Total |
|---------------------|----------------------------|--------------------------|-------------------------|----------------------------|--------------------------|-------------------------|--------------|
| | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | 2022 £000 |
| | Income from UK investments | 460 | 10 | 30 | 227 | 29 | 15 |
| Rental income | 1,846 | - | - | 160 | 2 | - | 2,008 |
| Interest receivable | 34 | - | - | 43 | 4 | - | 81 |
| | <u>2,340</u> | <u>10</u> | <u>30</u> | <u>430</u> | <u>35</u> | <u>15</u> | <u>2,860</u> |

| 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 | 2023 £000 | 2022 £000 |
| Insurance claims | 67 | - | - | - | - | - | 67 | 13 |
| Donations of assets | 12 | - | - | - | - | - | 12 | 28 |
| Sundry income | 133 | - | - | 1 | - | - | 134 | 117 |
| | <u>212</u> | <u>-</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>-</u> | <u>213</u> | <u>158</u> |

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2023

OTHER INCOME - 2022 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>2022</i> | |
| | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | |
| Insurance claims | 13 | - | - | - | - | - | 13 | |
| Donations of assets | 28 | - | - | - | - | - | 28 | |
| Sundry income | 115 | - | - | 2 | - | - | 117 | |
| | <u>156</u> | <u>-</u> | <u>-</u> | <u>2</u> | <u>-</u> | <u>-</u> | <u>158</u> | |

| 6 | INVESTMENT MANAGEMENT COSTS | | | | | | | |
|--|------------------------------------|-------------------------|------------------------|---------------------------|-------------------------|------------------------|--------------|-------------|
| | <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>2023</i> | <i>2022</i> |
| | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> |
| Costs of management of investment properties and other investments | 498 | - | - | 22 | - | - | 520 | 470 |
| | <u>498</u> | <u>-</u> | <u>-</u> | <u>22</u> | <u>-</u> | <u>-</u> | <u>520</u> | <u>470</u> |

INVESTMENT MANAGEMENT COSTS - 2022 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>2022</i> | |
| | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | |
| Costs of management of investment properties and other investments | 452 | - | - | 18 | - | - | 470 | |
| | <u>452</u> | <u>-</u> | <u>-</u> | <u>18</u> | <u>-</u> | <u>-</u> | <u>470</u> | |

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2023

| 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 | 2023 £000 | 2022 £000 |
| Liturgical and pastoral costs | 1,183 | 64 | 5 | 567 | 17 | 17 | 1,853 | 1,609 |
| Curial, Parish and Chaplaincy etc. general support costs * | 7,344 | 182 | - | 1,795 | 84 | - | 9,405 | 9,267 |
| Clergy costs | 1,989 | 2 | - | 901 | 382 | - | 3,274 | 3,136 |
| Property refurbishment, maintenance and major repairs** | 3,234 | 708 | 31 | 340 | 7 | - | 4,320 | 2,946 |
| Depreciation | 1,078 | - | - | 204 | 7 | - | 1,289 | 1,270 |
| Bank Charges | 284 | - | - | 79 | 1 | - | 364 | 154 |
| Votive candles, newspapers and repository costs etc. | 231 | - | - | - | 6 | - | 237 | 138 |
| Chaplaincy expenditure | - | - | - | 312 | 226 | - | 538 | 524 |
| Schools' costs | 9 | - | - | 2,060 | 162 | - | 2,231 | 1,594 |
| Grant funding | 160 | 34 | - | 345 | 8 | - | 547 | 544 |
| Professional fees, incl safeguarding & audit | 3 | 2 | - | 308 | - | - | 313 | 324 |
| Total charitable activities | 15,515 | 992 | 36 | 6,911 | 900 | 17 | 24,371 | 21,506 |

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

** A significant number of parish property required repairs and building work in 2023 compared to 2022.

*** Included in Schools costs is £120k which represents the net costs (2022: £240k net income) 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 £6,564k and £6,684k expenditure (2022: £2,094k income and expenditure of £1,854k). These costs relate mainly to PFI payments, along with net refunds on DFC grants.

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 2023

7

CHARITABLE ACTIVITIES - 2022 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>2022</i> |
| | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> |
| Liturgical and pastoral costs | 1,021 | 50 | 7 | 524 | 7 | - | 1,609 |
| Curial, Parish and Chaplaincy etc. general support costs * | 6,811 | 151 | - | 2,452 | (162) | 15 | 9,267 |
| Clergy costs | 1,892 | 1 | - | 836 | 407 | - | 3,136 |
| Property refurbishment, maintenance and major repairs | 2,085 | 385 | 23 | 345 | 108 | - | 2,946 |
| Depreciation | 1,061 | - | - | 202 | 7 | - | 1,270 |
| Bank Charges | 114 | - | - | 39 | 1 | - | 154 |
| Votive candles, newspapers and repository costs etc. | 132 | - | - | 6 | - | - | 138 |
| Chaplaincy expenditure | - | - | - | 489 | 35 | - | 524 |
| Schools' costs (including impairment losses)** | - | - | - | 1,587 | 7 | - | 1,594 |
| Grant funding | 151 | 15 | - | 357 | 21 | - | 544 |
| External audit fees | - | - | - | 61 | - | - | 61 |
| Professional fees, incl safeguarding | 1 | 2 | - | 260 | - | - | 263 |
| Total charitable activities | 13,268 | 604 | 30 | 7,158 | 431 | 15 | 21,506 |

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2023

8

COMPARATIVES (BY FUND) FOR 2022 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 | 2022 £000 | |
| INCOME AND ENDOWMENTS FROM: | | | | | | | | | | | |
| <i>Donations, legacies & grants</i> | <i>1</i> | 11,404 | 1,210 | - | 536 | 525 | - | 11,940 | 1,735 | - | 13,675 |
| <i>Charitable activities</i> | <i>2</i> | 1,075 | 71 | - | 1,263 | 3 | - | 2,338 | 74 | - | 2,412 |
| <i>Other trading activities</i> | <i>3</i> | 981 | 2 | - | 21 | - | - | 1,002 | 2 | - | 1,004 |
| <i>Investment income</i> | <i>4</i> | 2,340 | 10 | 30 | 430 | 35 | 15 | 2,770 | 45 | 45 | 2,860 |
| <i>Other income</i> | | | | | | | | | | | - |
| <i>Profit on sale of tangible fixed assets</i> | | - | - | - | 26 | - | - | 26 | - | - | 26 |
| <i>Other income</i> | <i>5</i> | 156 | - | - | 2 | - | - | 158 | - | - | 158 |
| Total | | 15,956 | 1,293 | 30 | 2,278 | 563 | 15 | 18,234 | 1,856 | 45 | 20,135 |
| EXPENDITURE ON: | | | | | | | | | | | |
| <i>Raising funds</i> | | | | | | | | | | | |
| <i>Fund raising operations</i> | | 149 | 10 | - | 7 | 6 | - | 156 | 16 | - | 172 |
| <i>Investment management costs</i> | <i>6</i> | 452 | - | - | 18 | - | - | 470 | - | - | 470 |
| <i>Charitable activities</i> | <i>7</i> | 13,268 | 604 | 30 | 7,158 | 431 | 15 | 20,426 | 1,035 | 45 | 21,506 |
| Total | | 13,869 | 614 | 30 | 7,183 | 437 | 15 | 21,052 | 1,051 | 45 | 22,148 |
| <i>Net (expenditure)/income before gains on investment assets</i> | | 2,087 | 679 | - | (4,905) | 126 | - | (2,818) | 805 | - | (2,013) |

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2023

8

COMPARATIVES (BY FUND) FOR 2022 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 | 2022 £000 |
| <i>Net (expenditure)/income before gains on investment assets</i> | 2,087 | 679 | - | (4,905) | 126 | - | (2,818) | 805 | - | (2,013) |
| Gains on investment assets | | | | | | | | | | |
| <i>Gains, losses and revaluations on investment properties</i> | 2,506 | - | - | (62) | (43) | - | 2,444 | (43) | - | 2,401 |
| <i>Gains, losses and revaluations on investments</i> | (3,431) | (77) | (229) | (1,450) | (226) | (119) | (4,881) | (303) | (348) | (5,532) |
| | (925) | (77) | (229) | (1,512) | (269) | (119) | (2,437) | (346) | (348) | (3,131) |
| Net income/(expenditure) | 1,162 | 602 | (229) | (6,417) | (143) | (119) | (5,255) | 459 | (348) | (5,144) |
| Transfers between funds | | | | | | | | | | |
| | (2,258) | (185) | (40) | 2,249 | 233 | 1 | (9) | 48 | (39) | - |
| Net movement in funds | (1,096) | 417 | (269) | (4,168) | 90 | (118) | (5,264) | 507 | (387) | (5,144) |
| Reconciliation of funds | | | | | | | | | | |
| <i>Total funds brought forward</i> | 99,211 | 3,715 | 1,758 | 11,328 | 5,962 | 723 | 110,539 | 9,677 | 2,481 | 122,697 |
| | 98,115 | 4,132 | 1,489 | 7,160 | 6,052 | 605 | 105,275 | 10,184 | 2,094 | 117,553 |

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2023

| | | | |
|----------|---|-------------------|-------------------|
| 9 | NET INCOME | 2023 | 2022 |
| | | £000 | £000 |
| | Net income for the year is stated after charging: | | |
| | Depreciation of tangible fixed assets | 1,289 | 1,270 |
| | PFI facilities management fees | 158 | 138 |
| | Auditor's remuneration | | |
| | - for audit services | 74 | 61 |
| | - for non-audit services | 1 | 1 |
| | | <u> </u> | <u> </u> |

| | | | |
|-----------|---|-------------------|-------------------|
| 10 | INFORMATION REGARDING EMPLOYEES, TRUSTEES AND VOLUNTEERS | 2023 | 2022 |
| | | £000 | £000 |
| | Staff costs comprise the following: | | |
| | Salaries and wages | 4,246 | 4,453 |
| | Social security costs | 355 | 380 |
| | Pension costs | 436 | 431 |
| | Death in service premium | 20 | 22 |
| | | <u> </u> | <u> </u> |
| | | <u>5,057</u> | <u>5,286</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:

| | | |
|-------------------|-------------------|-------------------|
| | 2023 | 2022 |
| | Number | Number |
| £60,000 - £70,000 | 2 | 4 |
| £70,001 - £80,000 | 4 | 1 |
| £80,001 - £90,000 | 1 | 1 |
| | <u> </u> | <u> </u> |

The charity contributed £61,135 (2022: £47,005) 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 | |
|-------------------------|-----------|-----------|------------|------------|----------------------|------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Parishes | 7 | 9 | 212 | 204 | 70 | 71 |
| Other Diocesan services | 25 | 29 | 16 | 25 | 32 | 40 |
| Central/Curial Services | 27 | 28 | 19 | 16 | 37 | 38 |
| | <u>59</u> | <u>66</u> | <u>247</u> | <u>245</u> | <u>139</u> | <u>149</u> |

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2023

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.

Six of the twelve trustees listed on page 1 also serve as clergy of the charity (2022: Five), and in addition to their responsibilities as trustees are actively involved in carrying out the objects of the charity. Six of those trustees benefited from accommodation costs and other associated expenditure included within charitable activities (2022: Five) (see Note 7). These trustees received in total £67,125 (2022: £76,880) 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 2023 was £107,551 (2023: £105,390).

During the year charity funds were used to pay a premium of £6,100 (2022: £6,100) 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 640k hours (2022: 643k) were provided by some 9,200 (2022: 7,700) volunteers in parishes. If this is valued at £11.00 per hour, the volunteer contribution amounts to some £7.03m (2022: £7.07m). Volunteer roles fulfil liturgical, pastoral and administrative activities of the charity. In addition, there were approximately 1,750 volunteers working as volunteer governors or directors in our schools and multi academy trusts. (2022: 1,750) 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 2023

11 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

| Functional Property | note | Church/ presbytery £000 | Improvements & Contents £000 | Other £000 | Total £000 |
|------------------------------------|------|-------------------------------|------------------------------------|---------------|---------------|
| Cost | | | | | |
| At 1 January 2022 | | 44,502 | 37,179 | 766 | 82,447 |
| Additions | | 646 | 522 | 112 | 1,280 |
| Transfers from investment property | 12 | 1,105 | - | - | 1,105 |
| Transfers to investment property* | 12 | - | - | - | - |
| Disposals | | (387) | (62) | (52) | (501) |
| At 31 December 2023 | | 45,866 | 37,639 | 826 | 84,331 |
| Depreciation and impairment | | | | | |
| At 1 January 2022 | | 13,001 | 19,070 | 567 | 32,638 |
| Charge for the year | | 450 | 752 | 87 | 1,289 |
| Eliminated on disposal | | (129) | (54) | (43) | (226) |
| At 31 December 2023 | | 13,322 | 19,768 | 611 | 33,701 |
| Net book value | | | | | |
| At 31 December 2023 | | 32,547 | 17,876 | 215 | 50,633 |
| At 31 December 2022 | | 31,501 | 18,109 | 199 | 49,809 |

The net book value of functional property includes £2,486k long leasehold properties (2022: £3,022k).
The total insured value of the functional buildings and contents is £862m (2022: £771m).

School properties are not included above as they are treated as not recognised in accordance with the accounting policy on page 31.

* Transfers from functional property to investment property is at cost per the functional property asset register. Transfers in 2023 were in regards to property held at nil cost in the asset register (as inseparable under historic cost convention from the other assets on the site), transferring it to investment property required a revaluation, which resulted in the crystallisation of a £400k gain and increase in asset value of investment property of £400k. In 2023, this was a presbytery and was revalued by external property surveyors.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2023

12 INVESTMENTS HELD AS FIXED ASSETS

| | 2023 | 2022 |
|--|---------------|---------------|
| | £000 | £000 |
| Investments comprise the following: | | |
| Investment properties | 35,618 | 36,628 |
| Other investments | 30,578 | 28,745 |
| | <u>66,196</u> | <u>65,373</u> |
| | 2023 | 2022 |
| | £000 | £000 |
| Investment properties at valuation | | |
| Fair value at 1 January 2023 | 36,628 | 34,435 |
| Additions at cost | - | 287 |
| Transfers to functional property (Note 11) | (1,105) | - |
| Disposals | (164) | (495) |
| Gains and losses on revaluations and disposals (incl transfers from functional property per Note 11) | 259 | 2,401 |
| | <u>35,618</u> | <u>36,628</u> |
| Fair value at 31 December 2023 | 35,618 | 36,628 |

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

| | 2023 | 2022 |
|--|---------------|---------------|
| | £000 | £000 |
| Other investments comprise the following: | | |
| Equities | 20,951 | 19,210 |
| Fixed interest securities & Bonds | 4,393 | 2,506 |
| Alternatives & multi assets | 5,234 | 7,029 |
| | <u>30,578</u> | <u>28,745</u> |
| Investments listed on a stock exchange | <u>30,578</u> | <u>28,745</u> |

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2023

INVESTMENTS HELD AS FIXED ASSETS (continued)

Stock exchange investments at fair value

| | Diocesan | Parishes | 2023 | 2022 |
|---|-----------------|-----------------|--------------|--------------|
| | £000 | £000 | Total | Total |
| | | | £000 | £000 |
| Fair value at 1 January 2023 | 9,449 | 19,296 | 28,745 | 33,221 |
| Additions | 1,539 | 3,352 | 4,891 | 4,331 |
| Disposal proceeds | (1,574) | (3,273) | (4,847) | (3,275) |
| Realised and unrealised investment gains/(losses) | 571 | 1,217 | 1,788 | (5,532) |
| Fair value at 31 December 2023 | 9,985 | 20,592 | 30,577 | 28,745 |

The historic cost of investments held at 31 December 2023 was £24m (2022: £22m). 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 |
|-----------------------------|-------------------|-------------|-------------------|-------------|
| | 2023 | 2023 | 2022 | 2022 |
| | £m | £m | £m | £m |
| UK listed investments | 16.2 | 13.8 | 16.0 | 13.0 |
| Overseas listed investments | 14.3 | 10.2 | 12.8 | 9.4 |
| | 30.5 | 24.0 | 28.8 | 22.4 |

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 £50k (2022: £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 2023. 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. Hall staff manage the operation of the shop on a day to day basis. The Shop paid a management fee to the Hall for these services.

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 2023

13 DEBTORS

| | 2023 | 2022 |
|--|--------------|--------------|
| | £000 | £000 |
| Debtors: amounts due in under one year | | |
| Amounts due in respect of school building projects | 544 | 442 |
| Accrued investment income | 101 | 23 |
| Accrued Gift Aid Tax reclaimable | 1,287 | 1,556 |
| Other debtors including trade debtors, major bequests and property sales | 1,602 | 1,101 |
| *Secured concessionary loan to priests etc. | - | 80 |
| Total | <u>3,534</u> | <u>3,202</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 was repaid on the sale of the property during 2023.

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | 2022 |
|---|--------------|--------------|
| | £000 | £000 |
| *Amounts due in respect of school building projects | 295 | 82 |
| Due to other religious charities | 895 | 668 |
| **Other creditors | 2,477 | 2,783 |
| Accruals & deferred income | 1,949 | 1,820 |
| | <u>5,616</u> | <u>5,353</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 2023 this was £2,300k (2022: £2,554k). This relates to grants received in advance of projects starting.

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 2023

15 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

| | 2023 £000 | 2022 £000 |
|---------------------|--------------|--------------|
| Concessionary loans | 35 | 35 |
| | 35 | 35 |

16 FINANCIAL ASSETS AND LIABILITIES

Financial assets held at fair value are included in Note 12. Note 13 includes financial instruments of £792k (2022: £547k) held at amortised cost and concessionary loans of £nil (2022: £80k) held at cost plus accrued interest, less impairment where applicable. Notes 14 and 15 include financial instruments held at amortised cost of £3,702k (2022: £3,618k).

17 ENDOWMENT FUNDS

| | Balance at 1st January 2023 £000 | Income £000 | Expenditure £000 | Transfers £000 | Gains/ (losses) on investments £000 | Balance at 31st December 2023 £000 |
|-------------------------------|--|----------------|---------------------|-------------------|--|--|
| Diocesan funds | | | | | | |
| Various Diocesan funds | 546 | 15 | (15) | - | 88 | 634 |
| Maryvale | 59 | 2 | (2) | - | (2) | 57 |
| Various small trust funds: | | | | | | |
| registered charities | 189 | 5 | (5) | - | 10 | 199 |
| other | 1,300 | 31 | (31) | - | 63 | 1,363 |
| | 2,094 | 53 | (53) | - | 159 | 2,253 |

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 2023

17 ENDOWMENT FUNDS (continued)

The 2022 analysis of endowment funds follows:

ENDOWMENT FUNDS - 2022 COMPARATIVES

| | Balance at 1st January 2022 | Income | Expenditure | Transfers | Gains/ (losses) on investments | Balance at 31st December 2022 |
|-------------------------------|--|---------------|--------------------|------------------|---|--|
| | £000 | £000 | £000 | £000 | £000 | £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 |
| | <u>2,481</u> | <u>45</u> | <u>(45)</u> | <u>(39)</u> | <u>(348)</u> | <u>2,094</u> |

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2023

18 RESTRICTED FUNDS

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

| | Balance at 1st January 2023 £000 | Income £000 | Expenditure £000 | Transfers £000 | Gains/ (losses) on investments (stock market) £000 | Balance at 31st December 2023 £000 |
|---|--|----------------|---------------------|-------------------|---|--|
| Restricted funds | | | | | | |
| Poor Mission Fund | 342 | 40 | - | (10) | - | 372 |
| Memorial Mass Fund | 419 | 7 | - | - | 14 | 440 |
| Religious Workers Accommodation Fund | 52 | - | (6) | - | - | 46 |
| Specific bequests | | | | | | |
| University Chaplaincy | 796 | 57 | (114) | - | 3 | 742 |
| Other funds | 675 | - | (30) | - | 3 | 648 |
| Canons Chapter Fund | 286 | 23 | 7 | - | 3 | 319 |
| Clergy Training Fund | 357 | 135 | (401) | 250 | - | 341 |
| Maryvale | 212 | 41 | - | - | (1) | 252 |
| Diocesan Education Service – schools projects* | 2,869 | 32 | (362) | - | - | 2,539 |
| Harvington Hall | 37 | - | - | - | - | 37 |
| Other Chaplaincies | 7 | - | - | - | - | 7 |
| Parish building and other projects | 4,132 | 1,937 | (998) | (68) | 24 | 5,027 |
| | <u>10,184</u> | <u>2,272</u> | <u>(1,904)</u> | <u>172</u> | <u>46</u> | <u>10,770</u> |

Birmingham Diocesan Trust

Notes to the financial statements (continued)

for the year ended 31 December 2023

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 £(330)k (2022: £250k) above, comprises income of £6,596 (of which £32k is investment income not netted off) (2022: £2,104k of which £6k was investment income); and expenditure of £6,926k. (2022: £1,854k).

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 £172k (2022: £48k), 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. There is also a transfer into the Clergy Training Fund, which is a wholly restricted fund. This arises from an internal grant from Diocesan unrestricted funds to CTF restricted funds, necessitating a transfer between restricted and unrestricted funds.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2023

The 2022 analysis of restricted funds follows:

RESTRICTED FUNDS - 2022 COMPARATIVES

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

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2023

19 UNRESTRICTED FUNDS

| | General £000 | Designated £000 | Total £000 |
|---------------------------------------|-------------------------|----------------------------|-----------------------|
| At January 2023 | 56,134 | 49,141 | 105,275 |
| Net income | 132 | - | 132 |
| Transfers: endowment funds | - | - | - |
| Transfers: restricted funds (Note 18) | (172) | - | (172) |
| Transfers: designated funds | (819) | 819 | - |
| At 31 December 2023 | <u>55,275</u> | <u>49,960</u> | <u>105,235</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 2022 analysis of unrestricted funds follows:

UNRESTRICTED FUNDS 2022 COMPARATIVES

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

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2023

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted (general) | Unrestricted (designated) | Restricted | Endowment | 2023 Total |
|--------------------------------|-----------------------------------|--------------------------------------|-------------------|------------------|-------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Tangible fixed assets | 212 | 49,960 | 461 | - | 50,633 |
| Investments | 61,466 | - | 2,477 | 2,253 | 66,196 |
| Other net assets / liabilities | (6,403) | - | 7,832 | - | (1,429) |
| At 31 December 2023 | <u>55,275</u> | <u>49,960</u> | <u>10,770</u> | <u>2,253</u> | <u>118,258</u> |

"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 - 2022 COMPARATIVES

| | Unrestricted (general) | Unrestricted (designated) | Restricted | Endowment | 2022 Total |
|--------------------------------|-----------------------------------|--------------------------------------|-------------------|------------------|-------------------|
| | £000 | £000 | £000 | £000 | £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 | <u>56,134</u> | <u>49,141</u> | <u>10,184</u> | <u>2,094</u> | <u>117,553</u> |

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2023

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

| | 2023 £000 | 2022 £000 |
|---|----------------|----------------|
| Net income/(expenditure) for the reporting period | 705 | (5,144) |
| Adjustments for: | | |
| Depreciation of tangible fixed assets | 1,289 | 1,270 |
| Donation of property | (450) | - |
| Fair value (gains) on investment properties | (259) | (2,401) |
| Fair value (gains)/ losses on investments on the stock exchange | (1,788) | 5,532 |
| (Gain) on disposal of tangible assets | (2,676) | (26) |
| Dividends, interest and rents from investments | (3,263) | (2,861) |
| | <hr/> | <hr/> |
| | (6,442) | (3,630) |
| Movements in working capital: | | |
| (Increase)/Decrease in debtors | (328) | 111 |
| Increase/(Decrease) in creditors | 260 | 948 |
| | <hr/> | <hr/> |
| Net cash used in operating activities | <u>(6,510)</u> | <u>(2,571)</u> |

22 CAPITAL COMMITMENTS

At 31 December 2023, the charity was committed to future capital expenditure of approximately £50k (2022: £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 £158k (2022: £147k) within one year, £522k (2022: £641k) between one and five 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 £46,350 (2021: £44,293) of rent and other costs and £148,295 (2022: £157,400) of students' fees was paid to St Mary's College, Oscott. There was a £nil balance (2022: £nil) owing to St Mary's College, Oscott at the year-end in respect of miscellaneous costs or student fees. There was also £78,400 paid by Oscott in relation to recharges relating to priests' stipends and expenses (2022: £68,270). A further £18,500 was paid for the secondment of Oscott's archivist (2022: £16,900), £12,250 for secretarial services (2022: £10,640) and a further £12,680 for events and miscellaneous costs (2022: £4,500). Most Rev. B Longley is a Trustee in common.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2023

24 RELATED PARTY TRANSACTIONS (continued)

Father Hudson's Society - Registered Charity 512992

During the year, **£39,815** (2022: £69,300) 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 2023, but also for a special collection for aid for the people from Ukraine who were being supported by the charity. The Diocese also paid for residential care for sick and retired priests in Father Hudson's Residential Care Home, amounting to **£132,465** (2022: £96,000). In addition to these, grants were also made to Father Hudson's totalling **£37,000** (2022: £37,000) for them to administer on behalf of the Archdiocese to aid social outreach work through other Catholic agencies, and also with a special focus on Fatima House, a women's shelter for refugees.

There was a balance as at the year-end in respect of collections not paid over to Father Hudson's amounting to **£nil** (2022: £2,000), and care costs of **£nil** (2022: £nil). Whilst not a Trustee of Father Hudson's, Most Rev. B Longley is President of the charity.

The Kenelm Youth Trust Ltd- Charitable company registration number 1144209

Grants totalling **£304,260** were made to Kenelm Youth Trust in 2023 (2022: £304,260). 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 2023 (2022: £nil). Right Rev S. Wright is a trustee in common.

Parish Accounting Services Limited – Company registration number 09503675

During the year, **£43,400** was paid to Parish Accounting Services Limited (2022: £43,070) in respect of software licencing fees of parish accounting software. In addition, the Diocese received **£11,950** from the company (2022: £12,280) 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 **£28,300** (2022: £20,000). Mr C. Loughran is a trustee in common.

Birmingham Churches Together – Registered charity 243931

A grant was made to the charity in 2023 of **£7,100** (2022: £nil). (Grant requests were suspended for 2022) 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 **£2,400** (2022: £2,800). 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 £53,720 of which £4,200 was due to be paid at the year end. (2022: £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

There were no transactions or balances outstanding for 2023. (2022: 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.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2023

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, £9,596 (2022: £7,890) was paid to the charity as a contribution towards the running costs/overheads of the shop, and an additional management fee for Diocesan staff time of £9,895 (2023: nil). Re-imbursed costs amounting to £37,355 were paid by the Hall on behalf of the shop. There was a balance outstanding at the year end of £20,658.