

Westminster Roman Catholic
Diocesan Trust



Annual Report & Accounts **2020**

About the Diocese of Westminster

The Diocese of Westminster is one of the smallest dioceses in England and Wales in geographical area, but the largest in terms of Catholic population and priests. The diocesan boundaries include the London boroughs north of the River Thames, between the River Lea to the east and the Borough of Hillingdon to the west, the County of Hertfordshire to the north and the Borough of Spelthorne in Surrey.

Trustee

The trustees are incorporated as 'Westminster Roman Catholic Diocese Trustee' (WRCDT), a company limited by guarantee. This company does not conduct any trade or business on its own account and has no assets or liabilities. Its sole purpose is to act as trustee of a number of trusts and funds, of which the Westminster Roman Catholic Diocesan Trust is the principal one.

The Directors of the Westminster Roman Catholic Diocese Trustee (herein referred to as Trustees) are:

His Eminence Cardinal V Nichols
Rt Rev J Sherrington
Rt Rev N Hudson
Rt Rev P McAleenan
Rev Mgr M Hayes
Rev Mgr J O'Boyle
Baroness N O'Loan
Dame C Bowe
Mr E Craston
Mr K Ingram
Mr A Ndoca

Since the restoration of the Catholic Hierarchy in 1850, its bishop has often been appointed a Cardinal. His Eminence Cardinal Vincent Nichols is the eleventh Archbishop of Westminster, having been installed as Archbishop on 21 May 2009. In an increasingly cosmopolitan city, the diocese reflects wide ethnic and cultural diversity amongst its Catholic population.

Auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Principal investment managers

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

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Principal bankers

HSBC Bank plc
69 Pall Mall
London
SW1Y 5EY

Charity solicitors

Winckworth Sherwood LLP
Minerva House
5 Montague Close
London
SE1 9BB

Principal insurers

The Catholic National Mutual Limited
Level 5
Mill Court
La Charroterie
St Peter Port
Guernsey
GY1 1EJ



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Cardinal's Introduction



SINCE THE START of the COVID-19 pandemic in 2020, we have been living through a strange time: enervating, challenging, testing, a time of so much isolation and loneliness, of sadness and death, and yet of creativity and shining generosity. In the darkness of this pandemic so many of our comfortable assumptions are being shaken.

Yet light penetrates this darkness. Have we not seen these months of difficulty marked by countless acts of random kindness, quiet heroism, selfless service, remarkable community efforts, all directed towards those most in need? In our nature, in our make-up, there is an indomitable spirit of goodness that responds with sacrifice and love. Deep within the heart of every person is a reservoir of love and compassion. We are made for love, for generosity, for kindness. Jesus is the gateway to that kindness. It is he who encourages and enables this kindness to flow freely, in and out. With him, then, we receive graciously, give generously, forgive compassionately, care especially for those who are most in need or, quite simply, lost.

It is the spark of the divine within us. It is an instructive realisation that life in its essence is never private but shared with others, with the whole of creation. I am filled with admiration and hope when I ponder the tremendous kindness and service which has emerged in our midst during these difficult days: in all the structured works of charity that are taking place in our parishes for their neighbourhoods; the generosity of our parishioners, in these difficult economic times, that funds these initiatives; and all the unseen and unsung acts of kindness that flow from the open gate of the heart.

We know that all that darkness, that corrosion of death we have seen so clearly in this last year, does not have the last word. Another word is spoken, the word of love: love that is stronger than death. It's the love of God poured out for us to lift us up.

I thank all in our diocese who daily embody this love of God for their neighbours.

I thank, too, all who compiled this Report and the Annual Accounts.

+ Vincent Nichols

The Light shines in the darkness, and the darkness has not overcome it. -John 1:5

THIS WELL-KNOWN line from the Gospel of John is an announcement of the Good News that Jesus Christ, the Light, has conquered the darkness in which the world is shrouded. He has defeated hatred with love, sadness with joy, and brought life where there was death. Stirring as these words are, it is easy to take the striking image as mere metaphor, as a pretty, idealised, yet tame, image of God: a sunny day as opposed to an overcast one.

But the Evangelist wasn't writing in tame times. The Early Church did not have an easy existence. Followers of Christ attracted harassment and persecution from all sides, religious and secular, from the beginning. Many Christians found themselves ostracised by their families and communities, unable to earn a living or remain in their homes. And then came the destruction of the Temple at Jerusalem in 70 AD, which, being a symbol of Christ himself, would have appeared to the early Church to be an event of apocalyptic significance. Christians were scattered in the wake of the upheaval, many all the

way to Asia Minor. John himself spent time in Ephesus, but was ultimately exiled to Patmos, where tradition has it he wrote his Gospel.

Modern Biblical scholars find the book to be full of references and signposts to the darkness and difficulty of John's times, and yet it is also full of dramatic images of light conquering darkness, calling to mind another familiar passage from Sacred Scripture: a prophetic verse that may well have been in John's mind when he composed his great prologue concerning Christ as the Light:

The people who walked in darkness have seen a great light; those who dwelt in a land of deep darkness, on them has light shone. -Isaiah 9:1



The Evangelist saw this light shining through the darkness that surrounded him, bringing light to his loved ones, whom he enjoyed:

*If we walk in the light,
as he is in the light, we
have fellowship with
one another* -1 Jn 1:7

This fellowship of those who walk together in the Light of Christ has another name: it is the Church.

In 2020 the darkness of our own times deepened as the COVID-19 pandemic swept the globe, bringing sickness and death, fear and suffering, isolation and loneliness to so many people, including those living within the Diocese of Westminster. As a part of the Church, walking in the light of Christ and bonded to each other in the fellowship of shared love of God and faith in his promises, the intention of the Diocese during the pandemic was to continue to make the Light of God shine through the darkness.

In many ways, from the adaptations parishes made to allow for the safe practice of public communal worship, including live-streaming for those who could not join in

person, to the incredible efforts of the diocesan schools on behalf of the children and young people whose education was disrupted, to the swift expansion of food provision and funding to meet the rising need caused by under-employment and job loss during the pandemic, each strand of diocesan mission has been shaped to ensure that, no matter the darkness, God's Light can be seen clearly in the work of the Charity and in the love and compassion of its people towards those in need.

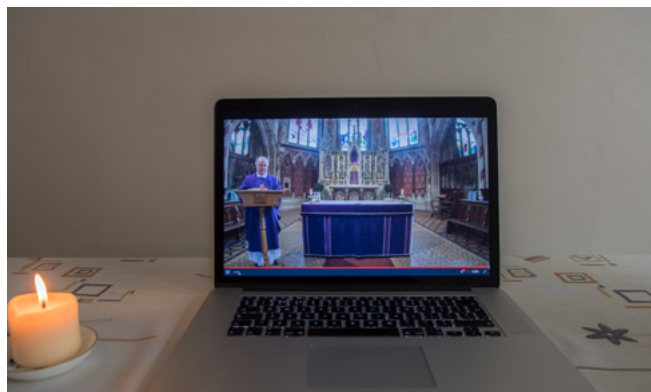
The Gospel was not written to gild the lily, to add extra, ornamental joy to already easy or happy times. The Gospel speaks to those undergoing tribulation of a light powerful enough to guide us through any hardship. 2020 was not the year the Gospel finally faltered and fell silent; it was a year in which the Gospel was more needed and relevant than ever. This was the conviction that animated the work of the Charity, even in the midst of a global pandemic, so that when we look back on a year filled with hardship the words of the Evangelist ring true.

*The Light shines in
the darkness, and
the darkness has not
overcome it.*



Year in Review

FOR MANY CATHOLICS, their parish Church is the centre of their spiritual lives and attending Sunday Mass and weekday parish activities are a key part of their routines. When the first COVID-19 lockdown was brought in, and public communal worship banned for the first time in living memory, parish priests, staff, and volunteers worked quickly to get live streaming of the Mass up and running so the faithful could pray along at home. When churches were permitted to reopen, parishioners responded generously to the pleas for volunteers to clean the churches and steward public worship, creating some of the safest public spaces in Britain during the pandemic.



- ▲ Westminster Cathedral reopens with Covid-secure measures in place for private prayer on 15 June 2020 after first lockdown.

When churches were allowed to re-open for congregational worship, additional measures were implemented to ensure the faithful could receive Holy Communion safely.



◀ ● ● ● ● While priests continued to celebrate Mass on their own in their churches, the faithful could join them by livestream during the first lockdown.



THAT THEY WOULD be asked to deliver their entire curriculum remotely at very little notice is something few, if any, teachers had imagined would happen. The switch brought many challenges, but also shone a light on the commitment, creativity, and compassion of so many school staff and students. The return to in-person learning came with many restrictions, new ways of working, and uncertainty over exam assessment, not to mention a lot of cleaning and hand sanitiser. Despite the difficulties, however, the diocesan schools are a source of stories of students and teachers shining a light in the darkness, earning an A* in Pandemic Perseverance.



▲ Pupils at St Augustine's Priory commemorate Armistice Day

- 675 pupils from 14 schools around the diocese prepared
- 3,375 Vinnie Packs with essential items, for distribution to
- ▼ homeless people.





▲ A pupil distributes food at the weekly Friday food bank at Newman Catholic College.

THE PANDEMIC HAS taken a heavy toll on the economy, which means that more people than before have found themselves struggling to afford to feed themselves and their families. The number of people relying on foodbanks has risen sharply. In response to the clear and growing need, in April 2020 Caritas Westminster provided more than £30,000 in emergency food grants to be distributed through parishes and schools in the form of supermarket vouchers. Such was the success of the scheme that it was extended for a second round. This is in addition to the work of the food banks supported by the Diocese of Westminster, which not only provided, but where necessary delivered, food parcels and packed lunches to three times the number of persons who sought their assistance the prior year.



◀ ● ● ● ● Parishes in Central London opened a refreshment station for homeless people in Trafalgar Square during the first lockdown with support from Caritas Westminster.

● ● ● ● Local residents queue to receive food parcels at the Food Hub at English Martyrs, Wembley.
▼



◀ ● ● ● ● Begun in 2019 and one of the many projects of the Caritas Food Collective, the food stall at St John XXIII Primary School in White City distributes fresh food, donated by the Felix Project, that would have otherwise gone to the landfill.

Safeguarding

DESPITE THE CLOSURE of parishes and diocesan offices as a result of the pandemic, the Safeguarding team continued its work across four key areas in 2020:

Recognising and Responding to Concerns/Allegations: Responding to safeguarding concerns and allegations (current and historic): **188** consultations (259 in 2019)

Safeguarding case files were opened requiring ongoing management and liaison with statutory authorities: **49** (39 in 2019).

The work is complex, ensuring at every stage that the victim/survivor is listened to, responded to respectfully and offered the appropriate level of support. The Safeguarding Commission have continued to offer advice and oversight for a remote working model.

Creating a Safe Environment: The restrictions imposed as a result of COVID-19 have seen a shift to online activities, but a high level of contact was also maintained with Parish Safeguarding Representatives (PSRs) and Parish Priests.

Signs on a parish church door explaining how parishioners can keep themselves and others safe while praying in the church.

Additionally, Cardinal Nichols launched the 'Caring Safely for Others' national guidance to clergy on pastoral standards and safe conduct in ministry.

244 clergy received Safeguarding training.

50 PSRs attended the conference focusing on victims and survivors in March.

Safeguarding plans were put in place to manage the assessed risk of parishioners, volunteers and clergy: **8** (15 in 2019)

Safer recruitment: The Safer Recruitment process has been severely affected by COVID-19, resulting in lower DBS numbers than predicted this year. However, our PSRs have risen to the challenge and adapted their working methods to an online model which allowed the continued processing of applications even when Vaughan House was closed.

DBS Processed: **1136** (1657 in 2019).

105 PSRs had a DBS recheck to ensure compliance with the diocesan policy of rechecking every three years.

Creating a culture of Safeguarding: We continue to assist all departments across the diocese to integrate safeguarding into their work. During 2020 we provided support to Westminster Cathedral to produce a comprehensive set of policies and procedures.

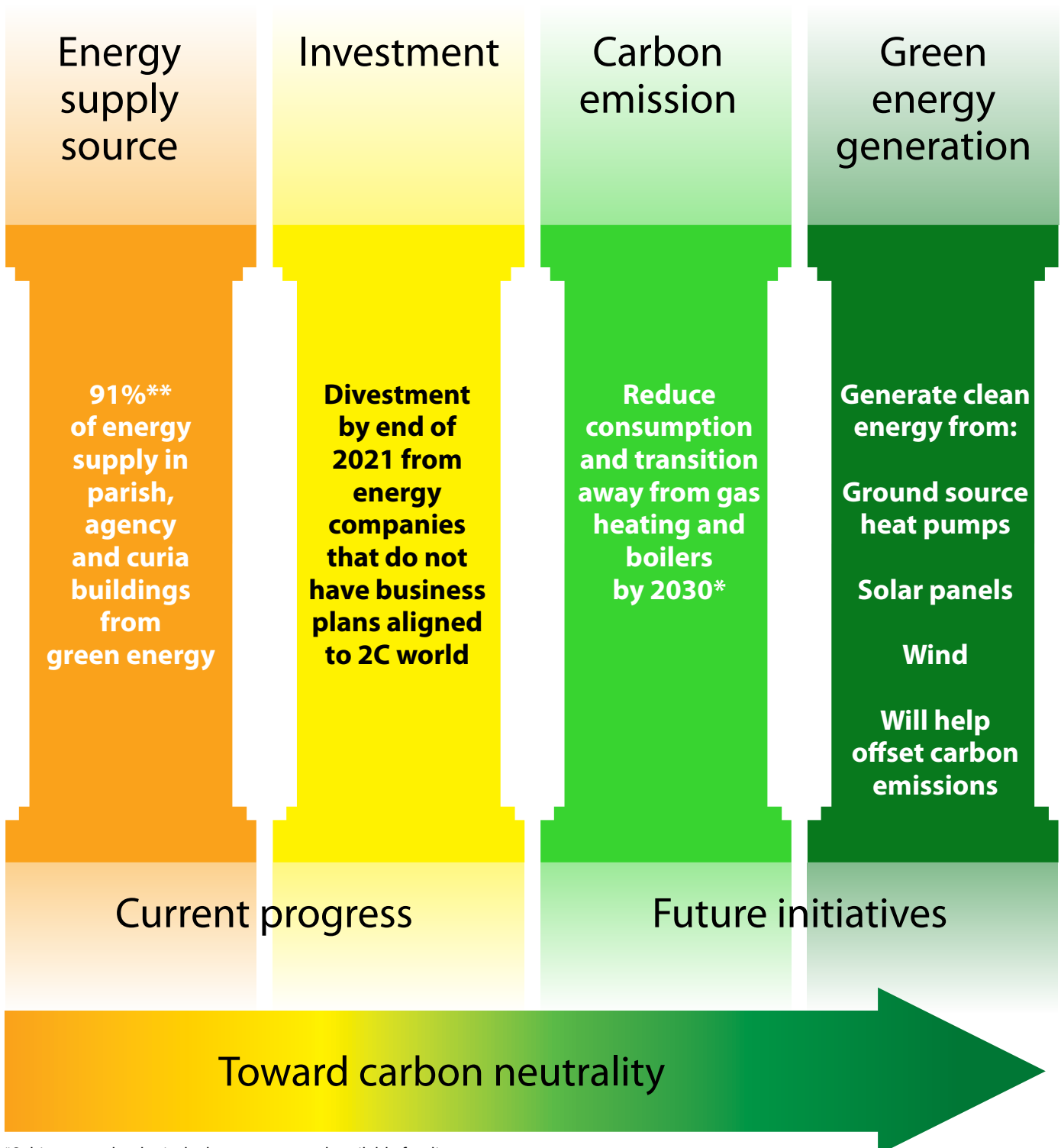
(Please see page 29 for further details.)



Care for the Environment

We will do all we can to be carbon neutral by 2030.*

These are the steps we will take...

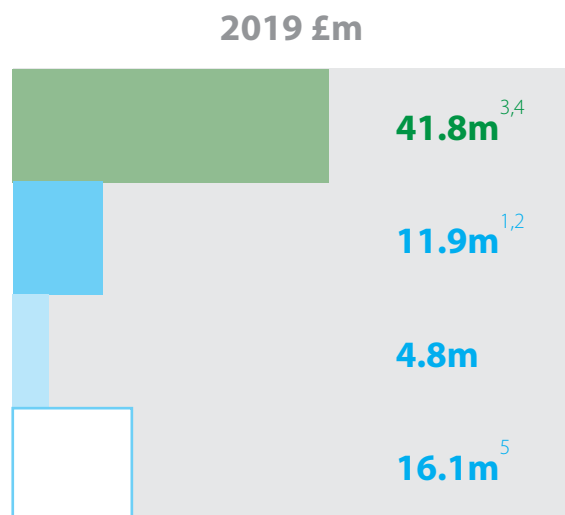
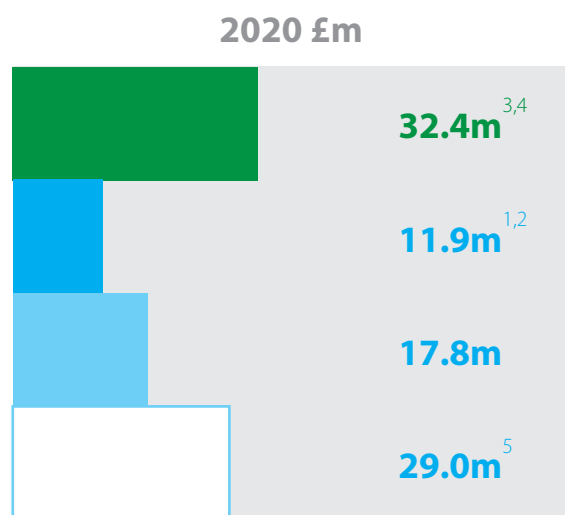


*Subject to technological advancements and available funding

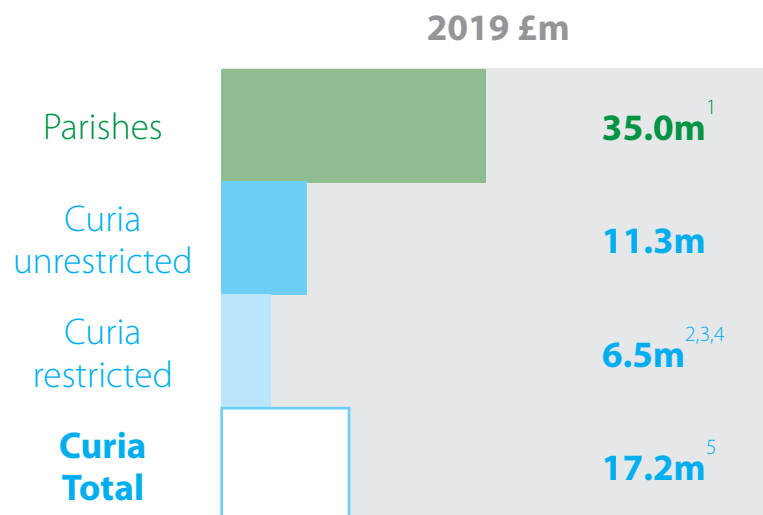
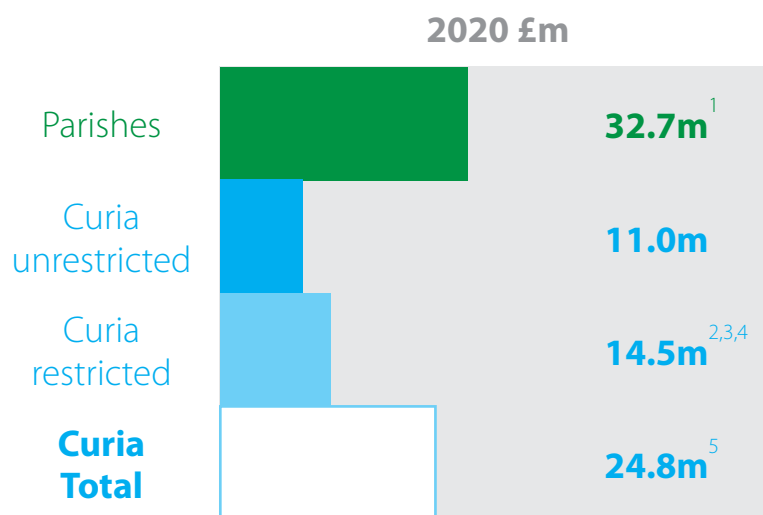
**See page 30 for details

Consolidated income and expenditure

Income

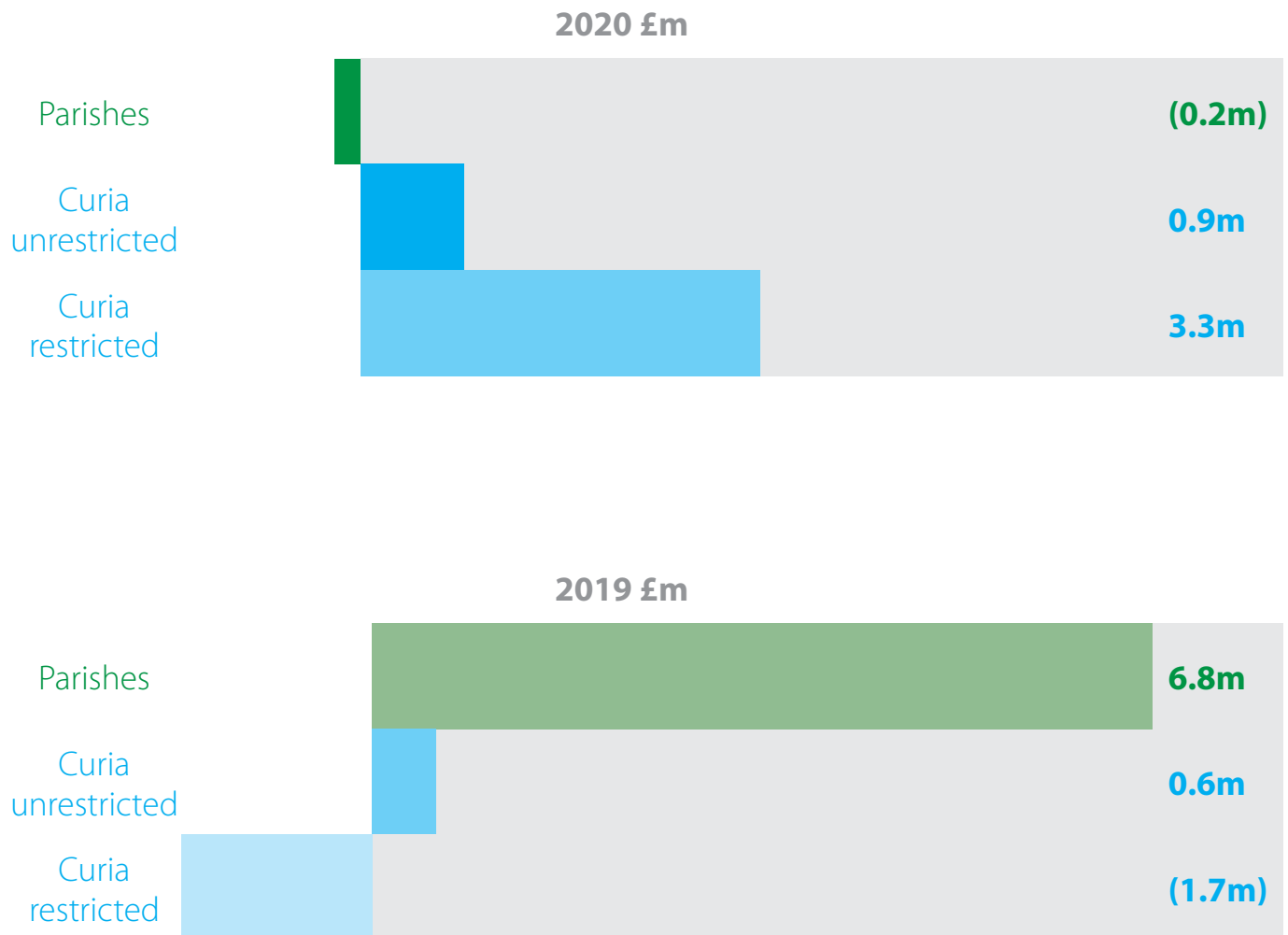


Expenditure












- ¹ Includes assessment transferred from parishes to curia unrestricted (£6.7m in 2020 and £6.5m in 2019)
² Includes other transfers from curia restricted to curia unrestricted (£0.7m in 2020 and £0.6m in 2019)
³ Includes Growing in Faith transfers from curia restricted to parishes (£0.5m in 2020 and £1.0m in 2019)
⁴ Includes other transfers from curia restricted to parishes (£0.1m in 2020 and £0.2m in 2019)
⁵ After eliminating inter-curia transfers (£0.7m in 2020 and £0.6m in 2019)

Net (expenditure) income before investment and actuarial gains and losses















Curia income and expenditure

Income







Income by type (£'000)	2020	2019	%2020	
Grants receivable	13,715	–	47.3	
Diocesan assessment	6,747	6,529	23.3	
Donations and legacies	2,767	4,309	9.5	
Income from charitable activities	2,394	2,457	8.2	
Disposal of assets	1,379	–	4.8	
Investment income	1,357	1,872	4.7	
Rents from functional property	422	646	1.5	
Assessment for non-consolidated parishes	126	146	0.4	
Trading activities	92	148	0.3	
Total	28,999	16,107	100.0	

Expenditure











Expenditure by type (£'000)	2020	2019	%2020	
Pastoral and related work	14,496	5,848	58.4	
Administration	4,432	4,205	17.8	
Education and formation	1,460	1,540	5.9	
Clergy and consecrated life	1,143	1,373	4.6	
Auxiliaries and Vicar General	757	807	3.1	
Transfers to parishes	644	1,247	2.6	
Communication and safeguarding	527	390	2.1	
National bodies	425	443	1.7	
Archbishop's office and house	394	480	1.6	
Fundraising trading and other	316	263	1.3	
Bank loan interest	215	271	0.9	
Growing in Faith projects	9	289	0.0	
Total	24,818	17,156	100.0	

Parish income and expenditure

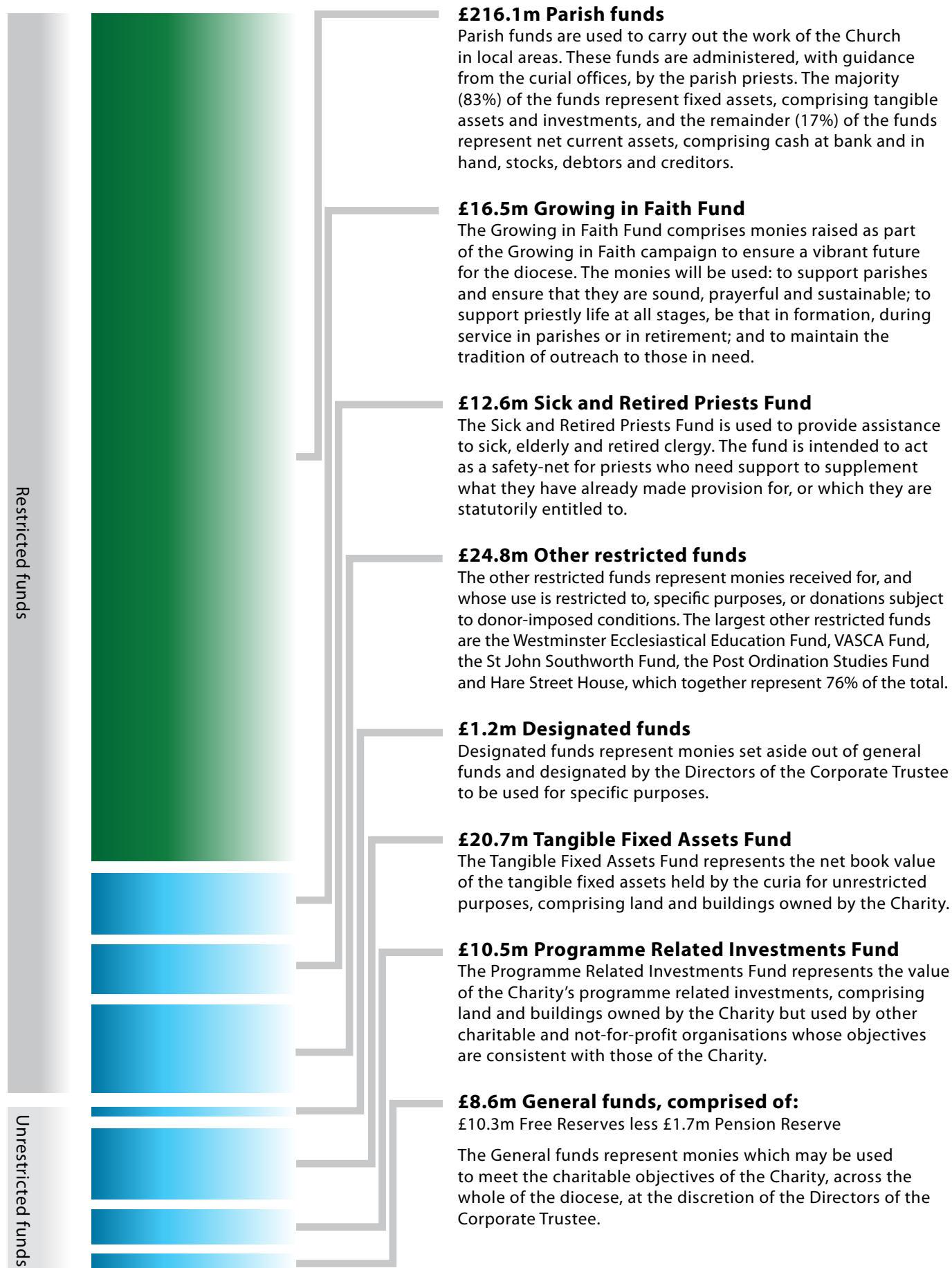
Income

Income by type (£'000)	2020	2019	%2020	
Donations and legacies	23,589	27,814	72.7	
Parish activities	4,685	7,783	14.5	
Investment income	2,601	2,914	8.0	
Rents from functional property	836	1,366	2.6	
Transfers from curia	644	1,247	2.0	
Trading activities	71	627	0.2	
Disposal of assets	3	1	0.0	
Total	32,429	41,752	100.0	

Expenditure

Expenditure by type (£'000)	2020	2019	%2020	
Non-clergy salaries and housekeeping	7,396	7,513	22.7	
Diocesan assessment	6,747	6,529	20.7	
Property repairs and renewals	5,465	4,288	16.7	
Depreciation	3,034	2,724	9.3	
Council tax and utilities	2,444	3,092	7.5	
Clergy stipends	2,313	2,372	7.1	
Other	2,037	3,152	6.2	
Liturgical, candles and repository	1,545	2,769	4.7	
Donations and grants	739	828	2.3	
Parish activities	731	1,281	2.2	
Costs of generating trading activities	208	437	0.6	
Total	32,659	34,985	100.0	

Reserves





Annual Accounts **2020**

Report of the Directors of the Corporate Trustee

– Year to 31 December 2020

Introduction

The Directors of the Corporate Trustee (i.e. the Trustees) present their statutory report together with the consolidated accounts of Westminster Roman Catholic Diocesan Trust (the Charity) for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies on pages 51 to 55 of the attached accounts and comply with the Charity's Trust Deed, with applicable laws and applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and with the requirements of 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 United Kingdom and Republic of Ireland (FRS 102).

Purpose and Activities

The Purpose of the Charity

The Charity's Trust Deed states that the purpose of the Westminster Roman Catholic Diocesan Trust is 'advancing the Roman Catholic religion in the diocese by such means as the Archbishop may think fit and proper'.

The diocese comprises 212 parishes located in the boroughs of London lying north of the Thames and west of the Lea River, in the Borough of Spelthorne in Surrey, and in the County of Hertfordshire.

The Catholic Church was founded by Jesus Christ to bring his light into the world, and all its activities are as small candles lit from his pascal flame. Everyone who follows the Catholic faith is called to become more like Christ, shining as he did with loving obedience to God the Father and loving care for all persons. It is the teachings and actions of Jesus that shape Catholic practice, and therefore the activities of the Charity.

These include worship of God and participation in the sacraments, all of which Catholics believe to be effective signs instituted by Christ himself; the education of children and all the faithful; and also the work of the Church to build, support, and sustain the wider community and care for all those in need. The Gospel of Matthew (25:34-41) memorably recounts how Christ taught that anyone who feeds the hungry, gives drink to the thirsty, clothes the naked, welcomes the stranger, or visits the prisoner not only ministers to those in need, but also serves God.

The Charity therefore fulfils its purpose by offering religious and pastoral services, educational programmes, and charitable support and assistance to all who live within its borders: approximately 430,000 self-identifying

Catholics and roughly 4.2 million other residents. The main vehicles for these ministries are parishes and chaplaincies, schools, and outreach agencies coordinated by Caritas Westminster.

When setting the Charity's aims and planning its work for the year, the Trustees give careful consideration to the Charity Commission's general guidance on public benefit.

COVID-19: The Challenges of 2020

2020 will always be remembered as a year of darkness. There is no way of presenting the events or finances of the year in a way that it is not, at every turn, a story about COVID-19. There is no escaping the toll the pandemic has taken on society, first and foremost in terms of human life, but also in how it has affected the mental health, security and prospects of so many through bereavement, job loss, income reduction, social isolation, or interrupted education.

From the earliest days of the year, the darkness gathered as news of a dangerous coronavirus emerged. The first case of COVID-19 in the UK was confirmed in January. The UK Government was making preparations and advising against unnecessary travel throughout February, and in March, as cases increased, the first stay-at-home order was issued, schools closed, and adults were required to work from home if at all able to do so.

From March until June all churches in the UK were closed for communal worship, meaning that Catholics could not gather in person for Mass. When communal worship was once again permitted, those who returned to the churches to worship found even the liturgy itself had undergone pandemic-related changes: no singing by the congregation is permitted; the sign of peace, which is traditionally exchanged in the form of a handshake or even an embrace following the recitation of the Lord's Prayer, has been suspended; the Eucharist is received in silence, and only the sacred host is distributed – the shared chalice has been withdrawn. How long the Mass itself will be shaped by the need to minimise viral transmission is unknown.

School communities immediately had to set up remote learning for the majority of students. The challenges presented by rolling out online programmes to students, a significant number of whom have barriers to accessing these, whilst at the same time maintaining in-school provision for the children of key workers and continuing the crucial social and pastoral support schools offer to so many families, were profound. When schools eventually reopened to all students in September, it was with defined bubbles of students, modified timetables, enhanced cleaning routines, and a deep awareness of time already lost to the pandemic.

Truly, the pandemic has affected every aspect of human activity: the way we live and learn, work and worship.

Report of the Directors of the Corporate Trustee

– Year to 31 December 2020

In so many ways 2020 was a year of darkness. It was not, however, only a year of darkness. Christ is the eternal light, and there is no darkness that can extinguish that light.

The activities of the diocese became more difficult, it is true, but in the face of a greater need than ever for the social, practical, material, educational and spiritual support offered through the schools and parishes, the Charity had no alternative but to adapt and to innovate. As with so much else in 2020, anything that could be done online was: from live-streaming Masses and school lessons, to offering sacramental formation, talks and training, and spiritual support. But not everything can be done online. The Charity continued to offer in-person support to members of the community who were struggling due to the pandemic. Some went from not being able to go to work due to lockdown to having no work to go to due to redundancies, and now required food assistance they didn't need before the pandemic. Some families faced increased need due to school closures, with their children no longer being provided breakfast and lunch in school. The Diocese's food programmes did not merely continue during the pandemic, they were expanded.

In everything the Charity achieved during 2020 was a single message: that in the darkness there is Light. 2020 was a year of darkness, but it was not a year without light, a year without hope, or a year without God. The Light shines in the darkness and the darkness has not overcome it.

Helping Those in Need

The Charity has a particular mission to help the poor, the needy, and the suffering. This is part of our faith. The global pandemic indisputably multiplied the number of persons belonging to these categories.

Throughout 2020 responding to new and intensified need in the local community was the first priority of the diocese. The projects that were launched or transformed in response to COVID-19 were rarely the work of just one branch or entity of the Charity, but rather involved collaborations between individual parishes, between Caritas Westminster and parishes, between Caritas Westminster and schools, and also between diocesan groups and external groups. These collaborations allowed for much broader access to services and assistance than would otherwise have been the case.

Food Assistance

One of the most pressing problems many families and individuals faced from the beginning of the pandemic was food poverty. The Charity both expanded existing food programmes and rolled out new initiatives in an effort to ensure that no one in the local area would go hungry because of the pandemic. In just the three months from July to September 2020 food projects led by Caritas Westminster in partnership with other diocesan and non-diocesan organisations provided more than 95,000 meals to those in

need. Particularly notable amongst these efforts were the following:

1. New food banks were opened where there was a clear need. One such project was undertaken by the diocese's Brazilian chaplaincy. With the support of Caritas Westminster, the chaplaincy opened a food bank at St Anne's parish in Whitechapel in response to a dramatic increase in financial hardship in the area during the pandemic. The parish originally participated in Caritas' food voucher scheme, and through this saw how profound the need was in the area. The new food bank opened in June 2020 to prepare and deliver food parcels locally. In addition to support from Caritas, the St Anne's food bank received donations from food distribution charity FareShare and the local council in Tower Hamlets, which allowed them to support more families and individuals during these difficult times.
2. Established food banks in the diocese saw a significant and sustained rise in need for their assistance due to the COVID-19 pandemic. Many of those accessing their services were from the 'newly poor' category: persons who had not faced food poverty until job loss, underemployment, ineligibility for the government furlough scheme, disruption of free school meal schemes, or difficulty accessing other assistance programmes placed them in financial hardship. As an example, the food bank at St Mary's parish in Finchley East reported a 400% increase in users since lockdown restrictions began, and the food bank at Borehamwood gave out more food parcels before August 2020 than it did in all of 2019. In addition to the steep rise in need, food banks also had to adapt how they provided their services, which, in addition to establishing COVID-secure working procedures, meant that in many cases food parcels needed to be delivered, as many beneficiaries could not safely come to the food banks. The significant increase in labour required for this essential ministry was in the main supported by volunteers, both from the laity and parish priests.
3. In April 2020, Caritas Westminster distributed over £30,000 of emergency food vouchers to schools and parishes within the diocese. Giving these vouchers to parishes and schools allowed parish priests, teachers, staff, and volunteers to target the funds at the families and persons most in need in the communities. The use of food vouchers meant that recipients did not need to access food banks to be fed, and could purchase what they needed from local shops. Following the success of the April distribution of food vouchers, the scheme was continued through the year, distributing more than £175,000 of vouchers in total, and feeding more than 6,000 people in the diocese.
4. The homeless of London have been particularly adversely impacted by COVID-19 in a variety of ways:

Report of the Directors of the Corporate Trustee

– Year to 31 December 2020

many are clinically vulnerable and unable to safely self-isolate; many of the programmes they have relied on for support in the past have been disrupted or paused due to the pandemic; many of the facilities they use, e.g. public toilets, drop-in centres, were closed due to lockdown. Although Westminster Council was able to find accommodation for many rough sleepers during the pandemic, meeting the needs of those still living on the streets was often left to charitable and faith groups. In response to this situation, The Justice and Peace Commission of the Diocese of Westminster collaborated with Caritas Westminster to open a refreshment station for rough sleepers. Located in Trafalgar Square, the station offered food and soft drinks, as well as toiletries and other essential items. The initiative was extremely popular with rough sleepers and offered them somewhere to go for support and assistance during lockdown.

The Deaf Service

The Caritas Deaf Service has continued their work, ministry and advocacy despite the hardships of 2020. Deaf people have been particularly impacted by the global pandemic in a variety of ways. The public health mandate to wear facemasks in public spaces can be an insurmountable hurdle to those who rely on lipreading to communicate. In addition, the switch to remote, sometimes telephone-based communication left many deaf persons isolated and struggling to access necessary services.

A survey by the deaf charity SignHealth showed that 74% of respondents found it more difficult to access healthcare during the pandemic, and 89% were worried about being able to communicate if they were hospitalised with coronavirus. The stories of those who contacted the Deaf Service bore out these numbers, with some reporting that healthcare workers would forget they were deaf and not remove their masks to speak, or that their GP surgery did not provide deaf-accessible consultations or care during the pandemic.

Another key issue reported to the Deaf Service was the feeling that the Deaf Community was left out of TV news and live updates from the Government concerning the pandemic due to a lack of BSL interpretation. The Deaf Service continues to be a vocal supporter of the 'Where's the Interpreter?' campaign. This is a movement seeking equality for the deaf with hearing people in when and how they are given information. The Deaf Service pursues this end both as a matter of justice (80,000 people in the UK have BSL as their first language) and also as crucial to the safety and well being of deaf people, who need to be able to understand the public health guidance on COVID-19 in order to keep themselves and those around them safe.

Throughout the pandemic the Deaf Service has continued to provide BSL-interpreted Masses on a regular basis, but via

livestream rather than in person. Those who access the Deaf Service report that they have missed being able to gather in person, and missed the camaraderie they find through meeting for Bible studies, retreats, and support groups. The Deaf Service has moved as many of these activities on-line as possible in order to support a community that has found the global pandemic particularly challenging and isolating.

Bakhita House

June 2020 was the fifth anniversary of the opening of Caritas Bakhita House, which provides safe accommodation and support to women escaping human trafficking, sexual exploitation, and slavery. In the five years since it opened, Bakhita House has welcomed 123 women (aged 15 to 70 years old) and eleven babies, from 39 different countries. All the guests at Bakhita House are given the support they need, medical, legal, educational, and practical, to build a new and hopeful future free of exploitation.

Through the work of the staff of Bakhita House and the courage of the women they help, convictions have been secured against a number of human traffickers. In 2020 these included the conviction and jail sentences of two traffickers who brought a Romanian woman to the UK in 2019 on the understanding that she would be working in a factory. Upon arrival, the woman was forced into prostitution and only escaped when she covertly acquired a mobile phone and was able to call her family in Romania, who contacted the Romanian and UK police. When the woman was rescued, she was brought to Bakhita House, where staff offered her immediate medical support (she was seven months pregnant at the time) as well as English and budgeting lessons, and help with the legal issues she faced. Because the woman wished to return to Romania to give birth, Bakhita House, in cooperation with UK Police and International Justice Mission, had to move quickly to complete a risk assessment to ensure the guest and her unborn child would be safe after they left Bakhita House, and to help her obtain temporary travel documents from the Romanian Embassy. Following these efforts, accompanied by International Justice Mission, she was able to safely return home, and still to assist in obtaining a conviction against her traffickers.

During the pandemic lockdown, Bakhita House was not able to welcome new guests, but it did remain a safe home for the women and babies already living there, and continued to be staffed around the clock. Thanks to the efforts of the staff, the guests were able to continue with many of their usual activities and classes, although some of it had to be done online, and to receive the support they needed to recover their health and well-being.

Importantly, Bakhita House has been able to establish facilities for police interviews with the guests to resume, allowing the legal cases against their traffickers and abusers to proceed. This has been facilitated through a specialist

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interview room within the house. An additional, self-contained interview room has also been established, so that police can interview victims of alleged trafficking in a safe and comfortable environment, even though these women were not able to come to stay at Bakhita House at that time.

Collaboration

Supporting those in the geographic area of the diocese most affected by the global pandemic has been a collaborative project involving all sections of the Charity, in particular Caritas Westminster, which provided much of the practical infrastructure and know-how to get the programmes up and running, in partnership with parishes and schools, whose staff and members are best placed to understand the needs of the local communities and the particular challenges involved in meeting them. Many of these collaborations also took in external charitable organisations, faith groups, and local government authorities. These close collaborations were at the heart of the Charity's mission to alleviate the loneliness, isolation and hardship faced by so many under the public health restrictions necessitated by the global pandemic, and to allow the light of Christ to shine through the darkness.

Education in Lockdown and the New Normal

The Charity has oversight of 209 Catholic schools in the Diocese of Westminster, attended by around 93,000 boys and girls from the ages of 4 to 18. Education was profoundly affected by the pandemic, as schools were closed to the majority of children from March through to the end of the 2019-2020 academic year. Virtually overnight schools had to transition from 100% classroom-based learning to remote learning for the majority of students. Those children who were eligible to attend schools (the children of government-defined key workers and those with needs that makes in-school education the only safe or practicable option) had to be able to do so safely, in defined groups or 'bubbles' to limit unnecessary contact with staff or other students.

Due to the effects of the global pandemic on education, all Ofsted and diocesan inspections of schools were suspended in 2020, to be resumed when they can be done safely, and when schools can reasonably compile evidence to allow for a fair inspection. Therefore, unlike previous years, there is not sufficient data from school inspection to examine the performance of Catholic schools in their own right or comparatively. Likewise, there were no exams held: no Key Stage 1 or 2 SATs, and no GCSEs or A-Levels. Across the county, results were determined by teacher assessments instead. Given the unusual circumstances, the previously untested method of assessment, and the difficulties of making relevant and fair comparisons amongst schools, or in auditing the results, the government has elected not to publish any results data for the 2019-2020 academic year.

Due to necessary changes across the UK to what could be done in schools this year, neither school inspection nor pupil exam results can be reported here in any meaningful way. Therefore, the Trustees will instead report on how the schools in the diocese transitioned to a new model for delivering education, how they responded to particular challenges of the new situation, and how the diocese supported schools in doing so.

The approach to education taken in the diocese remained unchanged throughout 2020, despite the challenges of the delivery. As set out in canon law: education must attend to the formation of the whole person in moral and spiritual terms, and at the same time promote the common good of society. Children and young people must therefore be cared for in such a way that their physical, moral and intellectual talents develop in a harmonious manner, so that they attain a greater sense of responsibility, develop an understanding of the right use of freedom, and are formed to take an active part in public life.

Underpinning the education offered by every school and academy in the diocese are a number of core principles that define the essence of Catholic schools, all of which:

- Have the child at their centre: Catholic schools are designed and run to provide the very best educational opportunities and life-fulfilling experiences in communities formed by the teachings of Christ and his Church.
- Have Christ at their heart: Catholic schools are places where everyone is valued as a child of God, where every individual is enabled to grow in unity with Christ, and to achieve his or her full potential.
- Have a liturgical, sacramental and spiritual life: Catholic schools are worshipping communities whose spiritual identities are expressed most visibly through classroom prayer, whole-school liturgies, and assemblies.
- Are collaborative: Catholic schools actively promote strong and positive links with the wider community, including the diocese, deaneries, parishes, local communities, families, and other schools. Given that parents, or those who act in their place, are the primary educators of their children, links between the home, the school and the parish are especially significant.
- Are distinctive: Catholic schools, through their clear and visible Catholic identities, will be for many people the place where they first encounter Christ and his Church, and as such are evangelising communities.
- Are centres of excellence for Religious Education and the wider curriculum: A Catholic school's entire curriculum is underpinned by and expresses Catholic beliefs and values, so it is vital that an understanding and knowledge of the Catholic faith permeates all aspects of school life.

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- Are essential: Catholic schools are places where every child matters; where safety, well-being, enjoyment, tolerance, respect and dignity are reflected in all aspects of school life; where pupils are cherished for who they are as much as for what they achieve; and where all achievement is recognised and celebrated.

In summary, Catholic schools are designed to provide safe, supportive environments where children are challenged to mature intellectually, socially, morally, and physically, and to embody justice, peace, and mercy in the community.

Transition to Remote Learning

During the periods of school closure the means by which Catholic schools delivered this model of education was necessarily adapted. The vast majority of schools in the diocese had never done any remote teaching/learning before, and many had never used online platforms such as Google Classroom to support in-school learning or homework. Despite these challenges, schools very quickly adapted to provide structured learning at home for pupils.

Many schools followed a model similar to St Joseph's Primary School in Camden, which offered a structured timetable for remote learning from 9am to 3pm, which included three live lessons via Zoom: maths, English, and one additional subject that rotated according to the day. St Joseph's was able to offer all families the use of an iPad or Chromebook computer to access these lessons.

Likewise, St Joseph's Primary School in Willesden was able to provide 70 families with laptops to be able to access their online-learning content. By assisting with on-line access, the school was able to interact with most children on most days during lockdown. They used online contact between staff and students to prioritise prayer and sharing stories about their experiences, allowing the pupils to continue to feel connected to the faith community during the challenging period of lockdown.

St John's Catholic Primary School in Baldock went to great lengths to avoid any gap in education whilst they got their Google Classroom live platform up and running: work packets were compiled for each year group each week and posted to the school website to be printed out and completed at home; pictures or scans of completed work were emailed to class teachers to mark and comment on. Families who did not have access to a printer, or were not able to print out the work for any other reason could request that the school provide printed copies. Staff, including the headteacher, even hand-delivered work packets to families who were not able to collect them due to the need to self-isolate or other difficulties with transportation. Once live lessons were available, several families were provided with laptops to allow them to participate.

Supporting Spiritual Life and Mental Health Online

St Monica's Primary School in Hoxton made exemplary use of digital resources to continue and even improve collective worship. Students pre-recorded videos to be shared with the whole school, and then moved on to develop a weekly podcast about 'Big Questions' that featured student reflections on Wednesday Word and the week's Gospel. This dynamic approach was so successful in getting students engaged in their learning and fuelling their creativity that it was adapted for class projects on Black History Month and several other seasonal lessons, including one for *La Fiesta de los Reyes Magos* (Three Kings' Day), which involved Spanish and English storytelling. The school plans to continue to use the weekly podcast format even after the pandemic to highlight the achievements of students and staff, share news around the school, and enhance learning and collective worship.

St Paul's Catholic College, Sunbury, has used the online platform to allow pupils to meet with their tutors for academic support, and for reflective prayer time. The school has very much focused on the mental and spiritual wellbeing of students and staff during lockdown, and has intensified their focus on the nourishing power of prayer. Regular Gospel-themed assemblies are held or recorded online for the whole school. The Year 11s have been encouraged to continue to prepare and publish a spiritually-themed newsletter, a task they had already undertaken prior to lockdown, but which became all the more important in giving them ownership of their own spiritual growth during difficult times. Finally, the headteacher recorded a series of Christian audio reflections, which included relaxation and visualisation exercises, to facilitate for staff and students a personal encounter with Christ during a time when many suffered from loneliness, as it was impossible for them to enjoy each other's physical presence socially, or in the spirit of Christian fellowship and collective worship.

Supporting Families in Need

The diocesan schools were attentive not only to the educational and spiritual needs of their pupils and their families, but also to their more concrete human needs: during lockdown restrictions, more families struggled to afford basic necessities. Families of children who are eligible for free school meals in particular faced additional hardship, although schools did try to ensure that lunches were still provided for these children, whether they were in school or not.

St Bernadette's Primary School in Harrow has had a food bank for five years, but noticed a rise in the number of people using this service during lockdown. In response, they worked closely with Caritas Westminster and the local Morrisons to increase the number of food vouchers they could provide.

St Lawrence's Primary School in Feltham officially opened The Hub on 20 November 2020 to provide struggling families with necessities such as food, toiletries, and cleaning supplies.

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Supporting All Those in Need

Many schools also looked beyond their own communities to address the needs of others across society.

St Benedict's Independent School in Ealing made more than 3,000 protective visors for NHS staff, carers, and key workers in the local area. They also raised more the £3,000 for the Trussell Trust, which runs a network of food banks throughout the UK.

St Mary's High School, Hertfordshire, organised an Advent fundraiser for the Cardinal Hume Centre as part of their Faith in Action program. Their deputy headteacher personally drove the items donated down to the Centre in London.

The Education Service: Supporting Schools

Throughout the lockdown restrictions, the Diocese of Westminster Education Service continued to offer support to schools on an adapted on-line training and support platform. This has proven successful and popular with stakeholders, so much so that it is anticipated that much of the training offered to headteachers, teaching staff and governors by the diocese will remain online going forward.

Throughout the year, the Education Service was in close contact with headteachers to see what support they needed. Additionally, they provided online drop-ins for RE subject leads to help schools to deliver the remote curriculum in an engaging, effective, and creative way.

A variety of online access resources have been in development during 2020, with many having already gone live:

- A YouTube channel was launched, featuring a series called *In Conversation....*, which includes prayer and video testimonials aimed at staff and students in diocesan schools.
- The advisory team have developed a series of PowerPoint presentations and recordings to help schools pray the Rosary together in lockdown and in school.
- Theological support for teachers is offered through a new Catholicism Unpacked series of online resources. Modules on Mary, Advent, and the basics of Catholicism using the Divine Praises have already been shared both with diocesan schools, and on national teaching platforms. Further modules are in development, including topics such as the Sacraments and Lent.
- Various Scripture resources continue to be made available in connection with the Year of the Word: The God Who Speaks, a joint initiative of the Bible Society and the Catholic Bishops' Conference of England and Wales. The Education Service has been working closely with organisers to ensure diocesan schools have access to quality resources supporting the importance of Scripture in their Catholic Identity and RE curriculum. Many Year of the Word activities

originally scheduled for 2020 have been postponed to the autumn of 2021, giving schools even more time to make use of the valuable resources on offer.

The Education Service looks forward to continuing to provide support and resources to headteachers, teaching staff, and students at the schools of the diocese as infection control restrictions are eased in schools across the country.

Transforming Communication

The Catholic faithful of the diocese do not all require emergency support in order to be fed, sheltered, and safe from harm, but they do nonetheless look to the parishes and chaplaincies of the diocese for spiritual and sacramental ministry and a sense of belonging to a faith community. Traditionally, all these things happen in and through the participation of the faithful in Sunday and daily Masses, as well as the other sacramental rites of the Church, social and spiritual activities organised in parishes and chaplaincies, participation in Church groups and societies, and the one-on-one pastoral relationship that many Catholics have with their parish priest or another member of the clergy or religious. When the UK entered the first lockdown in March 2020, most of these points of contact became legally impossible to maintain in the first instance. Public communal worship was banned entirely for three months of the year, and stay-at-home orders or strict limits on the number of people who could gather for various purposes made meeting in person for most parish activities impossible, even when public communal worship was able to resume with restrictions.

Live-streaming Mass

A number of parishes in the diocese had already been live streaming Masses regularly for those parishioners who are housebound. When public worship was suspended during the first lockdown in March, many more parishes in the diocese very quickly set up live streaming of Mass using a variety of online platforms: Churchservices TV, Facebook, YouTube, Zoom, and so forth. Although the Bishops of England and Wales suspended the solemn obligation of the faithful to attend Mass on Sundays and Holy Days of Obligation as the pandemic made it impossible to fulfil, many Catholics derived comfort, spiritual support, and a sense of community from being able to watch Mass online.

When public communal worship was once more permitted in June 2020, parishes could only reopen under tight restriction on how many people could attend each liturgy to ensure social distancing could be maintained. The liturgy itself was altered to omit the exchange of the sign of peace and remove the shared chalice at communion. Churches were, and continue to be, cleaned following every liturgical celebration, and stewards greet the faithful to ensure that seating is arranged in a safe and socially-distanced manner. These efforts have made Catholic churches in the diocese

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and in the country as a whole some of the very safest public spaces during the pandemic. However, even with these precautions, persons who are extremely clinically vulnerable and had been advised to shield were still not able to attend Mass in person. Some parishes have fewer places available at Mass than people who would like to come. In both these cases, the continuation of live-streamed Masses has supported the spiritual communion of Catholics despite the hardships of 2020.

With parishioners unable to visit their churches during the first lockdown, digital communications became more important. In addition to the small number of parishes who have their own websites, all parishes have a microsite created for them by the diocese, where information can be updated regularly. The microsites became an important means of communication during the first lockdown. Parishioners could find links to their parish's livestream, the weekly newsletter, links to many prayer resources, and information about support initiatives and volunteering opportunities. In July, once churches could re-open for Masses with much smaller congregations, to comply with social distancing requirements, a ticketing system was added to the microsites so that parishioners could book places for Mass. Parishes were thus able to accommodate more parishioners who wished to attend Mass across the entire week, enabling them to do so safely.

Zimbabwean Chaplaincy: Celebrating Christ the King via Zoom

The Zimbabwean chaplaincy truly made the most of the online platform when they organised a full-day live-streamed celebration for the Solemnity of Christ the King on Saturday, 21 November 2020. An estimated 600 people from the diocese and across the UK, both individuals and families, participated via Zoom in the programme including prayer, the Rosary, addresses by international guest speakers, music and personal testimonies. There were presentations directed specifically at young people, and liturgical music in many of the languages of Zimbabwe, including Ndebele, Shona, Nambia, Tonga, Venda, alongside English. Bishop Paul MacAleenan, Auxiliary Bishop of Westminster delivered a pastoral reflection on what God is saying to us in the pandemic. The day culminated in the celebration of the Vigil Mass for the Solemnity of Christ the King.

The Chaplain of the Zimbabwean Catholic Chaplaincy, Fr John Mudereri, offered the following reflection on what the day meant to those who participated: 'It is a true testament of God's faithfulness in the face of calamity. As families, we continue to keep our relationship alive in God, by sharing our Sacraments virtually. When everything else seems to have failed, we continue to have faith, hope, and trust in God.'

'The community was appreciative of the day and as one congregant noted, "Christ is with us, even virtually! It was certainly a spiritually edifying day!" Despite the pandemic, the celebration was a great enrichment.'

Virtual Pilgrimage

Because it was not possible to hold the annual Diocese of Westminster pilgrimage to Walsingham in 2020, Cardinal Vincent Nichols instead led a virtual pilgrimage in the form of a live-streamed Mass in honour of Our Lady of Walsingham.

The homilist at the virtual pilgrimage was the outgoing Rector of the Shrine at Walsingham, Mgr John Armitage. In his homily, Mgr Armitage captured the essence of the live-streamed liturgies the Church has used during the pandemic:

'The words of Our Lady invite us to come to Walsingham, for, 'all who are afraid or in any need will find help in this place.' We can all recognise our fears and our needs, but at this moment in time, it is difficult for us to 'come to this place', so we join together, united in prayer in the Holy Sacrifice of the Mass; because whether we are on pilgrimage or at home, the same thing unites us: the message of the Good News of Jesus Christ.'

He continued, offering a reflection on the darkness of the world and the role of the faithful in bringing light: 'Our world still walks in darkness, for... [the] light is known only through a human encounter, for the Word became flesh and lived among us. Therefore, the world waits for women and men, who have said 'yes' to God in their lives, to be beacons of light to those who live in darkness. Each moment in history demands great sacrifices, acts of love and kindness, acts of graciousness and radical generosity to address the darkness that so besets our world.'

Technology

This exigency was met only through the extraordinary efforts of the IT department, who worked to ensure that staff had appropriate hardware and software to do their jobs from home, and were able to log into the remote desktop. Some diocesan staff had never worked remotely before and required support to set up remote access. The move to homeworking put unprecedented strain on the remote servers, and IT carried out an upgrade of the servers to allow more employees to work remotely without difficulties.

No longer working in an office environment meant that staff had to adapt to new ways of working and of collaborating with their colleagues, some of whom might have been at a desk 50 miles away, rather than adjacent, or at most across the room. Video conference platforms like MSTeams and Zoom became essential for teamwork, and, once staff were comfortable using them, allowed much of the Charity's work to continue almost as normal.

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Online and Contactless Giving

One of the particular challenges presented by the closure of churches for public worship and reduced attendance due to the pandemic was maintaining sufficient income for the parishes to cover their running costs, as well as to continue to support those in need.

Many parishioners who had previously given cash donations, or used weekly envelopes, wished to continue to financially support their parishes during lockdown. The majority of parish websites already had the facility to donate via WorldPay, but this was limited to credit card payments, and there was no gift aid option. In order to make online donations more user-friendly, the parish microsites were updated to give parish bank details to enable donors to set up standing orders or do one-off direct bank transfers. Importantly, it was made possible to gift-aid online donations by ticking a box on the website, rather than needing to fill out a paper gift-aid declaration form, increasing the parishes' ability to claim gift aid, a valuable source of income, especially in light of the reduction in overall donations that many parishes saw during 2020.

In addition to these upgrades to the parish micro-sites, Virgin Money Giving sites were set up for 89 parishes, allowing them to enable parishioners to continue to donate to their parishes in a safe and convenient manner.

When Masses were allowed to resume, in-person giving also resumed. There was a desire to handle these donations in the most COVID-secure manner possible, i.e. limiting the amount of cash and the number of envelopes that needed to be physically counted and processed. As an alternative to cash giving many parishes were able to set up contactless giving. The terminals associated with this allow participating parishes the flexibility to receive funds for general purposes, or towards a specific project.

Using modern technology to expand the ways in which parishes can receive donations has helped to mitigate the drop in income resulting from the pandemic, and allowed the parishes to continue with vital ministries and projects to assist others facing financial hardship, isolation, bereavement, or other difficulties.

Safeguarding

The Independent Inquiry into Child Sexual Abuse (IICSA) Report into the Catholic Church was published on November 2020. The report covered matters that were the focus of the final set of public hearings into the Catholic Church held the previous year as well as matters emerging from the case studies into the English Benedictine Congregation and the Archdiocese of Birmingham.

The Catholic Bishops' Conference of England and Wales met in plenary assembly following the publication of the

report. A significant amount of time was dedicated to the analysis of this report and an additional report that had been commissioned by the Bishops.

Mr Ian Elliott, a renowned, leading independent safeguarding consultant, led a review into the effectiveness of safeguarding structures and operations in the Catholic Church in England and Wales. This extensive root and branch review produced a detailed report including recommendations on how safeguarding structures could be strengthened across the Church.

From this plenary meeting, the Bishops' Conference passed the following resolution:

The Bishops' Conference receives both the Final IICSA Report into the Roman Catholic Church and the Independent Review Report on Safeguarding Structures and Arrangements.

- (a) It accepts the Recommendations of the IICSA Report, noting that the Catholic Council for the IICSA must provide a detailed action plan within 6 months to the Inquiry showing how the Church will implement the Recommendations.
- (b) It accepts fully the Recommendations of the Elliott Report and asks that an Implementation Group be created using members of the Review Steering Committee, to scope the way forward, without delay, so that effective positive change is made in our safeguarding structures and arrangements.

The Diocese of Westminster is committed to implementing these recommendations and the recommendation of the above-mentioned Implementation Group, which is now known as the Catholic Safeguarding Project. This work was completed at the time of the writing of this report.

Our Commitment to the Environment

The Diocese of Westminster is aiming to be carbon neutral by the end of 2030.

The challenges to achieve this goal are many and complex. The Charity will focus on four main areas: a) divestment b) energy source c) energy consumption and d) energy creation.

For many years, the diocese has been proactively using its investments to highlight and engage with society on the theme of decarbonisation. It ensured its investment portfolio did not include major coal producers, producers of oil from oil sands or companies that were not engaging properly on carbon disclosure projects. In recent years, the Charity has committed to ceasing its investment in electrical utility and fossil fuel companies that have not taken steps to manage their business in line with energy scenarios that limit temperature rises to a level that is well below two degrees Celsius above pre-industrial times. This will be implemented by the end of 2021. The Charity also recognises that it has

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an obligation to use the investment portfolio to accelerate the transition to a low carbon economy. Wherever possible, and subject to proper risk analysis, the diocese will seek investments that contribute to or facilitate reductions in greenhouse gas emissions. This currently includes significant allocations in solar and wind infrastructure, battery storage and energy efficiency initiatives.

The challenge to meeting the 2030 goal is complicated by the fact that the mission of the diocese requires the use of multiple sites. The Charity has over 500 sites which range from large secondary schools in Hertfordshire to small chapels in the city of London. Many of these edifices are historical in nature and therefore require careful management when aiming to eliminate the carbon footprint.

While the numerous physical sites are diverse, the one thing that they have in common is the need to consume energy. Since 2017, diocesan parishes have sourced their electricity and gas from green sources. The purchase of this energy was a culmination of years of work to align procurement with other dioceses in England and Wales, to purchase green energy by removing the perceived economic hurdles to the decision. Currently 100% of the dioceses in England and Wales have supply which is 91% green-sourced for electrical supply and 80% for biological gas for its gas supply. The purchasing decision for the schools are located outside the Charity's control and subject to ESFA regulations.

The current aim of the Trustees and Charity officers is to strongly encourage schools to convert their supplies into green energy.

The real challenge for the Charity and where the focus will be in the coming years is its energy consumption and how it releases carbon. While the gas is biologically sourced, when it is burned it creates carbon. Many of our parish and residential sites have gas heating and boilers. Changing a boiler in residential property will be relatively easier than changing a boiler system in a parish church, but the Charity plans to change most of its gas power heating structure by 2030 if not sooner.

Additional to the above, the diocese is keen to assist in creating clean energy. Over seven years ago it launched an interest-free loan scheme for parishes to place solar panels on buildings. While many parishes examined the scheme, it was not successful due to the structure of our roofs, the listing of our churches and resilience of the electrical infrastructure of the sites. Despite these structural setbacks, the Charity will continue its effort. Going forward it will primarily focus on ground source heat pumps and, where possible, solar and wind energy. Furthermore, the Charity will seek to assist, in a small way, with the infrastructure of a carbon free world. In the coming year, the Charity will examine whether its physical plant could be used provide additional electric vehicle charge points.

To reiterate, the aim of going carbon neutral by 2030 is full of challenges but the Charity is putting in place systematic programmes to achieve this target.

Black and Catholic

The pandemic was not the only event to rock society in 2020. News reports, particularly from the United States, highlighted how racism is not just an historical prejudice, but one which shapes and impacts the lives of many people across the globe. In the midst of the broader societal discussion about racism, the Diocese of Westminster invited four individuals to share openly and frankly their experiences of being Black and Catholic. The result is a video that combines their stories. Rev Paschal Uche is a deacon and will soon be ordained as the first British-born Black priest in the Diocese of Brentwood. Kamara Katama is a lay chaplain at a Catholic sixth form college in South London. Caroline King is an Executive Head teacher in the London Borough of Hackney, with responsibility for two primary schools. Fr Joseph Okoro is Assistant Priest at Holy Rood Church, Watford and was ordained as a priest in the Diocese of Westminster three years ago.

The diocese has a firm and long-standing commitment to racial justice as an integral part of the Catholic faith. The testimony given in the video spoke clearly of the challenges faced by Black Catholics and the need to listen to their stories, but also of how the Catholic faith itself is incompatible with racism. Ms Katama said: 'If I think of myself as fearfully and wonderfully made and made in the image and likeness of God, that each hair on my head is counted, how can I then hate my hair? How can I then feel that I'm stupid because of the colour of my skin or unattractive because of the colour of my skin?'

Fr Joseph spoke hopefully about using this conversation and testimony to build a more just and anti-racist society: 'When rhetoric is translated into concrete actions, we can do better at creating a society where every life not only matters, but is accorded equal dignity and opportunity.'

This video is available via the diocesan YouTube channel in order to allow Catholics and others to listen to and contemplate the stories of Black Catholics in the context of the broader discussion about race and justice.

Technology: Meeting the Challenges of a Pandemic Remote Working

The severity of the public health restriction imposed by the Government in order to reduce the transmission of COVID-19, protect the NHS from collapsing under the strain, and lessen the overall impact of the pandemic naturally created a series of monumental challenges for all charitable and business organisations. Wherever possible, workers were asked to work remotely, and as schools were

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closed to all children except the vulnerable or children of Government- identified key workers, many employees found themselves without childcare and needing to facilitate remote-learning for their children during what would ordinarily be working hours.

In light of these challenges, many organisations very understandably decided to furlough all or most of their staff from the beginning of lockdown when the Government furlough scheme began. The diocese also made use of this scheme for some departments and individuals for whom working remotely was not possible, due either to the nature of their work, dramatic reduction in workload, or technological barriers to remote working, i.e. lacking appropriate computer hardware or internet connection. However, in order to continue to deliver key services and to meet statutory obligations, the diocese made efforts to transition the majority of staff to remote working.

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Financial Review

Scope of the Consolidated Accounts

The consolidated accounts include the assets, liabilities and transactions of the following:

The Curia: responsible for the central organisation necessary for the Charity to achieve its stated purpose. Curial funds therefore help the curia provide support to over 200 schools and more than 200 parishes that are part of the diocese as well as support the Archbishop and Bishops in providing diocesan-wide programmes and pastoral care and in meeting the cost of central administration and stewardship. These funds are administered by staff in the curial offices in the Westminster Cathedral Complex and in other diocesan centres.

The Parishes: responsible for the local organisation necessary for the Charity to achieve its stated purpose. Parochial funds are therefore used to carry out the work of the Church in local areas and to help fund the curia. These funds are administered, with guidance from the curial offices, by the parish priests.

Aedificabo Limited: a wholly-owned subsidiary trading company carrying out project management to assist the building programme of the diocese in its schools, academies and parishes.

Westminster Cathedral Limited: a wholly-owned subsidiary trading company carrying out general activities relating to Westminster Cathedral, whose object is to generate profit for the benefit of the Cathedral.

Westminster Cathedral Trust: a charity with the principal objectives of supporting Westminster Cathedral and preserving its fabric, pastoral mission and music.

The Moorfields Charity: a charity providing assistance to the parishes of St Mary Moorfields, St Joseph's Bunhill Row and Westminster Cathedral.

Hare Street House: a charity providing a residence for the Roman Catholic Archbishop of the Diocese of Westminster.

Diocese of Westminster Sick and Retired Priests Fund: a charity that provides assistance to sick, elderly and retired clergy.

Westminster Ecclesiastical Education Fund (otherwise known as the Priests Training Fund): a charity that provides funding for the promotion of vocations to the priesthood in the Catholic Diocese of Westminster, as well as for the training of candidates through to ordination.

Although the Charity is the legal owner of over 200 school properties in the diocese comprising voluntary aided schools and academies, many of which are separate exempt or excepted charities funded through combinations of government grants and voluntary contributions, the nature of the occupation of these

properties means that the Trustees do not have the power to dispose of the land and buildings until a school ceases occupation, which in turn requires the approval of the school governors and the Secretary of State.

Over the past five years, the Charity has spent significant sums of its own funds on two particular property assets for occupation by Catholic schools: St Richard Reynolds School, a voluntary aided primary and secondary school, in Twickenham, and the Friary, which provides space for an independent pre-prep school that forms part of the Westminster Cathedral Choir School.

In accordance with the principal accounting policies which form part of the accounts attached to this report, voluntary aided schools and academies which are publicly funded are valued at £nil in the Charity's accounts.

Consequently, the total amount spent by the Charity on St Richard Reynolds School in the past six years (£17.6 million) has been recognised in the accounts as expenditure. No expenditure was incurred in 2020 and no further expenditure on St Richard Reynolds School is expected to be incurred in 2021.

As of 31 December 2020, the total amount invested in the Friary (£10.5 million) has been recognised in the accounts as a programme related investment.

Financial Results

The table set out below summarises the financial activities of the diocese.

	2020 £m	2019 £m
Parishes		
Income	31.8	40.5
Expenditure	(25.9)	(28.5)
Surplus before assessment and transfers	5.9	12.0
Diocesan assessment	(6.7)	(6.5)
Transfers from Curia to Parishes	0.6	1.2
(Deficit) surplus after assessment and transfers	(0.2)	6.7
Investment gains	5.2	7.7
Added to reserves	5.0	14.4
Curia		
Diocesan assessment	6.7	6.5
Other income	22.3	9.6
Total income after assessment	29.0	16.1
Expenditure	(24.2)	(15.9)
Transfers from Curia to Parishes	(0.6)	(1.2)
Surplus (deficit)	4.2	(1.0)
Investment and actuarial gains	2.7	5.0
Added to reserves	6.9	4.0

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Parishes

Parishes are central to fulfilling the Charity's mission. They are communities whose daily activities contribute, both directly and indirectly, to the moral and spiritual wellbeing of everyone living and working within them. They are the places where local communities come together each Sunday to worship, where sacraments are administered, where children are educated in the faith and where social outreach programmes are developed, allowing communities to support individuals of all faiths and none in their local area, caring for those in need, and working together for the common good of society.

Parish income (excluding net transfers from curia) was £31.8 million for the year (£40.5 million in 2019), a decrease of £8.7 million that was driven by the COVID-19 pandemic, in particular the fact that all churches were closed to the public between mid-March and mid-June.

The largest components of parish income were donations and legacies totalling £23.6 million (£27.8 million in 2019), income from parish and similar activities of £3.3 million (£7.8 million in 2019) and investment income and interest receivable of £2.6 million (£2.9 million in 2019). In 2020 parish income also included for the first time Coronavirus Job Retention Scheme funding, which totalled £1.4 million (£nil in 2019).

Parish expenditure decreased by £2.6 million in 2020 to £25.9 million (£28.5 million in 2019), resulting in a surplus before assessment and transfers of £5.9 million (£12.0 million in 2019). The main driver behind the decrease in expenditure was, again, the COVID-19 pandemic and that fact that churches were closed to the public between mid-March and mid-June. The biggest reductions were liturgical expenses (£0.7 million less in 2020 than in 2019), council tax, insurance and rates (£0.6 million less) and parish activities expenses (£0.6 million less).

The diocesan assessment, being monies transferred from parishes to the curia in order to fund diocesan-wide programmes, was £6.7 million (£6.5 million in 2019).

Transfers from the curia to parishes relate to transactions between the curia and the parishes which are eliminated upon consolidation. In 2020 they amounted to £0.6 million for the year (£1.2 million in 2019), and relate mainly to Growing in Faith grants.

Parish investment gains amounted to £5.2 million for the year (£7.7 million in 2019), resulting primarily from an increase in the value of investment properties held by the parishes of £4.1 million (£6.4 million in 2019), as well as an increase in the value of listed diocesan investments held by the parishes of £1.1 million (£1.3 million in 2019).

Parish reserves increased by £5.0 million in the current year (£14.4 million in 2019). All parish activities and funds are restricted and can only be used for the benefit of parishes.

Curia

The curia is responsible for the central organisation necessary for the Charity to achieve its stated purpose and assists the Archbishop and Bishops in supporting the more than 400 schools and parishes across the diocese as well as in providing diocesan-wide programmes that enhance the Charity's mission.

Historically the Charity acted as the agent of school and academy governors in relation to school building and repair and refurbishment work, and it acted as the agent of the governors in helping to arrange funding through the Department for Education (DfE) and Local Authorities. Historically funds received under the LCVAP (Locally Coordinated Voluntary-Aided Programme) were not included in the Statement of Financial Activities as the Charity had no control over the funds and the transactions were those of the school governors rather than the Charity, which administered these monies as managing agent and made the appropriate payments to contractors for work carried out. In April 2020 the VASCA (Voluntary-Aided Schools Condition Allocation) system was introduced and superseded the LCVAP. The change in funding gives the Charity ultimate control over the application of grants to specific schools, therefore the

Curia

Diocesan assessment
Other income
Total income after assessment
Expenditure
Transfers
Surplus (deficit)
Investment and actuarial gains
Added to reserves

Unrestricted funds		Restricted funds		Total funds	
2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m
6.7	6.5	–	–	6.7	6.5
4.5	4.9	17.8	4.7	22.3	9.6
11.2	11.4	17.8	4.7	29.0	16.1
(11.0)	(11.3)	(13.2)	(4.6)	(24.2)	(15.9)
0.8	0.6	(1.4)	(1.8)	(0.6)	(1.2)
1.0	0.7	3.2	(1.7)	4.2	(1.0)
0.1	2.0	2.6	3.0	2.7	5.0
1.1	2.7	5.8	1.3	6.9	4.0

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VASCA grant funding received and the related expenditure are recognised in the Statement of Financial Activities. The unspent balance of VASCA funding at the end of the year of £4.6 million (£nil in 2019) has to be committed to projects by 31 March 2022 or returned to the DfE.

Total curial income after assessment in 2020 stood at £29.0 million (£16.1 million in 2019). As mentioned previously, the diocesan assessment amounted to £6.7 million (£6.5 million in 2019) and other curial income in the year was £22.3 million (£9.6 million in 2019), an increase of £12.7 million versus the prior year.

In 2020 there were two new curial income components that were included for the first time: VASCA funding for school and academy building projects totalling £13.7 million for the year (£nil in 2019), and Coronavirus Job Retention Scheme funding of £0.6 million for the year (£nil in 2019).

Besides these, the main components of curial income are other donations and legacies of £2.5 million (£3.3 million in 2019), parish and similar activities of £1.8 million (£2.5 million in 2019), and net gains on disposal of tangible fixed assets of £1.4 million (£nil in 2019).

The main contributors to the £12.7 million increase in curial income are the £13.7 million VASCA funding and the £1.4 million net gains on disposal of tangible fixed assets (£nil in 2019 in both cases), which are partly offset by £0.8 million less Growing in Faith income (£0.1 million, compared to £0.9 million in 2019), £0.8 million less other donations and legacies (£2.5 million, compared to £3.3 million in 2019), and £0.5 million less investment income and interest receivable (£1.4 million, compared to £1.9 million in 2019).

Curial expenditure for the year increased by £8.3 million to £24.2 million (£15.9 million in 2019). The increase is mainly due to the inclusion of the VASCA expenditure for the year, which amounted to £9.1 million (£nil in 2019), partially offset by a £0.4 million decrease in expenditure on pastoral and related work (£5.4 million, compared to £5.8 million in 2019) and a £0.3 million decrease in expenditure on Growing in Faith projects (£nil compared to £0.3 million in 2019).

As noted last year, the Growing in Faith campaign came to a formal end in 2019. The Growing in Faith campaign supports the vision for the future of the diocese and the restricted funds obtained are intended to fund priests' training, sick and retired clergy, Caritas Westminster and parish projects. The programme, which resulted in an amount pledged of £34.8 million over 5 years, has incurred no fees in any year since 2014.

Investment and actuarial gains for the year amounted to £2.7 million (£5.0 million in 2019). Net gains on investments (listed investments and investment properties) were £3.4 million for the year, compared to £4.4 million in 2019, and there was an actuarial loss for the year of £0.7 million (compared to a £0.6 million actuarial gain in 2019).

Curial income relates to both restricted and unrestricted activities, and, in order to better understand curial income during the year, a split between unrestricted and restricted funds is provided in the table on page 33.

Total curial unrestricted income after diocesan assessment stood at £11.2 million (£11.4 million in 2019), and total curial unrestricted expenditure amounted to £11.0 million (£11.3 million in 2019).

Transfers to curial unrestricted funds were £0.8 million for the year (£0.6 million in 2019).

Unrestricted investment and actuarial gains amounted to £0.1 million (£2.0 million in 2019), leading to an increase in the curial unrestricted reserves in the period of £1.1 million (£2.7 million in 2019).

Total curial restricted income after diocesan assessment was £17.8 million in 2020 (£4.7 million in 2019). Curial restricted income largely results from income received from VASCA funding (£13.7 million, compared to £nil in 2019), which is included for the first time, and from income received from the restricted activities developed centrally, in particular Caritas, the Diocese of Westminster Sick and Retired Priests Fund, and the Westminster Ecclesiastical Education Fund.

Restricted expenditure was £13.2 million for the year (£4.6 million in 2019) comprising VASCA expenditure for the year (£9.1 million, compared to £nil in 2019), which is included for the first time, and expenditure on the restricted activities developed centrally, in particular Caritas, the Diocese of Westminster Sick and Retired Priests Fund, and the Westminster Ecclesiastical Education Fund.

Gains from restricted listed investments amounted to £2.6 million (£3.0 million in 2019), whilst transfers from curial restricted funds amounted to £1.4 million (£1.8 million in 2019) leading to an increase in curial restricted reserves of £5.8 million (£1.3 million in 2019).

Full details of the income and expenditure are shown in the consolidated statement of financial activities and in the notes to the accounts.

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Reserves Policy

A healthy level of free reserves is essential to ensuring that the Charity can sustainably continue to develop its mission and is an important part of how the Charity is resilient.

The Trustees are continuing with the reserve calculation methodology they set in 2018, in which they wanted to be more specific about the particular level of reserves. The approach not only aligns the reserves to the risk assessment process, but also links them to the specific risks faced by the Charity. The specific risks and the desired levels of reserves associated with them are reviewed annually.

The methodology allows the Trustees to ensure that the Charity is not accumulating funds unnecessarily so that they are used to enable the diocesan mission instead.

Reviewing the risk register, there are a number of specific risks that have the potential to severely impact the Charity and its ability to be resilient. Below are the major specific risks for the Charity which might not be addressed from restricted funds.

Decrease in Catholic population: The number of people attending our parishes and financially contributing to the mission of the Charity has a direct impact on the funds available for unrestricted expenditure. A shortfall of income (i.e. a deficit) means that the curia must bridge the gap by using its free reserves.

Currently, there are several external factors that could significantly affect the population of parishioners in an accelerated manner, including the impact of Brexit on European citizens' rights to freely settle in the diocese, government policy on immigration which is expected to restrict future numbers of immigrants, the rising cost of housing which is driving families out of London, and the impact of the international concerns surrounding the Church. It is currently very difficult to forecast with precision the impact of these factors.

The Trustees are seeing some major population shifts in the diocese, particularly in Central London. In recent years there has also been migration of families away from London for a variety of underlying reasons. Thus a conservative estimate would be that the Charity needs to be resilient to a 20% reduction in the Catholic population. This could translate into an income reduction of £1.2 million per year, and it could take as long as three years for the curia to fully implement expenditure reduction plans to conform to this reduced income level. Assuming that expenditure cuts can be phased in over three years, the funds to be set aside for this risk are estimated at around £2.5 million.

Regulatory and legal externalities: The ever-changing regulatory environment impacts on the mission of the Church. When changes occur there is typically an impact on

the Charity's resources. An example of this is in the field of education, with the Academy policy that was implemented by the government and the implication for voluntary aided schools, where schools could convert to education companies and receive money directly from the government. This programme has gone through various steps from pilot to acceleration and then deceleration. To participate in the programme, appropriate skill sets, resources and finances are required, which were not all available in the Charity when it first began with this programme.

One way to fund the transition of our schools to academies through the programme is by using our free reserves. But this is just one example. There are always various consultations and inquiries which require preparation and participation that cannot necessarily be funded from day-to-day income. The estimated funds needed to guard against these potential additional costs are around £4.0 million.

Curia building maintenance: The activities of the curia are undertaken in many sites owned by the Charity. The major physical sites are: Archbishop's House, Vaughan House, St Joseph's Centre Hendon, Allen Hall Seminary, Waxwell Youth Retreat Centre, Newman House, Wembley SEIDs and Archives. These sites vary in size and age, but all require regular upkeep and updating. Despite ongoing preventative maintenance, a significant unplanned expenditure could occur at any location at any time.

Although funds for the capital outlay could be raised, the sheer financial requirement, the complexity of the sites' needs and the risk of an unplanned but necessary immediate expenditure could require the Charity to spend funds before fundraising is complete. It is very difficult to quantify what funds should be set aside to cover the potential costs arising from risks, but a figure of £2.0 million seems reasonable, with the intent being to reduce this over the next ten years as a result of investing to improve the existing physical plant, as well as proactively fundraising.

Increasing number of priests retiring from active service: In the next ten years there will be over 80 priests retiring from active service. In general this causes two financial risks. The first is that the Bishop is responsible for their care and therefore needs to fund this care. This funding must cover not just healthcare costs, but also stipend and accommodation costs. Through the generosity of parishioners and donors, the main funding for this activity will be sourced from the Diocese of Westminster Sick and Retired Priests Fund and from the specific allocated portion of Growing in Faith. The second financial risk would be caused by the decrease in the number of parish priests. This might mean that some parishes will have to share priests, which could lead to an increase in lay staffing. These new hires would be funded by the parishes, another restricted fund. Therefore, the net financial risk to reserves is negligible.

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Shock to asset value and working capital: It is critical that the Charity can address the issues noted above independently of whether there is a shock to the value of its underlying assets. It also needs working capital to properly function, no matter the economic situation. Therefore, the Charity should be able to disburse its free reserves, if needed, even in the middle of a significant market or systemic correction. For the free reserves to still be available for the above needs assuming a 20% correction in assets, the amount that is needed to be set aside is estimated at around £2.5 million.

Impact of COVID-19: The worldwide outbreak of the coronavirus pandemic has caused extensive disruptions to organisations globally with major implications for operations as well as finances. In 2020, between mid-March and mid-June, all churches were closed to the public and Holy Mass was celebrated by parish priests in physical isolation, though in most cases it was streamed in some form. The parishes have been opened up since the first lockdown ended, but with reduced numbers attending due to social distancing requirements. The Trustees have implemented a variety of solidarity programmes to assist the parishes through this difficult period. The pandemic is currently estimated to have an adverse financial impact over the 5 year period from 2020-2024 of between 5% and 10% of the parochial reserves. In the curia, during the same mid-March to mid-June period, the chaplaincy- led activities, central services and Caritas had to suspend temporarily any activities that could not be adapted to be delivered remotely or on-line. The Trustees have implemented a multi year strategy to ensure that there is no adverse financial impact on the free reserves over a five year period. Most of the income and expenditure strategy was implemented in 2020. It is important to note that for the Curia activity there is a £2.5 million reserves set aside to weather shocks to asset value and working capital.

If all the specific risks listed above were to crystallise at the same time, the Charity would require free reserves of £11.0 million, though this is unlikely to be the case. It may be prudent, therefore, for the Charity to consider a target range for its free reserves, with £13.0 million at the upper end of that range and £9.0 million at the lower end. The Charity's free reserves are slightly below the lower end of this range, but show a significant improvement over last year. The Trustees are implementing a strategy to achieve the above range within the next few years.

Funds of the Group

General Funds and Free Reserves

The Charity's general funds, which represent monies available to the Charity for its general purposes, increased by £1.0 million over the year to reach £8.5 million (£7.5 million in 2019), the equivalent of approximately ten months of future unrestricted expenditure (eight months in 2019).

The Charity's general funds are subdivided between free reserves totalling £10.3 million (£8.7 million in 2019) and a pension reserve deficit which stands at £1.7 million (£1.2 million in 2019). Excluding the actuarial pension reserve deficit, the Charity's free reserves represent twelve months of future budgeted unrestricted expenditure.

Other Unrestricted Funds

Also included in the balance of the unrestricted funds are tangible fixed assets funds totalling £20.7 million (£20.6 million in 2019) and programme related investments funds amounting to £10.5 million (£10.5 million in 2019), both of which represent property and other fixed assets essential to furthering the Charity's mission. By definition, they do not represent liquid assets immediately available for expenditure. Designated funds represent monies set aside for specific purposes, totalling £1.2 million (£1.2 million in 2019).

Total curial unrestricted funds amounted to £41.0 million at 31 December 2020 (£39.9 million in 2019).

Restricted Funds

Curial restricted funds of the Charity total £53.9 million (£48.1 million in 2019) and are not available to the Charity to use for its general purposes. Included in the total is £16.5 million (£18.0 million in 2019) representing monies raised as part of the Growing in Faith campaign.

These monies are essential for ensuring a vibrant future for the diocese and will be used: to support parishes and ensure that they are sound, prayerful and sustainable; to support priestly life at all stages, be that in formation, during service in parishes, or in retirement; and to maintain the tradition of outreach to those in need.

Parochial reserves at 31 December 2020 amounted to £216.1 million (£211.1 million in 2019) and relate solely to the assets and activities of individual parishes. These reserves are not available to the Charity to use for its general purposes, nor are individual parishes able to transfer their funds to other parishes within the diocese.

The Charity's Assets

During 2020, capital expenditure for the Charity was £6.0 million. Of this amount, £4.9 million relates to ongoing capital projects carried out in parishes, ranging from major projects, such as replacing church roofs or renovating parish halls, to smaller projects, such as refurbishing meeting rooms. The remaining capital expenditure for the year (£1.1 million) is mainly related to restoration projects at Westminster Cathedral and the other buildings on the Cathedral complex, such as Archbishop's House, and to projects at Newman House, our University

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chaplains centre. The total value of the assets disposed of during the year was £14.6 million, of which £14.1 million relates to plant, equipment, fixtures and fittings at parishes.

Further details of acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

Connected Charities

The only charity connected with the Charity is Westminster Cathedral Choir School, a charity that aims to train children in church choral music. This charity is the responsibility of the Corporate Trustee, but is outside the scope of these accounts.

Fundraising Policy

This is in line with the January 2020 guidance from the Fundraising Regulator: The Charities (Protection and Social Investment) Act 2016: Good practice guidance on reporting your fundraising.

Introduction Giving has been central to the Church for two thousand years. Jesus' teaching and the words of Scripture repeatedly affirm the importance of this aspect of Christian life. It is part of the Church's identity and, as early as the first century, 'all who believed were together and had all things in common. And they were selling their possessions and belongings and distributing them to all, as any had need' (Acts 2:44-45).

Whereas 'giving' is a heart-felt gesture of sharing our God-given blessings with others, 'fundraising' can seem like something that donors have done 'to' them. This perception informs the Charity's approach to all the fundraising it does, where it strives simply to nurture each individual's natural inclination towards giving.

Fundraising as Ministry Catholic priest, theologian and writer Henri Nouwen once spoke of fundraising like this: 'Fundraising is, first and foremost, a form of ministry; it is a way of announcing our vision and inviting other people into our mission'. He went on to say: 'When those with money and those who need money share a mission, we see a central sign of new life in the Spirit of Christ. We belong together in our work because Jesus has brought us together, and our fruitfulness depends on staying connected with him.'

The Trustees recognise the responsibility to carry out fundraising in ways that are consistent with this spirit of generosity, and rooted in the idea of ministering to supporters. They invite all supporters to share the resources that God has given them: prayer, time and money.

Best Practice The Charity is registered with the Fundraising Regulator, whose Code of Fundraising Practice provides

the framework within which all charities need to operate. The Trustees see this as the minimum standard that should be upheld. For instance, the Charity takes great care when processing donations and when speaking to donors on the telephone to ensure that vulnerable adults are not exploited. For example, this includes training to look for signs that an older donor might be confused about their giving. Parishes, communities in which people build friendships over many years and in which parish priests come to know almost everyone, create an environment in which any concerns about an individual's vulnerability can be discussed in strict confidence. This allows the Charity to tailor its approach and interaction with individuals whenever necessary.

The Charity is also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from it, but no such requests were received in 2020.

Serving Our Parishioners About two-thirds of the Charity's income is generated in the parishes, for the parishes. Most of this income is collected and administered by thousands of volunteers, and consists of small donations made by parishioners week after week, often for many decades. However, supporters are never treated as just 'numbers in a database'. The Trustees place emphasis on a flexible approach to communication preferences, making it as easy as possible for individuals to control how often and in what way they are contacted.

Many other charities are talking increasingly about the 'supporter journey'. Throughout its history, however, the Church has been blessed with countless supporter journeys that last a lifetime, starting in childhood and often continuing all the way to a gift in someone's will. In this context, the ministry offered to supporters is both service and care. One of the most important ways this is visible is in the approach to protecting supporters' privacy.

In this regard, supporter care extends to the relationships the Charity has with the small number of third parties working on its behalf, whose policies are carefully checked, and with whom strict contracts are in place.

The Trustees ensure there are systems and processes in place to monitor and respond to any complaints received: thankfully these are extremely rare, totalling six in 2020 (eight in 2019). During the year, no complaints were received by the Fundraising Regulator about the Charity.

Raising money in different ways In most cases the Charity's fundraising simply builds upon the connection people have with the Church through their parish, but it uses as wide a variety of fundraising activities as necessary to fund all aspects of the mission. Fundraising activities

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range from cash collections and standing order donations in parishes to events focused on specific projects and a variety of digital fundraising tools, including contactless giving.

At different times during the year opportunities are provided to support specific appeals, such as the Priests Training Fund appeal around Good Shepherd Sunday and the Sick and Retired Priests Fund appeal in November.

These specific appeals are promoted in various ways, including via the diocesan website and, most importantly, via posters and donation envelopes distributed to every parish in the diocese. The Cardinal's Lenten Appeal, which runs like these appeals in the parishes, also features a letter that is sent to previous supporters, inviting them to return a donation by post or online.

In addition, ad hoc donations are received throughout the year which donors wish to go towards (be restricted to) these appeals. There are also over 650 Patrons of the Sick and Retired Priests Fund, who pledge monthly gifts and who are invited to a Patrons' Mass every June.

Building Partnerships Relying on a range of income streams means our work is more sustainable. The Charity is particularly glad to receive funding from a range of trusts and foundations. Many of these grants recognise the substantial positive impact that parishes and diocesan projects have on the lives of those they support and in their wider communities. The Trustees aims to build long term partnerships, and are grateful for follow-up grants from a number of funders in the past year.

Legacies The Charity makes it as easy as possible for supporters to leave gifts in their wills, producing leaflets and other materials to highlight the wonderful benefit of giving a legacy, of any size, to one's parish or to some other area of the Church's work. Individual parishes are supported in promoting this method of giving, and may occasionally write to supporters directly. Although legal advice is not offered to supporters, information is provided to help them make the right decision for them, whether in writing, over the telephone, on the website or in face-to-face conversations.

The Trustees also take great care in administering the legacy gifts received, ensuring executors and family members are treated professionally, with compassion, dignity and care.

The Trustees recognise that the work of the Church is only possible thanks to the prayers, volunteering and generosity of parishioners and supporters. In this sense, the Church is much more than an institution or buildings; it is the body of believers who bring its mission to life, and they are truly grateful for all they give.

Investment Policy

Introduction

The investment guidelines are set by the Trustees. An Investment Committee implements and reviews the set guidelines.

The Charity's investments comprise units in the Mutual Investment Fund, the investment policy of which is determined by the Investment Committee which meets on a quarterly basis to monitor the performance of the Fund and of the investment managers. At the end of the year, the Fund was invested as follows: 71.9% in equities; 8.0% in fixed interest; 8.1% in alternative and property investments; 12.0% in liquid assets. The overall long-term objective is to manage the portfolio on a total return basis.

The Trustees regularly review information from their investment managers, monitor the performance of the portfolio against their investment guidelines and assess the suitability of the investment strategy. The Trustees have reviewed the performance of investments during the year and remain confident that their medium- to long-term investment objective is being achieved. The Investment Committee reviews the choice of investment managers every three years.

Faith Consistent Investment (FCI)

The Catholic Church's understanding of faith and finance is drawn from a series of social encyclicals founded upon Pope Leo XIII's encyclical letter *Rerum Novarum* issued in 1891. That document set out to restore in contemporary industrial society the priority of the human over the economic, and the spiritual and moral over the material. It remains as relevant today as ever. For example, Pope Francis recently told the world, in *Evangelii Gaudium*, that 'money must serve, not rule'. This powerful statement was in tune with comments made by his predecessor Pope Benedict XVI in *Caritas in Veritate*, where he stated that the 'economic sphere is neither ethically neutral, nor inherently inhuman and opposed to society. It is part and parcel of human activity and precisely because it is human, it must be structured and governed in an ethical manner.'

The challenge for the Trustees is to reflect these teachings in the investment policy while also adhering to the Charity Law requirement to obtain the best possible financial return that is consistent with commercial prudence. The Trustees strive to maintain a Faith Consistent Investment (FCI) policy by making value judgements about the products, services and corporate practices of companies as well as by assessing their financial efficacy.

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The Trustees have specific guidelines to exclude specific investments. In order to preserve the dignity and sanctity of life the Trustees intend to exclude from their investment portfolio companies that: profit from abortion; manufacture contraceptives or make significant revenue from the distribution of contraception; are involved with embryonic stem cell research, foetal tissue research, or human cloning; engage in arms production; manufacture tobacco products or make significant revenue from distribution of tobacco; have revenue greater than 3% from production or distribution of pornography.

In 2020 the Trustees continued to develop the Charity's climate change policy. Currently, the Charity invests in line with a strict climate change policy, which excludes companies that generate more than 10% of their revenue from the extraction of thermal coal and oil from oil sands. From the end of 2021, the Charity will only invest in electrical utility and fossil fuel companies that have taken steps to manage their business in line with energy scenarios that limit temperature rises to a level that is well below two degrees Celsius above pre-industrial times. Furthermore, the Trustees recognise that they have an obligation to use the investment portfolio to accelerate the transition to a low carbon economy. Wherever possible, and subject to proper risk analysis, the Charity will seek investments that contribute to or facilitate reductions in greenhouse gas emissions. This currently includes significant allocations in solar and wind infrastructure, battery storage and energy efficiency initiatives (such as retrofitting buildings with more efficient heating and lighting systems).

The Trustees continually review the FCI policy, and the officers of the diocese keep up to date on the ongoing discussions about the subject, assessing how they might impact the overall investment approach. Additionally, dialogue and cooperation with other institutions ensure that the policy remains relevant and up to date. It is a complicated journey which requires continual improvements, amendments and learning from mistakes that have been unintentionally made. The Trustees periodically audit the investment portfolio to ensure that the underlying assets continue to adhere to the FCI policy; when they do not, the Trustees seek to rectify the situation when possible. The review carried out at year-end 2020 identified 0.8% of the holdings in the portfolio being in breach of the policy.

In implementing these policies, the Trustees have adopted a three-tier approach. First, they believe that positive engagement with companies, while taking more effort and time, can lead to a more sustainable change for the betterment of society. Where this engagement fails to change a company's behaviour, the second approach is to disinvest from that company and exclude it from further investments.

Additionally, as a third approach, the Trustees are developing interest in a social impact investment policy in which the Charity invests for a positive outcome.

The current FCI policy implementation focuses on shareholder activism and engagement with companies to convert them to better comportment. The diocese proactively engages with companies to encourage and promote shareholder initiatives through proxy voting or through direct contact with specific members of company management. Since the size of the diocesan endowment prevents it from influencing many companies' practices in a sole capacity, it participates in the Church Investors Group (CIG), an ecumenical group representing many mainstream Church denominations and Church-related charities, including the Church of England, the Methodists and many other Christian organisations, groups and institutions. Through membership of CIG the diocese is also a member of the Investors Group on Climate Change.

The Trustees' priorities for engagement during the year have been: addressing modern slavery in the supply chains of listed companies, promoting the transition to a low, and then net zero, carbon economy, promoting high standards of mental health protection for employees and improved governance of the businesses our investment managers invest in on our behalf.

Recognising our long-term commitment to addressing modern slavery and human trafficking, the diocese is a founding supporter, and sits on the Advisory Committee, of the 'Find It, Fix It, Prevent It' initiative. This has been created and co-ordinated by CCLA and supported by Sarasin & Partners, our investment managers, and aims to bring investors together to encourage companies to find, and then provide remedy to, victims of slavery in their supply chain. The initiative is supported by investors with over £3.5 trillion in assets under management. Whilst engagement has been disrupted due to the global pandemic, progress has been made. For example, one hospitality company has identified high risk indicators for the prevalence of modern slavery in their operations in the Gulf. Engagement is focusing on the provision of remedy to these workers and ensuring that investigations are rolled out in other geographies.

Our investment managers have also continued to actively engage to accelerate climate action. On our behalf, CCLA have concentrated efforts on promoting better public policy on climate change and direct engagement with their electrical utilities holdings. Additionally, on our behalf, Sarasin successfully co-sponsored a shareholder resolution at Barclays' AGM to align all of its financing with the Paris Agreement Goals. As a member of the Church Investors Group, the diocese also supported an annual

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engagement programme with UK-listed companies that have not achieved a 'B' grade on the CDP (formerly the Carbon Disclosure Project) Climate Change Ranks. A 'B' grade requires companies to take steps such as establishing good governance practices related to the management of greenhouse gas emissions and link this to strategy. They then have to set and meet long-term ambitious emissions reduction targets. During the year the CIG engaged with 57 FTSE350 constituent companies, of which 11 improved their CDP score after our dialogue.

The COVID-19 pandemic has caused unprecedented challenges for our communities. For this reason, we have benefitted from a number of engagement activities that have been designed to address some of the most pressing concerns that have become evident during the pandemic. Following concerns about the contents of food parcels being provided to some of the country's most disadvantaged children, CCLA built an engagement coalition that wrote to the CEO of Compass group, one of the major providers, to express concerns. The company replied committing to better quality control and providing additional meals at no extra charge. In addition, as part of their longstanding focus on promoting high standards of mental health, in April 2020 CCLA built a coalition of investors with over £2 trillion in assets under management to write to all FTSE 100 companies requesting them to take additional steps to assist their employees with the unique situations caused by the pandemic. The results of this engagement were mixed and will be picked up in further dialogue with the companies.

In the third aspect of the FCI policy, which is positive social impact investment, while the Trustees do not have a specific target, as of 31 December 2020 around 6% of the portfolio managed by CCLA invested in 'wholly positive' entities, such as companies involved solely in renewable energy infrastructure, energy infrastructure and the provision of social housing. Besides the investment portfolio, the physical assets of the diocese are used for social justice initiatives such as housing and caring for female victims of human trafficking, hosting Syrian refugee families or housing social workers in economically disadvantaged communities.

Structure, Governance and Management

Constitution

Westminster Roman Catholic Diocesan Trust is a charitable trust established by a Trust Deed dated 1 November 1940 and is registered under the Charities Act 2011 with Charity Registration No. 233699.

Trustees

The Trustees, i.e. the Directors of the Corporate Trustee, are appointed by the Archbishop of Westminster.

The Trustees who served during the year ended 31 December 2020 and who were in office at the date of this report were:

	Appointed/Resigned
His Eminence Cardinal V Nichols	
Rt Rev J Sherrington (1,2,4,5)	
Rt Rev N Hudson (1)	
Rt Rev P McAleenan (1,7)	
Rev Mgr M Hayes (1,4)	
Rev Mgr J O'Boyle (8)	
Baroness N O'Loan (8)	Appointed 12 March 2021
Dame C Bowe	
Mr E Craston (5)	Appointed 23 April 2020
Mr K Ingram (2)	
Rt Hon R Kelly	Resigned 12 March 2021
Mr C Kemball	Resigned 13 May 2021
Mr A Ndoca (1,3,7)	

Committee member of: 1) Finance Board 2) Audit and Risk Committee 3) Investment Committee 4) Human Resources Committee 5) Property Committee 6) Education Commission 7) Caritas Board 8) Safeguarding Committee

The Trustees met four times during the year.

On agreeing to become a Trustee, individuals are thoroughly briefed by their co-Trustees on the history of the Charity, the day-to-day management, the responsibilities of the Trustees, the current objectives and future plans. The Trustees are also encouraged to attend any courses which they feel are relevant to the development of their role, and to keep up to date on any changes in legislation.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the annual report and accounts 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 accounts for each financial year which give a true and fair view of the state of affairs of the charity and group and of the income and expenditure of the group for that period.

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In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the 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 financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Trustees' Expenses

A number of the Trustees are clergy of the Roman Catholic Diocese of Westminster. They are housed and remunerated by the diocese and are reimbursed expenses for carrying out their ministry in the same way as other priests of the diocese.

However, no Trustee received any remuneration from the Charity, nor had any expenses reimbursed by the Charity, in connection with their duties as Trustees during the year. No Trustee had any beneficial interest in any contract with the Charity.

Key Management Personnel

The key management personnel of the Roman Catholic Diocese of Westminster comprises the COO/Financial Secretary together with the heads of the following departments of the Curial Offices/Central Services:

Evangelisation, Youth, Education, Caritas, Tribunal, Safeguarding, Human Resources, Finance, Property, Maintenance, Fundraising, Communications, ICT and Data Protection.

Remuneration for key management personnel is set by the Human Resources Committee, taking into account the market rates for similar roles, and is periodically reviewed by the committee in order to recognise and reward outstanding performance.

Organisation

The Charity is governed by the Trustees, who meet regularly throughout the year to attend to the financial, property, legal and administrative affairs of the diocese. A subset of Trustees comprises the Finance Board, which deals with the day-to-day financial operations of the Charity.

The Trustees have instituted a number of committees to assist them and advise them in the proper performance of their duties, including:

Audit and Risk Committee, which has delegated responsibility for ensuring that a framework of accountability exists and operates effectively within the Charity; for examining and reviewing all systems and methods of control, both financial and otherwise, including risk analysis and risk management; and for ensuring that the Charity complies with all applicable aspects of the law, relevant regulations and good practice.

Human Resources (HR) Committee, which is responsible for reviewing any major changes in diocesan HR strategy, employment law or employee benefits and making recommendations to the Trustees; and for ensuring that all diocesan HR policies, practices and procedures are complete, are professionally and legally administered, fully meet all current and future UK employment legislation, accord with Westminster Roman Catholic Diocesan Trust's Memorandum and Articles of Association and with the social and moral teaching of the Catholic Church, and, where appropriate, also accord with the provisions of canon law.

Property Committee, which has delegated responsibility for both advising and making recommendations to the Trustees on all property matters across the diocese; for carrying out, under devolved powers, any necessary advisory work that it sees fit; and for exercising oversight of strategic decisions relating to property matters, taking into account both the civil law of England and Wales and canon law.

Investment Committee, which is responsible for reviewing and developing investment objectives and risk priorities, and for ensuring that the Charity's investment objectives are implemented effectively and within desirable risk and ethical parameters. The committee monitors progress towards the successful implementation of the above on a quarterly basis.

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Education Commission, which is responsible for all areas related to education, in schools, academies and colleges, as set out in canon law and English law. Appointed by the Cardinal Archbishop as a decision-making body which acts in his name, it is responsible to the Trustees for the financial aspects of both providing and maintaining Catholic Education in the diocese.

Caritas Board, which is responsible for advising and reviewing the activity of Caritas Westminster, ensuring that programmes and investments accord with stated objectives and achieve desired impacts.

Safeguarding Committee, created by the Trustees following the recommendation of the Elliott Report, will incorporate the Safeguarding Commission and its responsibilities. On behalf of the Trustees, the Committee will also oversee the implementation of the Safeguarding Strategy and have operational oversight of operational issues related to Safeguarding in the Charity.

Further details of the membership of all diocesan committees can be found on page 82.

Supplementing the above diocesan committees is a Pension Board, which is responsible for ensuring compliance with all the rules and regulations pertaining to the various pension schemes of the diocese, for which the Charity nominates Pension Trustees, who meet on a quarterly basis to review and apply any changes to regulation or compliance requirements.

The parishes in the diocese are established and operate under the Church's Code of Canon Law, which bestows on them separate canonical status. This explains their treatment in these accounts, specifically the columnar representation and their classification as 'restricted funds'. Also, under canon law, each parish must have a finance committee to help the incumbent parish priest in the proper administration of the parish and its finances.

As required by canon law, a diocesan Finance Committee, made up of all the Trustees (as distinct from the Finance Board referred to above), exists to give advice to the Archbishop on financial matters. It must also be consulted on administrative matters of major importance.

The diocese has a Council of Priests which meets at least twice a year with the Archbishop to discuss and advise him on a range of issues. The Council is composed of all 22 deans, 22 additional representatives, one from each of the 22 deaneries, together with the Auxiliary Bishops and a number of other senior priests of the diocese.

At the re-establishment of the Catholic Church hierarchy in 1850 each diocesan Bishop was empowered to appoint a

Chapter of Canons to take responsibility for the organisation and maintenance of his cathedral. In the Diocese of Westminster 18 senior priests constitute the Chapter of Canons and are consulted by the Archbishop on important diocesan matters. They are also constituted as the College of Consultors to fulfil the legal requirements of Canon 502 s.3.

Risk Management

The Westminster Roman Catholic Diocesan Trust has in place a risk review process and risks are recorded on a Risk Register. Risks across all departments are identified and rated using a RAG score. Each department is required to reduce risk by implementing mitigating actions. The risk register is reviewed every four months and updated accordingly. The Risk Register is also reviewed by the Audit and Risk Committee and Trustees at least annually.

As in previous years, the three main risks facing the Charity, as identified by the Trustees, are (1) safeguarding; (2) ensuring appropriate, quality education is provided across diocesan Catholic schools while maintaining the Catholic ethos; and (3) the continuing financial sustainability of the Westminster Roman Catholic Diocesan Trust. In addition to these three risks, the Trustees are monitoring the impact of the Independent Inquiry into Child Sexual Abuse (IICSA) and the impact of the COVID-19 pandemic.

Safeguarding

'Being loved and being kept safe go to the very core of the Church's ministry' (Safeguarding with Confidence 2007). The safeguarding of children and of adults at risk is of paramount importance to the Westminster Roman Catholic Diocesan Trust. Failing to prevent abuse of the vulnerable has serious repercussions for the individual, the mission of the Church and the diocese. The consequences of abuse of individuals can be grave and long-lasting. The Charity's aim is to prevent this from happening to children or adults at risk whilst in the care of the Church.

To mitigate this risk, the Charity follows the policies and procedures put in place by the Catholic Church in England and Wales, which are enforced by the Safeguarding department. This department promotes a safe recruitment policy and assists both the curia and parishes with the implementation of prevention measures at recruitment stage. The department also educates and advises on best practice and is currently rolling out a training programme across the Charity to reinforce safeguarding procedures. This programme includes induction days for new parish safeguarding coordinators, mandatory safeguarding training for clergy, religious, chaplains and employees, and a new resource centre of materials available via the intranet. The Safeguarding team also responds to any allegation, past or

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present, of inappropriate behaviour or actual abuse by any person working for the Charity, whether paid or voluntary, liaising with the police and other statutory authorities. An independent Safeguarding Commission oversees the work of the Safeguarding team in this respect.

The Charity has been asked by IICSA to provide information to and participate in this inquiry into the extent of institutional failures to protect children from sexual abuse in the Catholic Church in England and Wales. The diocese has fully and transparently cooperated with the inquiry through providing witness statements and statistical information. The diocese fully supports the aims of the inquiry and actively promotes the Truth Project in the diocese. The inclusion of the Charity in the list of Catholic dioceses in England and Wales that was investigated by IICSA presents reputational risk to the diocese and financial risk relating to the associated legal costs. In 2020 IICSA released its report on the Catholic Church, in which the Charity was mentioned and deficiencies were highlighted as to how some cases were handled. The Charity is implementing the report's recommendations.

Additionally, the Catholic Church nationally cooperated in commissioning Ian Elliott to review the current safeguarding practices and procedures of the Church. The Charity is implementing the recommendations of the report.

The Westminster Roman Catholic Diocesan Trust is committed to promoting a culture of safeguarding of children and adults at risk. As with previous years, the Trustees continue to invest in the Charity's ability to enhance this culture, whether that be through its systems, education or employees.

Education

The Charity contributes to the education of around 93,000 pupils of all backgrounds, of all faiths and none, through its 208 schools. The Charity's goal is to ensure that every pupil receives the best possible education, despite the many challenges involved in achieving this aim.

One of the risks identified is potential underperformance of diocesan schools. To ensure that a proper standard of education is provided to the pupils of each school, the Trustees, via the Education Commission and the Education Service, regularly monitor Ofsted results. If a school receives notice that it Requires Improvement, the Education Service provides support to help it improve to the necessary standard. Additionally, the Charity, through Section 48, inspects each school for the quality of Catholic Life and Religious Education of its pupils.

The Charity also encourages co-operation between various schools and the sharing of resources. This not only happens

within Catholic Academy Trusts that have been established but across all schools within the Charity. The Catholic school network allows for best practices to be shared and practical support to be provided to schools in need.

An additional risk facing the Catholic school system is recent legislative change on the provision of education services. The Charity is currently facing many changes, including several policies on the academy programme, alterations to the school funding regime, cuts to government and local authority funding for education and major population shifts out of Greater London.

These are fundamental changes, which substantially impact upon the educational framework of the Westminster Roman Catholic Diocesan Trust and, in particular, the most vulnerable of the schools.

In December 2016, the Trustees announced their policy to move toward the academisation of schools which proposed that schools be geographically grouped into multi academy trusts. In December 2020, the Trustees re-confirmed this policy and asked the Charity's officers to accelerate its implementation. The officers of the Charity are currently working with new groups of schools on conversions to academy trusts. The Trustees believe this model will provide more support for the challenges that schools will face and improve the standards of education provided to pupils. In the meantime, the Charity is increasing support for schools, creating networks and ensuring vigilance in financial matters and educational standards. The Education Commission retains canonical oversight of diocesan schools in maintaining the Catholic ethos, even if they are converted to academies.

Financial Sustainability and Resilience of the Charity

As a charity, the Westminster Roman Catholic Diocesan Trust has a demanding list of programmes it would like to carry out. These programmes include enhancing parish community spaces, educating young people and taking care of our neighbours and the poor. Monetary assets are one of the many enablers used to help get the works completed. Thus the financial health of the Charity is crucial in ensuring that its objectives are achieved year in and year out in a sustainable manner.

The financial health of the Charity is affected by many variables which are outside its control: the level of voluntary income received, the value of investment property, the economic environment, the requirement for major capital investment in schools and churches, the volatility of financial markets, and changes in migration that affect London's population. Proactive steps have been taken to mitigate the risk that any of these factors might adversely affect the financial health of the Charity.

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The income of the Charity is susceptible to external economic shocks. For this reason, there are initiatives in place to address fundraising and asset management in a systematic manner. The majority of the Charity's operational income is from parishioners' contributions and the level of donations is dependent upon the general economic environment. To ensure the financial viability of parishes, the Trustees encourage each parish to save for the long-term future.

For the overarching long-term liabilities of the Charity, the Trustees have a more direct approach to addressing the foreseen funding shortfall by more focused fundraising. Starting in 2012, the Charity had a major fundraising drive, Growing in Faith, not only to help with needs in the parishes but also to address the forecast funding shortfall in Westminster Ecclesiastical Education Fund, and for the care of sick and retired priests. Due to the immense generosity of our parishioners, the forecast need for funding has been addressed for the near future. Nevertheless, the growing number of priests going into retirement and the increasing costs of training new priests and permanent deacons still pose a challenge in the long term.

On the expenditure and investment side, the Charity has financial management processes to assess and approve investment decisions, taking into consideration risk and impact on its financial health. Major projects, particularly school projects, are monitored on a monthly basis to ensure that the expenditure is within approved budget as well as being on time and within scope. Additionally, for the central service functions and agencies the Charity has an annual budgetary process which ensures proper yearly funding of the operations. The Trustees encourage the parishes also to complete annual budgets.

The four-year plan agreed by the Trustees in 2017 to ensure that the Charity is financially and administratively resilient is being implemented. As risks become more quantifiable, new mitigating steps are being added to complement those already in the plan.

Besides the current pandemic, the volatility of the financial markets is one of the biggest financial risks facing the Charity. As volatility impacts investments, it also affects the ability of the Trustees to fund future activity by reducing the level of free reserves. In light of this, the Trustees have adopted an appropriate investment risk strategy. The Trustees continually monitor the performance of the investment fund with the advice of the Investment Committee.

A new major risk the Charity is facing is the COVID-19 pandemic, which continues to have a significant influence on the Charity's activities and its plans for the future. While the pandemic gives rise to a number of challenges for the Charity, it is important to note that the majority of parishes

have sufficient reserves to fund their entire operational expenditure for at least 12 months without income. Equally, the implementation of the early steps of the four year plan agreed by the Trustees in 2017 had already improved the Charity's financial and administrative resilience, making it better able to withstand the challenges presented by the pandemic. The officers of the Charity continue to implement agreed actions from the plan, and are taking additional mitigating actions to further cushion the Charity from adverse financial impacts. A new plan has been developed for 2020 to 2024 to address the potential longer-term impacts of the pandemic, and in anticipation of the completion of the vaccine roll-out and the relaxation of social restrictions as 2021 unfolds.

Signed on behalf of the Trustees:



Trustee

Approved by the Board on: 16 July 2021

Independent auditor's report to the Directors of The Westminster Roman Catholic Diocese Trustee (the 'Trustees')

Opinion

We have audited the accounts of Westminster Roman Catholic Diocesan Trust (the 'Charity') and of Westminster Roman Catholic Diocesan Trust and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the consolidated and Charity balance sheets, the consolidated statement of cash flows, the principal accounting policies, the notes to the accounts and the comparative consolidated statement of financial activities. 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).

In our opinion, the accounts:

- give a true and fair view of the state of affairs of the Group and of the Charity as at 31 December 2020 and of the Group's income and expenditure 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 auditor's responsibilities for the audit of the accounts section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these. 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 accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts 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 ability of the Group or Charity to continue as a going concern for a period of at least twelve months from when the accounts 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 Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Report of the Directors of the Corporate Trustee is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept; or
- the accounts 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, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the ability of the Group and the Charity 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 Group or the Charity or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Directors of The Westminster Roman Catholic Diocese Trustee

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Irregularities, including fraud, are instances of noncompliance 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 engagement partner 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 Charity through discussions with those charged with governance and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the Charity, including the Charities Act 2011, data protection legislation, anti-bribery, employment, health and safety legislation, and safeguarding regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence. We corroborated our enquiries through our review of Board and committee minutes;
- identified laws and regulations were communicated within the engagement team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to 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;
- performed substantive testing of expenditure including testing the authorisation thereof;
- investigated the rationale behind significant or unusual transactions;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

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 accounts disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify noncompliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at 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 Directors of the Westminster Roman Catholic Diocese Trustee (the Trustees), as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



16 July 2021

Buzzacott LLP Statutory Auditor
130 Wood Street London EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities

– Year to 31 December 2020

		Curial funds		Parochial funds			
	Notes	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Income:							
Donations and legacies							
. Grants receivable	1	–	165	165	–	165	112
. Growing in Faith	1	–	70	70	–	70	863
. Other donations and legacies	1	626	1,906	2,532	23,589	26,121	31,148
Assessments	2	126	–	126	–	126	146
Other trading activities							
. Commercial trading operations	3	92	–	92	71	163	775
Investment income and interest receivable	4	1,108	249	1,357	2,601	3,958	4,786
Charitable activities							
. Rental income from functional properties	5	422	–	422	836	1,258	2,012
. Parish and similar activities	5	1,204	554	1,758	3,258	5,016	10,240
. Coronavirus Job Retention Scheme funding	5	434	202	636	1,427	2,063	–
. Grants receivable	5	–	13,715	13,715	–	13,715	–
Other income							
. Net gains on disposal of tangible fixed assets		408	971	1,379	3	1,382	1
Total income		4,420	17,832	22,252	31,785	54,037	50,083
Expenditure:							
Cost of raising funds							
. Fundraising trading: cost of goods sold and other costs	3	60	–	60	208	268	466
Charitable activities							
. Advancement of the Catholic faith primarily in the Diocese of Westminster	6	10,910	13,204	24,114	25,704	49,818	43,899
Total expenditure		10,970	13,204	24,174	25,912	50,086	44,365
Net (expenditure) income before transfers and investment gains	7	(6,550)	4,628	(1,922)	5,873	3,951	5,718
Transfers between funds							
. Growing in Faith		–	(504)	(504)	504	–	–
. Assessments	2	6,747	–	6,747	(6,747)	–	–
. Other		742	(882)	(140)	140	–	–
		7,489	(1,386)	6,103	(6,103)	–	–
Net income (expenditure) before investment gains		939	3,242	4,181	(230)	3,951	5,718
Net gains on investments	12	792	2,579	3,371	5,190	8,561	12,124
Net income for the year		1,731	5,821	7,552	4,960	12,512	17,842
Actuarial (losses) gains	8	(679)	–	(679)	–	(679)	590
Net movement in funds		1,052	5,821	6,873	4,960	11,833	18,432
Reconciliation of funds							
Total funds brought forward at 1 January		39,903	48,128	88,031	211,149	299,180	280,748
Total funds carried forward at 31 December		40,955	53,949	94,904	216,109	311,013	299,180

All of the Group's activities derived from continuing operations during the above two financial periods.

A full comparative consolidated statement of financial activities may be found on page 81.

Consolidated balance sheet

31 December 2020

	Notes	Curial £'000	Parochial £'000	Total 2020 £'000	Total 2019 £'000
Fixed assets					
Tangible assets	10	22,878	102,341	125,219	123,278
Programme related investments	11	10,503	–	10,503	10,503
Investments	12	38,884	77,033	115,917	106,959
		<u>72,265</u>	<u>179,374</u>	251,639	240,740
Current assets					
Stocks		–	85	85	60
Debtors	13	2,972	983	3,955	5,981
Short term deposits		22,601	–	22,601	17,020
Cash at bank and in hand		14,387	36,349	50,736	50,904
		<u>39,960</u>	<u>37,417</u>	77,377	73,965
Current liabilities					
Creditors: amounts falling due within one year	14	(6,318)	(787)	(7,105)	(5,021)
Net current assets before adjustment for inter-fund indebtedness		<u>33,642</u>	<u>36,630</u>	70,272	68,944
Elimination of inter-fund indebtedness		(105)	105	–	–
Net current assets		<u>33,537</u>	<u>36,735</u>	70,272	68,944
Total assets less current liabilities		105,802	216,109	321,911	309,684
Creditors: amounts falling due after one year	15	(9,158)	–	(9,158)	(9,352)
Total net assets excluding pension liability		<u>96,644</u>	<u>216,109</u>	312,753	300,332
Pension liability	8	(1,740)	–	(1,740)	(1,152)
Total net assets including pension liability		<u>94,904</u>	<u>216,109</u>	311,013	299,180
The funds of the Group					
Restricted funds					
. Growing in Faith	16	16,548	–	16,548	17,953
. Other restricted funds	16	37,401	216,109	253,510	241,324
Total restricted funds		<u>53,949</u>	<u>216,109</u>	270,058	259,277
Unrestricted funds					
. Designated funds	17	1,231	–	1,231	1,232
. Tangible fixed assets fund	18	20,676	–	20,676	20,624
. Programme related investments fund	19	10,503	–	10,503	10,503
. General funds					
.. Free reserves		10,285	–	10,285	8,696
.. Pension reserve	8	(1,740)	–	(1,740)	(1,152)
		<u>8,545</u>	<u>–</u>	8,545	7,544
Total unrestricted funds		<u>40,955</u>	<u>–</u>	40,955	39,903
		<u>94,904</u>	<u>216,109</u>	311,013	299,180

Approved by the Trustees and signed on their behalf by:



Trustee

Approved on: 16 July 2021

The Consolidated balance sheet includes Aedificabo Ltd. and Westminster Cathedral Ltd.; the Charity balance sheet does not.

Charity balance sheet

31 December 2020

	Notes	Total 2020 £'000	Total 2019 £'000
Fixed assets			
Tangible assets	10	125,219	123,276
Programme related investments	11	10,503	10,503
Investments	12	115,917	106,959
		251,639	240,738
Current assets			
Debtors	13	3,977	6,017
Short term deposits		22,601	17,020
Cash at bank and in hand		50,691	50,707
		77,269	73,744
Current liabilities			
Creditors: amounts falling due within one year	14	(7,052)	(4,988)
Net current assets		70,217	68,756
Total assets less current liabilities		321,856	309,494
Creditors: amounts falling due after one year	15	(9,158)	(9,352)
Total net assets excluding pension liability		312,698	300,142
Pension liability	8	(1,740)	(1,152)
Total net assets including pension liability		310,958	298,990
The funds of the Charity			
Restricted funds			
. Growing in Faith		16,548	17,953
. Other restricted funds		253,442	241,134
Total restricted funds	16	269,990	259,087
Unrestricted funds			
. Designated funds	17	1,231	1,232
. Tangible fixed assets fund	18	20,676	20,624
. Programme related investments fund	19	10,503	10,503
. General funds			
.. Free reserves		10,298	8,696
.. Pension reserve	8	(1,740)	(1,152)
		8,558	7,544
Total unrestricted funds		40,968	39,903
		310,958	298,990

Approved by the Trustees and signed on their behalf by:



Trustee

Approved on: 16 July 2021

The Charity balance sheet does not include Aedificabo Ltd. and Westminster Cathedral Ltd.; the Consolidated balance sheet does.

Consolidated statement of cash flows

– Year to 31 December 2020

	Notes	Total 2020 £'000	Total 2019 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	A	6,235	3,689
Cash flows from investing activities:			
Investment income and interest received		3,958	4,627
Proceeds from the disposal of tangible fixed assets		1,382	1
Purchase of tangible fixed assets		(5,983)	(8,197)
Repayment by joint venture		15	10
Net proceeds from disposals of investments		–	1,238
Net cash used in investing activities		(628)	(2,321)
Cash flows from financing activities:			
Loan repayments		(194)	(278)
Change in cash and cash equivalents in the year		5,413	1,090
Cash and cash equivalents at 1 January	B	67,924	66,834
Cash and cash equivalents at 31 December	B	73,337	67,924

Notes to the statement of cash flows for the year to 31 December 2020

A Reconciliation of net movement in funds to net cash provided by operating activities

	Total 2020 £'000	Total 2019 £'000
Net movement in funds (as per the statement of financial activities)	11,833	18,432
Adjustments for:		
Depreciation charge	3,869	3,479
Donation of properties	(412)	–
Gains on investments	(8,561)	(12,124)
Investment income and interest receivable	(3,958)	(4,627)
Surplus on disposal of tangible fixed assets	(1,382)	(1)
Tangible fixed assets written off	173	101
Pension cost less contributions payable	(91)	(224)
Actuarial gains	679	(590)
(Increase) decrease in stocks	(25)	6
Decrease (increase) in debtors	2,026	(559)
Increase (decrease) in creditors	2,084	(204)
Net cash provided by operating activities	6,235	3,689

B Analysis of cash and cash equivalents

	Total 2020 £'000	Total 2019 £'000
Short term deposits	22,601	17,020
Cash at bank and in hand	50,736	50,904
Total cash and cash equivalents	73,337	67,924

Principal accounting policies

– Year to 31 December 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2020 with comparative information provided for the year to 31 December 2019.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with 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 (Charities SORP (FRS 102)), with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and with the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest thousand pounds.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- assessing the probability of the receipt of legacy income;
- estimating accrued expenditure including employees' accrued holiday pay;
- estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation charge;
- assessing the appropriateness of the assumptions and methodology used in determining the fair value of investment properties;
- assessing the need for any provision against slow-moving and/or obsolete stock within Westminster Cathedral Limited;
- assessing the recoverability of outstanding debtors and the need for any provision for bad or doubtful debts;
- assessing the appropriateness of the assumptions and methodology used by the scheme actuary in the valuation of the defined benefit pension scheme;
- determining the value of designated funds needed at the year end to meet specific future expenditure; and
- estimating future income and expenditure flows for the purpose of assessing going concern (see below)

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect of a period of at least one year from the date of approval of these accounts.

The worldwide outbreak of the coronavirus (COVID-19) pandemic has caused extensive disruptions to organisations globally with major implications for operations as well as finances. The Trustees acknowledge and recognise the impact of the pandemic on the operations of the Charity, its beneficiaries, partners, stakeholders and on the wider society, and have ensured that both resources and processes are in place to mitigate any disruption to the operations. For three months between mid-March and mid-June, all churches were closed to the public and Holy Mass was celebrated by parish priests in physical isolation, though in most cases it was streamed in some form. Chaplaincy-led activities, central services and Caritas programmes had to adapt their activities to be provided remotely or online, or they had to close temporarily. As a result, income from donations, commercial trading operations and charitable activities has been adversely impacted in many areas of the Charity's mission, though the impact has been mitigated by deploying additional support for alternative methods of giving, such as online donations, by encouraging donors to consider setting up standing orders. However, the overall drop in income was accompanied by a reduction in operational expenditure in all areas of the Charity, easing the pressure on reserves. The Charity also furloughed more than half its employees and claimed the eligible sums from the Coronavirus Job Retention Scheme. The evolution of interest rates and the financial markets have adversely impacted investment income and interest receivable for the Charity, but not beyond the capacity of its reserves to withstand.

Although there has been an impact on the finances and reserves of the Charity, the Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2021, the most significant areas that affect the carrying value of the assets held by the Charity are the level of investment return, the performance of the investment markets and property values, and the impact of the COVID-19 pandemic (see the reserves policy, the investment policy and the risk management sections of the report of the Directors of the Corporate Trustee for more information).

Principal accounting policies

– Year to 31 December 2020

Basis of consolidation and scope of the accounts

The statement of financial activities and the balance sheet consolidate the accounts of the Charity and its subsidiary undertakings made up to the balance sheet date. No separate statement of financial activities has been prepared for the Charity as the results of the trading subsidiaries are clearly shown in the consolidated statement of financial activities and supporting notes.

The accounts also include the net assets and transactions of linked charities under the control of the Directors of the Corporate Trustee and whose activities are integral to those of the Westminster Roman Catholic Diocesan Trust and the furtherance of its objectives. Such charities (see note 23) have been incorporated into the accounts as special trusts (or restricted funds).

The accounts do not include the results and net assets of connected entities (see note 22).

Income recognition

Income is recognised in the period in which the Group and/or Charity has entitlement to the income, where the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises collections, donations, legacies and grants; income from commercial trading activities of trading subsidiaries; investment income and interest receivable; rental income from functional properties; income from parish and other similar activities, and net gains on the disposal of tangible fixed assets.

Donations and grants receivable (including income from offertory and similar collections) are recognised when the Group and/or Charity has confirmation of both the amount and the settlement date. When donations and grants receivable are pledged but not received, the income is accrued for when the receipt is considered probable. In the event that a donation or grant is subject to conditions that require a level of performance before the Group and/or Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Group and/or Charity and it is probable that those conditions will be fulfilled within the reporting period.

In accordance with Charities SORP FRS 102, volunteer time is not recognised.

Legacies are included in the statement of financial activities when the Group and/or Charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and the fulfilment of any conditions attached to the legacy is wholly within the control of the Group and/or Charity.

Entitlement is taken as the earlier of: the date on which the Group and/or Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Group and/or Charity that a distribution will be made, and the date on which a distribution is received from the estate. Receipt

of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Group and/or Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Group and/or Charity, or where the Group and/or Charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the Group and/or Charity.

Income generated from the commercial trading activities of trading subsidiaries comprises income from the sale of merchandise, concerts and similar performances of the Westminster Cathedral Choir and building development projects. It is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Investment income is recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when it is receivable and the amount can be measured reliably by the Charity; this is normally upon notification from the bank of the interest payable or paid.

Income from the rental of functional properties is recognised when the income is receivable under the contract for hire or lease document, when the amount can be measured reliably and it is probable such income will be received.

Income from parish and similar activities is defined more specifically in note 5 to these accounts and is recognised in each instance when the relevant parish has entitlement to the income, the amount can be measured reliably and it is probable that the income will be received.

Coronavirus Job Retention Scheme funding is credited to the statement of financial activities once the charity is entitled to the funding and once the amount receivable has been quantified.

VASCA funding is included in the statement of financial activities when the Group and/or Charity has confirmation of both the amount of the funding and the settlement date.

The surplus on the disposal of tangible fixed assets is calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal. It is accounted for once legal completion of the disposal has taken place.

Other income is measured at fair value and accounted for on an accruals basis.

Principal accounting policies

– Year to 31 December 2020

Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Group and/or Charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

The classification between activities is as follows:

- Expenditure on raising funds comprises the costs incurred by subsidiary companies in connection with their commercial trading operations, and investment management fees paid directly to investment managers.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Charity and its subsidiary charities through the provision of charitable activities. Such costs include staff costs and other direct overheads attributable to those purposes. A detailed analysis of the expenditure is provided in note 6.

Charitable donations in support of Catholic foundations and projects are included in the statement of financial activities in the year when approval is granted and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Charity, it is necessary to provide support in the form of personnel development, financial procedures and controls, provision of general office services and equipment and a suitable working environment.

Governance costs comprise the costs relating to the public accountability of the Charity (including audit costs) and costs incurred in respect of its compliance with regulation and good practice.

All support costs and governance costs are included within the expenditure of the one principal charitable activity of the Group and/or Charity i.e. advancing the Roman Catholic faith primarily within the Diocese of Westminster.

Functional freehold property

Functional freehold properties, comprising the Cathedral, churches, presbyteries, halls and similar buildings owned by the Group and/or Charity prior to 1997, are included in the balance sheet at an estimate of their original cost. These estimates were arrived at by discounting the 1997 insurance values of the properties by reference to the inflation statistics from 1997 back to the date on which the properties were acquired or built. For the purpose of these accounts, and consistent with the transitional rules set out in FRS 102, the 1997 valuations are defined as 'deemed cost'.

Additions to functional freehold properties since January 1998 are included in the accounts at cost or, where such assets have been donated or bequeathed to the Group and/or Charity at their estimated market value at the date of the gift.

Properties previously classified as investment properties but, owing to a change in use, reclassified as functional properties are included within functional freehold property at their fair value immediately prior to reclassification.

Such fair value will normally equate to market value as determined within the immediately preceding five year period. Original cost figures are not available for many such properties and it is deemed appropriate that the valuations be regarded as their 'deemed cost' at the point of reclassification.

No value is identified in the accounts in respect of freehold land.

Freehold buildings are depreciated at rates calculated to write off their estimated historic cost, on a straight line basis, as follows:

- Listed properties – 200 to 300 years
- Other properties – 100 years

The condition and net book values of all properties are regularly reviewed to ensure that the depreciation policies adopted are and remain appropriate. Disposals of freehold property are accounted for on completion.

Voluntary aided and grant maintained schools and academies

Whilst the Charity is the legal owner of over 200 school properties in the diocese comprising voluntary aided schools and academies, many of which are separate exempt or excepted charities funded through combinations of government grants and voluntary contributions, the nature of the occupation of these properties means that the Trustees do not have the power to dispose of the land and buildings until a school ceases occupation, which in turn requires the approval of the school governors and the Secretary of State.

Land and buildings legally owned by the Charity and occupied rent free by Catholic voluntary aided schools and

Principal accounting policies

– Year to 31 December 2020

academies, which are exempt charities and publicly funded, are valued at £nil for the purposes of these accounts. The Trustees consider that no meaningful value can be attributed to these assets since they are not used directly by the Charity, do not generate income, and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

Any expenditure incurred on the fabric of these buildings is written off in the year it is incurred and treated in these accounts as expenditure on the advancement of the Catholic faith primarily in the Diocese of Westminster.

The school and academy governors are responsible for the buildings and the repair and refurbishment and insurance costs thereof. The Charity assists governors in managing projects dealing with their liability for building and repair costs. Until April 2020, the Charity acted as the agent of the governors in helping to arrange funding through the DfE and Local Authorities. Funds received under the LCVAP (Locally Coordinated Voluntary-Aided Programme) were not included in the Statement of Financial Activities as the Charity had no control over the funds and the transactions were those of the school governors rather than the Charity, which administered these monies as managing agent and made the appropriate payments to contractors for work carried out. Any LCVAP monies due to the Charity, or held by the Charity on behalf of schools and academies, as at the balance sheet date, are treated as debtors or creditors respectively on the balance sheet. In April 2020 the VASCA (Voluntary-Aided Schools Condition Allocation) system was introduced and superseded the LCVAP. The change in funding gives the Charity ultimate control over the application of grants to specific schools, therefore the VASCA grant funding received and the related expenditure are recognised in the Statement of Financial Activities.

Details of the diocesan voluntary aided schools and academies are given in the diocesan Year Book and on the diocesan website.

Furniture, fittings and equipment

Items of furniture, fittings and equipment costing in excess of £1,000 are capitalised and depreciated on a straight line basis in order to write off their original cost over the expected useful lives of the assets concerned.

The depreciation rates applied are as follows:

- Office equipment - 20%
- Fixture and fittings - 10% to 25%

Individual works of art, treasures and plate are not capitalised as they are regarded as heritage assets which are held in a manner consistent with the advancement of the Roman Catholic faith, have very long lives and are worth preserving indefinitely.

Motor vehicles

Motor vehicles are capitalised and depreciated over a four year period in order to write off the cost of each vehicle over its estimated useful life.

Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The Charity currently does not acquire put options, derivatives or other complex financial instruments.

As noted above one of the financial risks the Charity is exposed to is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Properties held for investment purposes are included in these accounts at open market value. The valuation has been determined by the Trustees, with professional assistance. Details of the dates and basis of the valuations are given in note 12 to the accounts. Disposals of investment properties are accounted for on completion.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and either their opening carrying value, or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value and the carrying value at year end. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Investments in commercial companies under a joint venture agreement are included in the accounts at the Group's and/or Charity's share of the net assets of the commercial company as at the balance sheet date.

Investments in subsidiary companies are included on the balance sheet at cost.

Programme related investments

Programme related investments are defined as significant financial contributions made by the Charity towards the development or refurbishment of property assets to which the Charity has freehold title but which are used by other charitable and not-for-profit organisations (including schools) for purposes consistent with the Charity's own objectives.

Programme related investments are included in the accounts at cost with any permanent diminution in value below such cost accounted for as charitable expenditure.

Principal accounting policies

– Year to 31 December 2020

Stocks

Stocks of miscellaneous items are valued at the lower of cost and net realisable value.

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or that have a maturity of less than three months from the date of investment or acquisition. Deposits made for longer than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

• The Curial Funds

These can be used across the whole of the diocese and are subdivided between:

- Restricted funds: monies received for, and whose use is restricted to, a specific purpose, or donations subject to donor-imposed conditions.
- Designated funds: monies set aside out of general funds and designated by the Directors of the Corporate Trustee to be used for specific purposes.
- The tangible fixed assets fund: the net book value of those tangible fixed assets held by the curia for unrestricted purposes.
- The programme related investments fund: the value of the Group's and Charity's programme related investments.
- General funds: monies which may be used to meet the charitable objectives of the Charity, across the whole of the diocese, at the discretion of the Directors of the Corporate Trustee.

• The Parochial Funds

These comprise legacies, donations, trust income and interest relating to individual parishes. Under canon law these monies must be utilised by the parishes and therefore cannot be used across the whole of the diocese. As such, the funds are all regarded as restricted for the purpose of these accounts.

Pension costs

The Charity contributes to a defined benefits pension scheme, closed for accrual of benefits since 2005, providing benefits based on final pensionable salary.

Pension scheme assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet.

Any change in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

All eligible members of staff are auto-enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of financial activities in the year in which they are payable to the scheme.

Notes to the accounts

– Year to 31 December 2020

1 Collections, donations and legacies

2020

Group	Curial funds			Parochial funds	
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000	Total 2020 £'000
Grants receivable	–	165	165	–	165
Growing in Faith	–	70	70	–	70
Other donations	584	1,417	2,001	21,890	23,891
Legacies	42	489	531	1,699	2,230
Total	626	2,141	2,767	23,589	26,356

2019

Group	Curial funds			Parochial funds	
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000	Total 2019 £'000
Grants receivable	–	112	112	–	112
Growing in Faith	–	863	863	–	863
Other donations	433	1,658	2,091	27,167	29,258
Legacies	262	981	1,243	647	1,890
Total	695	3,614	4,309	27,814	32,123

2 Assessments

Five (six in 2019) parishes operated by specific religious congregations are not consolidated into these accounts. Income from assessments (£126,000 in 2020 and £146,000 in 2019) represents monies received by the Charity from those parishes and is unrestricted.

The diocesan assessment, being monies transferred from parishes to the curia in order to fund diocesan-wide programmes, is included under 'Transfers between funds'. In 2020, £6,747,000 was transferred from parochial to curial funds (£6,529,000 in 2019).

3 Income from other trading activities and cost of raising funds

These categories of income and expenditure comprise the income and expenditure of the Charity's trading subsidiaries. At 31 December 2020 the Charity owned the entire called up ordinary share capital of the following trading companies:

Company	Company No.	Country of incorporation	Principal activity
Aedificabo Limited	07409205	England	Management of capital projects
Westminster Cathedral Limited	2784481	England	Miscellaneous trading activities

Audited accounts of the companies will be filed with the Registrar of Companies.

The registered office of Aedificabo Limited is Vaughan House, 46 Francis Street, London SW1P 1QN.

The registered office of Westminster Cathedral Limited is Archbishop's House, Ambrosden Avenue, London SW1P 1QJ.

Notes to the accounts

– Year to 31 December 2020

3 Income from other trading activities and cost of raising funds (continued)

	Unrestricted funds		Restricted funds	
	Aedificabo Limited		Westminster Cathedral Limited	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Turnover	92	148	71	627
Cost of sales	–	–	(45)	(268)
Gross profit	92	148	26	359
Administrative expenses	(105)	(93)	(183)	(169)
(Loss) profit on ordinary activities before Gift Aid, other income and taxation	(13)	55	(157)	190
Gift Aid (via deed of covenant)	–	(55)	–	–
Other income: Coronavirus Job Retention Scheme funding	–	–	49	–
(Loss) profit for the year before taxation	(13)	–	(108)	190
Taxation	–	–	20	(36)
(Loss) profit for the year after taxation	(13)	–	(88)	154

Administrative expenses include amounts recharged by the Charity and eliminated on consolidation of £45,000 (£64,000 in 2019).

At 31 December 2020 the called up share capital of Westminster Cathedral Limited comprised 2 ordinary £1 shares and its reserves amounted to £66,000 (£154,000 in 2019).

At 31 December 2020 the called up share capital of Aedificabo Limited comprised 2 ordinary £1 shares and its reserves amounted to negative £13,000 (£nil in 2019).

4 Investment income and interest receivable

	Curial funds			Parochial funds	
2020	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000	Total 2020 £'000
Investment income					
Income from listed investments	76	209	285	90	375
Income from programme related investments	500	–	500	–	500
Rents and similar income	220	40	260	2,510	2,770
	796	249	1,045	2,600	3,645
Interest receivable	312	–	312	1	313
Total	1,108	249	1,357	2,601	3,958
	Curial funds			Parochial funds	
2019	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000	Total 2019 £'000
Investment income					
Income from listed investments	103	292	395	125	520
Income from programme related investments	524	–	524	–	524
Rents and similar income	271	55	326	2,782	3,108
	898	347	1,245	2,907	4,152
Interest receivable	627	–	627	7	634
Total	1,525	347	1,872	2,914	4,786

All rents and similar income are from properties situated in the United Kingdom.

Notes to the accounts

– Year to 31 December 2020

5 Income from charitable activities

	Total 2020 £'000	Total 2019 £'000
Rental income from functional properties		
Curial unrestricted funds	422	646
Parochial restricted funds	836	1,366
	1,258	2,012

The Charity and Group own a number of properties which are used primarily for activities oriented towards achieving the Charity's and/or the Group's mission. However, within such properties, certain halls and rooms are occasionally rented out, often for purposes consistent with the charitable objectives of the Charity and resulting in the income shown above.

	Total 2020 £'000	Total 2019 £'000
Parish and similar activities		
Income from clubs	36	52
Chaplaincies	31	43
Catechetics	169	407
Candles, repository and newspapers	1,013	2,417
Board and lodging	142	141
Parish centres	653	1,541
Parish activities	648	1,199
Miscellaneous	566	1,983
Parochial restricted funds	3,258	7,783
Curial unrestricted funds	1,204	1,668
Curial restricted funds – School contributions	471	552
Curial restricted funds – Other	83	237
	5,016	10,240

School contributions

The school contributions are voluntary payments made by the schools and academies in the diocese towards the costs of the school projects team at Vaughan House and agreed as 'Catholic Education Contributions' with the schools and academies.

	Total 2020 £'000	Total 2019 £'000
Coronavirus Job Retention Scheme Funding		
Parochial restricted funds	1,427	–
Curial unrestricted funds	202	–
Curial restricted funds	434	–
	2,063	–

	Total 2020 £'000	Total 2019 £'000
Grants receivable		
Curial restricted funds – School projects (VASCA) see also note 21	13,715	–

Notes to the accounts

– Year to 31 December 2020

6 Advancement of the Catholic faith primarily in the Diocese of Westminster

2020

Curial funds	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
School projects (VASCA) see also note 21	–	9,112	9,112
Pastoral and related work	2,359	3,025	5,384
Administration	4,432	–	4,432
Education & formation	989	471	1,460
Clergy and consecrated life	580	563	1,143
Auxiliaries and Vicar General	757	–	757
National bodies	425	–	425
Cardinal's office and Archbishop's House	370	24	394
Safeguarding	362	–	362
Bank loan interest	215	–	215
Communications	165	–	165
Miscellaneous	124	–	124
Governance costs	89	–	89
Ecumenical and interfaith	43	–	43
Growing in Faith projects	–	9	9
Total	10,910	13,204	24,114

Depreciation of £835,000 (£755,000 in 2019) is included in the above curial fund expenditure.

2019

Curial funds	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Pastoral and related work	2,910	2,938	5,848
Administration	4,205	–	4,205
Education and formation	988	552	1,540
Clergy and consecrated life	579	794	1,373
Auxiliaries and Vicar General	807	–	807
National bodies	443	–	443
Cardinal's office and Archbishop's House	425	55	480
Safeguarding	242	–	242
Bank loan interest	271	–	271
Communications	148	–	148
Miscellaneous	116	–	116
Governance costs	66	–	66
Ecumenical and interfaith	52	–	52
Growing in Faith projects	–	289	289
Total	11,252	4,628	15,880

Depreciation of £755,000 is included in the above curial fund expenditure.

Notes to the accounts

– Year to 31 December 2020

6 Advancement of the Catholic faith primarily in the Diocese of Westminster (continued)

School and academy building works

During the year, the Group and Charity received, as agent, government grants of £20,069,000 (£25,455,000 in 2019) in connection with major repair and capital projects at Church schools and academies in the diocese. These monies, together with the contributions received from governors are used to fund contractor payments also administered by the Charity acting as managing agent for the Church schools and academies concerned. During the year, the Charity made payments to contractors of £24,562,000 (£26,226,000 in 2019). The Charity receives this money in its capacity of managing agent for the governors only and, as such, these amounts are excluded

from the statement of financial activities. Consequently, only the Charity's net contribution to costs after deducting the contributions from governors and government grants towards the costs of the projects concerned is included as expenditure in the statement of financial activities.

Parochial restricted funds

Religious and pastoral services and educational programmes offered by the Charity through its parishes are funded by the parishes themselves. A detailed breakdown of expenses paid during the year from parochial restricted funds is provided in the table below.

Parochial restricted funds	Total 2020 £'000	Total 2019 £'000
Non-clergy salaries	6,082	6,121
Property repairs and renewals	5,465	4,288
Clergy stipends	2,313	2,372
Heat, light and water	1,869	1,936
Other fixed asset depreciation	1,825	1,592
Housekeeping	1,314	1,392
Liturgical expenses	1,082	1,772
Property depreciation	1,209	1,132
Office & administration	919	1,092
Donations/grants	739	828
Parish activities expenses	731	1,281
Council tax, insurance and rates	575	1,156
Candles, repository and newspapers expenses	463	997
Miscellaneous expenses	342	384
Catechetics Expenses	201	415
Supply priests	192	444
Travel expenses	154	244
Parish Centre expenses	134	352
Mass stipends distributed	67	110
Bank interest	28	111
	25,704	28,019

The above are the gross costs relating to each activity/department. Many of these have related income flows which are included in total income. Due to the number of charitable donations made out of both curial and parochial funds it is not practical to provide details of individual donations.

Notes to the accounts

– Year to 31 December 2020

7 Net (expenditure) income before transfers and investment gains

This is stated after charging:

2020 Group	Curial funds			Parochial funds	Total 2020 £'000
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000	
Staff costs (note 8)	5,692	1,913	7,605	5,751	13,356
Auditor's remuneration					
. Audit fees current year	72	–	72	–	72
. Other services: taxation	12	–	12	–	12
Depreciation (note 10)	679	156	835	3,034	3,869

2019 Group	Curial funds			Parochial funds	Total 2019 £'000
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000	
Staff costs (note 8)	5,748	1,379	7,127	5,886	13,013
Auditor's remuneration					
. Audit fees current year	70	–	70	–	70
. Other services: taxation	8	–	8	–	8
Depreciation (note 10)	607	148	755	2,724	3,479

8 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

Group	Total 2020 £'000	Total 2019 £'000
Wages and salaries	11,827	11,567
Social security costs	923	870
Other pension costs	606	576
	13,356	13,013

The average number of employees and full time equivalents (FTE) was:

	2020 FTE	2020 Total Employees	2019 FTE	2019 Total Employees
Charitable activities	359	699	377	703

Notes to the accounts

– Year to 31 December 2020

8 Staff costs and remuneration of key management personnel (continued)

The number of employees who earned more than £60,000 (including benefits but excluding employer's national insurance and pension contributions) during the year was as follows:

	2020	2019
£60,001 - £70,000	5	2
£70,001 - £80,000	2	3
£90,001 - £100,000	2	2
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1
	11	9

Employer pension contributions totalling £92,700 (£78,500 in 2019) were made to defined contribution schemes in respect of all those employees who earned £60,000 or more during the year (as defined above).

The key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis comprise the Directors of the Corporate Trustee, the COO/Financial Secretary and the heads of the following departments of the Curial Offices/ Central Services: Evangelisation, Youth, Education, Caritas, Tribunal, Safeguarding, Human Resources, Finance, Property, Maintenance, Fundraising, Communications, ICT and Data Protection. The total remuneration (including taxable benefits and employer's national insurance and pension contributions) of the key management personnel for the year was £1,179,500 (£1,171,200 in 2019).

A number of the Directors of the Corporate Trustee (i.e. Trustees) are clergy of the Catholic Diocese of Westminster. They are housed and remunerated by the diocese and are reimbursed expenses for carrying out their ministry in the same way as other priests of the diocese. However, none of the Trustees received any remuneration in respect of their services as a Trustee during the year (£nil in 2019), nor were they reimbursed any expenses connected with their duties as Trustees (£nil in 2019).

Pension schemes

Auto-enrolled pension scheme The Charity offers an auto-enrolled pension scheme provided by Standard Life. The total contributions made by the employer in 2020 to this scheme amounted to £515,000 (£492,000 in 2019).

Defined benefit scheme The Charity administers a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Charity, being invested with Sarasin & Partners LLP. The contributions are determined on the basis of triennial valuations by a qualified actuary using the projected unit method.

From 6 July 2005 accrual of benefits, death in service benefits and member contributions ceased. The level of funding has been reviewed on a yearly basis. Up to 6 May 2020, deficit reduction contributions were paid at the rate of £22,975 per month, as agreed following the finalisation of the 6 April 2016 formal valuation. Following May 2020, deficit reduction contributions were no longer payable to the scheme, however an amount in relation to administration expenses at the rate of £1,500 per month continued to be paid to the scheme.

The scheme undertook the most recent formal triennial valuation as at 6 April 2019, which showed that the market value of the scheme's assets was £10,255,000 and that the level of funding on an ongoing basis was 97%. The principal assumptions made were that the discount rate would be 3.8% per annum before retirement and 2.8% per annum after retirement, and that inflation linked increases to deferred pensions would be 2.8% and that inflation-linked pension increases in payment would be 3.6% per annum for service between 1 July 2002 and 11 February 2003, and 2.6% per annum for service from 12 February 2003. No allowance was made for possible discretionary increases in pensions beyond those prescribed in the scheme rules.

Following the conclusion of the 6 April 2019 actuarial valuation, it has been agreed with the pension scheme trustees that deficit funding contributions in 2020 will continue to be paid by the Employer at the rate of £22,975 per month until May 2020. From January 2021, the Employer will pay contributions at a rate of £10,000 per month. The Employer will also continue to make monthly contributions to the scheme of £1,500 to cover administration expenses.

Financial Reporting Standard 102 (FRS 102) requires the surplus or deficit on the scheme as at 31 December 2020, calculated in accordance with the requirement of FRS 102, to be included on the balance sheet. For the purposes of FRS 102, the assets of the scheme have been taken at market value and the liabilities have been calculated by a qualified independent actuary.

Notes to the accounts

– Year to 31 December 2020

8 Staff costs and remuneration of key management personnel (continued)

The assets and liabilities in the scheme were:

	2020 £'000	2019 £'000
Equity securities	6,103	5,209
Fixed interest securities	1,402	1,159
Insurance contracts	3,050	2,901
Cash and cash equivalents	1,442	1,441
Other	577	425
Total assets	12,574	11,135
Actuarial value of liabilities	(14,314)	(12,287)
Deficit in the scheme – net pension liability	(1,740)	(1,152)

The major assumptions used by the actuary were:

	2020 % per annum	2019 % per annum
Inflation	3.0	3.2
Salary increases	2.4	2.3
Rate of discount	1.3	2.0
Rate of increase in pensions in payment and deferred pensions	2.4	2.3

The mortality assumptions used were as follows:

	2020 years	2019 years
Longevity at age 65 for current pensioners		
Men	22.5	22.0
Women	24.8	24.0

The net pension liability increased from £1,152,000 in 2019 to £1,740,000 in 2020.

The deficit increase is mainly due to the deterioration in the yields available on high-quality corporate bonds, resulting in a lower discount rate assumption which placed a higher value on the scheme's liabilities, though this impact was partially offset by contributions made during the year and returns on invested assets, which acted to increase the value of the scheme's assets.

Contributions The total contributions made to the scheme by the Charity in the year were £133,000 (£293,000 in 2019). The contributions expected to be paid by the Charity to the scheme for the year ending 31 December 2021 total £138,000.

Notes to the accounts

– Year to 31 December 2020

8 Staff costs and remuneration of key management personnel (continued)

Total operating charge and net interest recognised in the statement of financial activities:

	2020 £'000	2019 £'000
Administration costs	(16)	(17)
Past service cost	(3)	–
Total operating charge	(19)	(17)
Interest income on scheme assets	221	270
Interest cost on scheme liabilities	(244)	(322)
Net interest on net defined benefit liability	(23)	(52)
Total amount recognised in the statement of financial activities	(42)	(69)

Actuarial net gains (losses) recognised in the statement of financial activities:

	2020 £'000	2019 £'000
Actual return on assets excluding amounts included in net interest	1,396	1,195
Actuarial losses on scheme obligations	(2,075)	(605)
Re-measurement (losses) gains recognised in the statement of financial activities	(679)	590

The reconciliation of the fair value of the scheme assets is as follows:

	2020 £'000	2019 £'000
Opening fair value of scheme assets	11,135	9,625
Interest income	221	270
Contributions by Westminster Roman Catholic Diocesan Trust	133	293
Actual return on assets excluding amount included in net interest	1,396	1,195
Benefits paid	(311)	(248)
Closing fair value of scheme assets	12,574	11,135

The reconciliation of the scheme benefit obligation is as follows:

	2020 £'000	2019 £'000
Opening defined benefit obligation	12,287	11,591
Administration costs	16	17
Interest cost	244	322
Actuarial losses	2,075	605
Past service cost	3	–
Benefits paid	(311)	(248)
Closing defined benefit obligation	14,314	12,287

The actuarial value of the scheme liabilities at 31 December 2020 if different key actuarial assumptions had been used is shown below:

	2020 £'000	2019 £'000
-0.5% decrease in discount rate	15,737	13,307
1 year increase in member life expectation	14,887	12,778
+0.5% change in inflation	14,784	12,685

Notes to the accounts

– Year to 31 December 2020

9 Taxation

Westminster Roman Catholic Diocesan Trust is a registered charity and, therefore, is not liable to income tax, corporation tax or capital gains tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

Linked charities are also not liable to income tax, corporation tax or capital gains tax on income or gains derived from their charitable activities.

Aedificabo Limited and Westminster Cathedral Limited are commercial trading companies. Subject to having sufficient distributable reserves, each company transfers its taxable profits, if any, to Westminster Roman Catholic Diocesan Trust each year under a Gift Aid compliant Deed of Covenant (see note 3). Therefore, neither entity ordinarily incurs a direct taxation charge. Where the company has insufficient distributable reserves to transfer all of its taxable profits, a tax charge may arise on the profit retained by the company.

10 Tangible fixed assets

Group	Functional freehold property £'000	Plant, equipment, fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 1 January 2020	138,531	37,559	153	176,243
Additions	3,998	1,959	26	5,983
Reclassification between categories	(247)	247	–	–
Disposals	(219)	(14,371)	(16)	(14,606)
At 31 December 2020	142,063	25,394	163	167,620
Original cost	114,661	25,394	163	140,218
Deemed cost – valuation (1997)	26,182	–	–	26,182
Deemed cost – valuation (2013)	1,220	–	–	1,220
	142,063	25,394	163	167,620
Depreciation and impairment				
At 1 January 2020	22,538	30,332	95	52,965
Depreciation charge for the year	1,541	2,308	20	3,869
On disposals	(46)	(14,371)	(16)	(14,433)
At 31 December 2020	24,033	18,269	99	42,401
Net book values				
At 31 December 2020	118,030	7,125	64	125,219
At 31 December 2019	115,993	7,227	58	123,278

Notes to the accounts

– Year to 31 December 2020

10 Tangible fixed assets (continued)

Charity	Functional freehold property £'000	Plant, equipment, fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 1 January 2020	138,531	37,402	153	176,086
Additions	3,998	1,959	26	5,983
Reclassification between categories	(247)	247	–	–
Disposals	(219)	(14,371)	(16)	(14,606)
At 31 December 2020	142,063	25,237	163	167,463
Original cost	114,661	25,237	163	140,061
Deemed cost – valuation (1997)	26,182	–	–	26,182
Deemed cost – valuation (2013)	1,220	–	–	1,220
	142,063	25,237	163	167,463
Depreciation and impairment				
At 1 January 2020	22,538	30,177	95	52,810
Depreciation charge for the year	1,541	2,306	20	3,867
On disposals	(46)	(14,371)	(16)	(14,433)
At 31 December 2020	24,033	18,112	99	42,244
Net book values				
At 31 December 2020	118,030	7,125	64	125,219
At 31 December 2019	115,993	7,225	58	123,276

The Charity has continued to adopt a policy of not revaluing its tangible fixed assets. The historical cost of the functional properties stated above at a valuation cannot be ascertained with accuracy. The valuation, which was performed in 1997, is an estimate of original cost based on the replacement cost of each property in 1997, discounted back to the original year of purchase. Hence for the purpose of these accounts and consistent with the transitional rules set out in FRS 102, the 1997 valuations are defined as 'deemed cost'.

Works of art, treasures and plate are not capitalised in these accounts. They are considered to be heritage assets for the purposes of the Charities SORP (FRS 102). The assets are integral to the Charity's overall objective of advancing the Catholic religion. They all have very long lives and are worth preserving indefinitely. The Trustees consider that it would be prejudicial to the safe custody of these assets to disclose details of their value and usage in these accounts.

All other tangible fixed assets are stated at cost or, where gifted or bequeathed to the Charity, at an estimate of their market value at the date of the gift.

Several of the Charity's properties are subject to restrictions or covenants over their use and/or disposal.

It is likely that there are material differences between the open market values of the Charity's land and buildings and their book values with the open market value being higher. These

arise from the specialised nature of some properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of the Trustees, is not justified in terms of the benefit to the users of the accounts.

Land and buildings legally owned by the Charity and occupied rent free by Catholic voluntary aided schools and academies, which are separate charities and publicly funded, are valued at £nil for the purposes of these accounts. The Trustees consider that no meaningful value can be attributed to these assets since they are not used directly by the Charity, do not generate income, and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues. During the year certain assets were reclassified from functional freehold property to plant, equipment, fixtures and fittings to better represent the nature of the assets held and their expected useful lives.

Any expenditure incurred on the fabric of these buildings is written off in the year it is incurred and treated in these accounts as expenditure on the advancement of the Catholic faith primarily in the Diocese of Westminster.

Post Balance Sheet Events Subsequent to the year end the Charity disposed of two properties with a net book value of £73,000. The gross sale proceeds were £1,330,000.

Notes to the accounts

– Year to 31 December 2020

10 Tangible fixed assets (continued)

Capital commitments

At 31 December 2020 the Group and Charity had the following capital commitments:

Group and Charity	2020 £'000	2019 £'000
Land and buildings – functional property		
Contracted but not provided	840	1,237

The capital commitments are in respect of various parish and curial building works.

11 Programme related investments

Programme related investments represent investments made in properties owned by the Charity but which are used by other charitable and not-for-profit organisations for purposes consistent with the Charity's objectives.

Group and Charity	2020 £'000	2019 £'000
At 1 January and 31 December	10,503	10,503

Programme related investments comprise:

Group and Charity	2020 £'000	2019 £'000
The Friary, Westminster	10,503	10,503

The Friary is a building adjacent to the Westminster Cathedral Complex that was, historically, part of the Catholic fabric in this location, having been the location of both a Franciscan monastery and the National Catholic Library.

It is leased to the Westminster Cathedral Choir School, a charity connected to the Westminster Roman Catholic Diocesan Trust (see note 22), to house an independent preparatory school to help to have a sustainable choir in the cathedral. The rental income from the lease will be used to finance repayments due on a £10 million, thirty- year loan granted by HSBC Bank plc in March 2016 in order to purchase and refurbish the property (see note 15).

Notes to the accounts

– Year to 31 December 2020

12 Investments

At 31 December 2020 investments comprised the following:

Group and Charity	2020 £'000	2019 £'000
Listed investments	39,707	35,435
Investment properties	76,163	71,477
Joint venture	47	47
	115,917	106,959

Listed investments

During the year, listed investments under the control of the Westminster Roman Catholic Diocesan Trust principally comprised units in a Mutual Investment Fund. The Mutual Investment Fund comprises investments managed by Sarasin & Partners LLP and CCLA Investment Management Limited.

The market value of the units in the Mutual Investment Fund at 31 December 2020 amounted to £39,554,000 (£35,253,000 in 2019) and their historical cost as at that date was £31,799,000 (£30,820,000 in 2019).

Investment managers' fees of £194,000 in 2020 and £114,000 in 2019 are charged indirectly through the unit holdings.

At 31 December 2020 the composition of the listed investments comprising the Mutual Investment Fund was as follows:

Group and Charity	2020 %	2019 %
Fixed income	8.0	7.4
Equities	71.9	68.3
Property	1.0	1.2
Alternatives	7.1	7.4
Liquid assets (money market instruments and cash)	12.0	15.7
	100.0	100.0

At 31 December 2020, listed investments held as part of the Mutual Investment Fund (the Fund) included the following individual holdings deemed material when compared with the overall valuation of the Fund as at that date:

Group and Charity	Percentage of fund %	Value £000
Sterling Investment Account	5.1	2,016

Notes to the accounts

– Year to 31 December 2020

12 Investments (continued)

Holdings by the group and charity in the Mutual Investment Fund and other listed investments at 31 December 2020 and their movements during the year were as follows:

Group and Charity	2020 £'000	2019 £'000
Market value		
At 1 January 2020	35,435	30,304
Disposals	–	(144)
Net realised and unrealised gains during the year	4,272	5,275
At 31 December 2020	39,707	35,435

Investment properties

Investment properties held at 31 December 2020 and their movements during the year were as follows:

Group and Charity	2020 £'000	2019 £'000
Market value		
At 1 January	71,477	75,645
Reclassification from tangible fixed assets	–	81
Additions	410	–
Disposal proceeds	–	(1,115)
Gains on revaluation during the year	4,276	6,866
At 31 December 2020	76,163	71,477

In 2020, the Charity was bequeathed a property with a market value of £410,000 as at the date of the gift.

Investment properties are included in the accounts at market valuations. It is the aim of the Trustees that properties will each be revalued at least every five years, unless there is an indication that a valuation has changed by a material amount in which case the valuation date will be brought forward. In 2019, 14 properties were revalued by Smith & Knight Property Consultants and 12 investment properties were revalued by an internal property surveyor in possession of relevant qualifications and knowledge of the property market. In 2020 seven investment properties were revalued by Smith & Knight Property Consultants and 30 investment properties were revalued by internal property surveyors in possession of relevant qualifications and knowledge of the property market.

An indexation allowance was made in the accounts for properties that were not revalued this year, to take account of market value movements between the date the properties were last valued and 31 December 2020.

It is not possible to ascertain with accuracy the original cost of all the investment properties, the majority of which were purchased many years ago. The Trustees are of the opinion that the costs involved in researching such information outweigh the value of disclosing it.

Joint venture

The investment in the joint venture represents the Charity's investment in Parish Accounting Services Limited, a company incorporated in England and Wales (Company Registration No 09503675) on 23 March 2015.

Westminster Roman Catholic Diocesan Trust and Birmingham Roman Catholic Diocesan Trust each own one £1 share in the company which has purchased and developed accounting software for use by parishes within Roman Catholic dioceses. Each of the two partners to the joint venture has lent the company £72,000 to enable it to purchase and develop the software.

Notes to the accounts

– Year to 31 December 2020

12 Investments (continued)

A summary of the trading results and financial position of the company at 31 December 2020 is given below:

Summary statement of income	2020 £'000	2019 £'000
Turnover	162	146
Cost of sales	(119)	(119)
Gross profit	43	27
Administrative expenses	(14)	(16)
Profit for the financial period	29	11

Summary statement of financial position and retained earnings	2020 £'000	2019 £'000
Fixed assets	52	65
Current assets	56	33
Current liabilities	(15)	(4)
Net current assets	41	29
Total assets less current liabilities	93	94
Creditors: amounts falling due after one year	(62)	(92)
Total net assets	31	2

The total net assets are represented by called up share capital of £2 and retained net profits. The retained net profits are shared equally by the two partners. As such, the investment by Westminster Roman Catholic Diocesan Trust as at 31 December 2020 comprises:

	2020	2019
Loan balance at 1 January	47	52
Share of profits in the year	15	5
Loan repayment in the year	(15)	(10)
Loan balance at 31 December	47	47

Notes to the accounts

– Year to 31 December 2020

13 Debtors

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Receivable within one year				
Sundry debtors	412	349	412	349
Legacies receivable	1,499	1,598	1,499	1,598
Prepayments and other accrued income	1,239	1,547	1,239	1,546
Amounts due from subsidiaries	–	–	22	37
School expenditure recoverable from the Department for Education, Local Education Authorities and contract advances (see below and note 21)	399	2,022	399	2,022
Other loans (see below)	67	109	67	109
	3,616	5,625	3,638	5,661
Receivable after more than one year				
Loan to the Cardinal Hume Centre	339	339	339	339
Amount due from Eastcote	–	17	–	17
	3,955	5,981	3,977	6,017

School expenditure recoverable from the Department for Education, Local Education Authorities and contract advances represents amounts refundable from these bodies and from School Governors in respect of work and maintenance to school properties and held by the Charity as custodian trustee.

Other loans receivable within one year comprise amounts advanced to priests and schools, and season ticket loans to staff. Other than some school loans which are charged interest rates linked to bank base rates and have set repayment terms, loans are interest free.

14 Creditors: amounts falling due within one year

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
School building projects	2,546	661	2,546	661
Collections payable to third parties	450	480	450	480
PAYE and national insurance	–	260	–	260
Bank loan (see note 15)	378	370	378	370
Other loans	419	295	419	295
St Richard Reynolds	382	447	382	447
Accruals and sundry creditors	1,840	1,425	1,787	1,392
Funds held on behalf of the Belarusian Catholic Mission	170	163	170	163
Funds held on behalf of the Congregation for the Eastern Churches	920	920	920	920
	7,105	5,021	7,052	4,988

Amounts due in respect of school building projects represent amounts due to contractors in connection with work and maintenance to school properties. The majority of the loans are interest bearing with interest rates linked to bank base rates

Notes to the accounts

– Year to 31 December 2020

15 Creditors: amounts falling due after more than one year

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Bank loan	9,158	9,352	9,158	9,352

On 22 March 2016, the Charity signed a thirty year loan agreement with HSBC Bank plc for up to £10 million. The loan is secured by a first charge mortgage on two of the Charity's properties.

The loan is repayable in quarterly instalments commencing three years after initial drawdown with interest payable at 2% over the base rate. On 9 April 2020, HSBC granted the Charity a six-month capital repayment holiday, which had the effect of deferring the repayment of £183,000 of the loan balance into future periods.

Of the amounts falling due after more than one year, £1,511,000 (2019 - £1,481,000) is repayable within 2 to 5 years and £7,647,000 (2019 - £7,871,000) is repayable after 5 years.

16 Restricted funds

Restricted funds comprise:

	2020 £'000	2019 £'000
Group		
Curial	53,949	48,128
Parochial	216,109	211,149
	270,058	259,277
	2020 £'000	2019 £'000
Charity		
Curial	53,949	48,128
Parochial	216,041	210,959
	269,990	259,087

Notes to the accounts

– Year to 31 December 2020

16 Restricted funds (continued)

Curial restricted funds

The income funds of the curia include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

2020	At 1 January 2020 £'000	Income £'000	Expenditure £'000	Net Gains £'000	Transfers £'000	At 31 December 2020 £'000
Group and Charity						
Growing in Faith Fund	17,953	70	(9)	–	(1,466)	16,548
Masses Funds	1,056	9	(24)	107	(13)	1,135
Poor Fund	580	4	–	52	(7)	629
Ecclesiastical Education Fund	138	1	–	16	(2)	153
Trinity Fund	157	1	–	–	51	209
Wellesley Colley Fund	318	3	–	33	(4)	350
Harrow Education Fund	14	–	(14)	–	–	–
St Richard Reynolds	–	165	–	–	(165)	–
Archbishop's Fund	964	654	(186)	–	(252)	1,180
St Joseph's Pastoral Centre	143	81	(324)	–	234	134
Bakhita House	1,003	132	(363)	–	–	772
Property Repairs Fund	171	1	–	17	(2)	187
Post-ordination Studies Fund	1,411	15	(1)	173	(22)	1,576
Missions Fund	71	2	–	18	(2)	89
St John Southworth Fund	2,875	28	(196)	332	(78)	2,961
Filipino Chaplaincy Fund	133	1	–	17	(2)	149
Hare Street House	674	979	(24)	83	(10)	1,702
Sick and Retired Priests Fund	11,632	772	(563)	1,147	(343)	12,645
Westminster Ecclesiastical Education Fund	7,738	624	(835)	517	(74)	7,970
VASCA Fund	–	13,715	(9,112)	–	–	4,603
Other restricted funds	1,097	575	(1,553)	67	771	957
Total	48,128	17,832	(13,204)	2,579	(1,386)	53,949

Notes to the accounts

– Year to 31 December 2020

16 Restricted funds (continued)

2019	At 1 January 2019 £'000	Income £'000	Expenditure £'000	Net Gains £'000	Transfers £'000	At 31 December 2019 £'000
Group and Charity						
Growing in Faith Fund	19,259	863	(288)	–	(1,881)	17,953
Masses Funds	942	14	(18)	131	(13)	1,056
Poor Fund	516	6	–	64	(6)	580
Ecclesiastical Education Fund	118	2	–	20	(2)	138
Trinity Fund	238	10	–	–	(91)	157
Wellesley Colley Fund	278	4	–	40	(4)	318
Harrow Education Fund	14	–	–	–	–	14
St Richard Reynolds	–	112	–	–	(112)	–
Archbishop's Fund	1,150	415	(254)	–	(347)	964
St Joseph's Pastoral Centre	190	98	(226)	–	81	143
Bakhita House	1,066	355	(418)	–	–	1,003
Property Repairs Fund	150	2	–	21	(2)	171
Post-ordination Studies Fund	1,237	21	(37)	211	(21)	1,411
Missions Fund	58	2	(9)	22	(2)	71
St John Southworth Fund	2,611	40	(125)	406	(57)	2,875
Filipino Chaplaincy Fund	116	2	(4)	21	(2)	133
Hare Street House	610	25	(55)	104	(10)	674
Sick and Retired Priests Fund	10,763	752	(785)	1,236	(334)	11,632
Westminster Ecclesiastical Education Fund	6,621	1,438	(1,042)	631	90	7,738
Other restricted funds	919	589	(1,367)	82	874	1,097
Total	46,856	4,750	(4,628)	2,989	(1,839)	48,128

The specific purposes for which the funds are to be applied are as follows:

- Growing in Faith Fund comprises monies raised as part of the Growing in Faith campaign to ensure a vibrant future for the diocese. The monies will be used: to support parishes and ensure that they are sound, prayerful and sustainable; to support priestly life at all stages, be that in formation, during service in parishes or in retirement; and to maintain the tradition of outreach to those in need.
- Masses Funds represent monies held for Masses.
- Poor Fund is for the relief of poverty in the diocese.
- Ecclesiastical Education Fund is for housing costs for priests.
- Trinity Fund is for major projects in parishes.
- Wellesley Colley Fund is for general charitable purposes of the diocese and for the relief of poverty.
- Harrow Education Fund is for school and catechetical activities in the Harrow Deanery.
- St Richard Reynolds represents grants received in respect of the construction of St Richard Reynolds School, Twickenham.
- Archbishop's Fund represents a legacy which is for projects as approved by the Archbishop.
- St Joseph's Pastoral Centre is for a variety of specific projects agreed with individual donors.
- Bakhita House supports the work of Bakhita House.
- Property Repairs Fund is available for repairs to diocesan properties.
- Post-ordination Studies Fund supports priests in further studies.
- Missions Fund supports the work carried out by missions.

Notes to the accounts

– Year to 31 December 2020

16 Restricted funds (continued)

- St John Southworth Fund supports the work of parishes, organisations and projects across a range of issues including poverty, homelessness, old age and infirmity, and children with disabilities or who are in danger of deprivation.
- Filipino Chaplaincy Fund supports the work of the Filipino Chaplaincy.
- Hare Street House represents the net assets of the linked charity (see note 23).
- Sick and Retired Priests Fund represents the net assets of the linked charity (see note 23).
- Westminster Ecclesiastical Education Fund represents the net assets of the linked charity (see note 23).
- VASCA Fund represents the unspent balance of the VASCA Funds received by the Charity in respect of school and academy building projects (see note 21).

- Other restricted funds are for specific charitable purposes of the diocese.

Transfers from curia restricted funds principally relate to Growing in Faith grants awarded to parishes and to Caritas.

Parochial restricted funds

The parishes in the Diocese of Westminster are established and operate under the Church's Code of Canon Law which bestows on them separate canonical legal status. As such, each parish has been treated as a separate restricted fund in these accounts. The total parish or parochial funds are administered, with guidance from the Central Finance Office, by the parish priests and are used to carry out the work of the Church within local areas and help fund the curia. The transfers from the parochial restricted funds to the curial unrestricted funds represent the payment of the diocesan assessment by the parishes and contributions made towards the central costs of the diocese.

17 Designated funds

The income funds of the Charity include the following designated funds which have been set aside out of restricted funds by the Trustees for specific purposes:

Group and Charity	2020 £'000	2019 £'000
At 1 January	1,232	1,248
New designations	9	2
Utilised/released	(10)	(18)
At 31 December	1,231	1,232

18 Tangible fixed assets fund

Group and Charity	2020 £'000	2019 £'000
At 1 January	20,624	20,320
Movement	52	304
At 31 December	20,676	20,624

The tangible fixed assets fund represents the net book value of the tangible fixed assets held by the curia for unrestricted purposes.

Notes to the accounts

– Year to 31 December 2020

19 Programme related investment fund

The programme related investments fund represents the value of the Group's and Charity's programme related investments. As explained in note 11, these investments comprise land and buildings owned by the Charity but used by other charitable and not-for-profit organisations whose objectives are consistent

with those of the Charity. It is the intention of the Trustees that such assets should continue to be used for these purposes for as long as needed, and that as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

Group and Charity	2020 £'000	2019 £'000
At 1 January and at 31 December	10,503	10,503

20 Analysis of net assets between funds

2020

Group	Curial funds			Parochial funds	
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000	Total 2020 £'000
Fund balances at 31 December 2020 are represented by:					
Tangible fixed assets	20,676	2,202	22,878	102,341	125,219
Programme related investments	10,503	–	10,503	–	10,503
Investments	13,770	25,114	38,884	77,033	115,917
Net current assets	6,904	26,633	33,537	36,735	70,272
Non-current liabilities	(9,158)	–	(9,158)	–	(9,158)
Total net assets excluding pension liability	42,695	53,949	96,644	216,109	312,753
Pension liability	(1,740)	–	(1,740)	–	(1,740)
Total net assets	40,955	53,949	94,904	216,109	311,013

2019

Group	Curial funds			Parochial funds	
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000	Total 2019 £'000
Fund balances at 31 December 2019 are represented by:					
Tangible fixed assets	20,624	2,321	22,945	100,333	123,278
Programme related investments	10,503	–	10,503	–	10,503
Investments	12,992	22,533	35,525	71,434	106,959
Net current assets	6,288	23,274	29,562	39,382	68,944
Non-current liabilities	(9,352)	–	(9,352)	–	(9,352)
Total net assets excluding pension liability	41,055	48,128	89,183	211,149	300,332
Pension liability	(1,152)	–	(1,152)	–	(1,152)
Total net assets	39,903	48,128	88,031	211,149	299,180

Notes to the accounts

– Year to 31 December 2020

20 Analysis of net assets between funds (continued)

2020

Charity	Total unrestricted funds £'000	Total restricted funds £'000	Total 2020 £'000
Fund balances at 31 December 2020 are represented by:			
Tangible fixed assets	20,676	104,543	125,219
Programme related investments	10,503	–	10,503
Investments	13,770	102,147	115,917
Net current assets	6,917	63,300	70,217
Non-current liabilities	(9,158)	–	(9,158)
Total net assets excluding pension liability	42,708	269,990	312,698
Pension liability	(1,740)	–	(1,740)
Total net assets	40,968	269,990	310,958

2019

Charity	Total unrestricted funds £'000	Total restricted funds £'000	Total 2019 £'000
Fund balances at 31 December 2019 are represented by:			
Tangible fixed assets	20,624	102,654	123,278
Programme related investments	10,503	–	10,503
Investments	12,992	93,967	106,959
Net current assets	6,288	62,466	68,754
Non-current liabilities	(9,352)	–	(9,352)
Total net assets excluding pension liability	41,055	259,087	300,142
Pension liability	(1,152)	–	(1,152)
Total net assets	39,903	259,087	298,990

Unrealised gains and revaluation reserve

It is not possible to ascertain with accuracy the original cost of the investment properties, the majority of which were purchased many years ago and for which records no longer exist recording the costs of acquisition. The Trustees are of the opinion that the costs involved in researching such information outweigh the value of disclosing the accumulated unrealised gains or revaluation reserve.

Notes to the accounts

– Year to 31 December 2020

21 School and academy building works

The Charity is the legal owner of properties comprising voluntary aided schools, academies and two independent schools in the diocese. As explained in the principal accounting policies these properties are valued at £nil for the purpose of these accounts. The responsibility for the improvement, extension and repair of the buildings lies with the governors. Grants towards such work are paid to the governors by the DfE and the Local Authorities.

The Charity assists voluntary aided schools and academies with their building and repair and refurbishment projects. Historically it acted as the agent of the governors in helping to arrange funding through the DfE and Local Authorities, and funds received under the LCVAP (Locally Coordinated Voluntary-Aided Programme) were not included in the Statement of Financial Activities as the Charity had no control over the funds and the transactions were those of

the school governors rather than the Charity, which administered these monies as managing agent and made the appropriate payments to contractors for work carried out. In April 2020 the VASCA (Voluntary-Aided Schools Condition Allocation) system was introduced and superseded the LCVAP. The change in funding gives the Charity ultimate control over the application of grants to specific schools, therefore the VASCA grant funding received and the related expenditure are recognised in the Statement of Financial Activities. The unspent balance of VASCA funding at the end of the year of £4.6m (2019 - £nil) has to be committed to projects by 31 March 2022 or returned to the DfE.

A summary of the transactions during the year in respect of the VASCA funding, which are reflected in the Statement of Financial Activities and Balance Sheet, is set out below:

	2020 £'000	2019 £'000
Expenditure on school and academy building works	4,442	–
The above expenditure was funded through grants from the DfE which were as follows:		
Monies received in the year and reflected in income	13,715	–
Monies committed in the year and reflected as expenditure	(9,112)	–
Monies carried forward at 31 December (note 16)	4,603	–

A summary of the transactions during the year in respect of the LCVAP funding, none of which are reflected through the statement of financial activities (see note above) is as follows:

	2020	2019
Number of projects	119	162
	2020 £'000	2019 £'000
Total amount spent	24,562	26,226
Less: grants received	(20,069)	(25,455)
Net governors' liability	4,493	771
Amounts owing on contracts at 31 December (note 14)	2,546	661
Amounts recoverable from Department for Education, Local Education Authorities and contract advances (note 13)	399	2,022

22 Connected charities and related party transactions

The Charity is connected to the following charity, which is the responsibility of the same Corporate Trustee, namely Westminster Roman Catholic Diocese Trustee.

Charity Name	Charity Registration Number	Objectives
Westminster Cathedral Choir School	1063761	The training of children in church choral music

Notes to the accounts

– Year to 31 December 2020

22 Connected charities and related party transactions (continued)

Transactions between the Charity and Westminster Cathedral Choir School are included in these accounts as Income from Programme Related Investments in note 4 (see also note 11).

Throughout the year, the Trustees who are not members of the clergy attend Mass and other services and events in the Diocese of Westminster in their capacity as parishioners. In the course of doing so, they will contribute to the offertory and make other financial contributions.

The nature of such giving means that it is not possible to quantify the amount donated to the Charity by its Trustees during any financial year.

Details of other transactions with Trustees are disclosed in note 8.

Other than the transactions disclosed above, there were no other related party transactions in 2020 or 2019 requiring disclosure.

23 Financial activities of linked charitable subsidiaries

In 2018, the Charity successfully applied to the Charity Commission for a uniting direction in respect of both Diocese of Westminster Sick and Retired Priests Fund and Westminster Ecclesiastical Education Fund (WEEF) which took effect from 1 January 2018. The effect of the uniting direction was to allow the Charity to prepare a single set of accounts that incorporates these linked charities as restricted funds of the Charity. Consequently, these linked charities are included in curial funds.

In 2017, the Charity successfully applied to the Charity Commission for a uniting direction in respect of The Moorfields

Charity, Westminster Cathedral Trust and Hare Street House which took effect from 1 January 2017. The effect of the uniting direction was to allow the Charity to prepare a single set of accounts that incorporated these three charities as restricted funds of the Charity. Consequently, Hare Street House is included in curial funds and both The Moorfields Charity and Westminster Cathedral Trust are included in parochial funds.

A summary of the statement of financial activities and a statement of the net assets at 31 December 2020 of each of the linked charities is given below.

2020	Curial funds			Parochial funds		Total 2020 £'000
	Hare Street House £'000	Sick & Retired Priests Fund £'000	WEEF £'000	The Moorfields Charity £'000	Westm. Cathedral Trust £'000	
Income	979	772	624	163	72	2,610
Expenditure	(34)	(906)	(909)	(105)	(614)	(2,568)
Net gains on investments	83	1,147	517	375	359	2,481
Net income (expenditure) and net movement in funds	1,028	1,013	232	433	(183)	2,523
Net assets	1,702	12,645	7,970	4,158	3,543	30,019

A summary of the statement of financial activities and a statement of the net assets at 31 December 2019 is given below.

2019	Curial funds			Parochial funds		Total 2019 £'000
	Hare Street House £'000	Sick & Retired Priests Fund £'000	WEEF £'000	The Moorfields Charity £'000	Westm. Cathedral Trust £'000	
Income	25	752	1,438	230	124	2,569
Expenditure	(65)	(1,119)	(952)	(139)	(59)	(2,334)
Net gains on investments	104	1,236	631	458	439	2,868
Net income and net movement in funds	64	869	1,117	549	504	3,103
Net assets	674	11,632	7,738	3,725	3,726	27,495

Notes to the accounts

– Year to 31 December 2020

24 Contingent liability

During 2014, the Charity agreed to act as guarantor to HSBC Bank plc to secure all liabilities in respect of a loan facility made available by HSBC Bank plc to St Etheldreda Trust (Registered Charity No. 1154426) in connection with the purchase and refurbishment of 13 Ely Place, London, EC1N 6RY. The maximum amount of the loan and hence the amount guaranteed by the Charity is £1,500,000. In return for the guarantee, the Charity has been granted a second legal charge over the freehold property purchased by St Etheldreda Trust at 13 Ely Place. The loan is for a period of 30 years with monthly capital repayments commencing two years after the initial drawdown.

Interest on the loan is charged at 1.5% above Bank Rate. St Etheldreda Trust is a charitable trust which owns both St Etheldreda's Church and the adjoining presbytery which serve the Parish of St Etheldreda's in the Roman Catholic Diocese of Westminster.

Comparative consolidated statement of financial activities

– Year to 31 December 2019

	Notes	Curial funds			Parochial funds	Total 2019 £'000
		Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000	
Income:						
Donations and legacies						
. Grants receivable	1	–	112	112	–	112
. Growing in Faith	1	–	863	863	–	863
. Other donations and legacies	1	695	2,639	3,334	27,814	31,148
Assessments	2	146	–	146	–	146
Other trading activities						
. Commercial trading operations	3	148	–	148	627	775
Investment income and interest receivable	4	1,525	347	1,872	2,914	4,786
Charitable activities						
. Rental income from functional properties	5	646	–	646	1,366	2,012
. Parish and similar activities	5	1,668	789	2,457	7,783	10,240
Other income						
. Net gains on disposal of tangible fixed assets		–	–	–	1	1
Total income		4,828	4,750	9,578	40,505	50,083
Expenditure:						
Cost of raising funds						
. Fundraising trading: cost of goods sold and other costs	3	29	–	29	437	466
Charitable activities						
. Advancement of the Catholic faith primarily in the Diocese of Westminster	6	11,252	4,628	15,880	28,019	43,899
Total expenditure		11,281	4,628	15,909	28,456	44,365
Net (expenditure) income before transfers and investment gains	7	(6,453)	122	(6,331)	12,049	5,718
Transfers between funds						
. Growing in Faith	2	–	(1,010)	(1,010)	1,010	–
. Assessments		6,529	–	6,529	(6,529)	–
. Other		592	(829)	(237)	237	–
		7,121	(1,839)	5,282	(5,282)	–
Net income (expenditure) before investment gains		668	(1,717)	(1,049)	6,767	5,718
Net gains on investments		1,465	2,989	4,454	7,670	12,124
Net income		2,133	1,272	3,405	14,437	17,842
Actuarial gains	8	590	–	590	–	590
Net movement in funds		2,723	1,272	3,995	14,437	18,432
Reconciliation of funds						
Total funds brought forward at 1 January		37,180	46,856	84,036	196,712	280,748
Total funds carried forward at 31 December		39,903	48,128	88,031	211,149	299,180

All of the Group's activities derived from continuing operations during the above financial period.

Diocesan Committees

Audit and Risk Committee	Mr K Ingram Rt Rev J Sherrington Mrs V Dias
Caritas Board	Rt Rev P McAleenan Rev M Woodruff Mr DJ Barnes Mr J Brar Ms R Cairns Mr P Camoletto Ms A De Souza Ms P Fernandez Mr M McAteer Mr A Ndoca
Education Commission	Rev M Dunne Mr J Asgian Mrs L Barton Mr P Camoletto Mr E Conway Mrs K Griffin Mrs J Jackson Mrs P Singh OBE
Finance Board	Rt Rev J Sherrington Rt Rev N Hudson Rt Rev P McAleenan Rev Mgr M Hayes Mr A Ndoca Mr J Gibney Mr S Bunce
Human Resources Committee	Rt Rev J Sherrington Rev Mgr M Hayes Mr P Camoletto
Investment Committee	Mr P Pejacevich Mr A Ndoca Mr A Fitzalan Howard Mr R McAdie Mr P Camoletto
Property Committee	Rt Rev J Sherrington Mr R Costelloe Mr C Shepherd Mr E Craston Mr M Collins Mr P Camoletto Mr J Petit
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Members at time of printing.

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The Diocese of Westminster is dependent on voluntary donations and you can make a real difference by supporting one or more of the following activities, besides your parish:

- The care of sick and elderly priests
- The training of new priests
- Evangelisation and formation
- The inclusion of all people in the life of the Church
- The Trinity Fund (which provides a lifeline to parishes with financial problems)
- Work with young people
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You can make a donation online at www.rcdow.org.uk/donations.

You can also obtain further information about the different ways that you can help by contacting:

Matt Parkes
Director of Development
Diocese of Westminster
46 Francis Street
London SW1P 1QN

Email: mattparkes@rcdow.org.uk
Tel: 020 7798 9375

The Diocese of Westminster



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Diocese of Westminster

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