

St Mary's College Oscott CIO

Trustees' Report and Financial Statements

For the Year Ended 31 July 2023



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Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 31 July 2023

Trustees	The Most Rev B Longley MA STL, F, LCG Rt Rev D McGough LSS STL, F (deceased 25 March 2023) Mr B Basford, AFM# (resigned 16 February 2023) Mr T Fenwick, H# Mr A Grant FRICS DL, I Mr P Horgan KSG FCA, AFM, R# Mrs J Mellor BA PGCE MA(Ed) MA, F (appointed 16 February 2023) Mrs C O'Brien BA, LCG# Mr B O'Driscoll, R (appointed 16 February 2023) Rev Mr D Palmer FCA, I#, AFM, R (resigned 31 December 2023) Mr M Swinburne BA FCA, I, AFM, R Rev R Walker LLB STL, F#, LCG
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F denotes membership of the Formation sub-committee

I denotes membership of the Investment sub-committee

AFM denotes membership of the Audit, Finance and Maintenance sub-committee

R denotes membership of the Remuneration & HR sub-committee

LCG denotes membership of the Legal, Compliance and Governance sub-committee

H denotes membership of the Heritage & Fundraising sub-committee

denotes sub-committee chairperson

Charity registered number	1172979
Principal office	Oscott College Chester Road Sutton Coldfield West Midlands B73 5AA
Independent auditors	Dains Audit Limited 15 Colmore Row Birmingham B3 2BH
Bankers	National Westminster Bank plc 6 Parade Sutton Coldfield West Midlands B72 1PL
Solicitors	Gateley plc One Eleven Edmund Street Birmingham B3 2HJ
Investment advisers	Evelyn Partners 103 Colmore Row Birmingham B3 3AG

**Trustees' Report
For the Year Ended 31 July 2023**

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 August 2022 to 31 July 2023.

Objectives and activities

a. Policies and objectives

St Mary's College Oscott CIO is a Seminary for the formation of Catholic men for the priesthood and for the diaconate. The aim of the formation programme is to form priests and deacons who will be men of faith, hope and love, who know themselves called to share the ministry and mission of Christ. Deacons, configured to Christ the Servant and priests, to Christ the Teacher, Sanctifier and Shepherd, are ordained within the Church to build apostolic faith-communities within society by the power of the Holy Spirit. Both priests and deacons seek to develop the common good in the building of communities of service towards others, especially those who need support beyond that which is offered by national and local government services.

The primary function of Oscott College therefore is twofold:

- to help those who have been accepted by their Ordinaries as potential candidates for the Catholic priesthood or permanent diaconate to discern further their vocation; and
- to form them for service as priests or permanent deacons.

This means helping students develop a clear sense of their identity as priests or deacons and of their mission within contemporary culture.

The CIO constitution also provides for:

- the preservation, maintenance, upkeep and equipping of the College building for the education of students;
- the provision of land for, and the upkeep, maintenance and administration of, a Roman Catholic cemetery for burial;
- the ongoing formation and training of those in Holy Orders in the Roman Catholic Church; and
- such other lawful charitable purposes connected with the maintenance and propagation of the Roman Catholic religion as the Archbishop shall from time to time decide.

Various relevant policies of the college are noted in the following report.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The college has close links with the Catholic Dioceses of England, Wales, and Scotland, through which it aims to assist with the promotion of vocations, and the training of men for priesthood and diaconate. Various local and national initiatives are planned during the year with this in mind.

The college building is independently assessed every 5 years, and there is a rolling programme of maintenance, with large project work concentrated during non-term time.

c. Volunteers

The college has a dedicated team of about 10 volunteers who assist with college tours and events. There are plans to increase access to the museum collection following its relocation downstairs in 2024, and a recruitment drive to increase the number of volunteers will follow.

Objectives and activities (continued)

d. Main activities undertaken to achieve objectives and further the Charity's purposes for the public benefit

Propagation of the Catholic Faith

As in previous years, the College has actively supported the propagation of the Roman Catholic faith, and we are currently preparing to host a national Eucharistic Congress in September 2024. The College website is being redesigned and improved to communicate Oscott's work and this should be launched in 2024.

Public Events and access

In addition to the use of the College facilities for visiting clergy and school groups, Oscott also hosts events, public lectures and visitor Sundays when the College and Museum are open to the public. We are now seeing a return to the number of visitors to our public events that reflects pre-COVID numbers. These include weekly guided tours of the building followed by afternoon tea and public Sunday Evening Prayer during term time. All these public events are advertised on our website www.oscott.org as well as in the local parishes and online.

Oscott College Library including the Special Collection

The Library has a qualified part-time Librarian. With his assistance, the College has developed its on-line resources, including subscriptions to journals. Conscious that the Library is one of the most significant Catholic libraries in the country, we continue to buy the latest relevant books in large numbers, while seeking to plug gaps in specialisations. Another part time librarian is currently cataloguing and managing the special collection of 15th century – 19th century books and pamphlets, so that they can be more easily accessed by those who are interested. This will enable greater understanding and use of the collection for study and research purposes.

Achievements and performance

a. Main achievements of the Charity

The main achievements of the Charity are reflected in the ordination of Priests and Deacons at the end of each academic year, as noted below.

b. Key performance indicators

The KPIs for the college are:

- Number of seminarians studying to become priests
- Number of men studying to become permanent deacons
- Number of priests and deacons ordained during the year
- Investment income
- Maintenance expenditure
- Number of cemetery grave plots sold

c. Review of activities

The Seminary Formation Programme (Students for the Priesthood)

In September 2022 Oscott began the academic year with 44 seminarians representing 18 dioceses and 3 religious congregations (2022: 55 seminarians). There were 9 new seminary students. 3 men left the college prior to completing their studies during the year. Of the 8 men who completed their final year at Oscott, 6 were ordained as priests.

Achievements and performance (continued)

The overall seminary programme consists of four dimensions of formation: human, spiritual, intellectual and pastoral. In each year of the programme there is an average of nine intellectual courses with a total of 120 credits. The University of Birmingham validates the first three years of the academic programme with a BA (Hons) degree in Catholic Theology. Oscott is affiliated to KU Leuven and issues a STB canonical degree after six years of study. Both Universities conduct regular reviews of our programme content and quality assessments. Written and informal feedback continues to be positive and encouraging.

The students have courses on spiritual and human formation which are not credited. The students also spend a month on a pastoral placement each January in their home diocese, over the whole of the six-year programme. Many are expected by their dioceses to undertake further pastoral placements during the summer weeks. In year four, the students spend the first semester from September to Christmas on an extended parish placement in their home diocese. This gives them an opportunity to put into practice everything they have learned in their first three years of formation. It also gives them a longer opportunity to experience the life of a priest in a parish in order for them to reflect and prepare for making deeper commitment to their preparation for priesthood. As part of the programme, men spend two weeks in the Holy Land for an accompanied and taught study pilgrimage experience. The goal of the programme is the discernment of a life-long vocation to a challenging life and ministry. Inevitably some choose to step down from formation. Others continue to the joyful day when they leave the seminary and are ordained priests.

The Permanent Diaconate programme (Students for the Permanent Diaconate)

The Permanent Diaconate programme is a 4 year part-time non-residential course. There were 36 men enrolled on the programme at the start of the year (2022: 34 men), representing 7 Dioceses. At the end of the year, 6 men were ordained Deacon and started their diaconal ministry.

Development of Building Resources

With the continuing support of the Trustees, the College has been able to continue an ambitious programme of restoration of the College buildings both for the sake of good maintenance and the enhancement of living and working spaces. During 2022-2023 a significant amount of work was undertaken to the infrastructure of one of the residential corridors which included the incorporation of ensuite bathrooms and redecoration. The building's communal spaces are significant for the resident community and for hosting diocesan and national Church events. Their restoration supports the core work of the College and its reputation.

Cemetery and Grounds

We continue to develop the cemetery and have made plans for a staged process of reclaiming land and developing grave plots including an attractive site for the burial of cremated remains.

Environmental considerations

The College is continuing to work hard to try to reduce utility costs where possible, and to reduce its impact on the environment. The College uses Biomass boilers to heat the majority of the site, reducing the need for gas. The biomass burners, in association with solar panels, provide hot water for the kitchens. During the year, additional solar panels were installed to provide electricity to reduce reliance on the grid. The batteries associated with these new solar panels, mean the college can store or sell any excess produced in the summer months, or charge them during off peak times to reduce cost.

The College also makes every effort to compost kitchen waste, and recycle as much paper and card refuse as possible. Energy saving bulbs are used where possible with automatic switches to turn lights off in low traffic areas. The College has applied for the "Live Simply" award with CAFOD, whereby organisations commit to actions demonstrating they are living simply, and sustainably.

Achievements and performance (continued)

College site

Given their historic nature, the maintenance and preservation of the buildings is an important part of the College's activities. Inevitably, with a building of this age there is a certain amount of reactive maintenance. A schedule of maintenance is drawn up each year. Expenditure is prioritised based on the risk associated with each area, such that high risks are dealt with as a priority. Consultants are used to assess the Fire, Plumbing and Building related issues faced by the College. The Trustees approve all such expenditure either directly or through the Maintenance Sub-committee. At least two quotations are sought for all work over £10,000. Spend against budget is monitored throughout the year by the Maintenance Sub-committee of Trustees, with the majority of larger projects taking place outside term time.

d. Fundraising activities and income generation

The College does not actively fundraise from the public, other than promoting legacy gifts in wills to its supporters. The College is a member of 'Your Catholic Legacy' www.yourcatholiclegacy.org.uk to promote the work of the College among those considering leaving a gift or legacy in their wills. As part of this the College offers a free will writing service, to supporters. A legacy promotion day is being planned, jointly with CAFOD. No complaints regarding fundraising have been received during the year.

Financial review

a. Financial review

The College recognised an overall deficit of £778k (2022: deficit of £2,730k). This reflected an underlying operating loss of £604k (2022: £93k loss), net losses on investments of £1,207k (2022: £2,637k net loss), and £1,033k gain on revaluation of heritage assets (2022: £NIL).

Income

The main income variances from £2,945k in 2022, to £3,189k in 2023, were the receipt of an anonymous donation of £600k, the reduction in student fee income due to fewer seminarians studying with us, and the loss of rental income from the Jesuit community, who moved out during the year.

The donation proved a real blessing as it ensured we were able to fund projects planned for 2023 and 2024 to invest in new solar panels and replace our biomass boilers. Gross fees per student were increased by 10% compared to 2022, but income was still down due to falling intake as noted on page 3 (Review of activities). Seminarian numbers continue to be a focus of trustees, and we are working with various Catholic organisations to try to promote vocations to the priesthood and permanent diaconate. The Jesuit community, who had been based at the college for over 2 years, while their Harborne site was being redeveloped and refurbished, left in November 2022.

Expenditure

Charitable expenditure increased by 26% compared to 2022. Further breakdown is shown in notes 9 and 10. The economic strains of a cost-of-living crisis, and the impact of high fuel bill inflation were evident during the year. Key changes from last year were increased employee costs, and college site maintenance. As a Living Wage employer, Oscott College increased the hourly rate for hourly paid staff on the living wage by 10.1% from January 2023 to bring this into line with the new rates announced by the Living Wage Foundation. Other staff were also awarded significantly higher pay increases than in previous years, to maintain differentials, and help with the cost of living.

Student formation costs in 2023 of £982k (2022: £815k) included higher employee costs due to the increase in rates as noted above and new part time lecturers being appointed. External lecturer costs also increased significantly due to price inflation. January 2023 was the first time since 2020, and COVID, that a pilgrimage to the Holy Land was able to go ahead for seminarians in years IV – VI. This was historically an annual trip but is

Trustees' Report (continued)
For the Year Ended 31 July 2023

now likely to be held every three years.

College site costs in 2023 of £1,457k (2022: £969k) included a major refurbishment of one of the largest student accommodation corridors, which had not been touched for over 20 years. This project cost some £430k and involved extensive steel work to reinforce the structure to support this and higher floors. Utility and insurance costs of £300k (2022: £180k) were up by over 66%, as fixed price utility contracts had to be renewed during the year, at almost treble the previous rates. Costs also include the £71k loss (2022: £NIL) on disposal of the old Biomass boilers, used for heating the building. These were stripped out and sold in June and were in the process of being replaced at the year-end (shown as an asset in the course of construction in note 13, along with ongoing work in the college kitchens).

The Cemetery continued to be busy, with 61 new graves sold (2022: 59), 106 burials during the year (including re-openings) (2022: 109), and 13 new cremation plots sold (2022: 38). Costs reflect the maintenance and upkeep of the cemetery grounds and staff costs.

Support costs increased by 8% to £818k (2022: £754k), with staff employee costs making up 66% of the cost (2022: 63%). Food and kitchen supplies were actually lower than last year, but this reflected a 25% increase on food prices mitigated by lower volumes due to a reduced number resident in the college (fewer seminarians and Jesuits).

Net losses on investments

The volatility in the stock market due to the economic and geopolitical turbulence around the world continues to result in falls in the value of our investment portfolio, although this net loss of £1,207k (2022: £2,637k net loss) was significantly less than last year. These losses wipe out a large part of the post COVID £5,561k gains reported in 2021.

The net loss includes a realised gain on disposals of £1,445k (2022: £859k), and the unrealised loss calculated by reference to the movement in valuations of investments held at the year end, of £2,652k (2022: £3,496k).

Other recognised gains

An unrealised gain of £1,033k (2022: £NIL) was recognised on the revaluation of heritage assets. These are assets that have been held in the college's collections for decades and were first assessed and ascribed a value in 2011, following an exercise to identify those items in the collection worth more than £10k. As noted in note 14, the collection was reassessed in 2023, and this resulted in increased valuations for those items already recognised, as well as recognition of additional items now valued at more than £10k.

b. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trustees continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

c. Reserves policy

The Accumulated Funds of the Charity amount to £46.5m (2022: £47.3m) and are mainly represented by investments and Land and Buildings. The income generated from the investments is necessary to fund the ongoing and developing activities and is not available for other purposes.

Furthermore, part of the reserves is represented by unrealised profits or revaluation surpluses on the investments and assets used in carrying out the Charity's activities. It is also considered by the Trustees that part of the reserves should be used to maintain the property in a condition which recognises not only the work of training new priests but also preserving the buildings in a condition fit and proper to their historical importance.

Trustees' Report (continued)
For the Year Ended 31 July 2023

Burial plots are sold on a 75 year licence, which can be extended to 99 years in total. This obligates the Charity to suitably maintain those plots over the licence period. In view of this future liability, the Trustees consider it prudent to set up a fund for cemetery maintenance to contribute to the cost.

The Trustees have decided to designate or set aside the funds for specific purposes as follows:

(i) Investment revaluation fund - £4.5m

This represents the surplus value above cost of the investments (including investment property) which fluctuate on a day to day basis. The Trustees believe that it is inappropriate to consider that this unrealised surplus is available for the ongoing work of the College.

(ii) Heritage assets revaluation fund - £1.9m

This represents the revaluation of Heritage assets held by the College. The Trustees believe that it is inappropriate to consider that this unrealised valuation surplus is available for the ongoing work of the College. The nature of the items included as Heritage assets are such that they are a fundamental part of Oscott, and would not be freely convertible into general funds for the charitable purposes of the Charity.

(iii) Land and buildings revaluation fund - £13.1m

This represents the surplus on revaluation of College land (£2.2 million) and buildings (£10.9million) held by the College less accumulated depreciation since the valuation. The Land and Buildings were last professionally revalued as at 31 July 2015. The Trustees believe that it is inappropriate to consider that this unrealised valuation surplus is available for the ongoing work of the College.

(iv) College maintenance fund - £5.0m

This is an estimate based on approximately 10 years' worth of average maintenance expenditure. This does not cover any major building or refurbishment projects, but the day to day repair and upkeep of a building that is over 150 years old.

(v) Cemetery maintenance fund - £4.1m

This is an amount set aside to meet the estimated cost of providing future maintenance to the existing burial plots during the remainder of their 75-year leases.

Other smaller funds are discussed further in note 19. The Trustees consider that the level of reserves is appropriate to generate the available income required for the College and to provide for the maintenance of the historic buildings and artefacts.

The Trustees are happy with the level of funds held, as they believe it prudent to retain at least 5 years' worth of costs in general funds, given the risks facing the college's income from student fees, and investments. The level of reserves is regularly reviewed by Trustees.

d. Investments policy and performance

Investment Property Assets

The Charity owns Grove House, close to the College, which historically was used for College staff in the 1980's but is now occupied by clergy from the Birmingham Archdiocese. The Charity also owns freehold ground leases against which it receives ground rents.

These investment property assets were revalued by GJS Dillon in July 2021. The Trustees are satisfied that valuations are appropriate as at 31 July 2023.

Investment policy

The Charity has an investment portfolio, the income from which is used to support the work of the College. The fund is primarily invested in quoted shares and fixed interest gilts and bonds rated "A" or higher.

The investment objectives are for a secure level of income together with some capital appreciation in order to maintain the real value of the fund. The Trustees (through a committee) receive professional advice on the structure of the portfolio and all investment decisions.

The Trustees' ethical policy is that, "the charity seeks not to invest in undertakings directly or mainly involved in manufacture and/or supply of goods and services which would not be in accordance with the teachings of the Gospel and the social teachings of the Roman Catholic Church. The charity's investments are reviewed regularly and advice sought from competent sources with regard to ethical concerns. The charity may continue to invest in companies involved in activities which may give rise to ethical concerns where these activities are considered minimal in relation to that company's overall business. Where appropriate, the charity will engage in dialogue and seek to make its views known to such companies in which it invests."

The performance of the Investment manager is reviewed regularly and benchmarked against recognised performance measurements.

Included in the value of quoted investments (excluding cash) is an unrealised surplus of £3.9m (2022: surplus of £6.5million) compared with cost. The change in the market value of the portfolio is consistent with movements in the stock market values during the period.

e. Principal risks and uncertainties

Risk Management

The Trustees monitor the risk register and developments since the last review at each main Trustee meeting, three times a year. The Trustees consider the principal risks and uncertainties to be as follows:

Student numbers

The College obtains the majority of its income from fees charged to Dioceses and religious orders for the formation of candidates for the Priesthood and the Permanent Diaconate. Income is therefore dependent on continuing applications from men who have discerned a vocation for the priesthood and have been supported in this by their Diocese. Numbers are dependent upon vocation discernment and applications from Dioceses for their candidates to enter formation at Oscott. We seek to maintain a good relationship with the Bishops and provide a high-quality formation programme which is attractive to them.

Formation staff

The formation and education of priests is a highly specialised role and as such requires highly educated academics with Pontifical theological degrees who are able to deliver the course lectures and tutor support. Other specialisms beyond the academic are also needed, notably professional counsellors who are suitable for human accompaniment and safeguarding training. There is a shortage of priests who have the appropriate qualifications and able to teach to the level required. With a decline in the number of priests nationally, there is a shortage of men available to serve as parish priests and so dioceses may be reluctant to release men to teach at Oscott. This means there is a need to recruit lay staff who are suitably qualified and require professional academic salaries.

Investment returns

The College has a significant investment portfolio, which is managed by independent investment managers. The College relies on the income from the portfolio to subsidise the work of the College, and maintain the fabric of the building whilst keeping student fees at an affordable level. It is important that the income from the portfolio and its underlying value is maintained in the long term to support the work of the College. To reduce the risk of

devaluation of our portfolio, the investments are in high-grade quoted equities, bonds and gilts, and are managed by professional advisors on a discretionary basis, although Trustees recognise that valuations can fluctuate due to market conditions and factors outside their control. The College regularly reviews the provision of this advice and changes advisors as deemed necessary. The Trustees meet with advisors at least three times per year, and target income of £1m, approximately inflation plus 3%, based on a medium risk profile, although recent fluctuations due to COVID and geopolitical situations have impacted on the level of total return.

Building maintenance

The College operates from a complex of buildings built primarily in the 1830s. The College building is Grade II* listed, and the Trustees are aware of the need to maintain the building so that it is fit for purpose. The historical significance of the College, including its chapel, means that the cost of building maintenance is often more expensive than for a modern equivalent. Similarly deferring expenditure usually results in higher overall costs when work is eventually carried out. The Trustees monitor maintenance costs carefully and authorise necessary expenditure based on quinquennial and specialist reports. Trustees are also aware of the changing needs of the College. As Oscott is now only one of two Catholic seminaries in Great Britain, Trustees are conscious of the need to maintain adequate accommodation for future seminarians.

f. Principal funding

The principal funding of the College's activities is through:

(i) Fees payable for student tuition

Student fees are financed by the Diocese (or religious order) which sponsors them. Although the College is closely linked with the Birmingham Archdiocese, other Dioceses – Aberdeen, Brentwood, Clifton, East Anglia, Hallam, Hexham & Newcastle, Lancaster, Leeds, Liverpool, Menevia, Motherwell, Northampton, Nottingham, Portsmouth, Salford, and Shrewsbury - also sponsored students to the College during the year. This is now the largest source of income for the College.

(ii) Investment income derived from the Charity's portfolio of investments

This is currently the second largest of the College's sources of income, and is derived from our portfolio, managed by Evelyn Partners, in the main. There is also rental income from the college's investment property.

(iii) Income derived from the operation of the cemetery

The cemetery is a private Catholic cemetery, which is available for interment of both clergy and the public.

(iv) Hospitality income arising through conferences, retreats etc.

This arises mainly from Church and parochial events which mainly take place out of term time, such as retreats and conferences, as well as College tours.

Structure, governance and management

a. Constitution

St Mary's College Oscott CIO is a registered charity, number 1172979, and is constituted under a Constitution.

The College is governed under a constitution dated 12 January 2017 and registered as a Charitable Incorporated Organisation (CIO) with the Charity Commission on 10 May 2017.

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Constitution.

Under the terms of the Constitution the power of appointing and removing Trustees is vested with the Archbishop of Birmingham. In exercising these powers the Archbishop gives consideration to any identified skills gap within the existing trustee body.

c. Organisational structure and decision-making policies

The Trustees have adopted a Governance Framework in accordance with the Charity Governance Code.

The Trustees are mindful of the need to review and report on Governance in the light of the Charity Governance Code, and have considered each of the seven sections of the Code. Work is continuing to implement the guidance contained in the Code although in some areas the requirements of Church Canon Law preclude the adoption of the Code in full. In particular the Chair of Trustees is not an elected position – as the Code would recommend. The Archbishop of Birmingham is the ex-officio Chair of Trustees and appoints all the other Trustees, and the College Rector. He is appointed to the position of Archbishop by the Holy See rather than being appointed by the other Trustees.

There are six sub-committees in addition to the main Trustee body covering: Formation; Audit, Finance and Maintenance; Heritage; Investment; Remuneration and HR; and Legal Compliance and Governance. Trustees chair these committees which also include members of College management and staff. Additional ad hoc committees are formed as needed.

None of the Trustees has any beneficial interest in the College and all serve without remuneration.

d. Policies adopted for the induction and training of Trustees

The trustees are a mix of lay people and clergy, most of whom have studied or taught at the College and have been Trustees for a considerable time. On agreeing to become a Trustee an individual is thoroughly briefed by the Co-Trustees on the history of the charity, the day to day management, the responsibilities of Trustees and the current objectives and future plans of the charity. Online induction training on the role and responsibilities of Trustees and other matters is provided via ICAEW, the Charity Commission and the NCVO.

Some of the Trustees attend seminars and conferences on Charity matters and other related subjects on a regular basis. The knowledge and experience gained through these seminars is imparted to the remaining Trustees at Trustee meetings. In addition, training webinars on legal and other matters are made available, as well as in house training on key topics from time to time.

e. Pay policy for key management personnel

The Trustees consider the Board of Trustees, as listed on page 1, to be the key management personnel of the charity in charge of directing and controlling the charity and the senior management personnel, listed below, in charge of 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.

The remuneration of senior management personnel, and rates for priests are determined by a remuneration committee, which meets annually or as necessary. Remuneration levels for employees are based on market rates for similar roles, where possible, and on the level of responsibility of the person concerned. Salaries are increased annually in line with a cost of living increase. The fees for priests' services are remunerated to the

Trustees' Report (continued)
For the Year Ended 31 July 2023

Structure, governance and management (continued)

Diocese which they serve.

As shown in note 11, the total costs of senior management personnel, which include the costs of a number of external priests and employees were £461k (2022: £433k).

Senior management personnel:

Rector	Canon Michael Dolman BSc, PGCE, BA, STB
Vice Rector	Rev Andrew Allman BA, MA (from September 2022)
Director of Studies	Dr Mary McCaughey BBS, BD, STL, DD
Theology Rep	Rev Andrew Robinson ARCO, MA (Oxon), STB, SSL
Dean of Philosophy	Rev Dr Bruce Burbidge ARCO, STB, MA, PhD (to December 2022)
Director of Philosophy	Dr Christopher Wojtulewicz BA, PGCE (Higher Ed), PhD (from January 23)
Director of Spiritual Formation	Rev James Preston BA (Hons), CertEd
Director of Pastoral Formation	Rev Gerardo Fabrizio STB, JCL, Dip. Iuris
Director of Human Formation	Mr Pete Smallwood MBACP (Acc.), Dip.Couns
College Bursar	Mrs Jackie Hall FCA
Estates Manager	Mr Mark Carroll
Events & Hospitality Manager	Mrs Jayne Tomkinson BSc, SA NCS (Acc.), PGCMC, FdSc, MBACP, Cert Ed

f. Related party relationships

Details of Trustee expenses and related party transactions are disclosed in notes 12 and 26 to the accounts. Trustees are required to disclose all relevant interests and register them with the College Bursar and, in accordance with the College's policy, withdraw from decisions where a conflict of interest arises.

Related parties with a number of common Trustees are as follows:

- Birmingham Roman Catholic Diocesan Trust
- Father Hudson's Society
- The Venerable English College Trust
- Birmingham Newman University
- The Pontifical Bede College, Rome
- Catholic Trust for England and Wales
- Mater Ecclesiae College
- Friends of the Holy Land
- The British Trust for the Ecumenical Institute for Advanced Theological Study in Jerusalem
- Birmingham Churches Together
- St Vincent de Paul Society (England & Wales)
- Friends of the Holy Land

Trustees' Report (continued)
For the Year Ended 31 July 2023

Plans for future periods

The college is investing in a programme of vocation promotions with the National Office of Vocations, and a series of discernment weekends with UK dioceses. In September 2024, the college will host the National Eucharistic Congress. Whilst recognising the decline in seminarian numbers, trustees are hopeful that the college can continue to provide ongoing formation to clergy, as well as being a venue for training laity.

The college continues to invest to try to reduce utility costs and move towards renewable energy where possible. During 2023-24 new, more efficient replacement biomass boilers will be installed to heat the college and provide hot water for the building.

A refurbishment of the main kitchen will upgrade the current equipment and provide a modern commercial kitchen to feed the resident community and cater for events and hospitality.

The Museum will be relocated to a more accessible position on the ground floor, so that public access during term time can be increased, without disrupting the resident community and their studies.

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 & 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 the provisions of the Constitution. 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.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Trustees' Report (continued)
For the Year Ended 31 July 2023

Auditors

Dains Audit Limited were appointed as auditor of the charity upon the resignation of Cooper Parry Group Limited. The auditors, Dains Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 15 February 2024 and signed on their behalf by:


The Most Rev B Longley
Chair of Trustees

Opinion

We have audited the financial statements of St Mary's College Oscott CIO (the 'charity') for the year ended 31 July 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 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 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Auditors' 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, except to the extent otherwise explicitly stated in our report, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; 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 Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which 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.

Independent Auditors' Report to the Members of St Mary's College Oscott CIO (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Independent Auditors' Report to the Members of St Mary's College Oscott CIO (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Other matters

The financial statements of the Charity for the year ended 31 July 2022 were audited by Cooper Parry Group Limited who expressed an unmodified opinion on these financial statements on 16 February 2023.



Dains Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

15 February 2024

Dains Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

St Mary's College Oscott CIO

Statement of financial activities
For the Year Ended 31 July 2023

	Note	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from:				
Donations and legacies	3	602	602	55
Charitable activities	5	1,705	1,705	1,961
Investments	4	877	877	907
Grants receivable	6	5	5	22
Total income		3,189	3,189	2,945
Expenditure on:				
Raising funds	7	101	101	114
Charitable activities	9	3,692	3,692	2,924
Total expenditure		3,793	3,793	3,038
Net expenditure before net losses on investments		(604)	(604)	(93)
Net losses on investments		(1,207)	(1,207)	(2,637)
Other recognised gains/(losses):				
Gains on revaluation of fixed assets		1,033	1,033	-
Net movement in funds		(778)	(778)	(2,730)
Reconciliation of funds:				
Total funds brought forward		47,255	47,255	49,985
Net movement in funds		(778)	(778)	(2,730)
Total funds carried forward		46,477	46,477	47,255

The Statement of Financial Activities includes all gains and losses recognised in the year.


The notes on pages 21 to 41 form part of these financial statements.

St Mary's College Oscott CIO
Registered number:

Balance Sheet
As at 31 July 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	13	13,903	13,496
Heritage assets	14	1,858	825
Investments	16	29,926	31,919
Investment property	15	637	637
		<u>46,324</u>	<u>46,877</u>
Current assets			
Debtors	17	152	119
Cash at bank and in hand		178	408
		<u>330</u>	<u>527</u>
Creditors: amounts falling due within one year	18	(177)	(149)
Net current assets		<u>153</u>	<u>378</u>
Total assets less current liabilities		<u>46,477</u>	<u>47,255</u>
Total net assets		<u>46,477</u>	<u>47,255</u>
Charity funds	19		
Unrestricted funds	19	46,477	47,255
Total funds		<u>46,477</u>	<u>47,255</u>

The financial statements were approved and authorised for issue by the Trustees on 15 February 2024 and signed on their behalf by:


The Most Rev B Longley
Chair of Trustees

The notes on pages 21 to 41 form part of these financial statements.

St Mary's College Oscott CIO

Statement of Cash Flows
For the Year Ended 31 July 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash used in operating activities	21	(1,312)	(832)
Cash flows from investing activities			
Investment income received		877	907
Proceeds from the sale of tangible fixed assets		15	2
Purchase of tangible fixed assets		(595)	(108)
Purchase of investments by investment manager		(7,665)	(3,216)
Sale of investments by investment manager		9,463	3,706
Sale of ground lease investment		-	22
Increase in cash held by investment manager		(1,013)	(583)
Net cash provided by investing activities		1,082	730
Cash flows from financing activities			
Change in cash and cash equivalents in the year		(230)	(102)
Cash and cash equivalents at the beginning of the year		408	510
Cash and cash equivalents at the end of the year	22	178	408

The notes on pages 21 to 41 form part of these financial statements

1. General information

St Mary's College Oscott is a charitable incorporated organisation (CIO), incorporated in England and Wales. The charity's registered address and registered number is set out in the Charity Information page. The principal activity of the charity is that of a Roman Catholic Seminary of the Archdiocese of Birmingham at Oscott College, for the education of men in Holy Orders (Priesthood and Permanent Diaconate).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements 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 the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

St Mary's College Oscott meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Trustees are confident the College has sufficient assets to continue to operate. The College has cash reserves at the Bank and within the investment portfolio to fully cover any operating losses for significantly longer than the next 12 months from the date of signing these accounts. The level of future operating losses (excluding investment gains / losses) is expected to be manageable. Seminarian numbers are expected to remain roughly constant. Accordingly, these financial statements have been prepared on a going concern basis.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2. Accounting policies (continued)

2.3 Income (continued)

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Individual tangible fixed assets costing £1,000 or more are capitalised.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

The Land and Buildings of the College are shown in the Balance Sheet at a depreciated replacement cost being the current cost of replacing an asset with its modern equivalent asset, less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

College buildings	- 2% per annum on depreciated replacement cost less estimated residual value
Solar panels	- 10% per annum on cost
Motor vehicles	- 25% per annum on cost
Fixtures, fittings and equipment	- 10% - 20% per annum on cost
Computer equipment	- 33 1/3% per annum on cost
Cemetery improvements	- 6 2/3% per annum on cost
Biomass heating project	- 5% per annum on cost

2.6 Heritage assets

Oscott has three collections of heritage assets which are held in support of the CIO constitution requirement of Propagation of the Roman Catholic Religion, with the objective of promoting appreciation, knowledge and understanding of the faith and its history and heritage in the UK.

- (i) Museum artefacts and artwork;
- (ii) Recusant Library; and
- (iii) Chapel and Sacristy Fixtures and fittings.

Heritage assets are valued where practically possible, and where the cost of such a valuation is in proportion with the accuracy and relevance of the information gained.

In the case of the Museum artefacts and artwork the Trustees do not consider that reliable cost or valuation information can be obtained for the majority of items held; however a valuation has been included based on an assessment of all items considered to be worth at least £10,000.

The Chapel and Sacristy items and the Recusant Library collection have not been valued as it has not been possible to identify suitable experts that are willing or able to value such items at a cost of valuation that the Trustees find acceptable given the limited benefit of such a valuation to the Charity. It is the intention of the Trustees to review the possibility of valuation regularly. These items have been donated to the College over the last 200 years, and so no reliable cost information is available. They have therefore not been recognised on the Balance Sheet. No donations have been received in over 10 years.

Expenditure, which in the Trustees view, is required to preserve or clearly prevent further deterioration of individual heritage items is recognised as expenditure in the year it is incurred. No depreciation is charged on heritage assets as the assets are deemed to have indeterminate lives.

The College is not looking to extend its collection of heritage assets; however any donations received are reported at the best estimate of value and acquisitions made are reported at cost.

2. Accounting policies (continued)

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

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

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.11 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

Notes to the Financial Statements
For the Year Ended 31 July 2023

2. Accounting policies (continued)

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Donations			
Legacy	-	-	53
Donations	602	602	2
	<u>602</u>	<u>602</u>	<u>55</u>

4. Investment income

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Rental income	29	29	26
Dividend income	848	848	881
	<u>877</u>	<u>877</u>	<u>907</u>

Notes to the Financial Statements
For the Year Ended 31 July 2023

5. Income from charitable activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Student formation	1,244	1,244	1,380
Cemetery	321	321	314
College Site	134	134	260
Propagation of the Roman Catholic Faith	6	6	7
	<u>1,705</u>	<u>1,705</u>	<u>1,961</u>

6. Grants receivable

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Kickstart funding	5	5	22
	<u>5</u>	<u>5</u>	<u>22</u>

7. Investment management costs

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Commission on investments	101	101	114
	<u>101</u>	<u>101</u>	<u>114</u>

8. Governance costs

	2023 £000	2022 £000
Auditor's remuneration	15	14
Professional advice/Support costs	3	1
	<u>18</u>	<u>15</u>

Notes to the Financial Statements
For the Year Ended 31 July 2023

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £000	Total 2023 £000	Total 2022 £000
Student formation	982	982	815
College Site	1,457	1,457	969
Cemetery	358	358	306
Propagation of the Roman Catholic Faith	77	77	80
Administrative	281	281	244
Kitchen & domestic	537	537	510
Total 2023	3,692	3,692	2,924
Total 2022	2,924	2,924	

Summary by expenditure type

	Staff costs 2023 £000	Depreciation 2023 £000	Other costs 2023 £000	Total 2023 £000	Total 2022 £000
Student formation	370	-	612	982	815
College Site	306	82	1,069	1,457	969
Cemetery	185	20	153	358	306
Propagation of the Roman Catholic Faith	39	-	38	77	80
Administrative	166	-	115	281	244
Kitchen & domestic	372	-	165	537	510
Total 2023	1,438	102	2,152	3,692	2,924
Total 2022	1,250	95	1,579	2,924	

Notes to the Financial Statements
For the Year Ended 31 July 2023

10. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Student formation	982	-	982	815
College Site	1,457	-	1,457	969
Cemetery	358	-	358	306
Propagation of the Roman Catholic Faith	77	-	77	80
Administrative	-	281	281	244
Kitchen & domestic	-	537	537	510
	<u>2,874</u>	<u>818</u>	<u>3,692</u>	<u>2,924</u>
Total 2022	<u>2,170</u>	<u>754</u>	<u>2,924</u>	

Notes to the Financial Statements
For the Year Ended 31 July 2023

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Student formation 2023 £000	College Site 2023 £000	Cemetery 2023 £000	Propagation of the Roman Catholic Faith 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Employee costs	370	306	185	39	900	768
Maintenance / building / grounds costs	-	684	116	-	800	482
Lecturers / materials	358	-	-	4	362	317
Utilities & insurance	-	300	-	-	300	180
Depreciation	-	82	20	-	102	95
Museum and Heritage costs	-	-	-	33	33	54
Exams / Course Validation	58	-	-	-	58	67
Vehicle costs	-	-	27	-	27	29
Staff travel & training	20	9	9	1	39	42
Library Books, periodicals	23	-	-	-	23	23
Health & Safety / Welfare	11	2	1	-	14	34
Chapel / Organ costs	25	-	-	-	25	32
Pilgrimages and retreats	117	-	-	-	117	42
Loss on sale of assets	-	71	-	-	71	-
Other costs	-	3	-	-	3	5
Total 2023	982	1,457	358	77	2,874	2,170
Total 2022	815	969	306	80	2,170	

Notes to the Financial Statements
For the Year Ended 31 July 2023

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Administrative 2023 £000	Kitchen & domestic 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Staff costs	166	372	538	482
Provisions/catering supplies	-	123	123	135
Cleaning, kitchen and laundry	-	35	35	35
Training & welfare	10	6	16	15
Governance	18	-	18	15
Computer support / licences	25	-	25	24
Stationery, photocopying, postage and printing	24	-	24	16
Professional fees	37	-	37	28
Sundries	1	1	2	4
Total 2023	281	537	818	754
Total 2022	244	510	754	

Notes to the Financial Statements
For the Year Ended 31 July 2023

11. Staff costs

	2023 £000	2022 £000
Wages and salaries	1,180	1,034
Social security costs	108	96
Contribution to defined contribution pension schemes	150	120
	<u>1,438</u>	<u>1,250</u>

The average number of persons employed by the Charity during the year was as follows:

	2023 No.	2022 No.
Domestic and manual	30	30
Administration	3	3
Education and heritage	14	11
	<u>47</u>	<u>44</u>

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Domestic and manual	28	27
Administration	3	3
Education and heritage	10	8
	<u>41</u>	<u>38</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No.	2022 No.
In the band £60,001 - £70,000	1	1

The total employment benefits including employer pension contributions, of the senior management personnel were £461k (2022: £433k).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 July 2023, no Trustee expenses have been incurred (2022 - £NIL).

Notes to the Financial Statements
For the Year Ended 31 July 2023

13. Tangible fixed assets

	Land and college buildings £000	Biomass system £000	Solar panels £000	Cemetery Project £000	Motor vehicles £000	Fixtures, fittings and equipment £000	Assets under construction £000	Total £000
Cost								
At 1 August 2022	13,675	490	-	158	179	307	-	14,809
Additions	-	-	248	-	-	31	316	595
Disposals	-	(175)	-	-	-	(46)	-	(221)
At 31 July 2023	13,675	315	248	158	179	292	316	15,183
Depreciation								
At 1 August 2022	574	222	-	112	153	251	-	1,312
Charge for the year	23	24	4	11	9	31	-	102
On disposals	-	(88)	-	-	-	(46)	-	(134)
At 31 July 2023	597	158	4	123	162	236	-	1,280
Net book value								
At 31 July 2023	13,078	157	244	35	17	56	316	13,903
At 31 July 2022	13,101	268	-	46	26	55	-	13,496

Included in the above land and buildings valuation is £2.2m of land which includes the college cemetery. This is not depreciated as it is considered to have an indefinite life.

14. Heritage assets**Assets recognised at valuation**

	Museum artefacts 2023 £000
Carrying value at 1 August 2022	825
Recognition of additional assets	642
Revaluations	391
	1,858

Heritage assets reported in the balance sheet

The Museum at Oscott contains artefacts, garments, sculptures and artwork primarily relating to the Catholic Heritage of Oscott and the Catholic Church in the West Midlands.

Acquisition, preservation, management and disposal

There are around 1,000 items in the Museum collection including a significant amount of memorabilia which is of no commercial value. These items have either been used historically by the Seminary, or have been donated by local parishes or individuals linked with the College. No significant donations have been received in the last 10 years. In order to assess the value of the collection in a timely and cost effective manner, only items with an individual valuation of £10,000 or more were professionally assessed in July 2011. 69 items were identified as falling into this category, including furniture, sculptures and paintings, and these items were then assessed by Mr Brendan Flynn, who is an expert art historian, a Curator of Fine Art and a lead officer at Birmingham City Council for the CAS Special Collections Scheme and the Art Fund International Scheme. He is also a mentor for the RBSA and the work was carried out via VA Conservation, Oxford. The valuation of these items is shown on the balance sheet. A group of volunteers is looking at how best to improve the display of the collection, and to preserve the artefacts. Where costs are incurred relating to the preservation of items these are expensed in the year in which they occur. The majority of items within the collection are unlikely to be disposed of as they relate directly to the history of the College. Any such disposal would be with the authorisation of the Trustees, but the value of the collection is more in terms of heritage, rather than a significant value in monetary terms.

The heritage assets were revalued during 2023 by Veronika Vlková of Mareva Conservation Ltd, a PACR Accredited Conservator-Restorer, and a Member of ICON. The revaluation resulted in an increased valuation for the heritage assets previously recognised in the balance sheet to a value of £1,216k. It also resulted in the recognition of an additional £642k of heritage assets which were previously not recognised on the balance sheet, leading to an overall increase in value of £1,033k.

Notes to the Financial Statements
For the Year Ended 31 July 2023

14. Heritage assets (continued)

Heritage assets not reported in the balance sheet

Records maintained of the collections and access by the public

All Museum items are recorded in an inventory supported by a photographic archive of the major pieces in the collection. The majority of items are kept in the College Museum although some of the larger pieces of sculpture are on display around the College. The Public have access to Oscott on many occasions during the year, but are specifically able to view items in the Museum collection during Visitor Sundays (held once each term) and during College Tours, which run on most Wednesday afternoons during term time, as long as this does not interfere with the needs of the Seminary.

(i) Special Collection Library

The Special Collection Library contains a collection of some 20,000 books from the 15th -19th Century. These were donated to the College going back over nearly 200 years and records of the donors are not available in most cases. The books have been collected over the years through donations by individuals and parishes, but no significant donations have been received in the last 10 years.

No valuation has been derived for the contents of the Special Collection Library. It is the intention of the Trustees to identify experts who may be able to value these collections, but it is our opinion that it is not currently possible to provide a reliable estimate of their value in a cost effective manner. The lack of similar collections means that the cost of valuing such a diverse array of books significantly outweighs the benefit to the charity of doing so. The Library is an important part of the history of the Catholic Church in the United Kingdom enabling research to be undertaken whilst preserving the books for future generations. No similar books have been sold recently so no market values are available with which to compare the Oscott Collection. All books are catalogued and are available to researchers and members of the public by prior appointment with the Librarian. It is very unlikely that the collection would ever be disposed of. Upon request, and payment of a fee to cover costs, certain books have been digitally scanned so that researchers overseas are able to access the texts. Some books are so delicate that this would not be possible. The collection is housed in an environmentally controlled and damp proof room to preserve the books in as good a condition as possible. The cost of any restoration or preservation is assessed on a book by book basis and has to be considered in relation to the perceived importance of the documents concerned. Any such costs are expensed as they occur and are usually budgeted for in advance. Because the collection is kept in a controlled environment the costs of such preservation are hopefully minimised.

(ii) Chapel and Sacristy Fixtures and fittings

There are various vessels, chasubles and other church objects that are used in daily worship in the College Chapel by Oscott's staff and students. The majority of the items have been at the College for a considerable time and have been donated for Chapel use during the last 150 years or more. These items have not been valued as the cost of doing so is deemed by the Trustees to outweigh the benefit as the College would not look to dispose of any items. The College has Public Sunday evening worship, during which the items are used and on display. All items have been catalogued and are locked away when not in use. Any costs relating to their preservation or repair are expensed as they occur.

Analysis of heritage asset transactions

	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000
Valuation of heritage assets					
Existing museum artefacts previously not valued	642	-	-	-	-
Change in valuation	642	-	-	-	-

Notes to the Financial Statements
For the Year Ended 31 July 2023

15. Investment property

	Freehold investment property £000	Freehold ground leases £000	Total £000
Valuation			
At 1 August 2022	575	62	637
At 31 July 2023	575	62	637

Valuations of Freehold Property Investments and Ground Leases were carried out as in July 2021 by GJS Dillon, Chartered Surveyors and valuers on an open market basis. The Trustees are satisfied that this remains a true reflection of fair value as at 31 July 2023.

Freehold Ground leases were re-valued in July 2021 at between £22,000 and £40,000 each. The Trustees are satisfied that this remains a true reflection of fair value as at 31 July 2023.

16. Fixed asset investments

	2023 £000	2022 £000
Listed investments		
Market value at beginning of period	30,861	33,988
Additions	7,664	3,216
Disposals	(9,463)	(3,706)
Unrealised losses	(2,652)	(3,496)
Realised gains	1,445	859
Market value at end of period	27,855	30,861
Cash held by investment managers	2,071	1,058
	29,926	31,919

17. Debtors

	2023 £000	2022 £000
Due within one year		
Trade debtors	27	37
Other debtors	1	2
Prepayments and accrued income	124	80
	152	119

Notes to the Financial Statements
For the Year Ended 31 July 2023

18. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	96	84
Other taxation and social security	29	26
Accruals and deferred income	52	39
	<u>177</u>	<u>149</u>

19. Statement of funds

Statement of funds - current year

	Balance at 1 August 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 July 2023 £000
Unrestricted funds						
Designated funds						
Investment revaluation fund	7,151	-	-	-	(2,652)	4,499
Heritage assets revaluation fund	825	-	-	-	1,033	1,858
Land and buildings revaluation fund	13,101	-	(23)	-	-	13,078
College maintenance fund	5,000	-	(684)	684	-	5,000
Cemetery maintenance fund	3,924	-	(28)	173	-	4,069
Museum fund	66	-	-	-	-	66
Environmental projects fund	-	600	-	(508)	-	92
	<u>30,067</u>	<u>600</u>	<u>(735)</u>	<u>349</u>	<u>(1,619)</u>	<u>28,662</u>
General funds						
General Funds	<u>17,188</u>	<u>2,589</u>	<u>(3,058)</u>	<u>(349)</u>	<u>1,445</u>	<u>17,815</u>
Total Unrestricted funds	<u>47,255</u>	<u>3,189</u>	<u>(3,793)</u>	<u>-</u>	<u>(174)</u>	<u>46,477</u>

Notes to the Financial Statements
For the Year Ended 31 July 2023

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 July 2022 £000
Unrestricted funds						
Designated funds						
Investment revaluation fund	10,696	-	-	-	(3,545)	7,151
Heritage assets revaluation fund	825	-	-	-	-	825
Land and buildings revaluation fund	13,124	-	(23)	-	-	13,101
College maintenance fund	5,000	-	(411)	411	-	5,000
Cemetery maintenance fund	3,900	-	(32)	56	-	3,924
Museum fund	66	-	-	-	-	66
	<u>33,611</u>	<u>-</u>	<u>(466)</u>	<u>467</u>	<u>(3,545)</u>	<u>30,067</u>
General funds						
General Funds	<u>16,374</u>	<u>2,945</u>	<u>(2,572)</u>	<u>(467)</u>	<u>908</u>	<u>17,188</u>
Total Unrestricted funds	<u>49,985</u>	<u>2,945</u>	<u>(3,038)</u>	<u>-</u>	<u>(2,637)</u>	<u>47,255</u>

19. Statement of funds (continued)

Investment revaluation fund

This represents the revaluation element of the investments which fluctuate on a day to day basis. The trustees believe that it is inappropriate to consider that this unrealised surplus is available for the ongoing work of the College. This includes unrealised valuation movements in investment property.

Heritage asset revaluation fund

This represents the revaluation of Heritage assets held by the College. The trustees believe that it is inappropriate to consider that this unrealised valuation surplus is available for the ongoing work of the College.

Land and buildings revaluation fund

This represents the revaluation of College land and buildings. The trustees believe that it is inappropriate to consider that this unrealised valuation surplus is available for the ongoing work of the College.

College maintenance fund

This fund is calculated based on an estimate of future maintenance of the College building and grounds over the next ten years. It represents the ongoing annual maintenance costs associated with an asset of the size and quality of the College, in order to keep the fabric of the building sound and suitable for the purposes of the charity.

Cemetery maintenance fund

This is an amount set aside to meet the estimated cost of providing future maintenance to the burial plots, each of which is leased to the plot holder for a period of 75 years.

Museum fund

This fund has been created to identify the revenue from the coin sale in 2020, which has been set aside to fund a refurbishment of the Museum displays and storage cabinets in the coming years.

Environmental projects fund

This fund has been created to designate funds for use in future planned environmental capital projects.

Notes to the Financial Statements
For the Year Ended 31 July 2023

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	13,903	13,903
Fixed asset investments	29,926	29,926
Investment property	637	637
Heritage assets	1,858	1,858
Current assets	330	330
Creditors due within one year	(177)	(177)
Total	46,477	46,477

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	13,496	13,496
Fixed asset investments	31,919	31,919
Investment property	637	637
Heritage assets	825	825
Current assets	527	527
Creditors due within one year	(149)	(149)
Total	47,255	47,255

Notes to the Financial Statements
For the Year Ended 31 July 2023

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £000	2022 £000
Net expenditure for the year (as per Statement of Financial Activities)	(1,811)	(2,730)
Adjustments for:		
Depreciation charges	102	95
Net loss on investments	1,208	2,637
Investment income receivable	(877)	(907)
Loss/(profit) on the sale of fixed assets	71	(1)
Decrease/(increase) in debtors	(33)	66
Increase in creditors	28	8
Net cash used in operating activities	(1,312)	(832)

22. Analysis of cash and cash equivalents

	2023 £000	2022 £000
Cash in hand	178	408
Total cash and cash equivalents	178	408

23. Analysis of changes in net debt

	At 1 August 2022 £000	Cash flows £000	At 31 July 2023 £000
Cash at bank and in hand	408	(230)	178
	408	(230)	178

24. Capital commitments

	2023 £000	2022 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	212	-

**Notes to the Financial Statements
For the Year Ended 31 July 2023**

25. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund. At the balance sheet date £Nil (2022 - £Nil) was payable to the fund.

26. Related party transactions

Most Rev. B Longley, and Very Rev Richard Walker are trustees of St Mary's College Oscott CIO and are also trustees of the Archdiocese of Birmingham – Charity no 234216.

Student fees are charged to the Archdiocese for seminarians at the standard full rate. During the year £134k was charged to the Archdiocese of Birmingham in Seminarian and diaconate fees (2022: £158k). In addition, rent of £41k (2022: £39k) was charged to the Archdiocese for use of Grove House and other office space on the college site. Rent is charged at market rates and included within rental income. Recharges for staff seconded to the Archdiocese amounted to £29k (2022: £26k) and other recharges amounted to £2k (2022: £5k). Other income amounted to £7k (2022: £1k). At the year end there was a balance of £12k (2022: £15k) owed to the college.

Stipends and expenses of £80k (2022: £61k) were paid to the Archdiocese of Birmingham in respect of resident priests, and are included within Lecturers' costs. No balances remained payable at the year end (2022: £nil).

A further £5k (2022: £6k) was charged to the diocese for Diocesan retreats and events hosted at the college.

No trustee or other person related to the Charity had any personal interest in any contract or transaction entered into by the Charity during the year.