



Westminster Roman Catholic
Diocesan Trust

Annual Report & Accounts 2021

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



Diocese of Westminster

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Ambrosden Avenue
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SW1P 1QJ
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Registered Charity number: 233699



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Cardinal's Introduction



THE TEXT WHICH follows my Introduction to this Annual Report takes its theme from the Parable of the Talents in the Gospel of St Matthew (Chapter 25).

The narrative which then unfolds tells the story of how this parable is played out in the great variety of activities which make up the life of the Diocese of Westminster. It is an impressive story, full of effort, initiative and generosity, often with those most in need in full focus. It is a story that includes our precious and extensive contribution to education and the preparation of future citizens. It responds to the urging of the Lord that we do not hide our talents. There is much for which we give thanks to God.

These few words enable me to thank everyone who is part of the life of the Church in this diocese, whether they are given a mention here or not. The year 2021 was difficult, yet our efforts were not diminished. On the contrary, many new initiatives emerged as a response to those difficulties. Thank you, everyone.

The front cover of this Annual Report is a striking picture, taken in October 2021 when we welcomed to the Cathedral a 3.5 metre-high puppet, called Little Amal. This puppet had walked (or been walked) from Turkey, calling in many places, including a visit to Pope Francis. Little Amal represents all the children of migrant people who have made perilous journeys across Europe, and other continents, fleeing from warfare, conflicts and extreme poverty. Many of these children end up separated from their parents. Little Amal represents them all, and the welcome she was given by us all stands for the compassion we wish to offer to refugees and asylum seekers.

This year, too, these are challenging issues as the movement of desperate people around the world increases in response to widespread problems. We know that finding solutions which respect dignity and offer a hearing to so many people is an enormous challenge, and not just to this country alone. International cooperation is crucial.

Little Amal serves as a dramatic and emotional reminder of the vulnerability of so many people, especially children, in today's world.

I thank all who have composed this Report and its Financial component, especially parish clergy and their helpers for their financial oversight, and the staff of the Curial Offices who have the difficult task of ensuring our compliance with regulatory requirements on which our ability to serve the public good depends. I thank them for their tireless work.

As St Paul enjoined the Church in Corinth, we strive 'to do everything for the glory of God' (1 Cor. 10.31). May God bless this Church of Westminster today and in the years to come.

+ Vincent Nichols

Introduction

CHRIST TAUGHT HIS disciples that the blessings bestowed on each person by God are to be used to profit the Kingdom of God. In the Parable of the Talents (Matt 25:14-30) he offers this story in illustration: The master entrusted his money to his three servants. To one he gave five talents, to another two talents, and to the third a single talent. The first two servants were industrious with their talents: they doubled what their master had given to them and were able to show him a rich profit on his return, but the third servant buried what he had been given, and when his master returned and asked for an account he had no profit to show. The industrious servants earned their master's approval and trust, but the servant who did nothing with that with which he had been entrusted was instead subject to his master's wrath.

In this parable the word 'talent' is used in its original, monetary sense, which comes from the Greek *talanton*, literally means 'a balance' or 'a weighing scale'. The Latin form of this word, *talentum*, referred specifically to a weight of money. And yet, when the word was adopted into English, it lost its monetary connotations and came instead to refer to innate human capabilities or skills. The etymology of the modern usage links directly to this parable and reveals the lesson that followers of Christ have long drawn from it: God does indeed bestow riches on his people as the master in the parable bestows his wealth upon his servants. These riches are the 'talents' that can be cultivated to yield true profit.

// THESE RICHES ARE THE 'TALENTS' THAT CAN BE CULTIVATED TO YIELD TRUE PROFIT //

The Roman Catholic Diocese of Westminster is an incorporated charity with a distinct and specific mission: the propagation of the Catholic faith within its boundaries. To propagate the Catholic faith is to cooperate with God's grace and help establish the the Kingdom of God on earth, using all the gifts and resources the faithful have been given to work tirelessly for the good of all. It means building a society in which all persons know God, feel his presence in their own lives, and recognise in each other the inherent dignity and infinite value God has given to every human person.

St Paul writes in his letter to Titus that good works 'are excellent and profitable for everyone' (Titus 3:8). Most humanitarian-minded people of any creed would agree with that, but the mission of the Christian is not simply to do good works, but to do them joyfully and lovingly for God. St Paul enjoins the church at Corinth to 'do everything for the glory of God', and furthermore to seek not their own advantage but the salvation of many (1 Cor 10:31-33). As in the Parable of the Talents, that which the Master has bestowed upon his servants should be used to return a profit to the Master, one that has value both on earth and in heaven.

There are many ways in which the activities of the Charity build the Kingdom within the diocese: children receive a good education, the homeless are housed, the hungry fed and the lonely consoled. Christ promised in the Gospels that these are actions that yield profit in the Kingdom of Heaven: 'Truly I tell you, just as you did it to one of the least of these who are members of my family, you did it to me.' Equally as profitable as these good works is the ceaseless proclamation of the Gospel at the liturgies and celebrations of the churches across the diocese, the ministry of the sacraments to the faithful, and the beauty of the art and the music that elevate the hearts of Christians in the worship of God, for that which unites heaven and earth builds up the Kingdom of God. This is the task all Christians are given by Our Lord, and that which lies at the heart of the mission of the Charity: to share the life and light of Christ with the world, to use the gifts God has given to return a profit on this treasure, and to do so with joy and gratitude. In the words of Christ himself: 'Freely you have received; freely give' (Matt 10:8).●



Listening to young adults during the synodal pathway.



Worship and service in the second year of the pandemic

DESPITE THE CONTINUED uncertainty created by the pandemic, parish and school communities persisted in their efforts to worship, minister, educate, serve those in need, and strive to make the Kingdom of God present on earth. In parishes, schools and offices across the diocese, people adapted to changing hygiene and social distancing rules to resume the day-to-day life of the Church and to serve society.

Where 2020 brought a sense of loss and sadness as everything moved online, in 2021 there was a determination to return to some semblance of normal activity, albeit in small steps. Even some larger diocesan celebrations, such as the Mass for Matrimony and the Chrism Mass, could take place once more, even if the numbers who could gather were small.●



Couples celebrating significant anniversaries at the Mass for Matrimony.



Hitchin Pantry, a community supermarket that enables member families to do the weekly shop with dignity.

"There are many ways in which the activities of the Charity build the Kingdom: children receive a good education, the homeless are housed, the hungry fed and the lonely consoled."

Strengthening Catholic Education

IN 2021 SCHOOLS continued to adapt, balancing online lessons with class bubbles to ensure that pupils continued their education. Pastoral care played an important role, with schools making provision for the physical and spiritual care of their pupils and pupils in turn stepping up to provide for people in the wider community. Some ran food projects, such as foodbanks and food voucher schemes, to ensure local families from the wider community could eat.



© Diocese of Westminster

Listening to the voices of students.

This cooperation was also evident in the continuing development of the academisation programme. Three new Catholic Academy Trusts were created, taking the number to eight across the diocese. Working together, these schools share expertise, resources and opportunities to strengthen Catholic education, and to educate the whole child to encourage flourishing of the individual pupil, generating profit for society and the Kingdom of God. ●



© Diocese of Westminster



© St Francis of Assisi Catholic Academy Trust



Pupils at St Francis of Assisi Catholic Academy Trust in East Hertfordshire and Lea Valley learning about the natural world.

Catholic Academy Trusts enable schools to work together to share expertise and resources, and offer opportunities for both students and staff.



Cardinal Nichols listens to inmates as they share their experience of the Church during a synodal pathway listening session.

**// LISTENING IS AT THE
HEART OF WHAT
WE'RE DOING //**

Journeying together along the synodal pathway

POPE FRANCIS HAS invited all the faithful in the worldwide Church to embark on a synodal pathway to journey together through respectful listening and mutual support. As Cardinal Nichols explains: 'Listening is at the heart of what we're doing. It is the heart of this whole process. Listening attentively, active listening, giving our full attention to another person, and not simply waiting for our turn to speak, is so important. And it is humbling. In this kind of listening we not only come to understand what another is saying, but we also begin to sense their goodness.'

Through respectful listening and dialogue, the faithful are called to discern what the Holy Spirit is asking of the Church. In heeding Jesus' invitation to follow him, the faithful are called to produce profit for his Kingdom by serving all in their community and the wider society.●



© Andy Aitchison



© Diocese of Westminster

Listening to each other at the diocesan synodal gathering.

The collected reflections from listening gatherings in parishes, schools and chaplaincies formed the basis of a report of key themes for the diocese.

Caring for the Environment



© Diocese of Westminster

THE DIOCESE has committed to do its utmost to become carbon neutral in its parishes and curial buildings by 2030, and has expressed a commitment to work with schools to help them achieve the same goal. The journey is considerable and complicated, and requires active collaboration with a number of internal and external stakeholders. It is anticipated that the initial years will not show a substantial reduction in carbon usage, with most of the reduction expected after 2025.

To achieve these goals, in 2021 the Charity has:

- divested from fossil fuel companies which are not aligned to the Paris Accord commitments;
- calculated the estimate of carbon footprint for curial and parish buildings;

- begun a pilot with a small number of parishes to help them find ways to reduce their carbon footprint;
- been working on transitioning 21 parishes that did not obtain all of their gas and electricity from green sources;*
- conducted detailed audits of 35 schools on energy use and made strong recommendations on how they can reduce their carbon footprint.●

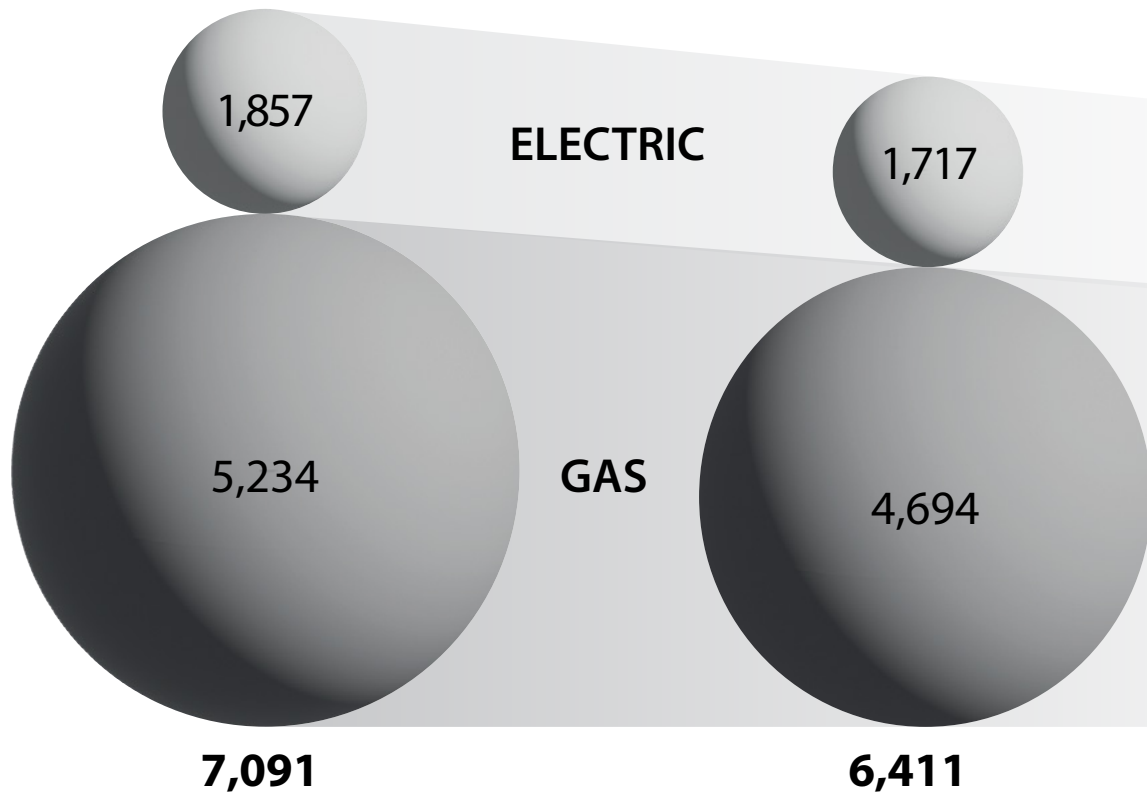
**Eight parishes do not have green-sourced gas and electricity, 12 do not have green-sourced electricity, and one does not have green-sourced gas.*

Measuring our Carbon Footprint

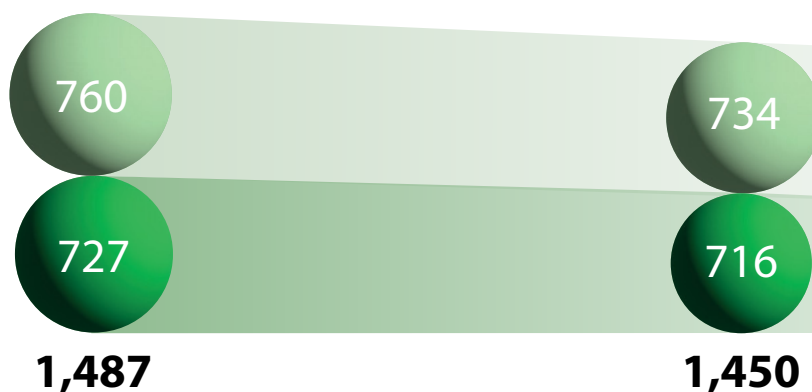
2019

2020

Location Base: Carbon produced from diocesan consumption of energy sourced from the Grid (In tonnes)



Market Base: Carbon produced from energy purchased (In tonnes)



- The Location Base measures energy consumption from the Grid, which comes from a variety of sources, and therefore has the carbon intensity of the Grid as a whole, regardless of what is purchased by the diocese.
- The Market Base has a lower carbon intensity, as it measures that which is purchased from chosen suppliers, and is mostly from renewable sources.
- The above figures include assumptions on the properties for which the Diocese of Westminster does

not have information. In most instances, this is due to the fact that these properties are commercially let and thus the diocese does not have control over purchase and usage of energy.

Of the total property units, 17% are estimated in full and 5% are estimated in part. As the process matures, it is hoped that estimates will be replaced in due course by actual figures.

- The above information only includes parishes that are consolidated in the annual accounts.*

CASE
STUDY

Creating a safe environment at St Anselm Parish Southall

PROFIT IS CREATED in the Kingdom of God when the innate human dignity of every person is valued. One of the ways this is achieved is through creating a safe environment, where everyone can take part in parish activities safely and confidently.

At St Anselm Parish in Southall, a vibrant parish with a congregation representing many nationalities in west London, this responsibility is taken seriously. Taking an active leadership role in this endeavour is Parish Priest Fr Jovito D'Souza SJ, who is supported by three Parish Safeguarding Representatives (PSRs). The PSRs ensure that one of them is present and visible at each of the Sunday Masses. Along with Fr Jovito, they speak to the parish community on a regular basis to raise awareness among parishioners about their safeguarding responsibilities.

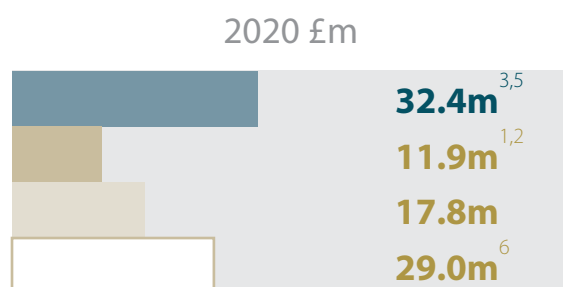
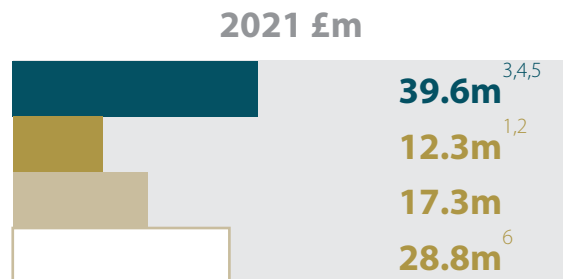
The PSRs share responsibility for the four areas of safeguarding work in the parish (see page 28). They take a proactive approach in creating a safe environment, carrying out regular risk assessments and making sure that there are notices around the parish in those areas that may be considered potentially risky. They also follow the safe recruitment policy of three-year DBS re-checks for all parish volunteers undertaking regulated activities.

Responsibility for creating a safe environment is also shared widely among parishioners, staff and parish volunteers, a tangible sign of the value placed on the dignity of each person who comes in to contact with the parish, in whom the Church recognises the image and likeness of Christ.



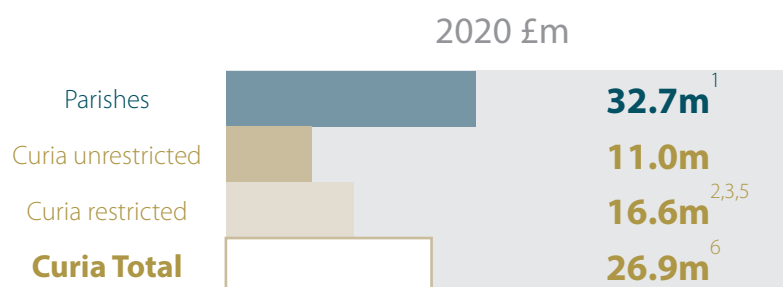
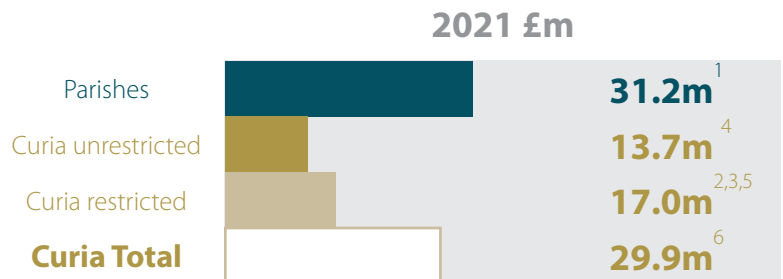
Consolidated income and expenditure

Income

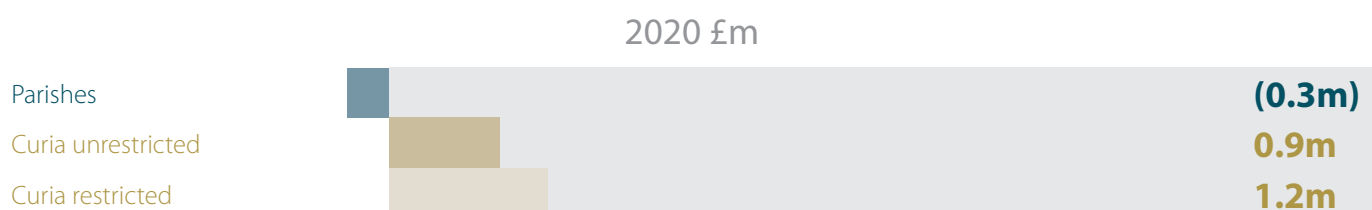
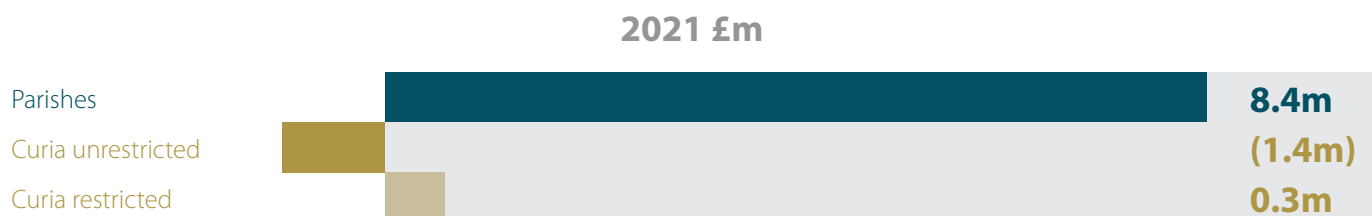


- 1) Includes assessment transferred from parishes to curia unrestricted (£6.8m in 2021 and £6.7m in 2020)
 2) Includes other transfers from curia restricted to curia unrestricted (£0.8m in 2021 and £0.7m in 2020)
 3) Includes Growing in Faith transfers from curia restricted to parishes (£0.1m in 2021 and £0.5m in 2020)
 4) Includes other transfers from curia unrestricted to parishes (£3.2m in 2021 and £0.0m in 2020)
 5) Includes other transfers from curia restricted to parishes (£0.1m in 2021 and £0.1m in 2020)
 6) After eliminating inter-curia transfers (£0.8m in 2021 and £0.7m in 2020)

Expenditure



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



Curia income and expenditure

Income

| Income by type (£'000) | 2021 | 2020 | 2021 % | |
|--|---------------|---------------|--------------|--|
| Grants receivable | 11,992 | 13,715 | 41.6 | |
| Diocesan assessment | 6,817 | 6,747 | 23.6 | |
| Donations and legacies | 4,628 | 2,767 | 16.1 | |
| Income from charitable activities | 2,929 | 2,394 | 10.2 | |
| Investment income | 1,173 | 1,357 | 4.1 | |
| Rents from functional property | 559 | 422 | 1.9 | |
| Disposal of assets | 308 | 1,379 | 1.1 | |
| Trading activities | 290 | 92 | 1.0 | |
| Assessment for non-consolidated parishes | 130 | 126 | 0.4 | |
| Total | 28,826 | 28,999 | 100.0 | |

Expenditure

| Expenditure by type (£'000) | 2021 | 2020 | 2021 % | |
|--------------------------------|---------------|---------------|--------------|--|
| Pastoral and related work | 16,904 | 16,539 | 56.4 | |
| Administration | 4,196 | 4,432 | 14.0 | |
| Transfers to parishes | 3,429 | 644 | 11.5 | |
| Education and formation | 1,218 | 1,460 | 4.1 | |
| Clergy and consecrated life | 1,034 | 1,143 | 3.5 | |
| Fundraising trading and other | 723 | 330 | 2.4 | |
| Auxiliaries and Vicar General | 642 | 757 | 2.1 | |
| Communication and safeguarding | 613 | 527 | 2.0 | |
| National bodies | 418 | 425 | 1.4 | |
| Growing in Faith projects | 313 | 9 | 1.0 | |
| Archbishop's office and house | 266 | 394 | 0.9 | |
| Bank loan interest | 196 | 215 | 0.7 | |
| Total | 29,952 | 26,875 | 100.0 | |

Parish income and expenditure

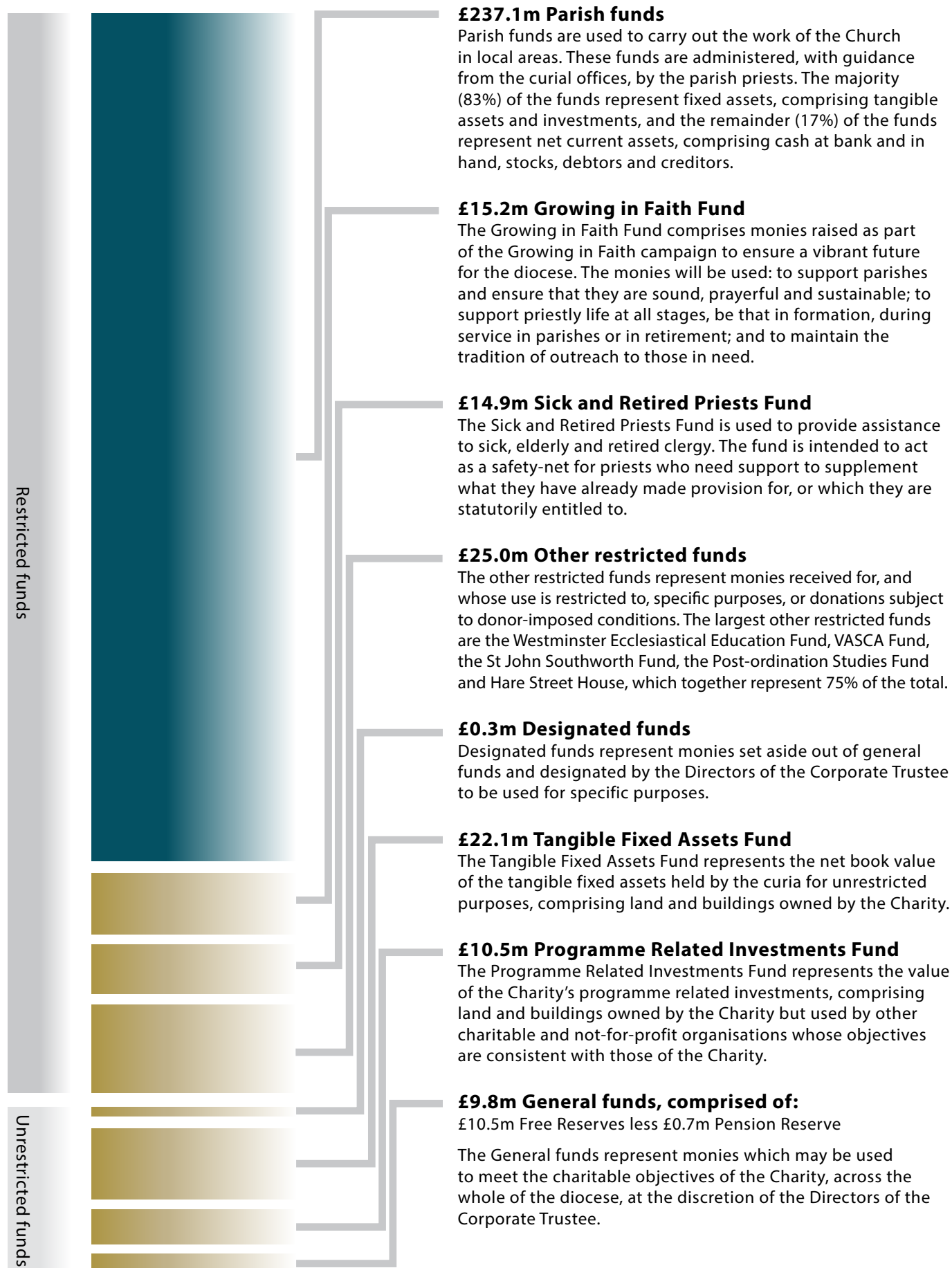
Income


| Income by type (£'000) | 2021 | 2020 | 2021 % | |
|--------------------------------|---------------|---------------|--------------|--|
| Donations and legacies | 27,073 | 23,589 | 68.4 | |
| Parish activities | 4,489 | 4,685 | 11.3 | |
| Investment income | 3,469 | 2,601 | 8.8 | |
| Transfers from curia | 3,429 | 644 | 8.7 | |
| Rents from functional property | 1,015 | 836 | 2.6 | |
| Trading activities | 69 | 71 | 0.2 | |
| Disposal of assets | 6 | 3 | 0.0 | |
| Total | 39,550 | 32,429 | 100.0 | |

Expenditure

| Expenditure by type (£'000) | 2021 | 2020 | 2021 % | |
|--|---------------|---------------|--------------|--|
| Non-clergy salaries and housekeeping | 6,980 | 7,396 | 22.4 | |
| Diocesan assessment | 6,817 | 6,747 | 21.9 | |
| Property repairs and renewals | 4,035 | 5,465 | 13.0 | |
| Depreciation | 2,872 | 3,057 | 9.2 | |
| Council tax and utilities | 2,815 | 2,444 | 9.0 | |
| Other | 2,258 | 2,037 | 7.2 | |
| Clergy stipends | 2,253 | 2,313 | 7.2 | |
| Liturgical, candles and repository | 1,622 | 1,545 | 5.2 | |
| Donations and grants | 888 | 739 | 2.9 | |
| Parish activities | 571 | 731 | 1.8 | |
| Costs of generating trading activities | 59 | 208 | 0.2 | |
| Total | 31,170 | 32,682 | 100.0 | |

Reserves





Annual Accounts **2021**

Report of the Directors of the Corporate Trustee

– Year to 31 December 2021

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 2021.

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 and 206 schools 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. 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.

Additionally, the Charity strives to fulfil a calling to create profit for the Kingdom of God by promoting the value and dignity of each person through all its activities. This is evident in acts of worship where all gather to pray together as equals standing before God, in the formation of adults and children alike, in the efforts to feed the hungry, care for the sick and lonely, welcome the stranger and give refuge to those in fear. It is evident in every act which raises up and enriches the lives of all who participate in and benefit from the activities of the Charity, creating an inestimable treasure for the greater glory of God and his Kingdom.

COVID-19: The Continuing Challenges

2021 brought for the Charity, as it did for all organisations and society as a whole, a continuation of the COVID-19 pandemic and the restrictions adopted for public health. Having already gone on far longer than initial predictions at the outset of the global crisis, the mood of 2021 for many was one of uncertainty: when would restrictions ease, or would they once more intensify? What would change with the emergence of new variants? Would the healthcare system cope? What could be considered safe in terms of social contact? Should schools remain open? Could communal public worship continue? It was universally difficult to plan from day to day and week to week as government regulations frequently changed without prior announcement in reaction to rapidly changing trends in infection rates.

A year into the pandemic there was a yearning to return to some level of normality, a desire in constant tension with questions over what was safe, particularly for the most vulnerable in society. Nonetheless, having experienced a year of pandemic, for all its difficulties and challenges, many new ways of working and living had become second nature. The severe restrictions of 2020 meant that remote working and remote learning had become the norm, and indeed normal, for an enormous proportion of the population. Despite the frustration of restrictions returning after being loosened at several points during the year, unlike in 2020, people were at least prepared and knew what needed to be done.

Therefore, whilst 2021 was far from business-as-usual, it did see a shift from emergency response and urgent innovation as the primary focus of the Charity to a renewed confidence in the ability of the Charity to carry out its day-to-day ministries in challenging conditions, but with the aid of new skills and resources, to seek the profit it has always sought through its work, its worship, and its constant striving to make the Kingdom of God present on earth.

Report of the Directors of the Corporate Trustee

– Year to 31 December 2021

Parishes

Ministry Continues

Catholic parishes are very often the hub of the spiritual lives of their members: not only do the faithful attend Sunday Mass at their parish church, but through the parish the majority of Catholics are baptised, receive formation for their first Holy Communion, Confirmations, and marriages. Parish priests offer the sacrament of Reconciliation, in which Catholics confess their sins and receive absolution. Parishes often play host to prayer and faith formation groups, mothers' groups, men's groups, youth ministry, support groups for those coping with a variety of hardships from chronic illness to financial difficulties to bereavement. Additionally, parishes are at the forefront of social outreach in their communities: many run or collaborate in administering foodbanks, assistance for the homeless, help for victims of domestic violence, knife amnesty programmes, and welcome and support for refugees, to name but a few initiatives the parishes have undertaken. The restrictions on public worship and gatherings did not just temporarily leave Catholics without a place to go and worship on Sunday mornings, they complicated a huge number of activities that both Catholics and non-Catholics in the parish locales benefit from and rely upon.

Many parish communities demonstrated tremendous drive and innovation from the inception of public health restrictions, and using technological solutions, as well as careful hygiene and social distancing practices, managed to maintain and even expand essential social initiatives throughout the pandemic. However, many purely social activities and some sacramental preparation were temporarily halted in 2020 due to COVID-19. It was a great relief for parishes in 2021 to see public Masses continue uninterrupted and sacramental preparation restart for many parishes where it has been suspended.

Adult Formation

Likewise, non-sacramental faith formation ramped up again in 2021, albeit much of it conducted online. One positive effect of online formation is that it is easier to offer it to a wider audience. The Diocese of Westminster Agency for Evangelisation (AfE) offered a wide variety of adult faith formation courses that were accessed by several hundred parish catechists and other interested adults across the diocese. Topics ranged from the scriptural (e.g., lectures on the Old Testament by Fr John Deehan, and on Isaiah and Joseph by Fr John Hemer) to the evangelical (the Sycamore programme developed by Fr Stephen Wang) and the practical (e.g., 'How to Have a Happy Death', offered in partnership with The Art of Dying Well and St Joseph's Hospice).

Also with the support of the AfE, and with funding from the Cardinal's Appeal, parishioners in several parishes across the diocese were able to continue or complete remote certificate courses in catechesis from Maryvale Institute in Birmingham. In October, Archbishop John Wilson of Southwark presented certificates to the graduates in a virtual ceremony from the chapel at Maryvale. These certificates in Marriage and Family, Parish Mission and Ministry, and the Maryvale Certificate in Catechesis equip those who complete them to lead and energise ministry within their parishes. The 2021 graduates will use their skills and knowledge to support their parish communities across London and Hertfordshire.

Parish Development

In 2021 some parishes celebrated significant milestones, some of which occurred this year, and at least three of which occurred in 2020 but could not be celebrated at the time. Notably, the parish of St Paul's in Wood Green, which was originally founded as a mission church in 1882, celebrated 50 years in their current church. The celebratory Mass was presided by Bishop John Sherrington, who gave thanks for the community in Wood Green and affirmed that: 'the building only really becomes a "church" when God's holy people, the anointed, the beloved of the Lord, the baptised, gather together with others to celebrate the Mass, to pray and to offer their petitions, in joy and in hope, in suffering and in pain, to the Father who hears our prayers.'

St Joan of Arc parish in Highbury belatedly marked its centenary in October at a Mass celebrated by Cardinal Vincent Nichols. Originally founded in 1920, the parish is believed to be the first in the world dedicated to St Joan of Arc, who was canonised that year. Although delayed by a year, Canon Gerard King, who concelebrated the Mass, observed that the deferral made the occasion, which was attended by hundreds of parishioners, a celebration not only of the parish's anniversary, but also of the end of the darkest days of the pandemic.

Parishioners at St Francis de Sales in Hampton Hill, which also celebrated its centenary a year late, in October, in a Mass presided by Cardinal Nichols, took a similar approach to Canon Gerard, noting that their celebratory Mass also marked the return of Catholics to Mass and the other sacraments in large numbers. Several priests from neighbouring parishes joined Parish Priest Fr Wojciech Stachyra SChr to concelebrate Mass with the Cardinal and to rejoice in this significant milestone for the whole parish community.

Several parishes were able to progress projects to improve or refurbish parish facilities, providing for the financial or functional needs of the parish. The parish of Our Lady of Perpetual Help in Fulham refurbished and modernised its presbytery to make the accommodation suitable for the parish priest. The parish of the Most Precious Blood and St Edmund in Edmonton obtained planning permission and began the process of converting a presbytery into self-contained flats for

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the priests serving the parish and affordable accommodation for key workers. St Margaret-on-Thames in Twickenham refurbished their Grade 2 listed parish hall, installing a new kitchen and accessible toilets so that the parish community would have a truly useful, modern meeting space.

Inspiring Witness in the Parishes

Despite the disruptions to the religious practice of Catholics around the world during the pandemic, inspiring stories and events continue to emerge. One example is the beatification of Carlo Acutis, which occurred in late 2020, but has had an impact on many Catholics and several specific parishes in the Diocese of Westminster during 2021.

Blessed Carlo Acutis lived most of his life in Italy, and died there at the age of only 15 of leukaemia. However, he was actually born in London in 1991 and baptised at Our Lady of Dolours in Fulham Road, and therefore has a strong connection to the diocese. Despite being born to parents who had not much in the way of personal faith or belief, Carlo was fascinated with churches and religion from a very young age. He liked to stop in at every Catholic church he passed to pay a visit to Jesus in the tabernacle. In most ways, Carlo was a very ordinary boy. His mother, Antonia Salzano, described her son in an interview, saying: 'he had an ordinary upbringing, a boy who experienced what all the young people of his generation have: he went to school, he had friends, he enjoyed sport. He had a strong personality and was considered a leader at school'. But Carlo also had a particularly strong devotion to the Eucharist, describing it in his diaries as 'my highway to heaven', and used his aptitude with computers to create a website documenting Eucharistic miracles around the world. The way Blessed Carlo demonstrated how great faith could go hand in hand with the usual interests and activities of young people has been an inspiration to many of the youth of the diocese. He is the first person of the so-called millennial generation to be declared Blessed by the Church, and devotion to him and admiration for his example is growing quickly, especially amongst young Catholics, who find him an easy figure to identify with.

In May 2021, Cardinal Nichols and Bishop Nicholas Hudson presented relics of Blessed Carlo Acutis to two parishes of the diocese. Relics of Blessed Carlo will be housed in the church where he was baptised, and in the Eucharistic Shrine of the diocese he was born. The Cardinal reflected on these churches as particularly appropriate to care for these holy relics, saying:

'Each of these churches is very beautiful, and each of them is worthy of a visit for its beauty, but even more so for the importance that each stands for these two crucial sacraments in the life of the disciple of Jesus, and the life of the Catholic: Baptism and Eucharist. And we hope and pray that the example of this young man, who lived his life in the close embrace of Jesus in the Eucharist, will help us all to have the right priorities in life.'

Just two months later, when additional relics of Blessed Carlo arrived in the diocese from Assisi, Bishop Paul McAleenan met altar servers and members of the Polish Catholic Mission of St Wojciech, in the Blessed Sacrament Chapel in Westminster Cathedral and presented them with the relic to take back to their parish. Fr Bartosz Rajewski, the Polish Chaplain, was delighted to have the relics to inspire his parishioners, particularly the young, and lead them to greater devotion and zeal, reflecting that:

'One of Carlo's life maxims was that "We are meant to move towards our destination which is Heaven and not 'die as photocopies'". Was this not the mission of the Twelve whom Jesus sent out two by two, to remind people of this "destination"? Mark the Evangelist writes: "They went out and preached that people should repent" (Mk 6,12). The mission, which we have been given by Jesus, continues to be valid: we are to spread the Good News and call to repentance, reminding ourselves of the purpose of our lives. This is the mission of all followers of Christ. Not just the mission of the clergy.'

It is the hope of many in the diocese that these relics of Blessed Carlo Acutis now kept in these local parishes will be a stirring reminder of his extraordinary life and faith, especially for young Catholics.

Schools

There is perhaps no group of individuals more impacted by the pandemic than the children and young people whose education has been so severely disrupted. However, immense credit must be given to school staff, who acted so quickly to adapt to the restrictions during lockdown, to get remote learning up and running, all the while maintaining in-school provision for children of key workers. In 2021 schools once again had to act quickly to accommodate new restrictions when, due to an explosion of new case numbers with the emergence of the Delta variant, the government announced on the evening of 5th January that schools would have to return to remote learning. This was for some schools one day after they resumed lessons following Christmas, and for many more schools the evening before students were expected back. Remote learning for all but vulnerable children and the children of key workers remained in place until after February half term.

The difficult circumstances faced by the nearly 94,000 students in the 206 diocesan schools throughout the pandemic were little different from those faced by every school in the country. Nonetheless, the schools in the diocese continue to outperform their peers. Although there were no GCSE or A level exams in 2021 for the second year running, and therefore the teacher-assessments results have not been subjected to national league tables and comparisons, by the available measures of success, diocesan schools continue to demonstrate excellence.

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In 2021, Ofsted resumed a full schedule of inspections, and diocesan schools have, once more, outperformed their peers: 98.3% of diocesan primary schools and 95.6% of secondary are rated good or better (versus respectively 86% and 76% nationally). During the pandemic, as they always have, diocesan schools kept two objectives at the forefront of everything they did:

- (1) To provide an outstanding education to children in their care, whether online or in the classroom.
- (2) To provide necessary care and support to sustain their pupils, teachers and staff, and the wider communities where they are located.

Without exam marks there is no single, concrete demonstration of academic excellence to cite, but there are nonetheless indications that diocesan schools take seriously their mission to provide an outstanding education. One example that demonstrates the results achieved is the awarding of International Maths Olympiad Elitest to Anna Davleshina, a student from East Finchley, following her excellent performance in all three rounds of the International Maths Olympiad. On a whole-school level, one example is the award of World Class Schools Quality Mark to St Anne's Catholic High School for Girls. This honour recognises the school as a world leader amongst its peers in both the UK and abroad for academic excellence, superb leadership skills, and enthusiastic participation in the school community demonstrated by the students.

Pastoral Care

As well as a commitment to academic learning, diocesan schools demonstrate a particular commitment to the pastoral care and support of their students and the surrounding communities. Part of this pastoral care is spiritual care, which has often been very difficult to facilitate during the pandemic with its periods of remote learning, and the observance of social distancing and class bubbles that were in place when the schools were open to all students. In order to build a sense of a larger diocesan community and to help students and staff to prepare for the great Solemnity of Easter, a Mass for schools was live-streamed from Westminster Cathedral in Spring 2021. With 1,000 live links to schools and an estimated 25,000 students and staff participating in the Mass this was one of the largest virtual events the Diocesan Education Service has organised during the pandemic.

In addition to this pastoral care offered to the students and staff, they have themselves been offering care and support to others. Several schools in the diocese received Social Action Awards from Caritas Westminster in recognition of their excellent work in their communities. One of these schools, St Philip Howard Primary School in Hatfield, was also lauded by Ofsted for their extraordinary contribution to their local community. The project that earned the school these plaudits is a foodbank that is open from 7am to 7pm Monday to Friday, and, along with food, provides school uniforms, books, and sanitary products donated

by a local women's rugby team. At Christmas, with support from other local organisations, the foodbank team was also able to provide Christmas presents to 70 children whose families would otherwise not have been able to afford gifts. The foodbank was cited for restoring dignity to those who use it by being extremely accessible and providing choice, allowing families to select the food items that best suited their requirements.

Diocesan schools also continued to share their resources, expertise and best practices with other schools in their area and across the country. St Gregory's Catholic Science College in Brent, part of the All Saints Academy Trust, has been named as one of the government's first 22 schools to participate in the Behaviour Hubs initiative, which aims to enlist the assistance of these high-performing schools to support 500 schools struggling with poor discipline over the next three years.

Catholic Academy Programme

Despite the continuing challenges presented by the pandemic, diocesan schools, supported by the Education Service, continued to move forward with initiatives to strengthen Catholic education. The Academy Programme to develop a network of Catholic Academy Trusts (CATs) across the diocese continued to grow throughout 2021. Schools in a CAT work together to share expertise and resources, offer opportunities for both students and staff, and allow for career advancement and retention of teaching staff. During the year, three new Catholic Academy Trusts were created: St Francis of Assisi Catholic Academy Trust in East Hertfordshire and Lea Valley; St John Southworth Catholic Academy Trust comprising St Joseph's Catholic Primary School in Kensington & Chelsea and the Cardinal Vaughan Memorial School; and Ascension Catholic Academy Trust, serving Richmond, Hounslow and Spelthorne. This brings the total number of Catholic Academy Trusts to eight. By the end of 2021, 42% of pupils in the diocese were being educated in schools that have either completed the conversion to academy status or are in the process of conversion. The hope is that this figure will rise to over 50% by the end of 2022.

Promoting Diversity

Catholic schools are recognised as the most ethnically diverse schools in the country, where everyone is welcome and the dignity of each individual is upheld. Building on this ethos, the Diocesan Racial Justice Equality and Diversity (RJED) Working Party provided a comprehensive programme of CPD to educate, inform and inspire participants to continue to work actively to achieve racial justice and equality in their communities. In a series of eight well-attended online sessions a range of topics were covered, including advocacy in schools, unconscious bias, racial justice in light of Sacred Scripture, decolonising the curriculum, challenging racial injustice in the Church, and solidarity in the face of adversity.

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Diocesan schools have launched different initiatives to promote inclusivity, so that the inherent dignity of each individual in the school community is recognised and respected. One example is the work being led by Savraj Ram, the Equality Lead at Holy Rood Catholic Primary School in Watford. She has been working with the school's governors, staff and parents to make the whole school curriculum inclusive and ensure the school is actively anti-racist. An anti-racism school policy has been created; staff receive anti-racism training; a parents' anti-racism working party has been established; whole-school events are held to celebrate diversity; and the Literacy, History, RE and Science curriculum is becoming more inclusive. As a result of this commitment, the school has received the Educating for Equality Award (www.educatingforequality.co.uk).

Helping Those in Need

The Charity has a particular mission to help those who live in poverty or need. The global pandemic indisputably exacerbated the hardship suffered by these people. The projects undertaken by diocesan parishes and schools to alleviate suffering and hardship demonstrate how deeply ingrained this mission is across the Charity as a whole. There is one organisation within the Charity, however, that embodies this mission in a particular way: Caritas Westminster.

Caritas Westminster

Caritas Westminster facilitates social outreach work to tackle poverty and social exclusion. It aims to help individuals in the Diocese of Westminster to use their gifts and talents bestowed by God to create just and inclusive communities. It supports projects which aim to accompany, encourage and empower people, recognising their dignity and worth, and removing obstacles so that they can flourish. Within this mission, Caritas focuses on five priority areas:

- Food
- Shelter
- Financial Resilience
- Dignified Work
- Social inclusion

Caritas offers support to a variety of individuals and projects. One means of support is through grants. In 2021 Caritas awarded about £230,000 in grant money:

- £99,000 was donated from the St John Southworth Fund to 13 projects across the diocese ranging from support for families unable to pay for school meals, homeless drop-in centres, befriending refugees, support groups for elderly

people and the provision of knife amnesty bins at two parishes, St Paul the Apostle, Wood Green and St Mary and St Michael, Commercial Road.

- £1,000 was granted to two further projects (£500 each) to support outreach work in response to the pandemic and its economic impact.
- £40,000 was paid out in crisis grants to 40 individuals and families who found themselves struggling.
- £89,000 was paid out in funeral grants to 61 families, thanks to an anonymous benefactor.

In addition to administering these funds in accordance with its mission, Caritas Westminster runs six services directly:

- Caritas Bakhita House
- Caritas Deaf Service
- Caritas St Joseph's
- SEIDs
- Caritas Grants
- The Caritas Volunteer Service

Notable achievements for some of these services during 2021 are outlined below.

Food Assistance

In response to drastically increased food poverty during the pandemic and a 400% rise in those seeking assistance from parish foodbank schemes, Caritas started, supported, collaborated on and promoted many different food assistance schemes. There are now an estimated 250 food projects run through parishes and schools in the diocese, and Caritas is working hard to ensure they are adequately supported and reaching those who most need their help. These food projects continue to be crucial to the ministry of the Charity as so many people continue to struggle to afford adequate food for themselves and their families.

In order to alleviate some of the pressure on foodbanks, and to allow them to focus on delivering food to people who are shielding, Caritas Westminster inaugurated the Supermarket Voucher scheme in 2020. In April of 2021 this scheme celebrated its first anniversary, and is still actively contributing to the fight against food poverty. In the Diocese of Westminster, over £200,000 in supermarket vouchers has been distributed through 123 parishes and schools to benefit over 7,000 people. The vouchers can be given in paper form or digitally, allowing the recipients a safe and dignified way to shop for groceries. Those who have benefitted describe the relief they feel at no longer having to choose between paying their rent and buying food. One mother expressed profound relief that she could 'finally' get herself and her child a decent meal.

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Even with the supermarket voucher scheme, foodbanks remain an essential means of alleviating food poverty. Finchley Foodbank has been around since well before the pandemic, having been founded in 2013 as an ecumenical project to serve the whole local community. In 2021 its founders, Anna Maughan and Maureen Stell, received a Diocese of Westminster Social Action Award for their work developing Finchley Foodbank during the COVID-19 pandemic. The foodbank now serves 400 clients a week, an eightfold rise since the beginning of the pandemic.

Whilst in Finchley the foodbank expanded to meet the increased need of the local community during the pandemic, in other areas, new projects were needed to address the issue of food poverty in the face of steeply rising food prices. It is estimated that the number of families unable to afford to feed themselves has risen by as much as 250% in the last two years, and some areas do not yet have enough food projects running to address the need. At the time of writing this report, the situation continued to worsen due to inflationary pressures. This was the driving factor behind the new Hitchin Pantry, a community supermarket founded in Hitchin in autumn 2021. Rather than provide a pre-packed parcel at no cost, the Hitchin Pantry is run on a pay-per-week model. For £4 a week member families can do a weekly shop consisting of a set number of fresh, chilled, and cupboard items and as much fruit and vegetables as they want. The pantry makes no distinction between donors, volunteers and beneficiaries: it simply aims to provide a community space where patrons can stop in for a cup of tea and support with other issues, as well as a weekly shop for high quality products at an affordable flat price. The Hitchin Pantry is part of the Your Local Pantry network supported by Church Action Against Poverty, and the first such pantry run by a parish in the Diocese of Westminster.

Road to Resilience

As lockdown ended, the Road to Resilience initiative was proposed as a way to respond to local need, to help those who might have become dependent on foodbanks become self-sufficient and resilient, to build on the increased collaboration between public health, councils and charities and the voluntary and faith sector, and to develop projects that were transformative in their community. By the end of the year 80 parishes, schools and community projects had engaged with the Road to Resilience in a variety of ways. Some sent representatives to a quarterly networking meeting for one of the initiative's four networks: food projects, projects working with people who are experiencing homelessness, projects working with refugees, asylum seekers and migrants, and people and projects working with older people. Some made use of resources produced by the Road to Resilience team, and some took part in expert training. Following its rollout, the Road to Resilience programme won an award for 'Community

Resourcefulness in response to COVID-19' at the London Faith and Belief Community Awards, with Her Majesty's Lord-Lieutenant of Greater London's Faith Council.

Safe in Faith

In November 2021 Caritas launched another new initiative, Safe in Faith, a project with a unique vision: to provide victims of domestic abuse, who are part of a faith community, with safe, faith based support and counselling that is tailored to their needs as believers. Safe in Faith has been developed in partnership with the Faith and VAWG coalition, with support from the National Board of Catholic Women, Jewish Women's Aid, the Association of Christian Counsellors, Marriage Care, and the Black Church Domestic Abuse Forum, among others. As a first step, Safe in Faith is setting up a network of counsellors and therapists who come from a faith background and want to develop their skills to offer counselling that can reflect a survivor's spiritual beliefs. Alongside this is a programme of training for clergy and religious sisters within the Catholic Church. Huda Jawad, co-founder of the Faith and Violence Against Women and Girls coalition, explained the importance of the consideration of faith in the support given to survivors: 'Faith communities play a vital and unique role in the response to and elimination of violence against women. However, many survivors of domestic abuse feel that specialist services don't understand the dynamic of how faith can be used both to empower women but also as a form of oppression. For someone with a faith, this faith informs all the decisions they make and the way they think, and this needs to be understood when a survivor of domestic violence is seeking help'.

Bakhita House

Caritas Bakhita House is a safehouse for women who have been trafficked and exploited in any way, whether through forced or sham marriage, domestic servitude, sexual exploitation or forced labour. Since it opened in 2015 Bakhita House has hosted 145 women aged from 15 to 70 from 44 different countries. The charity works closely with law enforcement, and the testimony of guests at Bakhita House against their traffickers has helped secure nearly 140 years in jail sentences for these criminals.

During 2020 Bakhita House was forced to close to new guests, although the women already in residence were able to stay, and staff continued to care for and support them through lockdown. In 2021 they were once more able to open their doors and welcomed 16 new guests. During that same year 16 guests were able to move on. 'Moving on' can mean a variety of next steps for these women: some return to their home countries, some are helped to obtain legal status to stay in the UK, and some who are already legally entitled to be here will be helped into supported accommodation outside Bakhita House.

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In addition to being able to welcome once more women who have escaped trafficking and exploitation, the staff at Bakhita House received a True Honour Award in recognition of their work with women who are the victim of 'honour' based violence from the IKWRO, an organisation that seeks to protect women of Middle Eastern, North African and Afghan origin from the horrors of 'honour' based abuse, which is nearly always perpetrated by the victim's own relatives.

Safeguarding

Whether in the weekly celebration of Mass in parishes or the vital support provided for those most in need in local communities, the Trustees deem the safety and well-being of all who come in contact with the Charity to be fundamental to its efforts in generating profit both for the common good and in the Kingdom of God. To that end, the Safeguarding team continued its work in supporting the Charity to learn and adapt to meet needs for a safe church for all in the diocese.

In autumn 2021 national standards were issued by the newly-created Catholic Safeguarding Standards Agency (CSSA). Immediately following, the Safeguarding team began a review of diocesan practices to ensure compliance with these new national standards. In line with these changes, the diocesan Safeguarding Commission has now been reconstituted as the Safeguarding Committee, a formal committee of the Trustees, to comply with national requirements for greater integration of safeguarding in the governance of the diocese. Alongside this integration, a safeguarding communication plan to ensure good communication around safeguarding culture and practice is also being developed.

A demonstration that the Trustees take their safeguarding responsibility seriously is the continued expansion of the Safeguarding team to ensure the function is properly staffed to deliver a high standard of service. The team now comprises a Safeguarding Coordinator, two safeguarding officers/case workers, two (1.6 FTE) safeguarding officers undertaking case file reviews, three (2 FTE) DBS administrators, two parish safeguarding support officers, an office manager, and a team administrator. In 2022 a Deputy Safeguarding Coordinator was also appointed.

The team continued to focus on four key areas in 2021, despite the continuing challenges of lockdowns and other restrictions due to the pandemic. The year began with mostly remote delivery, but as restrictions were slowly lifted, the team began resuming face-to-face meetings, training and parish visits.

1. Recognising and Responding to Concerns:

There were 133 consultations (188 in 2020) and 34 case files opened (49 in 2020), requiring ongoing management

and liaison with statutory authorities. The work is complex, ensuring at every stage that the complainant is listened to, responded to respectfully and offered the appropriate level of support. To ensure a balanced and consistent approach, the team also aims to provide support and listen to persons who have had an accusation made against them.

Additionally, there is an ongoing case file review of historic cases. As at year end 2021, there were 45 cases under review, 44 cases open or pending, and 158 cases closed.

2. Creating a Safe Environment:

There were 277 Parish Safeguarding Representatives (PSRs) in parishes and 35 in ethnic chaplaincies at year end 2021, with interim arrangements in place for nine parishes, and two parishes with a PSR from another parish covering.

Training continued throughout the year, with induction and on-going training for PSRs. Of these, 165 completed the online Educare modules, either at induction or as a refresher; 59 newly-appointed PSRs received induction training, and a further 34 PSRs received face-to-face training.

The Safeguarding team continued its programme of ensuring all clergy have received appropriate training. In 2021, the team provided face-to-face training for 80 diocesan priests, 42 ethnic chaplains, four permanent deacons, and six religious order priests/sisters. The team also delivered online training to 36 diocesan priests, two ethnic chaplains, four permanent deacons, and 48 religious order priests/sisters. All but 20 diocesan priests, out of over 300, have completed training, and some have completed enhanced training. Of those who have not completed training, most are elderly, retired priests or priests with health problems that prevent them from undertaking active ministry.

Safeguarding plans were put in place to manage the assessed risk of parishioners, volunteers and clergy. There were a total of 36 at year end 2021.

The Safeguarding team continued to provide support to PSRs virtually and through in-person parish visits, which resumed in Q2, with 16 parish visits completed in 2021. During these visits, they met with the Parish Priest, the PSR and other parish team members, providing guidance, sharing best practice, and ensuring parishes have implemented the necessary procedure to create a safe environment and to meet required standards.

3. Safer Recruitment:

Although the pandemic continued to affect the Safer Recruitment process, mainly due to delays in obtaining additional information, all clergy and PSRs have had a DBS check. Additionally, volunteers, who serve in regulated activities, cannot begin their volunteering roles until a DBS

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check has been completed. In 2021, 1,009 DBS applications were processed (1,136 in 2020).

The Safeguarding team is now promoting three-year DBS checks for all. In line with this policy, 46 PSRs had their DBS rechecked in 2021.

4. Creating a Culture of Safeguarding:

The diocese is committed to ensuring that a safe environment is created for all who attend its parishes and who come into contact with its agencies, especially children, young people, vulnerable adults, and those who have previously experienced abuse. The Safeguarding team continues to work with departments and agencies across the diocese to assist them in integrating safeguarding into their work. The team has been working with the Caritas team to ensure that safeguarding policies and procedures are implemented for all their projects, whether these are directly managed by Caritas or through parishes. The team has also been working with various departments to ensure appropriate safeguarding information and policies are visible on diocesan websites.

A Local Charity with a Global Perspective

Although the diocese by definition acts within a defined geographic location, many of the issues addressed or alleviated through the activities of the Charity have an impact beyond the diocesan boundaries. Likewise, the concerns and values that motivate its mission reach far beyond its immediate location.

Synodal Pathway

As society began to open up slowly in autumn 2021, Pope Francis called all the faithful to participate in a synodal pathway, to accompany each other in exploring ways to refresh and reshape the patterns of life in the Church. Concluding with a synod of bishops in 2023, the pathway began with a diocesan phase where the faithful were invited to listen to each other's 'experiences of faith in all its joys and disappointments and to find ways to strengthen each other,' as Cardinal Nichols explains in his pastoral letter inaugurating the diocesan phase.

In his letter he takes inspiration from these words from the guide to the process issued by Rome:

'The purpose of the synod is not to produce more documents. Rather it is intended to inspire people to dream about the church we are called to be, to make hopes flourish, to stimulate trust, to bind up wounds, to weave new and deeper relationships, to learn from one another, to build bridges, to enlighten minds, warm hearts and restore strength to our hands for our common mission.' (*Vademecum* 1.3)

Beginning in November and continuing through January of this year, parishes, schools and chaplaincies of every kind invited the faithful from every walk of life and situation to

gather to share their experiences with each other with an open heart. Parishioners young and old, pupils, young people, young adults, and members of various chaplaincies embraced the opportunity to explore the place of faith in their lives and to speak frankly of their place in the Church. Those who could not, or preferred not, to meet with others were invited to submit written responses to the same questions.

The collected reflections formed the basis of a diocesan report of key themes that was presented to a group of the faithful at a diocesan gathering (for full details, see <https://bit.ly/39HeUt2>). These will also form the diocesan contribution to the report from the Bishops of England and Wales. These key themes will also inform the diocesan priorities for evangelization, showing the way that the Charity can build on the ways it currently serves those who feel excluded or are on the margins, both of society and the Church. Whether practical, pastoral or spiritual acts of service, accompanying each other in this way is yet another means of upholding the dignity of each person, contributing to the common good and building profit for the Kingdom.

Climate Crisis

Another focus is climate change, which the Holy Father, Pope Francis, is at pains to emphasise, is a growing crisis for the developing world in particular. In a recent radio interview, Cardinal Nichols pointed out that the Pope has highlighted the complexity of climate change as an issue. It is not simply about CO₂ emissions: 'The Pope has stressed that this is a crisis with many dimensions: in healthcare, food supplies, economies, migration, refugees and modern slavery.'

One way in which the diocese is seeking to contribute to a solution is by committing to strive for carbon neutrality by 2030. The diocese has produced a comprehensive plan to achieve this, comprising 14 policies and 43 separate project streams, but the whole of this plan rests on four pillars:

- (1) Clean energy: The Charity intends all of its energy to come from clean sources. Around 90% of parishes currently purchase gas and electricity derived from green sources.
- (2) For a number of years, the Charity has been working with other churches to use their collective investment portfolios to engage with energy companies to encourage them along the path of decarbonisation. The Charity's current investment portfolio does not include shares in any major coal producers, producers of oil from oil sands or in companies that do not engage fully with disclosure projects. In 2021, the Charity made good on its commitment to divest electrical utility and fossil fuel companies that have not taken any steps to manage their business in line with the Paris Accord.
- (3) Carbon emissions from energy usage in parishes and diocesan buildings: There are two simple, but difficult, steps that the diocese will be taking to reduce carbon

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emissions: a) reducing consumption, and b) eliminating carbon being burnt. The first requires a change in each consumer, a conversion and commitment to reduce consumption. The second relies on the uptake of new, cleaner technologies, and will require financial investment.

- (4) Generating energy: the charity is committed to investing in ways to generate more green energy through such means as solar, ground source and wind.

These changes will not only make the Charity a more responsible consumer, but will also have impact primarily beyond diocesan boundaries.

Fairtrade

Responsible consumerism is at the heart of another diocesan achievement for 2021: the Diocese of Westminster has become the first Catholic Fairtrade diocese. This means that the central curia and more than half of schools and parishes can certify that the products they use come from Fairtrade sources and they each hold one event a year promoting Fairtrade. The idea behind this mark is to give consumers assurance that the producers of that product, whether they be tea or coffee growers or banana or cacao farmers, are paid fairly for their labour and their products. The Catholic belief in the essential dignity of workers and of labour support the idea that buying products produced without exploitation is a moral imperative that outweighs getting a cheaper price.

Refugees

Uniting these themes of care for the earth and care for persons is the response the Church as whole has to refugees. War, violence, oppression, and insurmountable economic pressures force many people, especially those in the developing world, from their homes. In the politicisation of questions surrounding both refugees and economic migrants, the essential humanity of the persons involved can be lost. The people and the clergy of the Diocese of Westminster have been outspoken in opposition to the callousness that would dismiss refugees as someone else's problem.

In October, the Cardinal welcomed Little Amal, a 3.5 metre tall puppet in the form of an unaccompanied 10-year-old Syrian girl. Puppeteers walked Amal from Turkey to Manchester to highlight the plight of unaccompanied children, who have become separated from or lost their families due to conflict. On her walk through London, Amal stopped at Westminster Cathedral, where she was welcomed by Cardinal Nichols. He described the impact of meeting Amal: 'There's something very creative in what we saw. Little Amal embodies a whole dimension of our human family that is travelling lost, at risk and in danger. And yet still with the kind of innocence that you would expect of a young child... There was a strong emotional presence

and a pull that somehow, in her gestures particularly, was expressed. I think that touched everybody.'

Bishop Paul McAleenan, Auxiliary Bishop of Westminster and Lead Bishop for Migrants and Refugees for the Bishops' Conference of England and Wales, let flow strong emotions of a different tenor when, in November, 24 migrants drowned while attempting to cross the Channel: 'Everyone knew refugees were crossing the Channel in unseaworthy craft. It happened yesterday and the day before and in increasing numbers in recent weeks. It will happen again tomorrow and will continue unless determined concerted action is taken immediately. Concern for and a desire to protect refugees from life-threatening danger is our duty at all times, not only when a tragedy occurs. Yesterday's loss of life is a reminder of the desperation of those who are willing to risk everything as they seek a better life in a desire to escape appalling experiences and circumstances.

'A remedy needs to be found immediately to prevent more tragedies and, at the same time, address the underlying causes which force refugees to flee their homeland, war, poverty, persecution and climate change need to be recognised and addressed. The depth and sincerity of belief in the value and sanctity of every human life will be seen in the response to what happened yesterday.'

This depth and sincerity of belief in the sanctity of human life that Bishop McAleenan references is what the Charity seeks to demonstrate and increase through all of its activities. It is seen in collective prayer for one another, and worship of God alongside one another. It is seen in the formation offered to children and adults alike. It is vividly demonstrated in the Charity's efforts to feed the hungry and care for the sick and the lonely, to welcome the stranger, and to give refuge to those in fear. There is no financial profit to speak of in any of these things, but there is a truer profit still to be had, for the value of human life is inestimable. To raise up and enrich the lives of all who participate in and benefit from the activities of the Charity is therefore to reap profit beyond measure, riches beyond telling. The value and sanctity of human life is that which we count as treasure when we imitate Christ.

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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.

In recent 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 (£17.6 million) has been recognised in the accounts as expenditure. No expenditure was incurred in 2021 and no further expenditure on St Richard Reynolds School is expected to be incurred in 2022.

As of 31 December 2021, 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.

| | 2021 £m | 2020 £m |
|--|------------|------------|
| Parishes | | |
| Income | 36.1 | 31.8 |
| Expenditure | (24.4) | (25.9) |
| Surplus before assessment and transfers | 11.7 | 5.9 |
| Diocesan assessment | (6.8) | (6.7) |
| Transfers from Curia to Parishes | 3.4 | 0.6 |
| Surplus (deficit) after assessment and transfers | 8.3 | (0.2) |
| Investment gains | 10.4 | 5.2 |
| Added to reserves | 18.7 | 5.0 |
| Curia | | |
| Diocesan assessment | 6.8 | 6.7 |
| Other income | 22.0 | 22.3 |
| Total income after assessment | 28.8 | 29.0 |
| Expenditure | (26.5) | (26.2) |
| Transfers from Curia to Parishes | (3.4) | (0.6) |
| (Deficit) surplus | (1.1) | 2.2 |
| Investment and actuarial gains | 4.3 | 2.7 |
| Added to reserves | 3.2 | 4.9 |

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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 £36.1 million for the year (£31.8 million in 2020), an increase of £4.3 million that was driven by the COVID-19 pandemic, in particular the fact that all churches were open throughout 2021, in contrast to 2020 when they were closed to the public from mid-March to mid-June.

The largest components of parish income were donations and legacies totalling £27.1 million (£23.6 million in 2020), income from parish and similar activities of £3.7 million (£3.3 million in 2020) and investment income and interest receivable of £3.5 million (£2.6 million in 2020). In 2021 parish income also included Coronavirus Job Retention Scheme funding of £0.8 million (£1.4 million in 2020).

Parish expenditure decreased by £1.5 million in 2021 to £24.4 million (£25.9 million in 2020), resulting in a surplus before assessment and transfers of £11.7 million (£5.9 million in 2020). The main driver behind the decrease in expenditure was a reduction in expenditure on repairs and renewals (£1.4 million less in 2021 than in 2020).

The diocesan assessment, being monies transferred from parishes to the curia in order to fund diocesan-wide programmes, was £6.8 million (£6.7 million in 2020). Transfers from the curia to parishes relate to transactions between the curia and the parishes which are eliminated upon consolidation. In 2021 they amounted to £3.4 million for the year (£0.6 million in 2020), and relate mainly to

Growing in Faith grants and the transfer of ownership of two investment properties from the curia to two parishes.

Parish investment gains amounted to £10.4 million for the year (£5.2 million in 2020), resulting primarily from an increase in the value of investment properties held by the parishes of £9.3 million (£4.1 million in 2020), as well as an increase in the value of listed diocesan investments held by the parishes of £1.1 million (£1.1 million in 2020).

Parish reserves increased by £18.7 million in the year (£5.0 million in 2020). 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 VASCA grant funding received and the related expenditure are recognised in the Statement of Financial Activities. The

| | Unrestricted funds | | Restricted funds | | Total funds | |
|--------------------------------|--------------------|------------|------------------|------------|-------------|------------|
| | 2021 £m | 2020 £m | 2021 £m | 2020 £m | 2021 £m | 2020 £m |
| Curia | | | | | | |
| Diocesan assessment | 6.8 | 6.7 | – | – | 6.8 | 6.7 |
| Other income | 4.7 | 4.5 | 17.3 | 17.8 | 22.0 | 22.3 |
| Total income after assessment | 11.5 | 11.2 | 17.3 | 17.8 | 28.8 | 29.0 |
| Expenditure | (10.5) | (11.0) | (16.0) | (15.2) | (26.5) | (26.2) |
| Transfers | (2.4) | 0.8 | (1.0) | (1.4) | (3.4) | (0.6) |
| (Deficit) surplus | (1.4) | 1.0 | 0.3 | 1.2 | (1.1) | 2.2 |
| Investment and actuarial gains | 1.9 | 0.1 | 2.4 | 2.6 | 4.3 | 2.7 |
| Added to reserves | 0.5 | 1.1 | 2.7 | 3.8 | 3.2 | 4.9 |

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unspent balance of VASCA funding at the end of the year of £3.3 million (£2.6 million in 2020) has to be committed to projects by 31 March 2023 or returned to the DfE.

Total curial income after assessment in 2021 stood at £28.8 million (£29.0 million in 2020). As mentioned previously, the diocesan assessment amounted to £6.8 million (£6.7 million in 2020) and other curial income in the year was £22.0 million (£22.3 million in 2020), a decrease of £0.3 million versus the prior year.

The main components of curial income are VASCA funding for school and academy building projects totalling £12.0 million for the year (£13.7 million in 2020), donations and legacies of £4.5 million (£2.5 million in 2020), and parish and similar activities of £2.6 million (£1.8 million in 2020).

Curial expenditure for the year increased by £0.3 million to £26.5 million (£26.2 million in 2020).

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 five years, has incurred no fees in any year since 2014.

Investment and actuarial gains for the year amounted to £4.3 million (£2.7 million in 2020). Net gains on investments (listed investments and investment properties) were £3.3 million for the year, compared to £3.4 million in 2020, and there was an actuarial gain for the year of £1.0 million (compared to a £0.7 million actuarial loss in 2020).

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 32.

Total curial unrestricted income after diocesan assessment stood at £11.5 million (£11.2 million in 2020), and total curial unrestricted expenditure amounted to £10.5 million (£11.0 million in 2020).

Transfers from curial unrestricted funds were £2.4 million for the year (transfers to curial unrestricted funds of £0.8 million in 2020).

Unrestricted investment and actuarial gains amounted to £1.9 million (£0.1 million in 2020), leading to an increase in the curial unrestricted reserves in the period of £0.5 million (£1.1 million in 2020).

Total curial restricted income after diocesan assessment was £17.3 million in 2021 (£17.8 million in 2020). Curial restricted income largely results from income received from VASCA funding of £12.0 million (£13.7 million in 2020) 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 £16.0 million for the year (£15.2 million in 2020) comprising VASCA expenditure for the year of £11.2 million (£11.2 million in 2020) 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 £2.4 million (£2.6 million in 2020), whilst transfers from curial restricted funds amounted to £1.0 million (£1.4 million in 2020) leading to an increase in curial restricted reserves of £2.7 million (£3.8 million in 2020).

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 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 impact the Charity and its ability to be resilient severely. 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 contributing financially 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, the Trustees are seeing some major population shifts in the diocese, particularly in Central London. Thus, an appropriate 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 implement fully 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 £3.5 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. For the Charity to participate in the academisation programme, appropriate skill sets, resources and finances are required, which were not all available in the Charity when the programme first began.

One way to fund the transition of our schools to academies is through the use of 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 capital investment and 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.

Additionally, there are many capital projects that need to be completed in order to enhance or protect the mission of the Charity. This could range from consolidating a school into one site to providing housing for the marginalised. These types of projects would require the Charity to take on substantial risk. A financial reserve must be created in order to safeguard the financial sustainability of the Charity.

Although funds for the capital outlay could be raised, the sheer financial requirements, 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 risks to the financial sustainability of the Charity because they are mostly about potential future projects, but a figure of £6.0 million seems reasonable when assessing potential future projects.

Increasing number of priests retiring from active service: In the next ten years over 80 priests could retire 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.

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 function properly, 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

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correction. For the free reserves to continue to 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 has caused extensive disruption 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 many cases it was streamed in some form. Once this first lockdown was eased, parish churches re-opened, but could only accommodate reduced numbers of parishioners due to social distancing requirements for most of the period. The Trustees have implemented varied solidarity programmes to assist the parishes through this difficult period. Every month that passes, the parishes' financial health recovers. During the same period, in the curia, the chaplaincy-led activities, central services and Caritas had to suspend temporarily any activities that could not be adapted to remote or online delivery. The Trustees have implemented a multi-year strategy to ensure that the financial impact of this period would have no effect on the free reserves over a five-year period. Most of the income and cost strategy has been implemented in 2020 and has brought positive returns in 2021. It is important to note that for curial activity there is £2.5 million of reserves set aside to weather shocks to asset value and working capital.

Although unlikely, if all the specific risks listed above were to crystallise at the same time, the Charity would require free reserves of £16.0 million. It may be prudent, therefore, for the Charity to consider a target range for its free reserves, with £14.0 million at the upper end of that range and £11.0 million at the lower end. The Charity's free reserves are slightly below the lower end of this range. The Trustees are implementing a strategy, established in previous years, 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 £1.3 million over the year to reach £9.8 million (£8.5 million in 2020).

The Charity's general funds are subdivided between free reserves totalling £10.5 million (£10.3 million in 2020) and a pension reserve deficit which stands at £0.7 million (£1.7 million in 2020). Excluding the actuarial pension reserve deficit, the Charity's free reserves represent eleven months of future budgeted unrestricted expenditure (ten months in 2020).

Other Unrestricted Funds

Also included in the balance of the unrestricted funds are tangible fixed assets funds totalling £22.2 million (£22.0 million in 2020) and programme related investments funds amounting to £10.5 million (£10.5 million in 2020), 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 £0.3 million (£1.2 million in 2020).

Total curial unrestricted funds amounted to £42.7 million at 31 December 2021 (£42.2 million at 31 December 2020).

Restricted Funds

Curial restricted funds of the Charity total £55.1 million (£52.4 million in 2020) and are not available to the Charity to use for its general purposes. Included in the total is £15.2 million (£16.5 million in 2020) 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 2021 amounted to £237.1 million (£218.3 million in 2020) 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 2021, capital expenditure for the Charity was £6.0 million. Of this amount, £3.8 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 (£2.2 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 Chaplaincy centre. The total value of the assets disposed of during the year was £3.5 million, of which £2.1 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.

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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, in line with the Chartered Institute of Fundraising's

guidance 'Treating donors fairly. Responding to the needs of people in vulnerable circumstances'. Parishes are communities in which people build friendships over many years and in which parish priests come to know almost everyone. They foster 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 2021.

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 charity does not involve professional fundraisers or commercial participants in its fundraising.

Complaints The Trustees ensure that information is easily available on the Charity's website about how to make a complaint about fundraising activity. They also ensure there are systems and processes in place to monitor and respond to any complaints received: thankfully these are extremely rare, with only one in 2021 (six in 2020). 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 include cash collections and standing order donations in

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parishes, usually organised by volunteers from those parishes. The activity of these volunteers is monitored by the parish priest, with regular support and guidance from our central fundraising team. Fundraising activities also include events focused on specific projects, as well as 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. We employ a 'feedback-led' fundraising strategy, which means an emphasis is placed on showing donors the impact of their giving, mainly through the biannual supporter magazine *Mosaic*.

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 the Charity's 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 aim 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 a decision, 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 the Trustees 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: 72.1% in equities; 6.5% in fixed interest; 9.7% in alternative and property investments; 11.7% 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 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 2021 the Charity continued to develop its climate change policy. Per their commitment, by the end of 2021, the Trustees implemented a policy to invest only 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 2021 identified 0% 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 divest 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 continued to be: 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 was launched in November 2019 and is supported by investors with over £7 trillion in assets under management. Engagement progress has been good. As a result of this engagement one company commissioned a full review of their migrant worker supply process, which identified a small number of issues that they are working to correct. This is a further example of how engagement can alter company practice and change lives for the better.

Our investment managers have also continued to actively engage to accelerate climate action. With no direct exposure to 'fossil fuel companies' CCLA, once again, continued their focus on calling for improvements in public policy (through their role supporting the Powering Past Coal Alliance) and in company actions in their wider portfolio. As part of this work, CCLA supported calls for the inclusion of a 'Say-on-Climate' vote at Unilever's AGM. This allowed all investors to assess the company's plans for transitioning its activities to net zero emissions. Meanwhile, Sarasin has engaged with DS Smith on the commitment to net zero which resulted in a successful commitment by the company to accelerate its intensity

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reduction target by 2030. Additionally, Sarasin has used the Trustees' voting rights to challenge Deere & Company's executive compensation because of its lack of clarity on whether it included climate change factors. A similar approach was applied to Air Liquide and First Republic Bank.

Additionally, the Trustees have continued to support CCLA's work addressing poor corporate approaches to protecting employees' mental health. Over the year CCLA engaged with 30 FTSE100 constituent companies to prove concept for a new approach to assessing companies in this area. This is already driving change in company practice.

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 December 2021 around 5% of the portfolio managed by CCLA and 2% of the portfolio managed by Sarasin is invested in 'wholly positive' entities, such as companies involved solely in renewable 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 2021 and who were in office at the date of this report were:

| | Appointed/Resigned |
|---------------------------------|-------------------------|
| His Eminence Cardinal V Nichols | Appointed 12 March 2021 |
| Rt Rev J Sherrington (1,2,4,5) | |
| Rt Rev N Hudson (1,7) | |
| Rt Rev P McAleenan (1,7) | |
| Rev Mgr M Hayes (1,4) | |
| Rev Mgr J O'Boyle (8) | |
| Baroness N O'Loan (8) | |
| Dame C Bowe | |
| Mr E Craston (5) | |
| 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, Security 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.

Report of the Directors of the Corporate Trustee

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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, has replaced 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 elsewhere, many of our risks are intertwined. The three main risks facing the Charity, as identified by the Trustees, are (1) Impact of population shifts in Greater London (2) ensuring appropriate, quality education is provided across diocesan schools while maintaining the Catholic ethos; and (3) the continuing financial sustainability of the Westminster Roman Catholic Diocesan Trust.

Shift in Population

Over recent years the population in Greater London has shifted in substantial ways. According to estimates, close to one million people have moved out of London. There are multiple reasons for this migration, for example families' desire for larger accommodation and lower cost of living, a net decrease in immigration and the policies of local authorities of shifting social housing to areas outside their boroughs. Central London boroughs have seen the make-up of their population also change. Areas with traditional family housing has shifted to more luxury accommodation which house visitors to London instead of families.

This shift in population affects the provision of the whole Charity. Many primary schools in central London are seeing a substantial reduction in pupil numbers. These schools have been asked to reduce their PAN by the local education authority. The reduction in numbers is not correlated to the schools' Ofsted results. It affects their financial sustainability. To mitigate this impact the Trustee, through its officers, is expediting the academy conversion programme. This will enable schools to collaborate with each other and share resources.

The pandemic has also created additional uncertainty. Because of various lockdowns and fear of contagion, parishioners could not attend Masses and various community activities had to be cancelled. Parishes that were once

Report of the Directors of the Corporate Trustee

– Year to 31 December 2021

vibrant find themselves with decreasing Mass attendance, thus affecting the type of support the parish can provide to its local community. During 2021 there were signs that the situation was improving, until the impact of the Omicron variant slowed the return of parishioners to regular Mass attendance. At time of writing, Mass attendance is starting to improve but has yet to return to pre-pandemic levels.

Education

The Charity contributes to the education of over 90,000 pupils of all backgrounds, of all faiths and none, through its 206 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, through 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 through the Catholic school network which allows 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 its schools.

In December 2016, the Trustees announced their policy to move toward the academisation of schools, proposing that schools be geographically grouped into multi academy trusts. In December 2020, the Trustees confirmed this policy and asked its officers to accelerate its implementation. Throughout 2021, the officers of the Charity worked with new groups of schools on conversions to academy trusts. At the time of writing, around 50% of diocesan schools are either part of an academy trust, or have started the discussion or

process to become an academy and part of an academy trust. 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 have converted to academies.

Financial Sustainability and Resilience of the Charity

As a charity, the Westminster Roman Catholic Diocesan Trust has a demanding list of activities it would like to carry out. These activities include enhancing parish community spaces, educating young people and taking care of our neighbours and the poor. Monetary assets are among the many enablers used to deliver these projects. 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. The majority of the Charity's operational income is from parishioners' contributions and the level of donations is dependent upon the general economic environment. Proactive steps have been taken to mitigate the risks that any of these factors might adversely affect the financial health of the Charity.

Additionally, the pandemic has impacted the finances of the Charity. The majority of the income of the Charity is derived from collections during Mass. While around a third of the parish collections are on standing order, the remainder are received in envelopes and cash donations. This requires the congregation to be physically in attendance, and churches to be open. To counter this, electronic channels that enable parishioners to donate have been made available in more parishes since the beginning of the pandemic. The curia, to assist the parishes, had provided temporary relief by halting parish loan repayments to improve the parishes' cash flow. Loan repayments re-commenced in the middle of 2021. The curia has implemented a financial recovery plan for central services.

For the overarching long-term liabilities of the Charity, the Trustees have a more direct approach to address the foreseen funding shortfall by being more proactive in 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 the Priest

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Training 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 their operations. The Trustees encourage the parishes also to complete annual budgets.

Besides the current pandemic, the volatility of 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.

Finally, to assist in managing this risk the Trustees monitor its reserve level, such that should a risk crystallise there are funds available to help mitigate the impact to the Charity's mission.

Signed on behalf of the Trustees:



Trustee

Approved by the Board on: 28 October 2022

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 2021 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 2021 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

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

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.

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, 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)), Financial Reporting Standard 102 (FRS 102), 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.

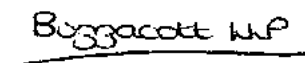
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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.



31 October 2022

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 2021

| | | Curial funds | | | Parochial funds | | Restated (note 25) |
|---|-------|-----------------------------|---------------------------|----------------------|---------------------------|-----------------------------|---------------------|
| | Notes | Unrestricted funds £'000 | Restricted funds £'000 | Total funds £'000 | Restricted funds £'000 | Total 2021 £'000 | Total 2020 £'000 |
| Income: | | | | | | | |
| Donations and legacies | | | | | | | |
| . Grants receivable | 1 | – | 130 | 130 | – | 130 | 165 |
| . Growing in Faith | 1 | – | 8 | 8 | – | 8 | 70 |
| . Other donations and legacies | 1 | 807 | 3,683 | 4,490 | 27,073 | 31,563 | 26,121 |
| Assessments | 2 | 130 | – | 130 | – | 130 | 126 |
| Other trading activities | | | | | | | |
| . Commercial trading operations | 3 | 290 | – | 290 | 69 | 359 | 163 |
| Investment income and interest receivable | 4 | 895 | 278 | 1,173 | 3,469 | 4,642 | 3,958 |
| Charitable activities | | | | | | | |
| . Rental income from functional properties | 5 | 559 | – | 559 | 1,015 | 1,574 | 1,258 |
| . Parish and similar activities | 5 | 1,231 | 1,104 | 2,335 | 3,685 | 6,020 | 5,016 |
| . Coronavirus Job Retention Scheme funding | 5 | 490 | 104 | 594 | 804 | 1,398 | 2,063 |
| . Grants receivable | 5 | – | 11,992 | 11,992 | – | 11,992 | 13,715 |
| Other income | | | | | | | |
| . Net gains on disposal of tangible fixed assets | | 308 | – | 308 | 6 | 314 | 1,382 |
| Total income | | 4,710 | 17,299 | 22,009 | 36,121 | 58,130 | 54,037 |
| Expenditure: | | | | | | | |
| Cost of raising funds | | | | | | | |
| . Fundraising trading: cost of goods sold and other costs | 3 | 258 | – | 258 | 59 | 317 | 268 |
| Charitable activities | | | | | | | |
| . Advancement of the Catholic faith primarily in the Diocese of Westminster | 6 | 10,240 | 16,025 | 26,265 | 24,294 | 50,559 | 51,898 |
| Total expenditure | | 10,498 | 16,025 | 26,523 | 24,353 | 50,876 | 52,166 |
| Net (expenditure) income before transfers and investment gains | 7 | (5,788) | 1,274 | (4,514) | 11,768 | 7,254 | 1,871 |
| Transfers between funds | | | | | | | |
| . Growing in Faith | | – | (108) | (108) | 108 | – | – |
| . Assessments | 2 | 6,817 | – | 6,817 | (6,817) | – | – |
| . Property | | (3,229) | – | (3,229) | 3,229 | – | – |
| . Other | | 798 | (890) | (92) | 92 | – | – |
| | | 4,386 | (998) | 3,388 | (3,388) | – | – |
| Net (expenditure) income before investment gains | | (1,402) | 276 | (1,126) | 8,380 | 7,254 | 1,871 |
| Net gains on investments | 12 | 931 | 2,429 | 3,360 | 10,442 | 13,802 | 8,561 |
| Net income for the year | | (471) | 2,705 | 2,234 | 18,822 | 21,056 | 10,432 |
| Actuarial gains (losses) | 8 | 967 | – | 967 | – | 967 | (679) |
| Net movement in funds | | 496 | 2,705 | 3,201 | 18,822 | 22,023 | 9,753 |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward at 1 January (as previously stated) | | 40,955 | 53,949 | 94,904 | 216,109 | 311,013 | 299,180 |
| Prior year adjustment | | 1,292 | (1,593) | (301) | 2,171 | 1,870 | 3,950 |
| Total funds brought forward at 1 January (as restated) | | 42,247 | 52,356 | 94,603 | 218,280 | 312,883 | 303,130 |
| Total funds carried forward at 31 December | | 42,743 | 55,061 | 97,804 | 237,102 | 334,906 | 312,883 |

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 2021

| | Notes | Curial £'000 | Parochial £'000 | Total 2021 £'000 | Restated (note 25) Total 2020 £'000 |
|---|-------|-----------------|--------------------|---------------------------------|---|
| Fixed assets | | | | | |
| Tangible assets | 10 | 24,615 | 106,944 | 131,559 | 128,682 |
| Programme related investments | 11 | 10,503 | – | 10,503 | 10,503 |
| Investments | 12 | 40,534 | 89,875 | 130,409 | 116,367 |
| | | <u>75,652</u> | <u>196,819</u> | 272,471 | 255,552 |
| Current assets | | | | | |
| Stocks | | – | 80 | 80 | 85 |
| Debtors | 13 | 2,856 | 672 | 3,528 | 3,955 |
| Short term deposits | | 22,601 | – | 22,601 | 22,601 |
| Cash at bank and in hand | | 13,603 | 40,203 | 53,806 | 50,736 |
| | | <u>39,060</u> | <u>40,955</u> | 80,015 | 77,377 |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 14 | (7,469) | (659) | (8,128) | (9,148) |
| Net current assets before adjustment for inter-fund indebtedness | | <u>31,591</u> | <u>40,296</u> | 71,887 | 68,229 |
| Elimination of inter-fund indebtedness | | 13 | (13) | – | – |
| Net current assets | | <u>31,604</u> | <u>40,283</u> | 71,887 | 68,229 |
| Total assets less current liabilities | | 107,256 | 237,102 | 344,358 | 323,781 |
| Creditors: amounts falling due after one year | 15 | (8,780) | – | (8,780) | (9,158) |
| Total net assets excluding pension liability | | <u>98,476</u> | <u>237,102</u> | 335,578 | 314,623 |
| Pension liability | 8 | (672) | – | (672) | (1,740) |
| Total net assets including pension liability | | <u>97,804</u> | <u>237,102</u> | 334,906 | 312,883 |
| The funds of the Group | | | | | |
| Restricted funds | | | | | |
| . Growing in Faith | 16 | 15,249 | – | 15,249 | 16,548 |
| . Other restricted funds | 16 | 39,812 | 237,102 | 276,914 | 254,088 |
| Total restricted funds | | <u>55,061</u> | <u>237,102</u> | 292,163 | 270,636 |
| Unrestricted funds | | | | | |
| . Designated funds | 17 | 256 | – | 256 | 1,231 |
| . Tangible fixed assets fund | 18 | 22,177 | – | 22,177 | 21,968 |
| . Programme related investments fund | 19 | 10,503 | – | 10,503 | 10,503 |
| . General funds | | | | | |
| .. Free reserves | | 10,479 | – | 10,479 | 10,285 |
| .. Pension reserve | 8 | (672) | – | (672) | (1,740) |
| | | <u>9,807</u> | <u>–</u> | 9,807 | 8,545 |
| Total unrestricted funds | | <u>42,743</u> | <u>–</u> | 42,743 | 42,247 |
| | | <u>97,804</u> | <u>237,102</u> | 334,906 | 312,883 |

Approved by the Trustees and signed on their behalf by:



Trustee

Approved on: 28 October 2022

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

Charity balance sheet

31 December 2021

| | Notes | Total 2021 £'000 | Restated (note 25) Total 2020 £'000 |
|---|-------|------------------------|---|
| Fixed assets | | | |
| Tangible assets | 10 | 131,559 | 128,682 |
| Programme related investments | 11 | 10,503 | 10,503 |
| Investments | 12 | 130,409 | 116,367 |
| | | 272,471 | 255,552 |
| Current assets | | | |
| Debtors | 13 | 3,488 | 3,977 |
| Short term deposits | | 22,601 | 22,601 |
| Cash at bank and in hand | | 53,755 | 50,691 |
| | | 79,844 | 77,269 |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 14 | (8,024) | (9,095) |
| Net current assets | | 71,820 | 68,174 |
| Total assets less current liabilities | | 344,291 | 323,726 |
| Creditors: amounts falling due after one year | 15 | (8,780) | (9,158) |
| Total net assets excluding pension liability | | 335,511 | 314,568 |
| Pension liability | 8 | (672) | (1,740) |
| Total net assets including pension liability | | 334,839 | 312,828 |
| The funds of the Charity | | | |
| Restricted funds | | | |
| . Growing in Faith | | 15,249 | 16,548 |
| . Other restricted funds | | 276,847 | 254,020 |
| Total restricted funds | 16 | 292,096 | 270,568 |
| Unrestricted funds | | | |
| . Designated funds | 17 | 256 | 1,231 |
| . Tangible fixed assets fund | 18 | 22,177 | 21,968 |
| . Programme related investments fund | 19 | 10,503 | 10,503 |
| . General funds | | | |
| .. Free reserves | | 10,479 | 10,298 |
| .. Pension reserve | 8 | (672) | (1,740) |
| | | 9,807 | 8,558 |
| Total unrestricted funds | | 42,743 | 42,260 |
| | | 334,839 | 312,828 |

Approved by the Trustees and signed on their behalf by:



Trustee

Approved on: 28 October 2022

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 2021

| | Notes | Total 2021 £'000 | Total 2020 £'000 |
|--|-------|------------------------|------------------------|
| Cash flows from operating activities: | | | |
| Net cash provided by operating activities | A | 4,472 | 6,235 |
| Cash flows from investing activities: | | | |
| Investment income and interest received | | 4,642 | 3,958 |
| Proceeds from the disposal of tangible fixed assets | | 1,308 | 1,382 |
| Purchase of tangible fixed assets | | (6,005) | (5,983) |
| Repayment by joint venture | | 31 | 15 |
| Purchase of investments | | (1,000) | – |
| Net cash used in investing activities | | (1,024) | (628) |
| Cash flows from financing activities: | | | |
| Loan repayments | | (378) | (194) |
| Change in cash and cash equivalents in the year | | 3,070 | 5,413 |
| Cash and cash equivalents at 1 January | B | 73,337 | 67,924 |
| Cash and cash equivalents at 31 December | B | 76,407 | 73,337 |

Notes to the statement of cash flows for the year to 31 December 2021

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

| | Total 2021 £'000 | Restated (note 25) Total 2020 £'000 |
|---|------------------------|---|
| Net movement in funds (as per the statement of financial activities) | 22,023 | 9,753 |
| Adjustments for: | | |
| Depreciation charge | 3,728 | 3,906 |
| Donation of properties | (1,000) | (412) |
| Gains on investments | (13,802) | (8,561) |
| Investment income and interest receivable | (4,642) | (3,958) |
| Surplus on disposal of tangible fixed assets | (314) | (1,382) |
| Tangible fixed assets written off | 135 | 173 |
| Pension cost less contributions payable | (101) | (91) |
| Actuarial (gains) losses | (967) | 679 |
| Decrease (increase) in stocks | 5 | (25) |
| Decrease in debtors | 427 | 2,026 |
| (Decrease) increase in creditors | (1,020) | 4,127 |
| Net cash provided by operating activities | 4,472 | 6,235 |

B Analysis of cash and cash equivalents

| | Total 2021 £'000 | Total 2020 £'000 |
|--|------------------------|------------------------|
| Short term deposits | 22,601 | 22,601 |
| Cash at bank and in hand | 53,806 | 50,736 |
| Total cash and cash equivalents | 76,407 | 73,337 |

Notes to the statement of cash flows for the year to 31 December 2021 (cont.)

C Analysis of changes in net (debt) funds

| | At 1 January 2021 £'000 | Cash flows £'000 | At 31 December 2021 £'000 |
|---------------------------|----------------------------------|------------------------|------------------------------------|
| Cash and cash equivalents | 73,337 | 3,070 | 76,407 |
| Loan | (9,158) | 378 | (8,780) |
| Total | 64,179 | 3,448 | 67,627 |

Principal accounting policies

– Year to 31 December 2021

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 2021 with comparative information provided for the year to 31 December 2020.

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.

2021 brought for the Charity, as it did for all organisations and society as a whole, a continuation of the COVID-19 pandemic and the restrictions adopted for public health. Whilst this meant that 2021 was far from business-as-usual, there was a shift from emergency response and urgent innovation as the primary focus of the Charity to a renewed confidence in the ability of the Charity to carry out its day-to-day ministries in challenging conditions, but with the aid of new skills and resources. During the year the ramping up of parish ministry and faith formation, chaplaincy-led activities, in-school learning and pastoral care, central services programmes, and Caritas services, was accompanied by an increase in income received by the Charity from donations and legacies, a return to profitability of the Charity's commercial trading operations, and an increase in the income generated from the Charity's principal charitable activities. Alongside this increase in its overall income the Charity saw an increase in its overall expenditure, but not so great an increase that it had to dip into its reserves. Subsequent to the year-end financial

Principal accounting policies

– Year to 31 December 2021

markets have deteriorated and inflationary pressures are being stoked by the turbulent geopolitical environment, resulting in a growing risk of an economic slowdown. The Trustees acknowledge and recognise the impact of these factors 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.

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 2022, 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 macroeconomic and physical climate (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).

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 been 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.

Principal accounting policies

– Year to 31 December 2021

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.

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.

Principal accounting policies

– Year to 31 December 2021

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 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 fair value based on 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

Principal accounting policies

– Year to 31 December 2021

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.

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 2021

1 Collections, donations and legacies

2021

| Group | Curial funds | | | Parochial funds | |
|-------------------|-----------------------------|---------------------------|----------------------|---------------------------|---------------------|
| | Unrestricted funds £'000 | Restricted funds £'000 | Total funds £'000 | Restricted funds £'000 | Total 2021 £'000 |
| Grants receivable | – | 130 | 130 | – | 130 |
| Growing in Faith | – | 8 | 8 | – | 8 |
| Other donations | 707 | 2,208 | 2,915 | 24,872 | 27,787 |
| Legacies | 100 | 1,475 | 1,575 | 2,201 | 3,776 |
| Total | 807 | 3,821 | 4,628 | 27,073 | 31,701 |

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 |

2 Assessments

Five (five in 2020) parishes operated by specific religious congregations are not consolidated into these accounts. Income from assessments (£130,000 in 2021 and £126,000 in 2020) 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 2021, £6,817,000 was transferred from parochial to curial funds (£6,747,000 in 2020).

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 2021 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 2021

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

| | Unrestricted funds | | Restricted funds | |
|--|--------------------|---------------|-------------------------------|---------------|
| | Aedificabo Limited | | Westminster Cathedral Limited | |
| | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 |
| Turnover | 290 | 92 | 69 | 71 |
| Cost of sales | (111) | – | (39) | (45) |
| Gross profit | 179 | 92 | 30 | 26 |
| Administrative expenses | (147) | (105) | (20) | (183) |
| Profit (Loss) on ordinary activities before Gift Aid, other income and taxation | 32 | (13) | 10 | (157) |
| Gift Aid (via deed of covenant) | (19) | – | (10) | – |
| Other income: Coronavirus Job Retention Scheme funding | – | – | – | 49 |
| Profit (Loss) for the year before taxation | 13 | (13) | – | (108) |
| Taxation | – | – | – | 20 |
| Profit (Loss) for the year after taxation | 13 | (13) | – | (88) |

Administrative expenses include amounts recharged by the Charity and eliminated on consolidation of £nil (£45,000 in 2020).

At 31 December 2021 the called up share capital of Westminster Cathedral Limited comprised 2 ordinary £1 shares and its reserves amounted to £66,000 (£66,000 in 2020).

At 31 December 2021 the called up share capital of Aedificabo Limited comprised 2 ordinary £1 shares and its reserves amounted to £nil (negative £13,000 in 2020).

4 Investment income and interest receivable

| 2021 | Curial funds | | | Parochial funds | |
|---|-----------------------------|---------------------------|----------------------|---------------------------|---------------------|
| | Unrestricted funds £'000 | Restricted funds £'000 | Total funds £'000 | Restricted funds £'000 | Total 2021 £'000 |
| Investment income | | | | | |
| Income from listed investments | 129 | 199 | 328 | 104 | 432 |
| Income from programme related investments | 499 | – | 499 | – | 499 |
| Rents and similar income | 259 | 79 | 338 | 3,365 | 3,703 |
| | 887 | 278 | 1,165 | 3,469 | 4,634 |
| Interest receivable | 8 | – | 8 | – | 8 |
| Total | 895 | 278 | 1,173 | 3,469 | 4,642 |

| 2020 | Curial funds | | | Parochial funds | |
|---|-----------------------------|---------------------------|----------------------|---------------------------|---------------------|
| | 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 |

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

Notes to the accounts

– Year to 31 December 2021

5 Income from charitable activities

| | Total 2021 £'000 | Total 2020 £'000 |
|---|------------------------|------------------------|
| Rental income from functional properties | | |
| Curial unrestricted funds | 559 | 422 |
| Parochial restricted funds | 1,015 | 836 |
| | 1,574 | 1,258 |

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 2021 £'000 | Total 2020 £'000 |
|--|------------------------|------------------------|
| Parish and similar activities | | |
| Candles, repository and newspapers | 1,396 | 1,013 |
| Parish centres | 842 | 653 |
| Parish activities | 519 | 648 |
| Miscellaneous | 443 | 566 |
| Catechetics | 289 | 169 |
| Board and lodging | 139 | 142 |
| Income from clubs | 31 | 36 |
| Chaplaincies | 26 | 31 |
| Parochial restricted funds | 3,685 | 3,258 |
| Curial unrestricted funds | 1,231 | 1,204 |
| Curial restricted funds – School contributions | 438 | 471 |
| Curial restricted funds – Other | 666 | 83 |
| | 6,020 | 5,016 |

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 2021 £'000 | Total 2020 £'000 |
|---|------------------------|------------------------|
| Coronavirus Job Retention Scheme Funding | | |
| Parochial restricted funds | 804 | 1,427 |
| Curial unrestricted funds | 490 | 202 |
| Curial restricted funds | 104 | 434 |
| | 1,398 | 2,063 |

| | Total 2021 £'000 | Total 2020 £'000 |
|--|------------------------|------------------------|
| Grants receivable | | |
| Curial restricted funds – School projects (VASCA) (see also note 21) | 11,992 | 13,715 |

Notes to the accounts

– Year to 31 December 2021

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

2021

| Curial funds | Unrestricted funds £'000 | Restricted funds £'000 | Total 2021 £'000 |
|--|-----------------------------|---------------------------|------------------------|
| School projects (VASCA) (see also note 21) | – | 11,236 | 11,236 |
| Pastoral and related work | 2,247 | 3,421 | 5,668 |
| Administration | 4,196 | – | 4,196 |
| Education & formation | 676 | 542 | 1,218 |
| Clergy and consecrated life | 535 | 499 | 1,034 |
| Auxiliaries and Vicar General | 642 | – | 642 |
| Safeguarding | 423 | – | 423 |
| National bodies | 418 | – | 418 |
| Growing in Faith projects | – | 313 | 313 |
| Miscellaneous | 307 | – | 307 |
| Cardinal's office and Archbishop's House | 252 | 14 | 266 |
| Bank loan interest | 196 | – | 196 |
| Communications | 190 | – | 190 |
| Governance costs | 99 | – | 99 |
| Ecumenical and interfaith | 59 | – | 59 |
| Total | 10,240 | 16,025 | 26,265 |

Depreciation of £856,000 (£849,000 in 2020) is included in the above curial fund expenditure.

2020

| Curial funds | Unrestricted funds £'000 | Restricted funds £'000 | Total 2020 £'000 |
|---|-----------------------------|---------------------------|------------------------|
| School projects (VASCA) as restated (see notes 21 and 25) | – | 11,155 | 11,155 |
| 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 |
| Safeguarding | 362 | – | 362 |
| National bodies | 425 | – | 425 |
| Growing in Faith projects | – | 9 | 9 |
| Miscellaneous as restated (see note 25) | 138 | – | 138 |
| Cardinal's office and Archbishop's House | 370 | 24 | 394 |
| Bank loan interest | 215 | – | 215 |
| Communications | 165 | – | 165 |
| Governance costs | 89 | – | 89 |
| Ecumenical and interfaith | 43 | – | 43 |
| Total as restated (see note 25) | 10,924 | 15,247 | 26,171 |

Depreciation of £849,000 is included in the above curial fund expenditure.

Notes to the accounts

– Year to 31 December 2021

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 £8,124,000 (£20,069,000 in 2020) 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 £8,836,000 (£24,562,000 in 2020). 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 2021 £'000 | Total 2020 £'000 |
|---|------------------------|------------------------|
| Non-clergy salaries | 5,781 | 6,082 |
| Property repairs and renewals | 4,035 | 5,465 |
| Clergy stipends | 2,253 | 2,313 |
| Heat, light and water | 1,793 | 1,869 |
| Other fixed asset depreciation | 1,628 | 1,825 |
| Property depreciation as restated (see note 25) | 1,244 | 1,232 |
| Housekeeping | 1,199 | 1,314 |
| Liturgical expenses | 1,098 | 1,082 |
| Council tax, insurance and rates | 1,022 | 575 |
| Office & administration | 925 | 919 |
| Donations/grants | 888 | 739 |
| Parish activities expenses | 571 | 731 |
| Candles, repository and newspapers expenses | 524 | 463 |
| Miscellaneous expenses | 443 | 342 |
| Supply priests | 255 | 192 |
| Catechetics expenses | 237 | 201 |
| Travel expenses | 162 | 154 |
| Parish Centre expenses | 114 | 134 |
| Mass stipends distributed | 83 | 67 |
| Bank interest | 39 | 28 |
| Total as restated (see note 25) | 24,294 | 25,727 |

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 2021

7 Net (expenditure) income before transfers and investment gains

This is stated after charging:

| 2021 Group | Curial funds | | | Parochial funds | Total 2021 £'000 |
|----------------------------|-----------------------------|---------------------------|----------------------|---------------------------|------------------------|
| | Unrestricted funds £'000 | Restricted funds £'000 | Total funds £'000 | Restricted funds £'000 | |
| Staff costs (note 8) | 5,278 | 1,875 | 7,153 | 5,670 | 12,823 |
| Auditor's remuneration | | | | | |
| . Audit fees current year | 77 | – | 77 | – | 77 |
| . Other services: taxation | 9 | – | 9 | – | 9 |
| Depreciation (note 10) | 694 | 162 | 856 | 2,872 | 3,728 |

| 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 as restated (notes 10 and 25) | 693 | 156 | 849 | 3,057 | 3,906 |

8 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

| Group | Total 2021 £'000 | Total 2020 £'000 |
|-----------------------|------------------------|------------------------|
| Wages and salaries | 11,378 | 11,827 |
| Social security costs | 889 | 923 |
| Other pension costs | 556 | 606 |
| | 12,823 | 13,356 |

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

| | 2021 FTE | 2021 Total Employees | 2020 FTE | 2020 Total Employees |
|-----------------------|-------------|----------------------------|-------------|----------------------------|
| Charitable activities | 363 | 683 | 359 | 699 |

Notes to the accounts

– Year to 31 December 2021

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:

| | 2021 | 2020 |
|---------------------|----------|-----------|
| £60,001 - £70,000 | 2 | 5 |
| £70,001 - £80,000 | 3 | 2 |
| £80,001 - £90,000 | 2 | – |
| £90,001 - £100,000 | 1 | 2 |
| £110,001 - £120,000 | – | 1 |
| £120,001 - £130,000 | 1 | 1 |
| | 9 | 11 |

Employer pension contributions totalling £63,200 (£92,700 in 2020) 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, Security 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 £1,237,200 (£1,179,500 in 2020).

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 2020), nor were they reimbursed any expenses connected with their duties as Trustees (£nil in 2020).

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 2021 to this scheme amounted to £491,000 (£515,000 in 2020).

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. From 6 January 2021, deficit reduction contributions have been paid at the rate of £10,000 per month, and an amount in relation to administration expenses has been paid to the scheme at the rate of £1,500 per month, as agreed following the finalisation of the 6 April 2019 valuation.

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 valuation, it has been agreed with the pension scheme trustees that deficit funding contributions will be paid at the rate of £10,000 per month from 6 January 2021. 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 of the scheme as at 31 December 2021, 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 2021

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

The assets and liabilities in the scheme were:

| | 2021 £'000 | 2020 £'000 |
|--|---------------|----------------|
| Equity securities | 6,808 | 6,103 |
| Fixed interest securities | 1,264 | 1,402 |
| Insurance contracts | 2,779 | 3,050 |
| Cash and cash equivalents | 1,508 | 1,442 |
| Other | 854 | 577 |
| Total assets | 13,213 | 12,574 |
| Actuarial value of liabilities | (13,885) | (14,314) |
| Deficit in the scheme – net pension liability | (672) | (1,740) |

The major assumptions used by the actuary were:

| | 2021 % per annum | 2020 % per annum |
|---|------------------------|------------------------|
| Inflation | 3.5 | 3.0 |
| Salary increases | 2.9 | 2.4 |
| Rate of discount | 1.9 | 1.3 |
| Rate of increase in pensions in payment and deferred pensions | 2.8 | 2.4 |

The mortality assumptions used were as follows:

| | 2021 years | 2020 years |
|--|---------------|---------------|
| Longevity at age 65 for current pensioners | | |
| Men | 22.6 | 22.5 |
| Women | 24.9 | 24.8 |

The net pension liability decreased from £1,740,000 in 2020 to £672,000 in 2021.

The deficit decrease is mainly due to the increase in the yields available on high-quality corporate bonds, resulting in a higher discount rate assumption which placed a lower value on the scheme's liabilities. This was complemented by contributions made during the year and returns on invested assets, which acted to increase the value of the scheme's assets and further improve the overall funding position, though these effects were partially offset by the impact of the scheme's revised commutation factors, which increased the value of the scheme's liabilities.

Contributions The total contributions made to the scheme by the Charity in the year were £138,000 (£133,000 in 2020). The contributions expected to be paid by the Charity to the scheme for the year ending 31 December 2022 total £138,000.

Notes to the accounts

– Year to 31 December 2021

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

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

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Administration costs | (16) | (16) |
| Past service cost | – | (3) |
| Total operating charge | (16) | (19) |
| Interest income on scheme assets | 157 | 221 |
| Interest cost on scheme liabilities | (178) | (244) |
| Net interest on net defined benefit liability | (21) | (23) |
| Total amount recognised in the statement of financial activities | (37) | (42) |

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

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Actual return on assets excluding amounts included in net interest | 618 | 1,396 |
| Actuarial gains (losses) on scheme obligations | 349 | (2,075) |
| Re-measurement gains (losses) recognised in the statement of financial activities | 967 | (679) |

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

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Opening fair value of scheme assets | 12,574 | 11,135 |
| Interest income | 157 | 221 |
| Contributions by Westminster Roman Catholic Diocesan Trust | 138 | 133 |
| Actual return on assets excluding amount included in net interest | 618 | 1,396 |
| Benefits paid | (274) | (311) |
| Closing fair value of scheme assets | 13,213 | 12,574 |

The reconciliation of the scheme benefit obligation is as follows:

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Opening defined benefit obligation | 14,314 | 12,287 |
| Administration costs | 16 | 16 |
| Interest cost | 178 | 244 |
| Actuarial (gains) losses | (349) | 2,075 |
| Past service cost | – | 3 |
| Benefits paid | (274) | (311) |
| Closing defined benefit obligation | 13,885 | 14,314 |

The actuarial value of the scheme liabilities at 31 December 2021 if different key actuarial assumptions had been used is shown below:

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| -0.5% decrease in discount rate | 15,190 | 15,737 |
| 1 year increase in member life expectation | 14,440 | 14,887 |
| +0.5% change in inflation | 14,338 | 14,784 |

Notes to the accounts

– Year to 31 December 2021

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 2021 as restated (note 25) | 145,821 | 25,394 | 163 | 171,378 |
| Additions | 4,794 | 1,211 | – | 6,005 |
| Reclassification from investment properties (note 12) | 1,729 | – | – | 1,729 |
| Reclassification between categories | (849) | 849 | – | – |
| Disposals | (1,251) | (2,219) | (70) | (3,540) |
| At 31 December 2021 | 150,244 | 25,235 | 93 | 175,572 |
| Original cost | 122,842 | 25,235 | 93 | 148,170 |
| Deemed cost – valuation (1997) | 26,182 | – | – | 26,182 |
| Deemed cost – valuation (2013) | 1,220 | – | – | 1,220 |
| | 150,244 | 25,235 | 93 | 175,572 |
| Depreciation and impairment | | | | |
| At 1 January 2021 as restated (note 25) | 24,328 | 18,269 | 99 | 42,696 |
| Depreciation charge for the year | 1,527 | 2,180 | 21 | 3,728 |
| Reclassification between categories | (188) | 188 | – | – |
| On disposals | (127) | (2,219) | (65) | (2,411) |
| At 31 December 2021 | 25,540 | 18,418 | 55 | 44,013 |
| Net book values | | | | |
| At 31 December 2021 | 124,704 | 6,817 | 38 | 131,559 |
| At 31 December 2020 as restated (note 25) | 121,493 | 7,125 | 64 | 128,682 |

Notes to the accounts

– Year to 31 December 2021

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 2021 as restated (note 25) | 145,821 | 25,237 | 163 | 171,221 |
| Additions | 4,794 | 1,211 | – | 6,005 |
| Reclassification from investment properties (note 12) | 1,729 | – | – | 1,729 |
| Reclassification between categories | (849) | 849 | – | – |
| Disposals | (1,251) | (2,190) | (70) | (3,511) |
| At 31 December 2021 | 150,244 | 25,107 | 93 | 175,444 |
| Original cost | 122,842 | 25,107 | 93 | 148,042 |
| Deemed cost – valuation (1997) | 26,182 | – | – | 26,182 |
| Deemed cost – valuation (2013) | 1,220 | – | – | 1,220 |
| | 150,244 | 25,107 | 93 | 175,444 |
| Depreciation and impairment | | | | |
| At 1 January 2021 as restated (note 25) | 24,328 | 18,112 | 99 | 42,539 |
| Depreciation charge for the year | 1,527 | 2,180 | 21 | 3,728 |
| Reclassification between categories | (188) | 188 | – | – |
| On disposals | (127) | (2,190) | (65) | (2,382) |
| At 31 December 2021 | 25,540 | 18,290 | 55 | 43,885 |
| Net book values | | | | |
| At 31 December 2021 | 124,704 | 6,817 | 38 | 131,559 |
| At 31 December 2020 as restated (note 25) | 121,493 | 7,125 | 64 | 128,682 |

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. 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.

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.

Post Balance Sheet Events Subsequent to the year end the Charity disposed of one property with a net book value of £38,000. The gross sale proceeds were £225,000.

The Charity also agreed a contingent sale of one property with a net book value of £4,000. If the sale completes, the gross sale proceeds will be £2,300,000.

Notes to the accounts

– Year to 31 December 2021

10 Tangible fixed assets (continued)

Capital commitments

At 31 December 2021 the Group and Charity had the following capital commitments:

| Group and Charity | 2021 £'000 | 2020 £'000 |
|--|-----------------------|-----------------------|
| Land and buildings – functional property | | |
| Contracted but not provided | 309 | 840 |

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 | 2021 £'000 | 2020 £'000 |
|------------------------------|-----------------------|-----------------------|
| At 1 January and 31 December | 10,503 | 10,503 |

Programme related investments comprise:

| Group and Charity | 2021 £'000 | 2020 £'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 friary 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 2021

12 Investments

At 31 December 2021 investments comprised the following:

| Group and Charity | 2021 £'000 | Restated (note 25) 2020 £'000 |
|-----------------------|----------------|--|
| Listed investments | 45,251 | 39,707 |
| Investment properties | 85,122 | 76,613 |
| Joint venture | 36 | 47 |
| | 130,409 | 116,367 |

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, with a small balance of cash awaiting investment. 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 2021 amounted to £45,080,000 (£39,554,000 in 2020) and their historical cost as at that date was £35,933,000 (£31,799,000 in 2020).

Investment managers' fees of £219,000 in 2021 and £194,000 in 2020 are charged indirectly through the unit holdings.

At 31 December 2021 the composition of the listed investments comprising the Mutual Investment Fund was as follows:

| Group and Charity | 2021 % | 2020 % |
|---|--------------|--------------|
| Fixed income | 6.5 | 8.0 |
| Equities | 72.1 | 71.9 |
| Property | 1.7 | 1.0 |
| Alternatives | 8.0 | 7.1 |
| Liquid assets (money market instruments and cash) | 11.7 | 12.0 |
| | 100.0 | 100.0 |

At 31 December 2021, 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 | 4.5 | 2,016 |
| Physical Gold ETC | 4.4 | 1,963 |

Notes to the accounts

– Year to 31 December 2021

12 Investments (continued)

Holdings by the group and charity in the Mutual Investment Fund and other listed investments at 31 December 2021 and their movements during the year were as follows:

| Group and Charity | 2021 £'000 | 2020 £'000 |
|--------------------------------------|-----------------------|-----------------------|
| Market value | | |
| At 1 January | 39,707 | 35,435 |
| Additions | 1,000 | – |
| Net unrealised gains during the year | 4,544 | 4,272 |
| At 31 December | 45,251 | 39,707 |

Investment properties

Investment properties held at 31 December 2021 and their movements during the year were as follows:

| Group and Charity | 2021 £'000 | 2020 £'000 |
|---|-----------------------|-----------------------|
| Market value | | |
| At 1 January as restated (see note 25) | 76,613 | 71,927 |
| Additions | 1,000 | 410 |
| Reclassification to tangible fixed assets | (1,729) | – |
| Gains on revaluation during the year | 9,238 | 4,276 |
| At 31 December as restated (see note 25) | 85,122 | 76,613 |

In 2021, the Charity was bequeathed two properties, each with a market value of £500,000 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 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. In 2021, six properties were revalued by Smith & Knight Property Consultants and 43 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 2021.

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 2021

12 Investments (continued)

A summary of the trading results and financial position of the company at 31 December 2021 is given below:

| Summary statement of income | 2021 £'000 | 2020 £'000 |
|------------------------------------|-----------------------|-----------------------|
| Turnover | 183 | 162 |
| Cost of sales | (121) | (119) |
| Gross profit | 62 | 43 |
| Administrative expenses | (21) | (14) |
| Profit for the financial period | 41 | 29 |

| Summary statement of financial position and retained earnings | 2021 £'000 | 2020 £'000 |
|--|-----------------------|-----------------------|
| Fixed assets | 40 | 52 |
| Current assets | 59 | 56 |
| Current liabilities | (27) | (15) |
| Net current assets | 32 | 41 |
| Total assets less current liabilities | 72 | 93 |
| Creditors: amounts falling due after one year | – | (62) |
| Total net assets | 72 | 31 |

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 2021 comprises:

| | 2021 £'000 | 2020 £'000 |
|------------------------------|-----------------------|-----------------------|
| Investment at 1 January | 47 | 47 |
| Share of profits in the year | 20 | 15 |
| Loan repayment in the year | (31) | (15) |
| Investment at 31 December | 36 | 47 |

Notes to the accounts

– Year to 31 December 2021

13 Debtors

| | Group 2021 £'000 | Group 2020 £'000 | Charity 2021 £'000 | Charity 2020 £'000 |
|--|---------------------------------|------------------------|-----------------------------------|--------------------------|
| Receivable within one year | | | | |
| Sundry debtors | 379 | 412 | 379 | 412 |
| Legacies receivable | 1,155 | 1,499 | 1,155 | 1,499 |
| Prepayments and other accrued income | 1,254 | 1,239 | 1,254 | 1,239 |
| Amounts due (to) from subsidiaries | – | – | (40) | 22 |
| School expenditure recoverable from the Department for Education, Local Education Authorities and contract advances (see below and note 21) | 353 | 399 | 353 | 399 |
| Other loans (see below) | 48 | 67 | 48 | 67 |
| | 3,189 | 3,616 | 3,149 | 3,638 |
| Receivable after more than one year | | | | |
| Loan to the Cardinal Hume Centre | 339 | 339 | 339 | 339 |
| | 3,528 | 3,955 | 3,488 | 3,977 |

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 agent.

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 2021 £'000 | Restated Group 2020 £'000 | Charity 2021 £'000 | Restated Charity 2020 £'000 |
|---|---------------------------------|------------------------------------|-----------------------------------|--------------------------------------|
| School building projects as restated (see note 25) | 3,956 | 4,589 | 3,956 | 4,589 |
| Collections payable to third parties | 489 | 450 | 489 | 450 |
| Bank loan (see note 15) | 378 | 378 | 378 | 378 |
| Other loans | 464 | 419 | 464 | 419 |
| St Richard Reynolds | – | 382 | – | 382 |
| Accruals and sundry creditors | 1,736 | 1,840 | 1,632 | 1,787 |
| Funds held on behalf of the Belarusian Catholic Mission | 185 | 170 | 185 | 170 |
| Funds held on behalf of the Congregation for the Eastern Churches | 920 | 920 | 920 | 920 |
| | 8,128 | 9,148 | 8,024 | 9,095 |

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 2021

15 Creditors: amounts falling due after more than one year

| | Group 2021 £'000 | Group 2020 £'000 | Charity 2021 £'000 | Charity 2020 £'000 |
|-----------|---------------------------------|------------------------|-----------------------------------|--------------------------|
| Bank loan | 8,780 | 9,158 | 8,780 | 9,158 |

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 (£1,511,000 in 2020) is repayable within 2 to 5 years and £7,269,000 (£7,647,000 in 2020) is repayable after 5 years.

16 Restricted funds

Restricted funds comprise:

| Group | 2021 £'000 | Restated (note 25) 2020 £'000 |
|--------------|-----------------------|--|
| Curial | 55,061 | 52,356 |
| Parochial | 237,102 | 218,280 |
| | 292,163 | 270,636 |

| Charity | 2021 £'000 | Restated (note 25) 2020 £'000 |
|----------------|-----------------------|--|
| Curial | 55,061 | 52,356 |
| Parochial | 237,035 | 218,212 |
| | 292,096 | 270,568 |

Notes to the accounts

– Year to 31 December 2021

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:

| 2021 | Restated (note 25) At 1 January 2021 £'000 | Income £'000 | Expenditure £'000 | Net Gains £'000 | Transfers £'000 | At 31 December 2021 £'000 |
|---|---|-------------------------|------------------------------|--------------------------------|----------------------------|--|
| Group and Charity | | | | | | |
| Growing in Faith Fund | 16,548 | 8 | (313) | – | (994) | 15,249 |
| Masses Funds | 1,135 | 9 | (264) | 112 | (16) | 976 |
| Poor Fund | 629 | 4 | – | 55 | (688) | – |
| Ecclesiastical Education Fund | 153 | 1 | – | 17 | (2) | 169 |
| Trinity Fund | 209 | 1 | – | – | (1) | 209 |
| Wellesley Colley Fund | 350 | 3 | – | 34 | (387) | – |
| St Richard Reynolds | – | 130 | – | – | (130) | – |
| Archbishop's Fund | 1,180 | 789 | (322) | – | (327) | 1,320 |
| St Joseph's Pastoral Centre | 134 | 191 | (338) | – | 252 | 239 |
| Bakhita House | 772 | 189 | (397) | – | 30 | 594 |
| Property Repairs Fund | 187 | 2 | – | 18 | (13) | 194 |
| Post-ordination Studies Fund | 1,576 | 14 | – | 181 | (63) | 1,708 |
| Missions Fund | 89 | 1 | – | 19 | (12) | 97 |
| St John Southworth Fund | 2,961 | 27 | (160) | 348 | (62) | 3,114 |
| Filipino Chaplaincy Fund | 149 | 1 | – | 18 | (3) | 165 |
| Hare Street House | 1,702 | 9 | (14) | 97 | (15) | 1,779 |
| Sick and Retired Priests Fund | 13,095 | 1,734 | (499) | 915 | (357) | 14,888 |
| Westminster Ecclesiastical Education Fund | 7,970 | 1,319 | (1,003) | 543 | (76) | 8,753 |
| VASCA Fund | 2,560 | 11,992 | (11,236) | – | – | 3,316 |
| Outreach Fund | – | – | – | – | 1,072 | 1,072 |
| Other restricted funds | 957 | 875 | (1,479) | 72 | 794 | 1,219 |
| Total | 52,356 | 17,299 | (16,025) | 2,429 | (998) | 55,061 |

Notes to the accounts

– Year to 31 December 2021

16 Restricted funds (continued)

| 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 as restated | 12,082 | 772 | (563) | 1,147 | (343) | 13,095 |
| Westminster Ecclesiastical Education Fund | 7,738 | 624 | (835) | 517 | (74) | 7,970 |
| VASCA Fund as restated (see note 25) | – | 13,715 | (11,155) | – | – | 2,560 |
| Other restricted funds | 1,097 | 575 | (1,553) | 67 | 771 | 957 |
| Total as restated (see note 25) | 48,578 | 17,832 | (15,247) | 2,579 | (1,386) | 52,356 |

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 2021

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 uncommitted balance of the VASCA Funds received by the Charity in respect of school and academy building projects (see note 21).

- Outreach Fund supports charitable work carried out in local communities.
- 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 the Outreach Fund.

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 | 2021 £'000 | 2020 £'000 |
|-------------------|---------------|---------------|
| At 1 January | 1,231 | 1,232 |
| New designations | 3 | 9 |
| Utilised/released | (978) | (10) |
| At 31 December | 256 | 1,231 |

The designated funds represent monies held by the curia for specific, unrestricted activities.

18 Tangible fixed assets fund

| Group and Charity | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| At 1 January as restated (see note 25) | 21,968 | 21,930 |
| Movement as restated (see note 25) | 209 | 38 |
| At 31 December as restated (see note 25) | 22,177 | 21,968 |

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

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– Year to 31 December 2021

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 | 2021 £'000 | 2020 £'000 |
|---------------------------------|-----------------------|-----------------------|
| At 1 January and at 31 December | 10,503 | 10,503 |

20 Analysis of net assets between funds

2021

| 2021 | Curial funds | | | Parochial funds | |
|---|-----------------------------|---------------------------|----------------------|---------------------------|------------------------|
| | Unrestricted funds £'000 | Restricted funds £'000 | Total funds £'000 | Restricted funds £'000 | Total 2021 £'000 |
| Group | | | | | |
| Fund balances at 31 December 2021 are represented by: | | | | | |
| Tangible fixed assets | 22,177 | 2,438 | 24,615 | 106,944 | 131,559 |
| Programme related investments | 10,503 | – | 10,503 | – | 10,503 |
| Investments | 11,441 | 29,093 | 40,534 | 89,875 | 130,409 |
| Net current assets | 8,074 | 23,530 | 31,604 | 40,283 | 71,887 |
| Non-current liabilities | (8,780) | – | (8,780) | – | (8,780) |
| Total net assets excluding pension liability | 43,415 | 55,061 | 98,476 | 237,102 | 335,578 |
| Pension liability | (672) | – | (672) | – | (672) |
| Total net assets | 42,743 | 55,061 | 97,804 | 237,102 | 334,906 |

2020

| 2020 | Curial funds | | | Parochial funds | Restated (note 25) Total 2020 £'000 |
|-------|--------------------------------|------------------------------|-------------------------|------------------------------|---|
| Group | Unrestricted funds £'000 | Restricted funds £'000 | Total funds £'000 | Restricted funds £'000 | |

Fund balances at 31 December 2020 are represented by:

| | | | | | |
|--|---------|--------|---------|---------|---------|
| Tangible fixed assets | 21,968 | 2,202 | 24,170 | 104,512 | 128,682 |
| Programme related investments | 10,503 | – | 10,503 | – | 10,503 |
| Investments | 13,770 | 25,564 | 39,334 | 77,033 | 116,367 |
| Net current assets | 6,904 | 24,590 | 31,494 | 36,735 | 68,229 |
| Non-current liabilities | (9,158) | – | (9,158) | – | (9,158) |
| Total net assets excluding pension liability | 43,987 | 52,356 | 96,343 | 218,280 | 314,623 |
| Pension liability | (1,740) | – | (1,740) | – | (1,740) |
| Total net assets | 42,247 | 52,356 | 94,603 | 218,280 | 312,883 |

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– Year to 31 December 2021

20 Analysis of net assets between funds (continued)

2021

| Charity | Total unrestricted funds £'000 | Total restricted funds £'000 | Total 2021 £'000 |
|--|---|---------------------------------------|------------------------|
| Fund balances at 31 December 2021 are represented by: | | | |
| Tangible fixed assets | 22,177 | 109,382 | 131,559 |
| Programme related investments | 10,503 | – | 10,503 |
| Investments | 11,441 | 118,968 | 130,409 |
| Net current assets | 8,074 | 63,746 | 71,820 |
| Non-current liabilities | (8,780) | – | (8,780) |
| Total net assets excluding pension liability | 43,415 | 292,096 | 335,511 |
| Pension liability | (672) | – | (672) |
| Total net assets | 42,743 | 292,096 | 334,839 |

2020

| Charity | Total unrestricted funds £'000 | Total restricted funds £'000 | Restated (note 25) Total 2020 £'000 |
|--|---|---------------------------------------|---|
| Fund balances at 31 December 2020 are represented by: | | | |
| Tangible fixed assets | 21,968 | 106,714 | 128,682 |
| Programme related investments | 10,503 | – | 10,503 |
| Investments | 13,770 | 102,597 | 116,367 |
| Net current assets | 6,917 | 61,257 | 68,174 |
| Non-current liabilities | (9,158) | – | (9,158) |
| Total net assets excluding pension liability | 44,000 | 270,568 | 314,568 |
| Pension liability | (1,740) | – | (1,740) |
| Total net assets | 42,260 | 270,568 | 312,828 |

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.

The accumulated unrealised gains on listed investments at 31 December 2021 are £9,147,000 (£7,755,000 in 2020).

Notes to the accounts

– Year to 31 December 2021

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 £3.3 million (£2.6 million in 2020) has to be committed to projects by 31 March 2023 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:

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Expenditure on school and academy building works | 9,952 | 4,442 |
| The above expenditure was funded through grants from the DfE which were as follows: | | |
| Monies carried forward at 1 January as restated (see notes 16 and 25) | 2,560 | – |
| Monies received in the year and reflected in income | 11,992 | 13,715 |
| Monies committed in the year and reflected as expenditure | (11,236) | (11,155) |
| Monies carried forward at 31 December as restated (see notes 16 and 25) | 3,316 | 2,560 |

A summary of the transactions during the year in respect of the non-VASCA funding, none of which are reflected through the statement of financial activities (see note above) since the Charity acted as the agent of the governor in respect of the funding, is as follows:

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Total amount spent | 8,836 | 24,562 |
| Less: grants received | (8,124) | (20,069) |
| Net governors' liability | 712 | 4,493 |
| Amounts owing on contracts at 31 December (note 14) | 1,892 | 2,546 |
| Amounts recoverable from Department for Education, Local Education Authorities and contract advances (note 13) | 353 | 399 |
| | | |
| | 2021 | 2020 |
| Number of projects | 140 | 119 |

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 2021

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 2021 or 2020 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 2021 of each of the linked charities is given below.

2021

| | Curial funds | | | Parochial funds | | Total 2021 £'000 |
|--------------------------------------|----------------------------------|---|---------------|---------------------------------------|---------------------------------------|------------------------|
| | Hare Street House £'000 | Sick & Retired Priests Fund £'000 | WEEF £'000 | The Moorfields Charity £'000 | Westm. Cathedral Trust £'000 | |
| Income | 9 | 1,734 | 1,319 | 49 | 642 | 3,753 |
| Expenditure | (29) | (856) | (1,079) | (101) | (454) | (2,519) |
| Net gains on investments | 97 | 915 | 543 | 400 | 377 | 2,332 |
| Net income and net movement in funds | 77 | 1,793 | 783 | 348 | 565 | 3,566 |
| Net assets | 1,779 | 14,888 | 8,753 | 4,506 | 4,108 | 34,034 |

2020

| | Curial funds | | | Parochial funds | | Restated (note 25) 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 | 13,095 | 7,970 | 4,158 | 3,543 | 30,468 |

Notes to the accounts

– Year to 31 December 2021

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.

25 Prior year restatement

The prior year comparatives have been restated, where and as necessary, to reflect items identified during the preparation of the accounts in two specific areas: school and academy building works, and property assets.

School and academy building works

The Charity is the legal owner of over 200 school properties in the diocese comprising voluntary aided schools and academies. 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.

During the year £2,043,000 of the VASCA grant funding received in 2020 was identified as having been committed to projects by 31 December 2020 but not reflected in the accounts as expenditure. The prior year comparatives have been restated to

reflect £2,043,000 additional expenditure on curial restricted charitable activities, with an equivalent decrease in the curial restricted funds brought forward at 1 January 2021.

Property Assets

The Charity owns extensive property assets, comprising investment properties, which are included in the accounts at market valuations, and functional properties, which are included in the accounts at an estimate of their original cost (if owned prior to 1997) otherwise are included at cost or, where such assets have been donated or bequeathed, at their estimated market value at the date of the gift.

During the year it was identified that no cost or value had been included in the accounts for one investment property and 14 functional properties owned by the Charity, many of which had been bequeathed to the Charity.

The prior year comparatives have been restated to reflect £450,000 additional curial investment assets as at 31 December 2020, with an equivalent increase in the curial restricted funds brought forward at 1 January 2020 and at 1 January 2021.

The 14 functional properties had an aggregate cost or deemed cost of £3,759,000 and an aggregate net book value as at 1 January 2020 of £3,500,000. The prior year comparatives have been restated to reflect £14,000 additional expenditure on curial charitable activities and £23,000 additional expenditure on parochial charitable activities during the prior year. The prior year comparatives have also been restated to reflect £1,292,000 additional curial tangible assets, with an equivalent increase in the curial unrestricted funds brought forward at 1 January 2021. The prior year comparatives have also been restated to reflect £2,171,000 additional parochial tangible assets, with an equivalent increase in the parochial restricted funds brought forward at 1 January 2021.

Comparative consolidated statement of financial activities

– Year to 31 December 2020

| | | Curial funds | | | Parochial funds | Restated (note 25) |
|---|-------|-----------------------------|---------------------------|----------------------|---------------------------|---------------------|
| | Notes | Unrestricted funds £'000 | Restricted funds £'000 | Total funds £'000 | Restricted funds £'000 | Total 2020 £'000 |
| Income: | | | | | | |
| Donations and legacies | | | | | | |
| . Grants receivable | 1 | – | 165 | 165 | – | 165 |
| . Growing in Faith | 1 | – | 70 | 70 | – | 70 |
| . Other donations and legacies | 1 | 626 | 1,906 | 2,532 | 23,589 | 26,121 |
| Assessments | 2 | 126 | – | 126 | – | 126 |
| Other trading activities | | | | | | |
| . Commercial trading operations | 3 | 92 | – | 92 | 71 | 163 |
| Investment income and interest receivable | 4 | 1,108 | 249 | 1,357 | 2,601 | 3,958 |
| Charitable activities | | | | | | |
| . Rental income from functional properties | 5 | 422 | – | 422 | 836 | 1,258 |
| . Parish and similar activities | 5 | 1,204 | 554 | 1,758 | 3,258 | 5,016 |
| . 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 |
| Total income | | 4,420 | 17,832 | 22,252 | 31,785 | 54,037 |
| Expenditure: | | | | | | |
| Cost of raising funds | | | | | | |
| . Fundraising trading: cost of goods sold and other costs | 3 | 60 | – | 60 | 208 | 268 |
| Charitable activities | | | | | | |
| . Advancement of the Catholic faith primarily in the Diocese of Westminster | 6 | 10,924 | 15,247 | 26,171 | 25,727 | 51,898 |
| Total expenditure | | 10,984 | 15,247 | 26,231 | 25,935 | 52,166 |
| Net (expenditure) income before transfers and investment gains | 7 | (6,564) | 2,585 | (3,979) | 5,850 | 1,871 |
| 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 | | 925 | 1,199 | 2,124 | (253) | 1,871 |
| Net gains on investments | 12 | 792 | 2,579 | 3,371 | 5,190 | 8,561 |
| Net income for the year | | 1,717 | 3,778 | 5,495 | 4,937 | 10,432 |
| Actuarial (losses) gains | 8 | (679) | – | (679) | – | (679) |
| Net movement in funds | | 1,038 | 3,778 | 4,816 | 4,937 | 9,753 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward at 1 January | | 41,209 | 48,578 | 89,787 | 213,343 | 303,130 |
| Total funds carried forward at 31 December | | 42,247 | 52,356 | 94,603 | 218,280 | 312,883 |

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 Mr R Friel Mr P Camoletto Mr E Conway Mrs K Griffin Mrs J Jackson |
| 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 Mrs V Dias |
| 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 Ms V Morel Kane Mr P Camoletto |
| Property Committee | Rt Rev J Sherrington Mr C Shepherd Mr E Craston Mr P Camoletto Mr J Petit |
| Safeguarding Committee | Baroness N O'Loan Mr P Houghton Mgr J O'Boyle Ms B Beese Dr E Morgan QC Mr K Barry Ms M Coller Rev S Coker Mr A Wdowiak Ms R O'Driscoll Ms B Herbert |

Members at time of printing.

How to support the Diocese of Westminster

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
- Lourdes pilgrimage
- Preserving church buildings

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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Our website has the latest news about the work and mission of the Catholic Church in the diocese. It also includes full listings of all Catholic parishes, schools and chaplaincies.

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On Youtube

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Westminster Year Book 2023

Westminster Year Book contains full listings of Catholic parishes, priests, schools and societies. To be published in November 2022, it also includes the 2023 Liturgical Calendar. To order a copy please contact wyb@rcdow.org.uk.

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