

BIRMINGHAM DIOCESAN TRUST

England & Wales · Charity number 234216

Details

Other names BRCDTR, R C ARCHDIOCESE OF BIRMINGHAM

Status Registered

Legal form Other

Registered 1966-10-14

Register [View on the Charity Commission register](#)

Contact

Address Treasurer's Dept
3rd Floor
Cathedral House
St Chad's Queensway
Birmingham

Phone 01212306216

Website www.birminghamdiocese.org.uk

Activities

Objects: THE ADVANCEMENT OR MAINTENANCE OF THE ROMAN CATHOLIC RELIGION IN THE ROMAN CATHOLIC DIOCESE OF BIRMINGHAM.

Activities: Provision of religious services, maintenance of church, school and related property. Maintenance and support of clergy. Education. Relief of sick and poor catholics and other associated works of charity.

Classification

- **How:** Provides Services
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** THE ROMAN CATHOLIC DIOCESE OF BIRMINGHAM
- Birmingham City
- Coventry City
- Dudley
- Oxfordshire
- Sandwell
- Solihull
- Staffordshire
- Walsall
- Warwickshire
- Wolverhampton

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£24,182,000	£25,871,000	£122,701,000	356
2023-12-31	£23,709,000	£25,051,000	£118,258,000	306
2022-12-31	£20,135,000	£22,148,000	£117,553,000	311
2021-12-31	£18,295,000	£22,867,000	£122,697,000	310
2020-12-31	£19,486,000	£23,853,000	£119,835,000	328

Trustees

Name	Role	Appointed
The Most Reverend Bernard Longley	Chair	2013-01-14
BRC DTR		2012-02-01
Jacqueline Francis		2019-04-12
Kari Ann Gordon		2024-01-26
Mr C Loughran		2015-10-23
Peter John Leonard Simmonds Vella		2020-07-10
Rev Timothy Menezes		2024-07-16
Right Reverend David Ernest Charles Evans		2020-03-19
Right Reverend Richard Adrian Walker		2020-09-01
Sophia Pain		2019-09-01
Tomasz Piotrowski		2022-01-28
Very Rev JONATHAN VEASEY STL		2013-01-14

Linked charities

- POOR MISSIONS FUND (234216-1)
- HARDMAN AND LEWIS TRUST (234216-10)
- JAMES STANISLAUS LACY TRUST-ST JOSEPH'S HOSTEL, BIRMINGHAM (234216-11)
- ST JOSEPH'S HOSTEL FOR GIRLS AND NIGHT SHELTER (234216-12)
- ST CHAD'S COLLEGE, WOLVERHAMPTON (234216-13)
- ROMAN CATHOLIC CHURCH AT BURTON ON TRENT (234216-14)
- MAUDE JEAN MCINTYRE TRUST (234216-2)
- TRUST PROPERTY ADMINISTERED IN CONNECTION WITH THE ROMAN CATHOLIC CHURCH (1) (234216-3)
- TRUST PROPERTY ADMINISTERED IN CONNECTION WITH THE ROMAN CATHOLIC CHURCH (2) (234216-4)
- ST JAMES THE LESS CHURCH FUND (234216-5)
- THE BROOKS BEQUEST (234216-6)
- ST PETERS CONVENT, LEAMINGTON ADMINISTERED IN CONNECTION WITH THE SISTERS OF CHARITY OF ST PAUL THE APOSTLE (234216-7)
- THOMAS J HUNT TRUST - LOURDES PILGRIMAGE FUND (234216-8)
- THE BIRMINGHAM ROMAN CATHOLIC DIOCESAN EDUCATIONAL TRUST (234216-9)

Accounts



BIRMINGHAM DIOCESAN TRUST

ANNUAL REPORT &
FINANCIAL STATEMENTS
for the year ended 31 December 2024

Charity Registration No. 234216



BIRMINGHAM DIOCESAN TRUST

INDEX TO REPORT & FINANCIAL STATEMENTS

Legal and administrative information	3
Trustees' report	4
Statement of Financial Activities	29
Statement of Financial Position	31
Statement of Cash Flows	32
Accounting policies	33
Notes to the financial statements	40

LEGAL & ADMINISTRATIVE INFORMATION

NAME

The name of the charity is **Birmingham Diocesan Trust**. The charity, in its day to day dealings, is also known as the Archdiocese of Birmingham or "the Diocese". The charity registration number is 234216.

PRINCIPAL OFFICE

Cathedral House
St Chad's Queensway
Birmingham
B4 6EU

Website: www.birminghamdiocese.org.uk

TRUSTEES

Birmingham Roman Catholic Diocesan Trustees Registered

COMPRISING:

Most Rev. B Longley MA STL
(Archbishop of Birmingham) *(7) #

Rt. Rev. D Evans
(Auxiliary Bishop) *(1) (2) (6) #

Rt. Rev. R Walker
(Auxiliary Bishop) *(1) (2) (3) (6) #

Rt. Rev. T Menezes
(Auxiliary Bishop) * (1) (2) (4)
Appointed 1 September 2024 #

Rev. J Veasey STL
(Vicar General) *(1) (2) (3) (4) #

Rev. P Fitzpatrick
Appointed 20 October 2023. *(1) (2) # Resigned 31 August 2024 #

Ms. J Francis *(3) (9)

Mrs K Gordon *(4) (6) (7)
Appointed 26 January 2024

Prof. D Kelly CBE DL *(6) (7)
Resigned 31 March 2024

Mr. C Loughran DL FBCS CITP * (1) (2) (4) (5) (8)

Ms. S Pain BA ACMA * (1) (5)

Mr. T Piotrowski * (8)

Mr. P Vella * (3) (5) (9)

Mr. P Vince MRICS *(2) (4) (8)

- * (1) Member of the Finance Sub-Committee
- * (2) Member of the Property Sub-Committee
- * (3) Member of the Workforce & Remuneration Sub-Committee
- * (4) Member of Education Sub-Committee
- * (5) Member of Investment Sub-Committee
- * (6) Member of the Safeguarding Sub-Committee
- * (7) Member of the Safeguarding Response Group
- * (8) Member of the Care of Creation Sub-Committee
- * (9) Member of the Governance, Compliance, Health & Safety and Risk Sub-Committee
- # Member of the Board of Trustees with a clerical Diocesan role (e.g., Priest, Bishop etc.) receiving a stipend in connection with that role, and which is not connected to their voluntary work as a Trustee.

The Committee membership shown above reflects the position as at the date of the signing of the Report and Accounts.

PROFESSIONAL ADVISERS:

AUDITOR

RSM UK Audit LLP

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

BANK

National Westminster Bank plc

4th Floor, 2 St. Philips Place
Birmingham
B3 2RB

INSURANCE BROKER

PIB Insurance Brokers

Poppleton Grange
Low Poppleton Lane
York
YO2 6AZ

INVESTMENT MANAGERS

Evelyn Partners

103 Colmore Row
Birmingham
B3 3AG

Sarasin & Partners

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

PROPERTY CONSULTANTS

Reeves & Partners Limited

2 Euston Place
Leamington Spa
Warwickshire
CV32 4LE

SOLICITORS

Charles Russell Speechlys

Compass House
Lypiatt Rd
Cheltenham
GL50 2QJ

DWF Solicitors

1 Snow Hill
Snow Hill
B4 6GA

TRUSTEES' REPORT AND GOVERNANCE STATEMENT

The Trustees present their annual report and audited financial statements for the year ended 31 December 2024. These have been prepared in accordance with the Charities SORP (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

OUR VISION

We have a mandate given to us by Our Lord to spread the good news and serve and grow the faith for the coming decade and beyond.

Our Vision is to be a Catholic diocese which is faithful to the mission entrusted to us by Jesus Christ, full of missionary disciples who work together co-responsibly in vibrant communities of faith, joyful in their service of God and neighbour.

The Vision of the Archdiocese revolves around four main priorities:

Evangelisation

Encouraging others to know God's love for them by inviting them to church, to pray and to encounter Christ – inviting them to parish groups where they can learn about Our Lord – helping to form missionary disciples and missionary parishes.

Formation

Nurturing future Catholic leaders in our churches and schools by providing both

spiritual and pastoral formation and support – helping us to play an active role in the parish community – helping us to understand more about our faith so as to deepen our personal relationship with God.

Liturgy and Worship

Invigorating and deepening our worship and sacramental celebrations so that we share in and reflect the divine life of the Trinity, encouraging others to join us in praying to our Heavenly Father.

Charity and Social Outreach (caritas)

Building up the common good through our charitable outreach – offering our time, our resources and our love to those who need them most – inviting others to join us in our charitable work.

Our focus:

Working Together (co-responsibility)

Co-responsibility calls for new modes of participation in diocesan decision-forming

and decision-making which support those with responsibility for decision-taking. Priests, deacons, Religious and the lay faithful will be supported to work together, so that we can share responsibility for the mission of the Church and deepen our relationship with God.

Young People and Families

Young people and families are at the centre of our diocesan planning. Working with and through our wonderful Catholic schools, we will listen to them and actively encourage and support them to use their talents in the life of the Church and thus build even stronger relationships between our schools and parishes.

Care of Creation

Adhering to the goals of Laudato Si' we are reviewing and reducing carbon emissions across the Archdiocese, supporting people to respond to the climate crisis and to celebrate and protect our common home.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Birmingham Diocesan Trust is a registered charity constituted by a Declaration of Trust dated 3 July 1931, whose trustees were registered with the Charity Commission as an incorporated body called Birmingham Roman Catholic Diocesan Trustees, registered on 20 October 1931.

All property assets are vested in the corporate body. The Trust Deed was amended by Resolutions dated 22 September 2017, a Deed of Variation dated 26 January 2018 and subsequent resolutions dated 22 January 2021 and 30 April 2021. Copies are available on the diocesan website.

Commonly known as the Archdiocese

of Birmingham, the Trust comprises 217 parishes, excluding Mass centres and order parishes, which are liturgically directed by the Archbishop but report financially to other entities.

The Archdiocese spans the West Midlands, Staffordshire, Worcestershire, Warwickshire, and Oxfordshire (see map on page 5).

Trustees also serve on the boards of aligned charities, including:

- **Father Hudson's Caritas (Social care)**
- **St Mary's College, Oscott (Seminary)**
- **The Kenelm Youth Trust Ltd (Youth services)**

A uniting direction from the Charity Commission applies to various small trust funds (see Note 17), comprising two

registered charities and seven separate funds. These are invested in the Diocesan Unit Scheme and classified as endowment funds, with capital preserved and income used per donor instructions.

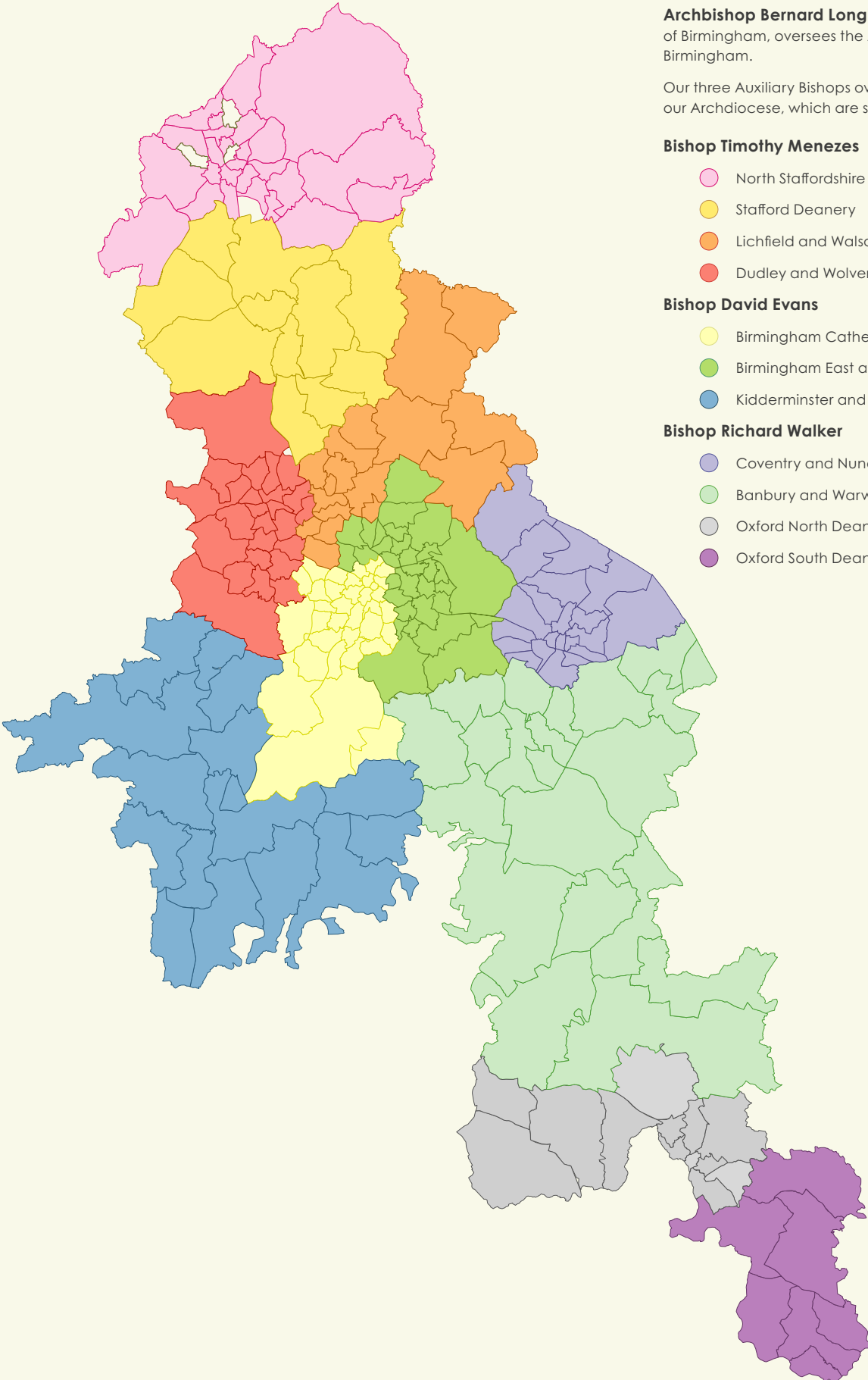
Governance is reviewed in line with the Charity Governance Code (July 2017). While the Trust seeks to implement the Code, certain provisions, such as the election of the Chair, are not compatible with Church Canon Law.

The Archbishop of Birmingham serves ex-officio as Chair and Chief Executive, appointed by the Holy See. Other trustees, including Auxiliary Bishops and the Vicar General, also serve ex-officio.

THE ARCHDIOCESE IN NUMBERS - 2024

The Archdiocese of Birmingham serves the Catholic population through a network of 217 parishes and some 239 maintained schools in addition to a number of chaplaincies in hospitals, prisons, universities and other chaplaincies catering for specific communities and groups.

Geographically it is the largest Archdiocese in England and Wales, covering seven cities within five counties, from Staffordshire in the north down to Oxfordshire in the south.



Archbishop Bernard Longley, Archbishop of Birmingham, oversees the Archdiocese of Birmingham.

Our three Auxiliary Bishops oversee the Areas of our Archdiocese, which are split into deaneries.

Bishop Timothy Menezes

- North Staffordshire Deanery
- Stafford Deanery
- Lichfield and Walsall Deanery
- Dudley and Wolverhampton Deanery

Bishop David Evans

- Birmingham Cathedral and South Deanery
- Birmingham East and North Deanery
- Kidderminster and Worcester Deanery

Bishop Richard Walker

- Coventry and Nuneaton Deanery
- Banbury and Warwick Deanery
- Oxford North Deanery
- Oxford South Deanery

NEWS STORIES FROM 2024



2024 marked the Year of Prayer and preparations began in earnest for the 2025 Jubilee Year 'Pilgrims of Hope'. Our schools, parishes and communities were introduced to these significant years and several resources produced within the Archdiocese to support the Year of Prayer.



Coventry school scoops CAFOD's LiveSimply award as national figure tops 100

Children in Coventry received a global award and drew praise from their local MP for making a difference to the planet and those in need.

Pupils at St John Fisher Catholic Primary School, part of the Romero Catholic Academy, were joined by Colleen Fletcher MP and charity as they received the CAFOD LiveSimply Award for their community and environmental projects.

The LiveSimply Award recognises schools and parishes that pledge to live simply, sustainably and in solidarity with the world's poorest communities.

In March 2024, 100 schools nationwide achieved LiveSimply, a third of which were Diocesan schools (33).*

This is a testament to the commitment and dedication of over 30,000 pupils in primary and secondary schools across England and Wales.

At St John Fisher initiatives included a recycling project with Team Recycle, with the school community donating milk cartons and bottle tops which led to the creation of 18,000 plastic medals for the 2023 Oslo Marathon.

The school also worked alongside the likes of Coventry Food Bank and Langar Aid, which supports people facing homelessness and poverty, gathering 15 crates of food donations, creating meal boxes and visiting their headquarters to learn about how to support people in the community.

The pupils also wrote more than 100 emails and letters to their MP, Colleen Fletcher, prior to COP28, which led her to raise their concerns around climate change affecting the poorest countries with the Secretary of State for Energy Security and Net Zero, Claire Coutinho MP.

**This figure has increased during 2024/25.*

Golden Jubilee celebrations for two schools in the Holy Spirit MAC

In June The Holy Spirit MAC (Multi Academy Company) celebrated the 50th anniversary of two schools: Our Lady and St Joseph Catholic Academy and St Thomas More Catholic Academy and Sixth Form College.

The Golden Jubilee was a remarkable event that brought together past and present members of the community to honour five decades of faith formation and learning.

The day began with Mass at Our Lady of the Angel Church, celebrated by Archbishop Bernard Longley. The church was filled to capacity with friends, former and current staff from both schools, students and local parishioners.

Following Mass, guests were given a guided tour of St Thomas More Catholic Academy.

The 50th celebrations were a testament to the dedication and hard work of everyone involved in the life of Our Lady and St Joseph Catholic Academy and St Thomas More Catholic Academy and Sixth Form College.



Above: Archbishop Bernard and clergy on the altar

And looking to 2025...

A significant development in education within the Archdiocese was launched on 1 September 2025 following an extensive and lengthy process.

The St Gabriel the Archangel Catholic Multi-Academy Trust (CMAT) will be the second largest education trust in England with 21,464 pupils on roll.

The Trust covers the northern part of the Archdiocese: Stoke-on-Trent, Staffordshire, Wolverhampton, Walsall, Dudley, Sandwell and north Birmingham.

The CEO is Toni Ellis and the Board of Directors consists of nine skilled individuals.

The Trust will comprise 64 schools with the merger of six existing MACs (Multi-Academy Companies) and a further seven VA (Voluntary Aided) schools.

It will be built on the foundations of mission, solidarity and subsidiarity, as outlined in the 'Strong and Flourishing' Catholic MAT Framework.



A Week of Ordinations at St Chad's Cathedral



Above: New deacons Andrew Foster, Antony Hartley and Andrej Rusnak with Archbishop Bernard



Above: Bishop Timothy Menezes, Archbishop Bernard Longley, Bishop Richard Walker



Above: Lying prostrate at St Chad's Cathedral



Above: Fr David Bench

In July the Archdiocese experienced a truly momentous week with the Ordinations of three Deacons, two Bishops and one Priest.

Andrew Foster, Antony Hartley and Andrej Rusnak were ordained to the Permanent Diaconate in front of family, friends and parishioners at St Chad's Cathedral.

The trio had formed a strong friendship having gone through formation together and are now the latest Deacons to serve the Kidderminster and Worcester Deanery.

Also sharing a great friendship, and being ordained as Bishops together, were Timothy Menezes and Richard Walker.

In addition to our own diocesan clergy and Bishops, their Mass of Ordination was also attended by Cardinal Vincent Nichols, President of the Catholic Bishops' Conference of England and Wales, who

was the previous Archbishop of Birmingham.

The Apostolic Nuncio to Great Britain, His Excellency Archbishop Miguel Maury Buendía presented the mandates, issued by Pope Francis.

Bishop Timothy (also Titular Bishop of Dougga) now has responsibility for the Diocesan Pastoral Area of North Staffordshire, Stafford, Lichfield and Walsall and Dudley and Wolverhampton.

Bishop Richard (also Titular Bishop of Mortlach) now has responsibility for the Pastoral Area of Coventry, Warwickshire and Oxfordshire.

Fr David Bench was ordained to the Sacred Priesthood having trained at the Venerable English College, Rome.

He returned to Rome to complete a post-graduate licence in Dogma and Fundamental Theology.

Adoremus celebrated at St Mary's College, Oscott



Above: Invocation@Adoremus invited young people to explore their vocation

St Mary's College, Oscott, was the venue for the first Eucharistic Procession to be held after the Reformation.

In September the National Eucharistic Congress was held in this holy place. It was an opportunity for us to pray and walk in procession once more as we showed our devotion to Our Lord in the Blessed Sacrament. Archbishop Bernard Longley gave a welcome address and Cardinal Vincent Nichols celebrated Mass.



Above: Adoremus Eucharistic Procession

Oscott also hosted Invocation@Adoremus, a day intrinsic to the Eucharistic Congress with talks and workshops to help explore God's call with like-minded young people discerning and embracing vocation.

Droitwich Church awarded £190,000 National Lottery Grant

Parishioners at an internationally famous church in Droitwich Spa celebrated after securing a grant from National Lottery players of nearly £190,000, thanks to The National Lottery Heritage Fund.

The funding was put towards a £260,000 project of cleaning and conserving mosaics. (This restoration work was carried out in 2025. Throughout the project the church hosted regular tours and children's mosaic workshops. This continues).

The walls of the Catholic Church of the Sacred Heart and St Catherine of Alexandria are covered with some of the finest venetian glass mosaic artwork in Europe. The Church welcomes thousands of visitors from across the UK and other parts of the world each year to see the astonishingly beautiful scenes.

The Church was built in the style of the basilica churches of Ravenna, near Venice, between 1919 and 1921. The mosaics were largely completed by 1932 and won national acclaim at the time.



Above: Mosaics, Sacred Heart and St Catherine of Alexandria

Tamworth community project scoops national award

The hard work and commitment of volunteers in Tamworth was recognised at the highest level.



The King's Award for Voluntary Service

In November the Heart of Tamworth community project (HoT) was awarded The King's Award for Voluntary Service. This is often referred to as the MBE for voluntary organisations and is the highest honour they can receive.

The project is a local charity supporting people across the Tamworth area. It delivers a wide range of services and support from community facilities at the Sacred Heart Centre in Glascote and St John's Church in the town centre.

Over 150 volunteers give their time and expertise to help others in the area.



In 2024 we had:

217 registered parishes in **11** deaneries

Over **1,000** diocesan properties



£378k funding received for **12** parish projects

with guidance provided to **25** additional parishes

Clergy

2 BISHOPS ORDAINED

1 PRIEST ORDAINED

3 DEACONS ORDAINED

150 ACTIVE priests

60 RETIRED priests

80 active permanent DEACONS

7 priests in FORMATION

20 PERMANENT DEACONS in formation



Schools

233 maintained Catholic schools in the Archdiocese

88,096 students

1,950 volunteer governors or directors

£5.7 million allocated for capital works in our schools, from the grant assisted capital programme.

44 different projects



233 schools operate under the charity's trust deed. (Plus 8 schools working under separate trusts)

Of which: **49,532** are children aged 4 – 11.

38,564 are aged 11 – 16/19.

157 Academy schools, operating under

16 Multi Academy Companies (MACs)

97% schools have registered for CAFOD's LiveSimply award



People and Parishes



Weekly average Mass attendance was:

45,023 (2023: 45,000)

During the year there were:

3,890

baptisms and receptions
(2023: 4,372)



490

marriages (2023: 1,579)

2,966

funerals (2023: 3,216)



Parish offertories and other collections (excluding tax returns) increased to:

£7.7m (from £7.4m in 2023)

The average offertory giving amount per head (including children) increased by

£0.07p to **£3.30** per week
(2023: £3.23)

14 TRUSTEES

9,450 VOLUNTEERS

(2023: 9,200) contributed approximately

634,700 hours (2023: 640,000).

If valued at £11 per hour, this contribution

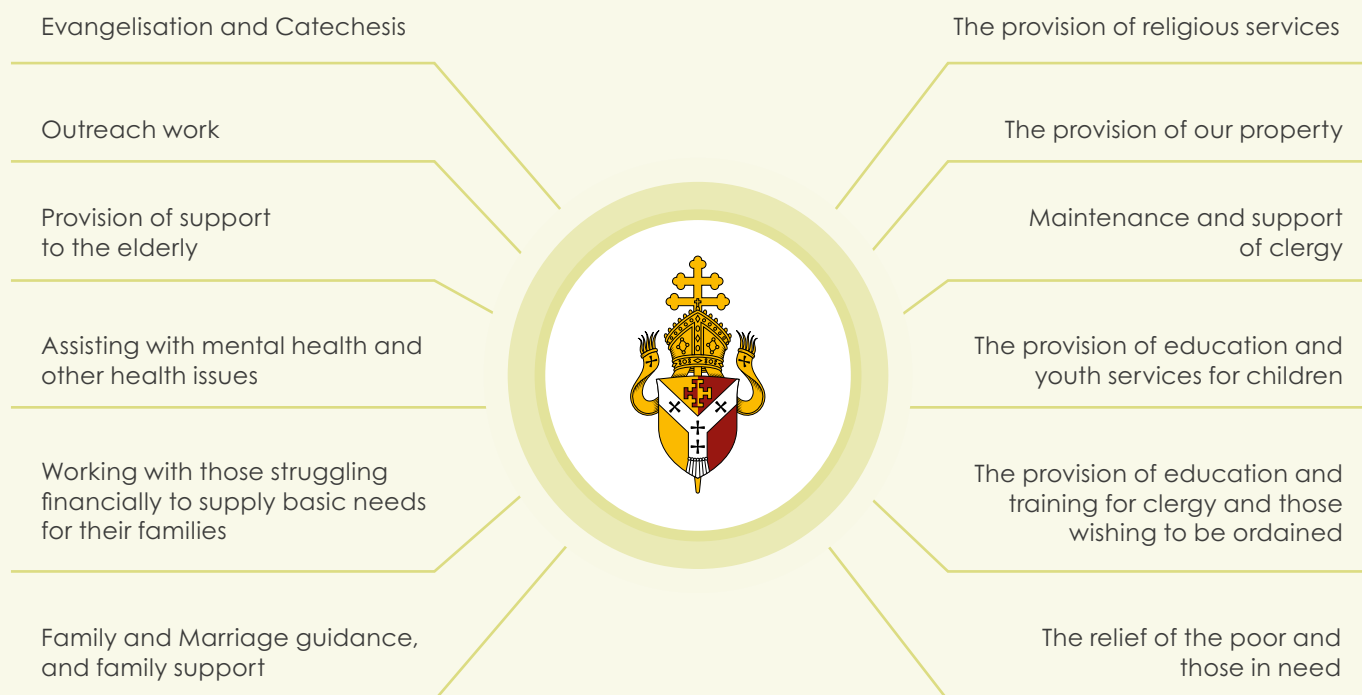
amounts to some **£6.98m**
(2023: £7.03m)*

*This figure is not included in the financial statements



OBJECTIVES AND ACTIVITIES

The objectives of the Trust are set out in the Diocesan Trust Deed, under which the Trust furthers its charitable purposes for the public benefit. They can be summarised as:



Generally, for any such charitable purpose or purposes as in the opinion of the Archbishop may be conducive to the advancement or maintenance of the Roman Catholic Religion in the Archdiocese.

These objectives are achieved primarily through the parishes and Catholic schools together with a considerable number of Catholic societies and organisations based within the Archdiocese. There are numerous other pastoral activities, the more significant of which are referred to under "Achievements and Performance" on page 11.

In all of the activities undertaken by the Archdiocese, the trustees continue to be very grateful for the work done by so many people, both paid staff and volunteer helpers.

The trustees also take the opportunity to thank the members of the many Religious Orders who assist in numerous parishes and other parts of the Archdiocese. Without the help of so many people, the Archdiocese could not carry out its important work of spreading the Good News of Jesus Christ.

HOW OUR TRUST IS GOVERNED

The Birmingham Diocesan Trust is responsible for overseeing the life and mission of the Archdiocese. It is governed by a Board of Trustees, made up of senior clergy and experienced lay people, who bring both faith and professional skills to the role.

When someone becomes a trustee, they are introduced to their responsibilities by the Chief Operating Officer (also known as the Diocesan Treasurer). training is offered, and trustees meet four times a year to oversee operations, review sub-committee minutes, and implement policy.

To support this work, there are specialist sub-committees to focus on:

- **Safeguarding**
- **Finance**
- **Property**
- **Education**
- **Investments**
- **Care of Clergy**
- **Workforce and Remuneration**
- **Governance, Risk, Health & Safety and Compliance**
- **Care of Creation**

The Board of Trustees also fulfils the Church's canonical role as the Diocesan Finance Committee (Canon 492).

Day-to-Day Oversight

The day-to-day operations of the Archdiocese are managed by the Curial Management Team, led by the Chief Operating Officer. This team oversees safeguarding, finance, property, HR, education, communications, fundraising, legal matters, and planning.

The Vicar General, based at the registered office, is responsible for clergy personnel matters. Clergy appointments are made by the Archbishop in consultation with the Vicar General and Archbishop's Council.

Other important offices include:

- **The Diocesan Tribunal (marriage annulments)**
- **The Chancellor (canonical matters)**
- **The Historic Churches Committee (heritage and conservation)**

The Council of Priests, with representatives from across deaneries and diocesan office, meets twice a year with the Archbishop to advise on diocesan matters. The Chapter of Canons, made up of senior priests, supports Cathedral governance and also serves as the College of Consultors (Canons 503ff and 495ff).

Parish Life and Finances

The parish priest is responsible for running the parish under canon and civil law.

Every parish is required to have a Parish Finance Committee, which must meet at least twice a year. This group advises the parish priest on financial and property matters.

The Archbishop keeps clergy updated on important matters: liturgical, pastoral, financial, and administrative, through regular "ad clerum" letters. Additional support is provided by deans and diocesan offices.

Catholic Education

The Diocesan Education Service (DES), based in Coleshill, oversees Catholic schools across the Archdiocese. The DES mission is *Forming Christ-centred pilgrims of hope, with kind hearts, questioning minds, a thirst for knowledge and a hunger for justice.*

DES responsibilities include:

- ⊗ **Safeguarding**
- ⊗ **Catholic Education**
- ⊗ **Leadership & Governance**
- ⊗ **Buildings & Finance**
- ⊗ **School Improvement**

GOING CONCERN

The Trust's activities, together with the factors likely to affect its future development, principal risks and uncertainties facing the Trust and its availability of unencumbered cash reserves are set out within the following pages of the Trustees' Report.

Its financial position in terms of the year's results, its assets and liabilities and movement in cash is set out in the primary financial statements on pages 29 to 32. While there has been some depletion of cash reserves in 2024, it is important to note that there are fixed asset investments which are readily available to defray these if required. The Trust has considerable financial resources, mainly in the form of investments and property.

Income for the whole charity from offertory, collections and donations (mainly received by the parishes) has increased since 2023 by £938k or 6.9%, yet the trustees are mindful of the continuing potential impact on its income that may arise from the cost of living challenges faced by many of our parishioners, and the declining

trend in mass attendance, along with the associated cost of maintaining the considerable number of ageing buildings.

Following the restructuring of the deaneries, the diocesan vision has continued to be implemented with increasing numbers of parish clusters being formed, the intention being to empower parishes to work collaboratively and share resources.

The Trustees have undertaken work including strategic planning and property reviews to respond to demographic changes, and to investigate additional income streams, including external grant funding and planned giving within parishes.

The Trustees believe that there are no material uncertainties about the Trust's ability to continue as a going concern. The Trustees therefore have a reasonable expectation that the Trust has adequate resources to continue its operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have a formal risk management process to assess risks and implement risk management strategies.

This involves the identification of the types of risk faced by the charity, assessing the likelihood and potential impact of occurrence and identifying means of mitigation. Risks have been categorised under five broad headings: Governance, Operational, Financial, External and Compliance. These are assessed as to the likelihood of their occurring and the severity of the effects of the risk leading to a potential overall impact calculation in order to give a scale of relative importance/urgency to each one.

The current highest overall adverse impact risks identified are; to income through reducing Mass attendances generally and an

increasingly ageing and therefore reducing number of clergy who are expected to undertake ever more administrative responsibilities; adverse publicity and financial impact of historic abuse cases; data protection and security and the continued challenge of maintaining property. The Trust has taken steps to mitigate these risks, by recruiting priests from overseas, restructuring deaneries and creating clusters of parishes where appropriate, and in encouraging collaboration where it is in the best interest of the community the parish serves.

With regards to safeguarding, the team now comprises a mix of professional social workers and ex police officers, with policies and procedures in keeping with recent changes in legislation and national standards as prescribed by the Catholic Safeguarding Standards Agency (CSSA).

ACHIEVEMENTS AND PERFORMANCE

Through the synodal process launched in 2023 and the restructuring of deaneries, we are encouraging new and collaborative ways of living out the Diocesan Vision. This includes:

- ⊗ **Supporting parishes in their pastoral and faith mission.**
- ⊗ **Preparing for fewer priests in the future by forming parish clusters, where parishes work together and share resources.**
- ⊗ **Inviting the laity to work co-responsibly with parish priests to help build and sustain parish life.**

The Role of Parishes

Our parishes are the heart of the Archdiocese. They are the places where we worship, celebrate the sacraments, and receive pastoral care. But they are also centres of quiet, often unseen, charitable activity that enriches local communities.

In the face of the cost-of-living crisis, parishes continue to support people of all backgrounds through foodbanks, outreach, and practical help for families in need.

Participation in the Sacraments

In 2024, parish life remained active and fruitful:

Weekly Mass attendance: around 45,000 people (adults and children), the same as 2023.

- ⊗ **Baptisms and Receptions: 3,890 (2023: 4,372)**
- ⊗ **Marriages: 490 (2023: 1,579 – note: a significant drop, reflecting wider cultural changes)**
- ⊗ **Funerals: 2,966 (2023: 3,216)**

Parish Finances

Parish offertories and collections are the lifeblood of the Archdiocese, supporting not only local parish ministry but also the wider Archdiocesan mission.

- ⊗ **Parish offertories and collections (excluding tax reclaims): £7.7m (2023: £7.5m)**
- ⊗ **Average weekly offertory per person (including children): £3.30 (2023: £3.23)**
- ⊗ **Funds raised by parishes for other charities: over £1.15m (2023: £0.99m)**

We are grateful for the generosity of parishioners during a time of financial difficulty for many householders.

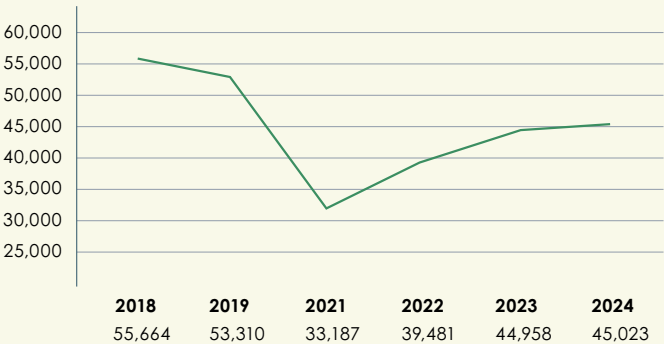
Value for Money

The Archdiocese works hard to make sure parish funds are used carefully and wisely. Money given through offertory and collections supports:

- ⊗ **The running of parishes and sacramental life.**
- ⊗ **Training and supporting priests and deacons.**
- ⊗ **Safeguarding, education, and youth ministry.**
- ⊗ **Support for schools, families, and those most in need.**
- ⊗ **The maintenance of church buildings and heritage.**

By clustering parishes, streamlining deaneries, and planning carefully for the future, the Trustees are committed to getting the best value out of every pound given—making sure the Church's mission is both sustainable and effective

MASS ATTENDANCE BY YEAR



ERIC KIRWAN - CHIEF OPERATING OFFICER



In the preceding pages are examples of how our parishes and schools are bringing to life the vision for the Archdiocese each and every day. We are grateful to our clergy, staff, volunteers, and parish and school communities for all they do in support of our shared mission.

The Archbishop has asked that we continue to act as one Archdiocese, working together in unity.

The Archdiocese (or Diocese) refers to the geographical area under the care of the Archbishop. It includes all parishes, schools, and diocesan offices within that area. Together, these make up the Archdiocese. The term 'Diocese' therefore does not refer to a single department or 'head office', but to the whole Catholic community across this region.

The Curia is the administrative office of the Archdiocese, with responsibility for temporal matters such as property, finance, safeguarding, and legal affairs. It also includes the Diocesan Education Service. The Curia exists to serve parishes and schools, and to support the Archbishop in fulfilling his responsibilities in both civil and canon law. Other diocesan services, such as support for retired and sick clergy, and the Office for Formation and Vocations, also form part of the Archdiocese.

This report aims to provide greater transparency and clarity about the finances of our parishes, non-parish departments, and the total charity, namely, the Archdiocese itself.

(Other associated charities such as the Kenelm Youth Trust, Father Hudson's Caritas, and the Johnson Fund are separate legal entities and publish their own accounts and reports.)

From a financial perspective, we saw income rise in line with inflation

(2%) and expenses increase by 3%. The overall operating position for the Archdiocese was a loss of £1.69m.

Our primary source of income is the parish offertory, which increased by 4% in 2024, for which we are very grateful. Offertory income over the past 10 years has remained largely static, in part due to lower attendance, during a period in which inflation has been close to 45%. In real terms, we therefore have around half the income we had in 2013. To address this, all parishes are being asked to run a planned giving campaign in 2025 to encourage parishioners to review and, where possible, increase their weekly giving.

At the same time, we are accelerating the reorganisation of parishes into clusters or missions, with the aim of creating larger and stronger parishes for the future. By sharing resources, properties, and co-ordinating Mass times and other aspects of parish life, we can work together to fulfil the Archdiocesan vision for parishes that are vibrant, sustainable, and joyful communities of faith.

Our Catholic schools also continue to flourish, with the new 64-school St Gabriel the Archangel Catholic Multi-Academy Trust (CMAT) opening in 2025. This will be the first of the new, larger CMATs being established across the Archdiocese. These larger trusts will enable schools to share resources, offer greater opportunities for pupils and staff, and ensure the continued provision of excellent Catholic education.

We have much to do, but also much to celebrate. Thank you for all that you do in your parishes, schools, and communities. Together we continue to build a strong and united Archdiocese.



FINANCIAL REVIEW BIRMINGHAM DIOCESAN TRUST

This review summarises the key activities and governance of the Birmingham Diocesan Trust during 2024, aligned with the Diocesan Vision themes: *Evangelisation, Formation, Liturgy and Worship, and Charity and Social Outreach.*

Supporting the four themes, the Curia – led by the Chief Operating Officer, oversees safeguarding, finance, property, HR, education, communications, fundraising, legal, and planning. A restructure of the finance function in 2024 improved cost-efficiency and parish support. Strategic financial oversight is provided by the Finance Sub-Committee, with operational management delegated to diocesan officers and to parishes under Canon Law.

INTRODUCTION

Archbishop Bernard Longley – Chair of Trustees

As I reflect on 2024, I give thanks for the many blessings and achievements across our Archdiocese. Our parishes, schools, clergy, and lay faithful continue to share the Good News of Jesus Christ with dedication and joy.

The Diocesan Vision remains central to all we do, shaping parish, school, and community life through our priorities of Evangelisation, Formation, Liturgy and Worship, and Social Outreach, alongside our continuing focus on co-responsibility, young people and families, and care for creation.

We continue to give careful attention to strengthening our financial position. As this report shows, we have already made progress in reducing costs through restructuring, yet we still face the challenge of operating at a loss. In calling us to act in unity as one Archdiocese, I also invite our parishes to deepen their communion with one another. The Curia, together with the Education Service, exists to serve our parish and school communities; and with them, forms the living body of our Archdiocese, working together in faith and mission.

I remain deeply grateful to all who contribute to the life of the Archdiocese: clergy, Religious, staff, volunteers, governors, and parishioners, for their prayer, generosity, and service. May we continue to work together in faith and hope as one family of God.

With every blessing for the year ahead.

+ Bernard



PERFORMANCE REVIEW

Public benefit

The Trustees are fully aware of their duty under Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit. They are confident that the Birmingham Diocesan Trust's activities provide clear and demonstrable benefit to the public.

The Trust exists to advance the Roman Catholic faith and serve the wider community. Its work is guided by the four themes of the Diocesan Vision:

- ⊗ **Evangelisation:** Through parish outreach, mission activities, and open access to worship, the Trust invites all people—regardless of faith—to explore and deepen their spiritual lives.
- ⊗ **Formation:** Catholic schools and adult faith programmes offer high-quality education and personal development, welcoming pupils and participants of all faiths and none.

- ⊗ **Liturgy and Worship:** Churches and clergy provide sacramental ministry and pastoral care, enriching the spiritual and emotional wellbeing of individuals and communities.
- ⊗ **Charity and Social Outreach (Caritas):** The Trust supports charitable giving, volunteering, and practical assistance, including care for the homeless, vulnerable and disadvantaged.

With a focus on Co-responsibility, Young People and Families, and Care of Creation.

The Trustees affirm that the Trust's work benefits everyone, regardless of religious belief or background.

Safeguarding

Safeguarding is central to the Church's mission of care and protection. The Archdiocese enforces a zero-tolerance approach, in line with national standards from the Catholic Safeguarding Standards Agency (CSSA).

Our Safeguarding Team responds to concerns, provides training, and supports survivors. Each parish has a Parish Safeguarding Representative (PSR), trained by the diocesan team. An independent CSSA audit in 2024 confirmed firm progress, and Barnardo's provides additional quarterly reviews to keep standards high. The Safeguarding sub committee exists to support, assist and advise the Diocesan Trustees ("Trustees") in discharging their duties in safeguarding.

This work ensures that the Church is a safe place for everyone and that resources are being used to protect the most vulnerable.

Clergy Support and Vocations

The Clergy Training Fund supports the training of seminarians and deacons, with seven men currently preparing for the priesthood and 20 for the permanent diaconate. It also funds further studies and ongoing formation for clergy.

The Vocations Office, working with the Office for Mission, promotes vocations in parishes, schools, and chaplaincies, runs events, produces prayer resources, and supports altar servers through the Guild of St Stephen. Clergy formation programmes ensure priests and deacons are equipped to serve their communities well.

This investment in clergy reflects the Vision's call to Formation, ensuring future generations of Catholics have well-prepared and supported clergy.

Education

The Diocesan Education Service (DES) supports 241 Catholic schools (233 under the Trust Deed). A new Director of Education was appointed in 2024, strengthening collaboration and excellence.

School standards remain high: 97% are rated Good or Outstanding by Ofsted, and all Catholic School Inspections in 2024 confirmed strong outcomes. DES provides teacher training, supports new curriculum changes, and led £5.7m in building projects across 44 schools.

Academisation continues, with the new St Gabriel the Archangel Catholic Multi-Academy Trust bringing 64 schools together in 2025. Schools are also living out the Vision through prayer, social action and fundraising, raising £70,000 in 2024 for Father Hudson's Caritas.

The Education Service is focused on its mission of forming Christ-centred pilgrims of hope, with kind hearts, questioning minds, a thirst for knowledge and a hunger for justice.

Education embodies all four Vision themes, especially Formation and Social Outreach, while combining high standards with strong Catholic identity.

Youth Ministry

Youth ministry is delivered through the Kenelm Youth Trust (KYT), serving ages 7–25. KYT offers retreats, parish and school chaplaincy support, and large-scale events. In 2024, hundreds of young people joined diocesan pilgrimages and activities.

This reflects the Vision's call to Evangelisation and Liturgy and Worship, helping young people grow in faith and belong to the wider Church.

Property and Sustainability

The Diocese manages over 1,000 properties. By merging parish and school property teams, we have reduced costs and improved support.

The Care for Creation Sub-Committee leads our climate response, showing our commitment to Pope Francis's *Laudato Si'*. Parish properties are being reviewed to ensure resources are used well: some will be shared, repurposed, rented, or sold to support mission more effectively.

This promotes good stewardship of resources, freeing money for parish and diocesan priorities.

Fundraising

The Archdiocese follows the Fundraising Regulator's Code of Practice and does not employ external fundraisers. In 2024, grants of £378,000 supported 12 parish projects, from church repairs to eco-friendly upgrades.

Securing outside funding helps to relieve pressure on parish finances.

Lourdes Pilgrimage

In 2024, 515 pilgrims travelled to Lourdes, including 200 young people and 23 assisted pilgrims. The pilgrimage was prayerful and joyful, with strong contributions from youth and medical volunteers.

The pilgrimage supports the Vision through Liturgy and Worship and Formation as well as Social Outreach, offering spiritual renewal and community care.

Harvington Hall

Harvington Hall welcomed 18,000 visitors in 2024. As a historic site of Catholic heritage and worship, it provides a place of pilgrimage, prayer, and education. Events and tours also generate income, supporting sustainability while promoting Evangelisation and Formation.

Communications

The Communications Team shares the work of the Archdiocese across different media platforms. By celebrating parish and school initiatives, they strengthen belonging and highlight the many good things happening in our local Church.

Investments & Investment Policy

Through the Diocesan Unit Investment Scheme, parishes benefit from professional investment management, generating income to support parish and the mission of the Archdiocese.

The investment portfolio, valued at £32.4m in 2024 (2023: £30.5m), is managed prudently within a low-to-medium risk ethical framework. In 2024, it produced £0.9m in income. All investments follow an ethical investment policy, in line with Catholic teaching. Notably, the Archdiocese divested from fossil fuels in 2021 as part of our response to climate change and Pope Francis's *Laudato Si'*.

The Care for Creation sub committee ensures that we have appropriate policies in place to guide our action in a way which will reduce our impact on creation and encourage us to nurture the gifts we have been given with an open heart.

Investments support long-term financial sustainability, ensuring resources for Evangelisation, Liturgy and Worship, Formation, and Social Outreach for years to come.

Ethical Investment Policy

Our ethical policy balances financial return with Catholic values. We avoid industries that conflict with Church teaching and focus on responsible stewardship. This approach may reduce short-term gains but is part of our commitment to faith-led decision making.

The Archdiocese

The results of the Archdiocese for 2024 reflect the gradual increase in Mass attendance, which has remained steady since 2023, and an increase in offertory giving of 4%; £7.72m in 2024, compared to £7.42m in 2023.

Of those parishioners, over 9,000 played an active role in volunteering in our parishes and chaplaincies and around 2,000 people volunteer in our schools and multi academy trusts, serving as directors or governors. All greatly contributing towards our Diocesan Vision and taking an active part in one or more of the four themes: *Evangelisation, Formation, Liturgy and Worship, Charity and Social Outreach.*

The financial statements reflect the activities of the Archdiocese, including the transactions, assets and liabilities of those charities and trust funds detailed in the notes to the financial statements. The figures do not include the operation of parish clubs, nor do they include separately registered Roman Catholic charities within the Archdiocese, other than those listed in Notes 17 & 18 to the financial statements.

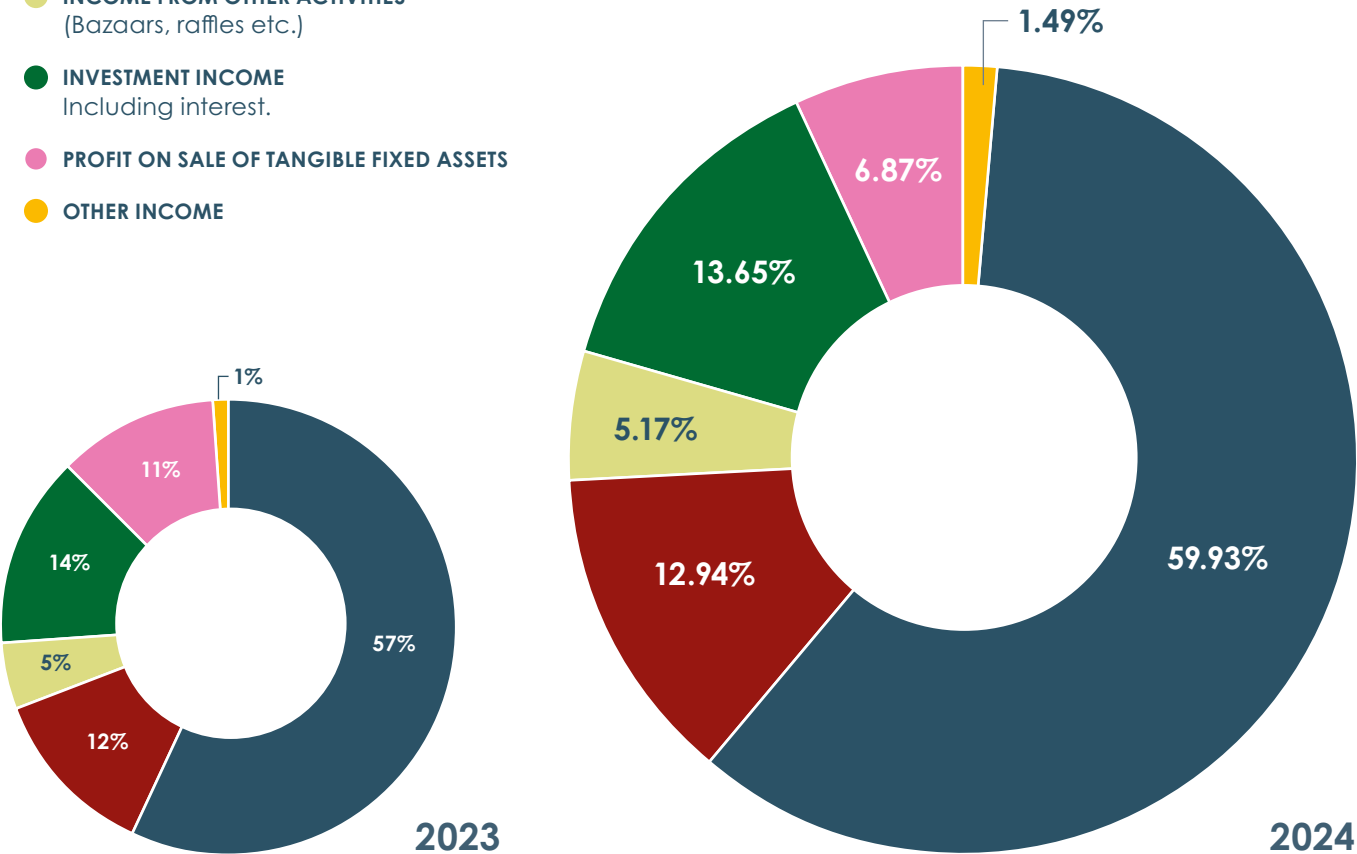
Income and Expenditure

The Statement of Financial Activities of the Archdiocese for the year ended 31 December 2024 shows income of **£24.18m** (2023: £23.71m) analysed as follows:

Income 2024

Income	2024		2023	
	%	£m	%	£m
Donations and legacies (offertories, donations, legacies, Gift Aid etc.)	60%	14.49	57%	13.55
Income from charitable activities (votive candles, repository and fees etc.)	13%	3.13	12%	2.90
Income from other activities (bazaars, raffles etc.)	5%	1.25	5%	1.10
Investment income, including interest	14%	3.30	14%	3.26
Profit on sale of tangible fixed assets	7%	1.66	11%	2.68
Other income	1%	0.35	1%	0.22
Total		24.18		23.71

- DONATIONS & LEGACIES**
(Offertories, donations, legacies, Gift Aid etc.)
- INCOME FROM CHARITABLE ACTIVITIES**
(Votive candles, repository and fees etc.)
- INCOME FROM OTHER ACTIVITIES**
(Bazaars, raffles etc.)
- INVESTMENT INCOME**
Including interest.
- PROFIT ON SALE OF TANGIBLE FIXED ASSETS**
- OTHER INCOME**



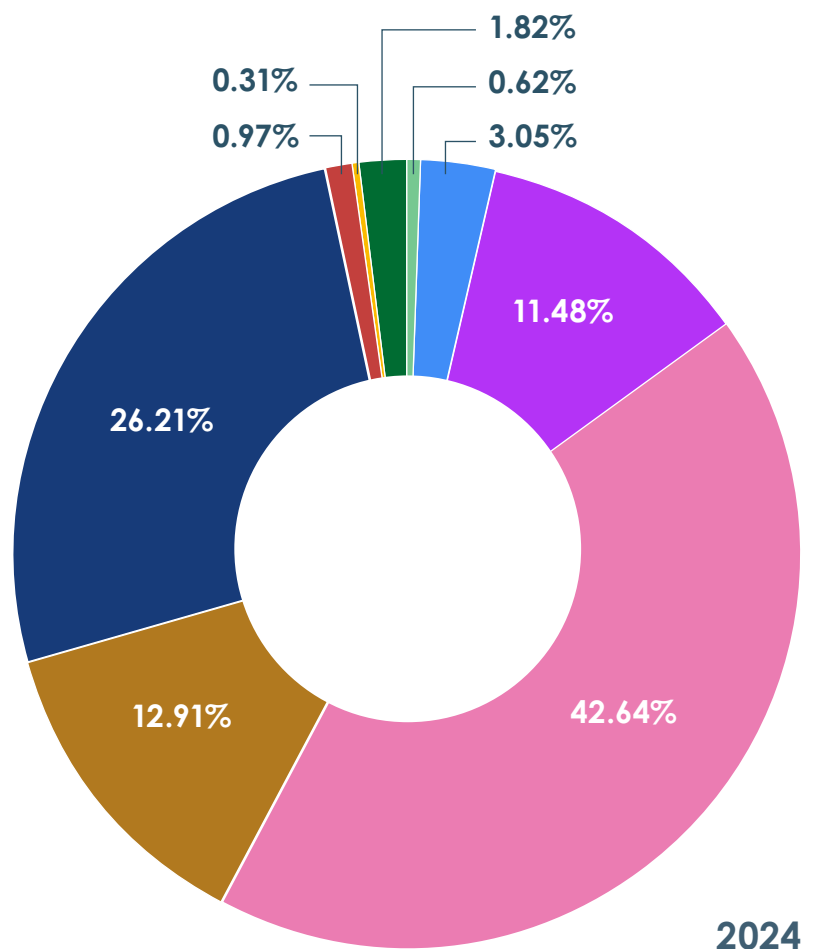
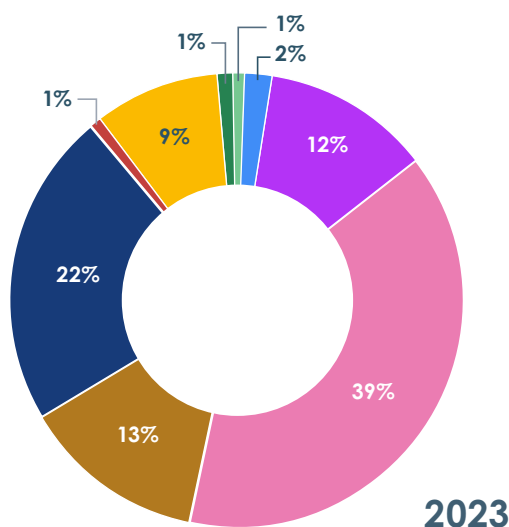
Expenditure 2024

Expenditure amounted to **£25.87m** (2023: £25.05m) analysed as follows:

Expenditure	2024		2023	
	%	£m	%	£m
Fundraising operations	1%	0.16	1%	0.16
Investment management costs	3%	0.79	2%	0.52
Liturgical, Chaplaincies, grants made etc.	11%	2.97	12%	2.94
Curial, Parish and Chaplaincies* etc. general and administrative costs	43%	11.03	39%	9.77
Clergy costs	13%	3.34	13%	3.27
Property inc. depreciation costs and net losses on disposals of tangible fixed assets	26%	6.78	22%	5.61
Votive candles, newspapers and repositories costs	1%	0.25	1%	0.24
Schools' costs	0%	0.08	9%	2.23
Legal and professional fees (including auditor's remuneration)	2%	0.47	1%	0.31
Total		25.87		25.05

- **FUNDRAISING OPERATIONS**
- **INVESTMENT MANAGEMENT COSTS**
- **LITURGICAL** Chaplaincies, grants made etc.
- **CURIAL, PARISH & CHAPLAINCIES* ETC.**
General and administrative costs.
- **CLERGY COSTS**
- **PROPERTY** (Inc. depreciation costs and net losses on disposals of tangible assets).
- **VOTIVE CANDLES, NEWSPAPERS AND REPOSITORIES COSTS**
- **SCHOOLS COSTS**
- **LEGAL AND PROFESSIONAL FEES**
(Including auditors' remuneration)

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



The net effect of the above is that, over the year, the funds of the charity increased by £4.4m (2023: £0.7m increase) to £122.70m (2023: £118.26m).

This resulted in:

An operating deficit (i.e. **before** considering the impact of gains and losses on investments and other assets of:

	2024	2023
Operating Surplus / (Loss)	£m	£m
Restricted funds including endowments	0.94	0.36
Unrestricted Funds	(2.63)	(1.7)
Operating (loss) all funds	(1.69)	(1.34)

The Operating result is a more accurate reflection of our true financial position. Gains from investments include realised and unrealised gains or losses. Realised gains or losses occur when assets are sold, unrealised gains or losses occur when assets are revalued but not sold. Unrealised gains or losses do not impact cash.

An overall surplus (i.e. **after** considering the impact of gains and losses on investments and other assets of:

	2024	2023
Overall surplus / (loss) AFTER gains / (losses) on investments, but BEFORE internal transfers)	£m	£m
Restricted funds including endowments	0.71	0.13
Unrestricted funds	3.73	0.58
Total surplus all funds	4.44	0.71

Investments & Investment Policy

The Diocesan Unit Investment Scheme enables individual parishes to benefit from stock market investments, generating income to support their charitable work locally and across the wider community.

The Trustees maintain an investment policy aligned with the Charities Act 2011 and the principles of Christian stewardship, aimed at ensuring long-term financial sustainability. Investments are professionally managed and overseen by the Diocesan Investment Sub-Committee, with a total return approach adopted to balance income generation and capital growth.

The portfolio, valued at £32.4m as at 31 December 2024 (2023: £30.5m), includes equities, fixed interest securities, property, and cash, and is managed within a low to medium risk framework. Ethical considerations are embedded in decision-making (see Ethical Investment Policy, below). Investment income for the year totalled £0.9m, consistent with 2023.

The Trustees aim to preserve and grow the real value of assets to support the mission of the Church, in line with the four themes of the Diocesan Vision: Evangelisation, Formation, Liturgy and Worship, and Social Outreach.

Gains on listed investments in the year were as follows:

	2024	2023
Listed Investments	£m	£m
Realised and unrealised gains:	£m	£m
Unrestricted funds	2.29	1.58
Restricted funds (including endowments)	0.3	0.21
Total	2.59	1.79

Gains on property investments (i.e. rental property owned by the Archdiocese) were as follows:

	2024	2023
Investment property	£m	£m
Realised and unrealised gains	3.54	0.26

The investment income arising from quoted securities and investment property held by the Archdiocese contributed towards the funding of operational expenditure during 2024. Investment property is all held as unrestricted funds.

Ethical Investment Policy

The Trustees of the Birmingham Diocesan Trust have adopted an ethical investment policy guided by Church teaching and the Charity Commission's guidance on responsible investment. This policy reflects the Trust's commitment to Christian stewardship

and acknowledges that ethical constraints may limit income and total return. This can be found in full, on our website: <https://www.birminghamdiocese.org.uk/policies>

Cash reserves

The charity's total cash reserves increased by £0.7m to £4.25m (2023: £1.1m decrease to £3.5m). Unrestricted cash reserves in parishes decreased by £1.1m to £3.50m (2023: £0.7m decrease to £4.6m) whilst Diocesan unrestricted cash reserves increased marginally, by £0.05m to a deficit position of £18.6m (2023: £0.1m decrease to £18.6m deficit).

Reserves policy

Unencumbered reserves, for this purpose defined as unrestricted stock market investments and cash of £21.1m (2023: £19.69m), are approximately 87% of annual unrestricted expenditure (2023: 85%).

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

Property and Fixed Assets

To fulfil its charitable objectives, the Archdiocese requires a substantial portfolio of properties, including churches, parish halls, presbyteries, and administrative buildings. These assets are essential to the delivery of pastoral, educational, and community services. However, as patterns of Mass attendance continue to shift, the number of properties required to support active ministry is also changing. This evolving landscape forms part of a wider strategic review, which may result in a reduction of the property portfolio over time.

Properties deemed surplus to operational requirements will be sold, with proceeds reinvested to support the mission of the Church. However, the remaining properties, while technically unrestricted, are integral to the Archdiocese's charitable work and cannot be realised without significantly undermining its ability to function. These buildings and their fixtures and fittings are not merely operational assets; they form part of the patrimony of the Catholic Church, entrusted to the Archdiocese for the spiritual and communal benefit of current and future generations.

Fixtures, fittings, contents, and vehicles are similarly employed in the delivery of charitable activities and are considered essential to the day-to-day functioning of the Archdiocese.

A small proportion of fixed assets are already represented by Restricted Funds (see Note 18). Trustees also consider it appropriate that the value of other functional buildings and their contents be held for ongoing charitable use. As these assets are unavailable for alternative purposes, they are reflected in a Designated Fund representing their value (see Note 19).

Day to day income & expenditure – Parish & Non-Parish (£'000)

All funds, restricted and unrestricted.

	Parish					Non-Parish					Archdiocese (Total Charity)			
	2024	2023	2022	2021		2024	2023	2022	2021		2024	2023	2022	2021
Income	21,105	18,989	17,279	15,852		3,077	4,720	2,856	2,443		24,182	23,709	20,135	18,295
Expenditure	(18,518)	(17,194)	(14,513)	(13,615)		(7,353)	(7,857)	(7,635)	(9,252)		(25,871)	(25,051)	(22,148)	(22,867)
Operating Surplus/(Loss)	2,587	1,795	2,766	2,237		(4,276)	(3,137)	(4,779)	(6,809)		(1,689)	(1,342)	(2,013)	(4,572)

The operating surplus represents the net result of income and expenditure arising from the charity's routine activities.

It incorporates both cash items - actual transactions such as receipts and payments - and non-cash items, which are accounting adjustments made to reflect timing and valuation differences. These include:

- ⊗ **Accruals and prepayments, which adjust for income and expenditure that relate to the reporting period but for which cash has not yet been received or paid at year-end.**
- ⊗ **Depreciation, which reflects the reduction in value of tangible fixed assets over time due to usage and ageing.**

These adjustments ensure that the financial statements present a true and fair view of the charity's financial performance, even though some items do not involve actual cash movement.

	Parish					Non-Parish					Archdiocese (Total Charity)			
	2024	2023	2022	2021		2024	2023	2022	2021		2024	2023	2022	2021
Operating surplus/(loss)	2,587	1,795	2,766	2,237		(4,276)	(3,137)	(4,779)	(6,809)		(1,689)	(1,342)	(2,013)	(4,572)
Investment gain/loss	5,093	1,206	(1,231)	5,872		1,039	841	(1,900)	1,562		6,132	2,047	(3,131)	7,434
Internal grants	(2,808)	(2,491)	(2,483)	(2,416)		2,808	2,491	2,483	2,416		-	-	-	-
Overall surplus	4,872	510	(948)	5,693		(429)	195	(4,196)	(2,831)		4,443	705	(5,144)	2,862

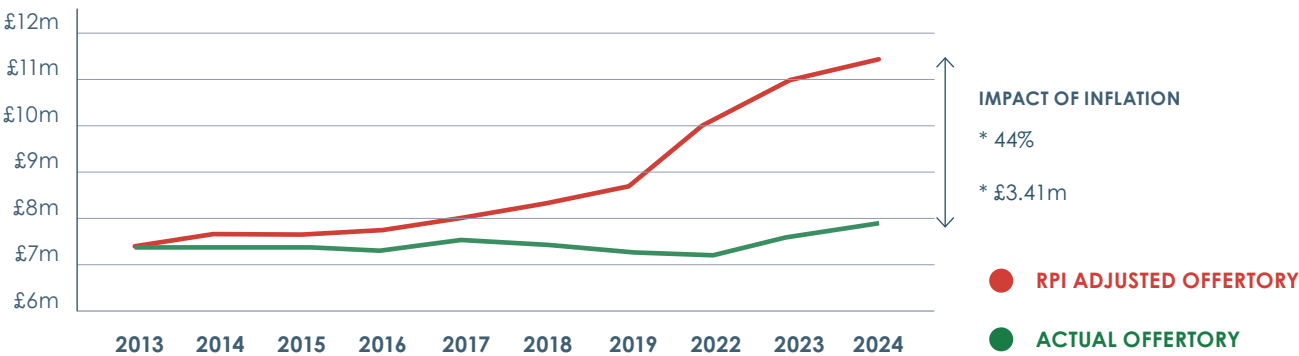
The overall surplus reflects the final financial position after incorporating gains and losses on investment properties and listed investments, as well as internal grants..

These internal grants primarily consist of the parish levy paid to the Curia. Such transfers are disclosed in the Statement of Financial Activities on page 30 under the heading "Transfers".

This surplus includes both realised and unrealised elements (realised gains/losses arise where an asset is sold, unrealised gains/losses arise where an asset is revalued), and while it may indicate a positive financial outcome on the financial statements, it is important to note that not all components represent available cash resources.

The impact of inflation on voluntary income

Voluntary giving Vs Inflation (RPI)



Summary of Assets by Parish and Non-Parish (£'000)

The Archdiocese benefits from the generosity of parishioners through local donations and legacies, to fund the parish and, via the parish levy, central services and supporting non-parish clergy and sick and retired priests, across all communities.

The levy only partially meets these costs, resulting in a deficit and overdraft to fund non parish activities. This shared financial landscape highlights the importance of working together to ensure that resources are used effectively and sustainably in support of our common mission.

By fostering closer collaboration between parishes and, with the curia and other non-parish departments, we can strengthen our collective ability to serve the needs of the Church and her people, both locally and centrally

Assets by Parish and Non-Parish-owned assets (excluding debtors / creditors)



Notes on Asset Distribution and Financial Position

The Archdiocese holds total assets of £125.1 million, comprising functional properties, investments, and cash reserves. These resources are shared across the diocesan and parish communities.

Functional properties: including churches, parish halls, and presbyteries, account for £50.61 million, or 40% of the total asset value. Investments are held in two forms:

- Investment units, placed in stock and bond markets to support long-term growth and generate income
- Investment properties, property held for its investment value, which are rented out to provide financial returns

Cash balances are essential for day-to-day operations. Parishes collectively hold £14.1 million in cash, while other non-parish accounts are currently managing a negative cash position of £9.9 million. To maintain essential services, property and other assets have had to be sold; an approach that is not sustainable in the longer term. While financial resources vary across the Archdiocese, they all serve the same purpose: to support the Church in her mission.

This shared financial picture invites us to continue working together to steward our resources wisely and ensure the Church remains vibrant and well-supported across all communities.

Assets (excluding debtors/creditors)	Parish £'000	Non-Parish £'000
Functional property and other fixed assets	38,671	11,936
Investment Property	33,897	3,988
Investment on Stock Market	22,034	10,345
Cash/Bank	14,147	(9,897)
Total	108,749	16,372
%	87%	13%
	125,121	

At the same time, a number of parishes are facing significant financial challenges. These communities often have limited reserves and cash deficits, and in some cases are responsible for maintaining buildings that have deteriorated over time due to years of underinvestment and are located in areas of economic hardship.

Many of these communities are thriving spiritually despite financial constraints, while others, particularly those experiencing declining Mass attendance, may need to be part of wider conversations about how best to steward resources. This may include exploring opportunities for parish clustering, where neighbouring parishes work in communion to share ministry, facilities and support.

In the spirit of communion and mutual care, it is hoped that better-resourced parishes and diocesan structures can continue to offer assistance where needed, ensuring that all communities remain active participants in the Church's mission.

THE PARISH LEVY

Each parish is required to pay the levy to the diocese.

A levy is calculated as a percentage, currently 26%, of the weekly offertory as well as other regular income such as rental income, income from investments, other donations etc.

Frequently asked questions from parishes include 'Why do we have to pay the levy? What is the levy used for?' On page 24 you can see a complete breakdown of what the levy is used for.

As His Grace reminds us, the Archdiocese is made up of parishes, schools, curia and other non-parish related departments. Whilst fulfilling separate purposes they all act in support of the same vision and mission and should be seen as one Archdiocese acting together. The curia is the central administrative office for the Archdiocese and includes the Diocesan Education Service, the Clergy Training Fund and various other non parish Diocesan activities and chaplaincies. The purpose of the curia is to serve and



support parishes and schools and the wider catholic community to fulfil the Church's mission. Each parish and school pay a levy towards the cost of the curia. It is the responsibility of the curia and the trustees to ensure that this money is used wisely and in support of the mission and our charitable objectives. It is important that the faithful know how the money they give each week is spent.

Why are parishes asked to contribute to the diocese?

The curia provides services to support parish and school communities, to meet statutory and national obligations on behalf of parishes and schools and to provide support for retired clergy, clergy not active in parish ministry, and therefore not supported by parishes; and central services which a parish could not realistically provide in isolation. Whilst some of the services are discretionary many are essential to the safe running of the charitable trust which includes the parishes and schools, and many of these activities and services are mandatory under the UK charitable legislation.

The primary source of income for the parish and the Archdiocese is the weekly offertory. The cost of providing these services was £5.5m in 2024. The parish levy contributed £3.0m towards these costs, leaving a shortfall of £2.5m. We expected to meet this shortfall by selling properties in 2024, however due to challenging property market conditions none was sold. As a result this has the effect of increasing the overdraft.

Since 2021 the diocese has reduced its expenditure by £1.9m or 21%. This is despite energy, property and employments costs increasing significantly and inflation of 24% over the same period. We continue to seek further reductions, but these are becoming more difficult to find.

What is the Levy used for?

The table (on page 24) breaks the spending down into five main categories.

1. Clergy and clerical costs

£1.1m or 36% of the parish levy accounted for 20% of the total costs. Active clergy includes those who are not supported either fully or in part by parishes. Retired clergy benefit from the state pension, Johnson Fund and diocesan support in the form of care costs, support with accommodation and grants towards living costs. Care home fees are increasingly placing an additional burden on the diocese, which is likely to increase in the coming years as more clergy retire.

2. Essential costs

These are costs which we have no or very limited discretion over and include National Levies to CaTEW (Bishops' Conference) and the



Catholic Safeguarding Standards Agency (CSSA). Professional Fees include the annual audit carried out on behalf of all parishes and legal expenses. Software licenses for all parishes are also paid from the levy as are DBS checks of which there were 850 in 2024. Essential Services account for 46% of the levy and 26% of total spending.

Clergy and Essential costs together account for £2.5m or 82% of the levy, leaving £0.5m to contribute towards the remaining categories.

3. Curia staffing

This is the area which raises most questions as to why do we need it? The reality is that we operate as a large and complex charity, with statutory obligations and operational demands that require appropriate staffing. While not always visible, these roles are essential to ensure compliance and effective governance.

We have seen a significant increase in investment in our safeguarding team, an area universally recognised as essential. At the same time, we have taken decisive steps to reduce costs and improve efficiency across other departments. The property teams of the parish and schools have been merged to reduce costs and improve service, as have the finance functions. Whilst there are still ways to further streamline the operation, the major reductions have already been made, and Trustees are confident that the charity is served by an appropriate staffing structure to ensure compliance and governance.



As the implementation of the diocesan Vision progresses, parishes will collaborate in clusters before formally merging. The outcome will be larger and stronger parishes working in communion with each other. By working together parishes will be better equipped to fulfil the vision of being 'joyful and vibrant, full of missionary disciples.'



Mass times, sacramental preparation, formation, social outreach etc can be aligned and shared. The larger parishes can decide which properties to retain, repurpose or dispose of to best support the mission. There is an expectation that the number of properties will be significantly reduced, with savings in property maintenance and from property sales instead invested in the mission.

The move towards larger parishes mirrors the academisation of our schools and will help protect vulnerable or isolated parish communities in the same way our multi academies secure the future of small or vulnerable schools..

4. External grants

The Archdiocese has supported a large number of other aligned charities in the past, in the form of grants. However, given the unsustainable financial situation, it has reluctantly had to make some very difficult decisions to reduce the cost of providing this support. Whilst this is no reflection on the valuable work these other organisations undertake, we must prioritise and scale the activities we are able to support, and which most align with our charitable objectives.

The exceptions are the related charities of Father Hudson's Caritas (FHC) and Kenelm Youth Trust (KYT). Whilst managed under separate charitable trusts both provide services exclusively for the Archdiocese and have long-established relationships with our parish and school communities. Nevertheless, we have had to significantly reduce the grants made available to both.

Alternative models of raising funds have been explored, with FHC receiving £73k from schools via their partnership with the Diocesan Education Service in 2024 and £125k to date in 2025. Staff and students in our schools have enthusiastically undertaken creative and interesting fundraising events to benefit this partner charity.



Hospital, University, Prison and other chaplaincies also receive grants, again cuts have been made in some locations as we move towards a model based on the local parish providing the service.

Internal grants:

The grant paid to DES has been significantly reduced in recent years, down from a high of £1.35m in 2019, to £475k in 2023 (due to a temporary pause), and now rests at a more sustainable £750k. Maryvale Institute entered into talks to transfer its operations to St Mary's College, Oscott and this transition will conclude in autumn 2025, leaving a small number of students on teach out arrangements, which will conclude by the end of December 2025.

Property and Building Costs

Each year we establish a budget to support essential repairs and maintenance across diocesan properties. While this allocation reflects our commitment to responsible stewardship, it is often insufficient to meet the full scope of needs. Unforeseen costs, particularly those driven by health and safety requirements or exceptional circumstances, frequently arise outside the planned budget.



To address these challenges more effectively, we are working to embed property-related decisions within a broader framework of strategic planning. This includes prioritising long-term sustainability, improving asset management, and aligning maintenance efforts with the mission and operational goals of the diocese. By taking a more proactive and integrated approach, we aim to ensure that our properties remain safe, functional – and fit for purpose – both now and for future generations.



Finance

We hope the information in this report has provided you with an improved understanding of the workings and finances of the Archdiocese.

In 2025 and 2026 we invite every parish to join a renewed effort to strengthen our shared resources, assisting those parishes in most need. By working together in communion, we can build a vibrant and sustainable future for our Archdiocese.

*'Together we celebrate many blessings
across our archdiocese, in parish and
school communities. With trust in God and
by working together as one Archdiocese
we now focus on renewal and growth'.*

+ Bernard

CURIAL OFFICE INCOME AND EXPENDITURE 2024 (£'000)

Day to day running costs for the curia

Expenditure	2024		2023	
	£'000	% of expenditure	£'000	% of expenditure
Clergy & Clerical Costs	1,083	20%	1,169	20%
Active clergy (incl senior clergy)	461	8%	397	7%
Retired clergy	374	7%	352	6%
Other clergy costs	48	1%	137	2%
Clergy Training Fund	200	4%	283	5%
Essential/statutory costs	1,405	26%	1,707	29%
IT, equipment, maintenance, software licenses	208	4%	274	5%
Professional fees (HR, audit, safeguarding, property etc)	301	6%	145	2%
Office and administration, printing, publications	85	2%	49	1%
DBS checks	15	0%	12	0%
Interest	31	1%	47	1%
Other costs	21	0%	459	8%
Other centrally funded service costs	278	5%	276	5%
Other liturgical and pastoral costs	258	5%	241	4%
National Diocesan Levies	208	4%	204	3%
Curia staffing, welfare and training costs	1,510	28%	1,452	25%
Safeguarding	263	5%	211	4%
Property and grant applications	356	7%	353	6%
Finance and IT	227	4%	226	4%
Planning and communications	141	3%	144	2%
Marriage tribunal	98	2%	97	2%
Ongoing formation and evangelisation	90	2%	87	1%
General admin, legal and compliance	335	6%	334	6%
Internal and external grants	1,066	20%	1,115	19%
Catholic education (DES/Maryvale)	620	11%	595	10%
All other internal grants incl chaplaincies	204	4%	174	3%
Kenelm Youth Trust	200	4%	304	5%
Other grants to external charities	42	1%	42	1%
Property and buildings costs	387	7%	429	7%
Functional property costs (incl depreciation)	338	6%	408	7%
Investment property costs	49	1%	21	0%
Total	5,451	100%	5,872	100%

Income	2024		2023	
	£'000	% of income	£'000	% of income
Income from parish levy	3,040	65.9%	2,535	62.5%
Other income	385	8.4%	712	17.5%
Income from investments	324	7.0%	350	8.6%
Total Ordinary Income	3,749	81.3%	3,597	88.6%
Unrealised gains (revaluations of assets)	861	18.7%	461	11.4%
Total	4,610	100.0%	4,058	88.0%

Due to difficult market conditions, no property was sold in 2024.

	2024	2023
	£'000	£'000
Ordinary Income	3,749	3,597
Total Expenditure	(5,451)	(5,872)
Total loss	(1,702)	(2,275)
Shortfall covered by sale of assets	-	2,088
(Loss) / Surplus	(1,702)	(187)
Unrealised gains (revaluations of assets)	861	461
Overall (Loss) / Surplus	(841)	274

KEY MANAGEMENT PERSONNEL AND REMUNERATION

The Board of Trustees, including the Auxiliary Bishops and the Vicar General together with the Chief Operating Officer are the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis.

All trustees give their time freely, and no trustee receives any remuneration in respect of the work undertaken in the role of trustee. There are members of the Board of Trustees who are also members of the senior clergy of the Archdiocese, and as with other members of the clergy receive a stipend for the work, they undertake in their clerical role only. These trustees are identified in the list of trustees on page 3.

Details of key management personnel remuneration and trustee expenses; and related party transactions are disclosed in Notes 10 and 24 (respectively) to the accounts. Remuneration of all personnel, including key management is set by the Workforce and Remuneration Sub Committee, and is advised by HR professional advisors. Trustees are required to disclose all relevant interests and register them with the Diocesan Treasurer and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

Plans for the future

Fulfilment of the Vision for the Archdiocese is the focus of all activities. Encouraging and empowering parishes to embrace the Vision and develop local plans centred on the four themes of *Formation, Evangelisation, Liturgy and Worship and Social Outreach* will continue.

Equally important is to address the challenge of increasing the number of families, young people and children regularly attending weekly Mass. Evangelisation and Formation of these groups via our schools and parishes is an essential part of the diocesan planning process.

From an operational perspective we continue to focus on the following priorities:

1. Increasing the pace of change in our parish and deanery structures, formalising the clustering of parishes and increasing collaboration and sharing of resources between parishes
2. Securing long term financial sustainability through increased weekly giving
3. Disposing or repurposing of property as a result of deanery and parish reorganisations
4. Progressing our School Academy Strategy to form a smaller number of large Catholic Multi Academy Trusts, capable of providing the very best Catholic formation and education
5. Providing increased access to formation for clergy, school leaders, parishioners, young people and children
6. Continual improvement of Safeguarding practices and care of victims of abuse

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

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

Recent years have focused on cost reduction and whilst continuing to use our resources wisely, increasing income is now one of our core objectives. 2025 therefore sees the launching of the Planned Giving Campaign with parish engagement being sought over spring and summer 2025 in readiness for its launch in the autumn.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period. In preparing financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and provisions of the Trust Deed.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial information included on the charity's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to the disclosure of information to auditors

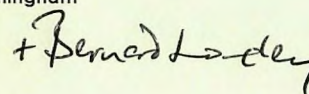
The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware.

Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved at the trustees' meeting held 24 October 2025 and signed on behalf of the trustees.

Most Rev. B Longley, MA, STL

Archbishop of Birmingham



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BIRMINGHAM DIOSCESAN TRUST

Opinion

We have audited the financial statements of Birmingham Diocesan Trust (the 'charity') for the year ended 31 December 2024 which comprise Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If,

based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 25, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions

of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the charity operates in and how the charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the charity's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting any correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Safeguarding, the Data Protection Act 2018, and Canon Law. We performed audit procedures to inquire of management and those charged with governance whether the entity is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP

Statutory Auditor

**Chartered Accountants,
10th Floor,
103 Colmore Row
Birmingham
B3 3AG**

Date 28 October 2025

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BIRMINGHAM DIOCESAN TRUST

Statement of financial activities

for the year ended 31 December 2024

		Parochial			Diocesan			Total Charity 2024				2023
		Unrestricted Funds	Restricted Funds	Endowment Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total	Total (note 8)
		£	£	£	£	£	£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:	Note											
Donations, legacies and grants	1	11,983	1,706	-	420	383	-	12,403	2,089	-	14,492	13,554
Charitable activities	2	1,251	135		1,673	66		2,924	201	-	3,125	2,900
Other trading activities	3	1,243	4	-	2	-	-	1,245	4	-	1,249	1,103
Investment income	4	2,809	23	33	380	40	16	3,189	63	49	3,301	3,263
Other income												
Profit on sale of tangible fixed assets		1,668	-	-	-	-	-	1,668	-	-	1,668	2,676
Other income	5	250	-	-	97	-	-	347	-	-	347	213
Total		19,204	1,868	33	2,572	489	16	21,776	2,357	49	24,182	23,709
EXPENDITURE ON												
Raising funds												
Fund raising operations		149	3	-	2	6	-	151	9	-	160	160
Investment management costs	6	738	-	-	48	-	-	786	-	-	786	520
		-	-	-	-	-	-	-	-	-	-	
Charitable activities	7	16,765	830	33	6,706	575	16	23,471	1,405	49	24,925	24,371
Total		17,652	833	33	6,756	581	16	24,408	1,414	49	25,871	25,051
Net (expenditure)/income before gains on investment assets		1,552	1,035	-	(4,184)	(92)	-	(2,632)	943	-	(1,689)	(1,342)

BIRMINGHAM DIOCESAN TRUST

Statement of financial activities

for the year ended 31 December 2024

		Parochial			Diocesan			Total Charity 2024				2023
		Unrestricted Funds	Restricted Funds	Endowment Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total	Total (note 8)
		£	£	£	£	£	£	£	£	£	£	£
Gains on investment assets												
Gains, losses and revaluations on investment properties	12	3,323	-	-	221	(3)	-	3,544	(3)	-	3,541	259
Gains, losses and revaluations on other investments	12	1,630	35	105	663	114	44	2,293	149	149	2,591	1,788
Total		4,953	35	105	884	111	44	5,837	146	149	6,132	2,047
Net income/(expenditure)		6,505	1,070	105	(3,300)	19	44	3,205	1,089	149	4,443	705
Transfers between funds*	18	(2,298)	(510)	-	2,821	(13)	-	523	(523)	-	-	-
Net movement in funds		4,207	560	105	(479)	6	44	3,728	566	149	4,443	705
Reconciliation of funds												
Total funds brought forward		97,657	5,014	1,575	7,578	5,756	678	105,235	10,770	2,253	118,258	117,553
Total funds carried forward		101,864	5,574	1,680	7,099	5,762	722	108,963	11,336	2,402	122,701	118,258

* All of the charity's activities are continuing. 2023 comparatives for the above are analysed in Note 8.

BIRMINGHAM DIOCESAN TRUST

Statement of financial position

At 31 December 2024

charity number 234216

	Note	2024 £000	2024 £000	2023 £000	2023 £000
FIXED ASSETS:					
Tangible assets	11		50,607		50,633
Investments	12		70,264		66,196
Total fixed assets			120,871		116,829
CURRENT ASSETS:					
Debtors due in under one year	13	3,788		3,534	
Total Debtors	13	3,788		3,534	
Cash at bank and in hand		4,250		3,546	
Total current assets		8,038		7,080	
CURRENT LIABILITIES:					
Creditors: Amounts falling due within one year	14	(6,173)		(5,616)	
NET CURRENT ASSETS			1,865		1,464
TOTAL ASSETS LESS CURRENT LIABILITIES			122,736		118,293
Creditors: Amounts falling due after more than one year	15		(35)		(35)
NET ASSETS	20		122,701		118,258
THE FUNDS OF THE CHARITY:					
Endowment funds	17		2,402		2,253
Restricted funds	18		11,336		10,770
Unrestricted funds:					
Designated income funds	19	49,883		49,960	
General income funds	19	59,080		55,275	
			108,963		105,235
TOTAL CHARITY FUNDS			122,701		118,258

These financial statements were approved and authorised for issue at the trustees' meeting held on 24 October 2025 and signed on behalf of the trustees by:

+ Bernard Longley
Most Rev. B Longley, MA, STL
Archbishop of Birmingham

BIRMINGHAM DIOCESAN TRUST

Statement of cash flows

For the year ended 31 December 2024

	Note	2024 £000	2024 £000	2023 £000	2023 £000
Cash flows from operating activities:					
Net cash used in operating activities	21		(5,070)		(6,510)
Cash flows from investing activities					
Interest received		147		218	
Interest /dividends from investment in the stock market		857		905	
Rental income from investment property		2,297		2,140	
Purchase of tangible fixed assets		(705)		(830)	
Proceeds of disposal of fixed assets		1,712		2,947	
Purchase of investments		(30,865)		(4,891)	
Proceeds of sale of investments		31,654		4,847	
Proceeds of sale of investment properties		677		163	
Net cash provided by investing activities			5,774		5,499
Net increase/(decrease) in cash and cash equivalents			704		(1,011)
Cash and cash equivalents at the beginning of the year			3,546		4,557
Cash and cash equivalents at the end of the year			4,250		3,546

Analysis of changes in net debt

	At start of year £000	Cash flows £000	At end of year £000
Cash			
Loans	3,546	704	4,250
	(35)	-	(35)
Total	3,511	704	4,215

BIRMINGHAM DIOCESAN TRUST

Accounting policies

for the year ended 31 December 2024

BASIS OF PREPARATION AND ASSESSMENT OF GOING CONCERN

Basis of accounting

The financial statements have been prepared in accordance with the accounting policies set out below and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)). The Trust constitutes a public benefit entity as defined by FRS102.

The financial statements have been drawn up under the historical cost convention as modified by the revaluation of investments and are presented in sterling, (£'000 except where otherwise noted) which is also the functional currency of the Trust.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Charities SORP (FRS102), rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

The Trustees continue to adopt the going concern basis of preparation of the financial statements. Management have revisited the financial budget for 2024 and into 2025, taking into account the impact of the cost of living and external domestic economic factors on projected income and expenditure, such as inflation and bank interest rates. They continue to monitor the cash position on a regular basis (£4.2m at year end). The Diocese also has a significant investment portfolio (£32.4m at year end) that has continued to grow, in spite of market uncertainty over global conditions. There is an unrestricted element of which provides an extra buffer to be utilised if necessary. The Trustees continue to monitor the performance of the investments, and challenge the charity's investment advisors. Based on the forecasts prepared the Trustees are satisfied that the Diocese has sufficient cash resources to continue in operation for the foreseeable future and can confirm that there are no material uncertainties in relation to the going concern basis of preparation of the financial statements.

The financial statements incorporate the activities of the parishes within the Archdiocese, the central support activities, the Diocesan Schools Commission, youth services and other centres of religious activities. The financial statements also include the transactions, assets and liabilities of those charities and other trust funds detailed in Note 17 to the financial statements. The figures do not include the operation of parish clubs, nor do they include the activities of separately registered Roman Catholic charities within the Archdiocese other than those listed in Notes 17 and 18.

Special and other charitable collections on behalf of other charities have not been included in the Statement of Financial Activities as they are not regarded by the trustees as being funds of the Archdiocese. Where any balance has not been paid to the respective organisation concerned, it has been included in creditors.

BIRMINGHAM DIOCESAN TRUST

Accounting policies (continued)

for the year ended 31 December 2024

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The Trust carries its investment properties at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The Trust obtains valuations to determine fair value on a cyclical basis; normally being every five years for investment properties. The trustees consider that this is sufficiently regular to ensure that their carrying amount does not differ materially from their fair value at the reporting date. Some of the key assumptions used to determine the fair value of the assets are based on the valuer's knowledge and experience of the market, values of similar properties that could be deemed subjective.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The trustees do not consider that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

FUND ACCOUNTING

The charity maintains various types of funds as follows:

Restricted funds

These represent funds received which are allocated by the donor for specific purposes. They cannot be used for purposes other than those specified by the donor. The aim and use of the restricted funds is set out in the notes to the financial statements.

Endowment funds

These represent various trust funds which have been donated to the charity. The capital cannot be spent, and any income generated must be spent in line with the donor's instructions.

Unrestricted General and Designated funds

These represent unrestricted income which is expendable at the discretion of the trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment. However, whilst these funds are unrestricted, they include amounts which have been invested in fixed assets and cannot therefore be realised without undermining the ongoing work of the charity. Such funds have been classified as designated funds by the trustees (see Note 19).

INCOME

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met and there is reasonable assurance of receipt and there being reasonable certainty as to amount. Where a claim for repayment of income tax has been or will be made, such income is grossed up for the tax recoverable. The following accounting policies are applied to income:

Donations, legacies and grants

Offerories and donations are included in income when receivable. Legacies are included in income upon the receipt becoming probable. Probability of receipt occurs where there is a grant of probate, the executors have established there are sufficient assets to pay the legacy and any conditions attached to the legacy are either within the control of the charity or have been met. Gifts in kind, if material, are included at an estimate of fair value. Included here also are grants receivable. Grants are recognised in the Statement of Financial Activities when the grant conditions have been complied with.

BIRMINGHAM DIOCESAN TRUST

Accounting policies (continued)

for the year ended 31 December 2024

Income (continued)

Charitable activities

Includes income from votive candles and newspapers etc., mainly in parishes, together with chaplaincy income, and whilst this is recognised on a cash received basis, this is not materially different from an accruals basis.

Other trading activities

Includes income from activities such as parish tates, bazaars and other events, which is described as social income and whilst this is recognised on a cash received basis, this is not materially different from an accruals basis.

Investment income

Income from investments is included on an accruals basis. Property rental income is recognised on a receivable basis.

Proceeds from the disposal of school properties

These proceeds are treated as restricted income as the charity is required to give an undertaking to make the disposal proceeds available for the provision of replacement schools elsewhere in accordance with Sch. 22 para. 3 of the Schools Standards and Framework Act 1998. Where such proceeds are material they are shown separately on the face of the Statement of Financial Activities.

Income from Government and other grants

Income from Government and other grants, whether 'capital' or 'revenue' grants, is credited to the Statement of Financial Activities when the Trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably. Income is deferred only if these criteria are not met or when the provider specifies that the grant must be used in future periods.

School Building Grants

The Diocesan Education Service (DES) assists voluntary aided schools with the administration of funding for school building projects and IT equipment. The Trustees have reviewed these arrangements and concluded that the DES acts as agent on behalf of the school governing body in certain circumstances in receiving funding from the Department for Education, Local Authority and other funding sources and settling and matching it with contractors' costs and associated professional fees.

As a result of this review, the income and expenditure from these activities are not reflected in the Statement of Financial Activities because the risk and reward of those transactions are those of the school governing bodies and not the DES. Expenditure on school building projects and IT where the DES acted as agent in the year amounted to **£5.94m** (2023: £6.41m), income from grants was **£5.97m** (2023: £6.67m) and the net position of **£0.03m** (2023: £0.26m) is included in the creditor for 2024, which is **£2.5m** as at the year end (2023: £2.30m). Further information on this is included in Note 7.

In addition, there were some activities in the year whereby the DES acted as principal, and those transactions are reflected in the accounts, further explanation is provided in Note 18.

EXPENDITURE

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any value added tax which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

- Fundraising operations are those costs incurred in attracting voluntary income.
- Investment management costs, which includes the cost of managing the Trust's investments, including investment property costs.

BIRMINGHAM DIOCESAN TRUST

Accounting policies (continued)

for the year ended 31 December 2024

EXPENDITURE (CONTINUED)

- Charitable activities include expenditure associated with the mission of the church and include both the direct costs and support costs relating to these activities together with primary purpose trading activities that raise funds; and governance costs, which include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. These costs include central functions and have been allocated on a basis consistent with the use of resources, which were in the main staff costs, by the time spent.

GRANTS PAYABLE

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. Grants are accounted for when either the charity has given the recipient a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Trust.

OPERATING LEASES

Rentals are charged on a straight-line basis, having taken account of lease incentives.

PENSION COSTS

The charity operates a defined contribution scheme for the benefit of its employees. The scheme is funded by contributions from the charity and its employees. The payments made by the charity are included in expenditure. The charity operates a salary sacrifice arrangement for pension contributions.

GAINS AND LOSSES ON INVESTMENTS

Realised and unrealised gains and losses on investments and investment properties are credited or charged to the Statement of Financial Activities. Unrealised gains and losses are calculated as the movement in fair value during the year. Realised gains and losses are calculated as the difference between disposal proceeds and fair value brought forward – fair value is considered by reference to bid value.

TANGIBLE FIXED ASSETS

Churches and other functional property

Prior to December 1996, capital expenditure on Churches and other functional property (i.e. buildings used for the primary purposes of the Archdiocese) and their contents were written off when incurred. The financial statements prepared for previous years, therefore, did not include amounts for these categories of fixed assets.

In December 1996, these assets were included in the financial statements at an estimate of their historic cost. This was derived by using the retail price index to index the present insurance value back to the date the building was constructed and applying rates of depreciation calculated to write off the estimated historic cost evenly over the whole of their useful life. Depreciation rates were calculated by using the age of the building and its expected useful life. A similar basis was used to estimate the contents of Churches and Presbyteries on the assumption that the contents of Churches and Presbyteries are renewed every 45 years.

BIRMINGHAM DIOCESAN TRUST

Accounting policies (continued)

for the year ended 31 December 2024

Tangible fixed assets (continued)

The cost of new functional church property, improvements and contents is capitalised and is being depreciated over the expected useful lives at the following rates:

	% per annum	Years
Churches, Presbyteries, Halls and other functional property:		
- Land element	Nil	-
- Building element	1.0	100
Improvements to and contents of Churches and Presbyteries	2.2 - 6.6	15- 45

Individual items of less than £25,000 are not capitalised.

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist the recoverable amount of the asset is estimated. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairments are recognised in the Statement of Financial Activities.

School property

The Archdiocese has 240 voluntary aided schools and academies which are constituted as separate charities. The school properties (land and buildings) are vested in the name of the trustees. The trustees cannot take a unilateral decision to dispose of these properties. Disposal can only occur if the school governors and the Secretary of State for Education decide that all or part of a school site is no longer required for education. In most circumstances, where a disposal occurs, the trustees will be required under S22 of the School's Standards and Framework Act 1998 to pay to the Local Authority so much of the proceeds as may be determined by the Secretary of State. Although no rights of ownership vest in the school governing body, most other rights and obligations, such as for the maintenance and repair of the school and its facilities, are passed to the governors. The trustees therefore consider that, for the purposes of these financial statements, whilst being used as a school, the nature of their ownership is that of a custodianship and therefore these properties have not been recognised.

At 31 December 2024 the building insurance valuation via the Diocesan insurers for the voluntary aided schools and academies in the charity's ownership was **£231m** (2023: £222m). In continuing the trend from previous years, there were further schools including academies that insured with other insurers/RPA in 2024 compared to 2023.

Fixed assets other than property

The cost of motor vehicles, Diocesan office equipment and fixtures and fittings is capitalised and depreciated over their expected useful lives, at the following rates:

	% per annum	Years
Motor vehicles	25	4
Office equipment, fixtures etc.	25	4

Individual items of less than £2,500 are not capitalised.

BIRMINGHAM DIOCESAN TRUST

Accounting policies (continued)

for the year ended 31 December 2024

INVESTMENTS

Investment properties

Investment properties such as houses and non-functional properties have been included at the trustees' estimate of their fair value at 31 December 2024. All investment properties are professionally valued on a rolling 5-year programme. During 2023, approximately one-fifth in number of investment properties were professionally valued at open market value by the Diocesan in-house qualified chartered surveyors. In accordance with Financial Reporting Standard 102, no depreciation is provided. The value of each property has been prepared having regard to RICS Valuation – Global Standards (Red Book) effective from 31 January 2021 where market value is defined as:

"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Other investments

Other investments consist mainly of stocks and shares quoted on the London Stock Exchange. They have been included at fair value at the year end.

FINANCIAL INSTRUMENTS

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument and are offset only when the Trust currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents include cash and short term highly liquid assets with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts held as part of the charity's treasury management activities.

Concessionary loans (assets)

Loans which are made (or committed and not taken up at the year-end) to priests, employees and other beneficiaries of the Trust are considered concessionary loans. Unsecured loans are generally for a term of up to 5 years, no interest is payable, and do not normally exceed £5,000 (although these limits may be exceeded at the discretion of the Diocesan Treasurer). In addition, secured, concessionary, interest free loans are made usually for the purposes of purchasing property being secured on the property, the loan term usually being for a period of up to 10 years.

BIRMINGHAM DIOCESAN TRUST

Accounting policies (continued)

for the year ended 31 December 2024

Concessionary loans (assets) (continued)

All concessionary loans are initially measured at their transaction value, and subsequently are recognised at their carrying value, less impairment. They are repayable within the agreed payment term, or the cessation of employment in the case of an employee or cessation of office in the case of a priest, whichever is the soonest. A provision for impairment is established when there is objective evidence that the amounts due will not be collected according to the original terms of the loan agreement. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the loan over the present value of the future cash flows. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

Concessionary loans are aggregated within the financial statements as this does not obscure significant information. Where applicable, concessionary loans committed but not yet taken up at the year-end are included in the financial statements, but are not aggregated in the total.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Trust after deducting all of its liabilities. The Trust considers it has no equity instruments.

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Concessionary loans (liabilities)

Loans made (or committed and not taken up at the year-end) by parishioners to a parish of the Archdiocese are considered concessionary loans. These may be for a period of 1 year upwards, sometimes with no end date. No interest is payable. These are initially measured at their transaction value, and subsequently are recognised at their carrying value, less impairment. They are always unsecured.

Concessionary loans are aggregated within the financial statements as this does not obscure significant information. Where applicable, concessionary loans committed but not yet taken up at the year-end are included in the financial statements, but are not aggregated in the total.

De-recognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

RECOGNITION OF LIABILITIES

Liabilities are recognised when either a constructive or legal obligation exists.

JOINTLY CONTROLLED ENTITIES

Entities in which the charity has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities. Jointly controlled entities are accounted for using the cost model.

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements for the year ended 31 December 2024

1	DONATIONS, LEGACIES AND GRANTS							
	Parochial			Diocesan			Total	Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Offertories, collections and donations	9,111	728	-	137	327	-	10,303	9,825
Tax reclaimed on offertories and donations	1,560	18	-	125	10	-	1,713	1,687
Donations of property								450
Legacies	1,165	22	-	142	44	-	1,373	1,182
Grants receivable *	147	938	-	16	2	-	1,103	410
	11,983	1,706	-	420	383	-	14,492	13,554

* Included in grants receivable were Government grants, amounting to **£236k** (2023: £270k). This excludes Schools funding (refer to note 7).

DONATIONS, LEGACIES AND GRANTS - 2023 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2023
	£000	£000	£000	£000	£000	£000	£000
Offertories, collections and donations	8,778	716	-	140	191	-	9,825
Tax reclaimed on offertories and donations	1,569	37	-	61	20	-	1,687
Donations of property	450	-	-	-	-	-	450
Legacies	580	498	-	89	15	-	1,182
Grants receivable	186	155	-	39	30	-	410
	11,563	1,406	-	329	256	-	13,554

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)
for the year ended 31 December 2024

2	CHARITABLE ACTIVITIES							
	Parochial			Diocesan			Total	Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Votive candles, newspapers and repositories	601	-	-	4	-	-	605	571
Chaplaincy income	61	-	-	119	-	-	180	167
Fees and other charges	27	-	-	1,524	66	-	1,617	1,431
Other income	562	135	-	26	-	-	723	731
	1,251	135	-	1,673	66	-	3,125	2,900

CHARITABLE ACTIVITIES - 2023 COMPARATIVES

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

3	OTHER TRADING ACTIVITIES							
	Parochial			Diocesan			Total	Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social income	1,243	4	-	2	-	-	1,249	1,103
	1,243	4	-	2	-	-	1,249	1,103

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

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)
for the year ended 31 December 2024

OTHER TRADING ACTIVITIES - 2023 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2023
	£000	£000	£000	£000	£000	£000	£000
Social income	1,091	2	-	10	-	-	1,103
	1,091	2	-	10	-	-	1,103

4	INVESTMENT INCOME							
	Parochial			Diocesan			Total	Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from UK investments	508	23	33	240	37	16	857	905
Rental income	2,187	-	-	110	-	-	2,297	2,140
Interest receivable	114	-	-	30	3	-	147	218
	2,809	23	33	380	40	16	3,301	3,263

INVESTMENT INCOME - 2023 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2023
	£000	£000	£000	£000	£000	£000	£000
Income from UK investments	528	29	36	255	40	17	905
Rental income	2,002	-	-	136	2	-	2,140
Interest receivable	165	1	-	18	34	-	218
	2,695	30	36	409	76	17	3,263

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)
for the year ended 31 December 2024

5	OTHER INCOME							
	Parochial			Diocesan			Total	Total
	Unrestricted	Restricted	Endowment	Unrestricted	Restricted	Endowment	2024	2023
	funds	funds	funds	funds	funds	funds		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Insurance claims	129	-	-	25	-	-	154	67
Donations of assets	-	-	-	-	-	-	-	12
Sundry income	121	-	-	72	-	-	193	134
	250	-	-	97	-	-	347	213

OTHER INCOME - 2023 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted	Restricted	Endowment	Unrestricted	Restricted	Endowment	2023
	funds	funds	funds	funds	funds	funds	
	£000	£000	£000	£000	£000	£000	£000
Insurance claims	67	-	-	-	-	-	67
Donations of assets	12	-	-	-	-	-	12
Sundry income	133	-	-	1	-	-	134
	212	-	-	1	-	-	213

6	INVESTMENT MANAGEMENT COSTS							
	Parochial			Diocesan			Total	Total
	Unrestricted	Restricted	Endowment	Unrestricted	Restricted	Endowment	2024	2023
	funds	funds	funds	funds	funds	funds		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Costs of management of investment properties and other investments	738	-	-	48	-	-	786	520
	738	-	-	48	-	-	786	520

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)
for the year ended 31 December 2024

INVESTMENT MANAGEMENT COSTS - 2023 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted	Restricted	Endowment	Unrestricted	Restricted	Endowment	
	funds	funds	funds	funds	funds	funds	2023
	£000	£000	£000	£000	£000	£000	£000
Costs of management of investment properties and other investments	498	-	-	22	-	-	520
	498	-	-	22	-	-	520

7	CHARITABLE ACTIVITIES							
	Parochial			Diocesan			Total	Total
	Unrestricted	Restricted	Endowment	Unrestricted	Restricted	Endowment	2024	2023
	funds	funds	funds	funds	funds	funds	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Liturgical and pastoral costs	1,508	99	9	482	34	16	2,148	1,853
Curial, Parish and Chaplaincy etc. general support costs *	6,783	72	-	3,859	150	-	10,864	9,405
Clergy costs	2,087	2	-	957	291	-	3,337	3,274
Property refurbishment, maintenance and major repairs**	4,616	646	24	184	8	-	5,478	4,320
Depreciation	1,094	-	-	202	7	-	1,303	1,289
Bank Charges	192	-	-	44	1	-	237	364
Votive candles, newspapers and repository costs etc.	248	-	-	-	-	-	248	237
Chaplaincy expenditure	-	-	-	291	60	-	351	538
Schools' costs	8	-	-	52	17	-	77	2,231
Grant funding	197	11	-	253	7	-	468	547
Professional fees, incl safeguarding & audit	32	-	-	434	-	-	466	313
Total charitable activities	16,765	830	33	6,758	575	16	24,977	24,371

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

** A significant number of parish property required repairs and building work in 2024 compared to 2023.

*** Included in Schools costs is **£12k** which represents the net costs (2023: £120k net costs) on activities where the Trust is acting as principal, and payments made under a PFI agreement (see page 61). The net position relates to income of **£5,966k** and **£5,954k** expenditure (2023: £6,564k income and expenditure of £6,684k). These costs relate mainly to PFI payments, along with grants received and paid in relation to RAAC funding.

The costs above relate directly to the activity concerned and no form of estimation or apportionment has therefore been necessary.

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)
for the year ended 31 December 2024

7

CHARITABLE ACTIVITIES - 2023 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2023 £000
Liturgical and pastoral costs	1,183	64	5	567	17	17	1,853
Curial, Parish and Chaplaincy etc. general support costs *	7,344	182	-	1,795	84	-	9,405
Clergy costs	1,989	2	-	901	382	-	3,274
Property refurbishment, maintenance and major repairs	3,234	708	31	340	7	-	4,320
Depreciation	1,078	-	-	204	7	-	1,289
Bank Charges	284	-	-	79	1	-	364
Votive candles, newspapers and repository costs etc.	231	-	-	-	6	-	237
Chaplaincy expenditure	-	-	-	312	226	-	538
Schools' costs (including impairment losses)**	9	-	-	2,060	162	-	2,231
Grant funding	160	34	-	345	8	-	547
Professional fees, incl safeguarding	3	2	-	308	-	-	313
Total charitable activities	15,515	992	36	6,911	900	17	24,371

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)
for the year ended 31 December 2024

8

COMPARATIVES (BY FUND) FOR 2023 STATEMENT OF FINANCIAL ACTIVITIES

COMPARATIVES (BY FUND) FOR 2023 STATEMENT OF FINANCIAL ACTIVITIES											
Note	Parochial			Diocesan			Total			Total	
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2023	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
INCOME AND ENDOWMENTS FROM:											
Donations, legacies & grants	1	11563	1,406	-	329	256	-	11,892	1,662	-	13,554
Charitable activities	2	1,219	149	-	1,529	3	-	2,748	152	-	2,900
Other trading activities	3	1,091	2	-	10	-	-	1,101	2	-	1,103
Investment income	4	2,695	30	36	409	76	17	3,104	106	53	3,263
Other income											
Profit on sale of tangible fixed assets		236	350	-	2,090	-	-	2,326	350	-	2,676
Other income	5	212	-	-	1	-	-	213	-	-	213
Total		17,016	1,937	36	4,368	335	17	21,384	2,272	53	23,709
EXPENDITURE ON:											
Raising funds											
Fund raising operations		147	6	-	1	6	-	148	12	-	160
Investment management costs	6	498	-	-	22	-	-	520	-	-	520
Charitable activities	7	15,515	992	36	6,911	900	17	22,426	1,892	53	24,371
Total		16,160	998	36	6,934	906	17	23,094	1,904	53	25,051
Net (expenditure)/income before gains on investment assets											
		856	939	-	(2,566)	(571)	-	(1,710)	368	-	(1,342)

BIRMINGHAM DIOCESAN TRUST
Notes to the financial statements (continued)
for the year ended 31 December 2024

8

COMPARATIVES (BY FUND) FOR 2023 STATEMENT OF FINANCIAL ACTIVITIES

Note	Parochial			Diocesan			Total			Total
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2023 £000
Net (expenditure)/income before gains on investment assets	856	939	-	(2,566)	(571)	-	(1,710)	368	-	(1,342)
Gains on investment assets										
12 Gains, losses and revaluations on investment properties	(11)	-	-	270	-	-	259	-	-	259
Gains, losses and revaluations on investments	1,120	11	86	463	35	73	1,583	46	159	1,788
	1,109	11	86	733	35	73	1,842	46	159	2,047
Net income/(expenditure)	1,965	950	86	(1,833)	(536)	73	132	414	159	705
Transfers between funds										
18 (2,423)	(68)	-	2,251	240	-	(172)	172	-	-	
Net movement in funds	(458)	882	86	418	(296)	73	(40)	586	159	705
Reconciliation of funds										
Total funds brought forward	98,115	4,132	1,489	7,160	6,052	605	105,275	10,184	2,094	117,553
	97,657	5,014	1,575	7,578	5,756	678	105,235	10,770	2,253	118,258

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)
for the year ended 31 December 2024

9	NET INCOME	2024 £000	2023 £000
	Net income for the year is stated after charging:		
	Depreciation of tangible fixed assets	1,303	1,289
	PFI facilities management fees	149	158
	Auditor's remuneration		
	- for audit services	70	74
	- for non-audit services	1	1
		<u> </u>	<u> </u>

10	INFORMATION REGARDING EMPLOYEES, TRUSTEES AND VOLUNTEERS	2024 £000	2023 £000
	Staff costs comprise the following:		
	Salaries and wages	4,338	4,246
	Social security costs	320	355
	Pension costs	473	436
	Death in service premium	25	20
		<u> </u>	<u> </u>
		<u>5,156</u>	<u>5,057</u>

Staff costs relate to curial staff, staff at parishes and staff employed in Diocesan related activities.

The number of employees whose emoluments (excluding employer's pension contributions and national insurance) amounted to over £60,000 in the year was as follows:

	2024 Number	2023 Number
£60,000 - £70,000	2	2
£70,001 - £80,000	1	4
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u> </u>	<u> </u>

The charity contributed **£37,685** (2023: £61,135) in pension contributions in respect of these employees. The Chief Operating Officer is included within the above disclosure. Due to the operation of a salary exchange scheme, pension contributions stated above include the employee pension contributions paid on behalf of these staff as employer's contributions. These therefore do include amounts exchanged by staff under those arrangements. Not all staff participate in the salary exchange scheme.

The number of employees and full-time equivalent employees, analysed by function, during the year was as follows:

	Full Time		Part Time		Full Time Equivalent	
	2024	2023	2024	2023	2024	2023
Parishes	6	7	200	212	68	70
Other Diocesan services	20	25	16	16	28	32
Central/Curial Services	26	27	29	19	41	37
	<u>52</u>	<u>59</u>	<u>245</u>	<u>247</u>	<u>137</u>	<u>139</u>

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued) for the year ended 31 December 2024

10 INFORMATION REGARDING EMPLOYEES, TRUSTEES AND VOLUNTEERS (continued)

It should be noted that (as in previous years) just over 200 diocesan priests actively working within the charity are self-employed office holders and not employees of the charity.

Six of the twelve trustees listed on page 3 also serve as clergy of the charity (2023: Six), and in addition to their responsibilities as trustees are actively involved in carrying out the objects of the charity. Six of those trustees benefited from accommodation costs and other associated expenditure included within charitable activities (2023: Six)(see Note 7). These trustees received in total **£59,500** (2023: £67,125) of allowances as serving clergy but not in their office as trustee. The remaining trustees do not derive any income from the charity. Similarly, no trustee is paid expenses in relation to their activities as a Trustee, only in their canonical roles as serving clergy. Non-clerical trustees are not paid expenses.

The Trust considers its key management personnel comprise the Archbishop, Auxiliary Bishops, Vicar General and Chief Operating Officer. None of these individuals with the exception of the Chief Operating Officer are employees, they are office holders of the Trust. The remuneration, including Employers Pension contributions and National Insurance of the Chief Operating Officer for 2024 was **£112,649** (2023: £107,551).

During the year charity funds were used to pay a premium of **£8,067** (2023: £6,100) in respect of Trustees' Indemnity Insurance. This insurance protects the charity from loss arising from the neglect or defaults of its trustees, employees or agents or to indemnify the trustees or other officers against the consequences of any neglect or default on their part.

It is estimated that during the year, approximately 660k hours (2023: 640k) were provided by some 10,000 (2023: 9,200) volunteers in parishes. If this is valued at £11.00 per hour, the volunteer contribution amounts to some £7.26m (2023: £7.03m). Volunteer roles fulfil liturgical, pastoral and administrative activities of the charity. In addition, there were approximately 1,750 volunteers working as volunteer governors or directors in our schools and multi academy trusts. (2023: 1,750) This contribution by volunteers is not included in the financial statements.

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)
for the year ended 31 December 2024

11 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

Functional Property	note	Church/ presbytery £000	Improvements & Contents £000	Other £000	Total £000
Cost					
At 1 January 2024		45,869	37,639	826	84,334
Additions		-	560	145	705
Transfers from investment property	12	1,545	-	-	1,545
Transfers to investment property*	12	(956)	-	-	(956)
Disposals		(86)	(157)	(76)	(319)
At 31 December 2024		46,372	38,042	895	85,309
Depreciation and impairment					
At 1 January 2024		13,322	19,768	611	33,701
Charge for the year		523	684	96	1,303
Eliminated on disposal		(56)	(96)	(81)	(233)
Eliminated on transfer to investment property		(69)	-	-	(69)
At 31 December 2024		13,720	20,356	626	34,702
Net book value					
At 31 December 2024		32,652	17,686	269	50,607
At 31 December 2023		32,547	17,871	215	50,633

The net book value of functional property includes **£3,061k** long leasehold properties (2023: £2,486k).
The total insured value of the functional buildings and contents is **£894m** (2023: £862m).

School properties are not included above as they are treated as not recognised in accordance with the accounting policy on page 37.

* Transfers from functional property to investment property is at cost per the functional property asset register. Transfers in 2024 related to property held at nil cost in the asset register (as inseparable under historic cost convention from the other assets on the site), transferring it to investment property required a revaluation, which resulted in the crystallisation of a £956k gain and increase in asset value of investment property of £956k. These properties were revalued by external property surveyors.

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)
for the year ended 31 December 2024

12 INVESTMENTS HELD AS FIXED ASSETS

	2024 £000	2023 £000
Investments comprise the following:		
Investment properties	37,885	35,618
Other investments	32,379	30,578
	<u>70,264</u>	<u>66,196</u>
	2024 £000	2023 £000
Investment properties at valuation		
Fair value at 1 January 2024	35,618	36,628
Transfers from functional property (Note 11)	949	-
Transfers to functional property (Note 11)	(1,545)	(1,105)
Disposals	(677)	(164)
Gains and losses on revaluations and disposals (incl transfers from functional property per Note 11)	3,540	259
	<u>37,885</u>	<u>35,618</u>
Fair value at 31 December 2024		

The investment properties are included based on a 5 year rolling programme of internal valuations completed by professionally qualified (MRICS) staff – see page 38.

	2024 £000	2023 £000
Other investments comprise the following:		
Equities	25,517	20,951
Fixed interest securities & Bonds	2,650	4,393
Alternatives & multi assets	4,212	5,234
	<u>32,379</u>	<u>30,578</u>
Investments listed on a stock exchange		

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)
for the year ended 31 December 2024

INVESTMENTS HELD AS FIXED ASSETS (continued)

Stock exchange investments at fair value

	Diocesan	Parishes	2024 Total	2023 Total
	£000	£000	£000	£000
Fair value at 1 January 2024	9,985	20,592	30,577	28,745
Additions	9,658	21,207	30,865	4,891
Disposal proceeds	(9,904)	(21,750)	(31,654)	(4,847)
Realised and unrealised investment gains/(losses)	821	1,770	2,591	1,788
Fair value at 31 December 2024	10,560	21,819	32,379	30,577

The historic cost of investments held at 31 December 2024 was £31m (2023: £24m). There were no investment holdings which represented more than 5% by value of the portfolio excluding cash.

Additions and disposals are significantly higher in 2024 due to the appointment of new investment managers. These figures represent a re-ordering of the portfolio, and are representative of the trading activity on the account. This volume of trade is unlikely to continue at this level in 2025. This is the reason for the historic cost being similar to the fair value, as almost all the assets were traded in the year.

Stock exchange investments by location

	Fair value 2024 £m	Cost 2024 £m	Fair value 2023 £m	Cost 2023 £m
UK listed investments	7.2	7.4	16.2	13.8
Overseas listed investments	25.2	24.1	14.3	10.2
	32.4	31.5	30.5	24.0

Jointly controlled entity

The charity owns 50% of the £2 ordinary share capital of Parish Accounting Services Limited, a company which was formed during 2015 in order to purchase the intellectual property rights, and ownership of computer software known as OPAS. This is a bespoke accounting and gift aid system used widely within the Archdiocese, and was purchased in order to ensure its continued availability for the Trust. The remaining 50% is owned by the Archdiocese of Westminster and is jointly managed by the two Trusts, with two directors serving from each Archdiocese.

Ownership of trading limited company

The charity owns 100% of the share capital of The Shop at Harvington Hall Limited, a private limited company. Total called up share capital and net asset value is £4. Turnover was £53k (2023: £50k). The company made no profit during the year. As this is not material to the financial statements of the charity, the trustees have not prepared consolidated accounts for 2024. All transactions between the charity and the company are noted in note 24, related party transactions. Two members of staff of the charity acted as directors during the year. No remuneration was paid to the directors. Hall staff manage the operation of the shop on a day to day basis. The Shop paid a management fee to the Hall for these services.

Ownership of dormant private limited company

The charity owns 100% of the share capital of The Sower Limited, a dormant private limited company. Total called up share capital is £3. There are no other assets or liabilities.

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)
for the year ended 31 December 2024

13 DEBTORS

	2024 £000	2023 £000
Debtors: amounts due in under one year		
Amounts due in respect of school building projects	1,115	544
Accrued investment income	332	101
Accrued Gift Aid Tax reclaimable	1,472	1,287
Other debtors including trade debtors, major bequests and property sales	869	1,602
Total	3,788	3,534

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £000	2023 £000
*Amounts due in respect of school building projects	346	295
Due to other religious charities	970	895
**Other creditors	2,787	2,477
Accruals & deferred income	2,070	1,949
	6,173	5,616

* The amount noted above as "amounts due in respect of school building projects" is in respect of transactions for which the Diocesan Education Service (DES) acted as principal.

**Included here is an amount held in respect of grant income not spent on school building projects which were managed by the DES in its role acting as agent. For 2024 this was £2,526k (2023: £2,300k). This relates to grants received in advance of projects starting.

The distinction between certain school building project transactions is explained on page 35.

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)
for the year ended 31 December 2024

15 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2024 £000	2023 £000
Concessionary loans	35	35
	<u>35</u>	<u>35</u>

16 FINANCIAL ASSETS AND LIABILITIES

Financial assets held at fair value are included in Note 12. Note 13 includes financial instruments of £1,544k (2023: £792k) held at amortised cost and concessionary loans of £nil (2023: £nil) held at cost plus accrued interest, less impairment where applicable. Notes 14 and 15 include financial instruments held at amortised cost of £4,139k (2023: £3,702k).

17 ENDOWMENT FUNDS

	Balance at 1st January 2024 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (losses) on investments £000	Balance at 31st December 2024 £000
Diocesan funds						
Various Diocesan funds	634	13	(13)	-	43	677
Maryvale	57	3	(3)	-	1	58
Various small trust funds:						
registered charities	199	4	(4)	-	33	232
other	1,363	29	(29)	-	72	1,435
	<u>2,253</u>	<u>49</u>	<u>(49)</u>	<u>-</u>	<u>149</u>	<u>2,402</u>

These funds are linked to specific parishes and funds held by the Diocese, and are endowment in nature, i.e., the capital donated cannot be spent and any income generated must be spent in line with the donor's instructions. In the main the purposes of these funds are to provide education, relieve poverty, support priests and to provide for church repairs within the parishes concerned. The assets of all the funds listed are represented by investment in the Diocesan Investment Scheme (see page 15). There are two separate registered charities (Leamington Trust, registered charity no. 248948; and Birmingham Roman Catholic Diocesan Educational Trust no. 528881) and thirteen other separate funds. A uniting direction given by the Charity Commissioners is in force in respect of these funds.

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)
for the year ended 31 December 2024

17 ENDOWMENT FUNDS (continued)

The 2023 analysis of endowment funds follows:

ENDOWMENT FUNDS - 2023 COMPARATIVES

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

BIRMINGHAM DIOCESAN TRUST
Notes to the financial statements (continued)
for the year ended 31 December 2024

18 RESTRICTED FUNDS

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

	Balance at 1st January 2024 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (losses) on investments (stock market) £000	Balance at 31st December 2024 £000
Restricted funds						
Poor Mission Fund	372	56	-	(203)	-	225
Memorial Mass Fund	440	6	(11)	-	21	456
Religious Workers Accommodation Fund	46	-	(8)	-	-	38
Specific bequests						
University Chaplaincy	742	16	(32)	-	49	775
Other funds	648	118	(88)	(10)	21	689
Canons Chapter Fund	319	17	(4)	-	20	352
Clergy Training Fund	341	171	(362)	200	3	353
Maryvale	252	2	(59)	-	(3)	192
Diocesan Education Service – schools projects*	2,539	99	(16)	-	-	2,622
Harvington Hall	37	2	(1)	-	-	38
Other Chaplaincies	7	2	-	-	-	9
Parish building and other projects	5,027	1,868	(833)	(510)	35	5,587
	<u>10,770</u>	<u>2,357</u>	<u>(1,414)</u>	<u>(523)</u>	<u>146</u>	<u>11,336</u>

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued) for the year ended 31 December 2024

18 RESTRICTED FUNDS (continued)

* Schools projects. As set out on page 35 the income and expenditure in relation to activities where the Trust acts as principal are shown net on page 56. The net movement of £83k (2023: £(330)k) above, comprises income of £6,065k (of which £21k is investment income not netted off) (2023: £6,596k of which £32k was investment income); and expenditure of £5,982k. (2023: £6,926k).

The Poor Mission Fund exists to support parishes which struggle to meet their financial obligations. The Memorial Mass Fund provides for people's desire for annual Masses to be said for their intentions.

The Religious Workers Accommodation Fund was created during 2016 and after some specific grants to assist the work of agencies caring for the homeless and for disadvantaged youth made during that year, the balance is to be used for the provision of accommodation for religious workers in the Diocese.

The Canons Chapter Fund represents sums which were previously recognised as part of the affiliated bodies, and were therefore not in the past included within the funds of the Archdiocese. The Trustees now deem it more appropriate that these funds are included within the Archdiocese accounts as its aim is specifically to support repairs and maintenance of the Cathedral.

The Clergy Training Fund's primary purpose is to support students in training and formation for the priesthood and permanent diaconate as well as ordained priests and deacons undertaking further studies.

The "Diocesan Education Service – schools' projects" fund relates to historic schools' sales proceeds which can only be used to finance the building of new schools, or expansion of existing schools due to capacity needs, and includes grant funds received but not yet expended.

The transfers shown above of £(523)k (2023: £172k), principally represent amounts paid in accordance with the terms of the restriction, to certain parishes and other entities within the Archdiocese. In the case of "Parish building and other projects" the amount transferred relates to capitalised spending completed in accordance with the terms of the restriction. These parish assets are included within the unrestricted property assets of the charity; the associated restricted funding being regarded as having been effectively discharged. There is also a transfer into the Clergy Training Fund, which is a wholly restricted fund. This arises from an internal grant from Diocesan unrestricted funds to CTF restricted funds, necessitating a transfer between restricted and unrestricted funds.

BIRMINGHAM DIOCESAN TRUST
Notes to the financial statements (continued)
for the year ended 31 December 2024

The 2023 analysis of restricted funds follows:

RESTRICTED FUNDS - 2023 COMPARATIVES

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

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

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)
for the year ended 31 December 2024

19 UNRESTRICTED FUNDS

	General £000	Designated £000	Total £000
At January 2024	55,275	49,960	105,235
Net income	3,205	-	3,205
Transfers: endowment funds			
Transfers: restricted funds (Note 18)	523	-	523
Transfers: designated funds	77	(77)	-
At 31 December 2024	<u>59,080</u>	<u>49,883</u>	<u>108,963</u>

The trustees have created a designated fund to the value of the unrestricted net book value of functional property assets and contents. The trustees are of the opinion that these assets cannot be readily realised without undermining the ongoing work of the charity. Transfers to designated funds relate to net fixed asset movements and depreciation.

The 2023 analysis of unrestricted funds follows:

UNRESTRICTED FUNDS 2023 COMPARATIVES

	General £000	Designated £000	Total £000
At January 2023	56,134	49,141	105,275
Net income	132	-	132
Transfers to endowment	-	-	-
Transfers from restricted funds (Note 18)	(172)	-	(172)
Transfer to designated funds	(819)	819	-
At 31 December 2023	<u>55,275</u>	<u>49,960</u>	<u>105,235</u>

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)
for the year ended 31 December 2024

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted (general) £000	Unrestricted (designated) £000	Restricted £000	Endowment £000	2024 Total £000
Tangible fixed assets	271	49,883	453	-	50,607
Investments	65,730	-	2,132	2,402	70,264
Other net assets / liabilities	(6,921)	-	8,751	-	1,830
At 31 December 2024	59,080	49,883	11,336	2,402	122,701

"Tangible fixed assets" represents the book value of the charity's tangible fixed assets, principally land and buildings, currently held for charity use and the funds are therefore unavailable for other uses.

Included in the figure for investments is a significant unrealised surplus and this figure will vary year on year as property and stock market values fluctuate.

ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2023 COMPARATIVES

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

BIRMINGHAM DIOCESAN TRUST

Notes to the financial statements (continued)
for the year ended 31 December 2024

21 RECONCILIATION OF NET INCOME TO NET CASH FLOW USED IN OPERATING ACTIVITIES		
	2024	2023
	£000	£000
Net income/(expenditure) for the reporting period	4,443	705
Adjustments for:		
Depreciation of tangible fixed assets	1,303	1,289
Donation of property	-	(450)
Fair value (gains) on investment properties	(3,541)	(259)
Fair value (gains)/ losses on investments on the stock exchange	(2,591)	(1,788)
(Gain) on disposal of tangible assets	(1,688)	(2,676)
Dividends, interest and rents from investments	(3,301)	(3,263)
	(5,375)	(6,442)
Movements in working capital:		
(Increase)/Decrease in debtors	(254)	(328)
Increase/(Decrease) in creditors	559	260
Net cash used in operating activities	(5,070)	(6,510)

22 CAPITAL COMMITMENTS

At 31 December 2024, the charity was committed to future capital expenditure of approximately **£510k** (2023: £50k.)

23 OTHER COMMITMENTS

PFI Scheme

The Trust, through the Diocesan Education Service (DES) is party to a facilities management contract under a PFI scheme in respect of a school. Total commitments under the contract are £153k (2023: £158k) within one year, £316k (2023: £522k) between one and five years. These costs may change, dependent on changes to indexation. The costs are calculated using RPI. These costs are met from within the restricted funds held for the purposes of spending on new schools.

24 RELATED PARTY TRANSACTIONS

The organisations mentioned below were served by one or more common trustees during the year:

St Mary's College, Oscott – Registered Charity 1172979

During the year £48,694 (2023: £46,350) of rent and other costs and £133,886 (2023: £148,295) of students' fees was paid to St Mary's College, Oscott. There was a £nil balance (2023: £nil) owing to St Mary's College, Oscott at the year-end in respect of miscellaneous costs or student fees. There was also £75,624 paid by Oscott in relation to recharges relating to priests' stipends and expenses (2023: £78,400). A further £20,544 was paid for the secondment of Oscott's archivist (2023: £18,500), £12,708 for secretarial services (2023: £12,250) and a further £16,667 for events and miscellaneous costs (2023: £12,680). Most Rev. B Longley is a Trustee in common.

24 RELATED PARTY TRANSACTIONS (continued)

Father Hudson's Society - Registered Charity 512992

During the year, £44,315 (2023: £39,815) was collected on behalf of and paid over to Father Hudson's in the main via a retiring collection following Masses said in parishes in September 2023, but also for a special collection for aid for the people from Ukraine who were being supported by the charity. The Diocese also paid for residential care for sick and retired priests in Father Hudson's Residential Care Home, amounting to £151,690 (2023: £132,465). In addition to these, grants were also made to Father Hudson's totalling £27,750 (2023: £37,000) for them to administer on behalf of the Archdiocese to aid social outreach work through other Catholic agencies, and also with a special focus on Fatima House, a women's shelter for refugees.

There was a balance as at the year-end in respect of collections not paid over to Father Hudson's amounting to £nil (2023: £nil), and care costs of £nil (2023: £nil). Whilst not a Trustee of Father Hudson's, Most Rev. B Longley is President of the charity.

The Kenelm Youth Trust Ltd- Charitable company registration number 1144209

Grants totalling £200,000 were made to Kenelm Youth Trust in 2024 (2023: £304,260). KYT is a separate charity that was set up to provide all of the Trust's youth services from 1 January 2016. No balances were outstanding at 31 December 2024 (2023: £nil). Right Rev S. Wright is a trustee in common.

Parish Accounting Services Limited – Company registration number 09503675

During the year, £52,330 was paid to Parish Accounting Services Limited (2023: £43,400) in respect of software licencing fees of parish accounting software and SAFESYS (Diocesan safeguarding software) which PAS Limited purchased in the year. In addition, the Diocese received £16,150 from the company (2023: £11,950) in respect of costs of providing management time. There were no balances outstanding at the year-end.

Cornerstone Regeneration – Registered charity 1143282

Rent was received from Cornerstone by one of the parishes of the Archdiocese in respect of property, of £22,770 (2023: £28,300). Mr C. Loughran is a trustee in common.

Birmingham Churches Together – Registered charity 243931

A grant was made to the charity in 2024 of £14,800 (2023: £7,100). (Grant funding was agreed to be increased over 2 years, 2023 represents approximately 75% of the pre-COVID grant funding agreement) There were no balances outstanding at the year-end. The Most Rev. B Longley is a trustee.

The Venerable English College Trust – Registered Charity 1142558

A reimbursement of expenses was received from the Venerable English College Trust by the Archdiocese in respect of fundraising costs of £800 (2023: £2,400). There were no balances outstanding at the year-end.

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

Holy Souls Social Club Ltd – Registered Company 07170727

There were no transactions or balances outstanding for 2024. (2023: nil)

Transactions with wholly owned trading subsidiaries

The Shop at Harvington Hall registered company 03047240

The shop serves as a trading subsidiary to collect income from visitors to Harvington Hall. During the year, £5,371 (2023: £9,596) was paid to the charity as a contribution towards the running costs/overheads of the shop, and an additional management fee for Diocesan staff time of £15,000 (2023: £9,895). Re-imbursed costs amounting to £35,717 were paid by the Hall on behalf of the shop (2023: £37,355). There was a balance outstanding at the year end of £18,196 (2023: £20,658).

These financial results for the year ended 31 December 2024 are the complete set of annual financial statements on which the auditors have expressed an unqualified audit opinion.

A copy is available on the Diocesan website, www.birminghamdiocese.org.uk, and on the Charity Commission website under our charity reference number 234216.



BIRMINGHAM DIOCESAN TRUST

Treasurer's Department
Archdiocese of Birmingham
Cathedral House
St Chad's Queensway
Birmingham B4 6EU
www.birminghamdiocese.org.uk

0121 230 6219

Registered Charity No. 234216

Accounts



THE ARCHDIOCESE *of* BIRMINGHAM

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

Charity Registration No. 234216

Birmingham Diocesan Trust

Index to report and financial statements

	Page
<i>Legal and administrative information</i>	<i>1</i>
<i>Trustees' report</i>	<i>3</i>
<i>Independent auditor's report</i>	<i>22</i>
<i>Statement of Financial Activities</i>	<i>25</i>
<i>Statement of Financial Position</i>	<i>27</i>
<i>Statement of Cash Flows</i>	<i>28</i>
<i>Accounting policies</i>	<i>29</i>
<i>Notes to the financial statements</i>	<i>36</i>

Birmingham Diocesan Trust

Legal and administrative information

Name

The name of the charity is Birmingham Diocesan Trust. The charity, in its day to day dealings, is also known as the Archdiocese of Birmingham or "the Diocese". The charity registration number is 234216.

Principal Office

Cathedral House
St Chad's Queensway
Birmingham
B4 6EU

Website: www.birminghamdiocese.org.uk

Trustees

Birmingham Roman Catholic Diocesan Trustees Registered

Comprising:

Most Rev. B Longley MA STL (Archbishop of Birmingham) *(7) #
Rt. Rev. S Wright LLB, STL (Auxiliary Bishop) *(1) (2) (5) (6) (7) # Resigned 14 June 2023
Rt. Rev. D Evans (Auxiliary Bishop) *(1) (2) (6) #
Rt. Rev. R Walker (Auxiliary Bishop) *(1) (2) (3) (6) #
Rt. Rev. T Menezes (Auxiliary Bishop) Appointed 1 September 2024 #
Rev. J Veasey STL (Vicar General) *(3) (4) #
Rev. P Fitzpatrick appointed 20 October 2023. *(1) (2) # Resigned 31 August 2024 #
Ms. J Francis *(3) (10)
Mrs K Gordon *(4) (6) (7) appointed 26 January 2024
Prof. D Kelly CBE DL *(6) (7) Resigned 31 March 2024
Mr. C Loughran DL FBCS CIPF *(1) (2) (4) (5) (8)
Ms. S Pain BA ACMA *(1) (5)
Mr. T Piotrowski *(9)
Mr. P Vella *(3) (5) (9)
Mr. P Vince MRICS *(2) (4) (8)

*(1) Member of the Finance Sub-Committee
*(2) Member of the Property Sub-Committee
*(3) Member of the Workforce & Remuneration Sub-Committee
*(4) Member of Education Sub-Committee
*(5) Member of Investment Sub-Committee
*(6) Member of the Safeguarding Sub-Committee
*(7) Member of the Safeguarding Response Group
*(8) Member of the Care of Creation Sub-Committee
*(9) Member of the Governance, Compliance, Health & Safety and Risk Sub-Committee
Member of the Board of Trustees with a clerical Diocesan role (e.g., Priest, Bishop etc.) receiving a stipend in connection with that role, and which is not connected to their voluntary work as a Trustee.

The Committee membership shown above reflects the position as at the date of the signing of the Report and Accounts.

PROFESSIONAL ADVISERS

AUDITOR

RSM UK Audit LLP
Chartered Accountants
10th Floor
103 Colmore Row
Birmingham
B3 3AG

BANKERS

National Westminster Bank plc
4th Floor, 2 St. Philips Place
Birmingham
B3 2RB

INSURANCE BROKERS

PIB Insurance Brokers
Poppleton Grange
Low Poppleton Lane
York
YO2 6AZ

INVESTMENT MANAGERS

Evelyn Partners
103 Colmore Row
Birmingham
B3 3AG

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

PROPERTY CONSULTANTS

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

SOLICITORS

Charles Russell Speechlys
Compass House
Lypiatt Rd
Cheltenham
GL50 2QJ

DWF Solicitors
1 Snow Hill
Snow Hill
B4 6GA

Birmingham Diocesan Trust

Trustees' report

For the year ended 31 December 2023

Introduction

Archbishop Bernard Longley – Chair of Trustees



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

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

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

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

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

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

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

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

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

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

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

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

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

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

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

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

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

With every blessing

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

Archbishop Bernard Longley

Birmingham Diocesan Trust

Trustees' report

For the year ended 31 December 2023

Eric Kirwan – Chief Operating Officer

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

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

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

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

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

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

Finally, I would like to express my gratitude to clergy, staff and our amazing volunteers for all they do for the Archdiocese in support of our Vision and Mission.

Eric Kirwan

Birmingham Diocesan Trust

Trustees' report

For the year ended 31 December 2023

The trustees present their annual report and the audited financial statements for the year ended 31 December 2023. The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

Structure, governance and management

Birmingham Diocesan Trust is a charitable Trust constituted by a Declaration of Trust dated 3 July 1931. By a certificate dated 20 October 1931, the trustees of Birmingham Diocesan Trust are registered as a body corporate known as Birmingham Roman Catholic Diocesan Trustees Registered. All property assets are vested in the name of the body corporate. In order to update the constitution, the Declaration of Trust was amended by Resolution on 22 September 2017 and a Deed of Variation dated 26 January 2018. A copy of the Trust Deed is available on request.

The Archdiocese of Birmingham, the name by which the trust is more commonly known, is made up of 217 registered parishes when measured in financial terms. This figure therefore excludes Mass centres and order parishes, the latter of which are also subject to the liturgical direction of the Archbishop but which report financially to other organisations including various religious orders etc. The Archdiocese geographically covers the West Midlands, Staffordshire, Worcestershire, Warwickshire and Oxfordshire.

Certain trustees also serve on the Boards of other registered charities with objectives congruent to those of the Archdiocese including:

Father Hudson's Caritas	(Social care)
St Mary's College, Oscott	(Seminary)
The Kenelm Youth Trust Ltd	(Youth services)
Barberi and Newman Academy Trust	(Education)

A uniting direction given by the Charity Commissioners is in force in respect of various small trust funds as set out in Note 17. These trust funds are represented by 2 separate registered charities, and 7 other separate funds, and have been donated to the Charity by the donor. The assets of the funds are represented by investment in the Diocesan Unit Scheme. The capital cannot be spent, and any income generated must be spent in line with the various donors' instructions. These funds have been classed as endowment funds.

The Trustees are mindful of the need to review and report on Governance in the light of the Charity Governance Code issued in July 2017 and have considered each of the seven sections of the Code.

The Trust continues to implement the guidance contained in the Code although in some areas the requirements of Church Canon Law preclude the adoption of the Code in full. In particular the Chair of Trustees is not an elected position – as the Code would recommend.

The Archbishop of Birmingham is the ex-officio Chair of Trustees and is the Charity's Chief Executive Officer. He is appointed to that position by the Holy See rather than by the trustees. In addition, certain trustees - Auxiliary Bishops, and Vicar General also hold the office of trustee in an ex-officio capacity, rather than being appointed by the other trustees.

Birmingham Diocesan Trust

Trustees' report

For the year ended 31 December 2023

Objectives and activities

The objectives of the Trust are set out in the Diocesan Trust Deed, under which the Trust furthers its charitable purposes for the public benefit. They can be summarised as:

- Evangelisation and Catechesis
- Outreach work with disadvantaged and vulnerable members of society
- Provision of support to the elderly, particularly at parish level by providing essential community gathering places, organised activities, support and advice
- Assisting with mental health and other health issues through our hospital and prison chaplains
- Working with those struggling financially to supply basic needs for their families such as clothing and food, by providing support through the activities of organisations such as the Society of St Vincent De Paul and food and clothing banks
- Family and Marriage guidance, and family support.
- The provision of religious services
- The provision, maintenance and upkeep of churches, presbyteries and schools
- The maintenance and support of clergy during their active service and in retirement
- The provision of education and youth services for children attending Diocesan schools and young members of the Church
- The provision of education and training for clergy and those wishing to be ordained
- The relief of the poor and those in need
- Generally, for any such charitable purpose or purposes as in the opinion of the Archbishop may be conducive to the advancement or maintenance of the Roman Catholic Religion in the Archdiocese.

These objectives are achieved primarily through the parishes and Catholic schools together with a considerable number of Catholic societies and organisations based within the Archdiocese. There are numerous other pastoral activities, the more significant of which are referred to under "Achievements and Performance" below.

The church is reliant on the contribution of many volunteers to help achieve its mission and is encouraging increased co-responsibility between clergy and lay volunteers. It is estimated that during the year, approximately 640,000 hours (2022: 643,000) were provided by some 9,300 volunteers (2022: 7,700) in our parishes and chaplaincies. If this is valued at £11.00 per hour, the volunteer contribution amounts to some £7.04m (2022: £7.07m) which is not included in the financial statements. In addition to the above, in our schools and multi academy companies we have 1,956 volunteer governors or directors, which equates to approximately 114,426 hours (2022: 1,750 volunteer governors or directors, equating to 102,380 hours).

In all of the activities undertaken by the Archdiocese, the trustees continue to be very grateful for the work done by so many people, both paid staff and volunteer helpers. The trustees also take the opportunity to thank the members of the many Religious Orders who assist in numerous parishes and other parts of the Archdiocese. Without the help of so many people, the Archdiocese could not carry out its important work of spreading the Good News of Jesus Christ.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

TRUSTEES

The trustees who served during the year are listed on page 1.

The affairs of the charity are governed by the trustees, who are recruited from the senior clergy and suitably qualified and experienced lay faithful of the Archdiocese. New trustees are introduced to their role and responsibilities by the Diocesan Treasurer; a role undertaken by the Chief Operating Officer, and existing trustees at which time relevant Charity Commission literature is issued together with copies of the trust deed and the latest financial information available. As and when required, trustees attend formal and informal training sessions. The trustees normally hold meetings on a quarterly basis to conduct the operations of the charity, to review the minutes of Sub-Committee meetings and implement other policies. Sub Committees include the following:

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

The pastoral oversight of the charity is conducted by the Archbishop in regular consultation with the Archbishop's Council. This body assists the Archbishop in all decisions affecting the life of the Archdiocese. A majority of members of the Archbishop's Council are also Diocesan Trustees.

The Board of Trustees fulfils the Canonical role of the Diocesan Finance Committee as set out in the requirements in Canon Law in Canon 492. The Vicar General's Office, situated in the registered office, has a defined canonical role. The Vicar General, an ex officio Trustee, is responsible for personnel issues relating to the clergy in the Archdiocese. Appointments to parishes and other diocesan offices are made by the Archbishop in consultation with the Vicar General and the Archbishop's Council.

The day to day legal and financial affairs of the charity are administered from the registered office (known within the Archdiocese as the "Curial Office". The centralised services of the Archdiocese is known collectively as the "Curia"). The Chief Operating Officer oversees the work of the Safeguarding, Finance, Property, Human Resources, Communications, Fundraising, Legal and Planning functions.

Also based at the Registered Office is the Diocesan Tribunal, which deals mainly with marriage annulment petitions, the office of the Chancellor who deals with other Canonical matters, and the Historic Churches Committee office, which is responsible for the supervision of works carried out to our buildings of historic importance.

The Council of Priests meets twice per year with the Archbishop to discuss and give advice on a wide range of issues. The Council is composed of approximately 35 priests of the Archdiocese, with a representative of each deanery together with ex officio priests with diocesan responsibilities and the members of the Archbishop's Council.

Each Diocesan Bishop is empowered to appoint a Chapter of Canons to take responsibility for the organisation and maintenance of his Cathedral. Within the Archdiocese of Birmingham, 16 senior priests constitute the Chapter of Canons and are consulted by the Archbishop on important Diocesan matters (Code of Canon Law 503ff). They have also been constituted as "The College of Consulters" to fulfil the legal requirements of Canon 495ff.

At parish level, the parish priest is responsible for all aspects of running his parish. Parish priests are not employees; in HM Revenue and Customs terms they are Holders of Religious Office and effectively act as agents for the Trustees in all but the purchase and disposal of property and investment assets.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

Trustees (continued)

Each parish is required to have a finance committee which meets at least twice per year to support and advise the priest, particularly in the areas of finance and property. A comprehensive manual of "Parish Financial and Administration Guidelines" is issued by the Archdiocese to parishes. An "ad clerum" is issued by the Archbishop regularly through which policies are communicated to priests covering both liturgical/pastoral and, when required, financial and administrative matters. Further support is also available from Deans and the Archdiocese.

The Diocesan Education Service deals with all issues concerning Catholic primary and secondary schools within the Archdiocese. This includes administration of all school building projects, liaison with school governors, admittance appeals procedures, policies for teacher appointments and the establishment of a policy for conversion of schools to Academy status. It also works in conjunction with Government Agencies including Department of Education, Education Skills and Funding Agency & Ofsted to provide consistency and equality of Catholic education. The office is situated in Coleshill.

GOING CONCERN

The Trust's activities, together with the factors likely to affect its future development, principal risks and uncertainties facing the Trust and its availability of unencumbered cash reserves are set out within the Trustees' Report on the following pages.

Its financial position in terms of the year's results, its assets and liabilities and movement in cash is set out in the primary financial statements on pages 25 to 28. While there has been some depletion of cash reserves in 2023, it is important to note that there are fixed asset investments which are readily available to defray these if required. The Trust has considerable financial resources, mainly in the form of investments and property. Income for the whole charity from offertory, collections and donations (mainly received by the parishes) has increased since 2022 by £778k or 8.6%, yet the trustees are mindful of the continuing potential impact on its income that may arise from the cost of living challenges faced by many of our parishioners, and the declining trend in mass attendance, along with the associated cost of maintaining the considerable number of ageing buildings. The trust has progressed work begun in 2022 to review the deanery structure. There are now 11 deaneries. Each deanery has been asked to identify opportunities for sharing resources and identifying how best to use those resources to serve the needs of the faithful. The Trustees have undertaken work including strategic planning to respond to demographic changes, and to investigate additional income streams, including external grant funding and planned giving within parishes.

The Trustees believe that there are no material uncertainties about the Trust's ability to continue as a going concern. The Trustees therefore have a reasonable expectation that the Trust has adequate resources to continue its operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have a formal risk management process to assess risks and implement risk management strategies. This involves the identification of the types of risk faced by the charity, assessing the likelihood and potential impact of occurrence and identifying means of mitigation. Risks have been categorised under five broad headings: Governance, Operational, Financial, External and Compliance. These are assessed as to the likelihood of their occurring and the severity of the effects of the risk leading to a potential overall impact calculation in order to give a scale of relative importance/urgency to each one.

The current highest overall adverse impact risks identified are; to income through reducing Mass attendances generally and an increasingly ageing and therefore reducing number of clergy who are expected to undertake ever more administrative responsibilities; adverse publicity and financial impact of historic abuse cases; data protection and security and the continued challenge of maintaining property. The Trust has taken steps to mitigate these risks, by recruiting priests from overseas, restructuring deaneries and creating clusters of parishes where appropriate, and in encouraging collaboration where it is in the best interest of the community the parish serves.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

With regards to safeguarding, the team now comprises professional social workers, and policies and procedures are in keeping with recent changes in legislation and national standards as prescribed by the Catholic Safeguarding Standards Agency (C SSA).

Our Diocesan Vision

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

Parishes

As well as being the focal point for the celebration of the liturgy and the provision of spiritual and pastoral care our parishes also provide much other unseen and unheralded charitable work to enrich the local communities which they serve. Throughout covid and latterly in response to the economic climate they have continued to provide financial and practical support to many via foodbanks and other facilities.

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

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

Performance review

Diocesan Curia

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

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

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

Finance Sub Committee

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

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

Performance review (continued)

Safeguarding Sub Committee

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

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

Key responsibilities of the Safeguarding Team include management of allegations or concerns, delivery of safeguarding training to clergy and Parish Safeguarding Representatives, provision of safeguarding advice and acts as a point of contact for anyone hurt by church related abuse. Safeguarding is the most important support function in our diocese, parishes and schools and the Safeguarding Team has been provided with the appropriate resources and full support of the Archbishop and Trustees. We continue to invest in a professionally-led and managed safeguarding team.

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

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

Property Sub Committee

Property

The diocese is responsible for over 1,000 properties, including school, parish and investment buildings.

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

Property sales have been used to supplement income during and post covid. Aston Hall has now been sold and Maryvale House remains on the market. Other key strategic sites are under review with the diocese having appointed a strategic development advisor. The new property team will also lead on Health and Safety matters and play a key role in our response to the call to Care for Creation, working in collaboration with schools.

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

Energy Savings Opportunity Scheme (ESOS)

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

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

Performance review (continued)

The Charities (Protection and Social Investment) Act 2016 requires those charities subject to auditing to disclose in their Financial Statements their fundraising activities. The Trust is registered with the Fundraising Regulator whose code of Functioning Practice provides a framework within which the Trust operates to

ensure that its fundraising practices meet the moral, compliance and professional standards expected of a registered charity. The Trust ensures the highest ethical standards with a dignified approach. This is rooted in respect for our donors and parishes and follows the principles of Christian stewardship.

The Trust has, to its knowledge, fully complied with the Fundraising Regulator's code of Fundraising Practice, and there have been no complaints to the Trust in regard to its fundraising activities. The Trust does not engage external fundraisers.

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

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

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

The Trust actively encourages the use of Gift Aid and promotes and ensures fully inclusive information to support donors concerning their tax status. The Trust works towards creating a culture of responsible giving where possible, allowing for diverse and inclusive methods of donating including Time and Talent.

Care of Clergy Sub Committee

Vocations Office and Clergy Training Fund

The fund finances the formation and grants of men in formation for the Sacred Priesthood. In addition, it also pays for the formation of priests and permanent deacons who are undertaking further study at the request of the Archbishop. In the academic year 2023/24, there were three seminarians for the priesthood at St Mary's College, Oscott, and three seminarians at the Venerable English College, Rome. In this academic year there were also 14 men in formation for the permanent diaconate.

The Guild of St Stephen for Altar Servers is also run from the Vocations Office, and this provides a confraternity for Altar Servers around our Archdiocese. Events for Altar Servers are planned by the Vocations Office, including the annual Mass of Thanksgiving at St Chad's Cathedral, a retreat for Altar Servers held at Alton Castle with the support of the Kenelm Youth Trust and a training day at St Mary's College, Oscott. These events are important opportunities for the Vocations Office to raise an awareness of discerning God's call for the young servers of the Archdiocese.

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

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

Performance review (continued)

Education Sub Committee

Diocesan Education Service

The Diocesan Education Service (DES), based in Coleshill, represents the interests of the charity in relation to the 239 maintained Catholic schools within the diocese. Of these, 236 schools (202 schools for children aged 4-11 and 34 schools for those aged 11-16/19) operate under the charity's trust deed and 3 operate under separate trust deeds of religious congregations. No capital expenditure is made by the charity in relation to the latter three schools; however, the Service does provide some advisory services to them.

As part of our mission and aims the DES remains committed to providing the best possible service to all our schools and academies in order that they are able to deliver the best possible Catholic education to all of our children and young people across the diocese.

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

We continue to move forward with our academisation strategy with 151 of our 236 schools now in a multi academy company (MAC), of which there are 16. A further three schools were due to convert on 1st September 2024.

£6.1 million of funding for capital works in our schools was secured and administered through a programme of 54 different projects. This funding is not included in the accounts, as the Diocese act as the agent not the principal. (See page 13 & note 14).

Our schools continue to improve and perform above the national average with 95.8% of our schools being judged as being good or better.

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

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

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

Maryvale Institute

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

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

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

Performance review (continued)

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

KYT provides a comprehensive and unified ministry for 7–25-year-olds, which includes the residential retreat centre at Alton Castle in Staffordshire, The Soli Centre for Youth Ministry, which is a residential centre for those aged 15-25, is located next to Alton Castle, the Birmingham Catholic Youth Service (BCYS) which works within parishes, and the School Chaplaincy Project, working closely with the Diocesan Education Service in schools within the Archdiocese.

Further information on the work undertaken by KYT can be found on the Kenelm Youth Trust website.

Workforce and Remuneration Sub Committee

Communications

The Communications Team supports and promotes the work of curial departments, parishes and schools in a variety of ways, utilising the website, social media channels, diocesan publications and media outlets. It also responds to media enquiries and supports parishes, clergy and staff in their dealings with the media.

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

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

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

Human Resources

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

Care of Creation Sub Committee

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

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

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

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

Performance review (continued)

Lourdes Pilgrimage

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

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

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

Investments

The Diocesan Investment Scheme allows individual parishes to benefit from the opportunities available from investing in the stock market, this activity generates income for these parishes, which in turn aids their charitable work by providing additional resources for use in the parish and wider community. The charity's investment managers professionally manage the underlying investment portfolio, the performance of which is regularly reviewed by the Diocesan Investment Sub-Committee. The investment managers are also responsible for the safe custody of these assets. Included in the value of investments is a significant unrealised surplus and this figure will vary year on year as property and stock market values fluctuate. The trustees have adopted a "total return" approach to the charity's investments in order both to generate further funds for charitable activity and also to ensure the best possible overall return on its investments by allowing its brokers to take advantage of capital growth opportunities.

In the year to 31 December 2023 the value of Diocesan stock market investments, in line with stock markets generally increased, following the significant fall in value of the previous year. The trustees consider the total return on investments to be reasonable over the long term, when measured against the various published indices used to monitor performance and the prevailing market conditions. The fair value of the Diocesan Investments at 31 December 2023 amounted to £30.5m (2022: £28.7m), and recorded a gain of £1.8m in the accounts (2022 loss of £5.5m).

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

Investment policy

The trustees intend that the real value of their assets be maintained and enhanced over the long term by investment in a portfolio comprising equities, fixed interest stocks and cash. The portfolio is managed on a discretionary basis. The current investment criterion is that a balance should be maintained between income and longer-term capital appreciation within the framework of a low/medium attitude to risk.

Ethical Investment Policy

The trustees have approved an ethical investment policy in the light of Church teaching and the Charity Commission's guidance on ethical and responsible investment. The trustees are aware that by adopting this policy the level of income and the total return generated by investments may be restricted. The policy seeks to balance the long-term needs of the investment portfolio performance with the desire to invest in ethical industries and avoid investment in organisations operating in conflict with Church teaching. The policy applies only to companies held directly within the portfolio, but the policy includes the proviso that investment managers should seek to exclude from the portfolio funds with major investments in prohibited areas on a best endeavours basis. A copy of the full policy can be found on the Diocesan website.

Fossil fuel divestment is a powerful act of faith that hundreds of religious institutions around the world have taken to respond to the climate emergency. It increases pressure on governments and financial institutions to end financing for the fossil fuel industry. The Trust divested itself of fossil fuel investments in 2021, as a direct

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

Performance review (continued)

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

External factors affecting performance

The Charity as part of the worldwide Catholic Church

The charity forms part of the wider Catholic Church throughout the world and as such is answerable ultimately to the Pope and the Vatican. Therefore, policies or situations and activities involving the wider church, which of course includes other Dioceses in the UK, will have an effect on the policies, strategies and performance of the charity. In managing its affairs, the charity must also be mindful of the requirements of Canon Law as promulgated by the church authorities.

The impact of Government policy on Catholic Schools

The charity's spending on schools is influenced by Government policy.

Public benefit

Much consultation has been had between the Charity Commission and religious charities in relation to the question of public benefit. We are encouraged that the Commission acknowledges the intangible spiritual benefits that the charity works to provide. Jesus said, "you shall love your neighbour as yourself". Our parishes and retreat centres etc. reach out beyond their own congregations locally, nationally and indeed internationally, via all sorts of initiatives from simple collections at the end of Mass, to more practical assistance such as assisting the disabled, bereavement counselling and visiting the sick at home and in hospital. Catholic schools are increasingly populated with non-Catholic children whose parents value not just their proven educational excellence, but also the moral codes and practices which support it. The young adults leaving our schools will go on to become valued members of society. Our churches and the services of our clergy are open to all who wish to explore whether the Catholic Church can help them to enrich their spiritual lives.

The Trustees believe that they have complied with the duty in Section 17 of the 2011 Charities Act to give due regard to the various guidance notes published by the Commission.

Birmingham Diocesan Trust

Trustees' report (continued)

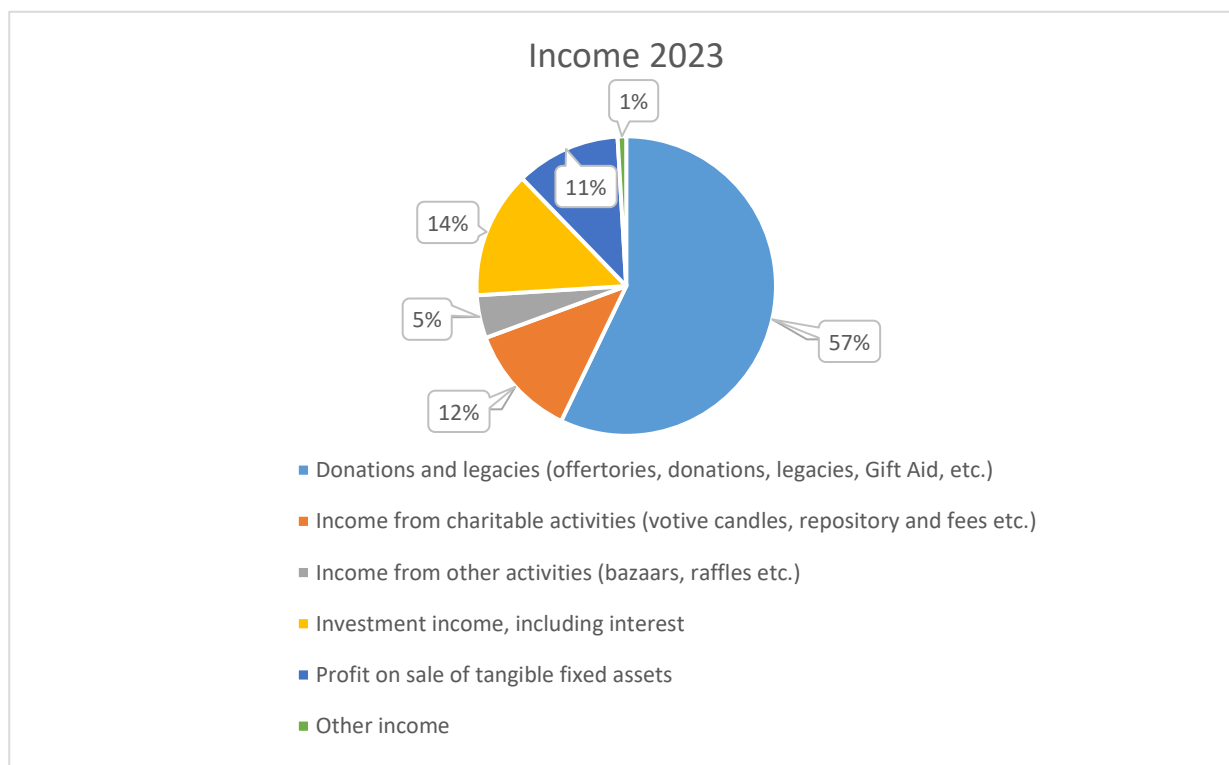
For the year ended 31 December 2023

FINANCIAL REVIEW

The financial statements reflect the activities of the parishes within the Archdiocese, the central support activities, the Diocesan Education Services, youth services and the operation of various centres of religious activities. The financial statements also include the transactions, assets and liabilities of those charities and trust funds detailed in Note 17 to the financial statements. The figures do not include the operation of parish clubs, nor do they include separately registered Roman Catholic charities within the Archdiocese, other than those listed in Notes 17 & 18 to the financial statements.

The Statement of Financial Activities of the Archdiocese for the year ended 31 December 2023 on pages 24 and 25 shows income of £23.71m (2022: £20.14m) analysed as follows:

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



Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

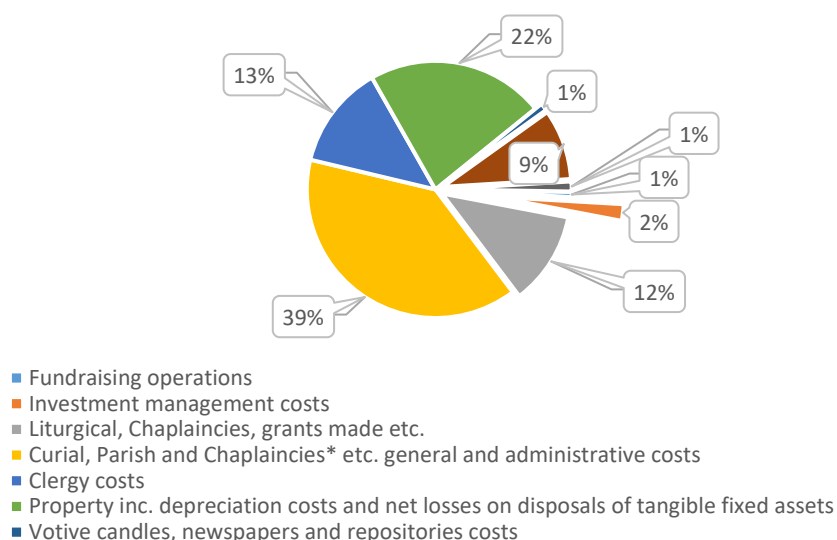
Financial review (continued)

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

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

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

Expenditure 2023



This resulted in:

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

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

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

Financial review (continued)

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

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

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

Cash reserves

The charity's total cash reserves decreased by £1.1m to £3.5m (2022: £0.5m decrease to £4.6m). Unrestricted cash reserves in parishes decreased by £0.7m to £4.6m (2022: £1m increase to £5.3m) whilst Diocesan unrestricted cash reserves decreased by £0.1m to a deficit position of £18.6m (2022: £2.1m decrease to £18.5m deficit). This movement is a result of curia costs being higher than income, property purchases and maintenance and grants made to other charities as referred to above.

Reserves policy

Unencumbered reserves, for this purpose defined as unrestricted stock market investments and cash - £19.69m (2022: £18.96m), are approximately 85% of annual unrestricted expenditure (2022: 81%).

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

Fixed assets

In order to fulfil its charitable objectives, the Archdiocese needs a considerable number of properties. Any property which becomes surplus to requirements will be sold but the remainder, although unrestricted, cannot be realised without undermining the work of the Archdiocese.

The fixtures and fittings, and other contents of the properties and the motor vehicles are similarly all used in the work of the charity.

A very small proportion of the fixed assets are already represented by Restricted Funds (Note 18). The trustees also consider it appropriate that the value of other functional buildings and the contents of fixed property assets should be held for charity use and as these assets are therefore unavailable for other uses, they are shown in a designated fund representing the value of these assets (see Note 19).

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2023

Key management personnel and remuneration

The trustees consider the Board of Trustees, including the Auxiliary Bishops and the Vicar General together with the Chief Operating Officer are the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give their time freely, and no trustee receives any remuneration in respect of the work undertaken in the role of trustee. There are members of the Board of Trustees who are also members of the senior clergy of the Archdiocese, and as with other members of the clergy receive a stipend for the work, they undertake in their clerical role only. These trustees are identified in the list of trustees on page 1.

Details of key management personnel remuneration and trustee expenses; and related party transactions are disclosed in Notes 10 and 24 (respectively) to the accounts. Remuneration of all personnel, including key management is set by the Workforce and Remuneration Sub Committee, and is advised by HR professional advisors. Trustees are required to disclose all relevant interests and register them with the Diocesan Treasurer and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

PLANS FOR THE FUTURE

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

Trustees have agreed six key priorities for 2025:

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

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

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

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period. In preparing financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and provisions of the Trust Deed.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial information included on the charity's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware.

Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved at the trustees' meeting held 18th October 2024 and signed on behalf of the trustees.

Most Rev. B Longley, MA, STL
Archbishop of Birmingham

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BIRMINGHAM DIOCESAN TRUST

Opinion

We have audited the financial statements of Birmingham Diocesan Trust (the 'charity') for the year ended 31 December 2023 which comprise Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BIRMINGHAM DIOCESAN TRUST

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 20, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the charity operates in and how the charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BIRMINGHAM DIOCESAN TRUST

- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the charity's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting any correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Safeguarding, the Data Protection Act 2018, and Canon Law. We performed audit procedures to inquire of management and those charged with governance whether the entity is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Birmingham Diocesan Trust

Statement of financial activities

for the year ended 31 December 2023

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

Birmingham Diocesan Trust

Statement of financial activities

for the year ended 31 December 2023

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

All of the charity's activities are continuing.

2022 comparatives for the above are analysed in Note 8.

Birmingham Diocesan Trust

Statement of financial position
At 31 December 2023

charity number 234216

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

These financial statements were approved and authorised for issue at the trustees' meeting held on 18th October 2024, and signed on behalf of the trustees by:

Most Rev. B Longley, MA, STL
Archbishop of Birmingham

Birmingham Diocesan Trust

Statement of cash flows

For the year ended 31 December 2023

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

Birmingham Diocesan Trust

Accounting policies

for the year ended 31 December 2023

The Birmingham Diocesan Trust ("the Archdiocese", "the charity" or "the Trust") is a charity registered with the Charity Commission of England and Wales, charity number 234216. The address of the Trust's registered office and principal place of operations is Cathedral House, St Chad's Queensway, Birmingham, B4 6EX.

The Trust's principal activity is to provide spiritual and pastoral guidance and care to Catholics and the wider community within the geographical area it covers in central England, in the main the West Midlands, Staffordshire, Worcestershire, Warwickshire and Oxfordshire.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

BASIS OF PREPARATION AND ASSESSMENT OF GOING CONCERN

Basis of accounting

The financial statements have been prepared in accordance with the accounting policies set out below and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)). The Trust constitutes a public benefit entity as defined by FRS102.

The financial statements have been drawn up under the historical cost convention as modified by the revaluation of investments and are presented in sterling, (£'000 except where otherwise noted) which is also the functional currency of the Trust.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Charities SORP (FRS102), rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

The Trustees continue to adopt the going concern basis of preparation of the financial statements. Management have revisited the financial budget for 2023 and into 2024, taking into account the impact of the cost of living crisis and external domestic economic factors on projected income and expenditure, such as inflation and bank interest rates. They continue to monitor the cash position on a regular basis (£3.5m at year end). The Diocese also has a significant investment portfolio (£30.6m at year end) that recovered well following the turbulence and losses sustained in 2022, although is still susceptible to other UK and global political and economic force. There is an unrestricted element of which provides an extra buffer to be utilised if necessary. The Trustees continue to monitor the performance of the investments, and challenge the charity's investment advisors. Based on the forecasts prepared the Trustees are satisfied that the Diocese has sufficient cash resources to continue in operation for the foreseeable future and can confirm that there are no material uncertainties in relation to the going concern basis of preparation of the financial statements.

The financial statements incorporate the activities of the parishes within the Archdiocese, the central support activities, the Diocesan Schools Commission, youth services and other centres of religious activities. The financial statements also include the transactions, assets and liabilities of those charities and other trust funds detailed in Note 17 to the financial statements. The figures do not include the operation of parish clubs, nor do they include the activities of separately registered Roman Catholic charities within the Archdiocese other than those listed in Notes 17 and 18.

Special and other charitable collections on behalf of other charities have not been included in the Statement of Financial Activities as they are not regarded by the trustees as being funds of the Archdiocese. Where any balance has not been paid to the respective organisation concerned, it has been included in creditors.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The Trust carries its investment properties at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The Trust obtains valuations to determine fair value on a cyclical basis; normally being every five years for investment properties. The trustees consider that this is sufficiently regular to ensure that their carrying amount does not differ materially from their fair value at the reporting date. Some of the key assumptions used to determine the fair value of the assets are based on the valuer's knowledge and experience of the market, values of similar properties that could be deemed subjective.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The trustees do not consider that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

FUND ACCOUNTING

The charity maintains various types of funds as follows:

Restricted funds

These represent funds received which are allocated by the donor for specific purposes. They cannot be used for purposes other than those specified by the donor. The aim and use of the restricted funds is set out in the notes to the financial statements.

Endowment funds

These represent various trust funds which have been donated to the charity. The capital cannot be spent, and any income generated must be spent in line with the donor's instructions.

Unrestricted General and Designated funds

These represent unrestricted income which is expendable at the discretion of the trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment. However, whilst these funds are unrestricted, they include amounts which have been invested in fixed assets and cannot therefore be realised without undermining the ongoing work of the charity. Such funds have been classified as designated funds by the trustees (see Note 19).

INCOME

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met and there is reasonable assurance of receipt and there being reasonable certainty as to amount. Where a claim for repayment of income tax has been or will be made, such income is grossed up for the tax recoverable. The following accounting policies are applied to income:

Donations, legacies and grants

Offerories and donations are included in income when receivable. Legacies are included in income upon the receipt becoming probable. Probability of receipt occurs where there is a grant of probate, the executors have established there are sufficient assets to pay the legacy and any conditions attached to the legacy are either within the control of the charity or have been met. Gifts in kind, if material, are included at an estimate of fair value. Included here also are grants receivable. Grants are recognised in the Statement of Financial Activities when the grant conditions have been complied with.

Birmingham Diocesan Trust

Accounting policies (continued)

for the year ended 31 December 2023

Income (continued)

Charitable activities

Includes income from votive candles and newspapers etc., mainly in parishes, together with chaplaincy income, and whilst this is recognised on a cash received basis, this is not materially different from an accruals basis.

Other trading activities

Includes income from activities such as parish fairs, bazaars and other events, which is described as social income and whilst this is recognised on a cash received basis, this is not materially different from an accruals basis.

Investment income

Income from investments is included on an accruals basis. Property rental income is recognised on a receivable basis.

Proceeds from the disposal of school properties

These proceeds are treated as restricted income as the charity is required to give an undertaking to make the disposal proceeds available for the provision of replacement schools elsewhere in accordance with Sch. 22 para. 3 of the Schools Standards and Framework Act 1998. Where such proceeds are material they are shown separately on the face of the Statement of Financial Activities.

Income from Government and other grants

Income from Government and other grants, whether 'capital' or 'revenue' grants, is credited to the Statement of Financial Activities when the Trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably. Income is deferred only if these criteria are not met or when the provider specifies that the grant must be used in future periods.

School Building Grants

The Diocesan Education Service (DES) assists voluntary aided schools with the administration of funding for school building projects and IT equipment. The Trustees have reviewed these arrangements and concluded that the DES acts as agent on behalf of the school governing body in certain circumstances in receiving funding from the Department for Education, Local Authority and other funding sources and settling and matching it with contractors' costs and associated professional fees.

As a result of this review, the income and expenditure from these activities are not reflected in the Statement of Financial Activities because the risk and reward of those transactions are those of the school governing bodies and not the DES. Expenditure on school building projects and IT where the DES acted as agent in the year amounted to £6.41m (2022: £6.4m), income from grants was £6.67m (2022: £6.27m) and the net position of £0.26m (2022: £0.13m) is included in the creditor for 2023, which is £2.30m as at the year end (2022: £2.55m). Further information on this is included in Note 7.

In addition, there were some activities in the year whereby the DES acted as principal, and those transactions are reflected in the accounts, further explanation is provided in Note 18.

EXPENDITURE

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any value added tax which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

- Fundraising operations are those costs incurred in attracting voluntary income.
- Investment management costs, which includes the cost of managing the Trust's investments, including investment property costs.

EXPENDITURE (CONTINUED)

- Charitable activities include expenditure associated with the mission of the church and include both the direct costs and support costs relating to these activities together with primary purpose trading activities that raise funds; and governance costs, which include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. These costs include central functions and have been allocated on a basis consistent with the use of resources, which were in the main staff costs, by the time spent.

GRANTS PAYABLE

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. Grants are accounted for when either the charity has given the recipient a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Trust.

OPERATING LEASES

Rentals are charged on a straight-line basis, having taken account of lease incentives.

PENSION COSTS

The charity operates a defined contribution scheme for the benefit of its employees. The scheme is funded by contributions from the charity and its employees. The payments made by the charity are included in expenditure. The charity operates a salary sacrifice arrangement for pension contributions.

GAINS AND LOSSES ON INVESTMENTS

Realised and unrealised gains and losses on investments and investment properties are credited or charged to the Statement of Financial Activities. Unrealised gains and losses are calculated as the movement in fair value during the year. Realised gains and losses are calculated as the difference between disposal proceeds and fair value brought forward – fair value is considered by reference to bid value.

TANGIBLE FIXED ASSETS

Churches and other functional property

Prior to December 1996, capital expenditure on Churches and other functional property (i.e. buildings used for the primary purposes of the Archdiocese) and their contents were written off when incurred. The financial statements prepared for previous years, therefore, did not include amounts for these categories of fixed assets.

In December 1996, these assets were included in the financial statements at an estimate of their historic cost. This was derived by using the retail price index to index the present insurance value back to the date the building was constructed and applying rates of depreciation calculated to write off the estimated historic cost evenly over the whole of their useful life. Depreciation rates were calculated by using the age of the building and its expected useful life. A similar basis was used to estimate the contents of Churches and Presbyteries on the assumption that the contents of Churches and Presbyteries are renewed every 45 years.

Birmingham Diocesan Trust

Accounting policies (continued)

for the year ended 31 December 2023

Tangible fixed assets (continued)

The cost of new functional church property, improvements and contents is capitalised and is being depreciated over the expected useful lives at the following rates:

	% per annum	Years
Churches, Presbyteries, Halls and other functional property:		
- Land element	Nil	-
- Building element	1.0	100
Improvements to and contents of Churches and Presbyteries	2.2 - 6.6	15- 45

Individual items of less than £25,000 are not capitalised.

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist the recoverable amount of the asset is estimated. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairments are recognised in the Statement of Financial Activities.

School property

The Archdiocese has 240 voluntary aided schools and academies which are constituted as separate charities. The school properties (land and buildings) are vested in the name of the trustees. The trustees cannot take a unilateral decision to dispose of these properties. Disposal can only occur if the school governors and the Secretary of State for Education decide that all or part of a school site is no longer required for education. In most circumstances, where a disposal occurs, the trustees will be required under S22 of the School's Standards and Framework Act 1998 to pay to the Local Authority so much of the proceeds as may be determined by the Secretary of State. Although no rights of ownership vest in the school governing body, most other rights and obligations, such as for the maintenance and repair of the school and its facilities, are passed to the governors. The trustees therefore consider that, for the purposes of these financial statements, whilst being used as a school, the nature of their ownership is that of a custodianship and therefore these properties have not been recognised.

At 31 December 2023 the building insurance valuation via the Diocesan insurers for the voluntary aided schools and academies in the charity's ownership was £222m (2022: £199m). In continuing the trend from previous years, there were further schools including academies that insured with other insurers/RPA in 2023 compared to 2022.

Fixed assets other than property

The cost of motor vehicles, Diocesan office equipment and fixtures and fittings is capitalised and depreciated over their expected useful lives, at the following rates:

	% per annum	Years
Motor vehicles	25	4
Office equipment, fixtures etc.	25	4

Individual items of less than £2,500 are not capitalised.

Birmingham Diocesan Trust

Accounting policies (continued)

for the year ended 31 December 2023

INVESTMENTS

Investment properties

Investment properties such as houses and non-functional properties have been included at the trustees' estimate of their fair value at 31 December 2023. All investment properties are professionally valued on a rolling 5-year programme. During 2023, approximately one-fifth in number of investment properties were professionally valued at open market value by the Diocesan in-house qualified chartered surveyors. In accordance with Financial Reporting Standard 102, no depreciation is provided. The value of each property has been prepared having regard to RICS Valuation – Global Standards (Red Book) effective from 31 January 2021 where market value is defined as:

"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Other investments

Other investments consist mainly of stocks and shares quoted on the London Stock Exchange. They have been included at fair value at the year end.

FINANCIAL INSTRUMENTS

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument and are offset only when the Trust currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents include cash and short term highly liquid assets with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts held as part of the charity's treasury management activities.

Concessionary loans (assets)

Loans which are made (or committed and not taken up at the year-end) to priests, employees and other beneficiaries of the Trust are considered concessionary loans. Unsecured loans are generally for a term of up to 5 years, no interest is payable, and do not normally exceed £5,000 (although these limits may be exceeded at the discretion of the Diocesan Treasurer). In addition, secured, concessionary, interest free loans are made usually for the purposes of purchasing property being secured on the property, the loan term usually being for a period of up to 10 years.

Birmingham Diocesan Trust

Accounting policies (continued)

for the year ended 31 December 2023

Concessionary loans (assets) (continued)

All concessionary loans are initially measured at their transaction value, and subsequently are recognised at their carrying value, less impairment. They are repayable within the agreed payment term, or the cessation of employment in the case of an employee or cessation of office in the case of a priest, whichever is the soonest. A provision for impairment is established when there is objective evidence that the amounts due will not be collected according to the original terms of the loan agreement. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the loan over the present value of the future cash flows. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

Concessionary loans are aggregated within the financial statements as this does not obscure significant information. Where applicable, concessionary loans committed but not yet taken up at the year-end are included in the financial statements, but are not aggregated in the total.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Trust after deducting all of its liabilities. The Trust considers it has no equity instruments.

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Concessionary loans (liabilities)

Loans made (or committed and not taken up at the year-end) by parishioners to a parish of the Archdiocese are considered concessionary loans. These may be for a period of 1 year upwards, sometimes with no end date. No interest is payable. These are initially measured at their transaction value, and subsequently are recognised at their carrying value, less impairment. They are always unsecured.

Concessionary loans are aggregated within the financial statements as this does not obscure significant information. Where applicable, concessionary loans committed but not yet taken up at the year-end are included in the financial statements, but are not aggregated in the total.

De-recognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

RECOGNITION OF LIABILITIES

Liabilities are recognised when either a constructive or legal obligation exists.

JOINTLY CONTROLLED ENTITIES

Entities in which the charity has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities. Jointly controlled entities are accounted for using the cost model.

Birmingham Diocesan Trust

Notes to the financial statements for the year ended 31 December 2023

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

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

DONATIONS, LEGACIES AND GRANTS - 2022 COMPARATIVES

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

Birmingham Diocesan Trust

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

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

CHARITABLE ACTIVITIES - 2022 COMPARATIVES

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

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

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

OTHER TRADING ACTIVITIES - 2022 COMPARATIVES

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

Birmingham Diocesan Trust

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

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

INVESTMENT INCOME - 2022 COMPARATIVES

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

5	OTHER INCOME							
	Parochial			Diocesan			Total	Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2023	2022
	£000	£000	£000	£000	£000	£000	£000	£000
Insurance claims	67	-	-	-	-	-	67	13
Donations of assets	12	-	-	-	-	-	12	28
Sundry income	133	-	-	1	-	-	134	117
	212	-	-	1	-	-	213	158

Birmingham Diocesan Trust

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

OTHER INCOME - 2022 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2022 £000
Insurance claims	13	-	-	-	-	-	13
Donations of assets	28	-	-	-	-	-	28
Sundry income	115	-	-	2	-	-	117
	156	-	-	2	-	-	158

6	INVESTMENT MANAGEMENT COSTS							
	Parochial			Diocesan			Total	Total
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2023 £000	2022 £000
Costs of management of investment properties and other investments	498	-	-	22	-	-	520	470
	498	-	-	22	-	-	520	470

INVESTMENT MANAGEMENT COSTS - 2022 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2022 £000
Costs of management of investment properties and other investments	452	-	-	18	-	-	470
	452	-	-	18	-	-	470

Birmingham Diocesan Trust

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

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

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

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

*** Included in Schools costs is £120k which represents the net costs (2022: £240k net income) on activities where the Trust is acting as principal, and payments made under a PFI agreement (see page 57). The net position relates to income of £6,564k and £6,684k expenditure (2022: £2,094k income and expenditure of £1,854k). These costs relate mainly to PFI payments, along with net refunds on DFC grants.

The costs above relate directly to the activity concerned and no form of estimation or apportionment has therefore been necessary.

Birmingham Diocesan Trust

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

7

CHARITABLE ACTIVITIES - 2022 COMPARATIVES

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

Birmingham Diocesan Trust

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

8

COMPARATIVES (BY FUND) FOR 2022 STATEMENT OF FINANCIAL ACTIVITIES

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

Birmingham Diocesan Trust

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

8

COMPARATIVES (BY FUND) FOR 2022 STATEMENT OF FINANCIAL ACTIVITIES

Note	Parochial			Diocesan			Total			Total
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2022 £000
Net (expenditure)/income before gains on investment assets	2,087	679	-	(4,905)	126	-	(2,818)	805	-	(2,013)
Gains on investment assets										
12										
Gains, losses and revaluations on investment properties	2,506	-	-	(62)	(43)	-	2,444	(43)	-	2,401
Gains, losses and revaluations on investments	(3,431)	(77)	(229)	(1,450)	(226)	(119)	(4,881)	(303)	(348)	(5,532)
	(925)	(77)	(229)	(1,512)	(269)	(119)	(2,437)	(346)	(348)	(3,131)
Net income/(expenditure)	1,162	602	(229)	(6,417)	(143)	(119)	(5,255)	459	(348)	(5,144)
Transfers between funds										
18	(2,258)	(185)	(40)	2,249	233	1	(9)	48	(39)	-
Net movement in funds	(1,096)	417	(269)	(4,168)	90	(118)	(5264)	507	(387)	(5,144)
Reconciliation of funds										
Total funds brought forward	99,211	3,715	1,758	11,328	5,962	723	110,539	9,677	2,481	122,697
	98,115	4,132	1,489	7,160	6,052	605	105,275	10,184	2,094	117,553

Birmingham Diocesan Trust

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

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

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

Staff costs relate to curial staff, staff at parishes and staff employed in Diocesan related activities.

The number of employees whose emoluments (excluding employer's pension contributions and national insurance) amounted to over £60,000 in the year was as follows:

	2023	2022
	Number	Number
£60,000 - £70,000	2	4
£70,001 - £80,000	4	1
£80,001 - £90,000	1	1
	=====	=====

The charity contributed £61,135 (2022: £47,005) in pension contributions in respect of these employees. The Chief Operating Officer is included within the above disclosure. Due to the operation of a salary sacrifice scheme, pension contributions stated above include the employee pension contributions paid on behalf of these staff as employer's contributions. These therefore do include amounts sacrificed by staff under those arrangements.

The number of employees and full-time equivalent employees, analysed by function, during the year was as follows:

	Full Time		Part Time		Full Time Equivalent	
	2023	2022	2023	2022	2023	2022
Parishes	7	9	212	204	70	71
Other Diocesan services	25	29	16	25	32	40
Central/Curial Services	27	28	19	16	37	38
	59	66	247	245	139	149

10 INFORMATION REGARDING EMPLOYEES, TRUSTEES AND VOLUNTEERS (continued)

It should be noted that (as in previous years) just over 200 diocesan priests actively working within the charity are self-employed office holders and not employees of the charity.

Six of the twelve trustees listed on page 1 also serve as clergy of the charity (2022: Five), and in addition to their responsibilities as trustees are actively involved in carrying out the objects of the charity. Six of those trustees benefited from accommodation costs and other associated expenditure included within charitable activities (2022: Five) (see Note 7). These trustees received in total £67,125 (2022: £76,880) of allowances as serving clergy but not in their office as trustee. The remaining trustees do not derive any income from the charity. Similarly, no trustee is paid expenses in relation to their activities as a Trustee, only in their canonical roles as serving clergy. Non-clerical trustees are not paid expenses.

The Trust considers its key management personnel comprise the Archbishop, Auxiliary Bishops, Vicar General and Chief Operating Officer. None of these individuals with the exception of the Chief Operating Officer are employees, they are office holders of the Trust. The remuneration, including Employers Pension contributions and National Insurance of the Chief Operating Officer for 2023 was £107,551 (2023: £105,390).

During the year charity funds were used to pay a premium of £6,100 (2022: £6,100) in respect of Trustees' Indemnity Insurance. This insurance protects the charity from loss arising from the neglect or defaults of its trustees, employees or agents or to indemnify the trustees or other officers against the consequences of any neglect or default on their part.

It is estimated that during the year, approximately 640k hours (2022: 643k) were provided by some 9,200 (2022: 7,700) volunteers in parishes. If this is valued at £11.00 per hour, the volunteer contribution amounts to some £7.03m (2022: £7.07m). Volunteer roles fulfil liturgical, pastoral and administrative activities of the charity. In addition, there were approximately 1,750 volunteers working as volunteer governors or directors in our schools and multi academy trusts. (2022: 1,750) This contribution by volunteers is not included in the financial statements.

Birmingham Diocesan Trust

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

11 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

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

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

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

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

Birmingham Diocesan Trust

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

12 INVESTMENTS HELD AS FIXED ASSETS

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

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

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

Birmingham Diocesan Trust

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

INVESTMENTS HELD AS FIXED ASSETS (continued)

Stock exchange investments at fair value

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

The historic cost of investments held at 31 December 2023 was £24m (2022: £22m). There were no investment holdings which represented more than 5% by value of the portfolio excluding cash.

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

Stock exchange investments by location

	Fair value 2023 £m	Cost 2023 £m	Fair value 2022 £m	Cost 2022 £m
UK listed investments	16.2	13.8	16.0	13.0
Overseas listed investments	14.3	10.2	12.8	9.4
	30.5	24.0	28.8	22.4

Jointly controlled entity

The charity owns 50% of the £2 ordinary share capital of Parish Accounting Services Limited, a company which was formed during 2015 in order to purchase the intellectual property rights, and ownership of computer software known as OPAS. This is a bespoke accounting and gift aid system used widely within the Archdiocese, and was purchased in order to ensure its continued availability for the Trust. The remaining 50% is owned by the Archdiocese of Westminster and is jointly managed by the two Trusts, with two directors serving from each Archdiocese.

Ownership of trading limited company

The charity owns 100% of the share capital of The Shop at Harvington Hall Limited, a private limited company. Total called up share capital and net asset value is £4. Turnover was £50k (2022: £34k). The company made no profit during the year. As this is not material to the financial statements of the charity, the trustees have not prepared consolidated accounts for 2023. All transactions between the charity and the company are noted in note 24, related party transactions. Two members of staff of the charity acted as directors during the year. No remuneration was paid to the directors. Hall staff manage the operation of the shop on a day to day basis. The Shop paid a management fee to the Hall for these services.

Ownership of dormant private limited company

The charity owns 100% of the share capital of The Sower Limited, a dormant private limited company. Total called up share capital is £3. There are no other assets or liabilities.

Birmingham Diocesan Trust

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

13 DEBTORS

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

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

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £000	2022 £000
*Amounts due in respect of school building projects	295	82
Due to other religious charities	895	668
**Other creditors	2,477	2,783
Accruals & deferred income	1,949	1,820
	<u>5,616</u>	<u>5,353</u>

* The amount noted above as "amounts due in respect of school building projects" is in respect of transactions for which the Diocesan Education Service (DES) acted as principal.

**Included here is an amount held in respect of grant income not spent on school building projects which were managed by the DES in its role acting as agent. For 2023 this was £2,300k (2022: £2,554k). This relates to grants received in advance of projects starting.

The distinction between certain school building project transactions is explained on page 30.

Birmingham Diocesan Trust

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

15 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2023 £000	2022 £000
Concessionary loans	35	35
	<u>35</u>	<u>35</u>

16 FINANCIAL ASSETS AND LIABILITIES

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

17 ENDOWMENT FUNDS

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

These funds are linked to specific parishes and funds held by the Diocese, and are endowment in nature, i.e., the capital donated cannot be spent and any income generated must be spent in line with the donor's instructions. In the main the purposes of these funds are to provide education, relieve poverty, support priests and to provide for church repairs within the parishes concerned. The assets of all the funds listed are represented by investment in the Diocesan Investment Scheme (see page 14). There are two separate registered charities (Leamington Trust, registered charity no. 248948; and Birmingham Roman Catholic Diocesan Educational Trust no. 528881) and thirteen other separate funds. A uniting direction given by the Charity Commissioners is in force in respect of these funds.

Birmingham Diocesan Trust

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

17 ENDOWMENT FUNDS (continued)

The 2022 analysis of endowment funds follows:

ENDOWMENT FUNDS - 2022 COMPARATIVES

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

Birmingham Diocesan Trust

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

18 RESTRICTED FUNDS

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

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

18 RESTRICTED FUNDS (continued)

* Schools projects. As set out on page 29 the income and expenditure in relation to activities where the Trust acts as principal are shown net on page 49. The net movement of £(330)k (2022: £250k) above, comprises income of £6,596 (of which £32k is investment income not netted off) (2022: £2,104k of which £6k was investment income); and expenditure of £6,926k. (2022: £1,854k).

The Poor Mission Fund exists to support parishes which struggle to meet their financial obligations. The Memorial Mass Fund provides for people's desire for annual Masses to be said for their intentions.

The Religious Workers Accommodation Fund was created during 2016 and after some specific grants to assist the work of agencies caring for the homeless and for disadvantaged youth made during that year, the balance is to be used for the provision of accommodation for religious workers in the Diocese.

The Canons Chapter Fund represents sums which were previously recognised as part of the affiliated bodies, and were therefore not in the past included within the funds of the Archdiocese. The Trustees now deem it more appropriate that these funds are included within the Archdiocese accounts as its aim is specifically to support repairs and maintenance of the Cathedral.

The Clergy Training Fund's primary purpose is to support students in training and formation for the priesthood and permanent diaconate as well as ordained priests and deacons undertaking further studies.

The "Diocesan Education Service – schools' projects" fund relates to historic schools' sales proceeds which can only be used to finance the building of new schools, or expansion of existing schools due to capacity needs, and includes grant funds received but not yet expended.

The transfers shown above of £172k (2022: £48k), principally represent amounts paid in accordance with the terms of the restriction, to certain parishes and other entities within the Archdiocese. In the case of "Parish building and other projects" the amount transferred relates to capitalised spending completed in accordance with the terms of the restriction. These parish assets are included within the unrestricted property assets of the charity; the associated restricted funding being regarded as having been effectively discharged. There is also a transfer into the Clergy Training Fund, which is a wholly restricted fund. This arises from an internal grant from Diocesan unrestricted funds to CTF restricted funds, necessitating a transfer between restricted and unrestricted funds.

Birmingham Diocesan Trust

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

The 2022 analysis of restricted funds follows:

RESTRICTED FUNDS - 2022 COMPARATIVES

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

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

Birmingham Diocesan Trust

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

19 UNRESTRICTED FUNDS

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

The trustees have created a designated fund to the value of the unrestricted net book value of functional property assets and contents. The trustees are of the opinion that these assets cannot be readily realised without undermining the ongoing work of the charity. Transfers to designated funds relate to net fixed asset movements and depreciation.

The 2022 analysis of unrestricted funds follows:

UNRESTRICTED FUNDS 2022 COMPARATIVES

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

Birmingham Diocesan Trust

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

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

"Tangible fixed assets" represents the book value of the charity's tangible fixed assets, principally land and buildings, currently held for charity use and the funds are therefore unavailable for other uses.

Included in the figure for investments is a significant unrealised surplus and this figure will vary year on year as property and stock market values fluctuate.

ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2022 COMPARATIVES

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

Birmingham Diocesan Trust

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

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

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

22 CAPITAL COMMITMENTS

At 31 December 2023, the charity was committed to future capital expenditure of approximately £50k (2022: £nil.)

23 OTHER COMMITMENTS

PFI Scheme

The Trust, through the Diocesan Education Service (DES) is party to a facilities management contract under a PFI scheme in respect of a school. Total commitments under the contract are £158k (2022: £147k) within one year, £522k (2022: £641k) between one and five years. These costs may change, dependent on changes to indexation. The costs are calculated using RPI. These costs are met from within the restricted funds held for the purposes of spending on new schools.

24 RELATED PARTY TRANSACTIONS

The organisations mentioned below were served by one or more common trustees during the year:

St Mary's College, Oscott – Registered Charity 1172979

During the year £46,350 (2021: £44,293) of rent and other costs and £148,295 (2022: £157,400) of students' fees was paid to St Mary's College, Oscott. There was a £nil balance (2022: £nil) owing to St Mary's College, Oscott at the year-end in respect of miscellaneous costs or student fees. There was also £78,400 paid by Oscott in relation to recharges relating to priests' stipends and expenses (2022: £68,270). A further £18,500 was paid for the secondment of Oscott's archivist (2022: £16,900), £12,250 for secretarial services (2022: £10,640) and a further £12,680 for events and miscellaneous costs (2022: £4,500). Most Rev. B Longley is a Trustee in common.

Birmingham Diocesan Trust

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

24 RELATED PARTY TRANSACTIONS (continued)

Father Hudson's Society - Registered Charity 512992

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

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

The Kenelm Youth Trust Ltd- Charitable company registration number 1144209

Grants totalling **£304,260** were made to Kenelm Youth Trust in 2023 (2022: £304,260). KYT is a separate charity that was set up to provide all of the Trust's youth services from 1 January 2016. No balances were outstanding at 31 December 2023 (2022: £nil). Right Rev S. Wright is a trustee in common.

Parish Accounting Services Limited – Company registration number 09503675

During the year, **£43,400** was paid to Parish Accounting Services Limited (2022: £43,070) in respect of software licencing fees of parish accounting software. In addition, the Diocese received **£11,950** from the company (2022: £12,280) in respect of costs of providing management time. There were no balances outstanding at the year-end.

Cornerstone Regeneration – Registered charity 1143282

Rent was received from Cornerstone by one of the parishes of the Archdiocese in respect of property, of **£28,300** (2022: £20,000). Mr C. Loughran is a trustee in common.

Birmingham Churches Together – Registered charity 243931

A grant was made to the charity in 2023 of **£7,100** (2022: £nil). (Grant requests were suspended for 2022) There were no balances outstanding at the year-end. The Most Rev. B Longley is a trustee.

The Venerable English College Trust – Registered Charity 1142558

A reimbursement of expenses was received from the Venerable English College Trust by the Archdiocese in respect of fundraising costs of **£2,400** (2022: £2,800). There were no balances outstanding at the year-end.

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

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

During the year, parish collections raised amounted to £53,720 of which £4,200 was due to be paid at the year end. (2022: £88,690, of which £7,120 was due to be paid at the year end).

Right Rev S. Wright is a trustee in common.

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

Holy Souls Social Club Ltd – Registered Company 07170727

There were no transactions or balances outstanding for 2023. (2022: The Diocese paid a total of £2,690 on behalf of the club during 2022 for which it was reimbursed. This included £2,650 insurance premium). Rev J Veasey is a director.

Birmingham Diocesan Trust

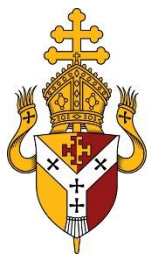
Notes to the financial statements (continued)
for the year ended 31 December 2023

Transactions with wholly owned trading subsidiaries

The Shop at Harvington Hall registered company 03047240

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

Accounts



THE ARCHDIOCESE *of* BIRMINGHAM

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

Charity Registration No. 234216

Birmingham Diocesan Trust

Index to report and financial statements

	Page
<i>Legal and administrative information</i>	1
<i>Trustees' report</i>	3
<i>Independent auditor's report</i>	21
<i>Statement of Financial Activities</i>	24
<i>Statement of Financial Position</i>	26
<i>Statement of Cash Flows</i>	27
<i>Accounting policies</i>	28
<i>Notes to the financial statements</i>	35

Birmingham Diocesan Trust

Legal and administrative information

Name

The name of the charity is Birmingham Diocesan Trust. The charity, in its day to day dealings, is also known as the Archdiocese of Birmingham or "the Diocese". The charity registration number is 234216.

Principal Office

Cathedral House
St Chad's Queensway
Birmingham
B4 6EU

Website: www.birminghamdiocese.org.uk

Trustees

Birmingham Roman Catholic Diocesan Trustees Registered

Comprising:

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

*(1) Member of the Finance Sub-Committee

*(2) Member of the Property Sub-Committee

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

*(4) Member of Education Sub-Committee

*(5) Member of Investment Sub-Committee

*(6) Member of the Safeguarding Sub-Committee

*(7) Member of the Safeguarding Response Group

*(8) Member of the Maryvale Institute Sub-Committee

Member of the Board of Trustees with a clerical Diocesan role (e.g., Priest, Bishop etc.) receiving a stipend in connection with that role, and which is not connected to their voluntary work as a Trustee.

The Committee membership shown above reflects the position as at the date of the signing of the Report and Accounts.

PROFESSIONAL ADVISERS

AUDITOR

RSM UK Audit LLP
Chartered Accountants
10th Floor
103 Colmore Row
Birmingham
B3 3AG

BANKERS

National Westminster Bank plc
4th Floor, 2 St. Philips Place
Birmingham
B3 2RB

INSURANCE BROKERS

PIB Insurance Brokers
Poppleton Grange
Low Poppleton Lane
York
YO2 6AZ

INVESTMENT MANAGERS

Evelyn Partners
103 Colmore Row
Birmingham
B3 3AG

PROPERTY CONSULTANTS

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

SOLICITORS

Charles Russell Speechlys
Compass House
Lypiatt Rd
Cheltenham
GL50 2QJ

Breakwells Solicitors
Allium House
36 Water Street
Birmingham
B3 1HP

DWF Solicitors
1 Snow Hill
Snow Hill
B4 6GA

Birmingham Diocesan Trust

Trustees' report

For the year ended 31 December 2022

Introduction

Archbishop Bernard Longley – Chair of Trustees

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

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

If you recall our Vision is:

We are called to be a Catholic diocese which is:

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



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

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

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

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

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

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

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

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

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

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

Birmingham Diocesan Trust
Trustees' report (continued)
For the year ended 31 December 2022

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

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

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

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

Thank you for your continued prayers and support.

With every blessing

Archbishop Bernard

Birmingham Diocesan Trust

Trustees' report

For the year ended 31 December 2022

Eric Kirwan – Chief Operating Officer

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

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

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

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

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

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

Eric Kirwan

Birmingham Diocesan Trust

Trustees' report

For the year ended 31 December 2022

The trustees present their annual report and the audited financial statements for the year ended 31 December 2022. The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

Structure, governance and management

Birmingham Diocesan Trust is a charitable Trust constituted by a Declaration of Trust dated 3 July 1931. By a certificate dated 20 October 1931, the trustees of Birmingham Diocesan Trust are registered as a body corporate known as Birmingham Roman Catholic Diocesan Trustees Registered. All property assets are vested in the name of the body corporate. In order to update the constitution, the Declaration of Trust was amended by Resolution on 22 September 2017 and a Deed of Variation dated 26 January 2018. A copy of the Trust Deed is available on request.

The Archdiocese of Birmingham, the name by which the trust is more commonly known, is made up of 217 registered parishes when measured in financial terms. This figure therefore excludes Mass centres and order parishes, the latter of which are also subject to the liturgical direction of the Archbishop but which report financially to other organisations including various religious orders etc. The Archdiocese geographically covers the West Midlands, Staffordshire, Worcestershire, Warwickshire and Oxfordshire.

Certain trustees also serve on the Boards of other registered charities with objectives congruent to those of the Archdiocese including:

Father Hudson's Society	(Social care)
St Mary's College, Oscott	(Seminary)
The Kenelm Youth Trust Ltd	(Youth services)
Barberi and Newman Academy Trust	(Education)

A uniting direction given by the Charity Commissioners is in force in respect of various small trust funds as set out in Note 17. These trust funds are represented by 2 separate registered charities, and 7 other separate funds, and have been donated to the Charity by the donor. The assets of the funds are represented by investment in the Diocesan Unit Scheme. The capital cannot be spent, and any income generated must be spent in line with the various donors' instructions. These funds have been classed as endowment funds.

The Trustees are mindful of the need to review and report on Governance in the light of the Charity Governance Code issued in July 2017 and have considered each of the seven sections of the Code.

Work is continuing to implement the guidance contained in the Code although in some areas the requirements of Church Canon Law preclude the adoption of the Code in full. In particular the Chair of Trustees is not an elected position – as the Code would recommend.

The Archbishop of Birmingham is the ex-officio Chair of Trustees and is the Charity's Chief Executive Officer. He is appointed to that position by the Holy See rather than by the trustees. In addition, certain trustees - Auxiliary Bishops, and Vicar General also hold the office of trustee in an ex-officio capacity, rather than being appointed by the other trustees.

Birmingham Diocesan Trust

Trustees' report

For the year ended 31 December 2022

Objectives and activities

The objectives of the Trust are set out in the Diocesan Trust Deed, under which the Trust furthers its charitable purposes for the public benefit. They can be summarised as:

- Evangelisation and Catechesis
- Outreach work with disadvantaged and vulnerable members of society
- Provision of support to the elderly, particularly at parish level by providing essential community gathering places, organised activities, support and advice
- Assisting with mental health and other health issues through our hospital and prison chaplains
- Working with those struggling financially to supply basic needs for their families such as clothing and food, by providing support through the activities of organisations such as the Society of St Vincent De Paul and food and clothing banks
- Family and Marriage guidance, and family support.
- The provision of religious services
- The provision, maintenance and upkeep of churches, presbyteries and schools
- The maintenance and support of clergy during their active service and in retirement
- The provision of education and youth services for children attending Diocesan schools and young members of the Church
- The provision of education and training for clergy and those wishing to be ordained
- The relief of the poor and those in need
- Generally, for any such charitable purpose or purposes as in the opinion of the Archbishop may be conducive to the advancement or maintenance of the Roman Catholic Religion in the Archdiocese.

These objectives are achieved primarily through the parishes and Catholic schools together with a considerable number of Catholic societies and organisations based within the Archdiocese. There are numerous other pastoral activities, the more significant of which are referred to under "Achievements and Performance" below.

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

In all of the activities undertaken by the Archdiocese, the trustees continue to be very grateful for the work done by so many people, both paid staff and volunteer helpers. The trustees also take the opportunity to thank the members of the many Religious Orders who assist in numerous parishes and other parts of the Archdiocese. Without the help of so many people, the Archdiocese could not carry out its important work of spreading the Good News of Jesus Christ.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2022

TRUSTEES

The trustees who served during the year are listed on page 1.

The affairs of the charity are governed by the trustees, who are recruited from the senior clergy and suitably qualified and experienced lay faithful of the Archdiocese. New trustees are introduced to their role and responsibilities by the Diocesan Treasurer; a role undertaken by the Chief Operating Officer, and existing trustees at which time relevant Charity Commission literature is issued together with copies of the trust deed and the latest financial information available. As and when required, trustees attend formal and informal training sessions. The trustees normally hold meetings on a quarterly basis to conduct the operations of the charity, to review the minutes of Sub-Committee meetings and implement other policies. Sub Committees include the following:

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

The pastoral oversight of the charity is conducted by the Archbishop in regular consultation with the Archbishop's Council. This body assists the Archbishop in all decisions affecting the life of the Archdiocese. A majority of members of the Archbishop's Council are also Diocesan Trustees.

The Board of Trustees fulfils the Canonical role of the Diocesan Finance Committee as set out in the requirements in Canon Law in Canon 492. The Vicar General's Office, situated in the registered office, has a defined canonical role. The Vicar General, an ex officio Trustee, is responsible for personnel issues relating to the clergy in the Archdiocese. Appointments to parishes and other diocesan offices are made by the Archbishop in consultation with the Vicar General and the Archbishop's Council.

The day to day legal and financial affairs of the charity are administered from the registered office (known within the Archdiocese as the "Curial Office". The centralised services of the Archdiocese is known collectively as the "Curia"). The Chief Operating Officer oversees the work of the Safeguarding, Finance, Property, Human Resources, Communications, Fundraising, Legal and Planning functions.

Also based at the Registered Office is the Diocesan Tribunal, which deals mainly with marriage annulment petitions, the office of the Chancellor who deals with other Canonical matters, and the Historic Churches Committee office, which is responsible for the supervision of works carried out to our buildings of historic importance.

The Council of Priests meets twice per year with the Archbishop to discuss and give advice on a wide range of issues. The Council is composed of approximately 35 priests of the Archdiocese, with a representative of each deanery together with ex officio priests with diocesan responsibilities and the members of the Archbishop's Council.

Each Diocesan Bishop is empowered to appoint a Chapter of Canons to take responsibility for the organisation and maintenance of his Cathedral. Within the Archdiocese of Birmingham, 16 senior priests constitute the Chapter of Canons and are consulted by the Archbishop on important Diocesan matters (Code of Canon Law 503ff). They have also been constituted as "The College of Consulters" to fulfil the legal requirements of Canon 495ff.

At parish level, the parish priest is responsible for all aspects of running his parish. Parish priests are not employees; in HM Revenue and Customs terms they are Holders of Religious Office and effectively act as agents for the Trustees in all but the purchase and disposal of property and investment assets.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2022

Trustees (continued)

Each parish is required to have a finance committee which meets at least twice per year to support and advise the priest, particularly in the areas of finance and property. A comprehensive manual of "Parish Financial and Administration Guidelines" is issued by the Archdiocese to parishes. An "ad clerum" is issued by the Archbishop regularly through which policies are communicated to priests covering both liturgical/pastoral and, when required, financial and administrative matters. Further support is also available from Deans and the Archdiocese.

The Diocesan Education Service deals with all issues concerning Catholic primary and secondary schools within the Archdiocese. This includes administration of all school building projects, liaison with school governors, admittance appeals procedures, policies for teacher appointments and the establishment of a policy for conversion of schools to Academy status. It also works in conjunction with Government Agencies including Department of Education, Education Skills and Funding Agency & Ofsted to provide consistency and equality of Catholic education. The office is situated in Colehill.

GOING CONCERN

The Trust's activities, together with the factors likely to affect its future development, principal risks and uncertainties facing the Trust and its availability of unencumbered cash reserves are set out within the Trustees' Report on the following pages.

Its financial position in terms of the year's results, its assets and liabilities and movement in cash is set out in the primary financial statements on pages 24 to 27. While there has been some depletion of cash reserves in 2022, it is important to note that there are fixed asset investments which are readily available to defray these if required. The Trust has considerable financial resources, mainly in the form of investments and property. Income for the whole charity from offertory, collections and donations has increased since 2021 by £242k or 2.7%, yet the trustees are mindful of the impact on its income that may arise from the cost of living challenges faced by many of our parishioners, and the declining trend in mass attendance, along with the associated cost of maintaining the considerable number of ageing buildings. The trust has therefore taken steps to mitigate this by reviewing the deanery structure including strategic planning to respond to demographic changes, and to investigate additional income streams, including external grant funding and planned giving within parishes.

The Trustees believe that there are no material uncertainties about the Trust's ability to continue as a going concern. The Trustees therefore have a reasonable expectation that the Trust has adequate resources to continue its operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have a formal risk management process to assess risks and implement risk management strategies. This involves the identification of the types of risk faced by the charity, assessing the likelihood and potential impact of occurrence and identifying means of mitigation. Risks have been categorised under five broad headings: Governance, Operational, Financial, External and Compliance.

These are assessed as to the likelihood of their occurring and the severity of the effects of the risk leading to a potential overall impact calculation in order to give a scale of relative importance/urgency to each one.

The current highest overall adverse impact risks identified are; to income through reducing Mass attendances generally and an increasingly ageing and therefore reducing number of clergy who are expected to undertake ever more administrative responsibilities; adverse publicity and financial impact of historic abuse cases; data protection and security and the continued challenge of maintaining property. The Trust has taken steps to mitigate these risks, by recruiting priests from overseas, restructuring deaneries and creating clusters of parishes where appropriate, and in encouraging collaboration where it is in the best interest of the community the parish serves. With regards to safeguarding, the team now comprises professional social workers, and policies and procedures are in keeping with recent changes in legislation and national standards as prescribed by the Catholic Safeguarding Standards Agency (CSSA).

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2022

Our Diocesan Vision

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

Parishes

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

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

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

Performance review

Diocesan Curia

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

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

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

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2022

Performance review (continued)

Safeguarding

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

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

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

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

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

Diocesan Education Service

The Diocesan Education Service (DES), based in Coleshill, represents the interests of the charity in relation to the 240 maintained Catholic schools within the diocese. Of these, 237 schools (203 schools for children aged 4-11 and 34 schools for those aged 11-16/19) operate under the charity's trust deed and 3 operate under separate trust deeds of religious congregations. No capital expenditure is made by the charity in relation to the latter 3 schools; however, the Service does provide some advisory services to them. As part of our mission and aims the DES remains committed to providing the best possible service to all our schools and academies in order that they are able to deliver the best possible Catholic education to all of our children and young people across the diocese.

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

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

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

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

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

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

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2022

Performance review (continued)

Youth activities

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

One of the trustees of the Archdiocese also served as trustees of KYT in 2022, providing the strategic links with the Archdiocese.

KYT provides a comprehensive and unified ministry for 7–25-year-olds, which includes the residential retreat centre at Alton Castle in Staffordshire, The Soli Centre for Youth Ministry, which is a residential centre for those aged 15–25, is located next to Alton Castle, the Birmingham Catholic Youth Service (BCYS) which works within parishes, and the School Chaplaincy Project, working closely with the Diocesan Education Service in schools within the Archdiocese.

Further information on the work undertaken by KYT can be found on the Kenelm Youth Trust website.

Property

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

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

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

Development & Fundraising

The *Charities (Protection and Social Investment) Act 2016* requires those charities subject to auditing to disclose in their Financial Statements their fundraising activities.

The Trust ensures the highest ethical standards with a dignified approach. This is rooted in respect for our donors and parishes and follows the principles of Christian stewardship. The Trust accomplishes these standards within a truly transparent and efficient framework. The Trust does not currently use external fundraisers, allowing for all parishioners to donate, secure in the knowledge that their contributions will be used to enable the Church to continue playing a major role in their communities, encompassing buildings, worship, prayer, catechesis and pastoral care.

The Trust actively encourages the use of Gift Aid and promotes and ensures fully inclusive information to support donors concerning their tax status. The Trust places no pressure on our Church communities but works towards creating a culture of giving where possible, allowing for diverse and inclusive methods of donating including Time and Talent. The Trust is keenly aware of the ethical and moral implications of accepting donations and are committed to ensuring the emotional and physical health of those donating.

The Trust is registered with the Fundraising Regulator whose code of Fundraising Practice provides a framework within which the Trust operates to ensure that its fundraising practices meet the moral, compliance and professional standards expected of a charity. The Trust has, to its knowledge, fully complied with the Fundraising Regulator's code of Fundraising Practice, and there have been no complaints to the Trust in regard to its fundraising activities.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2022

Performance review (continued)

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

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

Projects for which funding was secured included:

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

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

Communications

The Communications Team supports and promotes the work of curial departments, parishes and schools in a variety of ways, utilising the website, social media channels, diocesan publications and media outlets. It also responds to media enquiries and supports parishes, clergy and staff in their dealings with the media.

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

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

Maryvale Institute

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

Vocations Office and Clergy Training Fund (CTF)

The fund finances the cost of clergy who are doing further studies and events organised for the ongoing formation of clergy. In the academic year 2022/23 there was one seminarian at the Royal English College in Valladolid, Spain, three seminarians for the priesthood at St Mary's College, Oscott, and three seminarians at the Venerable English College, Rome. In this academic year there were also 14 men in formation for the permanent diaconate.

The Guild of St Stephen for Altar Servers is also run from the Vocations Office, and this provides a confraternity for Altar Servers around our Archdiocese. Events for Altar Servers are planned by the Vocations Office, including the annual Mass at St Chad's Cathedral, a retreat for Altar Servers and a training day. These are also further opportunities to raise an awareness of discerning God's call for the young servers of the Archdiocese.

The CTF supports the Vocations Director, and during 2021/22 the department was re-structured to include evangelisation, formation, marriage and married life.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2022

Performance review (continued)

The fund's main sources of income are the annual second collection in parishes on Vocations Sunday and a regular giving scheme organised through parish CTF secretaries. Regular parish appeals are made throughout the year to increase the revenue and donors are encouraged, where appropriate, to Gift Aid their contributions. They are also asked to consider including a bequest in their wills.

In the past year, the CTF has been encouraging people to take out standing orders for their donations and increasing the number of Gift Aid donations. 25 new Standing Orders were set up in 2022, 17 of which are Gift Aided.

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

Birmingham Diocesan Lourdes Pilgrimage

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

Investments

Investments held by the charity were acquired in accordance with the powers available to the trustees and are held under the nominee name of its Investment Managers, Tilney Smith & Williamson Investment Management LLP (re-branded as Evelyn Partners June 2022). The Diocesan Investment Scheme allows individual parishes to benefit from the opportunities available from investing in the stock market, this activity generates income for these parishes, which in turn aids their charitable work by providing additional resources for use in the parish and wider community. The charity's investment managers professionally manage the underlying investment portfolio, the performance of which is regularly reviewed by the Diocesan Investment Sub-Committee. The investment managers are also responsible for the safe custody of these assets. Included in the value of investments is a significant unrealised surplus and this figure will vary year on year as property and stock market values fluctuate. The trustees have adopted a "total return" approach to the charity's investments in order both to generate further funds for charitable activity and also to ensure the best possible overall return on its investments by allowing its brokers to take advantage of capital growth opportunities.

In the year to 31 December 2022 the value of Diocesan stock market investments, in line with stock markets generally decreased. The trustees consider the total return on investments to be reasonable over the long term, when measured against the various published indices used to monitor performance and the prevailing market conditions. The fair value of the Diocesan Investments at 31 December 2022 amounted to £28.7m (2021: £33.2m), and recorded a loss of £5.5m in the accounts (2021 increase of £3.7m).

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

Investment policy

The trustees intend that the real value of their assets be maintained and enhanced over the long term by investment in a portfolio comprising equities, fixed interest stocks and cash. The portfolio is managed on a discretionary basis. The current investment criterion is that a balance should be maintained between income and longer-term capital appreciation within the framework of a low/medium attitude to risk.

Performance review (continued)

Ethical Investment Policy

The trustees have approved an ethical investment policy in the light of Church teaching and the Charity Commission's guidance on ethical and responsible investment. The trustees are aware that by adopting this policy the level of income and the total return generated by investments may be restricted. The policy seeks to balance the long-term needs of the investment portfolio performance with the desire to invest in ethical industries and avoid investment in organisations operating in conflict with Church teaching. The policy applies only to companies held directly within the portfolio, but the policy includes the proviso that investment managers should seek to exclude from the portfolio funds with major investments in prohibited areas on a best endeavours basis. A copy of the full policy can be found on the Diocesan website.

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

External factors affecting performance

The Charity as part of the worldwide Catholic Church

The charity forms part of the wider Catholic Church throughout the world and as such is answerable ultimately to the Pope and the Vatican. Therefore, policies or situations and activities involving the wider church, which of course includes other Dioceses in the UK, will have an effect on the policies, strategies and performance of the charity. In managing its affairs, the charity must also be mindful of the requirements of Canon Law as promulgated by the church authorities.

The impact of Government policy on Catholic Schools

The charity's spending on schools is influenced by Government policy.

Public benefit

Much consultation has been had between the Charity Commission and religious charities in relation to the question of public benefit. We are encouraged that the Commission acknowledges the intangible spiritual benefits that the charity works to provide. Jesus said, "you shall love your neighbour as yourself". Our parishes and retreat centres etc. reach out beyond their own congregations locally, nationally and indeed internationally, via all sorts of initiatives from simple collections at the end of Mass, to more practical assistance such as assisting the disabled, bereavement counselling and visiting the sick at home and in hospital. Catholic schools are increasingly populated with non-Catholic children whose parents value not just their proven educational excellence, but also the moral codes and practices which support it. The young adults leaving our schools will go on to become valued members of society. Our churches and the services of our clergy are open to all who wish to explore whether the Catholic Church can help them to enrich their spiritual lives.

The Trustees believe that they have complied with the duty in Section 17 of the 2011 Charities Act to give due regard to the various guidance notes published by the Commission.

Birmingham Diocesan Trust

Trustees' report (continued)

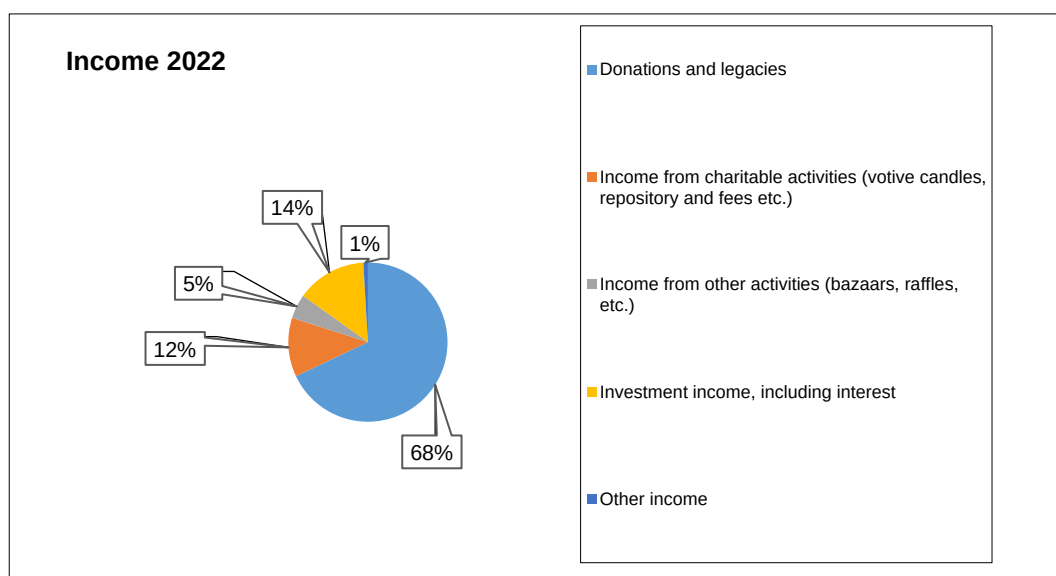
For the year ended 31 December 2022

FINANCIAL REVIEW

The financial statements reflect the activities of the parishes within the Archdiocese, the central support activities, the Diocesan Education Services, youth services and the operation of various centres of religious activities. The financial statements also include the transactions, assets and liabilities of those charities and trust funds detailed in Note 17 to the financial statements. The figures do not include the operation of parish clubs, nor do they include separately registered Roman Catholic charities within the Archdiocese, other than those listed in Notes 17 & 18 to the financial statements.

The Statement of Financial Activities of the Archdiocese for the year ended 31 December 2022 on pages 24 and 25 shows income of £20.14m (2021: £18.3m) analysed as follows:

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



Birmingham Diocesan Trust

Trustees' report (continued)

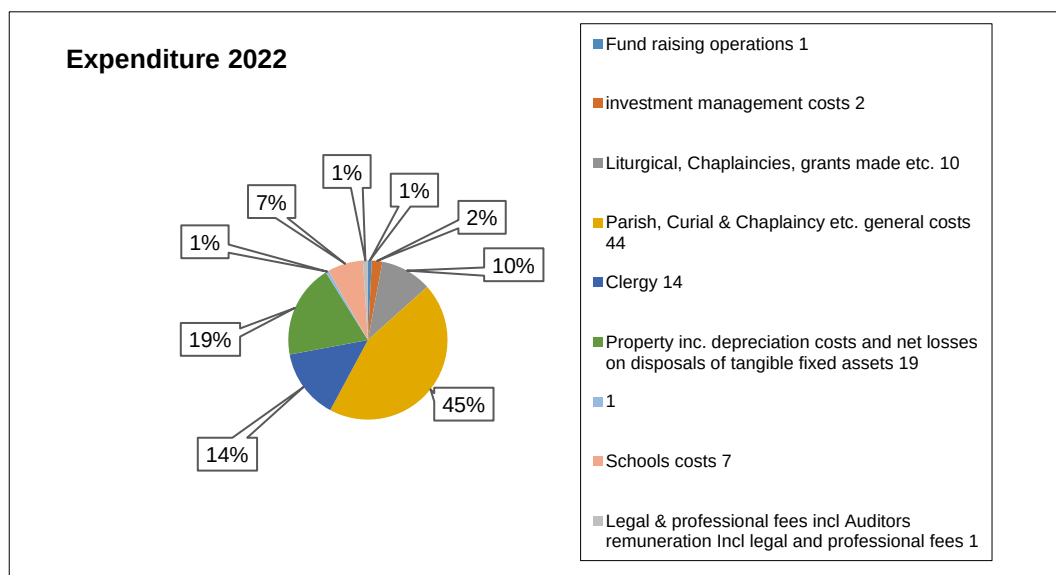
For the year ended 31 December 2022

Financial review (continued)

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

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

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



This resulted in:

An operating deficit (i.e., before considering the impact of gains and losses on investments and other assets) of £2.01m {£2.8m loss on unrestricted funds, £0.8m surplus on restricted and endowment funds} (2021: £4.6m loss {£3.93m loss on unrestricted funds, £0.63m loss on restricted and endowment funds}).

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

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2022

Financial review (continued)

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

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

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

Cash reserves

The charity's total cash reserves decreased by £0.5m to £4.6m (2021: £1.2m decrease to £5.1m). Unrestricted cash reserves in parishes increased by £1m to £5.3m (2021: £1.2m decrease to £4.3m) whilst Diocesan unrestricted cash reserves decreased by £2.1m to a deficit position of £18.5m (2021: £1.1m decrease to £16.4m deficit). This movement is a result of curia costs being higher than income, property purchases and maintenance and grants made to other charities as referred to above.

Reserves policy

Unencumbered reserves, for this purpose defined as unrestricted stock market investments and cash - £23.2m (2021: £24.7m), are approximately 105% of annual unrestricted expenditure (2021: 108%).

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

Fixed assets

In order to fulfil its charitable objectives, the Archdiocese needs a considerable number of properties. Any property which becomes surplus to requirements will be sold but the remainder, although unrestricted, cannot be realised without undermining the work of the Archdiocese.

The fixtures and fittings, and other contents of the properties and the motor vehicles are similarly all used in the work of the charity.

A very small proportion of the fixed assets are already represented by Restricted Funds (Note 18). The trustees also consider it appropriate that the value of other functional buildings and the contents of fixed property assets should be held for charity use and as these assets are therefore unavailable for other uses, they are shown in a designated fund representing the value of these assets (see Note 19).

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2022

Key management personnel and remuneration

The trustees consider the Board of Trustees, including the Auxiliary Bishops and the Vicar General together with the Chief Operating Officer are the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give their time freely, and no trustee receives any remuneration in respect of the work undertaken in the role of trustee. There are members of the Board of Trustees who are also members of the senior clergy of the Archdiocese, and as with other members of the clergy receive a stipend for the work, they undertake in their clerical role only. These trustees are identified in the list of trustees on page 1.

Details of key management personnel remuneration and trustee expenses; and related party transactions are disclosed in Notes 10 and 24 (respectively) to the accounts. Remuneration of all personnel, including key management is set by the Workforce and Remuneration Sub Committee, and is advised by HR professional advisors. Trustees are required to disclose all relevant interests and register them with the Diocesan Treasurer and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

PLANS FOR THE FUTURE

The intention for the future is to continue to meet the objectives of the charity as outlined on page 7, in addition to ensuring that the charity continues to meet its statutory obligations, and in particular, the findings of the report from IICSA and the Charity Commission Statutory Inquiry.

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

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period. In preparing financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and provisions of the Trust Deed.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial information included on the charity's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware.

Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved at the trustees' meeting held 20th October 2023 and signed on behalf of the trustees.

Most Rev. B Longley, MA, STL
Archbishop of Birmingham

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BIRMINGHAM DIOCESAN TRUST

Opinion

We have audited the financial statements of Birmingham Diocesan Trust (the 'charity') for the year ended 31 December 2022 which comprise Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BIRMINGHAM DIOCESAN TRUST

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 20, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the charity operates in and how the charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BIRMINGHAM DIOCESAN TRUST

- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the charity's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting any correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Safeguarding, the Data Protection Act 2018, and Canon Law. We performed audit procedures to inquire of management and those charged with governance whether the entity is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

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

Date 24 October 2023

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Birmingham Diocesan Trust

Statement of financial activities

for the year ended 31 December 2022

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

Birmingham Diocesan Trust

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

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

All of the charity's activities are continuing.

2021 comparatives for the above are analysed in Note 8.

Birmingham Diocesan Trust

Statement of financial position
At 31 December 2022

charity number 234216

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

These financial statements were approved and authorised for issue at the trustees' meeting held on 20th October 2023, and signed on behalf of the trustees by:

Most Rev. B Longley, MA, STL
Archbishop of Birmingham

Birmingham Diocesan Trust

Statement of cash flows

For the year ended 31 December 2022

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

Birmingham Diocesan Trust

Accounting policies

for the year ended 31 December 2022

The Birmingham Diocesan Trust ("the Archdiocese", "the charity" or "the Trust") is a charity registered with the Charity Commission of England and Wales, charity number 234216. The address of the Trust's registered office and principal place of operations is Cathedral House, St Chad's Queensway, Birmingham, B4 6EX.

The Trust's principal activity is to provide spiritual and pastoral guidance and care to Catholics and the wider community within the geographical area it covers in central England, in the main the West Midlands, Staffordshire, Worcestershire, Warwickshire and Oxfordshire.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

BASIS OF PREPARATION AND ASSESSMENT OF GOING CONCERN

Basis of accounting

The financial statements have been prepared in accordance with the accounting policies set out below and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)). The Trust constitutes a public benefit entity as defined by FRS102.

The financial statements have been drawn up under the historical cost convention as modified by the revaluation of investments and are presented in sterling, (£'000 except where otherwise noted) which is also the functional currency of the Trust.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Charities SORP (FRS102), rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

The Trustees continue to adopt the going concern basis of preparation of the financial statements. Management have revisited the financial budget for 2023 taking into account the impact of the cost of living crisis and external domestic economic factors on projected income and expenditure, such as inflation and bank interest rates. They continue to monitor the cash position on a regular basis (£4.6m at year end). The Diocese also has a significant investment portfolio (£28.7m at year end) that suffered a considerable loss due to stock market turbulence during 2022 and other UK and global and economic forces, the unrestricted element of which provides an extra buffer to be utilised if necessary. The Trustees continue to monitor the performance of the investments, and challenge the charity's investment advisors. Based on the forecasts prepared the Trustees are satisfied that the Diocese has sufficient cash resources to continue in operation for the foreseeable future and can confirm that there are no material uncertainties in relation to the going concern basis of preparation of the financial statements.

The financial statements incorporate the activities of the parishes within the Archdiocese, the central support activities, the Diocesan Schools Commission, youth services and other centres of religious activities. The financial statements also include the transactions, assets and liabilities of those charities and other trust funds detailed in Note 17 to the financial statements. The figures do not include the operation of parish clubs, nor do they include the activities of separately registered Roman Catholic charities within the Archdiocese other than those listed in Notes 17 and 18.

Special and other charitable collections on behalf of other charities have not been included in the Statement of Financial Activities as they are not regarded by the trustees as being funds of the Archdiocese. Where any balance has not been paid to the respective organisation concerned, it has been included in creditors.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The trustees do not consider that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

FUND ACCOUNTING

The charity maintains various types of funds as follows:

Restricted funds

These represent funds received which are allocated by the donor for specific purposes. They cannot be used for purposes other than those specified by the donor. The aim and use of the restricted funds is set out in the notes to the financial statements.

Endowment funds

These represent various trust funds which have been donated to the charity. The capital cannot be spent, and any income generated must be spent in line with the donor's instructions.

Unrestricted General and Designated funds

These represent unrestricted income which is expendable at the discretion of the trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment. However, whilst these funds are unrestricted, they include amounts which have been invested in fixed assets and cannot therefore be realised without undermining the ongoing work of the charity. Such funds have been classified as designated funds by the trustees (see Note 19).

INCOME

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met and there is reasonable assurance of receipt and there being reasonable certainty as to amount. Where a claim for repayment of income tax has been or will be made, such income is grossed up for the tax recoverable. The following accounting policies are applied to income:

Donations, legacies and grants

Offeratories and donations are included in income when receivable. Legacies are included in income upon the receipt becoming probable. Probability of receipt occurs where there is a grant of probate, the executors have established there are sufficient assets to pay the legacy and any conditions attached to the legacy are either within the control of the charity or have been met. Gifts in kind, if material, are included at an estimate of fair value. Included here also are grants receivable. Grants are recognised in the Statement of Financial Activities when the grant conditions have been complied with.

Birmingham Diocesan Trust

Accounting policies (continued)

for the year ended 31 December 2022

Income (continued)

Charitable activities

Includes income from votive candles and newspapers etc., mainly in parishes, together with chaplaincy income, and whilst this is recognised on a cash received basis, this is not materially different from an accruals basis.

Other trading activities

Includes income from activities such as parish fairs, bazaars and other events, which is described as social income and whilst this is recognised on a cash received basis, this is not materially different from an accruals basis.

Investment income

Income from investments is included on an accruals basis. Property rental income is recognised on a receivable basis.

Proceeds from the disposal of school properties

These proceeds are treated as restricted income as the charity is required to give an undertaking to make the disposal proceeds available for the provision of replacement schools elsewhere in accordance with Sch. 22 para. 3 of the Schools Standards and Framework Act 1998. Where such proceeds are material they are shown separately on the face of the Statement of Financial Activities.

Income from Government and other grants

Income from Government and other grants, whether 'capital' or 'revenue' grants, is credited to the Statement of Financial Activities when the Trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably. Income is deferred only if these criteria are not met or when the provider specifies that the grant must be used in future periods.

School Building Grants

The Diocesan Education Service (DES) assists voluntary aided schools with the administration of funding for school building projects and IT equipment. The Trustees have reviewed these arrangements and concluded that the DES acts as agent on behalf of the school governing body in certain circumstances in receiving funding from the Department for Education, Local Authority and other funding sources and settling and matching it with contractors' costs and associated professional fees.

As a result of this review, the income and expenditure from these activities are not reflected in the Statement of Financial Activities because the risk and reward of those transactions are those of the school governing bodies and not the DES. Expenditure on school building projects and IT where the DES acted as agent in the year amounted to £6.4m (2021: £8.6m), income from grants was £6.27m (2021: £7.7m) and the net position of £0.13m (2021: £0.9m) is included in the creditor for 2022, which is £2.55m as at the year end (2021: £2.42m). Further information on this is included in Note 7.

In addition, there were some activities in the year whereby the DES acted as principal, and those transactions are reflected in the accounts, further explanation is provided in Note 18.

EXPENDITURE

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any value added tax which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

- Fundraising operations are those costs incurred in attracting voluntary income.
- Investment management costs, which includes the cost of managing the Trust's investments, including investment property costs.

EXPENDITURE (CONTINUED)

- Charitable activities include expenditure associated with the mission of the church and include both the direct costs and support costs relating to these activities together with primary purpose trading activities that raise funds; and governance costs, which include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. These costs include central functions and have been allocated on a basis consistent with the use of resources, which were in the main staff costs, by the time spent.

GRANTS PAYABLE

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. Grants are accounted for when either the charity has given the recipient a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Trust.

OPERATING LEASES

Rentals are charged on a straight-line basis, having taken account of lease incentives.

PENSION COSTS

The charity operates a defined contribution scheme for the benefit of its employees. The scheme is funded by contributions from the charity and its employees. The payments made by the charity are included in expenditure. The charity operates a salary sacrifice arrangement for pension contributions.

GAINS AND LOSSES ON INVESTMENTS

Realised and unrealised gains and losses on investments and investment properties are credited or charged to the Statement of Financial Activities. Unrealised gains and losses are calculated as the movement in fair value during the year. Realised gains and losses are calculated as the difference between disposal proceeds and fair value brought forward – fair value is considered by reference to bid value.

TANGIBLE FIXED ASSETS

Churches and other functional property

Prior to December 1996, capital expenditure on Churches and other functional property (i.e. buildings used for the primary purposes of the Archdiocese) and their contents were written off when incurred. The financial statements prepared for previous years, therefore, did not include amounts for these categories of fixed assets.

In December 1996, these assets were included in the financial statements at an estimate of their historic cost. This was derived by using the retail price index to index the present insurance value back to the date the building was constructed and applying rates of depreciation calculated to write off the estimated historic cost evenly over the whole of their useful life. Depreciation rates were calculated by using the age of the building and its expected useful life. A similar basis was used to estimate the contents of Churches and Presbyteries on the assumption that the contents of Churches and Presbyteries are renewed every 45 years.

Birmingham Diocesan Trust

Accounting policies (continued)

for the year ended 31 December 2022

Tangible fixed assets (continued)

The cost of new functional church property, improvements and contents is capitalised and is being depreciated over the expected useful lives at the following rates:

	% per annum	Years
Churches, Presbyteries, Halls and other functional property:		
- Land element	Nil	-
- Building element	1.0	100
Improvements to and contents of Churches and Presbyteries	2.2 - 6.6	15- 45

Individual items of less than £25,000 are not capitalised.

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist the recoverable amount of the asset is estimated. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairments are recognised in the Statement of Financial Activities.

School property

The Archdiocese has 240 voluntary aided schools and academies which are constituted as separate charities. The school properties (land and buildings) are vested in the name of the trustees. The trustees cannot take a unilateral decision to dispose of these properties. Disposal can only occur if the school governors and the Secretary of State for Education decide that all or part of a school site is no longer required for education. In most circumstances, where a disposal occurs, the trustees will be required under S22 of the School's Standards and Framework Act 1998 to pay to the Local Authority so much of the proceeds as may be determined by the Secretary of State. Although no rights of ownership vest in the school governing body, most other rights and obligations, such as for the maintenance and repair of the school and its facilities, are passed to the governors. The trustees therefore consider that, for the purposes of these financial statements, whilst being used as a school, the nature of their ownership is that of a custodianship and therefore these properties have not been recognised.

At 31 December 2022 the building insurance valuation via the Diocesan insurers for the voluntary aided schools and academies in the charity's ownership was £199m (2021: £197m). In continuing the trend from previous years, there were further schools including academies that insured with other insurers/RPA in 2022 compared to 2021.

Fixed assets other than property

The cost of motor vehicles, Diocesan office equipment and fixtures and fittings is capitalised and depreciated over their expected useful lives, at the following rates:

	% per annum	Years
Motor vehicles	25	4
Office equipment, fixtures etc.	25	4

Individual items of less than £2,500 are not capitalised.

Birmingham Diocesan Trust

Accounting policies (continued)

for the year ended 31 December 2022

INVESTMENTS

Investment properties

Investment properties such as houses and non-functional properties have been included at the trustees' estimate of their fair value at 31 December 2022. All investment properties are professionally valued on a rolling 5-year programme. During 2022, approximately one-fifth in number of investment properties were professionally valued at open market value by the Diocesan in-house qualified chartered surveyors. In accordance with Financial Reporting Standard 102, no depreciation is provided. The value of each property has been prepared having regard to RICS Valuation – Global Standards (Red Book) effective from 31 January 2021 where market value is defined as:

"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Other investments

Other investments consist mainly of stocks and shares quoted on the London Stock Exchange. They have been included at fair value at the year end.

FINANCIAL INSTRUMENTS

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument, and are offset only when the Trust currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents include cash and short term highly liquid assets with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts held as part of the charity's treasury management activities.

Concessionary loans (assets)

Loans which are made (or committed and not taken up at the year-end) to priests, employees and other beneficiaries of the Trust are considered concessionary loans. Unsecured loans are generally for a term of up to 5 years, no interest is payable, and do not normally exceed £5,000 (although these limits may be exceeded at the discretion of the Diocesan Treasurer). In addition, secured, concessionary, interest free loans are made usually for the purposes of purchasing property being secured on the property, the loan term usually being for a period of up to 10 years.

Birmingham Diocesan Trust

Accounting policies (continued)

for the year ended 31 December 2022

Concessionary loans (assets) (continued)

All concessionary loans are initially measured at their transaction value, and subsequently are recognised at their carrying value, less impairment. They are repayable within the agreed payment term, or the cessation of employment in the case of an employee or cessation of office in the case of a priest, whichever is the soonest. A provision for impairment is established when there is objective evidence that the amounts due will not be collected according to the original terms of the loan agreement. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the loan over the present value of the future cash flows. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

Concessionary loans are aggregated within the financial statements as this does not obscure significant information. Where applicable, concessionary loans committed but not yet taken up at the year-end are included in the financial statements, but are not aggregated in the total.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Trust after deducting all of its liabilities. The Trust considers it has no equity instruments.

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Concessionary loans (liabilities)

Loans made (or committed and not taken up at the year-end) by parishioners to a parish of the Archdiocese are considered concessionary loans. These may be for a period of 1 year upwards, sometimes with no end date. No interest is payable. These are initially measured at their transaction value, and subsequently are recognised at their carrying value, less impairment. They are always unsecured.

Concessionary loans are aggregated within the financial statements as this does not obscure significant information. Where applicable, concessionary loans committed but not yet taken up at the year-end are included in the financial statements, but are not aggregated in the total.

De-recognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

RECOGNITION OF LIABILITIES

Liabilities are recognised when either a constructive or legal obligation exists.

JOINTLY CONTROLLED ENTITIES

Entities in which the charity has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities. Jointly controlled entities are accounted for using the cost model.

Birmingham Diocesan Trust

Notes to the financial statements for the year ended 31 December 2022

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

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

DONATIONS, LEGACIES AND GRANTS - 2021 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2021
	£000	£000	£000	£000	£000	£000	£000
Offertories, collections and donations*	7,589	603	-	90	523	-	8,805
Tax reclaimed on offertories and donations	1,246	18	-	85	9	-	1,358
Legacies	1,212	425	-	6	21	-	1,664
Grants receivable **	577	351	-	148	25	-	1,101
	10,624	1,397	-	329	578	-	12,928

Birmingham Diocesan Trust

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

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

CHARITABLE ACTIVITIES - 2021 COMPARATIVES

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

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

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

Birmingham Diocesan Trust

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

OTHER TRADING ACTIVITIES - 2021 COMPARATIVES

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

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

INVESTMENT INCOME - 2021 COMPARATIVES

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

Birmingham Diocesan Trust

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

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

OTHER INCOME - 2021 COMPARATIVES

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

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

Birmingham Diocesan Trust

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

INVESTMENT MANAGEMENT COSTS - 2021 COMPARATIVES

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

Birmingham Diocesan Trust

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

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

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

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

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

The costs above relate directly to the activity concerned and no form of estimation or apportionment has therefore been necessary.

Birmingham Diocesan Trust

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

7

CHARITABLE ACTIVITIES - 2021 COMPARATIVES

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

Birmingham Diocesan Trust

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

8

COMPARATIVES (BY FUND) FOR 2021 STATEMENT OF FINANCIAL ACTIVITIES

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

Birmingham Diocesan Trust

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

8

COMPARATIVES (BY FUND) FOR 2021 STATEMENT OF FINANCIAL ACTIVITIES

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

Birmingham Diocesan Trust

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

9	NET INCOME	2022	2021
		£000	£000
	Net income for the year is stated after charging:		
	Depreciation of tangible fixed assets	1,270	1,275
	PFI facilities management fees	138	133
	Auditor's remuneration		
	- for audit services	61	58
	- for non-audit services	1	-
		=====	=====

10	INFORMATION REGARDING EMPLOYEES, TRUSTEES AND VOLUNTEERS	2022	2021
		£000	£000
	Staff costs comprise the following:		
	Salaries and wages	4,453	4,230
	Social security costs	380	293
	Pension costs	431	432
	Death in service premium	22	23
		=====	=====
		5,286	4,978

Staff costs relate to curial staff, staff at parishes and staff employed in Diocesan related activities.

The number of employees whose emoluments (excluding employer's pension contributions and national insurance) amounted to over £60,000 in the year was as follows:

	2022	2021
	Number	Number
£60,000 - £70,000	4	4
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-
	=====	=====

The charity contributed £47,005 (2021: £42,150) in pension contributions in respect of these employees. The Chief Operating Officer is included within the above disclosure. Due to the operation of a salary sacrifice scheme, pension contributions stated above include the employee pension contributions paid on behalf of these staff as employer's contributions. These therefore do include amounts sacrificed by staff under those arrangements.

The number of employees and full-time equivalent employees, analysed by function, during the year was as follows:

	Full Time		Part Time		Full Time Equivalent	
	2022	2021	2022	2021	2022	2021
Parishes	9	5	204	198	71	70
Other Diocesan services	29	29	25	29	40	44
Central/Curial Services	28	35	16	14	38	37
	66	69	245	241	149	151

Birmingham Diocesan Trust

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

10 INFORMATION REGARDING EMPLOYEES, TRUSTEES AND VOLUNTEERS (continued)

It should be noted that (as in previous years) just over 200 diocesan priests actively working within the charity are self-employed office holders and not employees of the charity.

Five of the twelve trustees listed on page 1 also serve as clergy of the charity (2021: Seven), and in addition to their responsibilities as trustees are actively involved in carrying out the objects of the charity. Five of those trustees benefited from accommodation costs and other associated expenditure included within charitable activities (2021: Seven) (see Note 7). These trustees received in total £76,880 (2021: £79,721) of allowances as serving clergy but not in their office as trustee. The remaining trustees do not derive any income from the charity. Similarly, no trustee is paid expenses in relation to their activities as a Trustee, only in their canonical roles as serving clergy. Non-clerical trustees are not paid expenses.

The Trust considers its key management personnel comprise the Archbishop, Auxiliary Bishops, Vicar General and Chief Operating Officer. None of these individuals with the exception of the Chief Operating Officer are employees, they are office holders of the Trust. The remuneration, including Employers Pension contributions and National Insurance of the Chief Operating Officer for 2022 was £105,390 (2021: £104,407). There was a change of COO during 2021, which also reverted from a part time to a full time post.

During the year charity funds were used to pay a premium of £6,100 (2021: £4,400) in respect of Trustees' Indemnity Insurance. This insurance protects the charity from loss arising from the neglect or defaults of its trustees, employees or agents or to indemnify the trustees or other officers against the consequences of any neglect or default on their part.

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

Birmingham Diocesan Trust

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

11 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

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

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

The total insured value of the functional buildings and contents is £771m (2021: £720m). No value is attached to the land element, which has been treated as being impaired. There is no intention to sell the land in the ordinary course of the charity's activities and no income is generated from the ownership of this land.

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

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

Birmingham Diocesan Trust

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

12 INVESTMENTS HELD AS FIXED ASSETS

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

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

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

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

Birmingham Diocesan Trust

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

INVESTMENTS HELD AS FIXED ASSETS (continued)

Stock exchange investments at fair value

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

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

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

Stock exchange investments by location

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

Jointly controlled entity

The charity owns 50% of the £2 ordinary share capital of Parish Accounting Services Limited, a company which was formed during 2015 in order to purchase the intellectual property rights, and ownership of computer software known as OPAS. This is a bespoke accounting and gift aid system used widely within the Archdiocese, and was purchased in order to ensure its continued availability for the Trust. The remaining 50% is owned by the Archdiocese of Westminster and is jointly managed by the two Trusts, with two directors serving from each Archdiocese.

Ownership of trading limited company

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

Ownership of dormant private limited company

The charity owns 100% of the share capital of The Sower Limited, a dormant private limited company. Total called up share capital is £3. There are no other assets or liabilities.

Birmingham Diocesan Trust

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

13 DEBTORS

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

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

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£000	£000
*Amounts due in respect of school building projects	82	305
Due to other religious charities	668	499
**Other creditors	2,783	3,049
Accruals	1,820	542
	<u>5,353</u>	<u>4,395</u>

* The amount noted above as "amounts due in respect of school building projects" is in respect of transactions for which the Diocesan Education Service (DES) acted as principal.

**Included here is an amount held in respect of grant income not spent on school building projects which were managed by the DES in its role acting as agent. For 2022 this was £2,554k (2021: £2,429k). This relates to grants received in advance of projects starting, mainly due to delays with COVID-19. The distinction between certain school building project transactions is explained on page 30.

Birmingham Diocesan Trust

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

15 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2022 £000	2021 £000
Concessionary loans	35	36
	<u>35</u>	<u>36</u>

16 FINANCIAL ASSETS AND LIABILITIES

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

17 ENDOWMENT FUNDS

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

These funds are linked to specific parishes and funds held by the Diocese, and are endowment in nature, i.e., the capital donated cannot be spent and any income generated must be spent in line with the donor's instructions. In the main the purposes of these funds are to provide education, relieve poverty, support priests and to provide for church repairs within the parishes concerned. The assets of all the funds listed are represented by investment in the Diocesan Investment Scheme (see page 14). There are two separate registered charities (Leamington Trust, registered charity no. 248948; and Birmingham Roman Catholic Diocesan Educational Trust no. 528881) and thirteen other separate funds. A uniting direction given by the Charity Commissioners is in force in respect of these funds.

Birmingham Diocesan Trust

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

17 ENDOWMENT FUNDS (continued)

The 2021 analysis of endowment funds follows:

ENDOWMENT FUNDS - 2021 COMPARATIVES

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

Birmingham Diocesan Trust

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

18 RESTRICTED FUNDS

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

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

18 RESTRICTED FUNDS (continued)

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

The Poor Mission Fund exists to support parishes which struggle to meet their financial obligations. The Memorial Mass Fund provides for people's desire for annual Masses to be said for their intentions.

The Religious Workers Accommodation Fund was created during 2016 and after some specific grants to assist the work of agencies caring for the homeless and for disadvantaged youth made during that year, the balance is to be used for the provision of accommodation for religious workers in the Diocese.

The Canons Chapter Fund represents sums which were previously recognised as part of the affiliated bodies, and were therefore not in the past included within the funds of the Archdiocese. The Trustees now deem it more appropriate that these funds are included within the Archdiocese accounts as its aim is specifically to support repairs and maintenance of the Cathedral.

The Clergy Training Fund's primary purpose is to support students in training and formation for the priesthood and permanent diaconate as well as ordained priests and deacons undertaking further studies.

The "Diocesan Education Service – schools' projects" fund relates to historic schools' sales proceeds which can only be used to finance the building of new schools, or expansion of existing schools due to capacity needs, and includes grant funds received but not yet expended.

The transfers shown above of £49k (2021: £124k), principally represent amounts paid in accordance with the terms of the restriction, to certain parishes and other entities within the Archdiocese. In the case of "Parish building and other projects" the amount transferred relates to capitalised spending completed in accordance with the terms of the restriction. These parish assets are included within the unrestricted property assets of the charity; the associated restricted funding being regarded as having been effectively discharged.

Birmingham Diocesan Trust

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

The 2021 analysis of restricted funds follows:

RESTRICTED FUNDS - 2021 COMPARATIVES

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

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

Birmingham Diocesan Trust

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

19 UNRESTRICTED FUNDS

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

The trustees have created a designated fund to the value of the unrestricted net book value of functional property assets and contents. The trustees are of the opinion that these assets cannot be readily realised without undermining the ongoing work of the charity. Transfers to designated funds relate to net fixed asset movements and depreciation.

The 2021 analysis of unrestricted funds follows:

UNRESTRICTED FUNDS 2021 COMPARATIVES

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

Birmingham Diocesan Trust

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

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

"Tangible fixed assets" represents the book value of the charity's tangible fixed assets, principally land and buildings, currently held for charity use and the funds are therefore unavailable for other uses.

Included in the figure for investments is a significant unrealised surplus and this figure will vary year on year as property and stock market values fluctuate.

ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2021 COMPARATIVES

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

Birmingham Diocesan Trust

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

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

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

22 CAPITAL COMMITMENTS

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

23 OTHER COMMITMENTS

PFI Scheme

The Trust, through the Diocesan Education Service (DES) is party to a facilities management contract under a PFI scheme in respect of a school. Total commitments under the contract are £147k (2021: £135k) within one year, £641k (2021: £568k) between one and five years, and £nil (2021: £149k) greater than 5 years. These costs may change, dependent on changes to indexation. The costs are calculated using RPI. These costs are met from within the restricted funds held for the purposes of spending on new schools.

24 RELATED PARTY TRANSACTIONS

The organisations mentioned below were served by one or more common trustees during the year:

St Mary's College, Oscott – Registered Charity 1172979

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

Father Hudson's Society - Registered Charity 512992

During the year, £69,300 (2021: £29,000) was collected on behalf of and paid over to Father Hudson's in the main via a retiring collection following Masses said in parishes in September 2022, but also for a special collection for aid for the people from Ukraine who were being supported by

Birmingham Diocesan Trust

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

24 RELATED PARTY TRANSACTIONS (continued)

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

There was a balance as at the year-end in respect of collections not paid over to Father Hudson's amounting to £2,000 (2021: £nil), and care costs of £nil (2021: £3,700). Whilst not a Trustee of Father Hudson's, Most Rev. B Longley is President of the charity.

The Kenelm Youth Trust Ltd – Charitable company registration number 1144209

Grants totalling £304,260 were made to Kenelm Youth Trust in 2022 (2021: £397,000). KYT is a separate charity that was set up to provide all of the Trust's youth services from 1 January 2016. No balances were outstanding at 31 December 2022 (2021: £nil). Right Rev S. Wright is a trustee in common.

Parish Accounting Services Limited – Company registration number 09503675

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

Cornerstone Regeneration – Registered charity 1143282

Rent was received from Cornerstone by one of the parishes of the Archdiocese in respect of property, of £20,000 (2021: £20,000). Mr C. Loughran is a trustee in common.

Birmingham Churches Together – Registered charity 243931

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

The Venerable English College Trust – Registered Charity 1142558

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

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

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

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

Right Rev S. Wright is a trustee in common.

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

Holy Souls Social Club Ltd – Registered Company 07170727

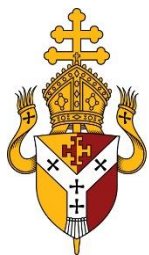
The Diocese paid a total of £2,690 on behalf of the club during 2022 for which it was reimbursed. This included £2,650 insurance premium. Rev J Veasey is a director.

Transactions with wholly owned trading subsidiaries

The Shop at Harvington Hall registered company 03047240

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

Accounts



THE ARCHDIOCESE *of* BIRMINGHAM

Birmingham Diocesan Trust
Annual report and financial statements
for the year ended 31 December 2021

Birmingham Diocesan Trust

Index to report and financial statements

	Page
<i>Legal and administrative information</i>	<i>1</i>
<i>Trustees' report</i>	<i>3</i>
<i>Independent auditor's report</i>	<i>20</i>
<i>Statement of Financial Activities</i>	<i>23</i>
<i>Statement of Financial Position</i>	<i>25</i>
<i>Statement of Cash Flows</i>	<i>26</i>
<i>Accounting policies</i>	<i>27</i>
<i>Notes to the financial statements</i>	<i>34</i>

Birmingham Diocesan Trust

Legal and administrative information

Name

The name of the charity is Birmingham Diocesan Trust. The charity, in its day to day dealings, is also known as the Archdiocese of Birmingham or "the Diocese". The charity registration number is 234216.

Principal Office

Cathedral House
St Chad's Queensway
Birmingham
B4 6EU

Website: www.birminghamdiocese.org.uk

Trustees

Birmingham Roman Catholic Diocesan Trustees Registered

Comprising:

Most Rev. B Longley MA STL (Archbishop of Birmingham) *(9) #
Rt. Rev. W Kenney CP KCHS Fil k and STL PhD (hc) (Auxiliary Bishop) *(1) (2) # Resigned 23 July 2021
Rt. Rev. D McGough LSS STL (Auxiliary Bishop) *(1) (2) (4) (5) # Resigned 23 July 2021
Rt. Rev. S Wright LLB, STL (Auxiliary Bishop) *(1) (2) (6) (8) (9) #
Rt. Rev. D Evans (Auxiliary Bishop) *(1) (2) (10) #
Rev. R Walker (Vicar General) (1) (2) (3) (7) (8) #
Rev. J Veasey STL*(Director of the Diocesan Education Service) (5) (7) (10) #
Ms. H Bardy *(10) Resigned 18 October 2021
Mr. C Loughran DL FBCS CITP * (1) (2) (5) (6) (9)
Prof. D Kelly CBE DL *(8) (9)
Ms. J Francis *(7)
Ms. S Pain BA ACMA * (1) (6) (10)
Mr. P Vince MRICS *(2) (5)
Mr. P Vella * (4) (6) (7)
Mr. T Piotrowski * (2) Appointed 28 January 2022

*(1) Member of the Finance Sub-Committee

*(2) Member of the Property Sub-Committee

*(3) Member of Care of Clergy Sub-Committee

*(4) Member of Communications Sub-Committee

*(5) Member of Education Sub-Committee

*(6) Member of Investment Sub-Committee

*(7) Member of Remuneration Sub-Committee

*(8) Member of the Safeguarding Commission

*(9) Member of the Safeguarding Response Group

*(10) Member of the Maryvale Institute Sub-Committee

Member of the Board of Trustees with a clerical Diocesan role (e.g., Priest, Bishop etc.) receiving a stipend in connection with that role, and which is not connected to their voluntary work as a Trustee.

The Committee membership shown above reflects the position as at the date of the signing of the Report and Accounts.

PROFESSIONAL ADVISERS

AUDITOR

RSM UK Audit LLP
Chartered Accountants
10th Floor
103 Colmore Row
Birmingham
B3 3AG

BANKERS

National Westminster Bank plc
4th Floor, 2 St. Philips Place
Birmingham
B3 2RB

INSURANCE BROKERS

PIB Insurance Brokers
Poppleton Grange
Low Poppleton Lane
York
YO2 6AZ

INVESTMENT MANAGERS

Evelyn Partners
103 Colmore Row
Birmingham
B3 3AG

PROPERTY CONSULTANTS

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

SOLICITORS

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GL50 2QJ

Breakwells Solicitors
Allium House
36 Water Street
Birmingham
B3 1HP

Birmingham Diocesan Trust

Trustees' report

For the year ended 31 December 2021

Introduction

Archbishop Bernard Longley – Chair of Trustees

We give thanks that 2021 saw us all begin our journey back to normality as we have moved away from the impact of Covid-19 on all of our lives. The Archdiocese is no exception and there have been opportunities for us as well as challenges in the way that we have sought to live out the Catholic life across our parishes, schools and chaplaincies.

I am grateful that parishes have emerged from lockdown to be able to fulfil our mission to spread the good news of Christ to so many people across our Archdiocese. We have done this at a time when two important aspects of our diocesan life have emerged for all of us to participate in actively.



The first is the implementation of the Diocesan Vision which is entitled *Unfolding God's Plan*. The future of our Archdiocese is dependent on all of us working together to achieve the building up of God's kingdom and our Vision establishes how we will progress this. Our Vision reminds us that "We are called to be a Catholic diocese which is: faithful to the mission entrusted to us by Jesus Christ, full of missionary disciples who work together co-responsibly in vibrant communities of faith, joyful in their service of God and neighbour."

Work has begun on making this vision a reality. It may already be apparent that our deaneries have changed: we have fewer of them, but they are organised to enable clergy to support each other and to prepare future working arrangements between parishes. This is just the start; our clergy will ensure that all of us, the baptised Children of God, are involved in shaping our parishes to be ready to face the challenges of the future while fostering vibrant, outward-facing parishes that are part of the wider community.

The second important aspect of diocesan life to emerge is the Synodal Pathway, instigated by Pope Francis to begin conversations about the future of the Church. I am delighted that there has been such a positive response to the Synodal process, and I thank all those who have been involved across all aspects of our diocesan family, from parishes, schools, outreach groups as well as ecumenical and other faith partners in making our own Synodal Synthesis an example of effective co-responsibility. Over 90% of our parishes replied, with over a hundred schools, 29 groups and 271 individuals. They were all gratefully received, read and understood as the Synodal Synthesis was produced.

As we look to the future, our Diocesan Vision will rely ever more on effective co-responsibility: where we give due respect to the voices of individuals and distinctive groups and as we look beyond our immediate contribution to the Synodal Pathway at national level we need to capture these voices and insights within our own diocesan vision and planning. When individuals and communities recognise their particular contributions, it encourages further engagement in the diocesan dialogue.

During this year we have much to thank God for, including five ordinations to the permanent diaconate.

I am very proud of all the work that the Archdiocese has undertaken throughout 2021 and I hope that you will find the full report informative.

With every blessing
Archbishop Bernard

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2021

Eric Kirwan – Chief Operating Officer

During 2021 we continued to experience the challenges presented by the pandemic. Mass attendance recovered as the year progressed and restrictions were gradually relaxed. We continue to work hard for the return of all parishioners, in particular the young families and children who as a group have returned less quickly.



We continued to make progress with our diocesan plan, completing the restructure of our deaneries. The deaneries will play a vital role in the next phase of the diocesan plan in consulting and determining the future shape of the deanery and how parishes will work together to respond to the challenges of falling clergy numbers and changing demographics. The vision is to create vibrant and joyful communities full of missionary disciples, and this will be our guide in making decisions.

Several changes were initiated during the year including Maryvale Institute withdrawing from offering higher education qualifications. Aston Hall is to close as a place for retired clergy in 2022. The vocations, formation, evangelisation and marriage and family life teams were reorganised under the leadership of the Vocations Director.

There have been a number of changes in the curia administrative team as we seek to further reduce costs and make the curia more responsive to the needs of the parishes as they work towards implementing the changes referred to above.

We have continued to make progress with the academisation of schools to ensure all schools are in a family of schools aligned to the vision and that no schools, particularly vulnerable and small rural primary schools are left behind or isolated.

Across the archdiocese there were numerous examples of parish and school communities giving both time and financial support to support their local communities and groups in need of practical or financial support. We are particularly pleased with the progress made by our climate group with 97% of our 246 schools signing up to the CAFOD Live Simply Programme.

Whilst there are plenty of challenges including the energy crisis and wider economic concerns, we remain excited and optimistic about our ability to fulfil our vision.

Finally, I would like to express my gratitude to clergy, staff and our amazing volunteers for all they do for the Archdiocese in support of our Vision and Mission.

Eric Kirwan

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2021

The trustees present their annual report and the audited financial statements for the year ended 31 December 2021. The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

Structure, governance and management

Birmingham Diocesan Trust is a charitable Trust constituted by a Declaration of Trust dated 3 July 1931. By a certificate dated 20 October 1931, the trustees of Birmingham Diocesan Trust are registered as a body corporate known as Birmingham Roman Catholic Diocesan Trustees Registered. All property assets are vested in the name of the body corporate. In order to update the constitution, the Declaration of Trust was amended by Resolution on 22 September 2017 and a Deed of Variation dated 26 January 2018. A copy of the Trust Deed is available on request.

The Archdiocese of Birmingham, the name by which the trust is more commonly known, is made up of 217 registered parishes when measured in financial terms. This figure therefore excludes Mass centres and order parishes, the latter of which are also subject to the liturgical direction of the Archbishop but which report financially to other organisations including various religious orders etc. The Archdiocese geographically covers the West Midlands, Staffordshire, Worcestershire, Warwickshire and Oxfordshire.

Certain trustees also serve on the Boards of other registered charities with objectives congruent to those of the Archdiocese including:

Father Hudson's Society	(Social care)
St Mary's College, Oscott	(Seminary)
The Kenelm Youth Trust Ltd	(Youth services)
Barberi and Newman Academy Trust	(Education)

A uniting direction given by the Charity Commissioners is in force in respect of various small trust funds as set out in Note 17. These trust funds are represented by 2 separate registered charities, and 7 other separate funds, and have been donated to the Charity by the donor. The assets of the funds are represented by investment in the Diocesan Unit Scheme. The capital cannot be spent, and any income generated must be spent in line with the various donors' instructions. These funds have been classed as endowment funds.

The Trustees are mindful of the need to review and report on Governance in the light of the Charity Governance Code issued in July 2017 and have considered each of the seven sections of the Code.

Work is continuing to implement the guidance contained in the Code although in some areas the requirements of Church Canon Law preclude the adoption of the Code in full. In particular the Chair of Trustees is not an elected position – as the Code would recommend.

The Archbishop of Birmingham is the ex-officio Chair of Trustees and is the Charity's Chief Executive Officer. He is appointed to that position by the Holy See rather than by the trustees. In addition, certain trustees - Auxiliary Bishops, and Vicar General also hold the office of trustee in an ex-officio capacity, rather than being appointed by the other trustees.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2021

Objectives and activities

The objectives of the Trust are set out in the Diocesan Trust Deed, under which the Trust furthers its charitable purposes for the public benefit. They can be summarised as:

- Evangelisation and Catechesis
- Outreach work with disadvantaged and vulnerable members of society
- Provision of support to the elderly, particularly at parish level by providing essential community gathering places, organised activities, support and advice
- Assisting with mental and other health issues through our hospital and prison chaplains
- Working with those struggling financially to supply basic needs for their families such as clothing and food, by providing support through the activities of organisations such as the Society of St Vincent De Paul and food and clothing banks
- Family and Marriage guidance, and family support.
- The provision of religious services
- The provision, maintenance and upkeep of churches, presbyteries and schools
- The maintenance and support of clergy during their active service and in retirement
- The provision of education and youth services for children attending Diocesan schools and young members of the Church
- The provision of education and training for clergy and those wishing to be ordained
- The relief of the poor and those in need
- Generally, for any such charitable purpose or purposes as in the opinion of the Archbishop may be conducive to the advancement or maintenance of the Roman Catholic Religion in the Archdiocese.

These objectives are achieved primarily through the parishes and Catholic schools together with a considerable number of Catholic societies and organisations based within the Archdiocese. There are numerous other pastoral activities, the more significant of which are referred to under "Achievements and Performance" below.

The church is reliant on the contribution of many volunteers to help achieve its mission and is encouraging increased co-responsibility between clergy and lay volunteers. It is estimated that during the year, approximately 607,500 hours (2020: 663,000) were provided by some 4,500 volunteers (2020: 4,400) in our parishes. In our schools and multi academy companies we have 1700 volunteer governors or directors. If this is valued at £11.00 per hour, the volunteer contribution amounts to some £6.68m (2020: £7.3m) which is not included in the financial statements.

In all of the activities undertaken by the Archdiocese, the trustees continue to be very grateful for the work done by so many people, both paid staff and volunteer helpers. The trustees also take the opportunity to thank the members of the many Religious Orders who assist in numerous parishes and other parts of the Archdiocese. Without the help of so many people, the Archdiocese could not carry out its important work of spreading the Good News of Jesus Christ.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2021

TRUSTEES

The trustees who served during the year are listed on page 1.

The affairs of the charity are governed by the trustees, who are recruited from the senior clergy and suitably qualified and experienced lay faithful of the Archdiocese. New trustees are introduced to their role and responsibilities by the Diocesan Treasurer at which time relevant Charity Commission literature is issued together with copies of the trust deed and the latest financial information available. As and when required, trustees attend formal and informal training sessions. The trustees normally hold meetings on a quarterly basis to conduct the operations of the charity, to review the minutes of Sub-Committee meetings and implement other policies. Sub Committees include the following:

- Safeguarding
- Finance
- Property
- Care of Clergy
- Education
- Investment
- Remuneration & Communication
- Maryvale Institute

The pastoral oversight of the charity is conducted by the Archbishop in regular consultation with the Archbishop's Council. This body assists the Archbishop in all decisions affecting the life of the Archdiocese. A majority of members of the Archbishop's Council are also Diocesan Trustees.

The Board of Trustees fulfils the Canonical role of the Diocesan Finance Committee as set out in the requirements in Canon Law in Canon 492. The Vicar General's Office, situated in the registered office, has a defined canonical role. The Vicar General, an ex officio Trustee, is responsible for personnel issues relating to the clergy in the Archdiocese. Appointments to parishes and other diocesan offices are made by the Archbishop in consultation with the Vicar General and the Archbishop's Council.

The day to day legal and financial affairs of the charity are administered from the registered office (known within the Archdiocese as the "Curial Office"). The Chief Operating Officer oversees the work of the Safeguarding, Finance, Property, Human Resources, Communications, Fundraising, Legal and Planning functions.

Also based at the Registered Office is the Diocesan Tribunal, which deals mainly with marriage annulment petitions, the office of the Chancellor who deals with other Canonical matters, and the Historic Churches Committee office, which is responsible for the supervision of works carried out to our buildings of historic importance.

The Council of Priests meets twice per year with the Archbishop to discuss and give advice on a wide range of issues. The Council is composed of approximately 35 priests of the Archdiocese, with a representative of each deanery together with ex officio priests with diocesan responsibilities and the members of the Archbishop's Council.

Each Diocesan Bishop is empowered to appoint a Chapter of Canons to take responsibility for the organisation and maintenance of his Cathedral. Within the Archdiocese of Birmingham, 16 senior priests constitute the Chapter of Canons and are consulted by the Archbishop on important Diocesan matters (Code of Canon Law 503ff). They have also been constituted as "The College of Consulters" to fulfil the legal requirements of Canon 495ff.

At parish level, the parish priest is responsible for all aspects of running his parish. Parish priests are not employees; in HM Revenue and Customs terms they are Holders of Religious Office and effectively act as agents for the Trustees in all but the purchase and disposal of property and investment assets.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2021

Trustees (continued)

Each parish is required to have a finance committee which meets at least twice per year to support and advise the priest, particularly in the areas of finance and property. A comprehensive manual of "Parish Financial and Administration Guidelines" is issued by the Archdiocese to parishes. This is updated regularly. An "ad clerum" is issued by the Archbishop regularly through which policies are communicated to priests covering both liturgical/pastoral and, when required, financial and administrative matters. Further support is also available from Deans and the Archdiocese.

The Diocesan Education Service deals with all issues concerning Catholic primary and secondary schools within the Archdiocese. This includes administration of all school building projects, liaison with school governors, admittance appeals procedures, policies for teacher appointments and the establishment of a policy for conversion of schools to Academy status. It also works in conjunction with Government Agencies including Department of Education, Education Skills and Funding Agency & Ofsted to provide consistency and equality of Catholic education. The office is situated in Coleshill.

GOING CONCERN

The Trust's activities, together with the factors likely to affect its future development, principal risks and uncertainties facing the Trust and its availability of unencumbered cash reserves are set out within the Trustees' Report on the following pages.

Its financial position in terms of the year's results, its assets and liabilities and movement in cash is set out in the primary financial statements on pages 23 to 26. While there has been some depletion of cash reserves in 2021, it is important to note that there are fixed asset investments which are readily available to defray these if required. The Trust has considerable financial resources, mainly in the form of investments and property, and whilst it recognises that offertory income is declining, it has taken steps to mitigate this by reviewing the deanery structure including strategic planning to respond to demographic changes, and to investigate additional income streams, including external grant funding and planned giving within parishes.

The Trustees believe that there are no material uncertainties about the Trust's ability to continue as a going concern. The Trustees therefore have a reasonable expectation that the Trust has adequate resources to continue its operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have a formal risk management process to assess risks and implement risk management strategies. This involves the identification of the types of risk faced by the charity, assessing the likelihood and potential impact of occurrence and identifying means of mitigation. Risks have been categorised under five broad headings: Governance, Operational, Financial, External and Compliance.

These are assessed as to the likelihood of their occurring and the severity of the effects of the risk leading to a potential overall impact calculation in order to give a scale of relative importance/urgency to each one.

The current highest overall adverse impact risks identified are; to income through reducing Mass attendances generally and specifically as a consequence of COVID-19; an increasingly ageing and therefore reducing number of clergy who are expected to undertake ever more administrative responsibilities; adverse publicity and financial impact of historic abuse cases; data protection and security and the continued challenge of maintaining property. The Trust has taken steps to mitigate these risks, by recruiting priests from overseas, amalgamating small parishes where possible, and in encouraging collaboration where it is in the best interest of the community the parish serves. With regards to safeguarding, the team now comprises professional social workers, and policies and procedures are in keeping with recent changes in legislation and good practice.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2021

Our Diocesan Vision

In Summer 2021 Archbishop Bernard Longley invited us to focus on our *Diocesan Vision, Unfolding God's Plan* and how we will individually respond to God's call to be missionary disciples in the Church and in our local communities, working joyfully together to spread the Word and the work of God.

The vision has four themes, Evangelisation, Formation, Liturgy and Worship and Social Outreach. There is a particular focus on engaging young people and families in the vision and future of the Archdiocese; in encouraging and embedding co-responsibility in our parishes and in a commitment to care for creation.

Having completed the deanery restructure in 2021, the expectation is that during 2022 and 2023 parishes will begin consultation and dialogue on how to organise the new deaneries to enable the vision to be fulfilled. This is expected to lead to parishes ultimately working in groups or clusters to reflect the reduced number of clergy and a consequent review of property needs.

Parishes

As well as being the focal point for the celebration of the liturgy and the provision of spiritual and pastoral care our parishes also provide much other unseen and unheralded charitable work to enrich the local communities which they serve. Throughout covid and latterly in response to the economic climate they have continued to provide support financial and practical support to many via foodbanks and other facilities.

Weekly average Mass attendance was approximately 22,000 (2020: 22,800), including both adults and children. During the year there were 2,067 baptisms and receptions (2020: 2,068) 204 marriages (2020: 203) and 3,641 funerals (2020: 3,695).

Mass count in 2021 compared to 2020 fell by 1%, and when compared to pre-covid attendance recorded in 2019 (53,300) there has been a fall of over the two year period of 59% (2020:42% fall). Parish offertories and other collections (excluding tax reclaims) increased to £6.4m (2020: £5.4m). The average offertory giving amount per head (including children) increased by £0.90p to £5.56 per week (2020: £4.66). This indicates that whilst numbers attending mass have yet to recover, we are still receiving income from this group, and both these and those attending mass have responded generously. In addition, parishes raised more than £0.55m (2019: £0.44m) on behalf of other religious and charitable organisations.

Performance review

Diocesan Curia

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

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

During 2021 the curia team has continued to evolve in response to the needs of the diocesan plan and restructured where appropriate to reduce costs.

Performance review (continued)

Safeguarding

Providing a safe environment for **all** is the responsibility of **all** persons employed or involved in the Archdiocese. The Safeguarding department provides support for any person who has suffered abuse as well as education, training, guidance and support for clergy and lay members of our community. Safeguarding is the most important support function in our diocese, parishes and schools and the safeguarding team has been provided with the appropriate resources and full support of the Archbishop and Trustees.

Recent years have seen the recruitment of a professional safeguarding team to respond to the Independent Inquiry into Child Sexual Abuse (IICSA) As well as other national enquiries. In 2021 we restructured our trustee committee structure to comply with the requirements of the new Catholic Safeguarding Standards Agency (CSSA). In parallel we have developed improved systems and protocols for managing allegations. Significant efforts have been put into engaging with and learning from those who have suffered abuse. Our intent is to be able to focus the majority of our time and resources on education and prevention.

We retain the services of Barnardo's as an independent body to review the Head of Safeguarding and safeguarding practises. Barnardo's were also employed to independently manage the investigation into the Joseph Quigley case with all findings and recommendations being accepted and acted on by the Archbishop and Trustees.

We continue to recognise the hurt that abuse has caused to so many in the church and whilst we have made progress, we also remain constantly aware of the need for continuous improvement.

Diocesan Education Service

The Diocesan Education Service (DES), based in Coleshill, represents the interests of the charity in relation to the 240 maintained Catholic schools within the diocese. Of these, 237 schools (203 schools for children aged 4-11 and 34 schools for those aged 11-16/19) operate under the charity's trust deed and 3 operate under separate trust deeds of religious congregations. No capital expenditure is made by the charity in relation to the latter 3 schools; however, the Service does provide some advisory services to them. As part of our mission and aims the DES remains committed to providing the best possible service to all of our schools and academies in order that they are able to deliver the best possible Catholic education to all of our children and young people across the diocese.

After the retirement of the Director of Education in 2021 the decision was taken to fully align the Education Service with the curia with the new Director of Education when appointed reporting to the Chief Operating Officer. With the vision calling for increased engagement with young people and families, our schools will continue to have a very significant role to play as we move forward.

We have continued to make progress with our academy strategy with 149 schools now in one of our 16 Multi Academy families of schools. We continue to support our remaining Voluntary Aided (VA) schools in achieving the vision for all to be in a family of schools.

The DES play an important role in securing funding for building repairs and replacements and secured £12.83 million for capital works in our schools.

The Service administered a building programme of 55 different projects. Of these 3 had a value of more than £1m. Almost £1 million was secured for diocesan schools for work to help address the climate emergency. As explained on page 31, a significant proportion of this programme is conducted on an agency basis and is therefore not included in these accounts.

A strategic review of school buildings and land and future pupil numbers has been started to inform future planning and ensure the efficient utilisation of property.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2021

Performance review (continued)

Youth activities

All provision for young people was amalgamated under The Kenelm Youth Trust Limited (KYT) in 2016. KYT receives significant funding from the Archdiocese to maintain provision of the Diocesan youth services.

Two of the trustees of the Archdiocese also served as trustees of KYT in 2021, providing the strategic links with the Archdiocese.

KYT provides a comprehensive and unified ministry for 7-25 year olds, which includes the residential retreat centre at Alton Castle in Staffordshire, The Soli Centre for Youth Ministry which is a residential centre for those aged 15-25 located next to Alton Castle, the Birmingham Catholic Youth Service (BCYS) which works within parishes, and the School Chaplaincy Project, working closely with the Diocesan Education Service in schools within the Archdiocese.

Further information on the work undertaken by KYT can be found on the Kenelm Youth Trust website.

Property

The diocese is responsible for over 1,000 properties, including school, parish and investment buildings. The diocesan plan calls for a review of how we use this property, which to retain and which to dispose of. The property team will be working closely with deaneries and parishes in 2022 and 2023 to create greater clarity around this point and to inform the planning process.

A key requirement is to identify ways of meeting our climate objectives and with this in mind the property team fully engaged with the Diocese Climate Action Group, and we are also liaising with the Guardians of Creation Project Team in Salford Diocese.

Good progress has been made by parishes with regards to Health and Safety, but with an ageing property portfolio and increased legislation we still have significant work to do in this area. A significant part of the team's work and our property costs is managing properties for retired priests with demand growing in recent years and expected to increase further in the next 5-10 years. A review of diocesan properties is underway to identify opportunities for sale or re-purposing, including both Aston Hall and Maryvale House.

Development & Fundraising

The *Charities (Protection and Social Investment) Act 2016* requires those charities subject to auditing to disclose in their Financial Statements their fundraising activities.

The Trust ensures the highest ethical standards with a dignified approach. This is rooted in respect for our donors and parishes and follows the principles of Christian stewardship. The Trust accomplishes these standards within a truly transparent and efficient framework. The Trust does not use external fundraisers, allowing for all parishioners to donate, secure in the knowledge that their contributions will be used to enable the Church to continue playing a major role in their communities, encompassing buildings, worship, prayer, catechesis and pastoral care.

The Trust actively encourages the use of Gift Aid and promotes and ensures fully inclusive information to support donors concerning their tax status. The Trust places no pressure on our Church communities but works towards creating a culture of giving where possible, allowing for diverse and inclusive methods of donating including Time and Talent. The Trust is keenly aware of the ethical and moral implications of accepting donations and are committed to ensuring the emotional and physical health of those donating.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2021

Performance review (continued)

The Trust is registered with the Fundraising Regulator whose code of Fundraising Practice provides a framework within which the Trust operates to ensure that its fundraising practices meet the moral, compliance and professional standards expected of a charity. The Trust has, to its knowledge, fully complied with the Fundraising Regulator's code of Fundraising Practice, and there have been no complaints to the Trust in regard to its fundraising activities.

With the funding landscape fundamentally changing and facing severe challenges we were very pleased to secure funding (excluding school funding grants and Covid-19 funding) totalling £762k via thirty successful grant applications. (2020: £1m over 49 applications)

Projects for which funding was secured included:

- A complete renovation and refurbishment of the church community hall at Our Lady and St Joseph's Church in Alcester
- The establishment of a thriving 'drop in' café, advice and support centre and furniture recycling shop at St Gerard's in Castle Vale, Birmingham.
- Our local SVP were able to reach out and support over 2,000 individuals and 926 families at a time when they most needed help.
- National Lottery Covid Recovery Fund provided financial support for ongoing volunteer development at Harvington Hall.

Communications

The Communications Team supports and promotes the work of curial departments, parishes and schools in a variety of ways, utilising the website, social media channels, diocesan publications and media outlets. It also responds to media enquiries and supports parishes, clergy and staff in their dealings with the media.

In 2021 the Communications Team played a crucial role in supporting the Vision and The Synod through a mixed programme of communications. Going forward they will develop a communication plan to ensure all stakeholders are aware of activities related to the four themes of the vision, as well as initiatives to engage young people and families and to encourage increased commitment to co-responsibility and to raise awareness of actions being taken to address the climate emergency.

Maryvale Institute

The Institute continued to offer all of its courses online throughout 2021. The decision has been taken to cease recruitment to all FE/HE courses from 2022 in order to focus more on catechesis, with arrangements made for existing students to complete their courses under a 'teaching out' phase.

Vocations Office and Clergy Training Fund (CTF)

The Vocations Office primary purpose is to promote vocations to the priesthood, the diaconate and the religious life.

The fund also finances the cost of clergy who are doing further studies and events organised for the ongoing formation of clergy. In the academic year 2021/22 there were no seminarians at the Royal English College in Valladolid, Spain, five seminarians for the priesthood at St Mary's College, Oscott, and four seminarians at the Venerable English College, Rome. In this academic year there were also fourteen men in formation for the permanent diaconate.

The Guild of St Stephen for Altar Servers is also run from the Vocations Office, and this provides a confraternity for Altar Servers around our Archdiocese. Events for Altar Servers are planned by the Vocations Office, and these include, the annual Mass at St Chad's Cathedral, a retreat for Altar Servers and a training day. These are also further opportunities to raise an awareness of discerning God's call for the young servers of the archdiocese.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2021

Performance review (continued)

The CTF supports the Vocations Director, and during 2021/22 the department was re-structured to include evangelisation, formation, marriage and married life

The fund's main sources of income are the annual second collection in parishes on Vocations Sunday and a regular giving scheme organised through parish CTF secretaries. Regular parish appeals are made throughout the year to increase the revenue and donors are encouraged, where appropriate, to Gift Aid their contributions. They are also asked to consider including a bequest in their wills. In the past year, the CTF has been encouraging people to take out standing orders for their donations and increasing the number of Gift Aid donations.

Birmingham Diocesan Lourdes Pilgrimage

In 2021 as restrictions persisted on overseas travel a virtual pilgrimage was held with masses and events live streamed from Lourdes, using a mixture of social media and live streaming platforms. The virtual pilgrimage was held over 6 days, and held over 773 hours of content, with 21 videos and live streams.

Investments

Investments held by the charity were acquired in accordance with the powers available to the trustees and are held under the nominee name of its Investment Managers, Tilney Smith & Williamson Investment Management LLP (re-branded as Evelyn Partners June 2022). The Diocesan Investment Scheme allows individual parishes to benefit from the opportunities available from investing in the stock market, this activity generates income for these parishes, which in turn aids their charitable work by providing additional resources for use in the parish and wider community. The charity's investment managers professionally manage the underlying investment portfolio, the performance of which is regularly reviewed by the Diocesan Investment Sub-Committee. The investment managers are also responsible for the safe custody of these assets. Included in the value of investments is a significant unrealised surplus and this figure will vary year on year as property and stock market values fluctuate. The trustees have adopted a "total return" approach to the charity's investments in order both to generate further funds for charitable activity and also to ensure the best possible overall return on its investments by allowing its brokers to take advantage of capital growth opportunities.

In the year to 31 December 2021 the value of Diocesan stock market investments, in line with stock markets generally increased. This is reflected in these accounts. The trustees consider the total return on investments to be reasonable over the years, when measured against the various published indices used to monitor performance and the prevailing market conditions. The fair value of the Diocesan Investments at 31 December 2021 amounted to £33.1m (2020: £33.1m).

This includes some realisation of investments to fund property acquisitions and the increase in value on revaluation as shown in these accounts of £3.7m (2020 increase of £1.1m). Income from stock market investments in the year was £0.75m (2020 £0.84m). Sales of assets may be required in 2022/23 to compensate for reduced income and increased costs in parishes in 2022/23, fuelled by the difficult UK and global economy and inflationary effects.

Investment policy

The trustees intend that the real value of their assets be maintained and enhanced over the long term by investment in a portfolio comprising equities, fixed interest stocks and cash. The portfolio is managed on a discretionary basis. The current investment criterion is that a balance should be maintained between income and longer-term capital appreciation within the framework of a low/medium attitude to risk.

Performance review (continued)

Ethical Investment Policy

The trustees wish to invest in accordance with the teachings of the Catholic Church and have adopted an ethical investment policy in the light of Church teaching and the Charity Commission's guidance on ethical and responsible investment. The trustees are aware that ethical restrictions limit the scope to invest and may affect the level of income and the total return generated by investments, thereby potentially reducing the income available to fulfil the Charity's objectives. The policy seeks to balance the long-term needs of the investment portfolio performance with the desire to invest within ethical industries and avoid investment in organisations operating in conflict with Church teaching. The policy applies only to companies held directly within the portfolio, but the policy includes the proviso that investment managers should seek to exclude from the portfolio funds with major investments in prohibited areas on a best endeavours basis. A copy of the full policy can be found on the Diocesan website.

The Archdiocese has changed its policy to exclude investments in any company which derives more than 5% of its revenues from fossil fuels and is joining the ranks of all those who have committed to attaining net zero carbon emissions by 2030. Divestment in fossil fuels is one of the first steps of many which we will take to ensure that we will not fund the industries which destroy God's creation and impact the poor.

We are pleased to be part of the global divestment announcement to be made by the World Council of Churches, the Laudato Si' Movement, Operation Noah, Green Anglicans and GreenFaith on October 25, joining four Catholic dioceses and many other faith organisations from around the world who have announced their commitment to ethical investment.

Fossil fuel divestment is a powerful act of faith that hundreds of religious institutions around the world have taken to respond to the climate emergency. It increases pressure on governments and financial institutions to end financing for the fossil fuel industry. Furthermore, an increasing number of faith investors are investing in solutions to the climate crisis, and providing access to clean, affordable energy, including zero-carbon energy solutions for the 800 million people without access to electricity.

External factors affecting performance

The Charity as part of the worldwide Catholic Church

The charity forms part of the wider Catholic Church throughout the world and as such is answerable ultimately to the Pope and the Vatican. Therefore, policies or situations and activities involving the wider church, which of course includes other Dioceses in the UK, will have an effect on the policies, strategies and performance of the charity. In managing its affairs, the charity must also be mindful of the requirements of Canon Law as promulgated by the church authorities.

The impact of Government policy on Catholic Schools

The charity's spending on schools will also inevitably be influenced by Government policy.

Public benefit

Much consultation has been had between the Charity Commission and religious charities in relation to the question of public benefit. We are encouraged that the Commission acknowledges the intangible spiritual benefits that the charity works to provide. Jesus said, "you shall love your neighbour as yourself". Our parishes and retreat centres etc. reach out beyond their own congregations locally, nationally and indeed internationally, via all sorts of initiatives from simple collections at the end of Mass, to more practical assistance such as assisting the disabled, bereavement counselling and visiting the sick at home and in hospital. Catholic schools are increasingly populated with non-Catholic children whose parents value not

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2021

Performance review (continued)

just their proven educational excellence, but also the moral codes and practices which support it. The young adults leaving our schools will go on to become valued members of society. Our churches etc. and the services of our clergy are open to all who wish to explore whether the Catholic Church can help them to enrich their spiritual lives.

The Trustees believe that they have complied with the duty in Section 17 of the 2011 Charities Act to give due regard to the various guidance notes published by the Commission.

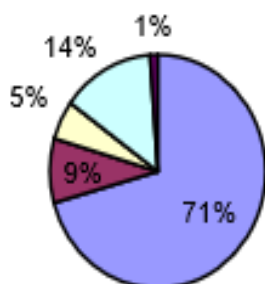
FINANCIAL REVIEW

The financial statements reflect the activities of the parishes within the Archdiocese, the central support activities, the Diocesan Education Services, youth services and the operation of various centres of religious activities. The financial statements also include the transactions, assets and liabilities of those charities and trust funds detailed in Note 17 to the financial statements. The figures do not include the operation of parish clubs, nor do they include separately registered Roman Catholic charities within the Archdiocese, other than those listed in Notes 17 & 18 to the financial statements.

The Statement of Financial Activities of the Archdiocese for the year ended 31 December 2021 on pages 23 and 24 shows income of £18.3m (2020: £19.5m) analysed as follows:

	% 2021	£ 2021	% 2020	£ 2020
Donations and legacies (offertories, donations, legacies, Gift Aid, etc.)	71%	12.93	58%	11.29
Income from charitable activities (votive candles, repository and fees etc.)	9%	1.63	8%	1.64
Income from other activities (bazaars, raffles etc.)	5%	0.99	5%	0.94
Investment income, including interest	14%	2.54	14%	2.66
Other income (including net gains on disposals of tangible fixed assets)	1%	0.21	15%	2.95
		<u>18.30</u>		<u>19.48</u>

Income 2021



- Donations and legacies
- Income from charitable activities (votive candles, repository and fees etc.)
- Income from other activities (bazaars, raffles, etc.)
- Investment income, including interest
- Other income (including net gains on disposals of tangible fixed assets)

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2021

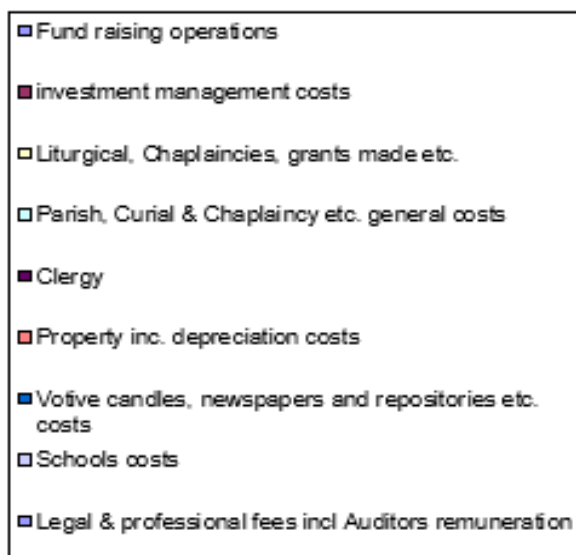
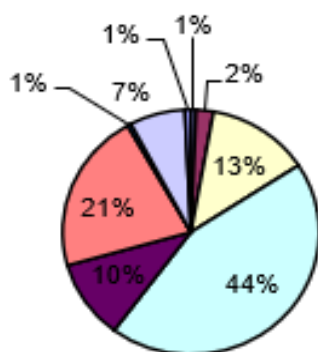
Financial review (continued)

Expenditure amounted to £22.87m (2020: £23.85m) analysed as follows: -

	%	£	%	£
	2021	2021	2020	2020
Expenditure on raising funds:				
Fundraising operations	1%	0.15	1%	0.15
Investment management costs	2%	0.5	2%	0.46
Charitable Activities:				
Liturgical, Chaplaincies, grants made etc.	13%	2.97	14%	3.38
Curial, Parish and Chaplaincies** etc. general and administrative costs	44%	10.15	43%	10.27
Clergy costs	10%	2.38	11%	2.53
Property (including depreciation and impairment)	21%	4.84	22%	5.29
Votive candles, newspapers and repositories costs	0%	0.11	1%	0.15
Schools' costs	7%	1.6	5%	1.2
Legal and professional fees (including auditor's remuneration)*	1%	0.17	2%	0.42
		<u>22.87</u>		<u>23.85</u>

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

Expenditure 2021



This resulted in:

An **operating deficit** (i.e., **before** considering the impact of gains and losses on investments and other assets) of £4.6m {£3.93m loss on unrestricted funds, £0.63m loss on restricted and endowment funds} (2020: £4.4m loss {£4.9m loss on unrestricted funds, £0.48m surplus on restricted and endowment funds}).

An **overall surplus** for the year of £2.86m **after** investment gains on the stock market, and investment property gains. (£2.9m surplus on unrestricted funds, £0.041m loss on restricted and endowment funds, and before transfers) (2020: £1.821m loss {£2.432m loss on unrestricted funds, £0.611m surplus on restricted and endowment funds, and before transfers}).

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2021

Financial review (continued)

The investments held by the parishes and the Archdiocese (mainly quoted investments) again produced substantial income to defray running costs, however there were realised and unrealised gains amounting to £3.779m {£3.341m gain on unrestricted funds, £0.438m gain on restricted funds and endowments} (2020: £1.05m gains {£0.921m gain on unrestricted funds, £0.129m gain on restricted funds and endowments}) as a result of positive market conditions in the year. Realised and unrealised gains on investment properties amounted to £3.7m (2020: £1.5m gain).

The net effect of the above is that, over the year, the funds of the charity increased by £2.86m (2020: £1.82m decrease) to £122.70m (2020: £119.84m).

Weekend Mass attendance figures reduced by 1% (42% in 2020). Mass offertory increased by 18.5% (2020: decreased by 23.9%). Overall income from offertory, legacies and donations increased by £1.6m. There was an increase in the overall value of legacies of £0.95m, to £1.66m in 2021 (2020: £0.7m). Grants decreased in 2021 by £0.3m to £1.1m (2020: £1.4m). The net decrease in grants was partly due to the Government's Coronavirus Job Retention Scheme ceasing. Other grant income reduced because of funding being withdrawn for projects that were not COVID-19 related.

Cash reserves

The charity's total cash reserves decreased by £1.2m to £5.1m (2020: £3.1m increase to £6.3m). Cash was used for legal and professional costs of £0.06m (2020: £0.2m) and repairs, purchase and improvements to functional properties. Unrestricted cash reserves in parishes decreased by £1.2m to £4.3m (2020: £0.7m decrease to £5.5m) whilst Diocesan unrestricted cash reserves decreased by £1.1m to a deficit position of £16.4m (2020: £0.7m increase to £15.3 deficit). This movement being in the main a historic legacy of spending on schools and also during 2021 a reflection on the timing of the receipt of various grants, together with increased central costs, property purchases for retired priests and grants made to other charities as referred to above.

Reserves policy

Unencumbered reserves, for this purpose defined as unrestricted stock market investments and cash - £24.7m (2020: £24.2m), are approximately 108% of annual unrestricted expenditure (2020: 102%).

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

Fixed assets

In order to fulfil its charitable objectives, the Archdiocese needs a considerable number of properties. Any property which becomes surplus to requirements will be sold but the remainder, although unrestricted, cannot be realised without undermining the work of the Archdiocese.

The fixtures and fittings, and other contents of the properties and the motor vehicles are similarly all used in the work of the charity.

A very small proportion of the fixed assets are already represented by Restricted Funds (Note 18). The trustees also consider it appropriate that the value of other functional buildings and the contents of fixed property assets should be held for charity use and as these assets are therefore unavailable for other uses, they are shown in a designated fund representing the value of these assets (see Note 19).

Key management personnel and remuneration

The trustees consider the Board of Trustees, including the Auxiliary Bishops, the Vicar General and the Diocesan Treasurer, together with the Chief Operating Officer are the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give their time freely, and no trustee receives any remuneration in respect of the work undertaken in the role of trustee. There are members of the Board of Trustees who are also members of the senior clergy of the Archdiocese, and as with other members of the clergy receive a stipend for the work, they undertake in their clerical role only. These trustees are identified in the list of trustees on page 1.

Details of key management personnel remuneration and trustee expenses; and related party transactions are disclosed in Notes 10 and 24 (respectively) to the accounts. Trustees are required to disclose all relevant interests and register them with the Diocesan Treasurer and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

PLANS FOR THE FUTURE

The intention for the future is to continue to meet the objectives of the charity as outlined on page 6, in addition to ensuring that the charity continues to meet its statutory obligations, and in particular, the findings of the report from IICSA and the Charity Commission Statutory Inquiry.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period. In preparing financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and provisions of the Trust Deed.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial information included on the charity's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2021

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware.

Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved at the trustees' meeting held on 21st October 2022 and signed on behalf of the trustees.

Most Rev. B Longley, MA, STL
Archbishop of Birmingham

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BIRMINGHAM DIOCESAN TRUST

Opinion

We have audited the financial statements of Birmingham Diocesan Trust (the 'charity') for the year ended 31 December 2021 which comprise Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BIRMINGHAM DIOCESAN TRUST

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 18, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the charity operates in and how the charity is complying with the legal and regulatory framework;

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BIRMINGHAM DIOCESAN TRUST

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the charity's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting any correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Safeguarding, the Data Protection Act 2018, and Canon Law. We performed audit procedures to inquire of management and those charged with governance whether the entity is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

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

Date 27 October 2022

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Birmingham Diocesan Trust

Statement of financial activities

for the year ended 31 December 2021

	Note	PAROCHIAL			DIOCESAN			TOTAL			TOTAL	
		Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 £000	2020 (Note 8) £000
INCOME AND ENDOWMENTS FROM:												
Donations, legacies and grants	1	10,624	1,397	-	329	578	-	10,953	1,975	-	12,928	11,294
Charitable activities	2	501	-	-	1,128	4	-	1,629	4	-	1,633	1,636
Other trading activities	3	886	78	-	24	-	-	910	78	-	988	941
Investment income	4	2,127	7	30	335	19	26	2,462	26	56	2,544	2,663
Other income									-			
Profit on sale of tangible fixed assets		97	-	-	-	-	-	97	-	-	97	2,085
Other income	5	105	-	-	-	-	-	105	-	-	105	68
Disposal of school buildings		-	-	-	-	-	-	-	-	-	-	799
Total		14,340	1,482	30	1,816	601	26	16,156	2,083	56	18,295	19,486
EXPENDITURE ON												
Raising funds												
Fund raising operations		107	32	-	4	9	-	111	41	-	152	149
Investment management costs	6	490	-	-	6	-	-	496	-	-	496	455
Charitable activities	7	12,235	721	30	7,253	1,954	26	19,488	2,675	56	22,219	23,249
Total		12,832	753	30	7,263	1,963	26	20,095	2,716	56	22,867	23,853
Net (expenditure)/income before gains on investment assets												
		1,508	729	-	(5,447)	(1,362)	-	(3,939)	(633)	-	(4,572)	(4,368)
Gains on investment assets												
Gains, losses and revaluations on investment properties	12	3,338	-	-	317	-	-	3,655	-	-	3,655	1,496
Gains, losses and revaluations on other investments	12	2,331	65	138	1,010	206	29	3,341	271	167	3,779	1,050
Total		5,669	65	138	1,327	206	29	6,996	271	167	7,434	2,546
Net income/(expenditure)		7,177	794	138	(4,120)	(1,156)	29	3,057	(362)	167	2,862	(1,821)

Birmingham Diocesan Trust

Statement of financial activities (continued) for the year ended 31 December 2021

	Note	PAROCHIAL			DIOCESAN			TOTAL			TOTAL	
		Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 £000	2020 (Note 8) £000
Net income/(expenditure)		7,177	794	138	(4,120)	(1,156)	29	3,057	(362)	167	2,862	(1,821)
Transfers between funds	18	(2,997)	(89)	30	2,843	213	-	(154)	124	30	-	-
Net movement in funds		4,180	705	168	(1,277)	(943)	29	2,903	(238)	197	2,862	(1,821)
Reconciliation of funds												
Total funds brought forward		95,031	3,010	1,590	12,605	6,905	694	107,636	9,915	2,284	119,835	121,656
Total funds carried forward		99,211	3,715	1,758	11,328	5,962	723	110,539	9,677	2,481	122,697	119,835

All of the charity's activities are continuing.

2020 comparatives for the above are analysed in Note 8.

Birmingham Diocesan Trust

Statement of financial position

At 31 December 2021

charity number 234216

	Note	2021 £000	2021 £000	2020 £000	2020 £000
FIXED ASSETS:					
Tangible assets	11		51,029		49,749
Investments	12		67,655		66,553
Total fixed assets			118,684		116,302
CURRENT ASSETS:					
Debtors due in under one year	13	3,226		2,407	
Debtors due in more than one year	13	80		80	
Total Debtors	13	3,306		2,487	
Cash at bank and in hand		5,138		6,287	
Total current assets		8,444		8,774	
CURRENT LIABILITIES:					
Creditors: Amounts falling due within one year	14	(4,395)		(5,205)	
NET CURRENT ASSETS			4,049		3,569
TOTAL ASSETS LESS CURRENT LIABILITIES			122,733		119,871
Creditors: Amounts falling due after more than one year	15		(36)		(36)
NET ASSETS	20		122,697		119,835
THE FUNDS OF THE CHARITY:					
Endowment funds	17		2,481		2,284
Restricted funds	18		9,677		9,915
Unrestricted funds:					
Designated income funds	19	50,371		49,454	
General income funds	19	60,168		58,182	
			110,539		107,636
TOTAL CHARITY FUNDS			122,697		119,835

These financial statements were approved and authorised for issue at the trustees' meeting held on 21st October 2022 and signed on behalf of the trustees by:

Most Rev. B Longley, MA, STL
Archbishop of Birmingham

Birmingham Diocesan Trust

Statement of cash flows

For the year ended 31 December 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Cash flows from operating activities:					
Net cash used in operating activities	21		(7,561)		(4,258)
Cash flows from investing activities					
Interest received		2		30	
Interest /dividends from investment in the stock market		756		841	
Rental income from investment property		1,786		1,792	
Purchase of tangible fixed assets		(1,378)		(1,659)	
Proceeds of disposal of fixed assets		97		2,350	
Purchase of investments		(3,437)		(1,437)	
Proceeds of sale of investments		7,100		4,921	
Net movement attributable to endowment funds		197		55	
Proceeds of sale of investment properties		1,486		500	
Net cash provided by investing activities			6,609		7,393
Cash flows from financing activities					
Net movement attributable to endowment funds		(197)		(55)	
Net cash used in financing activities			(197)		(55)
Net (decrease)/increase in cash and cash equivalents			(1,149)		3,080
Cash and cash equivalents at the beginning of the year			6,287		3,207
Cash and cash equivalents at the end of the year			5,138		6,287
Analysis of changes in net debt					
		At start of year £000	Cash flows £000	At end of year £000	
Cash		6,287	(1,149)	5,138	
Loans		(36)	-	(36)	
Total		6,251	(1,149)	5,102	

Birmingham Diocesan Trust

Accounting policies

for the year ended 31 December 2021

The Birmingham Diocesan Trust ("the Archdiocese", "the charity" or "the Trust") is a charity registered with the Charity Commission of England and Wales, charity number 234216. The address of the Trust's registered office and principal place of operations is Cathedral House, St Chad's Queensway, Birmingham, B4 6EX.

The Trust's principal activity is to provide spiritual and pastoral guidance and care to Catholics and the wider community within the geographical area it covers in central England, in the main the West Midlands, Staffordshire, Worcestershire, Warwickshire and Oxfordshire.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

BASIS OF PREPARATION AND ASSESSMENT OF GOING CONCERN

Basis of accounting

The financial statements have been prepared in accordance with the accounting policies set out below and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)). The Trust constitutes a public benefit entity as defined by FRS102.

The financial statements have been drawn up under the historical cost convention as modified by the revaluation of investments and are presented in sterling, (£'000 except where otherwise noted) which is also the functional currency of the Trust.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Charities SORP (FRS102), rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

The Trustees continue to adopt the going concern basis of preparation of the financial statements. Management have revisited the financial budget for 2022 taking into account the potential impact of COVID-19 on projected income and expenditure. They continue to monitor the cash position on a regular basis (£5.1m at year end). The Diocese also has a significant investment portfolio (£33.2m at year end) that has continued to perform reasonably well, despite the stock market turbulence in March 2022 and other global and economic forces, the unrestricted element of which provides an extra buffer to be utilised if necessary. Based on the forecasts prepared the Trustees are satisfied that the Diocese has sufficient cash resources to continue in operation for the foreseeable future and can confirm that there are no material uncertainties in relation to the going concern basis of preparation of the financial statements.

The financial statements incorporate the activities of the parishes within the Archdiocese, the central support activities, the Diocesan Schools Commission, youth services and other centres of religious activities. The financial statements also include the transactions, assets and liabilities of those charities and other trust funds detailed in Note 17 to the financial statements. The figures do not include the operation of parish clubs, nor do they include the activities of separately registered Roman Catholic charities within the Archdiocese other than those listed in Notes 17 and 18.

Special and other charitable collections on behalf of other charities have not been included in the Statement of Financial Activities as they are not regarded by the trustees as being funds of the Archdiocese. Where any balance has not been paid to the respective organisation concerned, it has been included in creditors.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The trustees do not consider that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

FUND ACCOUNTING

The charity maintains various types of funds as follows:

Restricted funds

These represent funds received which are allocated by the donor for specific purposes. They cannot be used for purposes other than those specified by the donor. The aim and use of the restricted funds is set out in the notes to the financial statements.

Endowment funds

These represent various trust funds which have been donated to the charity. The capital cannot be spent, and any income generated must be spent in line with the donor's instructions.

Unrestricted General and Designated funds

These represent unrestricted income which is expendable at the discretion of the trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment. However, whilst these funds are unrestricted, they include amounts which have been invested in fixed assets and cannot therefore be realised without undermining the ongoing work of the charity. Such funds have been classified as designated funds by the trustees (see Note 19).

INCOME

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met and there is reasonable assurance of receipt and there being reasonable certainty as to amount. Where a claim for repayment of income tax has been or will be made, such income is grossed up for the tax recoverable. The following accounting policies are applied to income:

Donations, legacies and grants

Offeratories and donations are included in income when receivable. Legacies are included in income upon the receipt becoming probable. Probability of receipt occurs where there is a grant of probate, the executors have established there are sufficient assets to pay the legacy and any conditions attached to the legacy are either within the control of the charity or have been met. Gifts in kind, if material, are included at an estimate of fair value. Included here also are grants receivable. Grants are recognised in the Statement of Financial Activities when the grant conditions have been complied with.

Birmingham Diocesan Trust

Accounting policies (continued)

for the year ended 31 December 2021

Income (continued)

Charitable activities

Includes income from votive candles and newspapers etc., mainly in parishes, together with chaplaincy income, and whilst this is recognised on a cash received basis, this is not materially different from an accruals basis.

Other trading activities

Includes income from activities such as parish fairs, bazaars and other events, which is described as social income and whilst this is recognised on a cash received basis, this is not materially different from an accruals basis.

Investment income

Income from investments is included on an accruals basis. Property rental income is recognised on a receivable basis.

Proceeds from the disposal of school properties

These proceeds are treated as restricted income as the charity is required to give an undertaking to make the disposal proceeds available for the provision of replacement schools elsewhere in accordance with Sch. 22 para. 3 of the Schools Standards and Framework Act 1998. Where such proceeds are material they are shown separately on the face of the Statement of Financial Activities.

Income from Government and other grants

Income from Government and other grants, whether 'capital' or 'revenue' grants, is credited to the Statement of Financial Activities when the Trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably. Income is deferred only if these criteria are not met or when the provider specifies that the grant must be used in future periods.

School Building Grants

The Diocesan Education Service (DES) assists voluntary aided schools with the administration of funding for school building projects and IT equipment. The Trustees have reviewed these arrangements and concluded that the DES acts as agent on behalf of the school governing body in certain circumstances in receiving funding from the Department for Education, Local Authority and other funding sources and settling and matching it with contractors' costs and associated professional fees.

As a result of this review, the income and expenditure from these activities are not reflected in the Statement of Financial Activities because the risk and reward of those transactions are those of the governing body and not the DES. Expenditure on school building projects and IT where the DES acted as agent in the year amounted to £8.6m (2020: £6.5m), income from grants was £7.7m (2020: £9.7m) and the net position of £0.9m (2020: £3.3m) is included as a creditor for 2021. Further information on this is included in Note 7.

In addition, there were some activities in the year whereby the DES acted as principal, and those transactions are reflected in the accounts, further explanation is provided in Note 18.

EXPENDITURE

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any value added tax which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

- Fundraising operations are those costs incurred in attracting voluntary income.
- Investment management costs, which includes the cost of managing the Trust's investments, including investment property costs.

EXPENDITURE (CONTINUED)

- Charitable activities include expenditure associated with the mission of the church and include both the direct costs and support costs relating to these activities together with primary purpose trading activities that raise funds; and governance costs, which include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. These costs include central functions and have been allocated on a basis consistent with the use of resources, which were in the main staff costs, by the time spent.

GRANTS PAYABLE

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. Grants are accounted for when either the charity has given the recipient a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Trust.

OPERATING LEASES

Rentals are charged on a straight-line basis, having taken account of lease incentives.

PENSION COSTS

The charity operates a defined contribution scheme for the benefit of its employees. The scheme is funded by contributions from the charity and its employees. The payments made by the charity are included in expenditure. The charity operates a salary sacrifice arrangement for pension contributions.

GAINS AND LOSSES ON INVESTMENTS

Realised and unrealised gains and losses on investments and investment properties are credited or charged to the Statement of Financial Activities. Unrealised gains and losses are calculated as the movement in fair value during the year. Realised gains and losses are calculated as the difference between disposal proceeds and fair value brought forward – fair value is considered by reference to bid value.

TANGIBLE FIXED ASSETS

Churches and other functional property

Prior to December 1996, capital expenditure on Churches and other functional property (i.e. buildings used for the primary purposes of the Archdiocese) and their contents were written off when incurred. The financial statements prepared for previous years, therefore, did not include amounts for these categories of fixed assets.

In December 1996, these assets were included in the financial statements at an estimate of their historic cost. This was derived by using the retail price index to index the present insurance value back to the date the building was constructed and applying rates of depreciation calculated to write off the estimated historic cost evenly over the whole of their useful life. Depreciation rates were calculated by using the age of the building and its expected useful life. A similar basis was used to estimate the contents of Churches and Presbyteries on the assumption that the contents of Churches and Presbyteries are renewed every 45 years.

Birmingham Diocesan Trust

Accounting policies (continued)

for the year ended 31 December 2021

Tangible fixed assets (continued)

The cost of new functional church property, improvements and contents is capitalised and is being depreciated over the expected useful lives at the following rates:

	% per annum	Years
Churches, Presbyteries, Halls and other functional property:		
- Land element	Nil	-
- Building element	1.0	100
Improvements to and contents of Churches and Presbyteries	2.2 - 6.6	15- 45

Individual items of less than £25,000 are not capitalised.

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist the recoverable amount of the asset is estimated. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairments are recognised in the Statement of Financial Activities.

School property

The Archdiocese has 240 voluntary aided schools and academies which are constituted as separate charities. The school properties (land and buildings) are vested in the name of the trustees. The trustees cannot take a unilateral decision to dispose of these properties. Disposal can only occur if the school governors and the Secretary of State for Education decide that all or part of a school site is no longer required for education. In most circumstances, where a disposal occurs, the trustees will be required under S22 of the School's Standards and Framework Act 1998 to pay to the Local Authority so much of the proceeds as may be determined by the Secretary of State. Although no rights of ownership vest in the school governing body, most other rights and obligations, such as for the maintenance and repair of the school and its facilities, are passed to the governors. The trustees therefore consider that, for the purposes of these financial statements, whilst being used as a school, the nature of their ownership is that of a custodianship and therefore these properties have not been recognised.

At 31 December 2021 the building insurance valuation via the Diocesan insurers for the voluntary aided schools and academies in the charity's ownership was £197m (2020: £191m). In continuing the trend from previous years, there were further schools including academies that insured with other insurers/RPA in 2021 compared to 2020, hence the continued fall in insured value.

Fixed assets other than property

The cost of motor vehicles, Diocesan office equipment and fixtures and fittings is capitalised and depreciated over their expected useful lives, at the following rates:

	% per annum	Years
Motor vehicles	25	4
Office equipment, fixtures etc.	25	4

Individual items of less than £2,500 are not capitalised.

Birmingham Diocesan Trust

Accounting policies (continued)

for the year ended 31 December 2021

INVESTMENTS

Investment properties

Investment properties such as houses and non-functional properties have been included at the trustees' estimate of their fair value at 31 December 2021. All investment properties are professionally valued on a rolling 5-year programme. During 2021, approximately one-fifth in number of investment properties were professionally valued at open market value by the Diocesan in-house qualified chartered surveyors. In accordance with Financial Reporting Standard 102, no depreciation is provided. The value of each property has been prepared having regard to RICS Valuation – Global Standards (Red Book) effective from 31 January 2021 where market value is defined as: *"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion"*.

Other investments

Other investments consist mainly of stocks and shares quoted on the London Stock Exchange. They have been included at fair value at the year end.

FINANCIAL INSTRUMENTS

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument, and are offset only when the Trust currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents include cash and short term highly liquid assets with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts held as part of the charity's treasury management activities.

Concessionary loans (assets)

Loans which are made (or committed and not taken up at the year-end) to priests, employees and other beneficiaries of the Trust are considered concessionary loans. Unsecured loans are generally for a term of up to 5 years, no interest is payable, and do not normally exceed £5,000 (although these limits may be exceeded at the discretion of the Diocesan Treasurer). In addition, secured, concessionary, interest free loans are made usually for the purposes of purchasing property being secured on the property, the loan term usually being for a period of up to 10 years.

Birmingham Diocesan Trust

Accounting policies (continued)

for the year ended 31 December 2021

Concessionary loans (assets) (continued)

All concessionary loans are initially measured at their transaction value, and subsequently are recognised at their carrying value, less impairment. They are repayable within the agreed payment term, or the cessation of employment in the case of an employee or cessation of office in the case of a priest, whichever is the soonest. A provision for impairment is established when there is objective evidence that the amounts due will not be collected according to the original terms of the loan agreement. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the loan over the present value of the future cash flows. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

Concessionary loans are aggregated within the financial statements as this does not obscure significant information. Where applicable, concessionary loans committed but not yet taken up at the year-end are included in the financial statements, but are not aggregated in the total.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Trust after deducting all of its liabilities. The Trust considers it has no equity instruments.

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Concessionary loans (liabilities)

Loans made (or committed and not taken up at the year-end) by parishioners to a parish of the Archdiocese are considered concessionary loans. These may be for a period of 1 year upwards, sometimes with no end date. No interest is payable. These are initially measured at their transaction value, and subsequently are recognised at their carrying value, less impairment. They are always unsecured.

Concessionary loans are aggregated within the financial statements as this does not obscure significant information. Where applicable, concessionary loans committed but not yet taken up at the year-end are included in the financial statements, but are not aggregated in the total.

De-recognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

RECOGNITION OF LIABILITIES

Liabilities are recognised when either a constructive or legal obligation exists.

JOINTLY CONTROLLED ENTITIES

Entities in which the charity has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities. Jointly controlled entities are accounted for using the cost model.

Birmingham Diocesan Trust

Notes to the financial statements for the year ended 31 December 2021

1	DONATIONS, LEGACIES AND GRANTS							
	Parochial			Diocesan			Total	Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2021	2020
	£000	£000	£000	£000	£000	£000	£000	£000
Offertories, collections and donations	7,589	603	-	90	523	-	8,805	8,081
Tax reclaimed on offertories and donations	1,246	18	-	85	9	-	1,358	1,110
Legacies	1,212	425	-	6	21	-	1,664	715
Grants receivable *	577	351	-	148	25	-	1,101	1,388
	10,624	1,397	-	329	578	-	12,928	11,294

* Included in grants receivable were Government grants, amounting to £807k (2020: £1,264k). In 2021, this also includes the Coronavirus Job Retention Scheme, amounting to £263k. This excludes Schools funding (refer to note 7).

DONATIONS, LEGACIES AND GRANTS - 2020 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2020
	£000	£000	£000	£000	£000	£000	£000
Offertories, collections and donations*	6,807	979	-	100	195	-	8,081
Tax reclaimed on offertories and donations	1,024	14	-	62	10	-	1,110
Legacies	655	16	-	16	28	-	715
Grants receivable **	723	308	-	314	43	-	1,388
	9,209	1,317	-	492	276	-	11,294

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

2	CHARITABLE ACTIVITIES							
	Parochial			Diocesan			Total	Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2021	2020
	£000	£000	£000	£000	£000	£000	£000	£000
Votive candles, newspapers and repositories	312	-	-	1	1	-	314	252
Chaplaincy income	86	-	-	-	-	-	86	105
Fees and other charges	-	-	-	1,049	3	-	1,052	1,141
Other income	103	-	-	78	-	-	181	138
	501	-	-	1,128	4	-	1,633	1,636

CHARITABLE ACTIVITIES - 2020 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2020
	£000	£000	£000	£000	£000	£000	£000
Votive candles, newspapers and repositories	251	-	-	1	-	-	252
Chaplaincy income	105	-	-	-	-	-	105
Fees and other charges	-	-	-	1,139	2	-	1,141
Other income	130	-	-	8	-	-	138
	486	-	-	1,148	2	-	1,636

3	OTHER TRADING ACTIVITIES							
	Parochial			Diocesan			Total	Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2021	2020
	£000	£000	£000	£000	£000	£000	£000	£000
Social income	886	78	-	24	-	-	988	941
	886	78	-	24	-	-	988	941

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

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

OTHER TRADING ACTIVITIES - 2020 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2020
	£000	£000	£000	£000	£000	£000	£000
Social income	823	117	-	1	-	-	941
	823	117	-	1	-	-	941

4	INVESTMENT INCOME							
	Parochial			Diocesan			Total	Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2021	2020
	£000	£000	£000	£000	£000	£000	£000	£000
Income from UK investments	464	7	30	212	17	26	756	841
Rental income	1,662	-	-	122	2	-	1,786	1,792
Interest receivable	1	-	-	1	-	-	2	30
	2,127	7	30	335	19	26	2,544	2,663

INVESTMENT INCOME - 2020 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2020
	£000	£000	£000	£000	£000	£000	£000
Income from UK investments	505	7	33	248	24	24	841
Rental income	1,624	-	-	165	3	-	1,792
Interest receivable	20	-	-	9	1	-	30
	2,149	7	33	422	28	24	2,663

5	OTHER INCOME							
	Parochial			Diocesan			Total	Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2021	2020
	£000	£000	£000	£000	£000	£000	£000	£000
Insurance claims	83	-	-	-	-	-	83	68
Funds introduced	22	-	-	-	-	-	22	-
	105	-	-	-	-	-	105	68

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

OTHER INCOME - 2020 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2020
	£000	£000	£000	£000	£000	£000	£000
Insurance claims	68	-	-	-	-	-	68
	68	-	-	-	-	-	68

6	INVESTMENT MANAGEMENT COSTS							
	Parochial			Diocesan			Total	Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2021	2020
	£000	£000	£000	£000	£000	£000	£000	£000
Costs of management of investment properties and other investments	490	-	-	6	-	-	496	455
	490	-	-	6	-	-	496	455

INVESTMENT MANAGEMENT COSTS - 2020 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2020
	£000	£000	£000	£000	£000	£000	£000
Costs of management of investment properties and other investments	426	-	-	29	-	-	455
	426	-	-	29	-	-	455

Birmingham Diocesan Trust

Notes to the financial statements (continued) for the year ended 31 December 2021

7	CHARITABLE ACTIVITIES							
	Parochial			Diocesan			Total	Total
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 £000	2020 £000
Liturgical and pastoral costs	777	25	4	311	5	-	1,122	1,217
Curial, Parish and Chaplaincy etc. general support costs *	6,513	97	-	3,435	-	18	10,063	10,172
Clergy costs	1,146	-	-	931	306	-	2,383	2,523
Property refurbishment, maintenance and major repairs	2,471	568	26	458	25	8	3,556	4,014
Depreciation	1,059	-	-	216	7	-	1,282	1,275
Bank Charges	46	-	-	36	1	-	83	107
Votive candles, newspapers and repository costs etc.	106	-	-	-	-	-	106	151
Chaplaincy expenditure	-	-	-	1,001	169	-	1,170	1,238
Schools' costs (including impairment losses)**	3	-	-	178	1,424	-	1,605	1,204
Grant funding	114	31	-	517	17	-	679	929
External audit fees	-	-	-	58	-	-	58	58
Safeguarding costs ***	-	-	-	66	-	-	66	193
Other professional fees	-	-	-	46	-	-	46	168
Total charitable activities	12,235	721	30	7,253	1,954	26	22,219	23,249

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

** Included in Schools costs is £1,141k (2020: £676k) which represents the net costs on activities where the Trust is acting as principal, and payments made under a PFI agreement (see page 56). The net position relates to income of £3,069 and £4,210k expenditure (2020: £2,280k income and expenditure of £2,956k). These costs relate to an excess of spending over grant income for which the DES acted as the principal in those building contractual arrangements.

*** These costs were incurred in legal fees and associated costs relating mainly to the Barnardo's report, and the report into Joseph Quigley

The costs above relate directly to the activity concerned and no form of estimation or apportionment has therefore been necessary.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

7

CHARITABLE ACTIVITIES - 2020 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 £000
Liturgical and pastoral costs	759	18	5	429	6	-	1,217
Curial, Parish and Chaplaincy etc. general support costs *	6,609	65	-	3,474	-	24	10,172
Clergy costs	1,105	-	-	1,078	340	-	2,523
Property refurbishment, maintenance and major repairs	3,137	380	28	442	27	-	4,014
Depreciation	1,029	-	-	242	4	-	1,275
Bank Charges	51	-	-	55	1	-	107
Votive candles, newspapers and repository costs etc.	151	-	-	-	-	-	151
Chaplaincy expenditure	-	-	-	1,061	177	-	1,238
Schools' costs (including impairment losses)**	6	-	-	227	971	-	1,204
Grant funding	237	15	-	652	25	-	929
External audit fees	-	-	-	58	-	-	58
IICSA and related costs ***	-	-	-	193	-	-	193
Other professional fees	4	-	-	164	-	-	168
Total charitable activities	13,088	478	33	8,075	1,551	24	23,249

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

8

COMPARATIVES (BY FUND) FOR 2020 STATEMENT OF FINANCIAL ACTIVITIES

COMPARATIVES (BY FUND) FOR 2020 STATEMENT OF FINANCIAL ACTIVITIES											
Note	Parochial			Diocesan			Total			Total	
	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	Unrestricted funds	Restricted funds	Endowment funds	2020	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
INCOME AND ENDOWMENTS FROM:											
Donations, legacies & grants	1	9,209	1,317	-	492	276	-	9,701	1,593	-	11,294
Charitable activities	2	486	-	-	1,148	2	-	1,634	2	-	1,636
Other trading activities	3	823	117	-	1	-	-	824	117	-	941
Investment income	4	2,149	7	33	422	28	24	2,571	35	57	2,663
Other income											-
Profit on sale of tangible fixed assets		651	-	-	1,434	-	-	2,085	-	-	2,085
Other income	5	68	-	-	-	-	-	68	-	-	68
Disposal of school building		-	-	-	-	799	-	-	799	-	799
Total		13,386	1,441	33	3,497	1,105	24	16,883	2,546	57	19,486
EXPENDITURE ON:											
Raising funds											
Fund raising operations		113	27	-	2	7	-	115	34	-	149
Investment management costs	6	426	-	-	29	-	-	455	-	-	455
Charitable activities	7	13,088	478	33	8,075	1,551	24	21,163	2,029	57	23,249
Total		13,627	505	33	8,106	1,558	24	21,733	2,063	57	23,853
Net (expenditure)/income before gains on investment assets		(242)	936	-	(4,609)	(453)	-	(4,851)	483	-	(4,368)

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

8

COMPARATIVES (BY FUND) FOR 2020 STATEMENT OF FINANCIAL ACTIVITIES

Note	Parochial			Diocesan			Total			Total
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 £000
Net (expenditure)/income before gains on investment assets	(242)	936	-	(4,609)	(453)	-	(4,851)	483	-	(4,368)
Gains on investment assets										
Gains, losses and revaluations on other investments	1,345	-	-	152	(1)	-	1,497	(1)	-	1,496
Gains, losses and revaluations on investment properties	669	31	44	252	43	11	921	74	55	1,050
	2,014	31	44	404	42	11	2,418	73	55	2,546
Net income/(expenditure)	1,773	967	44	(4,205)	(411)	11	(2,432)	556	55	(1,821)
Transfers between funds										
	(2,113)	(269)	-	1,871	511	-	(242)	242	-	-
Net movement in funds	(340)	698	44	(2,334)	100	11	(2,674)	798	55	(1,821)
Reconciliation of funds										
Total funds brought forward	95,371	2,312	1,546	14,939	6,805	683	110,310	9,117	2,229	121,656
	95,031	3,010	1,590	12,605	6,905	694	107,636	9,915	2,284	119,835

Birmingham Diocesan Trust

Notes to the financial statements (continued) for the year ended 31 December 2021

9	NET INCOME	2021 £000	2020 £000
	Net income for the year is stated after charging:		
	Depreciation of tangible fixed assets	1,275	1,275
	Operating lease expenditure	-	28
	PFI facilities management fees	133	143
	Auditor's remuneration		
	- for audit services	58	58
	- for non-audit services	-	-
		=====	=====

10	INFORMATION REGARDING EMPLOYEES, TRUSTEES AND VOLUNTEERS	2021 £000	2020 £000
	Staff costs comprise the following:		
	Salaries and wages	4,230	4,803
	Social security costs	293	354
	Pension costs	432	506
	Death in service premium	23	24
		=====	=====
		4,978	5,687

Staff costs relate to curial staff, staff at parishes and staff employed in Diocesan related activities.

The number of employees whose emoluments (excluding employer's pension contributions and national insurance) amounted to over £60,000 in the year was as follows:

	2021 Number	2020 Number
£60,000 - £70,000	4	5
£70,001 - £80,000	2	1
£80,001 - £90,000	-	1
	=====	=====

The charity contributed £42,150 (2020: £50,442) in pension contributions in respect of these employees. The Chief Operating Officer is included within the above disclosure. Due to the operation of a salary sacrifice scheme, pension contributions stated above include the employee pension contributions paid on behalf of these staff as employer's contributions. These therefore do include amounts sacrificed by staff under those arrangements.

The number of employees and full-time equivalent employees, analysed by function, during the year was as follows:

	Full Time		Part Time		Full Time Equivalent	
	2021	2020	2021	2020	2021	2020
Parishes	5	13	198	214	70	83
Other Diocesan services	29	33	29	23	44	44
Central/Curial Services	35	32	14	13	37	36
	69	78	241	250	151	163

Birmingham Diocesan Trust

Notes to the financial statements (continued) for the year ended 31 December 2021

10 INFORMATION REGARDING EMPLOYEES, TRUSTEES AND VOLUNTEERS (continued)

It should be noted that (as in previous years) just over 200 diocesan priests actively working within the charity are self-employed office holders and not employees of the charity.

Seven of the fifteen trustees listed on page 1 also serve as clergy of the charity (2020: eight), and in addition to their responsibilities as trustees are actively involved in carrying out the objects of the charity. Seven of those trustees benefited from accommodation costs and other associated expenditure included within charitable activities (2020: Seven) (see Note 7). These trustees received in total £79,721 (2020: £34,166) of allowances as serving clergy but not in their office as trustee. The remaining trustees do not derive any income from the charity. Similarly, no trustee is paid expenses in relation to their activities as a Trustee, only in their canonical roles as serving clergy. Non-clerical trustees are not paid expenses.

The Trust considers its key management personnel comprise the Archbishop, Auxiliary Bishops, Vicar General, Chief Operating Officer. None of these individuals with the exception of the Chief Operating Officer are employees, they are office holders of the Trust. The remuneration, including Employers Pension contributions and National Insurance of the Chief Operating Officer for 2021 was £104,407 (2020: £86,920). There was a change of COO during 2021, which also reverted from a part time to a full time post.

During the year charity funds were used to pay a premium of £4,400 (2020: £4,400) in respect of Trustees' Indemnity Insurance. This insurance protects the charity from loss arising from the neglect or defaults of its trustees, employees or agents or to indemnify the trustees or other officers against the consequences of any neglect or default on their part.

It is estimated that during the year, approximately 0.61 million hours (2020: 0.63 million) were provided by some 4,500 (2020: 4,400) volunteers. If this is valued at £11.00 per hour, the volunteer contribution amounts to some £6.68m (2020: £7.3m). Volunteer roles fulfil liturgical, pastoral and administrative activities of the charity. This amount is not included in the financial statements.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

11 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

Functional Property	note	Church/ presbytery £000	Improvements & Contents £000	Freehold land £000	Other £000	Total £000
Cost						
At 1 January 2020		42,715	36,701	2,256	818	82,490
Additions		1,020	205	-	153	1,378
Transfers from investment property	12	1,215	-	-	-	1,215
Transfers to investment property	12	(47)	(19)	-	-	(66)
Disposals		-	-	-	(79)	(79)
At 31 December 2021		44,903	36,887	2,256	892	84,938
Depreciation and impairment						
At 1 January 2020		12,184	17,591	2,256	710	32,741
Charge for the year		442	761	-	77	1,280
Eliminated on disposal		-	-	-	(79)	(79)
Eliminated on transfer to investment property		(15)	(19)	-	-	(34)
At 31 December 2021		12,611	18,333	2,256	708	33,908
Net book value						
At 31 December 2021		32,292	18,554	-	184	51,030
At 31 December 2020		30,531	19,110	-	107	49,748

The net book value of functional property includes £3,412k long leasehold properties (2020: £2,480k). The amount disclosed in 2020 of £1,017k was incorrect, and is amended here.

The total insured value of the functional buildings and contents is £720m (2020: £699m). No value is attached to the land element, which has been treated as being impaired. There is no intention to sell the land in the ordinary course of the charity's activities and no income is generated from the ownership of this land.

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

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

12 INVESTMENTS HELD AS FIXED ASSETS

	2021 £000	2020 £000
Investments comprise the following:		
Investment properties	34,435	33,449
Other investments	33,220	33,104
	<u>67,655</u>	<u>66,553</u>
	2021 £000	2020 £000
Investment properties at valuation		
Fair value at 1 January 2021	33,449	32,453
Transfers from functional property (Note 11)	32	-
Transfers to functional property (Note 11)	(1,215)	-
Disposals	(1,486)	(500)
Gains and losses on revaluations and disposals	3,655	1,496
Fair value at 31 December 2021	<u>34,435</u>	<u>33,449</u>

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

	2021 £000	2020 £000
Other investments comprise the following:		
Equities	30,537	30,032
Fixed interest securities	2,683	3,073
Investments listed on a stock exchange	<u>33,220</u>	<u>33,105</u>

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

INVESTMENTS HELD AS FIXED ASSETS (continued)

Stock exchange investments at fair value

			2021	2020
	Diocesan	Parishes	Total	Total
	£000	£000	£000	£000
Fair value at 1 January 2021	10,592	22,513	33,105	35,539
Additions	914	2,523	3,437	1,437
Disposal proceeds	(2,045)	(5,055)	(7,100)	(4,921)
Realised and unrealised investment gains	1,245	2,534	3,779	1,050
Fair value at 31 December 2021	10,706	22,515	33,221	33,105

The historic cost of investments held at 31 December 2021 was £21m (2020: £22m). There were no investment holdings which represented more than 5% by value of the portfolio excluding cash.

Stock exchange investments by location

	Fair value	Cost	Fair value	Cost
	2021	2021	2020	2020
	£m	£m	£m	£m
UK listed investments	19.7	12.9	19.2	13.5
Overseas listed investments	13.5	8.3	13.9	8.9
	33.2	21.2	33.1	22.4

Jointly controlled entity

The charity owns 50% of the £2 ordinary share capital of Parish Accounting Services Limited, a company which was formed during 2015 in order to purchase the intellectual property rights, and ownership of computer software known as OPAS. This is a bespoke accounting and gift aid system used widely within the Archdiocese, and was purchased in order to ensure its continued availability for the Trust. The remaining 50% is owned by the Archdiocese of Westminster and is jointly managed by the two Trusts, with two directors serving from each Archdiocese.

The company operated at a small operating profit in 2021. The company was financed by two loans each of £71,999 one from each Diocese, and is considered an unsecured concessionary loan (see Note 13). The loans carry no interest and no fixed repayment term. The loans were fully repaid from income generated by the company from sales to other Catholic organisations. Repayments were made in 2021 of £61,998 (£30,999 each Diocese) (2020: £30,000, £15,000 each Diocese).

Ownership of dormant private limited company

The charity owns 100% of the share capital of The Sower Limited, a dormant private limited company. Total called up share capital is £3. There are no other assets or liabilities.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

13 DEBTORS

	2021 £000	2020 £000
Debtors: amounts due in under one year		
Amounts due in respect of school building projects	367	539
Accrued investment income	27	34
Accrued Gift Aid Tax reclaimable	1,718	1,065
Other debtors including trade debtors, major bequests and property sales	1,038	629
Unsecured concessionary loans to priests etc.	12	13
Unsecured concessionary loan to other religious charities and bodies	59	74
Unsecured concessionary loan to Jointly Controlled Entity	-	31
Secured concessionary loan to priests etc.	5	22
Total	<u>3,226</u>	<u>2,407</u>
Debtors: amounts due in more than one year		
Unsecured concessionary loans to priests etc.	-	-
Secured concessionary loans to priests etc.	80	80
Total	<u>80</u>	<u>80</u>
TOTAL DEBTORS	<u>3,306</u>	<u>2,487</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £000	2020 £000
*Amounts due in respect of school building projects	305	341
Due to other religious charities	499	475
**Other creditors	3,049	3,856
Accruals	542	533
	<u>4,395</u>	<u>5,205</u>

* The amount noted above as "amounts due in respect of school building projects" is in respect of transactions for which the Diocesan Education Service (DES) acted as principal.

**Included here is an amount held in respect of grant income not spent on school building projects which were managed by the DES in its role acting as agent. For 2021 this was £2,429k (2020: £3,256k). This relates to grants received in advance of projects starting, mainly due to delays with COVID-19. The distinction between certain school building project transactions is explained on page 31.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

15 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2021 £000	2020 £000
Concessionary loans	36	36
	<u>36</u>	<u>36</u>

16 FINANCIAL ASSETS AND LIABILITIES

Financial assets held at fair value are included in Note 12. Note 13 includes financial instruments of £465k (2020: £702k) held at amortised cost and concessionary loans of 156k (2020: £220k) held at cost plus accrued interest, less impairment where applicable. Notes 14 and 15 include financial instruments held at amortised cost of £3,895k (2020: £4,716k).

17 ENDOWMENT FUNDS

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

These funds are linked to specific parishes and funds held by the Diocese, and are endowment in nature, i.e., the capital donated cannot be spent and any income generated must be spent in line with the donor's instructions. In the main the purposes of these funds are to provide education, relieve poverty, support priests and to provide for church repairs within the parishes concerned. The assets of all the funds listed are represented by investment in the Diocesan Investment Scheme (see page 13). There are two separate registered charities (Leamington Trust, registered charity no. 248948; and Birmingham Roman Catholic Diocesan Educational Trust no. 528881) and thirteen other separate funds. A uniting direction given by the Charity Commissioners is in force in respect of these funds.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

17 ENDOWMENT FUNDS (continued)

The 2020 analysis of endowment funds follows:

ENDOWMENT FUNDS - 2020 COMPARATIVES

	Balance at 1st January 2020 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (losses) on investments £000	Balance at 31st December 2020 £000
Diocesan funds						
Various Diocesan funds	617	21	(21)	-	22	639
Maryvale	66	3	(3)	-	(11)	55
Various small trust funds:						
registered charities	209	5	(5)	-	6	215
other	1,337	29	(29)	-	38	1,375
	<u>2,229</u>	<u>58</u>	<u>(58)</u>	<u>-</u>	<u>55</u>	<u>2,284</u>

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

18 RESTRICTED FUNDS

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

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

18 RESTRICTED FUNDS (continued)

* Schools projects. As set out on page 29 the income and expenditure in relation to activities where the Trust acts as principal are shown net on page 47. The net movement of (£1,424k) (2020: (£172k)) above, comprises income of £3,069k (2020: £799k); and expenditure of £4,493k. (2020: £971k).

The Poor Mission Fund exists to support parishes which struggle to meet their financial obligations. The Memorial Mass Fund provides for people's desire for annual Masses to be said for their intentions.

The Religious Workers Accommodation Fund was created during 2016 and after some specific grants to assist the work of agencies caring for the homeless and for disadvantaged youth made during that year, the balance is to be used for the provision of accommodation for religious workers in the Diocese.

The Canons Chapter Fund represents sums which were previously recognised as part of the affiliated bodies, and were therefore not in the past included within the funds of the Archdiocese. The Trustees now deem it more appropriate that these funds are included within the Archdiocese accounts as its aim is specifically to support repairs and maintenance of the Cathedral.

The Clergy Training Fund's primary purpose is to support students in training and formation for the priesthood and permanent diaconate as well as ordained priests and deacons undertaking further studies.

The "Diocesan Education Service – schools' projects" fund relates to historic schools' sales proceeds which can only be used to finance the building of new schools, or expansion of existing schools due to capacity needs, and includes grant funds received but not yet expended.

The transfers shown above of £124k (2020: £242k), principally represent amounts paid in accordance with the terms of the restriction, to certain parishes and other entities within the Archdiocese. In the case of "Parish building and other projects" the amount transferred relates to capitalised spending completed in accordance with the terms of the restriction. These parish assets are included within the unrestricted property assets of the charity; the associated restricted funding being regarded as having been effectively discharged.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

The 2020 analysis of restricted funds follows:

RESTRICTED FUNDS - 2020 COMPARATIVES

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

	Balance at 1st January 2020 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (losses) on investments (stock market) £000	Balance at 31st December 2020 £000
Restricted funds						
Poor Mission Fund	403	107	(88)	32	(1)	453
Memorial Mass Fund	436	8	(16)	-	8	436
Religious Workers Accommodation Fund	67	-	(4)	-	-	63
Specific bequests						
University Chaplaincy	705	15	(8)	(8)	21	725
Other funds	400	15	(25)	(32)	6	364
Canons Chapter Fund	315	6	(13)	-	8	316
Clergy Training Fund	2	144	(400)	519	-	265
Maryvale	254	11	(33)	-	-	232
Diocesan Education Service – schools projects*	4,215	799	(971)	-	-	4,043
Other Chaplaincies	7	-	-	-	-	7
Parish building and other projects	2,313	1,441	(505)	(269)	31	3,011
	9,117	2,546	(2,063)	242	73	9,915

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

19 UNRESTRICTED FUNDS

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

The trustees have created a designated fund to the value of the unrestricted net book value of functional property assets and contents. The trustees are of the opinion that these assets cannot be readily realised without undermining the ongoing work of the charity. Transfers to designated funds relate to net fixed asset movements and depreciation.

The 2020 analysis of unrestricted funds follows:

UNRESTRICTED FUNDS - 2020 COMPARATIVES

	General £000	Designated £000	Total £000
At January 2020	60,995	49,315	110,310
Net income	(2,432)	-	(2,432)
Transfers from restricted funds (Note 18)	(242)	-	(242)
Transfer to designated funds	(139)	139	-
At 31 December 2020	58,182	49,454	107,636

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

"Tangible fixed assets" represents the book value of the charity's tangible fixed assets, principally land and buildings, currently held for charity use and the funds are therefore unavailable for other uses.

Included in the figure for investments is a significant unrealised surplus and this figure will vary year on year as property and stock market values fluctuate.

ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2020 COMPARATIVES

	Unrestricted (general) £000	Unrestricted (designated) £000	Restricted £000	Endowment £000	2021 Total £000
Tangible fixed assets	107	49,454	188	-	49,749
Investments	61,752	-	2,517	2,284	66,553
Other net assets / liabilities	(3,677)	-	7,210	-	3,533
At 31 December 2020	58,182	49,454	9,915	2,284	119,835

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

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

	2021 £000	2021 £000
Net income/(expenditure) for the reporting period	2,862	(1,821)
Adjustments for:		
Depreciation of tangible fixed assets	1,282	1,275
Fair value (gains) on investment properties	(3,655)	(1,496)
Fair value (gains)/losses on investments on the stock exchange	(3,779)	(1,050)
(Gain) on disposal of tangible assets	(97)	(2,085)
Dividends, interest and rents from investments	(2,544)	(2,663)
	(5,931)	(7,840)
Movements in working capital:		
(Increase)/decrease in debtors	(821)	826
(Decrease)/increase in creditors	(809)	2,756
	(7,561)	(4,258)

22 CAPITAL COMMITMENTS

At 31 December 2021, the charity was committed to future capital expenditure of approximately £nil (2020: £1.9m. This relates primarily to spending in parishes.)

23 OTHER COMMITMENTS

Operating leases

The charity leased office space on a five-year term. The lease expired in 2021. The total commitment fell due as follows:

	2021 £000	2020 £000
Less than one year	-	29
More than one year, but less than five years	-	-
Total due	-	29

Birmingham Diocesan Trust

Notes to the financial statements (continued) for the year ended 31 December 2021

23 OTHER COMMITMENTS (continued)

PFI Scheme

The Trust, through the Diocesan Education Service (DES) is party to a facilities management contract under a PFI scheme in respect of a school. Total commitments under the contract are £135k (2020: £135k) within one year, £568k (2020: £566k) between one and five years, and £149k (2020: £301k) greater than 5 years. These costs may change, dependent on changes to indexation. The costs are calculated using RPI. These costs are met from within the restricted funds held for the purposes of spending on new schools.

24 RELATED PARTY TRANSACTIONS

The charities mentioned below were served by one or more common trustees during the year:

St Mary's College, Oscott – Registered Charity 1172979

During the year £51,031 (2020: £49,000) of rent and other costs and £141,000 (2020: £166,000) of students' fees was paid to St Mary's College, Oscott. There was a £nil balance (2020: £nil) owing to St Mary's College, Oscott at the year-end in respect of miscellaneous costs or student fees. There was also £43,000 paid by Oscott in relation to recharges relating to priests' stipends and expenses (2020: £58,000). A further £14,000 was paid for the secondment of Oscott's archivist (2020: £14,000) and a further £nil for events and miscellaneous costs (2020: £nil). Most Rev. B Longley & Right Rev. D McGough are Trustees in common.

Father Hudson's Society - Registered Charity 512992

During the year, £29,000 (2020: £20,000) was collected on behalf of and paid over to Father Hudson's in the main via a retiring collection following Masses said in parishes in September 2021. The Diocese also paid for residential care for sick and retired priests in Father Hudson's Residential Care Home, amounting to £75,000 (2020: £40,000). In addition to these, grants were also made to Father Hudson's totalling £28,000 (2020: £37,000) for them to administer on behalf of the Archdiocese to aid social outreach work through other Catholic agencies, and also with a special focus on Fatima House, a women's shelter for refugees.

There was a balance as at the year-end in respect of collections not paid over to Father Hudson's amounting to £nil (2020: £nil), and care costs of £3,700 (2020: £6,550). Whilst not a Trustee of Father Hudson's, Most Rev. B Longley is President of the charity.

The Kenelm Youth Trust Ltd– Charitable company registration number 1144209

Grants totalling £397,000 were made to Kenelm Youth Trust in 2021 (2020: £405,700). Receipts for rent and utility costs of £nil were received by the Diocesan Education Service in 2021 (2020: £nil). KYT is a separate charity that was set up to provide all of the Trust's youth services from 1 January 2016. No balances were outstanding at 31 December 2021 (2020: £nil). Right Rev. W Kenney, Right Rev S. Wright and Ms H Bardy are trustees in common.

Parish Accounting Services Limited – Company registration number 09503675

During the year, in addition to the loan disclosed in notes 12 and 13, £52,400 was paid to Parish Accounting Services Limited (2020: £52,400) in respect of software licencing fees of parish accounting software, and £nil in respect of re-charged expenses (2020: £70). In addition, the Diocese received £10,250 from the company (2020: £10,000) in respect of costs of providing management time. There were no balances outstanding at the year-end.

Cornerstone Regeneration – Registered charity 1143282

Rent was received from Cornerstone by one of the parishes of the Archdiocese in respect of property, of £20,000 (2020: £20,000). An additional £5,000 relating to 2022 was received in 2021, which was deferred to 2021 in the financial statements. There were no balances outstanding at the year-end. Mr C. Loughran is a trustee in common.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2021

24 RELATED PARTY TRANSACTIONS (continued)

Birmingham Churches Together – Registered charity 243931

A grant was made to the charity in 2021 of £19,770 (2020: £19,770). There were no balances outstanding at the year-end. The Most Rev. B Longley is a trustee.

Holy Souls Social Club Ltd – Registered Company 07170727

There were no transactions between the Club and the Diocese during the year, Rev J Veasey is a director.

The Venerable English College Trust – Registered Charity 1142558

A reimbursement of expenses was received from the Venerable English College Trust by the Archdiocese in respect of fundraising costs of £10,000 (2020: £15,000). There were no balances outstanding at the year-end.

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

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

Accounts



THE ARCHDIOCESE *of* BIRMINGHAM

Birmingham Diocesan Trust
Annual report and financial statements
for the year ended 31 December 2020

Birmingham Diocesan Trust

Index to report and financial statements

	Page
<i>Legal and administrative information</i>	<i>1</i>
<i>Trustees' report</i>	<i>3</i>
<i>Independent auditor's report</i>	<i>23</i>
<i>Statement of Financial Activities</i>	<i>26</i>
<i>Statement of Financial Position</i>	<i>28</i>
<i>Statement of Cash Flows</i>	<i>29</i>
<i>Accounting policies</i>	<i>30</i>
<i>Notes to the financial statements</i>	<i>37</i>

Birmingham Diocesan Trust

Legal and administrative information

Name

The name of the charity is Birmingham Diocesan Trust. The charity, in its day to day dealings, is also known as the Archdiocese of Birmingham or "the Diocese". The charity registration number is 234216.

Principal Office

Cathedral House
St Chad's Queensway
Birmingham
B4 6EX

Website: www.birminghamdiocese.org.uk

Trustees

Birmingham Roman Catholic Diocesan Trustees Registered

Comprising:

Most Rev. B Longley MA STL (Archbishop of Birmingham) *(9) #
Rt. Rev. W Kenney CP KCHS Fil k and STL PhD (hc) (Auxiliary Bishop) *(1) (2) # Resigned 23 July 2021
Rt. Rev. D McGough LSS STL (Auxiliary Bishop) *(1) (2) (4) (5) # Resigned 23 July 2021
Rt. Rev. S Wright LLB, STL (Auxiliary Bishop) *(1) (2) (8) (9) #
Rt. Rev. D Evans (Auxiliary Bishop) *(1) (2) (10) (Appointed 19 March 2020) #
Rev. R Walker (Vicar General) (Appointed 1 September 2020) (1) (2) (3) (7) (8) #
Rev. J Veasey STL*(Director of the Diocesan Education Service) (5) (7) (10) #
Ms. H Bardy *(10)
Rev. Mr. D Palmer BA FCA CTA MCIPD (Treasurer) *(1) (2) (3) (4) (5) (6) (7) (10) Resigned 31 December 2020
Mr. C Loughran DL FBCS CIP * (1) (2)(5) (6) (9)
Prof. D Kelly CBE DL *(8) (9)
Ms. J Francis *(7)
Ms. S Pain BA ACMA * (1) (10)
Mr. Peter Vince MRICS *(2) (Appointed 24 April 2020)
Mr. Peter Vella * (4) (Appointed 10 July 2020)

*(1) Member of the Finance Sub-Committee
*(2) Member of the Property Sub-Committee
*(3) Member of Care of Clergy Sub-Committee
*(4) Member of Communications Sub-Committee
*(5) Member of Education Sub-Committee
*(6) Member of Investment Sub-Committee
*(7) Member of Remuneration Sub-Committee
*(8) Member of the Safeguarding Commission
*(9) Member of the Safeguarding Response Group
*(10) Member of the Maryvale Institute Sub-Committee
Member of the Board of Trustees with a clerical Diocesan role (e.g. Priest, Bishop etc.) receiving a stipend in connection with that role, and which is not connected to their voluntary work as a Trustee.

With effect from 1 January 2020 the Finance and Property Sub-Committee was split into two Committees: one dealing with Finance and one dealing with Property. The Committee membership shown above reflects the position as at the date of the signing of the Report and Accounts.

PROFESSIONAL ADVISERS

AUDITOR

RSM UK Audit LLP
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

BANKERS

National Westminster Bank plc
4th Floor, 2 St. Philips Place
Birmingham
B3 2RB

INSURANCE BROKERS

PIB Insurance Brokers
Poppleton Grange
Low Poppleton Lane
York
YO2 6AZ

INVESTMENT MANAGERS

Smith & Williamson Investment Management LLP
9 Colmore Row
Birmingham
B3 2BJ

PROPERTY CONSULTANTS

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

SOLICITORS

Gateley Plc
One Eleven
Edmund Street
Birmingham
B3 2HJ

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Breakwells Solicitors
Allium House
36 Water Street
Birmingham
B3 1HP

Birmingham Diocesan Trust

Trustees' report

For the year ended 31 December 2020

Introduction

Archbishop Bernard Longley – Chair of Trustees

COVID-19 has shaped a significant part of our lives in 2020 and its impact cannot be downplayed. Many of us have lost loved ones to COVID-19, have seen jobs and livelihoods disappear and seen our lives change significantly.

It has also brought out the very best in people. There have been many messages of hope and encouragement too. During the lockdown period there were countless wonderful stories emerging from across the archdiocese of communities working together to help the most vulnerable. Parish and school communities responded in many ways, from the making or donation of PPE, and the setting up of foodbanks and calls to the lonely and vulnerable to name but a few. Our schools worked tirelessly to provide education and care throughout the year, with many staying open throughout holidays to cater for the children of essential workers.



The pandemic has focused our minds on what really matters. We have had the opportunity to get back to the basics of our faith and become acutely aware of the part we all need to play in the service of others, especially the vulnerable and those in particular need. One example, being the work done by Tabor House to provide shelter for the homeless in central Birmingham.

Despite the restrictions faced, our Archdiocese has been blessed with the ordination of four new priests and three new Permanent Deacons. We are also delighted to have celebrated the episcopal ordinations of Bishops David Evans and Stephen Wright and the appointment of Vicar General Canon Richard Walker.

With churches partially reopening later in 2020, numbers attending Mass increased and a priority for 2021 is to provide a safe environment, so that all our parishioners can return to Sunday worship at the earliest opportunity.

By embracing technology and live streaming of mass in particular, many parishes were able to maintain contact with existing parishioners as well as attracting new participants. Similarly, schools were able to continue to provide lessons and Mass for pupils. Technology also allowed the annual Lourdes pilgrimage to go ahead via a 6 day 'virtual' event. Contactless payment devices were trialled and installed in a number of churches to help offset the impact of the removal of the traditional collection after churches re-opened.

In 2020 safeguarding continued to be a priority for the Board of Trustees following the IICSA (Independent Inquiry into Child Sexual Abuse) and Charity Commission inquiries of preceding years. Safeguarding is integral to all that we do within the Archdiocese and embedding this effectively is part of the cultural change that we aspire to achieve to demonstrate that we are learning the lessons made so painfully clear to us, especially from survivors of abuse. This will be an ongoing journey as the Archdiocese adapts to national changes in safeguarding arrangements following a review undertaken at the completion of the IICSA hearings into the Church nationally.

We are excited by the continued progress of our Diocesan plan, and to sharing the plan with our parishioners in 2021 as we begin to implement the changes necessary to achieve our vision of developing and supporting vibrant and joyful communities full of missionary disciples. Also in 2021, the diocesan Synodal Pathway in preparation for the Synod of Bishops 2023 will be launched, offering the faithful the opportunity to engage in dialogue with the future of the Church and diocese.

Whilst the 2020 Report and Accounts state our financial results, they also are an opportunity to reflect on all the work that so many do to further our Mission. I am grateful to the many people who have given themselves in service to all aspects of our work as we proclaim the good news to those whose lives we touch. We continue to strive to ensure that our parish and school communities are fully supported as they carry out our shared Mission.

Eric Kirwan – Chief Operating Officer

I would like to begin by thanking clergy, staff and our many dedicated volunteers for their response and dedication in meeting the challenges presented by the pandemic throughout 2020.

They enabled Mass to be offered online and churches to safely re-open as soon as government policy allowed. Our school leaders, governors and directors ensured schools remained accessible during holidays for the children of key workers and the vulnerable, and in all parish communities we witnessed people working together to provide financial and practical support for those in need.

With offices closed for most of the year, we did unfortunately have to furlough staff in several departments and in parish offices.

At the same time, we maintained a very clear commitment to further strengthening our safeguarding team and by the end of 2020 had a permanent team in place to continue the work already begun to improve safeguarding arrangements and compliance with the evolving national standards.

Whilst the pandemic delayed the implementation of the Diocesan vision, planning continued around the four themes of the plan: Evangelisation, Formation, Charity and Social Outreach and Worship and Sacramental. The Diocesan Plan will be fully launched in 2021 in tandem with the Synod of Bishops, and includes a review of our deanery structure to reflect future demographic changes and more importantly to ensure the resources of the diocese are used in the most effective way to support our mission.

With a focus on young people and families, and a commitment to achieving co-responsibility at all levels the plan will empower the lay community to play an active and vital part in developing and implementing the plan. Our school academisation strategy will continue to be extended and aligned with the diocesan plan, increasing collaboration and mutual support between Multi Academy Companies, Schools and Parish in fulfilling all the themes and ambitions of the plan.

Income fell by 20.4% during the year due to church closures and the resultant reduction in cash donations. The work done in recent years at parish level to increase donations by standing orders, coupled with greater access to online giving and the introduction of contactless payment devices helped to mitigate the fall in numbers attending church in person. Even after re-opening it was not possible to re-commence the usual Sunday and second collections and we envisage non-cash donations to increase in 2021 and beyond.

With the full re-opening of churches unlikely until very late in 2021, pressure on finances will remain. Resources and spending continue to be reviewed and to be a focus throughout the year and will remain so throughout 2021. We will continue in 2021 to ensure we use our human and physical resources in the most effective and efficient way, in support of our mission and vision.

We look forward with optimism and renewed commitment to fulfilling our mission, and once more express our deep gratitude to clergy, staff and volunteers from all areas of the archdiocese.



Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2020

The trustees present their annual report and the audited financial statements for the year ended 31 December 2020. The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

Structure, governance and management

Birmingham Diocesan Trust is a charitable Trust constituted by a Declaration of Trust dated 3 July 1931. By a certificate dated 20 October 1931, the trustees of Birmingham Diocesan Trust are registered as a body corporate known as Birmingham Roman Catholic Diocesan Trustees Registered. All property assets are vested in the name of the body corporate. In order to update the constitution, the Declaration of Trust was amended by Resolution on 22 September 2017 and a Deed of Variation dated 26 January 2018. A copy of the Trust Deed is available on request.

The Archdiocese of Birmingham, the name by which the trust is more commonly known, is made up of 217 registered parishes when measured in financial terms. This figure therefore excludes Mass centres and order parishes, the latter of which are also subject to the liturgical direction of the Archbishop but which report financially to other organisations including various religious orders etc. The Archdiocese geographically covers the West Midlands, Staffordshire, Worcestershire, Warwickshire and Oxfordshire.

Certain trustees also serve on the Boards of other registered charities with objectives congruent to those of the Archdiocese including:

Father Hudson's Society	(Social care)
St Mary's College, Oscott	(Seminary)
The Kenelm Youth Trust Ltd	(Youth services)
Barberi and Newman Academy Trust	(Education)

A uniting direction given by the Charity Commissioners is in force in respect of various small trust funds as set out in Note 17. These trust funds are represented by 2 separate registered charities, and 7 other separate funds, and have been donated to the Charity by the donor. The assets of the funds are represented by investment in the Diocesan Unit Scheme. The capital cannot be spent, and any income generated must be spent in line with the various donors' instructions. These funds have been classed as endowment funds.

The Trustees are mindful of the need to review and report on Governance in the light of the Charity Governance Code issued in July 2017 and have considered each of the seven sections of the Code.

Work is continuing to implement the guidance contained in the Code although in some areas the requirements of Church Canon Law preclude the adoption of the Code in full. In particular the Chair of Trustees is not an elected position – as the Code would recommend.

The Archbishop of Birmingham is the ex-officio Chair of Trustees and is the Charity's Chief Executive Officer. He is appointed to that position by the Holy See rather than by the trustees. In addition, certain trustees - Auxiliary Bishops, and Vicar General also hold the office of trustee in an ex-officio capacity, rather than being appointed by the other trustees.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2020

Objectives and activities

The objectives of the Trust are set out in the Diocesan Trust Deed, under which the Trust furthers its charitable purposes for the public benefit. They can be summarised as:

- The provision of religious services
- The provision, maintenance and upkeep of churches, presbyteries and schools
- The maintenance and support of clergy during their active service and in retirement
- The provision of education and youth services for children attending Diocesan schools and young members of the Church
- The provision of education and training for clergy and those wishing to be ordained
- The relief of the poor and those in need
- Generally, for any such charitable purpose or purposes as in the opinion of the Archbishop may be conducive to the advancement or maintenance of the Roman Catholic Religion in the Archdiocese.

Activities are also undertaken by the various individuals and groups within the Archdiocese, which are inclusive of the public at large and the wider communities that are served geographically by the various parishes. These include:

- Evangelisation and Catechesis
- Outreach work with disadvantaged and vulnerable members of society
- Provision of support to the elderly, particularly at parish level by providing essential community gathering places, organised activities, support and advice
- Assisting with mental and other health issues through our hospital and prison chaplains
- Working with those struggling financially to supply basic needs for their families such as clothing and food, by providing support through the activities of organisations such as the Society of St Vincent De Paul and food and clothing banks
- Family and Marriage guidance, and family support.

These objectives are achieved primarily through the parishes and Catholic schools together with a considerable number of Catholic societies and organisations based within the Archdiocese. There are numerous other pastoral activities, the more significant of which are referred to under "Achievements and Performance" below.

The church is reliant on the contribution of many volunteers to help achieve its objectives and is fortunate in that they see their contribution as an integral part of their individual vocation. It is estimated that during the year, approximately 663,000 hours (2019: 916,000) were provided by some 4,400 volunteers (2019: 10,600). If this is valued at £11.00 per hour, the volunteer contribution amounts to some £7.3m (2019: £10m), which is not included in the financial statements. This of course has been impacted by COVID-19, as churches were closed fully for a period in 2020.

In all of the activities undertaken by the Archdiocese, the trustees continue to be very grateful for the work done by so many people, both paid staff and volunteer helpers. The trustees also take the opportunity to thank the members of the many Religious Orders who assist in numerous parishes and other parts of the Archdiocese. Without the help of so many people, the Archdiocese could not carry out its important work of spreading the Good News of Jesus Christ.

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2020

TRUSTEES

The trustees who served during the year are listed on page 1.

The affairs of the charity are governed by the trustees, who are recruited from the senior clergy and suitably qualified and experienced lay faithful of the Archdiocese. New trustees are introduced to their role and responsibilities by the Diocesan Treasurer at which time relevant Charity Commission literature is issued together with copies of the trust deed and the latest financial information available. As and when required, trustees attend formal and informal training sessions. The trustees normally hold meetings on a quarterly basis to conduct the operations of the charity, to review the minutes of Sub-Committee meetings and implement other policies.

The **Finance Sub-Committee** usually meets five times per year to consider and take major decisions on financial issues.

The **Property Sub-Committee** usually meets five times per year to consider and take major decisions on property issues.

The **Care of Clergy Sub-Committee** usually meets twice a year to consider and take major decisions on issues relating to clergy welfare, including retired clergy.

The **Communications Sub-Committee** usually meets quarterly to consider and take major decisions on communications issues.

The **Education Sub-Committee** usually meets quarterly to consider and take major decisions on educational matters as implemented through the Diocesan Education Services.

The **Investment Sub-Committee** usually meets three times a year to consider and take major decisions on investment issues in conjunction with the Diocese's Investment Managers.

The **Remuneration Sub-Committee** usually meets twice a year to consider and take major decisions on issues relating to employee matters - recruitment, evaluation of pay structures, etc.

The **Safeguarding Commission** usually meets three times a year to advise on the work of the Safeguarding team. Its membership includes a number of professionals working in this area.

The **Safeguarding Response Group** was set up in September 2018 with a view to overseeing the implementation of recommendations identified in the reviews of Safeguarding procedures. The group met several times during 2020.

The **Maryvale Institute Sub-Committee** was set up in September 2019 with a view to overseeing the work of the Maryvale Institute as part of the Diocese and includes a number of the former Trustees of the Maryvale Institute. This Committee normally meets four times per year.

During the year, meetings were held virtually given the restrictions on meeting in person due to COVID-19.

On the above committees, in addition to Trustee and employee members, competent advisors are invited to contribute.

The pastoral oversight of the charity is conducted by the Archbishop in regular consultation with the Archbishop's Council. This body assists the Archbishop in all decisions affecting the life of the Archdiocese. A majority of members of the Archbishop's Council are also Diocesan Trustees.

The Board of Trustees fulfils the Canonical role of the Diocesan Finance Committee as set out in the requirements in Canon Law in Canon 492. The Vicar General's Office, situated in the registered office, has a defined canonical role. The Vicar General, an ex officio Trustee, is responsible for personnel issues relating to the clergy in the Archdiocese. Appointments to parishes and other diocesan offices are made by the Archbishop in consultation with the Vicar General and the Archbishop's Council.

The day to day legal and financial affairs of the charity are administered from the registered office (known within the Archdiocese as the "Curial Office"). The Chief Operating Officer oversees the work of the Safeguarding, Finance, Property, Human Resources, Communications, Fundraising, Legal and Planning functions.

Also based at the Registered Office is the Diocesan Tribunal, which deals mainly with marriage annulment petitions, the office of the Chancellor who deals with other Canonical matters,

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2020

Trustees (continued)

and the Historic Churches Committee office, which is responsible for the supervision of works carried out to our buildings of historic importance.

There is also the Council of Priests which meets twice per year with the Archbishop to discuss and give advice on a wide range of issues. The Council is composed of approximately 35 priests of the Archdiocese, with a representative of each of 18 deaneries together with ex officio priests with diocesan responsibilities and the members of the Archbishop's Council.

Each Diocesan Bishop is empowered to appoint a Chapter of Canons to take responsibility for the organisation and maintenance of his Cathedral. Within the Archdiocese of Birmingham, 16 senior priests constitute the Chapter of Canons and are consulted by the Archbishop on important Diocesan matters (Code of Canon Law 503ff). They have also been constituted as "The College of Consulters" to fulfil the legal requirements of Canon 495ff.

At parish level, the parish priest is responsible for all aspects of running his parish. Parish priests are not employees; in HM Revenue and Customs terms they are Holders of Religious Office and effectively act as agents for the Trustees in all but the purchase and disposal of property and investment assets. Each parish is required to have a finance committee which meets at least twice per year to support and advise the priest, particularly in the areas of finance and property. A comprehensive manual of "Parish Financial and Administration Guidelines" is issued by the Archdiocese to parishes. This is updated regularly. An "ad clerum" is issued by the Archbishop regularly through which policies are communicated to priests covering both liturgical/pastoral and, when required, financial and administrative matters. Further support is also available from Deans and the Archdiocese.

The Diocesan Education Service deals with all issues concerning Catholic primary and secondary schools within the Archdiocese. This includes administration of all school building projects, liaison with school governors, admittance appeals procedures, policies for teacher appointments and the establishment of a policy for conversion of schools to Academy status. It also works in conjunction with Ofsted to provide consistency and equality of Catholic education. The office is situated in Coleshill.

COVID-19

The work of the Diocese has been affected by the COVID-19 pandemic and the Government restrictions imposed in March 2020 and subsequently all churches were closed for some months as were both central and parish offices. A committee including two Trustees has been meeting regularly to oversee the reopening of Churches. Guidance from both the Government and from the Catholic Bishops' Conference has been disseminated to all parishes. An on line risk assessment procedure was made mandatory before any churches were opened for private prayer and also for the holding of public Masses. Many of the Churches in the Diocese were able to utilise live streaming of Masses and this has proved extremely popular. A group has been created to consider how to utilise live streaming of Masses not just to meet the needs of those who cannot attend, but also as a way of reaching out to other members of the community.

The Diocesan Education Service has been supporting schools with advice on the measures required to reopen and the Maryvale Institute Committee has been overseeing the appropriate measures at Maryvale which has continued its work providing academic courses on-line, since residential courses have not been possible since March 2020. Courses supporting the Catechetical work in parishes have been suspended while restrictions are in place.

A separate committee has been considering the procedures for the reopening of offices and appropriate risk assessment procedures have been put in place. The Diocese has availed itself of the Government furlough scheme to assist with meeting the salaries of staff unable to work from home. At one stage some 40% of Diocesan staff were on furlough. Fortunately, most staff were able to work from

COVID-19 (continued)

home with others taking advantage of the flexible furlough options. A number of new working practices have been introduced to cope with the restrictions.

In parishes, guidance has been provided to local Parish Priests and staff to cope with the fact that many parish offices are located within the Presbytery - which is also the Priest's residence.

In all of the above, the safety of clergy, staff, parishioners and students has been seen as paramount. While restrictions continue to be necessary the Trustees will continue to monitor the situation and oversee implementation of guidance received as it is issued.

Financially there have been three main impacts: on income received, on costs and on investment values.

For the period when public Masses were not possible the normal Sunday collections could not be taken. Measures were put in place to encourage giving by other means e.g. standing orders, and the Diocesan website was configured to enable it to accept on-line donations for any of the parishes within the Diocese. Income from hall hire and other sundry sales has ceased, or been greatly reduced, but this has been mitigated by the fact that costs have reduced commensurately.

General Costs have been reduced in many cases since offices were temporarily unusable and salary costs were mitigated by the Government Furlough scheme. However, costs have increased through the need for additional personal protection - most especially at parishes, although the Trustees are very mindful of, and grateful for, the work of many hundreds of volunteers who assist with cleaning and stewarding to enable their local parish Masses to take place.

The value of Diocesan Investments fell sharply in the early part of 2020 as the full impact of the virus became better known. However, since then the portfolio has recovered much of its value, although it remains below the level at the start of the year. Income from investments is expected to reduce for 2020 and the subsequent year.

Overall the level of reserves and liquid resources held by the Diocese ensures that there is no cause for concern. However, in order to alleviate any local impact on individual parishes the Committee which oversees the allocation of grants to "poor" parishes has taken special care to ensure consideration is given to increasing grants to cover short term needs due to the impact of the virus. It remains difficult to make precise judgements about the long term impact of the virus on parish life. How the Diocese meets the spiritual and social needs of its parishioners and those in the community it serves will change to reflect the "new normal". However, the Trustees do believe that the Trust is well placed to meet the challenges this will bring.

GOING CONCERN

The Trust's activities, together with the factors likely to affect its future development, principal risks and uncertainties facing the Trust and its availability of unencumbered cash reserves are set out within the Trustees' Report on the following pages.

Its financial position in terms of the year's results, its assets and liabilities and movement in cash is set out in the primary financial statements on pages 26 to 29. While there has been some depletion of cash reserves in 2020, it is important to note that there are fixed asset investments which are readily available to defray these if required. The Trust has considerable financial resources, mainly in the form of investments and property, and whilst it recognises that offertory income is declining, it has taken steps to mitigate this by reviewing the deanery structure including strategic planning to respond to demographic changes, and to investigate additional income streams, including external grant funding and planned giving within parishes.

GOING CONCERN (Continued)

The Trustees believe that there are no material uncertainties about the Trust's ability to continue as a going concern. The Trustees therefore have a reasonable expectation that the Trust has adequate resources to continue its operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have a formal risk management process to assess risks and implement risk management strategies. This involves the identification of the types of risk faced by the charity, assessing the likelihood and potential impact of occurrence and identifying means of mitigation. Risks have been categorised under five broad headings: Governance, Operational, Financial, External and Compliance.

These are assessed as to the likelihood of their occurring and the severity of the effects of the risk leading to a potential overall impact calculation in order to give a scale of relative importance/urgency to each one.

The current highest overall adverse impact risks identified are; to income through reducing Mass attendances generally and specifically as a consequence of COVID-19; an increasingly ageing and therefore reducing number of clergy who are expected to undertake ever more administrative responsibilities; adverse publicity and financial impact of historic abuse cases; data protection and security and the continued challenge of maintaining property. The Trust has taken steps to mitigate these risks, by recruiting priests from overseas, amalgamating small parishes where possible, and in encouraging collaboration where it is in the best interest of the community the parish serves.

Achievements and performance review

Diocesan Curia

The Diocesan Curia continues to support the activities of the clergy in the parishes as well as providing financial support for various activities relating to pastoral care and help such as youth formation and activities, religious education, area catechists, marriage guidance and poor parishes. Financial support is also given to Catholic national organisations together with chaplaincies and commissions within the Archdiocese e.g. prisons, hospitals, universities, ethnic and disabled groups, ecumenism, interfaith, justice and peace, and overseas development. The Archdiocese maintains the offices of the Vicar General, Safeguarding Team, Matrimonial Tribunal and Treasury functions together with the Press Office, Diocesan Archives, Historic Churches Committee, and also supports the Bishops' houses together with the Liturgy Commission and the Art and Architecture Committee. The Archdiocese continues to work closely with and support its associated charities, Father Hudson's Society, St Mary's College - Oscott, The Kenelm Youth Trust Ltd and Barberi Newman Academy Trust, through liaison and common trustees.

Safeguarding

As previously reported the Archdiocese was selected by the Independent Inquiry into Child Sexual Abuse to be one of two case studies as part of their investigation into the Catholic Church. As a result of the final and initial reports, the Diocese has put in place a number of improvements to its Safeguarding provisions.

- IICSA and the national review of safeguarding arrangements
- Following the Independent Inquiry into Child Sexual Abuse (IICSA) case study of the Archdiocese of Birmingham which reported in 2019, IICSA completed their inquiry into the Catholic Church in England and Wales in 2020. The final IICSA report highlighted the concerns identified across its case studies and additional hearings into the Church nationally, as such abuse and failings previously identified relating to the Archdiocese were again reported. However, there was also some more

Achievements and performance review (continued)

positive comment on changes that had taken place more recently within the Archdiocese in response.

A review was commissioned of safeguarding nationally through the Catholic Bishops Conference of England and Wales, following the IICSA hearings and this reported in 2020 with a series of recommendations. Whilst most significant changes relate to national structures there will be an impact locally especially regarding safeguarding governance with the replacement of the Safeguarding Commission with a Sub-committee of Trustees. Changes are being implemented in 2021. Religious congregations will no longer be aligned to individual Dioceses for the provision of safeguarding services (around 30 had been aligned to Birmingham). The costs associated with the outcomes of the inquiry amounted to £193k (2019: £277k).

- Relationship with Barnardo's

The Archdiocese has continued its relationship with Barnardo's in 2020 to provide professional social work supervision to the Head of Safeguarding and to review safeguarding casework. Reports from Barnardo's in 2020 consistently highlighted the high quality of the current practice of the safeguarding team.

- Full permanent team

Following the recruitment of a permanent Head of Safeguarding in 2019 final appointments were made in 2020 to replace agency staff and a full permanent team is now in place.

The trustees are continuing to implement their responses to the recommendations of the IICSA report, and to monitor its safeguarding provision more effectively.

Parishes

The parishes are the core of the Archdiocese. A major function of parishes is the celebration of the liturgy and the provision of spiritual and pastoral care; however, much other unseen and unheralded charitable work also goes on greatly enriching the local communities which they serve.

Weekly average Mass attendance was approximately 22,200 (2019: 53,300), including both adults and children. During the year there were 2,068 baptisms and receptions (2019: 4,442) 203 marriages (2019: 504) and 3,695 funerals (2019: 3,233).

Mass count fell by 59% (2019:4% fall), which is in the main, due to the impact of COVID-19 on mass attendance, and churches being temporarily closed during part of 2020. Parish offertories and other collections (excluding tax reclaims) decreased to £5.4m (2019: £7.7m). The average offertory giving amount per head (including children) increased by £2.11p to £4.66 per week (2019: £2.55). However, it should be noted that many parishioners continued to make their weekly offertories by standing order or online giving, despite not attending mass, and therefore not being included in the mass attendance data, so this has caused an anomalous average. In addition, parishes raised and paid over more than £0.44m (2019: £1.15m) on behalf of other religious and other charitable organisations.

Diocesan Education Service

The Diocesan Education Service (DES), based in Coleshill, represents the interests of the charity in relation to the 240 maintained Catholic schools within the diocese. Of these, 237 schools (203 schools for children aged 4-11 and 34 schools for those aged 11-16/19) operate under the charity's trust deed and 3 operate under separate trust deeds of religious congregations. No capital expenditure is made by the charity in relation to the latter 3 schools; however, the Service does provide some advisory services to them. As part of our mission and aims the DES remains committed to providing the best possible service to all of our schools and academies in order that they are able to deliver the best possible Catholic education to all of our children and young people across the diocese.

Achievements and performance review (continued)

In 2020 the Diocesan Academy Strategy continued to develop significantly across the Archdiocese:

- A new role of Catholic Senior Executive Leader (CSEL) post emerged - a hugely positive development in terms of the Executive Leadership of our Multi Academy Companies (MACs).
- 7 Diocesan maintained schools converted to Academy status
- There were 121 Academy Schools within 18 MACs at the end of 2020.

The Service's functions include:

- the obtaining of grant finance and management of building projects for diocesan schools
- the administration of "School Building Fund" accounts for each school
- the administration and appointment of foundation governors
- the administration and appointment of Academy Foundation Directors and Foundation Academy Representatives
- ensuring sufficiency of places for Catholic children in liaison with the Department for Education and the 13 Local Authorities within the diocese
- the provision of training and support to schools, governors and academy board directors with day to day operations including admissions and appeals, grievance and disciplinary procedures and safeguarding issues.
- Advice and guidance for School Leaders, Person In Charge of Catholic Life (PICCLs), RE Leads and Lay Chaplains in regard to Catholic Education
- Provide updates regarding aspects of RE, Catholic Life and Collective Worship
- Provide inspections and interim visits to ensure that schools meet their statutory obligations in relation to Section 48 and Canon 806.
- Provision of advice and guidance on good practice in relation to all aspects of the recruitment and appointment of senior leaders, Executive Leaders, Heads of RE, PICCLs and curriculum leaders of RE.

The grant assisted capital programme for the year ended 31 March 2021 was £ 110 million, of which the Diocese was allocated £8.3 million for capital works in our schools.

The Service administered a building programme of 96 different projects. Of these 31 were valued over £100,000 and 4 over £200,000. As explained on page 32, a significant proportion of this programme is conducted on an agency basis and is therefore not included in these accounts.

Working with the Catholic Education Service, Department for Education, local authorities and other national agencies, the Service makes valuable contributions to the on-going development of Catholic education in this country, offering guidance on the publication of new resources and contributing to advisory groups and national working bodies. The DES continually strives to provide the best possible assistance for Catholic schools in a changing climate of education in this country.

Youth activities

All provision for young people was amalgamated under The Kenelm Youth Trust Limited (KYT) in 2016. KYT receives significant funding from the Archdiocese to maintain provision of the Diocesan youth services.

Two of the trustees of the Archdiocese also served as trustees of KYT in 2020, providing the strategic links with the Archdiocese.

KYT provides a comprehensive and unified ministry for 7-25 year olds, which includes the residential retreat centre at Alton Castle in Staffordshire, The Soli Centre for Youth Ministry which is a residential centre for those aged 15-25 located next to Alton Castle, the Birmingham Catholic Youth Service (BCYS) which works within parishes, and the School Chaplaincy Project, working closely with the Diocesan Education Service in schools within the Archdiocese.

Further information on the work undertaken by KYT can be found on the Kenelm Youth Trust website.

Achievements and performance review (continued)

Evangelisation

Evangelisation staff were furloughed for part of the year, and when they returned to work responded to the challenge of the pandemic by developing online sessions, YouTube videos and podcasts to remain connected to parish communities. The national God Who Speaks campaign was actively promoted throughout the year, with Alpha and Sycamore projects also run via Zoom.

Monthly Zoom meetings were established to share ideas on New Evangelisation, and support was provided for a Diocesan wide weekly Lent retreat. A COVID impact survey was also undertaken. In the summer of 2020, the 'Something Greater' initiative was launched to reconnect parishes to consider how to reconnect with returning parishioners.

Marriage and Family Life

The highlight of the year was the Thanksgiving Mass for Marriage, celebrated at St Chad's and live streamed. Over 100 couples with significant anniversaries were represented.

Earlier in the year, we attended the Dicastery for Laity, Family and Life in Rome, an international conference on the pastoral care of the elderly.

Promoting and assisting parishes with marriage preparation, support and enrichment alongside the main providers – Marriage Care, Worldwide Marriage Encounter (Engaged Encounter), Smart Loving, Teams of Our Lady.

By moving online, we were able to increase our support to couples experiencing difficulties.

As part of the Year of the Word, resources were provided to parishes to encourage families to explore scripture in the home, with weekly reflection on the Sunday Gospel being circulated, as well as Lenten resources.

Communications

The communications team supports and promotes the work of curial departments, parishes and schools in a variety of ways, utilising the website, social media channels, diocesan publications and media outlets. It also responds to media enquiries and supports parishes, clergy and staff in their dealings with the media.

There were two editions of the official Diocesan publication, *The Sower*, in 2020, reduced from three due to the pandemic. The second edition, issued for Advent, focused on the good work of families, parishes, schools and communities during the pandemic and was particularly well received.

In 2020, the work of the communications team increased as many more resources and videos were added online to support Catholics during the pandemic, as well as updates on church closures, vaccinations and other COVID-19 related issues. The number of visitors to the website increased to 186,277 from 130,009 in 2019 and 182,292 of these were new visitors.

The team supported St Chad's Cathedral with the set up of a camera for live streaming just ahead of Easter. The website listed all parish webcams, provided Easter resources and ran a virtual Walk of Witness. The team also supported with the running of the first online Lourdes pilgrimage in May.

Achievements and performance review (continued)

Maryvale

With the appointment of the new Dean, Dr Birute Briliute in January 2020 the Institute was able to focus on the teaching program offered. In response to the global pandemic all teaching and exams were moved online from March 2020 for both academic years. The Institute also began rationalizing courses offered and focusing on student recruitment. We were also delighted that Bishop David Evans, newly appointed auxiliary bishop responsible for the formation strand of the Diocesan plan was appointed to the Maryvale Institute Council.

The financial impact on the Institute of COVID-19 has been significant and required the Institute to reorganize and reduce costs, with an ongoing review of operations continuing through 2021.

Vocations Office and Clergy Training Fund (CTF)

The principal purpose of the Clergy Training Fund is to finance the costs of formation of seminarians preparing for the priesthood and those men in formation for the permanent diaconate in the Archdiocese. The fund also finances the cost of clergy who are doing further studies and events organised for the ongoing formation of clergy. In the academic year 2020/21 there was one seminarian at the Royal English College in Valladolid, Spain, four seminarians for the priesthood at St Mary's College, Oscott, and three seminarians at the Venerable English College, Rome. In this academic year there were also fourteen men in formation for the permanent diaconate.

In 2020 there were 4 ordinations to the priesthood, and 3 permanent deacons were appointed. The Vocations Office primary purpose is to promote vocations to the priesthood, the diaconate and the religious life.

The CTF also finances the work of promoting a culture of vocation throughout the Archdiocese, and seeks to encouraging young people to discern a call to the specific states of life: Priesthood, Diaconate, Consecrated, Single and Marriage. This is done mostly by initiating projects, organising events and programmes for parishes, deaneries, schools and universities. They produce and distribute publicity materials and maintain a variety of online media, including websites and social media channels.

Each year, five discernment weekends at St Mary's College, Oscott are planned for those discerning a vocation to the priesthood. The Vocations Office also supports the work of the Ongoing Formation Committee which organises formation days for the clergy of the archdiocese. Unfortunately, due to the COVID-19 restrictions, a number of ongoing formation events this year have had to be cancelled or postponed, but work is currently underway to develop the calendar for the coming year.

The Guild of St Stephen for Altar Servers is also run from the Vocations Office, and this provides a confraternity for Altar Servers around our Archdiocese. Events for Altar Servers are planned by the Vocations Office, and these include, the annual Mass at St Chad's Cathedral, a retreat for Altar Servers and a training day. These are also further opportunities to raise an awareness of discerning God's call for the young servers of the archdiocese.

The CTF supports the Vocations Director, and since the winter of 2018/19 employs two full-time Vocation Promotion Outreach fieldworkers. The work of the Vocations Office is supported by three part-time administrative staff.

The fund's main sources of income are the annual second collection in parishes on Vocations Sunday and a regular giving scheme organised through parish CTF secretaries. Regular parish appeals are made throughout the year to increase the revenue and donors are encouraged, where appropriate, to Gift Aid their contributions. They are also asked to consider including a bequest in their wills. In the past year, the CTF has been encouraging people to take out standing orders for their donations and increasing the number of Gift Aid donations.

Achievements and performance review (continued)

Birmingham Diocesan Lourdes Pilgrimage

The Lourdes Committee organises an annual Diocesan Pilgrimage each year providing facilities to take sick, infirm and disabled pilgrims to Lourdes. For 2020 however, due to the restrictions resulting from COVID-19, the annual pilgrimage was unfortunately cancelled.

In 2021 as restrictions persisted on overseas travel, in its stead a virtual pilgrimage was held with masses and events live-streamed from Lourdes, using a mixture of social media and live streaming platforms. The virtual pilgrimage was held over 6 days, and held over 773 hours of content, with 21 videos and live

streams. There were over 3,500 social media engagements (likes, comments, shares) and almost 9,000 visits to the pilgrimage web page. There are plans to repeat this in 2022, which will enable those unable to make the visit to experience the spiritual and uplifting joy of Lourdes from home, and perhaps encourage visits to Lourdes in the future. There are plans to hold a trip to Lourdes in 2022.

Development

Despite a major shift within the funding landscape and changing priorities for local and national funders, the development team successfully secured funding valued at just over £1 million via 49 successful grant applications.

Additionally, as an example of our commitment to partnership working, we helped secure a grant of just over £2.9 million from the *Bishop's Conference* to fund capital works to Catholic churches around the country; of which £142k which was used to update the Cathedral fire alarm, reflected in these accounts. Finances accrued by the Team have helped us support 35 valuable projects including the Archives Project at the Venerable English College in Rome (awarded by Porticus Foundation) and a successful £186,000 (reflected in the financial statements) bid to the Heritage Lottery Fund used for essential repairs to St Mary & St Egwin Church in Evesham.

Other significant projects for which grants were obtained included £92,000 from Historic England to update St. Chad's Cathedral's fire alarm system; £48,000 awarded by the Heritage Lottery Fund to continue our support and development of Harvington Hall and our engagement with the Enover Community Fund to aid in the refurbishment of both St Thomas Church in Wolverhampton and Our Lady of Lourdes Church in Hednesford.

The team's commitment to our parishes has been vital throughout 2020. We have increased our online giving portals by assisting parishes to create donate buttons and install contactless devices. With the move to virtual worship, we have expanded virtual donating opportunities and revenue streams. Also opening up an ongoing conversation with regard to social action and local parish community support to create a growth area within our funding streams when supporting our buildings. At a time when parishioners were unable to access places of worship and introspection in the traditional ways, it was the team's priority to ensure that support was available for them to access spiritual, pastoral and emotional guidance in whatever ways prudent and practical. As demonstrated by the projects we continue to support through funding and knowledge, this has been a time to put systems in place which support the longevity of the Church and its assets both locally and further afield. As always we extend gratitude to all the trustees who have contributed at this unusual time.

Fundraising

The *Charities (Protection and Social Investment) Act 2016* requires those charities subject to auditing to disclose in their Financial Statements their fundraising activities.

The Trust ensures the highest ethical standards with a dignified approach. This is rooted in respect for our donors and parishes and follows the principles of Christian stewardship. The Trust accomplishes these standards within a truly transparent and efficient framework. The Trust does not use external fundraisers, allowing for all parishioners to donate, secure in the knowledge that their contributions will be used to enable the Church to continue playing a major role in their communities, encompassing buildings, worship, prayer, catechesis and pastoral care.

Achievements and performance review (continued)

Our donation and legacy programmes continue to provide a large portion of our income. This is where our knowledge and experience of working within the diocese is essential in maintaining trust and accountability. Understanding the importance of the clergy, at all levels, cannot be underestimated, as they are the official representatives of the Church and the ones with the personal and pastoral relationships with the people. The Trust recognises and values each and every donation from its supporters and are mindful to use funds responsibly and in line with The Churches Mission and Vision.

The Trust works closely with internal stakeholders to maximise giving wherever possible and create a community of generous stewards united in using all God has given us to love him, love ourselves, and to love our neighbour as ourselves. The Trust actively encourages the use of Gift Aid and promotes and ensures fully inclusive information to support donors concerning their tax status. The Trust places no pressure on our Church communities but works towards creating a culture of giving where possible, allowing for diverse and inclusive methods of donating including Time and Talent. The Trust is keenly aware of the ethical and moral implications of accepting donations and are committed to ensuring the emotional and physical health of those donating.

The Trust is registered with the Fundraising Regulator whose code of Fundraising Practice provides a framework within which the Trust operates to ensure that its fundraising practices meet the moral, compliance and professional standards expected of a charity. The Trust has, to its knowledge, fully complied with the Fundraising Regulator's code of Fundraising Practice, and there have been no complaints to the Trust in regard to its fundraising activities.

Investments

Investments held by the charity were acquired in accordance with the powers available to the trustees and are held under the nominee name of its Investment Managers, Smith & Williamson Investment Management LLP. The Diocesan Investment Scheme allows individual parishes to benefit from the opportunities available from investing in the stock market, this activity generates income for these parishes, which in turn aids their charitable work by providing additional resources for use in the parish and wider community. The charity's investment managers professionally manage the underlying investment portfolio, the performance of which is regularly reviewed by the Diocesan Investment Sub-Committee. The investment managers are also responsible for the safe custody of these assets. Included in the value of investments is a significant unrealised surplus and this figure will vary year on year as property and stock market values fluctuate. The trustees have adopted a "total return" approach to the charity's investments in order both to generate further funds for charitable activity and also to ensure the best possible overall return on its investments by allowing its brokers to take advantage of capital growth opportunities.

In the year to 31 December 2020 the value of Diocesan stock market investments, in line with stock markets generally, showed a recovery. This is reflected in these accounts. The trustees consider the total return on investments to be reasonable over the years, when measured against the various published indices used to monitor performance and the prevailing market conditions. The fair value of the Diocesan Investments at 31 December 2020 amounted to £33.1m (2019: £35.5m).

This includes some realisation of investments to fund property acquisitions and the increase in value on revaluation as shown in these accounts of £1.1m (2019 increase of £5.2m). Income from stock market investments in the year was £0.84m (2019 £1.14m). Sales of assets may be required in 2021/22 to compensate for reduced income in parishes in 2020/21.

Investment policy

The trustees intend that the real value of their assets be maintained and enhanced over the long term by investment in a portfolio comprising equities, fixed interest stocks and cash. The portfolio is managed on a discretionary basis. The current investment criterion is that a balance should be maintained between income and longer-term capital appreciation within the framework of a low/medium attitude to risk.

Achievements and performance review (continued)

Ethical Investment Policy

The trustees wish to invest in accordance with the teachings of the Catholic Church and have adopted an ethical investment policy in the light of Church teaching and the Charity Commission's guidance on ethical and responsible investment. The trustees are aware that ethical restrictions limit the scope to invest and may affect the level of income and the total return generated by investments, thereby potentially reducing the income available to fulfil the Charity's objectives. The policy seeks to balance the long-term needs of the investment portfolio performance with the desire to invest within ethical industries and avoid investment in organisations operating in conflict with Church teaching. The policy applies only to companies held directly within the portfolio but the policy includes the proviso that investment managers should seek to exclude from the portfolio funds with major investments in prohibited areas on a best endeavours basis. A copy of the full policy can be found on the Diocesan website.

External factors affecting performance

Charity Commission Statutory Inquiry

On 31 December 2018 the Diocese was formally informed by the Charity Commission that a Statutory Inquiry had been opened into the management of safeguarding procedures at the Archdiocese. The Investigation phase of this Inquiry was completed by 31 March 2019 and in April the Archdiocese was required to report on 19 specific areas of its safeguarding work. The Archdiocese complied with the requirements of the Charity Commission and submitted a report on those areas on 21 July 2019. On 3 September 2019 the Charity Commission issued a Report and closed the Inquiry. No external costs have been incurred in respect of the Charity Commission Statutory Inquiry.

Safeguarding arrangements in respect of children and adults who may be at risk continue to be developed in line with the policies and procedures of the Catholic Church in England and Wales, which are issued in conformity with the relevant legislation and guidance, including the Charity Governance Code.

The Charity as part of the worldwide Catholic Church

The charity forms part of the wider Catholic Church throughout the world and as such is answerable ultimately to the Pope and the Vatican. Therefore, policies or situations and activities involving the wider church, which of course includes other Dioceses in the UK, will have an effect on the policies, strategies and performance of the charity. In managing its affairs, the charity must also be mindful of the requirements of Canon Law as promulgated by the church authorities.

The impact of Government policy of Catholic Schools

The charity's spending on schools will also inevitably be influenced by Government policy.

Public benefit

Much consultation has been had between the Charity Commission and religious charities in relation to the question of public benefit. We are encouraged that the Commission acknowledges the intangible spiritual benefits that the charity works to provide. Jesus said "you shall love your neighbour as yourself". Our parishes and retreat centres etc. reach out beyond their own congregations locally, nationally and indeed internationally, via all sorts of initiatives from simple collections at the end of Mass, to more practical assistance such as assisting the disabled, bereavement counselling and visiting the sick at home and in hospital. Catholic schools are increasingly populated with non-Catholic children whose parents value not just their proven educational excellence, but also the moral codes and practices which support it. The young adults leaving our schools will go on to become valued members of society. Our churches etc. and the services of our clergy are open to all who wish to explore whether the Catholic Church can help them to enrich their spiritual lives.

The Trustees believe that they have complied with the duty in Section 17 of the 2011 Charities Act to give due regard to the various guidance notes published by the Commission.

Birmingham Diocesan Trust

Trustees' report (continued)

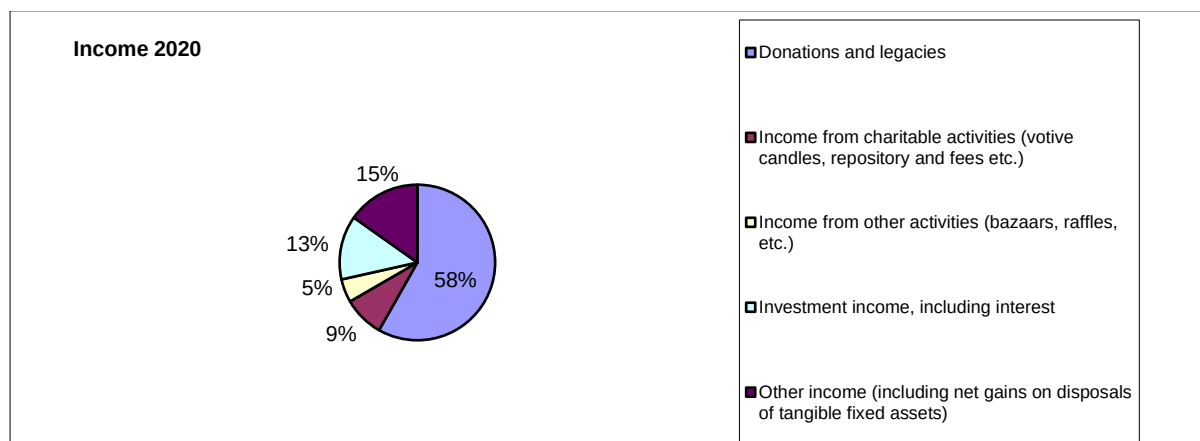
For the year ended 31 December 2020

FINANCIAL REVIEW

The financial statements reflect the activities of the parishes within the Archdiocese, the central support activities, the Diocesan Education Services, youth services and the operation of various centres of religious activities. The financial statements also include the transactions, assets and liabilities of those charities and trust funds detailed in Note 17 to the financial statements. The figures do not include the operation of parish clubs, nor do they include separately registered Roman Catholic charities within the Archdiocese, other than those listed in Notes 17 & 18 to the financial statements.

The Statement of Financial Activities of the Archdiocese for the year ended 31 December 2020 on pages 26 and 27 shows income of £19.5m (2019: £22.23m) analysed as follows:

	% 2020	2020 £m	% 2019	2019 £m
Donations and legacies (offertories, donations, legacies, Gift Aid, etc.)	58	11.29	64	14.15
Income from charitable activities (votive candles, repository and fees etc.)	9	1.64	9	1.96
Income from other activities (bazaars, raffles etc.)	5	0.94	8	1.88
Investment income, including interest	13	2.66	14	3.19
Other income (including net gains on disposals of tangible fixed assets)	15	2.95	5	1.05
		19.48		22.23



Birmingham Diocesan Trust
Trustees' report (continued)
For the year ended 31 December 2020

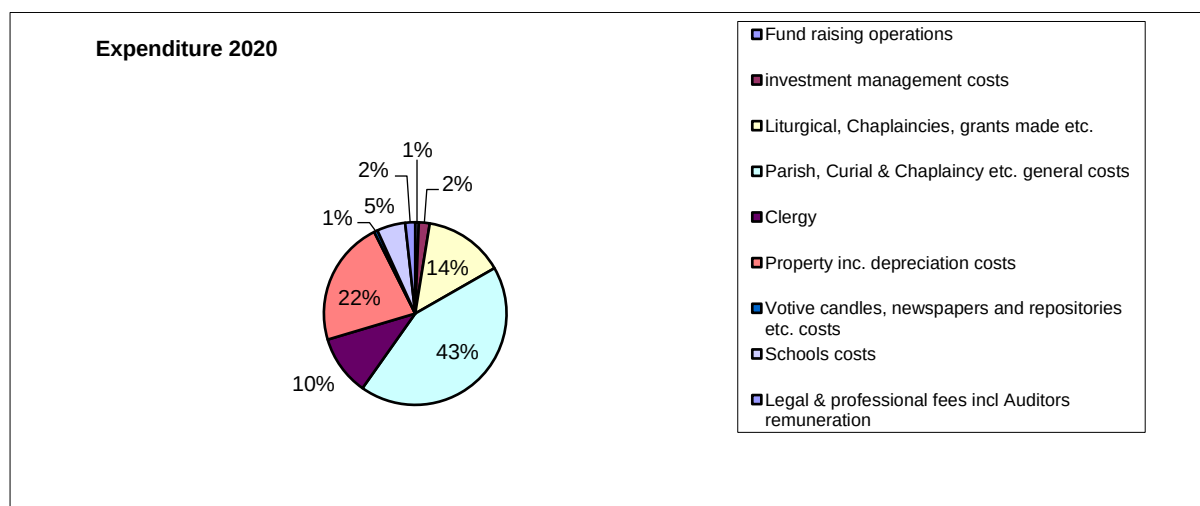
Financial review (continued)

Expenditure amounted to £23.85m (2019: £26.13m) analysed as follows: -

	% 2020	2020 £m	% 2019	2019 £m
Expenditure on raising funds:				
Fundraising operations	1	0.15	1	0.29
Investment management costs	2	0.46	2	0.44
Charitable Activities:				
Liturgical, Chaplaincies, grants made etc.	14	3.38	15	3.91
Curial, Parish and Chaplaincies** etc. general and administrative costs	43	10.27	41	10.59
Clergy costs	10	2.53	12	3.15
Property (including depreciation and impairment)	22	5.29	24	6.29
Votive candles, newspapers and repositories costs	1	0.15	1	0.33
Schools costs	5	1.20	2	0.54
Legal and professional fees (including auditor's remuneration)*	2	0.42	2	0.59
		23.85		26.13

*Legal and professional fees include costs relating to IICSA of £0.19m (2019: £0.28m).

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



This resulted in an operating deficit (i.e. before considering the impact of gains and losses on investments and other assets) of £4.4m {£4.9m loss on unrestricted funds, £0.48m surplus on restricted funds and endowment funds} (2019: £3.996m loss {£4.104m loss on unrestricted funds, £0.208m surplus on restricted funds and endowment funds}), and an overall loss for the year of £1.821m after investment gains on the stock market, and investment property gains. {£2.432m loss on unrestricted funds, £0.611m surplus on restricted funds and endowment funds, and before transfers} (2019: £4.313m surplus {£3.603m surplus on unrestricted funds, £0.710m surplus on restricted funds and endowment funds, and before transfers}).

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2020

Financial review (continued)

The investments held by the parishes and the Archdiocese (mainly quoted investments) again produced substantial income to defray running costs, however there were realised and unrealised gains amounting to £1.05m (£0.921 gain on unrestricted funds, £0.129m gain on restricted funds and endowments) (2019: £5.2m gains (£4.7m gain on unrestricted funds, £0.5m gain on restricted funds and endowments)) as a result of an improvement in market conditions in the second half of the year. Realised and unrealised gains on investment properties amounted to £1.5m (2019: £3.0m gain).

The net effect of the above is that, over the year, the funds of the charity decreased by £1.82m (2019: £4.31m increase) to £119.84m (2019: £121.66m).

Weekend Mass attendance figures reduced by 59% (4% in 2019). Mass offertory fell by 23.9%. (2019: decreased by 0.4%). While overall income from offertory, legacies and donations decreased by £2.9m, this movement is mainly as a result of the COVID-19 pandemic. There was a decrease in the overall value of legacies of £0.7m, to £0.7m in 2020 (2019: £1.4m). Grants increased in 2020 by £0.2m to £1.4m (2019: £1.2m). The net increase in grants was due to the Government's Coronavirus Job Retention Scheme. Other grant income reduced because of funding being withdrawn for projects that were not COVID-19 related. Awards for All for example changed their funding criteria to allow only projects that were COVID-19 related.

Costs rose with the substantial expenditure on the maintenance of churches, presbyteries and parish halls (due partly to the increase in available resources from grant income). Legal costs were significantly less for 2020, due to costs relating to IICSA having mainly crystallised in 2018, but there was still some expenditure as a result of the findings of the IICSA report, and work that was done to address the recommendations. Schools' costs increased, due to the timing difference on school building projects for which the Diocese acts as principal, and which therefore are included in the accounts. Costs also include those to train men for the priesthood, look after aged and sick priests, as well as the normal everyday costs of running parishes.

Pressure on an increasingly ageing priest resource continues which has meant that further linking of parishes has been needed and will continue. Priests now need more and more to focus on their Eucharistic, Sacramental and Pastoral ministry, often being asked to take on dual or multiple roles. This has meant them having to delegate the historically administrative side of their roles to the laity, many of whom will prove a more expensive alternative. Central and administrative costs continue to feature with the ever-increasing burden of statutory and regulatory controls imposed on the charity. Thus with the general trend of falling parishioner and priest numbers, the trustees are mindful of the need for prudent financial resource management and also the need to continue to investigate increasing income streams going forwards.

Cash reserves

The charity's total cash reserves increased by £3.1m to £6.3m (2019: £0.7m decrease to £3.2m). Cash was used for legal and professional costs relating to IICSA (£0.2m) (2019: £0.3m cash, £0.3m was accrued) and repairs, purchase and improvements to functional properties. Unrestricted cash reserves in parishes decreased by £0.7m to £5.5m (2019: £1.0m decrease to £6.2m) whilst Diocesan unrestricted cash reserves increased by £0.7m to a deficit position of £15.3m (2019: £1.4m decrease to £16.0m deficit). This movement being in the main a historic legacy of spending on schools and also during 2020 a reflection on the timing of the receipt of various grants, together with increased central costs and grants made to other charities as referred to above.

Reserves policy

Unencumbered reserves, for this purpose defined as unrestricted stock market investments and cash - £24.2m (2019: £27.2m), are approximately 111% of annual unrestricted expenditure (2019: 114%).

The trustees would not normally wish to see unencumbered reserves of less than 100% of annual unrestricted expenditure but they recognise that this figure may be exceeded because of the nature of the charity's activities and short to medium term spending exigencies that can arise from parish

Birmingham Diocesan Trust

Trustees' report (continued)

For the year ended 31 December 2020

Financial review (continued)

properties (the timing of which is often based on individual parish reserve levels rather than diocesan led policy) and schools that can vary considerably from year to year.

Fixed assets

In order to fulfil its charitable objectives, the Archdiocese needs a considerable number of properties. Any property which becomes surplus to requirements will be sold but the remainder, although unrestricted, cannot be realised without undermining the work of the Archdiocese.

The fixtures and fittings, and other contents of the properties and the motor vehicles are similarly all used in the work of the charity.

A very small proportion of the fixed assets are already represented by Restricted Funds (Note 18). The trustees also consider it appropriate that the value of other functional buildings and the contents of fixed property assets should be held for charity use and as these assets are therefore unavailable for other uses, they are shown in a designated fund representing the value of these assets (see Note 19).

Key management personnel and remuneration

The trustees consider the Board of Trustees, including the Auxiliary Bishops, the Vicar General and the Diocesan Treasurer, together with the Chief Operating Officer are the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give their time freely, and no trustee receives any remuneration in respect of the work undertaken in the role of trustee. There are members of the Board of Trustees who are also members of the senior clergy of the Archdiocese, and as with other members of the clergy receive a stipend for the work they undertake in their clerical role only. These trustees are identified in the list of trustees on page 1.

Details of key management personnel remuneration and trustee expenses; and related party transactions are disclosed in Notes 10 and 24 (respectively) to the accounts. Trustees are required to disclose all relevant interests and register them with the Diocesan Treasurer and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

PLANS FOR THE FUTURE

The intention for the future is to continue to meet the objectives of the charity as outlined on page 6, in addition to ensuring that the charity continues to meet its statutory obligations, and in particular, the findings of the report from IICSA and the Charity Commission Statutory Inquiry.

Work is continuing on the formulation of a comprehensive Diocesan Pastoral Plan to ensure that resources are focussed on the main themes which have been identified as key to the work of the Diocese. These are Evangelisation, Formation, Worship and Sacramental Life, Charity and Social Outreach. These themes have been presented to Clergy and plans are being formulated to develop discussions with Religious and Laity in Parishes to involve as many people as possible in the process of identifying and delivering the Charity's objectives in future years.

As part of the strategy to increase funding streams for parishes for capital and charitable purposes, further work is planned to increase the use of online giving through internet use, and to continue to identify projects for grant funding.

The Charity continues to review the impact of COVID-19 and the associated restrictions on parish life and the extent to which new technology can assist in maintaining and furthering the Charity's mission in a post-COVID-19 environment.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period. In preparing financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and provisions of the Trust Deed.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial information included on the charity's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware.

Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved at the trustees' meeting held on 18th October 2021 and signed on behalf of the trustees.

Most Rev. B Longley, MA, STL
Archbishop of Birmingham

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BIRMINGHAM DIOCESAN TRUST

Opinion

We have audited the financial statements of Birmingham Diocesan Trust (the 'charity') for the year ended 31 December 2020 which comprise Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BIRMINGHAM DIOCESAN TRUST

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 22, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the charity operates in and how the charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BIRMINGHAM DIOCESAN TRUST

- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the charity's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting any correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Safeguarding, Data Protection Act 2018, and Canon Law. We performed audit procedures to inquire of management and those charged with governance whether the entity is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

Date: 21 October 2021

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Birmingham Diocesan Trust

Statement of financial activities

for the year ended 31 December 2020

	Note	PAROCHIAL			DIOCESAN			TOTAL			TOTAL	
		Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 £000	2019 (Note 8) £000
INCOME AND ENDOWMENTS FROM:												
Donations, legacies and grants	1	9,209	1,317	-	492	276	-	9,701	1,593	-	11,294	14,147
Charitable activities	2	486	-	-	1,148	2	-	1,634	2	-	1,636	1,964
Other trading activities	3	823	117	-	1	-	-	824	117	-	941	1,882
Investment income	4	2,149	7	33	422	28	24	2,571	35	57	2,663	3,185
Other income												
Profit on sale of tangible fixed assets		651	-	-	1,434	-	-	2,085	-	-	2,085	940
Other income	5	68	-	-	-	-	-	68	-	-	68	112
Disposal of school buildings		-	-	-	-	799	-	-	799	-	799	-
Total		13,386	1,441	33	3,497	1,105	24	16,883	2,546	57	19,486	22,230
EXPENDITURE ON												
Raising funds												
Fund raising operations		113	27	-	2	7	-	115	34	-	149	292
Investment management costs	6	426	-	-	29	-	-	455	-	-	455	441
Charitable activities	7	13,088	478	33	8,075	1,551	24	21,163	2,029	57	23,249	25,393
Total		13,627	505	33	8,106	1,558	24	21,733	2,063	57	23,853	26,126
Net (expenditure)/income before gains on investment assets		(242)	936	-	(4,609)	(453)	-	(4,851)	483	-	(4,368)	(3,896)
Gains on investment assets												
Gains, losses and revaluations on investment properties	12	1,345	-	-	152	(1)	-	1,497	(1)	-	1,496	2,963
Gains, losses and revaluations on other investments	12	669	31	44	252	43	11	921	74	55	1,050	5,246
Total		2,014	31	44	404	42	11	2,418	73	55	2,546	8,209
Net income/(expenditure)		1,773	967	44	(4,205)	(411)	11	(2,432)	556	55	(1,821)	4,313

Birmingham Diocesan Trust

STATEMENT OF FINANCIAL ACTIVITIES (continued) for the year ended 31 December 2020

	Note	PAROCHIAL			DIOCESAN			TOTAL			TOTAL	
		Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 £000	2019 (Note 8) £000
Net income/(expenditure)		1,773	967	44	(4,205)	(411)	11	(2,432)	556	55	(1,821)	4,313
Transfers between funds	18	(2,113)	(269)	-	1,871	511	-	(242)	242	-	-	-
Net movement in funds		(340)	698	44	(2,334)	100	11	(2,674)	798	55	(1,821)	4,313
Reconciliation of funds												
Total funds brought forward		95,371	2,312	1,546	14,939	6,805	683	110,310	9,117	2,229	121,656	117,343
Total funds carried forward		95,031	3,010	1,590	12,605	6,905	694	107,636	9,915	2,284	119,835	121,656

All of the charity's activities are continuing.

2019 comparatives for the above are analysed in Note 8.

Birmingham Diocesan Trust

Statement of financial position
At 31 December 2020

charity number 234216

	Note	2020 £000	2020 £000	2019 £000	2019 £000
FIXED ASSETS:					
Tangible assets	11		49,749		49,630
Investments	12		66,553		67,993
Total fixed assets			116,302		117,623
CURRENT ASSETS:					
Debtors due in under one year	13	2,407		3,208	
Debtors due in more than one year	13	80		105	
Total Debtors	13	2,487		3,313	
Cash at bank and in hand	12	6,287		3,207	
Total current assets		8,774		6,520	
CURRENT LIABILITIES:					
Creditors: Amounts falling due within one year	14	(5,205)		(2,447)	
NET CURRENT ASSETS			3,569		4,073
TOTAL ASSETS LESS CURRENT LIABILITIES			119,871		121,696
Creditors: Amounts falling due after more than one year	15		(36)		(40)
NET ASSETS	20		119,835		121,656
THE FUNDS OF THE CHARITY:					
Endowment funds	17		2,284		2,229
Restricted funds	18		9,915		9,117
Unrestricted funds:					
Designated income funds	19	49,454		49,315	
General income funds	19	58,182		60,995	
			107,636		110,310
TOTAL CHARITY FUNDS			119,835		121,656

These financial statements were approved and authorised for issue at the trustees' meeting held on 18th October 2021 and signed on behalf of the trustees by:

Most Rev. B Longley, MA, STL
Archbishop of Birmingham

Birmingham Diocesan Trust

Statement of cash flows

For the year ended 31 December 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Cash flows from operating activities:					
Net cash used in operating activities	21		(4,258)		(4,546)
Cash flows from investing activities					
Interest received		30		89	
Interest /dividends from investment in the stock market		841		1,137	
Rental income from investment property		1,792		1,959	
Purchase of tangible fixed assets		(1,659)		(4,585)	
Proceeds of disposal of fixed assets		2,350		1,400	
Purchase of investments		(1,437)		(2,976)	
Proceeds of sale of investments		4,921		6,091	
Net movement attributable to endowment funds		55		330	
Proceeds of sale of investment properties		500		697	
Net cash provided by investing activities			7,393		4,142
Cash flows from financing activities					
Net movement attributable to endowment funds		(55)		(330)	
Net cash used in financing activities			(55)		(330)
Net decrease in cash and cash equivalents			3,080		(734)
Cash and cash equivalents at the beginning of the year			3,207		3,941
Cash and cash equivalents at the end of the year			6,287		3,207
Analysis of changes in net debt					
		At start of year £000	Cash flows £000	At end of year £000	
Cash		3,207	3,080	6,287	
Loans		(40)	4	(36)	
Total		3,167	3,084	6,251	

Birmingham Diocesan Trust

Accounting policies

for the year ended 31 December 2020

The Birmingham Diocesan Trust ("the Archdiocese", "the charity" or "the Trust") is a charity registered with the Charity Commission of England and Wales, charity number 234216. The address of the Trust's registered office and principal place of operations is Cathedral House, St Chad's Queensway, Birmingham, B4 6EX.

The Trust's principal activity is to provide spiritual and pastoral guidance and care to Catholics and the wider community within the geographical area it covers in central England, in the main the West Midlands, Staffordshire, Worcestershire, Warwickshire and Oxfordshire.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

BASIS OF PREPARATION AND ASSESSMENT OF GOING CONCERN

Basis of accounting

The financial statements have been prepared in accordance with the accounting policies set out below and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)). The Trust constitutes a public benefit entity as defined by FRS102.

The financial statements have been drawn up under the historical cost convention as modified by the revaluation of investments and are presented in sterling, (£'000 except where otherwise noted) which is also the functional currency of the Trust.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Charities SORP (FRS102), rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

The Trustees continue to adopt the going concern basis of preparation of the financial statements. Management have revisited the financial budget for 2021 taking into account the potential impact of COVID-19 on projected income and expenditure. They continue to monitor the cash position on a regular basis (£6.3m at year end). The Diocese also has a significant investment portfolio (£33.1m at year end) that has continued to perform strongly, despite the stock market turbulence in March 2020, the unrestricted element of which provides an extra buffer to be utilised if necessary. Based on the forecasts prepared the Trustees are satisfied that the Diocese has sufficient cash resources to continue in operation for the foreseeable future and can confirm that there are no material uncertainties in relation to the going concern basis of preparation of the financial statements.

The financial statements incorporate the activities of the parishes within the Archdiocese, the central support activities, the Diocesan Schools Commission, youth services and other centres of religious activities. The financial statements also include the transactions, assets and liabilities of those charities and other trust funds detailed in Note 17 to the financial statements. The figures do not include the operation of parish clubs nor do they include the activities of separately registered Roman Catholic charities within the Archdiocese other than those listed in Notes 17 and 18.

Special and other charitable collections on behalf of other charities have not been included in the Statement of Financial Activities as they are not regarded by the trustees as being funds of the Archdiocese. Where any balance has not been paid to the respective organisation concerned, it has been included in creditors.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The trustees do not consider that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

FUND ACCOUNTING

The charity maintains various types of funds as follows:

Restricted funds

These represent funds received which are allocated by the donor for specific purposes. They cannot be used for purposes other than those specified by the donor. The aim and use of the restricted funds is set out in the notes to the financial statements.

Endowment funds

These represent various trust funds which have been donated to the charity. The capital cannot be spent, and any income generated must be spent in line with the donor's instructions.

Unrestricted General and Designated funds

These represent unrestricted income which is expendable at the discretion of the trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment. However, whilst these funds are unrestricted, they include amounts which have been invested in fixed assets and cannot therefore be realised without undermining the ongoing work of the charity. Such funds have been classified as designated funds by the trustees (see Note 19).

INCOME

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met and there is reasonable assurance of receipt and there being reasonable certainty as to amount. Where a claim for repayment of income tax has been or will be made, such income is grossed up for the tax recoverable. The following accounting policies are applied to income:

Donations, legacies and grants

Offeratories and donations are included in income when receivable. Legacies are included in income upon the receipt becoming probable. Probability of receipt occurs where there is a grant of probate, the executors have established there are sufficient assets to pay the legacy and any conditions attached to the legacy are either within the control of the charity or have been met. Gifts in kind, if material, are included at an estimate of fair value. Included here also are grants receivable. Grants are recognised in the Statement of Financial Activities when the grant conditions have been complied with.

Birmingham Diocesan Trust

Accounting policies (continued)

for the year ended 31 December 2020

Income (continued)

Charitable activities

Includes income from votive candles and newspapers etc., mainly in parishes, together with chaplaincy income, and whilst this is recognised on a cash received basis, this is not materially different from an accruals basis.

Other trading activities

Includes income from activities such as parish fairs, bazaars and other events, which is described as social income and whilst this is recognised on a cash received basis, this is not materially different from an accruals basis.

Investment income

Income from investments is included on an accruals basis. Property rental income is recognised on a receivable basis.

Proceeds from the disposal of school properties

These proceeds are treated as restricted income as the charity is required to give an undertaking to make the disposal proceeds available for the provision of replacement schools elsewhere in accordance with Sch. 22 para. 3 of the Schools Standards and Framework Act 1998. Where such proceeds are material they are shown separately on the face of the Statement of Financial Activities.

Income from Government and other grants

Income from Government and other grants, whether 'capital' or 'revenue' grants, is credited to the Statement of Financial Activities when the Trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Income is deferred only if these criteria are not met or when the provider specifies that the grant must be used in future periods.

School Building Grants

The Diocesan Education Service (DES) assists voluntary aided schools with the administration of funding for school building projects and IT equipment. The Trustees have reviewed these arrangements and concluded that the DES acts as agent on behalf of the school governing body in certain circumstances in receiving funding from the Department for Education, Local Authority and other funding sources and settling and matching it with contractors' costs and associated professional fees.

As a result of this review, the income and expenditure from these activities are not reflected in the Statement of Financial Activities because the risk and reward of those transactions are those of the governing body and not the DES. Expenditure on school building projects and IT where the DES acted as agent in the year amounted to £6.5m (2019: £7.4m), income from grants was £9.7m (2019: £7.1m) and the net position of £3.3m (2019: £0.03m) is included as a creditor for 2020. Further information on this is included in Note 7.

In addition, there were some activities in the year whereby the DES acted as principal, and those transactions are reflected in the accounts, further explanation is provided in Note 18.

EXPENDITURE

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any value added tax which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

- Fundraising operations are those costs incurred in attracting voluntary income.
- Investment management costs, which includes the cost of managing the Trust's investments, including investment property costs.

EXPENDITURE (CONTINUED)

- Charitable activities include expenditure associated with the mission of the church and include both the direct costs and support costs relating to these activities together with primary purpose trading activities that raise funds; and governance costs, which include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. These costs include central functions and have been allocated on a basis consistent with the use of resources, which were in the main staff costs, by the time spent.

GRANTS PAYABLE

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. Grants are accounted for when either the charity has given the recipient a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Trust.

OPERATING LEASES

Rentals are charged on a straight-line basis, having taken account of lease incentives.

PENSION COSTS

The charity operates a defined contribution scheme for the benefit of its employees. The scheme is funded by contributions from the charity and its employees. The payments made by the charity are included in expenditure. The charity operates a salary sacrifice arrangement for pension contributions.

GAINS AND LOSSES ON INVESTMENTS

Realised and unrealised gains and losses on investments and investment properties are credited or charged to the Statement of Financial Activities. Unrealised gains and losses are calculated as the movement in fair value during the year. Realised gains and losses are calculated as the difference between disposal proceeds and fair value brought forward – fair value is considered by reference to bid value.

TANGIBLE FIXED ASSETS

Churches and other functional property

Prior to December 1996, capital expenditure on Churches and other functional property (i.e. buildings used for the primary purposes of the Archdiocese) and their contents were written off when incurred. The financial statements prepared for previous years, therefore, did not include amounts for these categories of fixed assets.

In December 1996, these assets were included in the financial statements at an estimate of their historic cost. This was derived by using the retail price index to index the present insurance value back to the date the building was constructed and applying rates of depreciation calculated to write off the estimated historic cost evenly over the whole of their useful life. Depreciation rates were calculated by using the age of the building and its expected useful life. A similar basis was used to estimate the contents of Churches and Presbyteries on the assumption that the contents of Churches and Presbyteries are renewed every 45 years.

Birmingham Diocesan Trust

Accounting policies (continued)

for the year ended 31 December 2020

Tangible fixed assets (continued)

The cost of new functional church property, improvements and contents is capitalised and is being depreciated over the expected useful lives at the following rates:

	% per annum	Years
Churches, Presbyteries, Halls and other functional property:		
- Land element	Nil	-
- Building element	1.0	100
Improvements to and contents of Churches and Presbyteries	2.2 - 6.6	15- 45

Individual items of less than £25,000 are not capitalised.

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist the recoverable amount of the asset is estimated. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairments are recognised in the Statement of Financial Activities.

School property

The Archdiocese has 240 voluntary aided schools and academies which are constituted as separate charities. The school properties (land and buildings) are vested in the name of the trustees. The trustees cannot take a unilateral decision to dispose of these properties. Disposal can only occur if the school governors and the Secretary of State for Education decide that all or part of a school site is no longer required for education. In most circumstances, where a disposal occurs, the trustees will be required under S22 of the School's Standards and Framework Act 1998 to pay to the Local Authority so much of the proceeds as may be determined by the Secretary of State. Although no rights of ownership vest in the school governing body, most other rights and obligations, such as for the maintenance and repair of the school and its facilities, are passed to the governors. The trustees therefore consider that, for the purposes of these financial statements, whilst being used as a school, the nature of their ownership is that of a custodianship and therefore these properties have not been recognised.

At 31 December 2020 the building insurance valuation via the Diocesan insurers for the voluntary aided schools and academies in the charity's ownership was £191m (2019: £698m). An increasing number of schools and academies are insured with other insurers and the Government's RPA scheme for academies which are not included in this figure, there were a significant number of schools including academies that insured with other insurers/RPA in 2020 compared to 2019, hence the significant fall in insured value.

Fixed assets other than property

The cost of motor vehicles, Diocesan office equipment and fixtures and fittings is capitalised and depreciated over their expected useful lives, at the following rates:

	% per annum	Years
Motor vehicles	25	4
Office equipment, fixtures etc.	25	4

Individual items of less than £2,500 are not capitalised.

Birmingham Diocesan Trust

Accounting policies (continued)

for the year ended 31 December 2020

INVESTMENTS

Investment properties

Investment properties such as houses and non-functional properties have been included at the trustees' estimate of their fair value at 31 December 2020. All investment properties are professionally valued on a rolling 5-year programme. During 2020, approximately one-fifth in number of investment properties were professionally valued at open market value by the Diocesan in-house qualified chartered surveyors. In accordance with Financial Reporting Standard 102, no depreciation is provided. The value of each property has been prepared having regard to RICS Valuation – Global Standards (Red Book) effective from 31 January 2020 where market value is defined as: *"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion"*.

Other investments

Other investments consist mainly of stocks and shares quoted on the London Stock Exchange. They have been included at fair value at the year end.

FINANCIAL INSTRUMENTS

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument, and are offset only when the Trust currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents include cash and short term highly liquid assets with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts held as part of the charity's treasury management activities.

Concessionary loans (assets)

Loans which are made (or committed and not taken up at the year-end) to priests, employees and other beneficiaries of the Trust are considered concessionary loans. Unsecured loans are generally for a term of up to 5 years, no interest is payable, and do not normally exceed £5,000 (although these limits may be exceeded at the discretion of the Diocesan Treasurer). In addition, secured, concessionary, interest free loans are made usually for the purposes of purchasing property being secured on the property, the loan term usually being for a period of up to 10 years.

Birmingham Diocesan Trust

Accounting policies (continued)

for the year ended 31 December 2020

Concessionary loans (assets) (continued)

All concessionary loans are initially measured at their transaction value, and subsequently are recognised at their carrying value, less impairment. They are repayable within the agreed payment term, or the cessation of employment in the case of an employee or cessation of office in the case of a priest, whichever is the soonest. A provision for impairment is established when there is objective evidence that the amounts due will not be collected according to the original terms of the loan agreement. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the loan over the present value of the future cash flows. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

Concessionary loans are aggregated within the financial statements as this does not obscure significant information. Where applicable, concessionary loans committed but not yet taken up at the year-end are included in the financial statements, but are not aggregated in the total.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Trust after deducting all of its liabilities. The Trust considers it has no equity instruments.

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Concessionary loans (liabilities)

Loans made (or committed and not taken up at the year-end) by parishioners to a parish of the Archdiocese are considered concessionary loans. These may be for a period of 1 year upwards, sometimes with no end date. No interest is payable. These are initially measured at their transaction value, and subsequently are recognised at their carrying value, less impairment. They are always unsecured.

Concessionary loans are aggregated within the financial statements as this does not obscure significant information. Where applicable, concessionary loans committed but not yet taken up at the year-end are included in the financial statements, but are not aggregated in the total.

De-recognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

RECOGNITION OF LIABILITIES

Liabilities are recognised when either a constructive or legal obligation exists.

JOINTLY CONTROLLED ENTITIES

Entities in which the charity has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities. Jointly controlled entities are accounted for using the cost model.

Birmingham Diocesan Trust

Notes to the financial statements for the year ended 31 December 2020

1 DONATIONS, LEGACIES AND GRANTS								
	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Endowment funds £000	Total 2020 £000	Total 2019 £000
Offertories, collections and Donations*	6,807	979	-	100	195	-	8,081	10,149
Tax reclaimed on offertories and donations	1,024	14	-	62	10	-	1,110	1,381
Legacies	655	16	-	16	28	-	715	1,395
Grants receivable**	723	308	-	314	43	-	1,388	1,222
	<u>9,209</u>	<u>1,317</u>	<u>-</u>	<u>492</u>	<u>276</u>	<u>-</u>	<u>11,294</u>	<u>14,147</u>

* Included in 2019 Offertories, collections and donations is the net credit of £275k (£314k restricted funds, (£39k) unrestricted funds) relating to the inclusion of the net assets and liabilities of Maryvale following the merger.

** Included in grants receivable were Government grants, amounting to £1,264k (2019: £804k). In 2020, this also includes the Coronavirus Job Retention Scheme, amounting to £656k. This excludes Schools funding (refer to note 7).

DONATIONS, LEGACIES AND GRANTS – 2019 COMPARATIVES

	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Endowment funds £000	Total 2019 £000
Offertories, collections and Donations*	8,970	459	-	195	462	63	10,149
Tax reclaimed on offertories and donations	1,298	3	-	70	10	-	1,381
Legacies	970	38	-	86	301	-	1,395
Grants receivable**	212	950	-	60	-	-	1,222
	<u>11,450</u>	<u>1,450</u>	<u>-</u>	<u>411</u>	<u>773</u>	<u>63</u>	<u>14,147</u>

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

2 CHARITABLE ACTIVITIES								
	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Endowment funds £000	Total 2020 £000	Total 2019 £000
Votive candles, newspapers and repositories	251	-	-	1	-	-	252	737
Chaplaincy income	105	-	-	-	-	-	105	129
Fees and other charges	-	-	-	1,139	2	-	1,141	886
Other income	130	-	-	8	-	-	138	212
	<u>486</u>	<u>-</u>	<u>-</u>	<u>1,148</u>	<u>2</u>	<u>-</u>	<u>1,636</u>	<u>1,964</u>

CHARITABLE ACTIVITIES – 2019 COMPARATIVES

	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Total 2019 £000
Votive Candles, newspapers and repositories	729	-	-	8	-	737
Chaplaincy Income	129	-	-	-	-	129
Fees and other charges	-	-	-	885	1	886
Other income	106	-	-	106	-	212
	<u>964</u>	<u>-</u>	<u>-</u>	<u>999</u>	<u>1</u>	<u>1,964</u>

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

3 OTHER TRADING ACTIVITIES								
	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Endowment funds £000	Total 2020 £000	Total 2019 £000
Social income	823	117	-	1	-	-	941	1,882

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

OTHER TRADING ACTIVITIES – 2019 COMPARATIVES

	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Total 2019 £000
Social income	1,778	82	-	22	-	1,882

4 INVESTMENT INCOME								
	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Endowment funds £000	Total 2020 £000	Total 2019 £000
Income from UK investments	505	7	33	248	24	24	841	1,137
Rental income	1,624	-	-	165	3	-	1,792	1,959
Interest receivable	20	-	-	9	1	-	30	89
	2,149	7	33	422	28	24	2,663	3,185

INVESTMENT INCOME – 2019 COMPARATIVES

	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Endowment funds £000	Total 2019 £000
Income from UK investments	627	3	42	402	47	16	1,137
Rental income	1,798	-	-	159	2	-	1,959
Interest receivable	69	-	-	7	13	-	89
	2,494	3	42	568	62	16	3,185

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

5

OTHER INCOME

	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Endowment funds £000	Total 2020 £000	Total 2019 £000
Insurance claims	68	-	-	-	-	-	68	112

OTHER INCOME – 2019 COMPARATIVES

	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Total 2019 £000
Insurance claims	111	-	-	1	-	112

6

INVESTMENT MANAGEMENT COSTS

	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Endowment funds £000	Total 2020 £000	Total 2019 £000
Costs of management of investment properties and other investments	426	-	-	29	-	-	455	441

INVESTMENT MANAGEMENT COSTS – 2019 COMPARATIVES

	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Total 2019 £000
Costs of management of investment properties and other investments	432	-	-	9	-	441

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

7

CHARITABLE ACTIVITIES

	Unrestricted funds £000	Parochial Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Diocesan Restricted funds £000	Endowment funds £000	Total 2020 £000	Total 2019 £000
Liturgical and pastoral costs	759	18	5	429	6	-	1,217	2,052
Curial, Parish and Chaplaincy etc. general support costs *	6,609	65	-	3,474	-	24	10,172	10,441
Clergy costs	1,105	-	-	1,078	340	-	2,523	3,147
Property refurbishment, maintenance and major repairs	3,137	380	28	442	27	-	4,014	5,022
Depreciation	1,029	-	-	242	4	-	1,275	1,264
Bank charges	51	-	-	55	1	-	107	154
Votive candles, newspapers and repositories etc. costs	151	-	-	-	-	-	151	326
Chaplaincy expenditure	-	-	-	1,061	177	-	1,238	1,050
Schools costs (including impairment losses)**	6	-	-	227	971	-	1,204	537
Grant funding	237	15	-	652	25	-	929	807
External audit fees	-	-	-	58	-	-	58	58
IICSA Costs ***	-	-	-	193	-	-	193	277
Other professional fees	4	-	-	164	-	-	168	258
Total Charitable Activities	13,088	478	33	8,075	1,551	24	23,249	25,393

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

** Included in Schools costs is £676k (2019: £119k) which represents the net costs on activities where the Trust is acting as principal, and payments made under a PFI agreement (see page 59). The net position relates to income of £2,280k and £2,956k expenditure (2019: £2,943k income and expenditure of £3,062k). These costs relate to an excess of spending over grant income for which the DES acted as the principal in those building contractual arrangements.

*** These costs were incurred in the preparation and participation in the Independent inquiry into historic child sexual abuse (IICSA), and ongoing legal and settlement costs resulting from the findings of the inquiry.

The costs above relate directly to the activity concerned and no form of estimation or apportionment has therefore been necessary.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

CHARITABLE ACTIVITIES – 2019 COMPARATIVES

	Parochial			Diocesan			Total
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2019 £000
Liturgical and pastoral costs	1,593	25	6	420	8	-	2,052
Curial, Parish and Chaplaincy etc. general support costs *	6,893	58	-	3,470	4	16	10,441
Clergy costs	1,410	-	-	1,369	368	-	3,147
Property refurbishment, maintenance and major repairs	3,168	1,358	36	452	8	-	5,022
Depreciation	1,012	-	-	249	3	-	1,264
Impairment of land	-	-	-	-	-	-	-
Bank charges	76	-	-	78	-	-	154
Votive candles, newspapers and repositories etc. costs	326	-	-	-	-	-	326
Chaplaincy Expenditure	-	-	-	880	170	-	1,050
Schools costs (including impairment losses)**	9	-	-	390	138	-	537
Grant Funding	122	35	-	646	4	-	807
External audit fees	-	-	-	58	-	-	58
IICSA Costs ****	-	-	-	277	-	-	277
Other professional fees	-	-	-	258	-	-	258
Total Charitable Activities	14,609	1,476	42	8,547	703	16	25,393

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

8 COMPARATIVES (BY FUND) FOR 2019 STATEMENT OF FINANCIAL ACTIVITIES

	Note	PAROCHIAL			DIOCESAN			TOTAL			TOTAL 2019 £000
		Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	
INCOME AND ENDOWMENTS FROM:											
Donations, legacies and grants	1	11,450	1,450	-	411	773	63	11,861	2,223	63	14,147
Charitable activities	2	964	-	-	999	1	-	1,963	1	-	1,964
Other trading activities	3	1,778	82	-	22	-	-	1,800	82	-	1,882
Investment income	4	2,494	3	42	568	62	16	3,062	65	58	3,185
Other income											
Profit on sale of tangible fixed assets		764	-	-	176	-	-	940	-	-	940
Other income	5	111	-	-	1	-	-	112	-	-	112
Total		17,561	1,535	42	2,177	836	79	19,738	2,371	121	22,230
EXPENDITURE ON:											
Raising funds											
Fund raising operations		234	13	-	11	34	-	245	47	-	292
Investment management costs	6	432	-	-	9	-	-	441	-	-	441
Charitable activities	7	14,609	1,476	42	8,547	703	16	23,156	2,179	58	25,393
Total		15,275	1,489	42	8,567	737	16	23,842	2,226	58	26,126
Net (expenditure)/income before gains on investment assets											
		2,286	46	-	(6,390)	99	63	(4,104)	145	63	(3,896)
Gains on investment assets											
Gains, losses and revaluations on investment properties	12	2,506	-	-	457	-	-	2,963	-	-	2,963
Gains, losses and revaluations on other investments	12	2,926	20	188	1,818	215	79	4,744	235	267	5,246
Total		5,432	20	188	2,275	215	79	7,707	235	267	8,209
Net income/(expenditure)											
		7,718	66	188	(4,115)	314	142	3,603	380	330	4,313

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

8 COMPARATIVES (BY FUND) FOR 2019 STATEMENT OF FINANCIAL ACTIVITIES (continued)

Note	PAROCHIAL			DIOCESAN			TOTAL			TOTAL
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2019 £000
Net income/(expenditure)	7,718	66	188	(4,115)	314	142	3,603	380	330	4,313
Transfers between funds	18	(2,296)	-	-	2,487	(191)	-	191	(191)	-
Net movement in funds	5,422	66	188	(1,628)	123	142	3,794	189	330	4,313
Reconciliation of funds										
Total funds brought forward	89,949	2,246	1,358	16,567	6,682	541	106,516	8,928	1,899	117,343
Total funds carried forward	95,371	2,312	1,546	14,939	6,805	683	110,310	9,117	2,229	121,656

Birmingham Diocesan Trust

Notes to the financial statements (continued) for the year ended 31 December 2020

9	NET INCOME	2020	2019
		£000	£000
	Net income for the year is stated after charging:		
	Depreciation of tangible fixed assets	1,275	1,264
	Operating lease expenditure	28	28
	PFI facilities management fees	143	131
	Auditor's remuneration		
	- for audit services	58	58
	- for non-audit services	-	-
		=====	=====

10	INFORMATION REGARDING EMPLOYEES, TRUSTEES AND VOLUNTEERS	2020	2019
		£000	£000
	Staff costs comprise the following:		
	Salaries and wages	4,803	4,378
	Social security costs	354	295
	Pension costs	506	348
	Death in service premium	24	28
		=====	=====
		5,687	5,049

Staff costs relate to curial staff, staff at parishes and staff employed in Diocesan related activities.

The number of employees whose emoluments (excluding employer's pension contributions and national insurance) amounted to over £60,000 in the year was as follows:

	2020	2019
	Number	Number
£60,000 - £70,000	5	2
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
	=====	=====

The charity contributed £50,442 (2019: £26,334) in pension contributions in respect of these employees. The Chief Operating Officer is included within the above disclosure. Due to a change in pension arrangements in 2018, whereby a salary sacrifice scheme was implemented, pension contributions stated above include the employee pension contributions paid on behalf of these staff as employer's contributions. These therefore do include amounts sacrificed by staff under those arrangements.

The number of employees and full-time equivalent employees, analysed by function, during the year was as follows:

	Full Time		Part Time		Full Time Equivalent	
	2020	2019	2020	2019	2020	2019
Parishes	13	9	214	222	83	82
Other Diocesan services	33	35	23	47	44	47
Central/Curial Services	32	32	13	25	36	40
	78	76	250	294	163	169

Birmingham Diocesan Trust

Notes to the financial statements (continued) for the year ended 31 December 2020

10 INFORMATION REGARDING EMPLOYEES, TRUSTEES AND VOLUNTEERS (continued)

It should be noted that (as in previous years) just over 200 diocesan priests actively working within the charity are self-employed office holders and not employees of the charity.

Eight of the fifteen trustees listed on page 1 also serve as clergy of the charity, and in addition to their responsibilities as trustees are actively involved in carrying out the objects of the charity. Seven of those trustees benefited from accommodation costs and other associated expenditure included within charitable activities (see Note 7). These trustees received in total £34,166 (2019: £51,535) of allowances as serving clergy but not in their office as trustee. The remaining trustees do not derive any income from the charity. Similarly, no trustee is paid expenses in relation to their activities as a Trustee, only in their canonical roles as serving clergy. Non-clerical trustees are not paid expenses.

The Trust considers its key management personnel comprise the Archbishop, Auxiliary Bishops, Vicar General, Chief Operating Officer. None of these individuals with the exception of the Chief Operating Officer are employees, they are office holders of the Trust. The remuneration, including Employers Pension contributions and National Insurance of the Chief Operating Officer for 2020 was £86,920 (2019: £86,920)

During the year charity funds were used to pay a premium of £4,400 (2019: £2,800) in respect of Trustees' Indemnity Insurance. This insurance protects the charity from loss arising from the neglect or defaults of its trustees, employees or agents or to indemnify the trustees or other officers against the consequences of any neglect or default on their part.

It is estimated that during the year, approximately 0.63 million hours (2019: 0.92 million) were provided by some 4,400 (2019: 10,600) volunteers. If this is valued at £11.00 per hour, the volunteer contribution amounts to some £7.3m (2019: £10m). Volunteer roles fulfil liturgical, pastoral and administrative activities of the charity. This amount is not included in the financial statements.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

11 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

Functional property

	Church / presbytery £000	Improve- ments and contents £000	Freehold land £000	Other £000	Total £000
Cost					
At 1 January 2020	42,168	36,074	2,256	864	81,362
Additions	902	679		78	1,659
Transfers from Investment Properties (Note 12)	-	-	-	-	-
Disposals	(355)	(52)	-	(124)	(531)
At 31 December 2020	42,715	36,701	2,256	818	82,490
Depreciation & impairment					
At 1 January 2020	11,857	16,878	2,256	741	31,732
Charge for the year	423	758	-	94	1,275
Impairment	-	-	-	-	-
Eliminated on disposals	(96)	(45)	-	(125)	(266)
At 31 December 2020	12,184	17,591	2,256	710	32,741
Net book value					
At 31 December 2020	30,531	19,110	-	107	49,749
At 31 December 2019	30,311	19,196	-	123	49,630

The net book value of functional property includes £1,017k long leasehold properties (2019: £1,083k).

The total insured value of the functional buildings and contents is £699m (2019: £608m). No value is attached to the land element, which has been treated as being impaired. There is no intention to sell the land in the ordinary course of the charity's activities and no income is generated from the ownership of this land.

School properties are not included above as they are treated as not recognised in accordance with the accounting policy on page 34.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

12	INVESTMENTS HELD AS FIXED ASSETS	2020 £000	2019 £000
	Investments comprise the following:		
	Investment properties	33,449	32,454
	Other investments	33,104	35,539
		66,553	67,993
		2020 £000	2019 £000
	Investment properties at valuation		
	Fair value at 1 January 2020	32,454	30,277
	Transfers to functional property (Note 11)	-	(90)
	Disposals	(500)	(696)
	Gains and losses on revaluations and disposals	1,496	2,963
	Fair value at 31 December 2020	33,450	32,454
	The investment properties are included based on a 5 year rolling programme of internal valuations completed by professionally qualified (MRICS) staff – see page 35.		
		2020 £000	2019 £000
	Other investments comprise the following:		
	Equities	30,032	33,158
	Fixed interest securities	3,073	2,381
	Investments listed on a stock exchange	33,105	35,539

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

12 INVESTMENTS HELD AS FIXED ASSETS (continued)

Stock exchange investments at fair value

	Diocesan £000	Parishes £000	2020 Total £000	2019 Total £000
Fair value at 1 January 2020	11,554	23,985	35,539	33,408
Additions	467	970	1,437	2,976
Disposal proceeds	(1,735)	(3,186)	(4,921)	(6,091)
Realised and unrealised investment gains	306	744	1,050	5,246
Fair value at 31 December 2020	10,592	22,513	33,105	35,539

The historic cost of investments held at 31 December 2020 was £22m (2019: £25m). There were no investment holdings which represented more than 5% by value of the portfolio excluding cash.

Stock exchange investments by location

	Fair value 2020 £m	Cost 2020 £m	Fair value 2019 £m	Cost 2019 £m
UK listed investments	19.2	13.5	22.0	15.5
Overseas listed investments	13.9	8.9	13.5	9.8
	33.1	22.0	35.5	25.3

Jointly controlled entity

The charity owns 50% of the £2 ordinary share capital of Parish Accounting Services Limited, a company which was formed during 2015 in order to purchase the intellectual property rights, and ownership of computer software known as OPAS. This is a bespoke accounting and gift aid system used widely within the Archdiocese, and was purchased in order to ensure its continued availability for the Trust. The remaining 50% is owned by the Archdiocese of Westminster and is jointly managed by the two Trusts, with two directors serving from each Archdiocese.

The company operated at a small operating profit in 2020. The company was financed by two loans each of £71,999 one from each Diocese, and is considered an unsecured concessionary loan (see Note 13). The loans carry no interest and no fixed repayment term. It is intended that the loans will be repaid over time from income generated by the company from sales to other Catholic organisations. Repayments were made in 2020 of £30,000 (£15,000 each Diocese) (2019: £20,000, £10,000 each Diocese).

Ownership of dormant private limited company

The charity owns 100% of the share capital of The Sower Limited, a dormant private limited company. Total called up share capital is £3. There are no other assets or liabilities.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

13	DEBTORS	2020	2019
		£000	£000
	Debtors: amounts due in under one year		
	Amounts due in respect of school building projects	539	808
	Accrued investment income	34	74
	Accrued Gift Aid Tax reclaimable	1,065	1,253
	Other debtors including trade debtors, major bequests and property sales	629	934
	Unsecured concessionary loans to priests etc.	13	16
	Unsecured concessionary loan to other religious charities and bodies	74	68
	Unsecured concessionary loan to Jointly Controlled Entity	31	44
	Secured concessionary loan to priests etc.	22	11
	Total	<u>2,407</u>	<u>3,208</u>
	Debtors: amounts due in more than one year		
	Unsecured concessionary loans to priests etc.	-	1
	Secured concessionary loans to priests etc.	80	104
	Total	<u>80</u>	<u>105</u>
	TOTAL DEBTORS	<u>2,487</u>	<u>3,313</u>
14	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
		£000	£000
	*Amounts due in respect of school building projects	341	294
	Due to other religious charities	475	593
	**Other creditors	3,856	805
	Accruals	533	755
		<u>5,205</u>	<u>2,447</u>

* The amount noted above as "amounts due in respect of school building projects" is in respect of transactions for which the Diocesan Education Service (DES) acted as principal.

**Included here is an amount held in respect of grant income not spent on school building projects which were managed by the DES in its role acting as agent. For 2020 this was £3,256k (2019: £29k). This relates to grants received in advance of projects starting, mainly due to delays with COVID-19.
The distinction between certain school building project transactions is explained on page 32.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

15	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2020 £000	2019 £000
	Concessionary loans	36	40

16 FINANCIAL ASSETS AND LIABILITIES

Financial assets held at fair value are included in Note 12. Note 13 includes financial instruments of £702k (2019: £970k) held at amortised cost and concessionary loans of £220k (2019: £244k) held at cost plus accrued interest, less impairment where applicable. Notes 14 and 15 include financial instruments held at amortised cost of £4,716k (2019: £1,732k).

17 ENDOWMENT FUNDS

	Balance at 1 January 2020 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (losses) on investments £000	Balance at 31 December 2020 £000
Diocesan funds:						
Various Diocesan funds	617	21	(21)	-	22	639
Maryvale	66	3	(3)	-	(11)	55
Various small trust funds:						
- registered charities	209	5	(5)	-	6	215
- other	1,337	29	(29)	-	38	1,375
	2,229	58	(58)	-	55	2,284

These funds are linked to specific parishes and funds held by the Diocese, and are endowment in nature, i.e. the capital donated cannot be spent and any income generated must be spent in line with the donor's instructions. In the main the purposes of these funds are to provide education, relieve poverty, support priests and to provide for church repairs within the parishes concerned. The assets of all the funds listed are represented by investment in the Diocesan Investment Scheme (see page 16). There are two separate registered charities (Leamington Trust, registered charity no. 248948; and Birmingham Roman Catholic Diocesan Educational Trust no. 528881) and thirteen other separate funds. A uniting direction given by the Charity Commissioners is in force in respect of these funds. £63,068 held as an endowment fund in investments was transferred to the Diocese upon the merger with Maryvale.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

17 ENDOWMENT FUNDS (continued)

The 2019 analysis of endowment funds follows:

ENDOWMENT FUNDS – 2019 COMPARATIVES

	<i>Balance at 1 January 2019 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers £000</i>	<i>Gains on investments £000</i>	<i>Balance at 31 December 2019 £000</i>
<i>Diocesan funds:</i>						
<i>Various Diocesan funds</i>	541	16	(16)	-	76	617
<i>Maryvale – transferred on merger</i>	-	65	(2)	-	3	66
<i>Various small trust funds:</i>						
<i>- registered charities</i>	183	5	(5)	-	26	209
<i>- other</i>	1,175	35	(35)	-	162	1,337
	<u>1,899</u>	<u>121</u>	<u>(58)</u>	<u>-</u>	<u>267</u>	<u>2,229</u>

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

18 RESTRICTED FUNDS

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

	Balance at 1 January 2020	Income	Expenditure	Transfers	(Losses)/Gains on investments (stock market and property)	Balance at 31 December 2020
	£000	£000	£000	£000	£000	£000
Restricted funds						
Poor Mission Fund	403	107	(88)	32	(1)	453
Memorial Mass Fund	436	8	(16)	-	8	436
Religious Workers Accommodation Fund	67	-	(4)	-	-	63
Specific bequests						
- University Chaplaincy	705	15	(8)	(8)	21	725
Other funds	400	15	(25)	(32)	6	364
Canons Chapter Fund	315	6	(13)		8	316
Clergy Training Fund	2	144	(400)	519	-	265
Maryvale	254	11	(33)	-	-	232
Diocesan Education Service – schools projects*	4,215	799	(971)	-	-	4,043
Other Chaplaincies	7	-	-	-	-	7
Parish building and other projects	2,313	1,441	(505)	(269)	31	3,011
	<u>9,117</u>	<u>2,546</u>	<u>(2,063)</u>	<u>242</u>	<u>73</u>	<u>9,915</u>

18 RESTRICTED FUNDS (continued)

* Schools projects. As set out on page 34 the income and expenditure in relation to activities where the Trust acts as principal are shown net on page 51 and 52. The net movement of (£172k) (2019: (£129k)) above, comprises income of £799k (2019: £11k) which relates to the sale of school buildings; and expenditure of £971k (2019: £140k).

The Poor Mission Fund exists to support parishes which struggle to meet their financial obligations. The Memorial Mass Fund provides for people's desire for annual Masses to be said for their intentions.

The Religious Workers Accommodation Fund was created during 2016 and after some specific grants to assist the work of agencies caring for the homeless and for disadvantaged youth made during that year, the balance is to be used for the provision of accommodation for religious workers in the Diocese.

The Canons Chapter Fund represents sums which were previously recognised as part of the affiliated bodies, and were therefore not in the past included within the funds of the Archdiocese. The Trustees now deem it more appropriate that these funds are included within the Archdiocese accounts as its aim is specifically to support repairs and maintenance of the Cathedral.

The Clergy Training Fund's primary purpose is to support students in training and formation for the priesthood and permanent diaconate as well as ordained priests and deacons undertaking further studies.

The "Diocesan Education Service – schools' projects" fund relates to historic schools' sales proceeds which can only be used to finance the building of new schools, or expansion of existing schools due to capacity needs, and includes grant funds received but not yet expended.

The transfers shown above of £242k (2019: £191k), principally represent amounts paid in accordance with the terms of the restriction, to certain parishes and other entities within the Archdiocese. In the case of "Parish building and other projects" the amount transferred relates to capitalised spending completed in accordance with the terms of the restriction. These parish assets are included within the unrestricted property assets of the charity; the associated restricted funding being regarded as having been effectively discharged.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

The 2019 analysis of restricted funds follows:

RESTRICTED FUNDS – 2019 COMPARATIVES

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

	Balance at 1 January 2019	Income	Expenditure	Transfers	(Losses)/Gains on investments (stock market and property)	Balance at 31 December 2019
	£000	£000	£000	£000	£000	£000
Restricted funds						
<i>Poor Mission Fund</i>	518	54	-	(187)	18	403
<i>Memorial Mass Fund</i>	412	8	(19)	-	35	436
<i>Religious Workers Accommodation Fund</i>	71	-	(4)	-	-	67
<i>Specific bequests</i>						
<i>- University Chaplaincy</i>	622	18	(15)	(4)	84	705
<i>Other funds</i>	357	10	(10)	-	43	400
<i>Canons Chapter Fund</i>	278	8	(5)	-	34	315
<i>Clergy Training Fund</i>	73	472	543	-	-	2
<i>Maryvale</i>	-	254	-	-	-	254
<i>Diocesan Education Service – schools projects*</i>	4,344	11	(140)	-	-	4,215
<i>Other Chaplaincies</i>	7	-	-	-	-	7
<i>Parish building and other projects</i>	2,246	1,536	(1,490)	-	21	2,313
	<u>8,928</u>	<u>2,371</u>	<u>(2,226)</u>	<u>(191)</u>	<u>235</u>	<u>9,117</u>

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

19	UNRESTRICTED FUNDS	General £000	Designated £000	Total £000
	At 1 January 2020	60,995	49,315	110,310
	Net income	(2,432)	-	(2,432)
	Transfers from restricted funds (Note 18)	(242)	-	(242)
	Transfer to designated funds	(139)	139	-
	At 31 December 2020	58,182	49,454	107,636

The trustees have created a designated fund to the value of the unrestricted net book value of functional property assets and contents. The trustees are of the opinion that these assets cannot be readily realised without undermining the ongoing work of the charity. Transfers to designated funds relate to net fixed asset movements and depreciation.

The 2019 analysis of unrestricted funds follows:

UNRESTRICTED FUNDS – 2019 COMPARATIVES	General £000	Designated £000	Total £000
At 1 January 2019	60,067	46,449	106,516
Net income	3,603	-	3,603
Transfer from restricted funds (Note 18)	191	-	191
Transfer to designated funds	(2,866)	2,866	-
At 31 December 2019	60,995	49,315	110,310

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted (general) £000	Unrestricted (designated) £000	Restricted £000	Endowment £000	2020 Total £000
Tangible fixed assets	107	49,454	188	-	49,749
Investments	61,752	-	2,517	2,284	66,553
Other net assets/ liabilities	(3,677)	-	7,210	-	3,533
At 31 December 2020	58,182	49,454	9,915	2,284	119,835

"Tangible fixed assets" represents the book value of the charity's tangible fixed assets, principally land and buildings, currently held for charity use and the funds are therefore unavailable for other uses.

Included in the figure for investments is a significant unrealised surplus and this figure will vary year on year as property and stock market values fluctuate.

ANALYSIS OF NET ASSETS BETWEEN FUNDS – 2019 COMPARATIVES

	Unrestricted (general) £000	Unrestricted (designated) £000	Restricted £000	Endowment £000	2019 Total £000
Tangible fixed assets	123	49,315	192	-	49,630
Investments	63,912	-	1,764	2,229	67,905
Other net assets/ liabilities	(3,040)	-	7,161	-	4,121
At 31 December 2019	60,995	49,315	9,117	2,229	121,656

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

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

	2020 £000	2019 £000
Net income/(expenditure) for the reporting period	(1,821)	4,313
Adjustments for:		
Depreciation of tangible fixed assets	1,275	1,264
Fair value (gains) on investment properties	(1,496)	(2,963)
Fair value (gains)/losses on investments on the stock exchange	(1050)	(5,246)
(Gain) on disposal of tangible assets	(2,085)	(940)
Dividends, interest and rents from investments	(2,663)	(3,185)
	(7,840)	(6,757)
Movements in working capital:		
(Increase)/decrease in debtors	826	1,950
(Decrease)/increase in creditors	2,756	261
	(4,258)	(4,546)

22 CAPITAL COMMITMENTS

At 31 December 2020, the charity was committed to future capital expenditure of approximately £1.9m (2019: £0.4m). This relates primarily to spending in parishes.

23 OTHER COMMITMENTS

Operating leases

The charity leased office space on a five-year term. The lease expires in 2021. The total commitment falls due as follows:

	2020 £000	2019 £000
Less than one year	29	28
More than one year, but less than five years	-	29
Total due	29	57

Birmingham Diocesan Trust

Notes to the financial statements (continued) for the year ended 31 December 2020

23 OTHER COMMITMENTS (continued)

PFI Scheme

The Trust, through the Diocesan Education Service (DES) is party to a facilities management contract under a PFI scheme in respect of a school. Total commitments under the contract are £135k (2019: £132k) within one year, £566k (2019: £556k) between one and five years, and £301k (2019: £447k) greater than 5 years. These costs may change, dependent on changes to indexation. The costs are calculated using RPI. These costs are met from within the restricted funds held for the purposes of spending on new schools.

24 RELATED PARTY TRANSACTIONS

The charities mentioned below were served by one or more common trustees during the year:

St Mary's College, Oscott – Registered Charity 1172979

During the year £49,000 (2019: £45,000) of rent and other costs and £166,000 (2019: £171,000) of students' fees was paid to St Mary's College, Oscott. There was a £nil balance (2019: £nil) owing to St Mary's College, Oscott at the year-end in respect of miscellaneous costs or student fees. There was also £58,000 paid by Oscott in relation to recharges relating to priests' stipends and expenses (2019: £75,000). A further £14,000 was paid for the secondment of Oscott's archivist (2019: £14,000) and a further £nil for events and miscellaneous costs (2019: £2,000). Most Rev. B Longley, Right Rev. D McGough, and Rev. Mr. D Palmer are all Trustees in common.

Father Hudson's Society - Registered Charity 512992

During the year, £20,000 (2019: £51,000) was collected on behalf of and paid over to Father Hudson's in the main via a retiring collection following Masses said in parishes in September 2019. The Diocese also paid for residential care for sick and retired priests in Father Hudson's Residential Care Home, amounting to £40,000 (2019: £88,000). In addition to these, grants were also made to Father Hudson's totalling £37,000 (2019: £37,000) for them to administer on behalf of the Archdiocese to aid social outreach work through other Catholic agencies, and also with a special focus on Fatima House, a women's shelter for refugees.

There was a balance as at the year-end in respect of collections not paid over to Father Hudson's amounting to £nil (2019: £2,400), and care costs of £6,550 (2019: £nil). Whilst not a Trustee of Father Hudson's, Most Rev. B Longley is President of the charity.

The Kenelm Youth Trust Ltd– Charitable company registration number 1144209

Grants totalling £405,700 were made to Kenelm Youth Trust in 2020 (2019: £292,000). Receipts for rent and utility costs of £nil were received by the Diocesan Education Service in 2020 (2019: £15,000). KYT is a separate charity that was set up to provide all of the Trust's youth services from 1 January 2016. No balances were outstanding at 31 December 2020 (2019: £nil). Right Rev. W Kenney and Ms H Bardy are trustees in common.

Parish Accounting Services Limited – Company registration number 09503675

During the year, in addition to the loan disclosed in notes 12 and 13, £52,400 was paid to Parish Accounting Services Limited (2019: £51,660) in respect of software licencing fees of parish accounting software, and £70 in respect of re-charged expenses (2019: £5,570). In addition, the Diocese received £10,000 from the company (2019: £7,500) in respect of costs of providing management time. There were no balances outstanding at the year-end. Rev. Mr. D Palmer, a trustee of the charity, is a director of Parish Accounting Services Limited.

Cornerstone Regeneration – Registered charity 1143282

Rent was received from Cornerstone by one of the parishes of the Archdiocese in respect of property, of £20,000 (2019: £20,000). An additional £5,000 relating to 2021 was received in 2020, which was deferred to 2021 in the financial statements. There were no balances outstanding at the year-end. Rev. Mr. D Palmer, and Mr C. Loughran are trustees in common.

Birmingham Diocesan Trust

Notes to the financial statements (continued)
for the year ended 31 December 2020

24 RELATED PARTY TRANSACTIONS (continued)

Birmingham Churches Together – Registered charity 243931

A grant was made to the charity in 2020 of £19,770 (2019: £19,770). There were no balances outstanding at the year-end. The Most Rev. B Longley is a trustee.

Holy Souls Social Club Ltd – Registered Company 07170727

There were no transactions between the Club and the Diocese during the year, however one of the trustees, Rev J Veasey became a director on 1st January 2019.

The Venerable English College Trust – Registered Charity 1142558

A reimbursement of expenses was received from the Venerable English College Trust by the Archdiocese in respect of fundraising costs of £15,000 (2019: £2,410). There were no balances outstanding at the year-end.

The Most Rev. B Longley and Rev. Mr. D Palmer are trustees in common.

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