

THE SALFORD DIOCESAN TRUST

England & Wales · Charity number 250037

Details

Other names	SALFORD ROMAN CATHOLIC DIOCESAN TRUSTEES REGISTERED
Status	Registered
Legal form	Other
Registered	1967-04-04
Register	View on the Charity Commission register

Contact

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Activities

Objects: FOR THE MAINTENANCE AND ADVANCEMENT OF THE ROMAN CATHOLIC RELIGION PARTICULARLY IN THE DIOCESE OF SALFORD.

Activities: The maintenance and advancement of the Roman Catholic Religion.

Classification

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

Geography

- **Area of benefit:** DIOCESE OF SALFORD
- Lancashire
- Manchester City
- Salford City

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£28,806,530	£32,392,676	£106,624,513	221
2023-12-31	£28,248,769	£35,909,832	£108,746,424	248
2022-12-31	£28,629,056	£32,457,693	£115,328,243	231
2021-12-31	£26,882,393	£27,983,526	£120,793,783	132
2020-12-31	£12,365,941	£17,284,738	£107,505,353	161

Trustees

Name	Role	Appointed
The Rt Revd John Stanley Kenneth Arnold	Chair	2014-12-08
Brendan McCafferty		2019-02-27
EDWARD NALLY		2016-05-06
Eamonn O'Neal OBE		2019-02-27
Elizabeth Therese Lilley		2019-05-30
Mary Hunter		2018-03-30
Peter Fahy		2016-05-06
Rev CHRISTOPHER DAWSON		2013-05-09
Rev Michael Cooke		2012-10-31
Rev Michael David Jones		2018-05-23
Rev PETER HOPKINSON		2013-05-09

THE SALFORD DIOCESAN TRUST

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Accounts

DIOCESE OF  SALFORD

Annual Report 2024





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ABOUT US

Charity Registered Name: The Salford Diocesan Trust (TSDT) commonly known as the Roman Catholic Diocese of Salford and also referred to as Salford Roman Catholic Diocesan Trustees Registered (SRCDTR).

The diocese includes much of Greater Manchester north of the Mersey and Lancashire including Blackburn and Burnley. The diocese comprises of 260, 995 Catholics, with 106 parishes and 206 schools. Charity Registration Number: 250037

Registered Address

Wardley Hall, Worsley, M28 2ND

Public Address

Cathedral Centre, 3 Ford Street, Salford, M3 6DP

Trustees

Right Reverend John Stanley Kenneth Arnold,
Bishop of Salford
Reverend Canon Michael Cooke,
Vicar General
Reverend Christopher Dawson
Reverend Peter Hopkinson, Vicar General
Sir Peter Fahy
Edward Nally
Mary Hunter
Reverend Canon Michael Jones Eamonn O'Neal
Brendan McCafferty
Elizabeth Lilley

Financial Secretary

Pauline Morgan, Chief Operating Officer and
Financial Secretary

Key Personnel

Jenny Clayton - Head of Safeguarding
John Corrigan - Director of School Property
Nicola Cosens - Director of Finance
Emma Gardner - Head of Environment
Lisa McDermott - Director of Property
Rachel McGee - Head of Communications and
Deputy Chief Operating Officer
Simon Smith - Director of Education
Clair Watson - Head of Human Resources

Auditors

Auditors Crowe UK LLP, 3rd Floor, St
George's House, 56 Peter Street,
Manchester, M2 3NQ

Bankers

- Barclays Bank Plc, Barclays Business Centre, Manchester City Office, PO Box 357, 51 Mosley Street, Manchester, M60 2AU
- Lloyds Bank, PO Box 545, Faryners House, 25 Monument Street, London, EC3R 8BQ
- Santander, 298 Deansgate, Manchester, M3 4HH

Investment Managers

Evelyn Partners, 14th Floor, 103 Calmore Row, Birmingham B3 3AG

Solicitors

Fieldings Porter, Silverwell House, Silverwell Street, Bolton, BL1 1PP

Introduction from Bishop John

December 2024 marked the 10th anniversary of my installation as the 11th Bishop of Salford. Much has changed both in our diocese and the world since then.

Few would have predicted back in 2014 that we would have to 'lockdown' society to deal with a worldwide pandemic. We are also witnessing emerging conflicts around the world, which impact our own diocese, in stoking unrest and feeling, and we must acknowledge the continued effect of the cost-of-living crisis. Add to this the climate emergency and the ever-growing need for swift and decisive action from individuals, groups, and governments. Things may seem difficult or challenging but we must remember that, in all things, God is with us.

When I was first appointed, I asked several questions of clergy and parishioners concerning liturgical life, sacramental organisation, and the future of the estate in the diocese. This resulted in some changes including the age of Confirmation, the establishment of the permanent diaconate, and the development of a pastoral programme - Hope in the Future - focussed on mission and outreach, and the 2017 parish restructuring proposal.

In my introduction to the 2017 restructure proposal, I said: "it is important that we now make the necessary changes which I believe will strengthen our presence as Church in our world today and help prepare the diocese of Salford for future generations."

I am grateful to the work that has already been achieved. However, keeping in mind our goal which is 'to equip ourselves in the best possible way for the continuing mission of the Church', it is now time to ask the question again. Are we best equipped to be missionary parishes building a diocese for our future generations?

This question will draw many different answers from people. Our Diocesan Synod has helped us to reflect carefully to see what our priorities must be, discovering what God may be asking



of us in these days, and recognising the opportunities that He gives us at this time. We are justified in celebrating the outcome of the Diocesan Synod. There was a great diversity in the people engaging in the Synod. I am very grateful for all who engaged in the process, in different ways.

There is already much to be celebrated in our parishes, and we must share best practice and encourage each other to ensure we can grow and flourish together as the Body of Christ in Salford.

There are also many people in our parishes who are skilled in different ways, with experience and talent which might help us on this journey. And so, our commitment to synodal thinking must continue as a way of discerning how best to work together to build a diocese fit for the future and for the purpose of the Church in the 21st century.

It is appropriate that we are taking this next step during our Jubilee Year of Hope, during which we would do well to continue with our diocesan prayer "Stay with us, Lord, on our Journey", ensuring we stay focussed and centred on Christ as we seek to live out and proclaim Gospel values in our ever-changing and challenging world.

Stay with us, Lord, on our journey.

+ John
3

Report from our Chief Operating Officer



The stewardship of our properties has always been an important aspect of our work. With a wide array of buildings across our diocese, including churches, listed properties, schools, and parish halls, the upkeep of these assets is not only a financial responsibility but also our commitment to preserving spaces where faith can thrive for generations to come. Throughout the year, we have made essential progress in maintaining and upgrading these properties, ensuring they remain welcoming, safe, and functional for all who use them. But this progress is just the start of the journey. There is much more to do. We are mindful of the challenges ahead, but we face them with confidence, knowing that through collaboration and

continued support, we can ensure that our properties remain places of worship, community, and service.

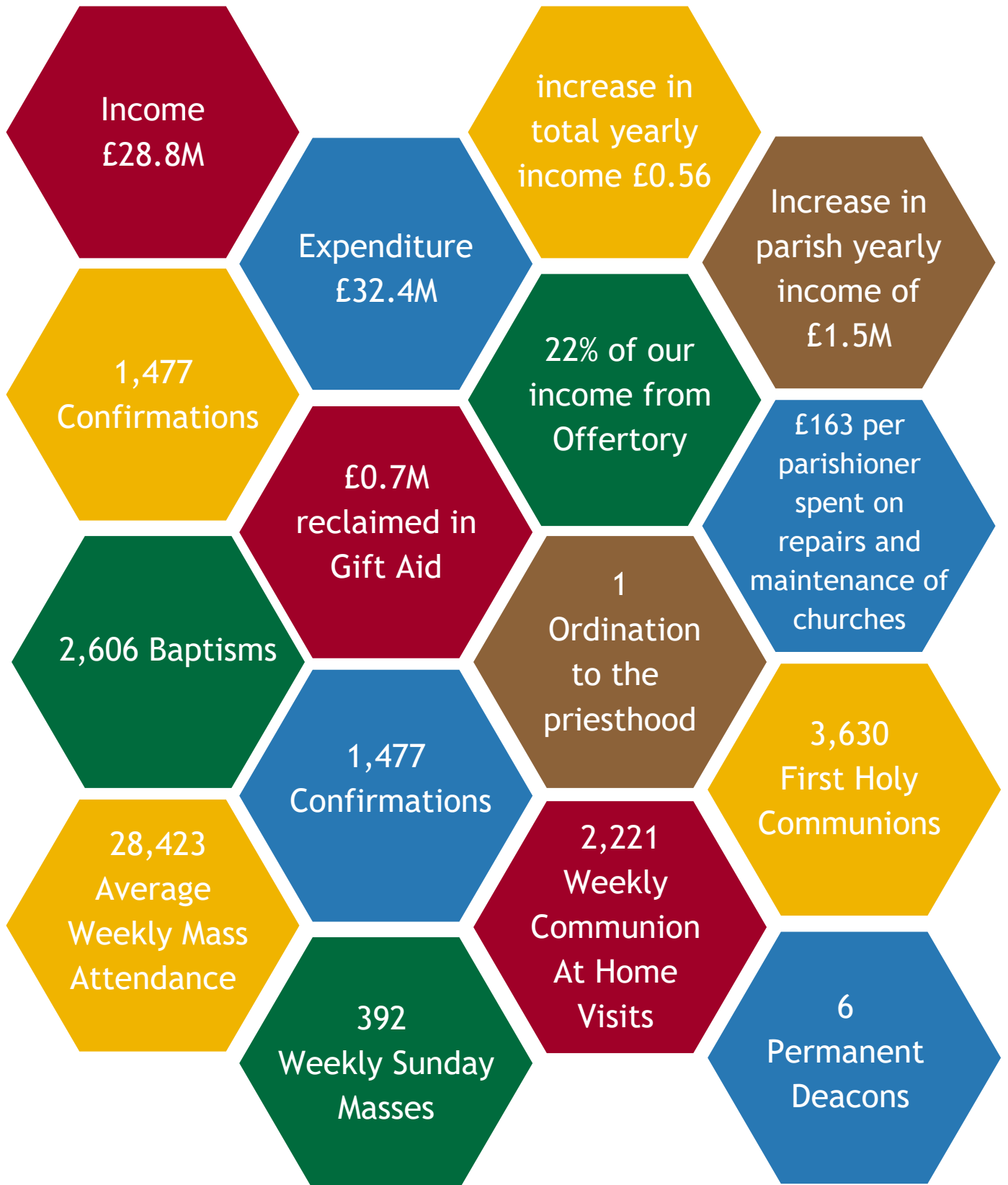
We are especially mindful of the responsibility we bear in being good stewards of the resources entrusted to us. Our commitment to transparency, accountability, and effective management remains at the heart of all we do, ensuring that we continue to serve our people with integrity and care.

Our resources are more than buildings. The work of the diocese could not continue without the dedication of our clergy, staff, and volunteers who have helped us achieve all that we have been able to do over the past 12 months. Every year they respond with a commitment to the mission of our Church which is invaluable. We are lucky to have so many volunteers who contribute their time and expertise on an unpaid basis in parishes across a wide array of diocesan activities. It is impossible to quantify their contribution and support but without them our parishes and diocesan life would not be as vibrant or as effective in achieving the Church's mission.

We look to the future with a sense of hope and purpose. We are committed to ensuring that the resources we have are used effectively to support the continued growth of our Church. We continue to monitor our donation level and spending to stabilise the diocesan position. As part of this work we are identifying a strategy to increase funding streams for parishes for capital and charitable purposes, enabling us to deliver the diocesan priorities in future years, building upon the foundation laid by previous generations.

A handwritten signature in cursive script, appearing to read "Pauline".

Year in Numbers



Our Faith in a Changing World

This year has been marked by significant milestones that celebrate the rich traditions and history of our diocese in the face of a new generation of faith in the 21st-century. From the centenary of our Diocesan Pilgrimage to Lourdes, to the ongoing restoration of our cathedral, and a Diocesan Synod that engaged with thousands of people of all ages, 2024 has been a year in which we have looked to both the past and to the future to assess how best we preserve, protect, and nurture our faith and traditions for generations to come.

As we have celebrated the vibrant legacy handed to us from generations gone by, the challenges and practices of the modern world have called us to question - what is the Church in Salford at this next stage of our journey?

Celebrating a Legacy of Faith: Lourdes Pilgrimage Centenary

In the summer, hundreds of pilgrims from across the diocese travelled to Lourdes to commemorate the 100th anniversary of our diocesan pilgrimage. For over a century, this pilgrimage has been a cornerstone of our faith life, a tradition passed down through generations of families. It remains a vital expression of our devotion to Our Lady and a testament to the power of collective prayer and faith in action.

Throughout the pilgrimage, generations came together in a spirit of shared faith, with experienced pilgrims handing down the traditions of decades gone by to young aspiring volunteers who came in answer to our Christian call of love and service.

As Bishop John reminded us as the pilgrimage drew to a close: “Our Lady came to listen to us, to know us, and to be our intercessor before Her Son.” This powerful image of Our Lady’s presence and intercession reminded us all of the example she calls us to follow; inviting us to walk together in accompaniment, solidarity, and communion in our shared mission to make God’s love visible in the world around us.



Restoring Our Sacred Spaces



Our Cathedral Restoration Project continues to make exciting progress. The scaffolding, which had enveloped our cathedral for months, is being removed, revealing the restored stonework and the full glory of the spire.

In addition to the exterior restoration, the conservation of the Great East Window has been completed. As the sun shines through, the window's beauty is revealed in all its magnificence, vividly enhancing the images of saints and martyrs that strengthen and guide us in our own journey of faith. Inside, the focus shifts to repairing and decorating the nave ceiling, bringing new life to our sacred space.

During our progress so far, the restoration has highlighted the true significance of the project, in not only renewing and restoring a treasured historic building, but also its unique role in deepening and enhancing our faith and demonstrating our commitment to preserving and protecting our shared heritage.



Restoring Our Sacred Spaces: A Parish Case Study

In 2024, Saint Mary's Catholic Church—affectionately known as “The Hidden Gem”—was recognised as the top hidden gem in the world, bringing international attention to this historic place of worship in the heart of Manchester.

Dating back to 1794, the church remains a sanctuary of silence and prayer amid the city's bustle. This recognition coincides with significant progress in a multi-phase restoration project aimed at preserving the church, presbytery and sacred space in the centre of the City for its growing congregation and future generations.

Phase One, completed in 2023, focused on stopping the ingress of water and making the church watertight. Phase Two included the installation of a new fire detection and emergency lighting system, and the complete rebuild of the 30-year-old church organ, replacing failed analogue components with modern digital technology.

Phase Three, carried after 2024 addressed serious drainage issues by initiating work on a new, independent drainage system—replacing an unsustainable arrangement that previously channelled rainwater through neighbouring properties. This phase also included the re-roofing of the old presbytery, the repair of lead-lined gutters, and improvements to chimney flashings and weatherproofing. These critical works were made possible thanks to generous parishioner donations and funding from the National Churches Trust, The Benefact Trust, and The Wolfson Foundation.

Looking ahead, the parish has launched a new fundraising appeal with a target of £250,000 to continue the restoration journey, ensuring that Saint Mary's remains both a spiritual refuge and an architectural jewel for future generations.



Ensuring Sustainability: A Call to Care for Creation

This year, we have taken significant steps toward making our diocese more sustainable, as we strive to become net zero by 2038. Our diocesan property team, alongside our schools, has worked tirelessly to reduce carbon emissions and increase energy efficiency. Through a £3 million government allocation, we began installing solar panels across our schools, with Our Lady's RC Primary School in Aspull being the first beneficiary of this initiative.

To date, 70 schools have had solar panels installed, with more to follow. These initiatives have saved an estimated 150 tonnes of carbon emissions, £60,000 in electricity savings, and generated around 150MW of clean energy.



In 2024 we continued to progress decarbonisation across our parish estate. A significant milestone was reached with the receipt of 350 building-level energy audits, providing the foundation for targeted carbon reduction efforts. The diocese's first decarbonised pilot project a parish hall, at St Mark's Swinton, was completed this year.

We also partnered with the Energy Innovation Agency to explore innovative technologies aimed at reducing carbon emissions and improving energy efficiency. Year-on-year energy data reflects ongoing progress, with parish-level carbon dioxide emissions reduced by 10% in 2023. Electricity usage rose slightly (+19%), while gas and oil consumption continued to fall, with reductions of 14% and 35% respectively. These trends highlight both the impact of energy-saving initiatives and the need for continued focus on electricity use.

Guardians of Creation: A Global Call to Action

Bishop John's commitment to environmental sustainability has reached a global platform this year. As part of the 'Guardians of Creation' initiative, Bishop John and representatives from our diocese were invited to showcase their work at the Vatican.

This project, which aims to equip Catholic dioceses across the UK to respond to Pope Francis' call to care for our common home, provides practical guides to decarbonising Catholic institutions. The visit was an opportunity to share our experiences and research-based solutions with the Holy See and global Catholic networks. As Bishop John highlighted, "The Catholic Church is in the unique position to use its voice, people, and resources to create a different legacy—one that is built on joy, hope, and renewal."



Nurturing the Next Generation: Laudato Si' Awards and Youth Engagement

Our efforts to promote sustainability within our schools were celebrated through the inaugural Laudato Si' Awards. These awards recognized the outstanding environmental contributions of our young people. Eleanor, a Year 4 student from St Michael and St John Catholic Primary School, received the primary school award for her dedication to

developing gardening projects in her community. Meanwhile, students from Our Lady and St John Catholic College were recognised for creating a wildflower seed dispersal unit, designed to promote native wildflower growth.

Bishop John congratulated all the winners and reaffirmed the diocese's commitment to being a leader in care for creation, noting that "Each and every one of us has our part to play." These young environmental advocates inspire us all to care for our common home and embrace our responsibility as stewards of God's creation.

Additionally, the "A Call to Lead" programme was launched to bridge the gap between confirmation and adult formation. This initiative aims to empower young people to become active leaders in their parish communities. It is an important step in ensuring that the next generation of Catholics remains engaged and inspired to serve others in faith and action.

Care, connectivity, and faith in tomorrow's world



In the Spring of 2024, hundreds of people representing parishes and clergy from across the diocese gathered together for the latest update in our diocesan synod journey.

Our Big Listen exercise, which ended in early 2024, gathered more than 30,000 responses that were explored and presented as four core themes. They were:

- Nurturing Faith for Tomorrow's World
- Building Connections
- Enabling Access
- Fostering Christ-Like Care

The Big Listen inspired many people across the diocese. People reported that they felt encouraged, heard, and that they hoped to see or experience some form of change. There was an excitement and an honesty in the responses submitted, generally looking forward with hope.

The four overarching themes were expressed as verbs in order to reflect the dynamism of the image of the Church as People of God. They carried the implicit recognition that the diocese is not moving off from a standing stop but is already engaged on these things, while also suggesting movement into the future.

We were challenged to think about how we welcome, look after our clergy, involve our young people and ensure that we are truly a missionary Church.

Respondents overwhelmingly expressed a desire that the Church should be a source of hope for the future. Amid a society that sets up barriers between people, the Church has the potential to help people to negotiate the complex and unstable landscape in which people today find themselves.

At our gathering respondents explored the themes. Synod Members were then tasked to organise and facilitate Theme Gatherings in their parishes and communities to explore these themes in more detail with as many people as possible. This culminated in proposals that were submitted to our Voting Weekend in 2025.

“Love for God and neighbour ought to be the centre of anything we're trying to achieve and it is important we recognise that we are one body - not just a community - but the body of Christ on a mission.”

*Bishop John
May 2024*

Creating Lasting Change

As part of our ongoing commitment to creating lasting change we are using our position as a responsible investor to use our influence to drive meaningful change. As a faith based organisation, we look beyond financial return to be good stewards of our resources and the common good and our common home.

In 2023 this stance was clearly demonstrated when we made the values-driven decision to fully divest from fossil fuel companies. This move reflected our belief that continued investment in businesses that contribute significantly to the climate crisis undermines the very progress we seek to promote.

In 2024 we expanded this work and started to conduct regular reviews of our investment portfolio, assessing our impact and adapting to evolving economic, environmental, and social landscapes. We believe that stewardship involves not only supporting progress but also recognising when our involvement is no longer effective.

We look to be accountable, transparent, and evidence our commitment to positive impact. This is replicated across our departments and is a clear goal of our safeguarding work. In 2024, the Safeguarding Department made two developmental changes to further this goal. Firstly, was the introduction of a Welfare Officer, the aim of the post is to provide additional support for those clergy and volunteers in need. By engaging a proactive post, we are looking to embed care and promote positive connections. The second structural change was agreed in 2024 and will see the establishment of a Survivors Panel in 2025. It speaks to the heart of our aim to be accountable, transparent and hear the voices of survivors.

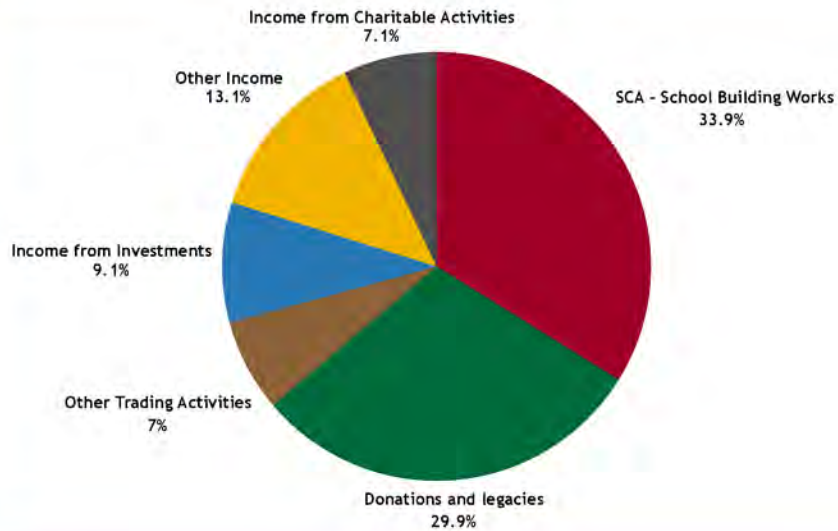
Since publishing our first diocesan Modern Slavery Statement in 2022, we have continued to build on our commitment to ethical practices across the diocese. In 2024, our focus shifted to supporting parishes and schools in implementing our Code of Conduct for Suppliers, introduced in 2023. The Finance Department developed a preferred supplier list to help parishes make informed, ethical choices in their procurement processes.

Working with Caritas Diocese of Salford, we are also delivering awareness training days to help parish and school communities recognise the signs of modern slavery in a local context. This work, reflects our ongoing responsibility to challenge exploitation and promote human dignity throughout all diocesan activity.

2024 Finance at a Glance

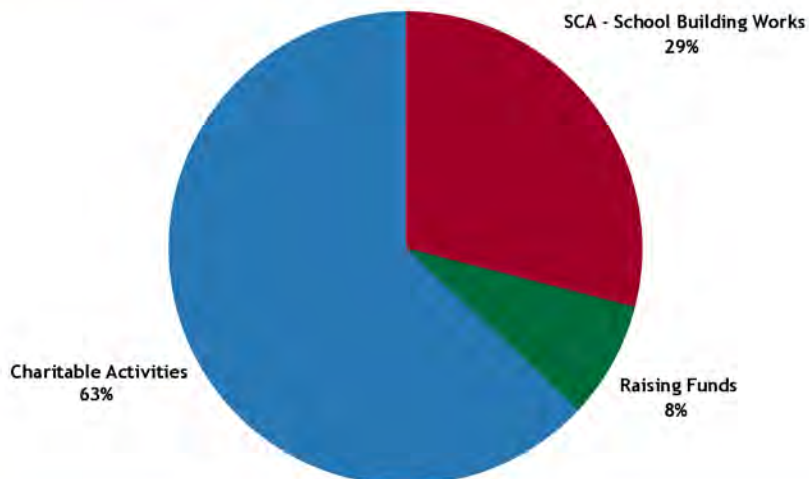
Income

Total Income of £28.8m (2023 £28.2)



Expenditure

Total Expenditure of £32.4m (2023 £35.9)



Aims, Objective and Purpose

The core mission and purpose of the Diocese of Salford is to respond to and live out Christ's call to "go and proclaim the Good News". Currently, our diocese comprises 106 parishes serving 260,995 Catholics across much of Greater Manchester and East Lancashire.

Through these vibrant communities, we seek to realise our mission by providing opportunities and activities undertaken by our parishes and central services to help people nurture and live out their faith. These activities are guided by Gospel values and the principle of good stewardship and are grounded in worship, education, charity, and care for our common home.

Objectives and Activities

- Support to priests during both their active service and in retirement or ill health
- Charitable works to show our Gospel values to the world around us
- Access to the Sacraments
- Education and Youth Services
- Ongoing Formation for our communities and our clergy
- Education and Training for those who wish to be priests
- Maintenance and upkeep of our church and parish buildings
- Providing assistance to governors regarding the upkeep of school buildings through grant schemes under the DFC and SCA
- Access to professional advice and support for our communities including in Safeguarding, Health and Safety, Human Resources, Project Management, Property Management, Data Protection and Finance


Structure, Governance and Management

The Bishop of Salford is ex-officio the Chair of Trustees and membership of the board is based upon invitation by the trustees to suitably qualified individuals, subject to approval by the Bishop. Trustees are selected on the basis of their range of skills and experience and the board comprises a mix of both ordained clergy and Catholic lay people. Periodic training and workshop sessions are also held for the trustee body as a whole.

The diocese employs a Chief Operating Officer to oversee the day to day professional support. The Chief Operating Officer also holds the Office of Financial Secretary.

Governing regulations

The Trust Deed of the Charity governs appointments of Trustees. The latter are chosen according to their experience of the Trust's Ministry and of its need to function in accordance with both Canon and Civil Law. Each Trustee Board committee has defined terms of reference, detailing the delegated authorities where appropriate.



Trustee committees including in the areas of:

- Audit Committee
- Claims Committee
- Environment Committee
- Finance Committee
- HR Committee
- H&S Committee
- Investment Committee
- Planning and Resources Committee
- Property Committee
- Remuneration Committee
- Safeguarding Committee
- Schools & Academies Committee

Annual pay reviews are approved by either the Remuneration Committee (for senior staff) or the HR Committee, based on external advice and information and recommendations from the Chief Operating Officer. The salary for the COO is also agreed by the Trustees at the Remuneration Committee. In setting overall pay levels for our staff, the diocese takes account of pay practice in other similarly sized charities and, where necessary, private or public sector organisations for specialist and technical roles.

The fixed assets and investments of the Charity are vested in a trust with the Diocesan Trustees as the managing Trustees. Recognising the need for expertise, the Trustees have engaged professional advisors in the areas of finance, investment, insurance, law and protection of minors and vulnerable adults.


The Trustees are listed on page 1.

The Trustees keep themselves informed of new developments in the above areas and when necessary, meet to be briefed on particular issues by their advisors.

The Trust has three active wholly owned trading subsidiaries. See section Trading Subsidiaries on page 21.

Relationships with Other Parties

The Trustees consider Caritas Diocese of Salford to be a related party by virtue of it having common Trustees. The Charity's aim is that the lives of all people should be free from poverty, disadvantage, and discrimination. Their purpose is to help the most vulnerable children, young people, and adults in our communities to transform their lives and fulfil their potential.



The faith and teachings of the Roman Catholic Church clearly inform and have a profound influence on the operating policies in place within the Trust.

As a Catholic diocese within England and Wales, the Diocese of Salford co-operates on various initiatives, projects and other matters of common interest with other Catholic dioceses, charities and agencies of the Catholic Church.

For example, the Diocese and its parishes support the activities of other charities such as the Catholic Agency for Overseas Development (CAFOD), the official aid agency of the Catholic Church in England and Wales (Charity no 1160384) and adopts unified policies through national bodies for the safeguarding of children and adults at risk of harm.

Statement of Trustees' responsibilities

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

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the situation of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles 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 that 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution.

The trustees 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.



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 to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Public Benefit

The Trustees have ensured they carry out the Trust's objectives for the public benefit and have (in accordance with Charities Act 2011) had regard to guidance published by the Charity Commission on public benefit when exercising powers or duties where that may be relevant.


It is clear from the detail in the Trustees Report that the Trust acts in a way which beneficially impacts on society. It promotes public services, in dedicated buildings and elsewhere, in accordance with the practices and teachings of the Roman Catholic Church, for hearing and appropriating the word of God and for the worship of God both generally and at significant points in people's lives. In this way it helps form and gives expression to the spiritual dimension of the lives of members of the public. It also thus provides religious and moral parameters by which individual members of the public may live fulfilled lives and act in a way which is socially beneficial and influence wider society for the better. The Trust also engages in a number of practical expressions of Christian faith (including advancing education in schools and otherwise and relieving various forms of charitable need in social outreach to the public generally).

Investment

We have established ourselves as a Responsible and Active Investor. Guided by the principle of stewardship, with an authentic set of investment statements and an accompanying investment framework that demonstrates that the Catholic Social Teaching of Human Dignity, the Common Good, and Care for Our Common Home are central to how our investment portfolio is managed, shaped and targeted.

Our investment policy was ratified in 2021 and since then we have implemented the following changes and actions:

- Delegated powers to investment sub committee
- Increased monitoring of the portfolio and how it relates to our principles
- Implemented ESG performance verification and reporting

- 
- Implemented additional Roman Catholic values based investment screening
 - Engaged, collaborated and participated with companies and networks to use our influence to challenge for change
 - Divested from fossil fuels, taking a stand against companies that do not align with our principles.

Fundraising

We are reviewing the way in which we collect funds, maximising the digital options available to us and revising the funds that we have access to. As part of this, new digital solutions are being rolled out across our churches and special collections are being restarted.

As with other religious charities in possession of Listed Buildings, we are also reviewing the impact of the announcement by the government on the cap on Listed Buildings of Worship VAT reclaim scheme. We estimate that in 2025, this will require us finding another £2 million towards the cost of our cathedral restoration project.

In the final quarter of 2024, we employed an external Grants fundraiser who is employed to apply for capital grant funds and create a grant pipeline for future projects.

The Trust had no fundraising activities requiring disclosure under S162A of the Charities (Protection and Social Investment) Act 2016.

Plans for Future Periods

In 2023 and 2024, we implemented a moratorium of all non-essential property spend in our parishes and all non-essential spend in diocesan departments. We felt that a pause was needed to minimise the impact that current expenditure levels were having on diocesan cash flow. Additionally, the break also allowed time for strategic planning to take place, allowing us to create a property vision to take the diocese into the next decade; creating parishes that can respond and adapt to the challenges they face.

The planning stage of this property strategy is now complete, and we are beginning to consult with individual parishes and deaneries to assess their ongoing needs.

In our wider plans we will focus on:

- Implementing the Priority Recommendations of the Diocesan Synod.
- Supporting our clergy continually reviewing our support services to best support our parishes and schools.
- Implementing a property strategy that recognises the future needs of our buildings.
- Adapting to a new landscape of fundraising in the Church.
- Completing our Cathedral Restoration.
- Leading by example to care for our common home.
- Using our voice to champion for dialogue, change and action as a Responsible and active investor.

Financial Review

The financial statements reflect the activities with our parishes, all aspects of the central professional support services (curia) and subsidiary activities such as the operating of our clubs and commercial activities.

The Consolidated Statement of Financial Activities and notes for the year ended 31 December 2024 is set out on pages xx. Total incoming resources amounted to £28.8 million in 2024 (2023 £28.2 million). Most of the parochial funds in the Charity are raised through donations. The funds raised in the parish support the individual parish and contribute towards the expenditure requirements of the diocese.

Income 2024

Total income figures above include £9.7 million in 2024 (2023 £10.7 million) received from School Building Projects as set out in accounting policy note 2.6.

Total overall Donations and Legacies have increased during 2024 by £1.1 million. Our Parish Income is still well below pre-pandemic levels but has increased £2.5 million above inflation from 2020. Our average weekly Mass attendance also increased from 26,417 in 2023 to 28,423. This repeats the pattern of yearly increases since the pandemic. We have witnessed a 42% rise since our lowest attendance in the pandemic.

During the year collections in the parishes for specific purposes including those for other charities totalled £0.1 million (2023 £0.2 million). The investment portfolio achieved income of £2.6 million in 2024, slightly lower than the £2.8 million achieved in 2023. This is expected due to the divestment of funds to fund our Cathedral Restoration Project.

Expenditure 2024

Total expenditure amounted to £32.4 million in 2024 (2023 £35.9million).

Total expenditure figures above include £ 9.3 million in 2024 (2023 10.4 million) SCA school building works income and subsequently the related expenditure as referenced above.

Summary

The net result for the year was a deficit £2.1 million (2023 deficit - £7.0m), leaving retained funds of £106.6 million (2023 £108.8million) at the year end.

The Trustees continue to monitor the activities and budgets of the Diocesan Departments. The trustees are of the opinion that the necessary measures have been implemented to ensure the viability of the Trust over the medium term. This included a moratorium on non essential building spend in 2023/2024.

The Diocese made contributions of £177k in 2024 (2023 - £173k) to National Bodies of the Roman Catholic Church.

Statement of Reserves

The total reserves of the Charity, including parochial reserves, amounted to £106.6 million at 31 December 2024 (2023 £108.8 million).

The unrestricted free reserves i.e. current assets including bank deposits less current liabilities amounted to £21.8 million (2023 £25.2 million). At 31 December 2024 the free reserves of the diocese are equivalent to approximately 14 months of recurring expenditure (2023 14 months). The Trustees are currently assessing what the current minimum free reserves should be in the current economic climate.

Restricted reserves as at 31 December 2024 were £10.3 million (2023 £9.8 million).

The major project that will affect future reserves is the Cathedral Project, as this will be funded from the liquidation of investments. £13 million has been released to date and based on current indicative cashflow, we estimate that we will release a further £9 million during 2025, subject to any external funding possibilities and the balance at the end of the defects liability period in 2026. The diocese has not committed to any other major projects at this time and are reviewing any in the pipeline.

The demand for services both centrally and within our parishes continues to increase, as do the associated costs and it is within this setting that the trust has to operate. The diocese, as part of the 2030 vision, is looking at the whole estate to ensure that this is fit for future purpose and sustainable going forward. By managing assets and resources the Trustees are confident that the Trust has sufficient available funds to maintain its activities over the medium term.

Investment policy and performance

The Diocesan Trust deed authorises the Trustees to invest the general funds of the Charity in stocks, shares, investments, and property, in accordance with charity law.

The Trustees have engaged Evelyn Partners Investment Managers, as advisors. The policy is to invest on a low to medium risk basis with a balance of a reasonable rate of return and capital growth. In 2023 a Responsible Investment Policy was agreed. The policy acknowledges the importance of being good stewards of our donations from past, present, and future generations. Looking to balance the immediate and future needs of the diocese while ensuring that our Catholic Principles are upheld in our portfolio by being a responsible and active investor. This is about active participation through the investments we hold in key issues as they affect people and planet.

The Investment Managers report to the Trustees on a regular basis.

The Investments are held for the long term. The overall portfolio value decreased in the year by £4.9 million, mainly as a result of divestment in relation to the planned capital works for the cathedral, the dividend yield increased slightly by 0.5% resulting in an increase in income of £5k from 2023. The Trustees will continue to invest as appropriate with the aim of providing a secure financial and ethical platform for the diocese.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Charity is exposed, in particular relating to the specific operational areas of the Charity, and its finances and investments. The Trustees believe that by monitoring and maintaining reserves at an appropriate level, ensuring that proper controls exist in respect of key financial systems, and by examining the operational and business risks relevant to the Charity, they have established effective systems to mitigate these risks.

An Audit Committee was established by the Trustees during 2017. Risks currently include reducing the structural deficit, managing properties, ensuring Health and Safety Compliance in all our properties and reducing the burden of our empty properties.

Subsidiaries

The Trust has four active wholly owned subsidiaries.

Catholic Support Services Limited continues to provide training, advice, and recruitment assistance to our Catholic Schools as part of the Diocesan Department for Education and to assist them with building matters. In addition, it administers the links with local hospital trusts and police for the provision of chaplains. The operating surplus from the company is gift aided to the diocese.

Catholic Building Services Limited is responsible for the development and management of construction and building projects within the diocese.

SDC Trading Limited the Charity's subsidiary company responsible for the commercial activities of parish social clubs within the diocese, is currently in a surplus position, of £62.2k in 2024 (2023 £78.7k deficit).

Catholic Truth Society ceased trading in February 2024. Trustees are now exploring options on how to make best use of the space moving forward.

Conclusion

Our financials for the year indicate that our planned actions, a moratorium on non-essential spending and a strategic focus on property management have begun to stabilise our position. Additionally, an increase in donations has further strengthened our financial outlook. While these developments are encouraging, we remain alert to the changing needs of the diocese and we are using the time of stability to implement further strategic measures looking to the future.

Approval

This report was approved by the Trustees on 8th July 2025 and signed on their behalf:

Trustee
Rt Rev John Arnold, Bishop of Salford
Date: 8th July 2025

Diocese of Salford Trustees' Annual Report and Accounts 2024

Independent Auditor's Report to the Members of The Salford Diocesan Trust

Opinion

We have audited the financial statements of the Salford Diocesan Trust (the “charitable company”) and its subsidiaries (the “group”) for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group’s and the charitable company’s affairs as at 31 December 2024 and of the group’s incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustee's 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 charitable company'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.

Diocese of Salford Trustees' Annual Report and Accounts 2024

Independent Auditor's Report to the Members of The Salford Diocesan Trust

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Diocese of Salford Trustees' Annual Report and Accounts 2024

Independent Auditor's Report to the Members of The Salford Diocesan Trust

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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.

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

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Charities Act 2011.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the completeness and cutoff of non-SCA grant income, legacy income and offertory income, valuation of properties, valuation of the provision for clergy no longer in active ministry and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and substantive testing of grant and offertory income, challenging management on their rationale for the valuation of historic properties and the assumptions adopted in calculating the provision for clergy no longer in active ministry.

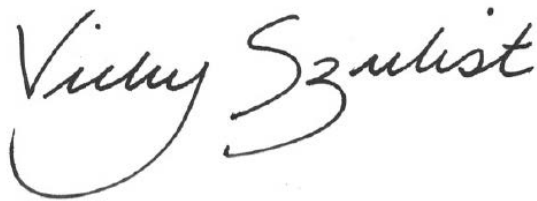
Diocese of Salford Trustees' Annual Report and Accounts 2024

Independent Auditor's Report to the Members of The Salford Diocesan Trust

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Vicky Szulist

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

Date: 18th September 2025

Diocese of Salford Trustees' Annual Report and Accounts 2024
Financial Statements Consolidated Statement of Financial Activity

Consolidated Statement of Financial Activity Year End to the 31st
December 2024

	Notes	PAROCHIAL FUNDS			DIOCESAN FUNDS			DESIGNATED	ENDOWMENT	2024	2023
		Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £	Total £	Total £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM:											
Donations and legacies	2.1	7,618,020	5,208	7,623,228	452,290	506,406	958,696	-	-	8,581,924	7,351,610
Other trading activities	2.2	453,492	-	453,492	1,550,518	-	1,550,518	-	-	2,004,010	2,130,894
Income from Investment	2.3	483,725	-	483,725	2,146,504	-	2,146,504	-	-	2,630,229	2,782,302
Income from Charitable activities	2.4	63,471	-	63,471	1,999,781	-	1,999,781	-	-	2,063,252	1,948,637
Other income	2.5	2,967,683	362,538	3,330,221	485,457	33,496	518,953	-	-	3,849,174	3,373,916
SCA - School Building Works	2.6	-	-	-	-	9,677,941	9,677,941	-	-	9,677,941	10,661,410
Total Income		11,586,391	367,746	11,954,137	6,634,550	10,217,843	16,852,393	-	-	28,806,530	28,248,769
EXPENDITURE ON:											
Raising funds	3.1	1,028,875	-	1,028,875	1,655,535	-	1,655,535	-	-	2,684,410	2,596,555
Charitable activities	3.2	11,776,101	242,295	12,018,396	7,995,640	190,152	8,185,792	-	-	20,204,188	22,915,156
SCA - School Building Works	3.3	-	-	-	-	9,504,078	9,504,078	-	-	9,504,078	10,398,122
Total Expenditure		12,804,976	242,295	13,047,271	9,651,175	9,694,230	19,345,405	-	-	32,392,676	35,909,833
Net Gains/(losses) on investments		-	-	-	1,251,235	-	1,251,235	-	-	1,251,235	925,314
Net income/(expenditure)		(1,218,585)	125,451	(1,093,134)	(1,765,390)	523,613	(1,241,777)	-	-	(2,334,911)	(6,735,750)
Transfer between Funds		-	-	-	-	-	-	-	-	-	-

Diocese of Salford Trustees' Annual Report and Accounts 2024

Financial Statements Consolidated Statement of Financial Activity

	Notes	PAROCHIAL FUNDS			DIOCESAN FUNDS			DESIGNATED	ENDOWMENT	2024	2023
		Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £	Total £	Total £	Total funds £	Total funds £
Other recognised gains/(losses):											
Gains/(losses) on revaluation of investment properties	5	-	-	-	-	-	-	-	-	-	45,000
Gains/(losses) on change in actuarial movement	3.8	-	-	-	-	-	-	213,000	-	213,000	(322,000)
NET MOVEMENT IN FUNDS		(1,218,585)	125,451	(1,093,134)	(1,765,390)	523,613	(1,241,777)	213,000	-	(2,121,911)	(7,012,750)
RECONCILIATION OF FUNDS											
Total funds brought forward		34,509,199	7,947	34,517,146	67,621,357	9,818,466	77,439,823	(3,212,000)	1,456	108,746,424	115,759,173
TOTAL FUNDS CARRIED FORWARD		33,290,614	133,398	33,424,012	65,855,967	10,342,079	76,198,046	(2,999,000)	1,456	106,624,513	108,746,423

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

Salford Roman Catholic Diocese Trustees Registered has taken advantage of the exemption from the Charities Act 2011 in not presenting as a separate Statement of Financial Activity.


The surplus/(deficit) for the charity for the year ended 31st December 2024 was (£2.1m) for 2023 (£7.0m).

Diocese of Salford Trustees' Annual Report and Accounts 2024
Financial Statements Consolidated and Charity Balance Sheet

Consolidated and Charity Balance Sheet
As of 31st December 2024

	Notes	Group		Charity	
		2024 £	2023 £	2024 £	2023 £
Fixed assets					
Tangible assets	4	48,917,324	42,734,185	48,809,330	42,589,253
Investment Property	5	8,014,000	8,014,000	8,014,000	8,014,000
Investments	6	27,885,675	32,788,850	27,885,680	32,788,855
		<u>84,816,999</u>	<u>83,537,035</u>	<u>84,709,010</u>	<u>83,392,108</u>
Current assets					
Stocks	7	50,494	79,539	-	-
Debtors	8	9,854,011	4,497,734	9,715,920	4,375,985
Cash at bank and in hand	9	22,294,467	33,795,036	21,853,615	33,139,317
		<u>32,198,972</u>	<u>38,372,309</u>	<u>31,569,535</u>	<u>37,515,302</u>
Creditors					
Amounts falling due within one year	10.1	(7,392,458)	(9,950,920)	(7,015,220)	(9,403,194)
Care of Clergy Provision	10.2	(2,999,000)	(3,212,000)	(2,999,000)	(3,212,000)
		<u>21,807,514</u>	<u>25,209,389</u>	<u>21,555,315</u>	<u>24,900,108</u>
Net current assets					
		<u>21,807,514</u>	<u>25,209,389</u>	<u>21,555,315</u>	<u>24,900,108</u>
Total assets less current liabilities		106,624,513	108,746,424	106,264,325	108,292,216
Total net assets		<u>106,624,513</u>	<u>108,746,424</u>	<u>106,264,325</u>	<u>108,292,216</u>
Funds					
Unrestricted funds - general	13	93,601,100	96,585,074	93,240,911	96,130,865
Restricted funds	13	10,475,475	9,826,412	10,475,476	9,826,413
Permanent endowment	13	1,456	1,456	1,456	1,456
Revaluation Reserve	13	5,545,482	5,545,482	5,545,482	5,545,482
Care of the Clergy Provision		(2,999,000)	(3,212,000)	(2,999,000)	(3,212,000)
Total funds		<u>106,624,513</u>	<u>108,746,424</u>	<u>106,264,325</u>	<u>108,292,216</u>

The financial statements were approved by the Trustees on the 8th July 2024 and signed on their behalf by:



Trustee
Rt Rev John Arnold, Bishop of Salford

Diocese of Salford Trustees' Annual Report and Accounts 2024
Financial Statements Consolidated Statement of Cash Flow

Consolidated Statement of Cash Flow
Year to 31st December 2024

	2024 £	2023 £
Cash flows from operating activities		
Surplus / (Deficit) from the reporting period	(2,121,911)	(7,012,749)
Adjustments to cash flows from non - cash items		
Depreciation	1,341,108	1,335,937
Investment income	(2,630,229)	(2,782,302)
Financial instrument (gains) / losses through statement of financial activities	(225,477)	(699,035)
(Profit) / loss on disposal of fixed assets	(725,322)	(189,203)
(Profit) / loss on disposal of fixed assets investments	(1,025,758)	(226,279)
Increase/(decrease) in Care of Clergy Provision	(213,000)	322,000
	(5,600,589)	(9,251,631)
Working capital adjustments		
(Increase) / decrease in stock	29,045	54,790
(Increase) / decrease in debtors	(5,356,276)	169,870
Increase / (decrease) in creditors	(2,558,462)	(236,327)
	(13,486,283)	(9,263,297)
Net cash flows from operating activities	(13,486,283)	(9,263,297)
Cash flows from investing activities		
Interest received and similar income	1,545,294	1,592,410
Purchase tangible fixed assets	(7,562,312)	(5,897,781)
Sale of tangible fixed assets	763,387	204,463
Purchase of investments	(7,268,661)	(4,648,019)
Sale of investments	13,494,139	5,347,054
Income from dividends	1,084,935	1,189,892
(Increase)/ decrease in investment properties	-	(45,000)
	2,056,781	(2,256,981)
Net cash flows from investing activities	2,056,781	(2,256,981)
Net increase/(decrease) in cash flows and cash equivalents	(11,429,502)	(11,520,278)
Cash flows and cash equivalents at 1 January 2024	33,993,365	45,513,643
Cashflows and cash equivalents at 31 December 2024	22,563,863	33,993,365
Cash flows and cash equivalents Summary		
Cash at bank and in hand	22,294,467	33,795,036
Cash held as part of investment fund	269,396	198,329
	22,563,863	33,993,365

Notes to the Financial Statements Year to 31st December 2024

1. Significant Accounting policies

1.1. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements include the results of the Charity's operations which are all continuing:

- Parochial – consolidation of Diocesan parish accounts
- Diocesan – consolidation of Central Funds and subsidiary company accounts

The Charity constitutes a public benefit entity as defined by FRS102.

1.2. Basis of consolidation and scope of the financial statements

The statement of financial activities and the balance sheet consolidate the financial statements of the charity and its subsidiary undertakings, made up to the balance sheet date.

A separate Statement of Financial Activities for the charity has not been presented because the Trust has taken advantage of the exemption from the Charities Act 2011.

1.3. Areas of Judgement or Estimation

The preparation of the financial statements in line with the Charities' SORP and FRS102 requires the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and other factors which have been considered relevant. Actual results may differ from these estimates.

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.

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

- Assessing the probability of the receipt of legacy income.
- Estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation charge.
- Assessing the need for any provision against slow-moving and/or obsolete stock within SDC Trading Limited.
- Assessing the recoverability of outstanding debtors and the need for any provision for bad or doubtful debts.
- Where certain clergy who are no longer in active ministry and the Diocese has undertaken a commitment of care a provision has been recognised using a 2024 discount rate of 5.3% (2023 4.5%) (Note 10.2)

1.4. Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

1.5. Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast a significant doubt on the ability of the Charity and group to continue as a going concern and that they have no material uncertainties about the entity's ability to continue as a going concern. The trustees made this assessment in respect of there being adequate cash and reserves in place for a period of at least one year from the date of approval of the financial statements.

1.6. Income and endowments

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

1.6.1. Donations and legacies

Donations and Legacies are recognised when the receipt is probable, and the amount of income receivable can be measured reliably. Income is deferred only when the charity must fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

1.6.2. Other trading activities

Details of trading activities are set out in the notes. Income receivable is accounted for in the period in which the relevant service or goods are provided or supplied.

1.6.3. Investment income

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

Dividends are recognised once the dividend has been declared and notification has been received of the dividends due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

1.6.4. Charitable activities

Income from charitable activities is recognised as earned when the related services are provided. The Diocese receives substantial help from volunteers. It is not possible to place a financial value on this work and no amounts are therefore included in the financial statements for the value of services donated by volunteers. Gifts of fixed assets are included at valuation and recorded as donation income.

1.6.5. Government and other grants

Government and other grants are recognised under the performance model. Income is recognised where the grant does not impose performance related conditions and when the performance related conditions are met.

1.6.6 SCA – (Schools Building Work)

Grants received from the education authority are recognised as income on a receipts basis. These funds have been granted to the Diocese as restricted funds to be expended on school building projects. These projects may spread over several years and so there is a balance on the fund at the year end.

1.7. Expenditure

All expenditure is recognised once there is a legal or constructive obligation committing the charity to that expenditure. It is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses are allocated or apportioned to the applicable expenditure headings. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.7.1. Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

1.7.2. Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly attributable to such activities and those costs of an indirect nature necessary to support them and includes governance costs.

1.7.3. Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

1.7.4. Grants Payable

Grants payable to partner organisations are included in the SOFA when approved by the Trustees and agreed with other organisations. The value of such grants unpaid at the yearend is accrued. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued but are noted as financial commitments.

1.7.5 SCA – (Schools Building Works)

Expenditure is recognised on an accruals basis. These projects may spread over a number of years and so there is a balance on the restricted funds at the year end.

1.8. Taxation

The charity is a registered charity and therefore is exempt from taxation.

1.9. Fixed asset investments

Fixed asset investments are a form of basic financial instrument and are initially recognised at their transaction value and are subsequently measured at their fair value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between the sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market value during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

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

1.10. Tangible fixed assets – other than property

These tangible fixed assets are stated at cost less depreciation, which is calculated to write off the cost or valuation less estimated residual values over their estimated useful lives. Depreciation is provided at the following rates on a straight-line basis and time apportionments are made in the year of acquisition on disposal.

Fixtures and fittings 10%

Motor vehicles 25%

Computer equipment 25%

Central freehold land and buildings 2%

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

1.11. Tangible fixed assets – inalienable school property

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

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

The governors are responsible for the buildings, and for repair and refurbishment and insurance costs.

1.12. Tangible fixed assets – church property

Prior to 1 January 1997, the accounting policy was applied for capital expenditure on church property to be written off in full as incurred. The accounts prepared for previous years therefore did not include any balance sheet value for the Cathedral, Churches, Presbyteries, Halls and other parish property or for their contents.

As a result of the previous accounting policy, the original costs and accumulated depreciation of all church parish property held at 31 December 1997 was not readily available. After consideration, the Trustee's view was that a reasonable approximation of the net book value of the church parish property held at 31 December 1997 was established through discounting the insurance values of the above properties by 90%, which is the policy employed to include assets on the balance sheet at estimated historic cost net of accumulated depreciation.

Following the recommendation of the SORP, the value of church parish property capitalised on the balance sheet is to be depreciated over their expected useful lives at the following rates from 31 December 1997. All depreciation is calculated by using the straight-line method.

Diocese of Salford Trustees' Annual Report and Accounts 2024

Financial Statements Notes to the Financial Statements

Cathedral, Churches, Presbyteries, Halls and church properties acquired prior to 31 December 1997

- Land element, Nil
- Building element, 2%

Church and Presbytery contents etc

- Fixtures and fittings, 10%
- Computer equipment, 25%

1.13. Investment property

Investment properties of the Group are held for long-term rental yields. Investment properties are treated as on-current investments and are stated at revalued amounts, representing open market value determined on an annual basis by independent valuers. Investment properties are not subject to depreciation.

When an investment property is revalued, revaluation surpluses are taken to the asset revaluation reserve, unless they offset previous revaluation losses of the same investment that were taken to the income statement. Revaluation losses are taken to the asset revaluation reserve, to the extent that they offset previous revaluation surpluses of the same investment that were taken to the asset revaluation reserve. Other revaluation surpluses or losses are taken to the income statement.

If investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as development properties until construction or development is completed, at which time it is reclassified and accounted for as investment property.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is taken to the income statement; any amount in the revaluation reserve relating to that investment property is also transferred to the income statement.

1.14. Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow-moving stocks. Cost is determined using the first-in, first-out (FIFO) method.

1.15. Trade debtors

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

1.16. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

1.17. Trade creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Diocese of Salford Trustees' Annual Report and Accounts 2024

Financial Statements Notes to the Financial Statements

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 Diocese. Where any balance has not been paid to the respective organisation concerned, it has been included in creditors.

DFC – (School Building Work). The Charity assists governors in managing projects and may make grants via the Curial Offices to assist the governors with their liability for school and academy building and repair costs. The Charity administers these monies as managing agent and makes the appropriate payments to contractors for work carried out. Any monies due to the Charity or held by the Charity on behalf of schools and academies, as at balance sheet date, are included in other amounts owed in creditors.

1.18. Pensions

The Charity has made suitable arrangements for employer pensions, providing access to defined contribution pension schemes for all members of staff, including ensuring compliance with recent legislation for auto-enrolment and where applicable access to the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff. Pension costs charged in the statement of financial activities represent the contributions payable by the Charity in the year.

1.19. Funds accounting

Funds held by the Charity are either:

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- Unrestricted designated funds – these are funds which have been set aside by the Trustees for specific purposes.
- Restricted funds – these are funds which can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose.
- Permanent endowment funds – these represent funds given to the Charity, subject to the restriction that they are held as capital. Income derived from endowment funds is included in the Statement of Financial Activities, unless restricted to a particular purpose.

1.20. Financial Instruments

1.20.1. Classification

Financial assets and financial liabilities are recognised when the charity become a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

1.20.2. Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Diocese of Salford Trustees' Annual Report and Accounts 2024

Financial Statements Notes to the Financial Statements

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to offset the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

1.21. Subsidiary/associated bodies

The Charity has interests in the following undertakings:

Name, nature of business	Registered Office	Class and number of shares	% Held
<u>Subsidiaries</u>			
Catholic Support Services Limited Company No. 02790890	Cathedral Centre 3 Ford Street, Salford, Lancashire. M3 6DP	One Ordinary	100
Support for Catholic schools, teachers and parishes, provision of chaplaincy services			
S.D.C Trading Limited Company No. 03481323	Cathedral Centre 3 Ford Street, Salford, Lancashire. M3 6DP	Two Ordinary	100
Social clubs in the Diocese of Salford			
Catholic Building Services Limited Company No. 8020372	Cathedral Centre 3 Ford Street, Salford, Lancashire. M3 6DP	Two Ordinary	100
Administration of building projects			
Catholic Truth Society (Diocese of Salford) Charity no. 218951	Cathedral Centre 3 Ford Street, Salford, Lancashire. M3 6DP	N/A	N/A: consolidated due to common trusteeship and nature of Diocesan control over assets and decision of making of the organisaiton.

Advancement of religion by promoting knowledge of the Catholic Faith and its practice among both Catholics and Non Catholics via the circulation of books and publications.

Associated Bodies

Inter-Diocesan Fuel Management Limited Company No. 02891029	2 Park Road South, Birkenhead, Wirral. CH43 4UX	One Ordinary	11
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Fuel and power distribution for Diocesan properties within the scheme

The aggregate amount of the subsidiaries turnover, expenditure, assets, liabilities and funds at the end of the reporting period can be found in note 18.

Financial Statements Notes to the Financial Statements

2. Income and endowments

2.1. Donations and legacies

	Parochial funds		Diocesan funds		2024	2023
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
Donations	853,557	5,208	85,535	136,505	1,080,805	728,677
Legacies	550,756	-	366,755	369,901	1,287,412	521,176
Offertory collections	6,213,707	-	-	-	6,213,707	6,101,757
	<u>7,618,020</u>	<u>5,208</u>	<u>452,290</u>	<u>506,406</u>	<u>8,581,924</u>	<u>7,351,610</u>

2.2. Other trading activities

	Parochial funds		Diocesan funds		2024	2023
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
Social and fundraising income	453,492	-	4,394	-	457,886	428,704
S.D.C Trading Limited	-	-	1,516,583	-	1,516,583	1,593,570
Catholic Truth Society	-	-	29,541	-	29,541	108,620
	<u>453,492</u>	<u>-</u>	<u>1,550,518</u>	<u>-</u>	<u>2,004,010</u>	<u>2,130,894</u>

2.3. Investment Income

	Parochial funds		Diocesan funds		2024	2023
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
Income from listed investments	-	-	1,084,935	-	1,084,935	1,189,892
Interest on cash deposits	483,725	-	780,693	-	1,264,418	1,542,410
Loan Interest Income	-	-	280,876	-	280,876	50,000
	<u>483,725</u>	<u>-</u>	<u>2,146,504</u>	<u>-</u>	<u>2,630,229</u>	<u>2,782,302</u>

2.4. Charitable Activities

	Parochial funds		Diocesan funds		2024	2023
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
Moston & Wardley cemeteries	63,471	-	519,062	-	582,533	540,054
Catholic Support Services Limited	-	-	1,480,719	-	1,480,719	1,408,583
	<u>63,471</u>	<u>-</u>	<u>1,999,781</u>	<u>-</u>	<u>2,063,252</u>	<u>1,948,637</u>

2.5. Other Income

	Parochial funds		Diocesan funds		2024	2023
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
Other income	1,263,694	-	69,317	16,496	1,349,507	1,545,380
Rental Income	699,655	-	418,151	-	1,117,806	971,888
Grant Income	276,241	25,247	760	17,000	319,248	667,445
Profit/(loss) on disposal of fixed assets	728,093	337,291	-	2,771	1,062,613	189,203
	<u>2,967,683</u>	<u>362,538</u>	<u>485,457</u>	<u>33,496</u>	<u>3,849,174</u>	<u>3,373,916</u>

2.6. Other Income – SCA – School Building Works

	Parochial funds		Diocesan funds		2024	2023
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
SCA - School Building Works	-	-	-	9,677,941	9,677,941	10,661,410
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,677,941</u>	<u>9,677,941</u>	<u>10,661,410</u>

Diocese of Salford Trustees' Annual Report and Accounts 2024

Financial Statements Notes to the Financial Statements

2.7. Subsidiary companies

Trading activities within the diocese consist of the subsidiary companies' activities as follows:

	Income £	Expenditure £	2024 Net Profit / (Loss) £	2023 Net Profit / (Loss) £
Catholic Support Services Limited	1,708,168	868,731	839,437	442,118
Catholic Truth Society	29,541	41,519	(11,977)	(69,448)
S.D.C Trading Limited	1,516,583	1,375,760	140,823	(142,896)
	<u>3,254,294</u>	<u>2,286,011</u>	<u>968,283</u>	<u>229,774</u>

The taxable profit of the subsidiary companies is gifted to the charity so that there is no liability to corporation tax for these entities. Further detailed within note 17 to the financial statements.

Catholic Building Services Limited remains dormant for 2024.

3. Resources expended

3.1. Expenditure on raising funds

3.1.1. Investment management costs

	Parochial funds		Diocesan funds		2024	2023
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
Investment Management fees	-	-	97,557	-	97,557	142,219
	-	-	<u>97,557</u>	-	<u>97,557</u>	<u>142,219</u>

3.1.2. Fundraising Costs

	Parochial funds		Diocesan funds		2024	2023
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
S.D.C Trading Limited	-	-	1,555,661	-	1,555,661	1,736,466
Social and fundraising	1,028,875	-	2,317	-	1,031,192	717,870
	<u>1,028,875</u>	-	<u>1,557,978</u>	-	<u>2,586,853</u>	<u>2,454,336</u>
Total expenditure on raising funds	<u>1,028,875</u>	-	<u>1,655,535</u>	-	<u>2,684,410</u>	<u>2,596,555</u>

Diocese of Salford Trustees' Annual Report and Accounts 2024

Financial Statements Notes to the Financial Statements

3.2. Expenditure on charitable activities

3.2.1. Parish Costs

	Parochial funds		Diocesan funds		2024	2023
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
Clergy allowances	892,791	-	-	-	892,791	803,078
Gross Wages	1,075,123	-	-	-	1,075,123	925,010
Employer's NI	55,649	-	-	-	55,649	29,195
Pension Costs	24,416	-	-	-	24,416	48,006
Staff costs - other	29,532	-	-	-	29,532	520
Church & presbytery supplies	5,111,469	14,850	-	-	5,126,319	6,327,623
Property Overheads	3,219,340	227,295	-	-	3,446,635	4,293,685
Office costs	24,581	-	-	-	24,581	10,435
Parish vehicles	27,265	-	-	-	27,265	30,172
Other costs	441,938	150	-	-	442,088	728,441
Bank charges	23,176	-	-	-	23,176	60,807
Depreciation	840,171	-	-	-	840,171	740,377
	<u>11,765,451</u>	<u>242,295</u>	<u>-</u>	<u>-</u>	<u>12,007,746</u>	<u>13,997,349</u>

3.2.2. Central & Diocesan Costs

	Parochial funds		Diocesan funds		2024	2023
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
Gross Wages	-	-	2,583,197	40,589	2,623,786	2,582,440
Employer's NI	-	-	273,404	2,672	276,076	267,070
Pension Costs	-	-	180,319	1,726	182,045	189,172
Staff costs - other	-	-	340,738	4,098	344,836	417,311
Clergy allowances	-	-	90,421	-	90,421	98,137
Sick & retired clergy costs	-	-	888,703	-	888,703	786,037
Property Overheads	-	-	1,042,473	57,042	1,099,515	1,290,137
Office costs	-	-	442,667	8,876	451,543	460,019
Church & presbytery supplies	-	-	983	-	983	-
Other costs	-	-	335,570	67,876	403,446	507,251
Subsidiary costs	-	-	910,250	-	910,250	1,151,028
Bank charges	-	-	57,353	-	57,353	17,304
Bad debts provision	-	-	(52,655)	-	(52,655)	(17,616)
Depreciation	-	-	460,936	888	461,824	532,589
	<u>-</u>	<u>-</u>	<u>7,554,359</u>	<u>183,767</u>	<u>7,738,126</u>	<u>8,280,879</u>

3.2.3. Governance Costs

	Parochial funds		Diocesan funds		2024	2023
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
Legal & professional	1,200	-	64,541	6,385	72,126	228,689
Auditors remuneration	-	-	69,042	-	69,042	61,320
Accountancy services	9,450	-	23,217	-	32,667	18,958
	<u>10,650</u>	<u>-</u>	<u>156,800</u>	<u>6,385</u>	<u>173,835</u>	<u>308,967</u>

3.2.4. Grants Payable

	Parochial funds		Diocesan funds		2024	2023
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
CATEW/NCF - Gross	-	-	202,761	-	202,761	239,540
Survivors Manchester	-	-	81,720	-	81,720	88,420
	<u>-</u>	<u>-</u>	<u>284,481</u>	<u>-</u>	<u>284,481</u>	<u>327,960</u>

3.3. SCA – School Building Work

	Parochial funds		Diocesan funds		2024	2023
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
SCA - School Building Works	-	-	-	9,504,078	9,504,078	10,398,122
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,504,078</u>	<u>9,504,078</u>	<u>10,398,122</u>
Total expenditure on charitable activities	<u>11,776,101</u>	<u>242,295</u>	<u>7,995,640</u>	<u>190,152</u>	<u>20,204,188</u>	<u>22,915,156</u>

Diocese of Salford Trustees' Annual Report and Accounts 2024
Financial Statements Notes to the Financial Statements

3.4 Staff disclosures

		Restated
Personnel Costs	2024	2023
	£	£
Gross Wages	4,293,080	4,132,376
Employer's NI	362,228	330,962
Pension Costs	218,481	249,965
Other	367,549	476,089
Total Employee Costs	5,241,337	5,189,393

2023 costs have been restated to include subsidiary costs not consolidated of £1,180,017

The average monthly number of staff employed, based on average headcount during the year was as follows:

	2024	2023
	No.	No.
Central Diocesan employees	63	75
Parish employees (excludes parish clergy)	90	87
Cemeteries employees	8	8
S.D.C Trading Limited	60	76
Catholic Truth Society	-	2
	221	248

	2024	2023
	No.	No.
Employees receiving remuneration over £60,000		
Between £60,000 to £69,999	2	2
Between £70,000 to £79,999	1	1
Between £80,000 to £89,999	1	1
Between £90,000 to £99,999	-	-
Between £100,000 to £109,999	-	-
Between £110,000 to £119,999	2	2
	6	6

Pension costs to higher paid employees	48,474	60,823
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Contributions to a defined benefits pension scheme during the year	NIL	NIL
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Key management personnel received salary and pension contributions	731,899	701,657
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Remuneration Policy

Annual Pay changes are approved by the Trustees, and job roles and remuneration are reviewed periodically. Benchmarking against market rates is employed when new roles are created or when significant roles change hands.

Diocese of Salford Trustees' Annual Report and Accounts 2024

Financial Statements Notes to the Financial Statements

3.5. Trustees

The Board of Trustees is made up of members of clergy and laity of the faithful. The priests receive income for their office together with living accommodation, living expenses and reimbursement of costs incurred on the same basis as other Diocesan priests. No Trustee receives any remuneration or benefits from his/her trusteeship other than cover under the indemnity insurance purchased by the charity. One (2023: One) Trustee received reimbursement for travel expenses in the year 2024: £994 (2023: £123).

3.6. Employee Loans

	2024	2023
	No.	No.
	£	£
The total amount of outstanding loans was:	-	631
The total amount of car benefit scheme outstanding was:	5,771	4,159

3.7. Movement in Net Funds

	2024	2023
	£	£
This is stated after charging:		
Auditors remuneration:		
- Audit	63,236	63,581
- Other services	38,337	29,509
Profit / (Loss) on disposal of tangible fixed assets	725,322	189,203
Profit / (Loss) on disposal of investments	(1,025,758)	(226,279)
Depreciation of fixed assets	1,341,108	1,335,937
Finance charges payable	83,758	94,102

3.8. Change in Actuarial Movement

	2024	2023
	£	£
Increase / (Decrease) Care of Clergy	(213,000)	322,000

The accounts include a creditor for the Care of the Clergy Provision (please see note 10.2)

Independently included to provide clarity on the ongoing commitment the Diocese has to those no longer in active ministry.

The adjustment noted above is a result of change in circumstances of priests included within the current provision.

Diocese of Salford Trustees' Annual Report and Accounts 2024

Financial Statements Notes to the Financial Statements

4. Tangible Fixed Assets

Group

	Properties £	Work In progress £	Fixtures & Fittings £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 January 2024	54,704,655	5,713,937	4,628,858	236,651	18,410	65,302,511
Additions	1,346,976	5,962,297	212,756	-	40,284	7,562,312
Disposals	(68,988)	-	(110,662)	-	-	(179,650)
At 31 December 2024	<u>55,982,643</u>	<u>11,676,233</u>	<u>4,730,952</u>	<u>236,651</u>	<u>58,694</u>	<u>72,685,173</u>
Depreciation						
At 1 January 2024	18,784,034	-	3,575,006	190,876	18,410	22,568,326
Charge for the year	1,082,882	-	236,894	16,497	4,835	1,341,108
Disposals	(30,923)	-	(110,662)	-	-	(141,585)
At 31 December 2024	<u>19,835,994</u>	<u>-</u>	<u>3,701,238</u>	<u>207,373</u>	<u>23,245</u>	<u>23,767,849</u>
Net book value at 31 December 2024	<u>36,146,649</u>	<u>11,676,233</u>	<u>1,029,714</u>	<u>29,278</u>	<u>35,449</u>	<u>48,917,324</u>
Net book value at 31 December 2023	<u>35,920,621</u>	<u>5,713,937</u>	<u>1,053,852</u>	<u>45,775</u>	<u>-</u>	<u>42,734,185</u>

Charity

	Properties £	Work In progress £	Fixtures & Fittings £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 January 2024	54,589,965	5,713,937	3,592,610	230,459	18,410	64,145,381
Additions	1,346,976	5,962,297	210,556	-	40,284	7,560,113
Disposals	(63,395)	-	-	-	-	(63,395)
At 31 December 2024	<u>55,873,547</u>	<u>11,676,233</u>	<u>3,803,166</u>	<u>230,459</u>	<u>58,694</u>	<u>71,642,099</u>
Depreciation						
At 1 January 2024	18,669,343	-	2,682,353	186,022	18,410	21,556,128
Charge for the year	1,082,882	-	197,756	16,497	4,835	1,301,970
Disposals	(25,330)	-	-	-	-	(25,330)
At 31 December 2024	<u>19,726,896</u>	<u>-</u>	<u>2,880,109</u>	<u>202,519</u>	<u>23,245</u>	<u>22,832,769</u>
Net book value at 31 December 2024	<u>36,146,651</u>	<u>11,676,233</u>	<u>923,057</u>	<u>27,940</u>	<u>35,449</u>	<u>48,809,330</u>
Net book value at 31 December 2023	<u>35,920,622</u>	<u>5,713,937</u>	<u>910,257</u>	<u>44,437</u>	<u>-</u>	<u>42,589,253</u>

4.1. Assets not used for charitable purposes

	2024 £	2023 £
All of the tangible fixed assets are used by the Charity for its charitable purposes with the exception of properties, computer equipment and fixtures and fittings with a net book value of	<u>107,994</u>	<u>144,932</u>

4.2. Capital Commitments

	2024 £	2023 £
Capital commitments authorised and contracted for at 31 December 2024 were as follows:		
Diocesan Projects	10,049,534	14,509,297
School Capital Projects	7,928,036	6,897,033
	<u>17,977,570</u>	<u>21,406,330</u>

Funding for Diocesan Projects includes the Cathedral resoring the glory project funded as agreed by Trustees from divesting part of the Investment portfolio.

School Capital projects are, in main, funded via the School Capital Allowance Grant from the Department for Education (DfE)

Diocese of Salford Trustees' Annual Report and Accounts 2024

Financial Statements Notes to the Financial Statements

5. Investment properties

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
At 1 January 2024	8,014,000	7,969,000	8,014,000	7,969,000
Revaluation Gain	-	45,000	-	45,000
At 31 December 2024	8,014,000	8,014,000	8,014,000	8,014,000

As at 31 December 2024, the investment properties represent the following:

Property	Revalued Amount	Initial NBV	Revaluation Gain
St Augustine's School All Saints, Manchester	2,250,000	2,250,000	-
Sacred Heart Infant School, Gorton	485,000	24,275	460,725
Allen Hall (Land), 281 Wilmslow Road, Manchester	2,150,000	25,526	2,124,474
St Sebastians, Gerald Road, Pendleton, Salford	225,000	11,994	213,006
Former Our Lady's Primary School, Turf Pit Lane, Moorside	300,000	15,015	284,985
Playing Fields, St Bedes	440,000	22,023	417,977
Key Street Bar of Music, Clitheroe	175,000	9,306	165,694
St Wilfrid's Hall, Hulme, Manchester	150,000	4,206	145,794
Workshop, on Back Palace Street, Bolton, BL1 2DR	100,000	501	99,499
Land at Manchester Road Kearsley	19,000	951	18,049
Rental of Stydd Lodge Farm	555,000	25,526	529,474
Former St Paul's RC Church, Preston Old Road BB2 5EP	190,000	9,510	180,490
Lee House Farm	675,000	17,518	657,482
St Anthony's Centre, Trafford Park	300,000	52,167	247,833
Total Investment Property	8,014,000	2,468,518	5,545,482

The land and properties have been valued by Axis Property Consultancy LLP and P Wilson & Company in August 2023.

6.1. Fixed Asset investments

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Subsidiary Undertakings	-	-	5	5
Participating Interest	1	1	1	1
6.1	1	1	6	6
Investments listed or traded on a recognised stock exchange	6.2 27,616,278	32,590,521	27,616,278	32,590,521
Cash held as part of investment fund	269,396	198,329	269,396	198,329
Total Investments	27,885,675	32,788,850	27,885,680	32,788,855

Diocese of Salford Trustees' Annual Report and Accounts 2024

Financial Statements Notes to the Financial Statements

6.2. Investments listed or traded on a recognised stock exchange

Group and Charity Movement	2024	2023
	£	£
Market value at 1 January 2024	32,590,521	32,364,242
Additions at cost	7,268,661	4,648,019
Disposal proceeds	(7,494,139)	(5,347,054)
Capital payments	(6,000,000)	-
Net gain/(loss)	1,251,234	925,314
Market value at 31 December 2024	<u>27,616,278</u>	<u>32,590,521</u>

	Cost	2024 Market Value	2023 Market Value
	£	£	£
Analysed by type			
Bonds	6,694,578	6,191,110	8,863,411
Alternatives & Multi-Asset	2,916,508	4,726,635	3,656,103
UK Equities	3,143,038	4,743,139	6,145,525
Global Equities	2,084,961	2,760,901	4,026,517
North America	3,238,142	5,892,536	5,402,737
European equities	711,401	846,409	1,170,723
Far East	1,494,033	1,761,223	2,560,760
Rest of the World	705,674	694,325	764,745
	<u>20,988,336</u>	<u>27,616,278</u>	<u>32,590,521</u>

	2024	2023
	£	£
Analysed by fund		
Unrestricted	20,988,336	27,616,278
Restricted	-	-
	<u>20,988,336</u>	<u>27,616,278</u>

The charity had no holdings which comprised more than 5% of the market value of the portfolio at that date

7. Stock

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Stock	<u>50,494</u>	<u>79,539</u>	<u>-</u>	<u>-</u>

8. Debtors

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	1,442,060	1,350,101	1,372,777	1,324,751
Prepayments	625,646	598,419	590,852	559,991
Other debtors	7,786,305	2,549,214	7,752,291	2,491,243
	<u>9,854,011</u>	<u>4,497,734</u>	<u>9,715,920</u>	<u>4,375,985</u>

Within Other Debtors is a balance of £5.0m (2023 £0) relating to expenditure on behalf of the Diocesan schools funded by the government RAAC and Basic Need funding which is claimed in arrears.

Diocese of Salford Trustees' Annual Report and Accounts 2024

Financial Statements Notes to the Financial Statements

8.1. Loans to Other Charities

Group and Charity other debtors include the loan to Ushaw £1,937,844 (2023: £1,669,468) which are repayable on demand.

9. Cash at bank and in hand

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Cash at bank and in hand	22,294,467	33,795,036	21,853,615	33,139,317

10. 1 Creditors: amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	737,566	1,267,634	700,417	1,190,873
Social security and taxation	95,550	82,241	82,774	82,081
Other creditors	4,394,048	7,045,534	4,339,648	6,986,571
Amounts due to subsidiaries	-	-	235,297	74,977
Accruals & Deferred Income	2,165,294	1,555,511	1,657,084	1,068,692
	7,392,458	9,950,920	7,015,220	9,403,194

10.1.2 Deferred Income

Deferred income in the Charity includes rental income invoiced in advance for the lease year, this has reduced in 2024 due to move to quarterly invoicing.

Group includes annual subscriptions paid by schools for education and property services which has increased by both inflation and volume in year and payments for club events in advance. All deferred income is released in the following year.

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Deferred Income opening balance	381,060	327,832	65,233	38,263
Released in Year	(381,060)	(327,832)	(65,233)	(38,263)
Income Deferred in year	432,447	381,060	35,946	65,233
Deferred income closing balance	432,447	381,060	35,946	65,233

10.2. Care of Clergy Provision

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Care of Clergy Provision	2,999,000	3,212,000	2,999,000	3,212,000

The Care of Clergy Provision has been independently assessed and has been included to provide clarity on the ongoing commitment the Diocese has to those no longer in active ministry.

Should a priest leave active ministry prior to retirement, there is no obligation to accrue for a liability and, as such, this has been excluded.

The provision has been recognised on the basis that there is an agreement in place with certain clergy who are no longer in active ministry that gives rise to a future commitment.

It has been calculated based upon the agreed levels of financial support, age profile, mortality tables, an appropriate discount rate (derived from a high quality corporate bond) and the number of priests no longer in active ministry and for whom the Diocese has undertaken an ongoing commitment of care.

Diocese of Salford Trustees' Annual Report and Accounts 2024

Financial Statements Notes to the Financial Statements

10.2. Care of Clergy Provision (continued)

Care of Clergy Provision	2024 £	2023 £
Provisions at 1 January	3,212,000	2,890,000
Increase/(decrease) during the year	(213,000)	322,000
Provisions at 31 December	2,999,000	3,212,000

10.3. Operating lease commitments

At 31 December 2024 the company had annual commitments under non-cancellable operating leases:

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Operating Leases which expire:				
Within One year	2,009	2,009	2,009	2,009
Within two to five years	1,494	3,503	1,494	3,503
	3,503	5,511	3,503	5,511

11. Contingent Liabilities

Appropriate consideration has been given to historical liabilities in respect of which insurance cover cannot be traced or where the historical policy limits are inadequate. No contingent liabilities have been identified that require disclosure.

12. Related Parties

12.1. Other Related Parties

Mr. Edward Nally has provided consultancy services for a number of years for which he is remunerated and has continued to be paid following his appointment as a Trustee in May 2016. In the accounting year ended 31 December 2024 the total was £55,000 (2023: £55,000). Mr Nally is not paid for his services as a Trustee of the charity but as a consultant to the key management team.

12.2. Donations from Trustees

Throughout the year, Trustees who are not members of the clergy attend Mass and other services and events within the Diocese that they live in. In the course of doing so, the Trustees resident in the Diocese of Salford will contribute to the offertory and make other financial contributions to the Diocese of Salford. The nature of such giving means that it is not possible to quantify the amount donated to the Charity by its Trustees during any financial year.

13. Funds

	Notes	Balance 01-Jan-24 £	Incoming resources £	Resources expended £	Transfers £	Gains and Losses £	Balance 31-Dec-24 £
Unrestricted Funds	15	96,585,075	18,220,941	(22,456,151)	-	1,251,235	93,601,100
Restricted Funds							
Parishes Special Collections	13.1.1	287,603	178,420	-	-	-	466,023
Pleasington Priory	13.1.2	1,064,339	358,953	(248,195)	-	-	1,175,097
Stydd Trust	13.1.3	309,639	-	-	-	-	309,639
Stanford Trust	13.1.4	385,466	-	-	-	-	385,466
Ecclesiastical Education Fund	13.1.5	6,982	199,233	(74,585)	-	-	131,630
SCA - School Building Works Fund	13.1.6	7,754,173	9,677,941	(9,504,078)	-	-	7,928,036
Other Restricted Funds	13.1.7	18,210	171,041	(109,667)	-	-	79,584
		9,826,412	10,585,588	(9,936,525)	-	-	10,475,475
Designated Funds							
Care of Clergy Provision		(3,212,000)	-	-	-	213,000	(2,999,000)
		(3,212,000)	-	-	-	213,000	(2,999,000)
Endowment Funds							
SRCDTR	13.3.1	1,000	-	-	-	-	1,000
Moston & Wardley Cemeteries	13.3.2	456	-	-	-	-	456
		1,456	-	-	-	-	1,456
Revaluation Reserve	13.4.1	5,545,482	-	-	-	-	5,545,482
TOTAL FUNDS		108,746,425	28,806,529	(32,392,676)	-	1,464,235	106,624,513

Diocese of Salford Trustees' Annual Report and Accounts 2024

Financial Statements Notes to the Financial Statements

13. Funds (Continued)

Notes	Balance 01-Jan-23 £	Incoming resources £	Resources expended £	Transfers £	Gains and Losses £	Balance 31-Dec-23 £	
Unrestricted Funds	15	103,401,784	17,283,979	(25,026,002)	-	925,314	96,585,075
Restricted Funds							
Parishes Special Collections	13.1.1	265,612	28,751	(6,760)	-	-	287,603
Pleasington Priory	13.1.2	1,174,502	999	(111,162)	-	-	1,064,339
Stydd Trust	13.1.3	309,639	-	-	-	-	309,639
Stanford Trust	13.1.4	385,466	-	-	-	-	385,466
Ecclesiastical Education Fund	13.1.5	-	165,741	(158,759)	-	-	6,982
SCA - School Building Works	13.1.6	7,490,885	10,661,410	(10,398,122)	-	-	7,754,173
Other Restricted Funds	13.1.7	119,347	107,889	(209,026)	-	-	18,210
		<u>9,745,451</u>	<u>10,964,790</u>	<u>(10,883,829)</u>	<u>-</u>	<u>-</u>	<u>9,826,412</u>
Designated Funds							
Care of Clergy Provision		(2,890,000)	-	-	-	(322,000)	(3,212,000)
		<u>(2,890,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(322,000)</u>	<u>(3,212,000)</u>
Endowment Funds							
SRCDTR	13.3.1	1,000	-	-	-	-	1,000
Moston & Wardley Cemeteries	13.3.2	456	-	-	-	-	456
		<u>1,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,456</u>
Revaluation Reserve	13.4.1	5,500,482	-	-	-	45,000	5,545,482
TOTAL FUNDS		<u>115,759,173</u>	<u>28,248,769</u>	<u>(35,909,831)</u>	<u>-</u>	<u>648,314</u>	<u>108,746,425</u>

13.1. Restricted Funds

The Restricted funds are held for the following purposes:

- 13.1.1** Parishes Special collections This represents the specific collections and payments within the parishes mainly for Parish based appeals, for example in relation to building projects.
- 13.1.2** Pleasington Priory Trust Funds held on behalf of the Pleasington Priory Trust for the upkeep and maintenance of the Chapel known as Pleasington Priory and its ancillary substantial buildings.
- 13.1.3** Stydd Trust Originally for the support of the almshouses at Stydd, the income is for the benefit of the Ecclesiastical Education Fund. This is a separate trust no 229802, administered by the Salford Diocesan Trustees.
- 13.1.4** Stanford Trust Income to the parish for the poor of Ribchester, this is a separate charitable trust no 252602, administered by the Salford Diocesan Trustees
- 13.1.5** Ecclesiastical Education Fund Funds held for the training of priests.
- 13.1.6** SCA, Schools buildings Programme, relates to committed yet uncompleted works.
- 13.1.7** Other Restricted Funds includes Laudato Si centre, Thomas Eccles Trust monies which have a restricted purpose.

13.2. Designated Funds

Designated funds are set aside for various purposes. The main areas are as follows:

- 13.2.1** Moston & Wardley Cemeteries - Funds deposited with the cemeteries board to finance the upkeep of individual cemetery plots. No permanent endowment is created by these funds.
- 13.2.2** Care of the Clergy, a provision is in place to highlight the continued support for the clergy by the diocese. The value is assessed by an independent Actuarial assessment.

13.3. Permanent Endowment Funds

- 13.3.1** The original endowment funds of the Diocese amount to £1,000 representing the minimum reserve.
- 13.3.2** Moston & Wardley endowments are in respect of funds left for the maintenance of individual graves. No further endowments will be accepted for this purpose.

13.4. Revaluation Reserves

- 13.4.1** Identification and revaluation of investment properties, additional reserves have been identified, verified by independent assessment. Review of the identified investment properties will occur ever 5 years.

Diocese of Salford Trustees' Annual Report and Accounts 2024

Financial Statements Notes to the Financial Statements

14. Funds: movement in the year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Unrestricted & Designated				
Balance at 1 January	96,585,074	103,401,784	96,130,865	102,970,853
Net movements in the year	(2,983,974)	(6,816,710)	(2,889,954)	(6,839,988)
Balance at 31 December	93,601,100	96,585,074	93,240,911	96,130,865
Restricted				
Balance at 1 January	9,826,412	9,745,451	9,826,413	9,745,452
Net movements in the year	649,063	80,961	649,063	80,961
Balance at 31 December	10,475,475	9,826,412	10,475,476	9,826,413
Permanent Endowment				
Balance at 1 January	1,456	1,456	1,456	1,456
Balance at 31 December	1,456	1,456	1,456	1,456
Revaluation Reserve				
Balance at 1 January	5,545,482	5,500,482	5,545,482	5,500,482
Net movements in the year	-	45,000	-	45,000
Balance at 31 December	5,545,482	5,545,482	5,545,482	5,545,482
Care of Clergy Provision				
Balance at 1 January	(3,212,000)	(2,890,000)	(3,212,000)	(2,890,000)
Change in revaluation	213,000	(322,000)	213,000	(322,000)
Balance at 31 December	(2,999,000)	(3,212,000)	(2,999,000)	(3,212,000)
Total Funds	106,624,513	108,746,424	106,264,325	108,292,216

15. Analysis of net assets between funds

Group	Unrestricted Funds	Designated Funds	Restricted Funds	Permanent Endowment	Total
	£	£	£	£	£
Fund balances at 31 December 2024 are represented by:					
Tangible fixed assets	48,917,324	-	-	-	48,917,324
Investment assets	35,899,675	-	-	-	35,899,675
Current assets	21,722,040	-	10,475,475	1,456	32,198,971
Current liabilities	(7,392,458)	(2,999,000)	-	-	(10,391,458)
Total net assets at 31 December 2024	99,146,581	(2,999,000)	10,475,475	1,456	106,624,512

Charity	Unrestricted Funds	Designated Funds	Restricted Funds	Permanent Endowment	Total
	£	£	£	£	£
Fund balances at 31 December 2024 are represented by:					
Tangible fixed assets	48,809,330	-	-	-	48,809,330
Investment assets	35,899,680	-	-	-	35,899,680
Current assets	21,092,603	-	10,475,476	1,456	31,569,535
Current liabilities	(7,015,220)	(2,999,000)	-	-	(10,014,220)
Total net assets at 31 December 2024	98,786,393	(2,999,000)	10,475,476	1,456	106,264,325

Diocese of Salford Trustees' Annual Report and Accounts 2024

Financial Statements Notes to the Financial Statements

15. Analysis of net assets between funds (Continued)

Group	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Permanent Endowment £	Total £
Fund balances at 31 December 2023 are represented by:					
Tangible fixed assets	42,734,185	-	-	-	42,734,185
Investment assets	40,802,850	-	-	-	40,802,850
Current assets	28,544,441	-	9,826,412	1,456	38,372,309
Current liabilities	(9,950,920)	(3,212,000)	-	-	(13,162,920)
Total net assets at 31 December 2023	102,130,556	-	3,212,000	1,456	108,746,424

Charity	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Permanent Endowment £	Total £
Fund balances at 31 December 2023 are represented by:					
Tangible fixed assets	42,589,253	-	-	-	42,589,253
Investment assets	40,802,855	-	-	-	40,802,855
Current assets	27,687,433	-	9,826,413	1,456	37,515,302
Current liabilities	(9,403,194)	(3,212,000)	-	-	(12,615,194)
Total net assets at 31 December 2023	101,676,347	-	3,212,000	1,456	108,292,216

15.1. Analysis of net funds

Group	Balance 01-Jan-24 £	Financing Cash Flows £	Balance 31-Dec-24 £
Cash at bank and in hand	33,993,365	(11,429,502)	22,563,863
Debt due within one year	(7,045,534)	2,651,486	(4,394,048)
Net Funds	26,947,831	(8,778,016)	18,169,815

Charity	Balance 01-Jan-24 £	Financing Cash Flows £	Balance 31-Dec-24 £
Cash at bank and in hand	33,337,646	(11,214,635)	22,123,011
Debt due within one year	(6,986,571)	2,646,923	(4,339,648)
Net Funds	26,351,075	(8,567,712)	17,783,363

Cash and cash equivalents are comprised of Cash at bank as well as Cash held as part of the investments

16. Pensions and similar obligations

The Charity has made suitable arrangements for employee pensions, providing access to defined contribution pension schemes for all members of staff, including ensuring compliance with recent legislation for auto-enrolment and where applicable access to the Teacher' Pension Scheme England and Wales (TPS) for academic and related staff.

The Trustees retain the services of independent pension advisors, Punter Southall Aspire, who provide specialist advice. Pension schemes are administered by Insurance Companies with the assets held separately from the

Pension costs charged in the statement of financial activities represent the contributions payable by the Charity in the year.

Diocese of Salford Trustees' Annual Report and Accounts 2024

Financial Statements Notes to the Financial Statements

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.

17. Details of subsidiaries and consolidation

	Catholic Building Services Limited £	Catholic Support Services Limited £	S.D.C. Trading Limited £	Catholic Truth Society (Diocese of Salford) £	2024 Total £	2023 Total £
Tangible fixed assets	-	637	107,351	-	107,987	144,926
Current assets	-	454,327	408,345	73,518	936,189	1,088,080
	-	454,963	515,695	73,518	1,044,177	1,233,006
Creditors: amounts falling due within one year	-	(415,525)	(212,113)	(22,719)	(650,357)	(642,535)
	-	39,438	303,582	50,800	393,820	590,471
Creditors: amounts falling due after more than one year	-	-	(241,492)	-	(241,492)	(344,124)
	-	39,438	62,090	50,800	152,328	246,347
Representing:						
Share capital	-	1	2	-	3	3
Profit and loss account	-	39,437	62,088	50,800	152,325	246,344
	-	39,438	62,090	50,800	152,328	246,347

	Catholic Building Services Limited £	Catholic Support Services Limited £	S.D.C. Trading Limited £	Catholic Truth Society (Diocese of Salford) £	2024 Total £	2023 Total £
Turnover	-	1,708,168	1,516,476	29,541	3,254,186	3,110,775
Cost of sales	-	(849,664)	(1,151,431)	(30,119)	(2,031,214)	(2,304,561)
Gross profit/ (loss)	-	858,505	365,045	(577)	1,222,973	806,213
Administrative expenses	-	(18,199)	(185,892)	(10,570)	(214,661)	(532,286)
Establishment Costs	-	-	-	(447)	(447)	(2,197)
Finance charges	-	(167)	-	(383)	(550)	(2,930)
Depreciation costs	-	(702)	(38,437)	-	(39,139)	(39,027)
Net profit	-	839,437	140,716	(11,977)	968,176	229,774
Retained earnings brought forward	-	262,302	(78,626)	62,776	246,452	216,569
Amount gifted to charity	-	(1,062,302)	-	-	(1,062,302)	(200,000)
Retained in the subsidiary	-	39,437	62,090	50,798	152,326	246,343

The individual financial statements of the subsidiary entities included in the consolidation are drawn up on the same accounting date, 31st December 2024. All subsidiary companies are fully consolidated in the Group financial statements.



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DIOCESE OF  SALFORD

THE SALFORD DIOCESAN TRUST

England & Wales - Charity number 250037

Accounts

DIOCESE OF SALFORD

Annual Report 2023



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About Us

The Diocese includes much of Greater Manchester north of the Mersey and Lancashire including Blackburn and Burnley. The diocese comprises approximately 260,995 Catholics, with 109 parishes and 206 schools*.

Charity Registered Name:

The Salford Diocesan Trust (TSDT) commonly known as the Roman Catholic Diocese of Salford and also referred to as Salford Roman Catholic Diocesan Trustees Registered (SRCDTR).

Charity Registration Number: 250037

Registered Address:

Wardley Hall, Worsley, M28 2ND

Public Address:

Cathedral Centre, 3 Ford Street,
Salford, M3 6DP

Trustees:

Reverend John Stanley Kenneth Arnold,
Bishop of Salford

Reverend Canon Michael Cooke, Vicar
General and Moderator of the Curia

Reverend Christopher Dawson

Reverend Peter Hopkinson, Vicar
General

Sir Peter Fahy

Edward Nally

Mary Hunter

Reverend Canon Michael Jones

Eamonn O'Neal

Brendan McCafferty

Elizabeth Lilley

Michael Devlin (resigned July 2023)

Financial Secretary:

Pauline Morgan, Chief Operating
Officer, and Financial Secretary

Key Personnel:

Jenny Clayton - Head of Safeguarding

John Corrigan - Director of Property and
Facilities

Nicola Cosens - Director of Finance

Emma Gardner - Head of Environment

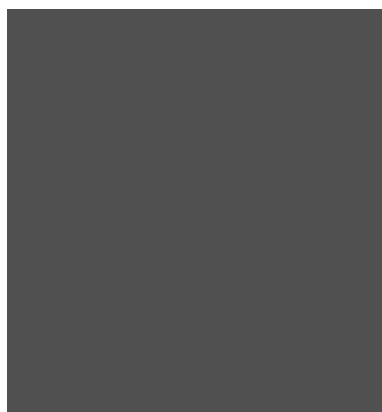
Lisa Heywood - Head of Projects and
Operations

Hannah Howard - Head of HR (Left May 2024)

Rachel McGee - Head of Communications and
Deputy Chief Operating Officer

Simon Smith - Director of Education

*Our schools finances are not consolidated into these accounts



About Us

Advisors:

Auditors

Crowe UK LLP, 3rd Floor, St George's House, 56 Peter Street, Manchester M2 3NQ

Bankers:

Barclays Bank Plc, Barclays Business Centre, Manchester City Office, PO Box 357, 51 Mosley Street, Manchester, M60 2AU

The Royal Bank of Scotland Plc, St Anne Street, Manchester, M60 2SS

Lloyds Bank, PO Box 545, Faryners House, 25 Monument Street, London, EC3R 8BQ

Santander, 298 Deansgate, Manchester, M3 4HH

Investment Managers:

Evelyn Partners, 14th Floor, 103 Calmore Row, Birmingham B3 3AG

Solicitors:

Fieldings Porter, Silverwell House, Silverwell Street, Bolton, BL1 1PP

Pensions:

Punter Southall, Aspire Beech House, Hackness Road, Northminster Business Park, Northfield Lane, York, YO26 6QR



Introduction from Bishop John

As I look forward to marking the tenth anniversary of my arrival as Bishop of Salford, I am very grateful for the work that has been achieved by the people of the Diocese over those ten years which has demonstrated a determination to put Gospel values into action in the circumstances in which we now find ourselves. There is a clear sense of mission. Together, through our initiatives, pastoral programmes, and world events we have been on a journey of learning, renewal and participation.

Parishes of the Diocese should feel rightly proud of the work they are doing, and I believe that the synodal process and its prayerful discernment of what God is asking of our Church will be another important step in our diocesan journey. We certainly need to be open and listening so that we can adopt the right priorities for the future. We live in changing times, and we must discern how we live Gospel values and select the appropriate priorities.

We must, as good stewards, also focus on the resources of our Diocese. We must be careful to take the time to review our estate, our expenditure, and our needs. In all our decisions we must be sure to be environmentally and ecologically aware in all that we do in building a Diocese fit for the future and for the purpose of the church in the 21st century.

2023 brought much joy as we saw the gathering of our youth at events such as World Youth Day, and pilgrimages to Lourdes and Walsingham, showing the companionship and faith that we hope to continue to foster in our diocesan family. Encouraging the enthusiasm and dedication, particularly of the young, is a challenge to us all as we look to build our Diocese fit for their future needs.

In all matters of Faith, we must be thankful for all that is achieved but be careful to avoid any sense of complacency. We face many challenges as “Missionary Disciples”, but we can be confident that, with the guidance of the Holy Spirit, we can overcome obstacles and strengthen the Church, in this Diocese of Salford.

+John



109
Parishes



206
Schools

Chief Operating Officer's Report

2023 saw more of a return to pre covid activity with our events and pilgrimages in full swing, Our Mass attendance is still below 2019 levels, but we are seeing seeds of hope throughout the diocese.

As a result of the fall in Mass attendance, despite the generosity of our parishioners, our offertory income has still not reached pre covid levels. The financial impact of the cost-of-living crisis and the war the Ukraine continues to provide a challenging economic environment for our parishes. They are especially impacted by rising fuel prices, most parishes saw a large increase on their 2023 energy bills.

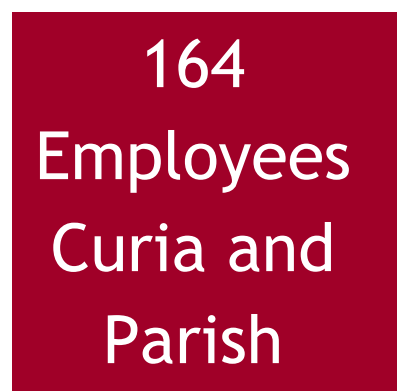
Following concerns about income and cash flow in June 2023 we introduced a 12-month moratorium on non-essential spend. The trustees also took the decision to review all capital projects. This has resulted in a considerable reduction in the plans for The Laudato Si' Centre, we are no longer looking to convert the Coach House due to rising costs, in the short-term we are looking at a much-reduced plan to only convert the Stable Block.

This was not a decision that was taken lightly, and we appreciate the impact this will have on many parishes. A strategic review across all Diocesan property is underway which will permit the Diocesan Team to adopt a more proactive approach as we move forward, safeguarding the financial future of the Diocese. We are also witnessing the impact of repairs caused by a failure to conduct a regular maintenance programme, we must now take action to curb these future costs.

We must accept that we cannot just operate business as usual but ensure that we use this time effectively to get ahead for the future.

Finally, I would like to express my gratitude to clergy, staff, and our amazing volunteers for all they do for the diocese.

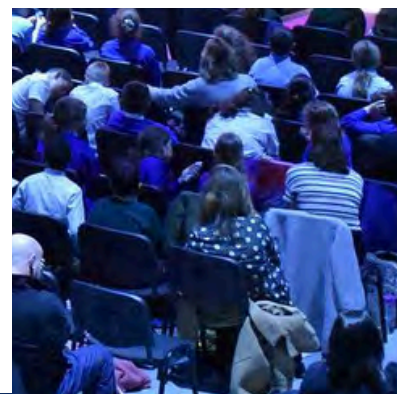
Pauline



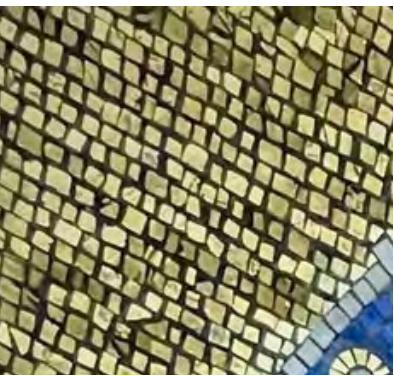
164
Employees
Curia and
Parish



32
Contactless
Giving
Parishes



Year In Numbers



3281
Baptisms



529
Weekday
Masses

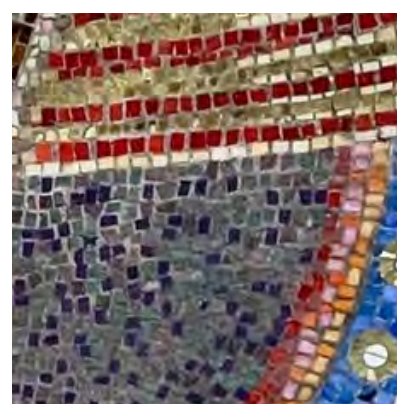
92
weekly
hours of
reconciliation



676
Faith in
Action
Awards



1308
Confirmations

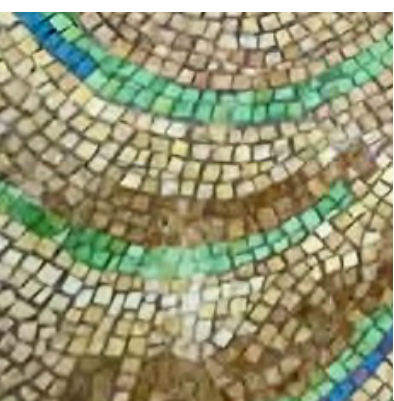


1
Ordination
to the
Priesthood

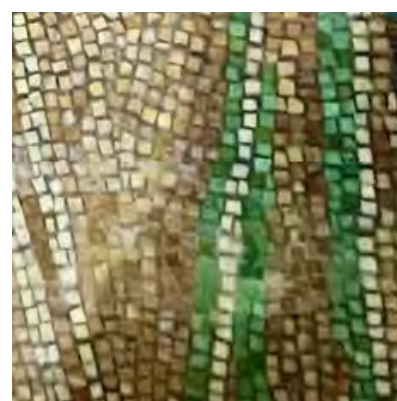
413
Sunday
Masses



4108
First Holy
Communions



26 417
Average
weekly
attendance



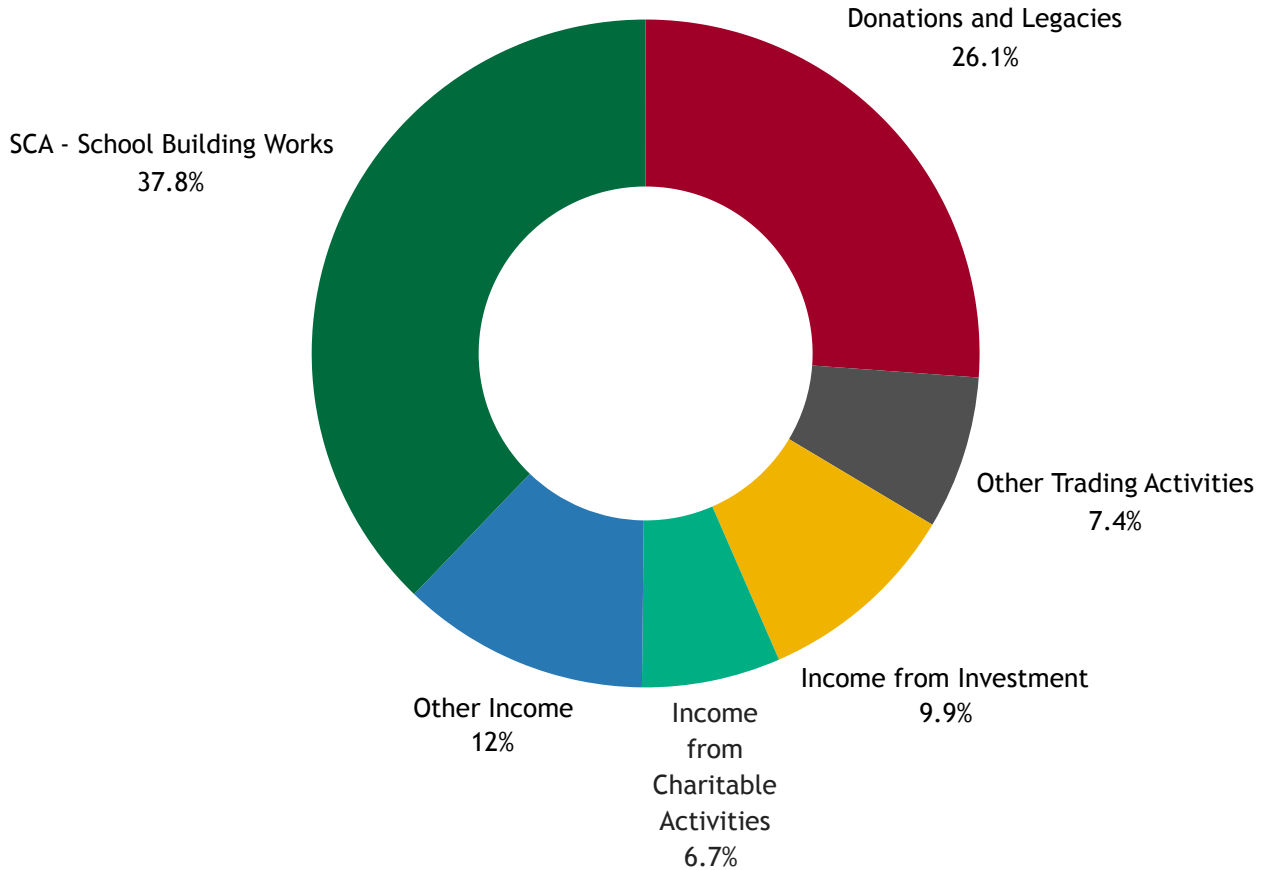
Our Finances at a Glance



Our Finances at a Glance

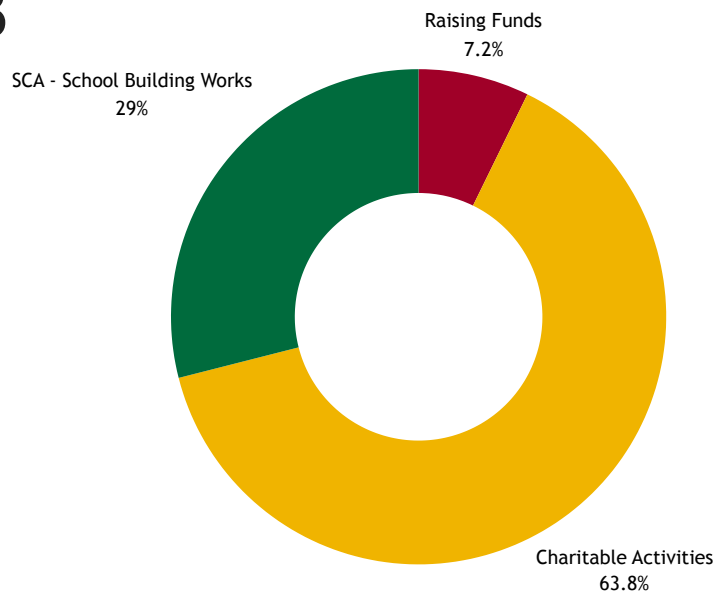
Income 2023

Total income of £28.2 million



Expenditure 2023

Total Expenditure of £35.9 million



Annual Review

We began the year as a Diocese with a call from Bishop John that we as an organisation, parish, and individuals reflect upon becoming the Church God is calling us to be.

The themes of reflection, listening and coming together to celebrate recurred throughout 2023 as we continued our journey to better understand the challenges and opportunities facing our Diocese, and how God might be calling us to respond.

Listening

In Lent of 2023 we official launched our diocesan synod. This started with seeking representatives from all our parishes and encouraging a wide range of voices to get involved and be heard. The preparation stage took several months and was followed in October 2023 by the start of 'The Big Listen'.

Running between October 2023 and January 2024, this stage of the process sought to hear from as many people as possible. We asked parishes, schools, groups, and individuals to help us by reflecting on and responding to four key questions that help us identify the role and mission of the Church in our diocese today.

Responses were gathered by synod members through Big Listen events in parishes across the diocese. In addition we sought out views from groups such as prisoners, young adults, LGBT+ Catholics, those who had left the church and Caritas service users. We received thousands of responses via our portal bringing a range of issues, suggestions, and thoughts to be formulated for the Synod gathering events in 2024.

We were delighted to see so many people respond to the call to help shape our diocese for the future. At the same time as the Synod and complementing its work, our Youth Ministry team has also been visiting schools and colleges across the diocese to hear from the youngest members of our diocesan community. Nearly 400 students across 23 schools and colleges have made their voices be heard.

The move to be a listening church echoes the call from Pope Francis and as well as stand-alone projects like the diocesan synod it is an approach we are bringing into other aspects of diocesan life.



221 Synod
Reps

We welcomed the opportunity to undertake a pilot audit of our safeguarding function in February 2023. The audit was completed by the Catholic Safeguarding Standards Agency (CSSA). As part of the new CSSA remit they will be undertaking regular audits of the 22 dioceses of England and Wales. Salford was one of the dioceses that volunteered to be audited during the pilot period. Auditors were impressed by the consistent evidence that the Bishop and Leadership are leading from the front in promoting safeguarding and that all departments across the diocese make safeguarding a key consideration from the start of all new activities. The provision of support services for victims was highlighted as a strength, but as with all safeguarding activities we continue to look to build and improve.

Reflecting on our achievements

The expansion and development of the Laudato Si' Centre and its growing reputation both within our diocese and wider afield remains a source of great pride. Since March 2019 a lot of hard work and dedication by a small team of dedicated staff and volunteers means that the Laudato Si' Centre is established as educational and wellbeing space, with the woodland being added to the walled gardens, greenhouses, orchard and outdoor classroom in this year. In 2023 we welcomed 2,200 visitors including school and parish groups to a variety of educational and inspiring activities. The expansion into the woodland meant we have been able to offer an even more varied programme of retreats, courses and opportunities for children to explore nature through play.

One of our main aims of the Centre is to reach out to groups that are often excluded from society. Since our inception we have partnered with the Northern School of Permaculture, Lancashire Wildlife Trust, Salford CVS, Take Action Together and local community interest companies and charities. We have been able to offer programmes for people with mental health problems, refugee and asylum seekers and horticulture therapy for all ages, as well as learning new skills such as learning to save seeds, survey wildlife and gardening for wildlife.

We are currently reassessing how we can adapt some of the remaining spaces on the estate of Wardley Hall, so that we can still use the opportunity to repurpose part of the redundant space. We now do so within the post covid financial landscape.

2200 Visitors
to LSC



The centre and our work help people to learn how they can take practical action to tackle climate change and work towards a sustainable world. This remains a priority for us but we believe that in the immediate future we can still have the desired impact within a smaller building and a reduced capital project.

We looked to develop the strategic work of our environmental commitment by launching, *Hearing the Cry: Responding in Hope* - a positive document setting out our wholesale diocesan response to the ecological crisis. The document begins with a powerful call from Bishop John, reminding us that caring for creation is an integral part of our Catholic faith - a faith grounded in hope. Despite the severity of the challenges we face, it is precisely this sense of hope that provides the building blocks for our strategy, highlighting the positive impact we can make within our diocese and the wider Christian community for the good of our common home.

Hope is a theme we return to regularly in our diocese, believing that we can, as missionary disciples in missionary parishes make a difference. This was the core concept behind our pastoral programme, *Hope in the Future*, which drew to a conclusion as our fifth and final stage closed with a joyful celebration. At our celebration Bishop John reminded us that our work doesn't simply end with the programme; it merely provided a bedrock for each one of us to live out our mission as individuals and as parishes and schools.

These words were summed up in our legacy document:

'Equipped in the knowledge and experiences we gained through our *Hope in the Future* programme, many of our parishes are now primed to continue their mission in the face of these challenges to make a difference, to bear witness to the joy of the Gospel, to leave this world perhaps a little better than we found it'

Over 300
Pilgrims to
Walsingham



Over 200
Pilgrims to
Lourdes



Celebrating Our People

When people think of our diocese they will often think of churches or maybe even schools. We like to think of people, clergy, volunteers, parishioners and those employed across our the whole of our diocese who contribute to the pastoral and social life of the Church. We are lucky to have such dedicated people, especially our volunteers who contribute their time and expertise on an unpaid basis across a wide array of diocesan activities. It is impossible to quantify their contribution and support but without them our parishes and diocesan life would not be as vibrant or as effective in achieving the Church's mission. In addition we have been making volunteering a focus of our employee calendar. 2023 saw two more successful volunteering days when colleagues took the opportunity to step out of the office and help with our sister charity, Caritas, and our Laudato Si' Centre. Organised by our wellbeing group these days are becoming a regular activity and in 2024 we have plans to use them to support our parishes.

As well as our adult volunteers we would also like to recognise the active faith and service of children and young people in their school and parish community. Our Faith in Action award will mark 5 years from its launch in 2024 and each year we say more and more young people choose to get involved. In 2023 we saw 11 new schools sign up and 676 certificates and badges were presented to our young people. The award creates opportunities for them to become more active in their parish and helps us to build the parish volunteers of the future.

We give special thanks to parishioners across the diocese who take on significant positions across the diocese in order to live out our mission to serve one another. These include a member of our Cathedral Choir Mary-Liz Walker JP DL, who was chosen by King Charles III as the High Sheriff of Greater Manchester and the current Mayor of Trafford, Dolores O'Sullivan.

676
Faith in
Action
Awards



300+
Attended
Young Adult
Events

Two Parish Case Studies



St John the Baptist, Rochdale

A striking church in the heart of Rochdale has enjoyed a new lease of life in 2023, thanks to a varied outreach programme on the back of an extensive restoration project.

Volunteers at St John the Baptist have been working hard to develop innovative and engaging ways to make the church a real home for local people of all faiths and backgrounds.

The newly-restored church welcomed in almost a 1,000 people through its heritage open days, which enabled visitors to explore and learn more about the remarkable history and structure of the church - not least its magnificent mosaic.

The dedicated team of volunteers continued to extend its reach by implementing new signage, increasing footfall by 100, and transforming the grounds into a friendly community garden, gaining a Level 5 “Outstanding” Accolade from the Royal Horticultural Society.

Regular music events celebrated the rich and diverse culture of the Rochdale community, while arts, crafts, and photography sessions invited visitors to take artistic inspiration from the incredible Byzantine-style church and develop their creative talents.

Volunteers put the church on the digital map by launching a range of growing social media channels and new user-friendly website, all the time maintaining its historic roots by searching out fascinating stories about the church and community and celebrating its extraordinary heritage through talks and exhibitions.



315 metres
of mosaic
cleaned and
repaired

Bee Together Garden Awards

The close of 2023 has seen The Bee Together Community Centre and Garden - based at the Parish of The Nativity in Failsworth and Limeside - nominated for The Kings Award for Voluntary Service.

No stranger to awards and accolades, the project already has a number of RHS Awards under its belt, thanks to its vibrant community garden. This latest nomination pays tribute to the tireless efforts of all the volunteers who work tirelessly to make the garden and accompanying community centre a welcoming hub for people of all generations, backgrounds, and faith groups.

The project began in 2019 in response to Bishop John's call to take environmental action in our parishes. Since then, volunteers from the parish and beyond have taken the project from strength to strength.

The garden, brimming with wildlife and an array of colourful plants and crops, is set to embark on a year-round growth plan, to increase produce that is shared with the local community. Meanwhile, the lively centre is a hive of activity for the whole community, offering Irish dancing and film nights, honey tasting and community get togethers. Keeping Pope Francis' message of fraternity at its heart, the centre also has a "Call in for a Cup" group, providing a friendly face over a warm drink and a game of Bingo, whilst its food distribution service - The Pantry - offers a helping hand to people across the area.



3 Colonies
each with
60k bees



35 regulars
at weekly
drop in

Responding to our Challenges

As we listen and reflect to the needs of our communities and how we must adapt to the changing world around us, we also need to accept that we cannot just operate business as usual but ensure that we are planning for the future and the most appropriate use of our resources.

In 2023 we began a review of all diocesan property. All the property has been rated into three categories. Over the coming months we will start to engage with parishes about the future of some of the unused buildings that are in a poor state of repair. This strategic review across the whole Diocese will permit the Diocesan Property Team to adopt a more proactive approach as we move forward, safeguarding the financial future of the Diocese.

We remain mindful of our finances but also our responsibility as guardians of listed buildings. Therefore 2023 saw the continuation of several restoration projects.

The restoration of our Cathedral moved on to Phase 2 which concentrates on the interior. Salford Cathedral has been altered significantly over its lifetime, with much of the original layout and decoration having been removed in the latter half of the 20th Century. We are aiming to restore the original internal character of the cathedral, reordering and relighting it, using sustainable technologies such as heat pumps, new insulation, and double-glazing each stained-glass window.

In July 2023, our contractors took over the cathedral and we moved to a temporary purpose-built building on the same site. The cathedral community has come together and made our temporary home a vibrant place to worship.

Phase 1 works continued simultaneously, and we saw the completion of a large number of repairs to stonework, the spire and the roofs. The great majority of the repairs concern the external fabric, with a relatively small amount being used for internal redecoration and refurbishment. The redecoration costs have been reduced significantly due to the impact that the repair work has had on the building.

Our city-centre parish was the grateful recipient of a five-figure funding boost to help preserve its beautiful building. St Mary's Church in Manchester - also known as the Hidden Gem - was granted £30,000 from National Churches Trust to help pay for urgent repairs to rainwater goods and for roof and dome repairs.



61 Listed
Properties

The Grade II*-listed church also received an additional £6,750 from the Benefact Trust, £6,000 from The Wolfson Foundation, and £2,000 from a private charitable trust, as well as other donations from charitable organisations and parishioners. These generous donations helped provide a new lease of life for this much-loved church, allowing them to commence Phase 1 of the restoration project.

Both these restoration projects are examples of crucial repairs being needed following extreme weather condition over recent years, including intense rainfall. The environmental impact on buildings will form a key pillar of our property strategy but work has already begun with the decarbonisation audit of diocesan buildings. Audit reports and decarbonisation pathways are being developed for all parish buildings. The work in schools is well underway and interventions to reduce energy use, such as solar photovoltaics and LEDs, have been installed in over 150 schools.

We are grateful to the organisations that have awarded our grant funding. In 2023 this amounted to over £250k in grants to help our parishes in essential building work and property maintenance. We were delighted that one of our Churches, St Thomas Moore in Alkrington was amongst the recipients of the National Churches Trust 'Last Chance Churches Campaign', one of only 18 Churches chosen across the UK. Additionally we have secured nearly £900k to be reclaimed from the Listed Places of Worship VAT Reclaim scheme.

As well as a focus on grant funding as an alternative funding stream we have continued to roll out our digital offering to support parishes to enable parishioners to donate in a way that is most suitable for them. 15 new Churches signed up during the year, bringing the total to 32. Nearly £10,000 was raised from the machines in December 2023 alone. Alternative ways of giving and exploring the best ways to support parishes in this task remains in our plans as we move forward.

Towards the end of the year we announced our divestment from Fossil Fuels. Over the previous two years we had been putting our responsible investment policy into action and using our influence to challenge companies to set ambitious targets and make the lasting change we need. It became clear that with the two companies we were invested in that they no longer shared our commitment to decarbonisation pathways and transition plans. We would be failing in our duty to our common home and our brothers and sisters, if we had decided not to act. Our policy and our action is clear - We must take a stand against companies that do not align with our principles and that put their profits ahead of the common good. This does not mean that we end our engagement, a crucial element of our policy in practice is that we continue to use our voice to champion for dialogue, change, and action.

£250k in
successful
parish grant
funding



Aims, Objective and Purpose

The diocese primary purpose is the advancement of the Roman Catholic Faith. The diocese comprises of 109 parishes serving 260,995 Catholics across much of Greater Manchester and East Lancashire. We achieve this objective by providing activities undertaken by our parishes and central services, guided by our gospel values and the principle of good stewardship.

Those activities include worship, education, charity and care for our common home.

Objectives and Activities

- Support to priests during both their active service and in retirement or ill health
- Charitable works to show our Gospel values to the world around us
- Access to the Sacraments
- Education and Youth Services
- Ongoing Formation for our communities and our clergy
- Education and Training for those who wish to be priests
- Maintenance and upkeep of our church and parish buildings
- Providing assistance to governors regarding the upkeep of school buildings through grant schemes under the DFC and SCA.
- Access to professional advice and support for our communities including in Safeguarding, Health and Safety, Human Resources, Project Management, Property Management, Data Protection and Finance

Structure, Governance and Management

The Bishop of Salford is ex-officio the Chair of Trustees and membership of the board is based upon invitation by the trustees to suitably qualified individuals subject to approval by the Bishop.

Trustees are selected on the basis of their range of skills and experience and the board comprises a mix of both ordained clergy and Catholic lay people. Periodic training and workshop sessions are also held for the trustee body as a whole.

Governing Regulations

The Trust Deed of the Charity governs appointments of Trustees. The latter are chosen according to their experience of the Trust's Ministry and of its need to function in accordance with both Canon and Civil Law. Each Trustee Board committee has defined terms of reference, detailing the delegated authorities where appropriate. Our committees are:

- Audit and Risk Committee
- Claims Committee
- Communication Committee
- Environment Committee (formerly Laudato Si)
- Finance Committee
- HR Committee
- Investment Committee
- Planning and Resources Committee
- Property Committee
- Remuneration Committee
- Safeguarding Committee
- Schools & Academies Committee

The Chief Operating Officer are responsible to the board for the day-to-day running of the trust.

Annual pay reviews are approved by either the Remuneration Committee (for senior staff) or the HR Committee based on recommendations from the Chief Operating Officer. The salary for the COO is also agreed by the Trustees at the Remuneration Committee. In setting overall pay levels for our staff the Diocese takes account of pay practice in other similarly sized charities and, where necessary, private, or public sector organisations for specialist and technical roles.

The fixed assets and investments of the Charity are vested in a trust with the Diocesan Trustees as the managing Trustees. Recognising the need for expertise, the Trustees have engaged professional advisors in the areas of finance, investment, insurance, law and protection of minors and vulnerable adults.

The Trustees are listed on page 2.

The Trustees keep themselves informed of new developments in the above areas and when necessary, meet to be briefed on particular issues by their advisors.

The Trust has three active wholly owned trading subsidiaries. See section Trading Subsidiaries on page 25.

Relationships with Other Parties

The Trustees consider Caritas Diocese of Salford to be a related party by virtue of it having common Trustees. The Charity's aim is that the lives of all people should be free from poverty, disadvantage and discrimination. Their purpose is to help the most vulnerable children, young people and adults in our communities to transform their lives and fulfil their potential.

The faith and teachings of the Roman Catholic Church clearly inform and have a profound influence on the operating policies in place within the Trust.

As a Catholic diocese within England and Wales, the Diocese of Salford co-operates on various initiatives, projects and other matters of common interest with other Catholic dioceses, charities and agencies of the Catholic Church. For example, the Diocese and its parishes support the activities of other charities such as the Catholic Agency for Overseas Development (CAFOD), the official aid agency of the Catholic Church in England and Wales (Charity no 1160384) and adopts unified policies through national bodies for the safeguarding of children and adults at risk of harm.

Statement of Trustees' responsibilities

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

The law applicable to charities 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 of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles 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 that disclose with reasonable accuracy at anytime the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution.

The trustees 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.

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.

Public Benefit

The Trustees have ensured they carry out the Trust's objectives for the public benefit and have (in accordance with Charities Act 2011) had regard to guidance published by the Charity Commission on public benefit when exercising powers or duties where that may be relevant.

It is clear from the detail in the Trustees Report that the Trust acts in a way which beneficially impacts on society. It promotes public services, in dedicated buildings and elsewhere, in accordance with the practices and teachings of the Roman Catholic Church, for hearing and appropriating the word of God and for the worship of God both generally and at significant points in people's lives. In this way it helps form and gives expression to the spiritual dimension of the lives of members of the public. It also thus provides religious and moral parameters by which individual members of the public may live fulfilled lives and act in a way which is socially beneficial and influence wider society for the better. The Trust also engages in a number of practical expressions of Christian faith (including advancing education in schools and otherwise and relieving various forms of charitable need in social outreach to the public generally).

Investment

We have established ourselves as a responsible and active Investor. Guided by the principle of stewardship, with an authentic set of investment statements and an accompanying investment framework that demonstrates that the Catholic Social Teaching of Human Dignity, the Common Good and Care for Our Common Home are central to how our investment portfolio is managed, shaped and targeted.

As an active investor, we have used our influence to challenge companies to set ambitious targets and make the lasting change we need. As part of this commitment, we also regularly review our investments monitoring our impact and responding to changing landscapes.

Where we feel we can no longer make an impact with our investment we will divest and take a stand against companies that do not align with our principles and that put their profits ahead of the common good. This was put into action in 2023 by our decision to divest directly from Fossil Fuel companies.

Our investment policy was ratified in 2021 and since then we have implemented the following changes and actions:

- Delegated powers to investment sub committee
- Increased monitoring of the portfolio and how it relates to our principles
- Implemented ESG performance verification and reporting
- Implemented additional Roman Catholic values based investment screening
- Engaged, collaborated and participated with companies and networks to use our influence to challenge for change
- Divested from fossil fuels, taking a stand against companies that do not align with our principles.

Fundraising

As with other charities we are witnessing the cost-of-living crisis in our donation levels. Individual giving at a parish level has reached pre-2020 levels but we are now receiving more money from less individuals.

We have continued to focus on new ways of donating as we move towards a more cashless society. Since the appointment of the Grant and Bid Writer post in 2021 we have successfully raised over £900k of funding for parish and capital projects.

In 2023 we started a feasibility study on the possibility of undertaking a professional fundraising campaign using an outside agency. The agency consulted with clergy and laity from 69 parishes across all 9 deaneries. Following the final report we decided to not pursue a professional campaign at this stage but Trustees agreed that new ways of funding would be looked at in 2024.

The charity did not carry out any fundraising activities as defined by the Charities (Protection and Social Investment) Act 2016

Plans for Future Periods

In 2023 we implemented a moratorium of all non-essential property spend in our parishes and all non essential spend in diocesan departments. We felt that a pause was needed to minimise the impact that current expenditure levels were having on diocesan cash flow. Whilst we are finally seeing a slow return to pre covid income levels, our expenditure continues to rise above inflationary levels. Due to the recent rise in the cost of building work and materials, we are also witnessing tenders returning at significantly increased price.

The impact of the pause will now be calculated. The break also allowed time for strategic planning to take place allowing us to create a vision to take the diocese into the next decade. Creating parishes that can respond and adapt to the challenges they face.

In our wider plans we will focus on:

- Being a synodal church as asked by the Holy Father.
- Supporting our clergy reviewing our support services to best support our parishes and schools.
- Completing a property strategy that recognises the future needs of our buildings.
- Leading by example to care for our common home.
- Adapting to a new landscape of fundraising in the Church.
- Completing our Cathedral Restoration.
- Using our voice to champion for dialogue, change and action as a responsible and active investor.

Financial Review

The financial statements reflect the activities with our parishes, all aspects of the central professional support services (curia) and some subsidiary activities such as the operating of our clubs and commercial activities.

The Consolidated Statement of Financial Activities and notes for the year ended 31 December 2023 is set out on pages 29-31. Total incoming resources amounted to £28.2 million in 2023 (2022 £28.6 million). Most of the unrestricted funds in the Charity are raised through donations. The funds raised in the parish support the individual parish and contribute towards the expenditure requirements of the Diocese.

Income 2023

Total income figures above include £ 10.7million in 2023 (2022 £11.2 million) in relation to changes the way income is received from the school building projects. Total overall Donations and Legacies have increased during 2023 by £0.1 million. Our Parish Income is still well below pre-pandemic levels and has decreased by (£4.7million from 2022 to 2023. Our Mass attendance also increased from 24,104 in 2022 to 26,417 in 2023, although this does not show a return to pre pandemic levels yet it is an increase of 9.59%.

During the year collections in the parishes for specific purposes including those for other charities totalled £0.2 million (2022 £0.2 million). The investment portfolio achieved income of £2.8 million in 2022, this was up from the £1.4 million achieved in 2022, this increase was due to interest on restricted funds.

Income 2023	2023 %	2023 £m	2022 %	2022 £m
Donations and legacies	26.0%	7.4	25.4%	7.3
Other trading activities	7.5%	2.1	7.4%	2.1
Income from Investment	9.8%	2.8	4.9%	1.4
Income from Charitable activities	6.9%	1.9	6.4%	1.8
Other income	11.9%	3.4	16.8%	4.8
SCA - School Building Works	37.7%	10.7	39.1%	11.2
Total Income		28.2		28.6

Expenditure 2023

Total expenditure amounted to £35.9 million in 2023 (2022 £32.5million).

Total expenditure figures above include £10.4 million in 2023 (2022 10.5 million) relating to the recognition of SCA school building works related to expenditure

Expenditure 2023	2023 %	2023 £m	2022 %	2022 £m
Raising funds	7.2%	2.6	7.7%	2.4
Charitable activities	63.8%	22.9	59.0%	19.5
SCA - School Building Works	29.0%	10.4	33.3%	10.5
Total Expenditure		35.9		32.5

Summary

The net movement for the year was a deficit position of £7.0 million (2022 deficit - £1.6m), 2023 carried forward funds of £108.8 million (2022 £115.8 million) at the year end.

The Trustees continue to monitor the activities and budgets of the Diocesan Departments. The trustees are of the opinion that the necessary measures have been implemented to ensure the viability of the Trust over the medium term. This included a moratorium on non-essential building spend in 2023/2024.

The Diocese made contributions of £ £0.2million in 2023 (2022 - £0.2million) to National Bodies of the Roman Catholic Church.

Statement of Reserves

The total reserves of the Charity including parochial reserves, amounted to £108.8 million at 31 December 2023 (2022 £115.8million). The unrestricted free reserves i.e. current assets including bank deposits less current liabilities amounted to £25.2 million (2022 £36.6 million). At 31 December 2023 the free reserves of the Diocese are equivalent to approximately 14 months of recurring expenditure (2022 24 months). The Trustees continue to assess what the current target level of free reserves should be in the current economic climate taking into account the expenditure and investment requirements moving forward. The diocese as part of the 2030 vision is looking at the whole estate to ensure that this is fit for future and is financially and environmentally sustainable going forward.

Restricted reserves as at 31 December 2023 were £ 9.8 million (2022 £9.7 million). Both the economy and stock markets continue to remain uncertain with global supply issues and the ongoing cost-of-living crisis.

The major project that will affect future reserves in the Cathedral Project as this will be funded from the liquidation of investments. £6m was released in 2021 and 2022, £1m in 2023 and based on current indicative cashflow we estimate that we will release a further £10m during 2024, and the balance at the end of the defects liability period in 2025. The diocese has not committed to any other major projects at this time and will continue to monitor the pipeline.

The demand for services both centrally and within our parishes continues to increase, as do the associated costs and it is within this setting that the trust must operate.

By managing assets and resources the Trustees are confident that the Trust has sufficient available funds to maintain its activities over the medium term.

Investment policy and performance

The Diocesan Trust deed authorises the Trustees to invest the general funds of the Charity in stocks, shares, investments and property, in accordance with charity law.

The Trustees have engaged Evelyn Partners Investment Managers, as advisors. The policy is to invest on a low to medium risk basis with a balance of a reasonable rate of return and capital growth. In 2023 a Responsible Investment Policy was agreed. The policy acknowledges the importance of being good stewards of our donations from past, present, and future generations. Looking to balance the immediate and future needs of the Diocese while ensuring that our Catholic Principles are upheld in our portfolio by being a responsible and active investor. This is about active participation through the investments we hold in key issues as they affect people and planet.

The Investment Managers report to the Trustees on a regular basis.

The Investments are held for the long term. The overall portfolio value decreased in the year by (£0.2) million, as a result of divestment in relation to the plan capital works for the cathedral, the dividend yield increased slightly by 0.3% resulting in an increase in income of £5k from 2022. The Trustees will continue to invest as appropriate with the aim of providing a secure financial and ethical platform for the Diocese.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Charity is exposed, in particular those relating to the specific operational areas of the Charity, and its finances and investments. The Trustees believe that by monitoring and maintaining reserves at an appropriate level, ensuring that proper controls exist in respect of key financial systems, and by examining the operational and business risks relevant to the Charity, they have established effective systems to mitigate these risks.

Risks currently include reducing the structural deficit, ensuring Health and Safety compliance in all our properties and reducing the burden of our empty properties.

Trading Subsidiaries

The Trust has four active wholly owned trading subsidiaries.

Catholic Truth Society (CTS) provides our onsite and online bookshop. The bookshop traded in 2023 but announced its closure. The bookshop closed from March 2024 and the company will be dormant.

Catholic Support Services Limited which continues to provide training, advice and recruitment assistance to our Catholic Schools as part of the Diocesan Department for Education and to assist them with building matters. In addition, it administers the links with local hospital trusts and police for the provision of chaplains. The operating surplus from the company is gift aided to the Diocese.

Catholic Building Services Limited - no activity took place during 2023 and the company is currently dormant.

SDC Trading Limited the Charity's subsidiary company responsible for the commercial activities of parish social clubs within the Diocese, is currently in a deficit position, of (78.7k) in 2023 (2022 £65k surplus). SDC Trading Limited is responsible for the commercial activities of parish social clubs within the Diocese.

Conclusion

Over the last 12 months direct action has been taken to address unprecedented levels of expenditure. We are aware of the impact this action, coupled with rising costs and a continued recovery from the pandemic is having on our parishes. We could however not operate business as usual.

These changes have given us time to pause and plan effectively for the future. Ensuring that we can continue to live out our mission, responding to challenges and building a diocese ready for the needs of future generations.

Approval

This report was approved by the Trustees on 19th September and signed on their behalf:

Trustee 

Rt Rev John Arnold, Bishop of Salford

Date: 19th September 2024

Independent Auditor's Report to the Members of The Salford Diocesan Trust

Opinion

We have audited the financial statements of the Salford Diocesan Trust (the "charitable company") and its subsidiaries (the "group") for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustee's 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 charitable company'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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.

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

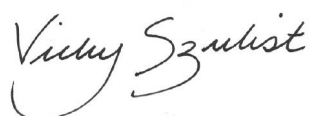
We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Charities Act 2011.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the completeness and cutoff of non-SCA grant income, legacy income and offertory income, valuation of properties, valuation of the provision for clergy no longer in active ministry and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and substantive testing of grant and offertory income, challenging management on their rationale for the valuation of historic properties and the assumptions adopted in calculating the provision for clergy no longer in active ministry.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Vicky Szulist

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

3rd Floor
St George's House
56 Peter Street
Manchester
M2 3NQ
27th September 2024

Consolidated Statement of Financial Activity Year End to the 31st
December 2023

	Notes	PAROCHIAL FUNDS			DIOCESAN FUNDS			DESIGNATED Total £	ENDOWMENT Total £	2023 Total funds £	2022 Total funds £
		Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £				
INCOME AND ENDOWMENTS FROM:											
Donations and legacies	2.1	6,997,976	-	6,997,976	144,952	208,682	353,634	-	-	7,351,610	7,274,421
Other trading activities	2.2	426,704	-	426,704	1,704,190	-	1,704,190	-	-	2,130,894	2,125,151
Income from Investment	2.3	422,780	-	422,780	2,359,522	-	2,359,522	-	-	2,782,302	1,413,326
Income from Charitable activities	2.4	23,699	-	23,699	1,924,938	-	1,924,938	-	-	1,948,637	1,828,709
Other income	2.5	2,617,808	989	2,618,797	661,410	93,709	755,119	-	-	3,373,916	4,799,785
SCA - School Building Works	2.6	-	-	-	-	10,661,410	10,661,410	-	-	10,661,410	11,187,664
Total Income		10,488,967	989	10,489,956	6,795,012	10,963,801	17,758,813	-	-	28,248,769	28,629,056
EXPENDITURE ON:											
Raising funds	3.1	717,870	-	717,870	1,878,685	-	1,878,685	-	-	2,596,555	2,440,671
Charitable activities	3.2	13,895,269	113,822	14,009,091	8,534,179	371,885	8,906,064	-	-	22,915,155	19,485,681
SCA - School Building Works	3.3	-	-	-	-	10,398,122	10,398,122	-	-	10,398,122	10,531,341
Total Expenditure		14,613,139	113,822	14,726,961	10,412,864	10,770,007	21,182,871	-	-	35,909,832	32,457,693
Net Gains/(losses) on investments		-	-	-	925,314	-	925,314	-	-	925,314	(4,256,664)
Net income/(expenditure)		(4,124,172)	(112,833)	(4,237,005)	(2,692,538)	193,794	(2,498,744)	-	-	(6,735,749)	(8,085,301)

Diocese of Salford Trustees' Annual Report and Accounts 2023

Financial Statements Consolidated Statement of Financial Activity

	Notes	PAROCHIAL FUNDS			DIOCESAN FUNDS			DESIGNATED	ENDOWMENT	2023	2022
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Total	Total	Total funds	Total funds
		£	£	£	£	£	£	£	£	£	£
Other recognised gains/(losses):											
Gains/(losses) on revaluation of investment properties	5	-	-	-	45,000	-	45,000	-	-	45,000	5,500,482
Gains/(losses) on change in actuarial movement	3.8	-	-	-	-	-	-	(322,000)	-	(322,000)	1,010,000
NET MOVEMENT IN FUNDS		<u>(4,124,172)</u>	<u>(112,833)</u>	<u>(4,237,005)</u>	<u>(2,647,538)</u>	<u>193,794</u>	<u>(2,453,744)</u>	<u>(322,000)</u>	<u>-</u>	<u>(7,012,749)</u>	<u>(1,574,819)</u>
RECONCILIATION OF FUNDS											
Total funds brought forward		38,633,371	120,780	38,754,151	70,268,895	9,624,672	79,893,567	(2,890,000)	1,456	115,759,173	117,333,993
TOTAL FUNDS CARRIED FORWARD		<u>34,509,199</u>	<u>7,947</u>	<u>34,517,146</u>	<u>67,621,357</u>	<u>9,818,466</u>	<u>77,439,823</u>	<u>(3,212,000)</u>	<u>1,456</u>	<u>108,746,424</u>	<u>115,759,173</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

Salford Roman Catholic Diocese Trustees Registered has taken advantage of the exemption from the Charities Act 2011 in not presenting as a separate Statement of Financial Activity.

The surplus/(deficit) for the charity for the year ended 31st December 2023 was (£7.0m), for 2022 (£1.6m).

Consolidated and Charity Balance Sheet
As of 31st December 2023

	Notes	Group		Charity	
		2023 £	2022 £	2023 £	2022 £
Fixed assets					
Tangible assets	4	42,734,185	38,187,602	42,589,253	38,016,314
Investment Property	5	8,014,000	7,969,000	8,014,000	7,969,000
Investments	6	32,788,850	32,971,703	32,788,855	32,971,708
		<u>83,537,035</u>	<u>79,128,305</u>	<u>83,392,108</u>	<u>78,957,022</u>
Current assets					
Stocks	7	79,539	134,329	-	-
Debtors	8	4,497,734	4,667,603	4,375,985	4,594,772
Cash at bank and in hand	9	33,795,036	44,906,183	33,139,317	44,251,220
		<u>38,372,309</u>	<u>49,708,115</u>	<u>37,515,302</u>	<u>48,845,992</u>
Creditors					
Amounts falling due within one year	10.1	(9,950,920)	(10,187,247)	(9,403,194)	(9,584,771)
Care of Clergy Provision	10.2	(3,212,000)	(2,890,000)	(3,212,000)	(2,890,000)
		<u>25,209,389</u>	<u>36,630,868</u>	<u>24,900,108</u>	<u>36,371,221</u>
Net current assets					
		<u>25,209,389</u>	<u>36,630,868</u>	<u>24,900,108</u>	<u>36,371,221</u>
Total assets less current liabilities		108,746,424	115,759,173	108,292,216	115,328,243
Total net assets		<u>108,746,424</u>	<u>115,759,173</u>	<u>108,292,216</u>	<u>115,328,243</u>
Funds					
Unrestricted funds - general	13	96,585,074	103,401,784	96,130,865	102,970,853
Restricted funds	13	9,826,412	9,745,451	9,826,413	9,745,452
Permanent endowment	13	1,456	1,456	1,456	1,456
Revaluation Reserve	13	5,545,482	5,500,482	5,545,482	5,500,482
Care of the Clergy Provision		(3,212,000)	(2,890,000)	(3,212,000)	(2,890,000)
Total funds		<u>108,746,424</u>	<u>115,759,173</u>	<u>108,292,216</u>	<u>115,328,243</u>

The financial statements were approved by the Trustees on 19th September 2024 and signed on their behalf by:



Trustee
Rt Rev John Arnold, Bishop of Salford

Consolidated Statement of Cash Flow Year to 31st December 2023

	2023	2022
	£	£
Cash flows from operating activities		
Surplus / (Deficit) from the reporting period	(7,012,749)	(1,574,819)
Adjustments to cash flows from non - cash items		
Depreciation	1,335,937	1,366,573
Investment income	(2,782,302)	(1,413,326)
Financial instrument (gains) / losses through statement of financial activities	(699,035)	(2,393,558)
(Profit) / loss on disposal of fixed assets	(189,203)	(1,716,417)
(Profit) / loss on disposal of fixed assets investments	(226,279)	6,650,222
Increase/(decrease) in Care of Clergy Provision	322,000	(1,010,000)
	(9,251,631)	(91,325)
Working capital adjustments		
(Increase) / decrease in stock	54,790	(25,119)
(Increase) / decrease in debtors	169,870	(1,044,288)
Increase / (decrease) in creditors	(236,327)	1,828,470
	(9,263,297)	667,738
Net cash flows from operating activities		
	(9,263,297)	667,738
Cash flows from investing activities		
Interest received and similar income	1,592,410	261,653
Purchase tangible fixed assets	(5,897,781)	(2,472,548)
Sale of tangible fixed assets	204,463	1,991,193
Purchase of investments	(4,648,019)	(1,669,818)
Sale of investments	5,347,054	4,063,376
Reclassification of investment property	-	(218,518)
Income from dividends	1,189,892	1,151,673
(Increase)/ decrease in Investment properties	(45,000)	(5,500,482)
	(2,256,981)	(2,393,470)
Net cash flows from investing activities		
	(2,256,981)	(2,393,470)
Net increase/(decrease) in cash flows and cash equivalents		
	(11,520,278)	(1,725,732)
Cash flows and cash equivalents at 1 January 2023	45,513,643	47,239,375
Cashflows and cash equivalents at 31 December 2023	33,993,365	45,513,643
Cash flows and cash equivalents Summary		
Cash at bank and in hand	33,795,036	44,906,183
Cash held as part of investment fund	198,329	607,460
	33,993,365	45,513,643

Notes to the Financial Statements

Year to 31st December 2023

1. Significant Accounting policies

1.1. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements include the results of the Charity's operations which are all continuing:

- Parochial – consolidation of Diocesan parish accounts
- Diocesan – consolidation of Central Funds and subsidiary company accounts

The Charity constitutes a public benefit entity as defined by FRS102.

1.2. Basis of consolidation and scope of the financial statements

The statement of financial activities and the balance sheet consolidate the financial statements of the charity and its subsidiary undertakings, made up to the balance sheet date.

A separate Statement of Financial Activities for the charity has not been presented because the Trust has taken advantage of the exemption from the Charities Act 2011.

1.3. Areas of Judgement or Estimation

The preparation of the financial statements in line with the Charities' SORP and FRS102 requires the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and other factors which have been considered relevant. Actual results may differ from these estimates.

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.

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

- Assessing the probability of the receipt of legacy income.
- Estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation charge.
- Assessing the need for any provision against slow-moving and/or obsolete stock within SDC Trading Limited and Catholic Truth Society.
- Assessing the recoverability of outstanding debtors and the need for any provision for bad or doubtful debts.
- Where certain clergy who are no longer in active ministry and the Diocese has undertaken a commitment of care a provision has been recognised using a 2023 discount rate of 4.5% (2022 20.5%) (Note 10.2)

1.4. Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

1.5. Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast a significant doubt on the ability of the Charity and group to continue as a going concern and that they have no material uncertainties about the entity's ability to continue as a going concern. The trustees made this assessment in respect of there being adequate cash and reserves in place for a period of at least one year from the date of approval of the financial statements.

1.6. Income and endowments

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

1.6.1. Donations and legacies

Donations and Legacies are recognised when the receipt is probable, and the amount of income receivable can be measured reliably. Income is deferred only when the charity must fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

1.6.2. Other trading activities

Details of trading activities are set out in the notes. Income receivable is accounted for in the period in which the relevant service or goods are provided or supplied.

1.6.3. Investment income

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

Dividends are recognised once the dividend has been declared and notification has been received of the dividends due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

1.6.4. Charitable activities

Income from charitable activities is recognised as earned when the related services are provided. The Diocese receives substantial help from volunteers. It is not possible to place a financial value on this work and no amounts are therefore included in the financial statements for the value of services donated by volunteers. Gifts of fixed assets are included at valuation and recorded as donation income.

1.6.5. Government and other grants

Government and other grants are recognised under the performance model. Income is recognised where the grant does not impose performance related conditions and when the performance related conditions are met.

1.6.6 SCA – (Schools Building Work)

Grants received from the education authority are recognised as income on a receipts basis. These funds have been granted to the Diocese as restricted funds to be expended on school building projects. These projects may spread over several years and so there is a balance on the fund at the year end.

1.7. Expenditure

All expenditure is recognised once there is a legal or constructive obligation committing the charity to that expenditure. It is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses are allocated or apportioned to the applicable expenditure headings. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.7.1. Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

1.7.2. Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly attributable to such activities and those costs of an indirect nature necessary to support them and includes governance costs.

1.7.3. Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

1.7.4. Grants Payable

Grants payable to partner organisations are included in the SOFA when approved by the Trustees and agreed with other organisations. The value of such grants unpaid at the yearend is accrued. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued but are noted as financial commitments.

1.7.5 SCA – (Schools Building Works)

Expenditure is recognised on an accruals basis. These projects may spread over a number of years and so there is a balance on the restricted funds at the year end.

1.8. Taxation

The charity is a registered charity and therefore is exempt from taxation.

1.9. Fixed asset investments

Fixed asset investments are a form of basic financial instrument and are initially recognised at their transaction value and are subsequently measured at their fair value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between the sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market value during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

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

1.10. Tangible fixed assets – other than property

These tangible fixed assets are stated at cost less depreciation, which is calculated to write off the cost or valuation less estimated residual values over their estimated useful lives. Depreciation is provided at the following rates on a straight-line basis and time apportionments are made in the year of acquisition on disposal.

Fixtures and fittings 10%

Motor vehicles 25%

Computer equipment 25%

Central freehold land and buildings 2%

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

1.11. Tangible fixed assets – inalienable school property

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

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

The governors are responsible for the buildings, and for repair and refurbishment and insurance costs.

1.12. Tangible fixed assets – church property

Prior to 1 January 1997, the accounting policy was applied for capital expenditure on church property to be written off in full as incurred. The accounts prepared for previous years therefore did not include any balance sheet value for the Cathedral, Churches, Presbyteries, Halls and other parish property or for their contents.

As a result of the previous accounting policy, the original costs and accumulated depreciation of all church parish property held at 31 December 1997 was not readily available. After consideration, the Trustee's view was that a reasonable approximation of the net book value of the church parish property held at 31 December 1997 was established through discounting the insurance values of the above properties by 90%, which is the policy employed to include assets on the balance sheet at estimated historic cost net of accumulated depreciation.

Following the recommendation of the SORP, the value of church parish property capitalised on the balance sheet is to be depreciated over their expected useful lives at the following rates from 31 December 1997. All depreciation is calculated by using the straight-line method.

Cathedral, Churches, Presbyteries, Halls and church properties acquired prior to 31 December 1997 – 2%

- Land element, Nil
- Building element, 2%

Church and Presbytery contents etc

- Fixtures and fittings, 10%
- Computer equipment, 25%

1.13. Investment property

Investment properties of the Group are held for long-term rental yields. Investment properties are treated as on-current investments and are stated at revalued amounts, representing open market value determined on an annual basis by independent valuers. Investment properties are not subject to depreciation.

When an investment property is revalued, revaluation surpluses are taken to the asset revaluation reserve, unless they offset previous revaluation losses of the same investment that were taken to the income statement. Revaluation losses are taken to the asset revaluation reserve, to the extent that they offset previous revaluation surpluses of the same investment that were taken to the asset revaluation reserve. Other revaluation surpluses or losses are taken to the income statement.

If investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as development properties until construction or development is completed, at which time it is reclassified and accounted for as investment property.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is taken to the income statement; any amount in the revaluation reserve relating to that investment property is also transferred to the income statement.

1.14. Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow-moving stocks. Cost is determined using the first-in, first-out (FIFO) method.

1.15. Trade debtors

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

1.16. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

1.17. Trade creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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 Diocese. Where any balance has not been paid to the respective organisation concerned, it has been included in creditors.

DFC – (School Building Work). The Charity assists governors in managing projects and may make grants via the Curial Offices to assist the governors with their liability for school and academy building and repair costs. The Charity administers these monies as managing agent and makes the appropriate payments to contractors for work carried out. Any monies due to the Charity or held by the Charity on behalf of schools and academies, as at balance sheet date, are included in other amounts owed in creditors.

1.18. Pensions

The Charity has made suitable arrangements for employer pensions, providing access to defined contribution pension schemes for all members of staff, including ensuring compliance with recent legislation for auto-enrolment and where applicable access to the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff. Pension costs charged in the statement of financial activities represent the contributions payable by the Charity in the year.

1.19. Funds accounting

Funds held by the Charity are either:

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- Unrestricted designated funds – these are funds which have been set aside by the Trustees for specific purposes.
- Restricted funds – these are funds which can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose.
- Permanent endowment funds – these represent funds given to the Charity, subject to the restriction that they are held as capital. Income derived from endowment funds is included in the Statement of Financial Activities, unless restricted to a particular purpose.

1.20. Financial Instruments

1.20.1. Classification

Financial assets and financial liabilities are recognised when the charity become a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

1.20.2. Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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Financial Statements Notes to the Financial Statements

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to offset the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

1.21. Subsidiary/associated bodies

The Charity has interests in the following undertakings:

Name, nature of business	Registered Office	Class and number of shares	% Held
<u>Subsidiaries</u>			
Catholic Support Services Limited Company No. 02790890	Cathedral Centre 3 Ford Street, Salford, Lancashire. M3 6DP	One Ordinary	100
Support for Catholic schools, teachers and parishes, provision of chaplaincy services			
S.D.C Trading Limited Company No. 03481323	Cathedral Centre 3 Ford Street, Salford, Lancashire. M3 6DP	Two Ordinary	100
Social clubs in the Diocese of Salford			
Catholic Building Services Limited Company No. 8020372	Cathedral Centre 3 Ford Street, Salford, Lancashire. M3 6DP	Two Ordinary	100
Administration of building projects			
Catholic Truth Society (Diocese of Salford)	Cathedral Centre 3 Ford Street, Salford, Lancashire. M3 6DP	N/A	N/A: consolidated due to common trusteeship and nature of Diocesan control over assets

Advancement of religion by promoting knowledge of the Catholic Faith and its practice among both Catholics and Non Catholics via the circulation of books and publications.

Associated Bodies

Inter-Diocesan Fuel Management Limited Company No. 02891029	2 Park Road South, Birkenhead, Wirral. CH43 4UX	One Ordinary	11
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Fuel and power distribution for Diocesan properties within the scheme

The aggregate amount of the subsidiaries turnover, expenditure, assets, liabilities the end of the reporting period can be found in note 18.

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Financial Statements Notes to the Financial Statements

2. Income and endowments

2.1. Donations and legacies

	Parochial funds		Diocesan funds		2023	2022
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
Donations	573,691	-	98,383	56,603	728,677	366,445
Legacies	322,994	-	46,103	152,079	521,176	649,925
Offertory collections	6,101,291	-	466	-	6,101,757	6,258,051
	<u>6,997,976</u>	<u>-</u>	<u>144,952</u>	<u>208,682</u>	<u>7,351,610</u>	<u>7,274,421</u>

2.2. Other trading activities

	Parochial funds		Diocesan funds		2023	2022
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
Social and fundraising income	426,704	-	2,000	-	428,704	452,941
S.D.C Trading Limited	-	-	1,593,570	-	1,593,570	1,566,864
Catholic Truth Society	-	-	108,620	-	108,620	105,346
	<u>426,704</u>	<u>-</u>	<u>1,704,190</u>	<u>-</u>	<u>2,130,894</u>	<u>2,125,151</u>

2.3. Investment Income

	Parochial funds		Diocesan funds		2023	2022
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
Income from listed investments	-	-	1,189,892	-	1,189,892	1,151,673
Interest on cash deposits	422,780	-	1,119,630	-	1,542,410	211,653
Loan Interest Income	-	-	50,000	-	50,000	50,000
	<u>422,780</u>	<u>-</u>	<u>2,359,522</u>	<u>-</u>	<u>2,782,302</u>	<u>1,413,326</u>

2.4. Charitable Activities

	Parochial funds		Diocesan funds		2023	2022
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
Moston & Wardley cemeteries	23,699	-	516,355	-	540,054	516,895
Catholic Support Services Limited	-	-	1,408,583	-	1,408,583	1,311,814
	<u>23,699</u>	<u>-</u>	<u>1,924,938</u>	<u>-</u>	<u>1,948,637</u>	<u>1,828,709</u>

2.5. Other Income

	Parochial funds		Diocesan funds		2023	2022
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
Other income	1,384,059	-	118,362	42,959	1,545,380	1,249,038
Rental Income	631,543	-	340,345	-	971,888	771,172
Grant Income	602,206	989	13,500	50,750	667,445	1,063,158
Profit/(loss) on disposal of fixed assets	-	-	189,203	-	189,203	1,716,417
	<u>2,617,808</u>	<u>989</u>	<u>661,410</u>	<u>93,709</u>	<u>3,373,916</u>	<u>4,799,785</u>

2.6. Other Income – SCA – School Building Works

	Parochial funds		Diocesan funds		2023	2022
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
SCA - School Building Works	-	-	-	10,661,410	10,661,410	11,187,664
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,661,410</u>	<u>10,661,410</u>	<u>11,187,664</u>

2.7. Subsidiary companies

Trading activities within the diocese consist of the subsidiary companies' activities as follows:

	Income £	Expenditure £	2023 Net Income £	2022 Net Income £
Catholic Support Services Limited	1,408,583	966,465	442,118	520,184
Catholic Truth Society	108,620	178,068	(69,448)	(24,411)
S.D.C Trading Limited	1,593,570	1,736,466	(142,896)	683,800
	<u>3,110,773</u>	<u>2,880,999</u>	<u>229,774</u>	<u>1,179,573</u>

Catholic Building Services Limited is Dormant for 2023.

The taxable profit of the subsidiary companies is gifted to the charity so that there is no liability to corporation tax for these entities. Further detailed within note 17 to the financial statements.

3. Resources expended

3.1. Expenditure on raising funds

3.1.1. Investment management costs

	Parochial funds		Diocesan funds		2023 Total £	2022 Total £
	Unrestricted £	Restricted £	Unrestricted £	Restricted £		
Investment Management fees	-	-	142,219	-	142,219	152,955
	-	-	<u>142,219</u>	-	<u>142,219</u>	<u>152,955</u>

3.1.2. Fundraising Costs

	Parochial funds		Diocesan funds		2023 Total £	2022 Total £
	Unrestricted £	Restricted £	Unrestricted £	Restricted £		
S.D.C Trading Limited	-	-	1,736,466	-	1,736,466	1,727,083
Social and fundraising	717,870	-	-	-	717,870	560,633
	<u>717,870</u>	-	<u>1,736,466</u>	-	<u>2,454,336</u>	<u>2,287,716</u>
Total expenditure on raising funds	<u>717,870</u>	-	<u>1,878,685</u>	-	<u>2,596,555</u>	<u>2,440,671</u>

Diocese of Salford Trustees' Annual Report and Accounts 2023

Financial Statements Notes to the Financial Statements

3.2. Expenditure on charitable activities

	Parochial funds		Diocesan funds		2023	2022
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
Total expenditure on charitable activities	13,895,269	113,822	8,534,179	371,885	22,915,155	19,697,417

3.2.1. Parish Costs

	Parochial funds		Diocesan funds		2023	2022
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
Clergy allowances	803,078	-	-	-	803,078	699,989
Gross Wages	925,010	-	-	-	925,010	900,459
Employer's NI	29,195	-	-	-	29,195	38,189
Pension Costs	48,006	-	-	-	48,006	16,572
Staff costs - other	520	-	-	-	520	23,759
Church & presbytery supplies	6,232,827	94,796	-	-	6,327,623	5,038,611
Property Overheads	4,277,977	15,708	-	-	4,293,685	3,711,263
Office costs	10,435	-	-	-	10,435	11,970
Parish vehicles	30,172	-	-	-	30,172	49,649
Other costs	728,441	-	-	-	728,441	-
Bank charges	60,807	-	-	-	60,807	34,659
Depreciation	740,377	-	-	-	740,377	759,101
	13,886,845	110,504	-	-	13,997,349	11,284,221

3.2.2. Central & Diocesan Costs

	Parochial funds		Diocesan funds		2023	2022
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
Gross Wages	-	-	2,555,973	26,467	2,582,440	2,429,163
Employer's NI	-	-	264,673	2,397	267,070	262,245
Pension Costs	-	-	187,858	1,314	189,172	150,308
Staff costs - other	-	-	416,472	839	417,311	188,612
Clergy allowances	-	-	98,137	-	98,137	112,783
Sick & retired clergy costs	-	-	786,037	-	786,037	882,099
Property Overheads	-	-	1,145,109	145,028	1,290,137	1,405,470
Office costs	-	-	452,666	7,353	460,019	458,648
Church & presbytery supplies	-	-	-	-	-	877
Other costs	-	-	354,909	152,342	507,251	366,623
Subsidiary costs	-	-	1,151,028	-	1,151,028	917,512
Bank charges	-	-	17,303	1	17,304	24,285
Bad debts provision	-	-	(17,616)	-	(17,616)	(115,522)
Depreciation	-	-	532,300	289	532,589	562,749
	-	-	7,944,849	336,030	8,280,879	7,645,851

3.2.3. Governance Costs

	Parochial funds		Diocesan funds		2023	2022
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
Legal & professional	8,424	3,318	181,092	35,855	228,689	205,770
Auditors remuneration	-	-	61,320	-	61,320	39,740
Accountancy services	-	-	18,958	-	18,958	21,970
	8,424	3,318	261,370	35,855	308,967	267,480

3.2.4. Grants Payable

	Parochial funds		Diocesan funds		2023	2022
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
CATEW/NCF - Gross	-	-	239,540	-	239,540	204,234
Survivors Manchester	-	-	88,420	-	88,420	83,895
	-	-	327,960	-	327,960	288,129

3.3. SCA – School Building Work

	Parochial funds		Diocesan funds		2023	2022
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
SCA - School Building Works	-	-	-	10,398,122	10,398,122	10,531,341
	-	-	-	10,398,122	10,398,122	10,531,341

3.4. Staff Disclosures

Personnel Costs	2023	2022
	£	£
Gross Wages	3,507,450	3,329,622
Employer's NI	296,265	300,434
Pension Costs	237,178	166,879
Other	417,831	212,371
Total Employee Costs	4,458,724	4,009,306

The average monthly number of staff employed, based on average headcount during the year was as follows:

	2023	2022
	No.	No.
Central Diocesan employees	75	66
Parish employees (excludes parish clergy)	87	91
Cemeteries employees	8	8
S.D.C Trading Limited	76	64
Catholic Truth Society	2	2
	248	231

Employees receiving remuneration over £60,000	2023	2022
	No.	No.
Between £60,000 to £69,999	2	2
Between £70,000 to £79,999	1	2
Between £80,000 to £89,999	1	-
Between £90,000 to £99,999	-	-
Between £100,000 to £109,999	-	1
Between £110,000 to £119,999	2	1
	6	6

Pension costs to higher paid employees	60,823	43,137
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Contributions to a defined benefits pension scheme during the year	NIL	NIL
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Key management personnel received salary and pension contributions	701,657	705,707
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Remuneration Policy

Annual Pay changes are approved by the Trustees, and job roles and remuneration are reviewed periodically. Benchmarking against market rates is employed when new roles are created or when significant roles change hands.

3.5. Trustees

The Board of Trustees is made up of members of clergy and laity of the faithful. The priests receive income for their office together with living accommodation, living expenses and reimbursement of costs incurred on the same basis as other Diocesan priests. No Trustee receives any remuneration or benefits from his/her trusteeship other than cover under the indemnity insurance purchased by the charity Trustee received reimbursement for expenses in the year 2023: £123 (2022: £543).

3.6. Employee Loans

	2023	2022
	No.	No.
At the year end, there were outstanding loans to employees	<u>4</u>	<u>4</u>
	£	£
The total amount of outstanding loans was:	<u>631</u>	<u>664</u>
	<u>4,159</u>	<u>4,286</u>
The total amount of car benefit scheme outstanding was:		

3.7. Movement in Net Funds

	2023	2022
	£	£
This is stated after charging:		
Auditors remuneration:		
- Audit	63,581	50,034
- Other services	29,509	24,306
Profit / (Loss) on disposal of tangible fixed assets	189,203	1,716,417
Profit / (Loss) on disposal of investments	(226,279)	6,650,222
Depreciation of fixed assets	1,335,937	1,366,573
Finance charges payable	94,102	89,475

3.8. Change in Actuarial Movement

	2023	2022
	£	£
Increase / (Decrease) Care of Clergy	322,000	(1,010,000)

The accounts include a creditor for the Care of the Clergy Provision (please see note 10.2 and 17.3) to provide clarity on the ongoing commitment that the Diocese has to those no longer in active ministry.

The Actuarial movement noted above is a result of change in circumstances of priests included within the current provision.

4. Tangible Fixed Assets

Group

	Properties £	Work In progress £	Fixtures & Fittings £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 January 2023	52,910,458	1,805,486	4,627,798	229,648	18,410	59,591,800
Additions	1,854,850	3,917,641	94,576	30,714	-	5,897,781
Disposals	(60,652)	(9,190)	(93,516)	(23,711)	-	(187,069)
At 31 December 2023	<u>54,704,655</u>	<u>5,713,937</u>	<u>4,628,858</u>	<u>236,651</u>	<u>18,410</u>	<u>65,302,511</u>
Depreciation						
At 1 January 2023	17,748,555	23,881	3,420,507	192,845	18,410	21,404,198
Charge for the year	1,066,513	-	247,956	21,468	-	1,335,937
Disposals	(31,034)	(23,881)	(93,457)	(23,437)	-	(171,809)
At 31 December 2023	<u>18,784,034</u>	<u>-</u>	<u>3,575,006</u>	<u>190,876</u>	<u>18,410</u>	<u>22,568,326</u>
Net book value at 31 December 2023	<u>35,920,621</u>	<u>5,713,937</u>	<u>1,053,852</u>	<u>45,775</u>	<u>-</u>	<u>42,734,185</u>
Net book value at 31 December 2022	<u>35,161,903</u>	<u>1,781,605</u>	<u>1,207,291</u>	<u>36,803</u>	<u>-</u>	<u>38,187,602</u>

Charity

	Properties £	Work In progress £	Fixtures & Fittings £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 January 2023	52,795,767	1,805,486	3,510,167	200,680	18,410	58,330,510
Additions	1,854,850	3,917,641	82,443	29,779	-	5,884,713
Disposals	(60,652)	(9,190)	-	-	-	(69,842)
At 31 December 2023	<u>54,589,965</u>	<u>5,713,937</u>	<u>3,592,610</u>	<u>230,459</u>	<u>18,410</u>	<u>64,145,381</u>
Depreciation						
At 1 January 2023	17,633,864	23,881	2,472,515	165,526	18,410	20,314,196
Charge for the year	1,066,513	-	209,838	20,496	-	1,296,847
Disposals	(31,034)	(23,881)	-	-	-	(54,915)
At 31 December 2023	<u>18,669,343</u>	<u>-</u>	<u>2,682,353</u>	<u>186,022</u>	<u>18,410</u>	<u>21,556,128</u>
Net book value at 31 December 2023	<u>35,920,622</u>	<u>5,713,937</u>	<u>910,257</u>	<u>44,437</u>	<u>-</u>	<u>42,589,253</u>
Net book value at 31 December 2022	<u>35,161,903</u>	<u>1,781,605</u>	<u>1,037,652</u>	<u>35,154</u>	<u>-</u>	<u>38,016,314</u>

4.1. Assets not used for charitable purposes

All of the tangible fixed assets are used by the Charity for its charitable purposes with the exception of properties, computer equipment and fixtures and fittings with a net book value of

2023 £	2022 £
<u>144,932</u>	<u>171,288</u>

4.2. Capital Commitments

Capital commitments authorised and contracted for at 31 December 2023 were as follows:

	2023 £	2022 £
Diocesan Projects	14,509,297	2,546,892
School Capital Projects	6,897,033	7,481,885
	<u>21,406,330</u>	<u>10,028,777</u>

Funding for Diocesan Projects includes the Cathedral restoring the glory project funded as agreed by Trustees from divesting part of the Investment portfolio.

School Capital projects are in main funded via the School Condition Allowance (SCA).

5. Investment properties

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
At 1 January 2023	7,969,000	2,250,000	7,969,000	2,250,000
Transfer from Fixed Assets	-	218,518	-	218,518
Revaluation Gain	45,000	5,500,482	45,000	5,500,482
At 31 December 2023	8,014,000	7,969,000	8,014,000	7,969,000

As at 31 December 2023, the investment properties represent the following:

Property	Revalued Amount	Initial NBV	Revaluation Gain
St Augustine's School All Saints, Manchester	2,250,000	2,250,000	-
Sacred Heart Infant School, Gorton	485,000	24,275	460,725
Allen Hall (Land), 281 Wilmslow Road, Manchester	2,150,000	25,526	2,124,474
St Sebastians, Gerald Road, Pendleton, Salford	225,000	11,994	213,006
Former Our Lady's Primary School, Turf Pit Lane, Moorside	300,000	15,015	284,985
Playing Fields, St Bedes	440,000	22,023	417,977
Key Street Bar of Music, Clitheroe	175,000	9,306	165,694
St Wilfrid's Hall, Hulme, Manchester	150,000	4,206	145,794
Workshop, on Back Palace Street, Bolton, BL1 2DR	100,000	501	99,499
Land at Manchester Road Kearsley	19,000	951	18,049
Rental of Stydd Lodge Farm	555,000	25,526	529,474
Former St Paul's RC Church, Preston Old Road BB2 5EP	190,000	9,510	180,490
Lee House Farm	675,000	17,518	657,482
St Anthony's Centre, Trafford Park	300,000	52,167	247,833
Total Investment Property	8,014,000	2,468,518	5,545,482

The historical cost for the property, formally held in Fixed Assets, was £431,784 and has been transferred from property fixed assets, net of accumulated depreciation. The historical cost of land was £nil.

The land and properties have been valued by Axis Property Consultancy LLP and P Wilson & Company in August 2023.

6.1. Fixed Asset investments

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Subsidiary Undertakings	-	-	5	5
Participating Interest	1	1	1	1
6.1	1	1	6	6
Investments listed or traded on a recognised stock exchange	32,590,521	32,364,242	32,590,521	32,364,242
Cash held as part of investment fund	198,329	607,460	198,329	607,460
Total Investments	32,788,850	32,971,703	32,788,855	32,971,708

6.2. Investments listed or traded on a recognised stock exchange

Group and Charity Movement	2023 £	2022 £
Market value at 1 January 2023	32,364,242	39,014,464
Additions at cost	4,648,019	1,669,818
Disposal proceeds	(5,347,054)	(4,063,376)
Net gain/(loss)	925,314	(4,256,664)
Market value at 31 December 2023	32,590,521	32,364,242

	Cost £	2023 Market Value £	2022 Market Value £
Analysed by type			
Bonds	8,330,205	8,863,411	4,884,347
Alternatives & Multi-Asset	3,567,254	3,656,103	5,702,530
UK Equities	5,507,326	6,145,525	8,009,784
Global Equities	2,893,224	4,026,517	3,979,775
North America	3,171,257	5,402,737	4,446,723
European equities	964,003	1,170,723	1,738,465
Far East	2,327,823	2,560,760	2,862,045
Rest of the World	773,380	764,745	740,573
	27,534,472	32,590,521	32,364,242
Analysed by fund			
Unrestricted	27,534,472	32,590,521	32,364,242
Restricted	-	-	-
	27,534,472	32,590,521	32,364,242

The charity had no holdings which comprised more than 5% of the market value of the portfolio at that date

7. Stock

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Stock	79,539	134,329	-	-

8. Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	1,350,101	1,624,280	1,324,751	1,730,700
Prepayments	598,419	606,820	559,991	549,063
Amounts due from subsidiaries	-	-	-	106,842
Other debtors	2,549,214	2,436,503	2,491,243	2,208,167
	4,497,734	4,667,603	4,375,985	4,594,772

8.1. Loans to Other Charities

Group and Charity other debtors include the loan to Ushaw £1,669,468 (2022: £1,506,968) which are repayable on demand.

9. Cash at bank and in hand

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Cash at bank and in hand	33,795,036	44,906,183	33,139,317	44,251,220

10. 1 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	1,267,634	1,640,253	1,190,873	1,451,609
Social security and taxation	82,241	82,998	82,081	73,535
Other creditors	7,045,534	7,802,227	6,986,571	7,747,163
Amounts due to subsidiaries	-	-	74,977	-
Accruals & Deferred Income	1,555,511	661,769	1,068,692	312,464
	<u>9,950,920</u>	<u>10,187,247</u>	<u>9,403,194</u>	<u>9,584,771</u>

10.2. Care of Clergy Provision

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Care of Clergy Provision	3,212,000	2,890,000	3,212,000	2,890,000

The Care of Clergy Provision has been independently assessed and has been included to provide clarity on the ongoing commitment the Diocese has to those no longer in active ministry.

Should a priest leave active ministry prior to retirement, there is no obligation to accrue for a liability and, as such, this has been excluded.

The provision has been recognised on the basis that there is an agreement in place with certain clergy who are no longer in active ministry that gives rise to a future commitment.

It has been calculated based upon the agreed levels of financial support, age profile, mortality tables, an appropriate discount rate (derived from a high quality corporate bond) and the number of priests no longer in active ministry and for whom the Diocese has undertaken an ongoing commitment of care.

10.2. Care of Clergy Provision (continued)

	Care of Clergy	
	Provision	Total
	2023	2022
	£	£
Provisions at 1 January	2,890,000	3,900,000
Provisions created during the year	322,000	-
Amounts released from previous years	-	(1,010,000)
Provisions at 31 December	3,212,000	2,890,000

11. Contingent Liabilities

Appropriate consideration has been given to historical liabilities in respect of which insurance cover cannot be traced or where the historical policy limits are inadequate. No contingent liabilities have been identified that require disclosure.

12. Related Parties

12.1. Other Related Parties

Mr. Edward Nally has provided consultancy services for a number of years for which he is remunerated and has continued to be paid following his appointment as a Trustee in May 2016. In the accounting year ended 31 December 2023 the total was £55,000 (2022: £55,000). Mr Nally is not paid for his services as a Trustee of the charity but as a consultant to the key management team.

12.2. Donations from Trustees

Throughout the year, Trustees who are not members of the clergy attend Mass and other services and events within the Diocese that they live in. In the course of doing so, the Trustees resident in the Diocese of Salford will contribute to the offertory and make other financial contributions. to the Diocese of Salford. The nature of such giving means that it is not possible to quantify the amount donated to the Charity by its Trustees during any financial year.

13. Funds

	Notes	Balance 01-Jan-23 £	Incoming resources £	Resources expended £	Transfers £	Gains and Losses £	Balance 31-Dec-23 £
Unrestricted Funds	15	103,401,784	17,283,979	(25,026,002)	-	925,314	96,585,075
Restricted Funds							
Parishes Special Collections	13.1.1	265,612	28,751	(6,760)	-	-	287,603
Pleasington Priory	13.1.2	1,174,502	999	(111,162)	-	-	1,064,339
Stydd Trust	13.1.3	309,639	-	-	-	-	309,639
Stanford Trust	13.1.4	385,466	-	-	-	-	385,466
Ecclesiastical Education Fund	13.1.5	-	165,741	(158,759)	-	-	6,982
SCA - School Building Works	13.1.6	7,490,885	10,661,410	(10,398,122)	-	-	7,754,173
Other Restricted Funds	13.1.7	119,347	107,889	(209,026)	-	-	18,210
		9,745,451	10,964,790	(10,883,829)	-	-	9,826,412
Designated Funds							
Moston & Wardley Cemeteries	13.2.1	-	-	-	-	-	-
Care of Clergy Provision		(2,890,000)	-	-	-	(322,000)	(3,212,000)
		(2,890,000)	-	-	-	(322,000)	(3,212,000)
Endowment Funds							
SRCDTR	13.3.1	1,000	-	-	-	-	1,000
Moston & Wardley Cemeteries	13.3.2	456	-	-	-	-	456
		1,456	-	-	-	-	1,456
Revaluation Reserve	13.4.1	5,500,482	-	-	-	45,000	5,545,482
TOTAL FUNDS		115,759,173	28,248,769	(35,909,831)	-	648,314	108,746,425

13. Funds (Continued)

	Notes	Balance 01-Jan-22 £	Incoming resources £	Resources expended £	Transfers £	Gains and Losses £	Balance 31-Dec-22 £
Unrestricted Funds	15	112,117,772	10,789,808	(20,722,328)	(27,286)	1,243,818	103,401,784
Restricted Funds							
Parishes Special Collections	13.1.1	199,322	67,444	(1,154)	-	-	265,612
Pleasington Priory	13.1.2	1,208,678	26,588	(60,764)	-	-	1,174,502
Stydd Trust	13.1.3	309,639	-	-	-	-	309,639
Stanford Trust	13.1.4	385,466	-	-	-	-	385,466
Ecclesiastical Education Fund	13.1.5	-	118,363	(166,849)	48,486	-	-
SCA - School Building Works	13.1.6	6,834,562	11,187,664	(10,531,341)	-	-	7,490,885
Other Restricted Funds	13.1.7	155,898	938,707	(975,258)	-	-	119,347
		9,093,565	12,338,766	(11,735,366)	48,486	-	9,745,451
Designated Funds							
Moston & Wardley Cemeteries	13.2.1	21,200	-	-	(21,200)	-	-
Care of Clergy Provision		(3,900,000)	-	-	-	1,010,000	(2,890,000)
		(3,878,800)	-	-	(21,200)	1,010,000	(2,890,000)
Endowment Funds							
SRCDTR	13.3.1	1,000	-	-	-	-	1,000
Moston & Wardley Cemeteries	13.3.2	456	-	-	-	-	456
		1,456	-	-	-	-	1,456
Revaluation Reserve	13.4.1	-	5,500,482	-	-	-	5,500,482
TOTAL FUNDS		117,333,993	28,629,056	(32,457,694)	-	2,253,818	115,759,173

13.1. Restricted Funds

The funds classed as restricted are held for the following purposes:

- 13.1.1** Parishes Special collections This represents the specific collections and payments within the parishes mainly for Parish based appeals, for example in relation to building projects.
- 13.1.2** Pleasington Priory Trust Funds held on behalf of the Pleasington Priory Trust for the upkeep and maintenance of the Chapel known as Pleasington Priory and its ancillary substantial buildings.
- 13.1.3** Stydd Trust Originally for the support of the almshouses at Stydd, the income is for the benefit of the Ecclesiastical Education Fund. This is a separate trust no 229802, administered by the Salford Diocesan Trustees.
- 13.1.4** Stanford Trust Income to the parish for the poor of Ribchester, this is a separate charitable trust no 252602, administered by the Salford Diocesan Trustees
- 13.1.5** Ecclesiastical Education Fund Funds held for the training of priests.
- 13.1.6** SCA, Schools buildings Programme, relates to committed yet uncompleted works.
- 13.1.7** Other Restricted Funds includes Laudato Si centre, Thomas Eccles Trust monies which have a restricted purpose.

13.2. Designated Funds

Designated funds are set aside for various purposes. The main areas are as follows:

- 13.2.1** Designated funds are set aside for various purposes. The main areas are as follows:
Moston & Wardley Cemeteries - Funds deposited with the cemeteries board to finance the upkeep of individual cemetery plots. No permanent endowment is created by these funds.
- 13.2.2** Care of the Clergy, the provision is in place to highlight the continued support from the Diocese for the clergy no longer in active ministry. The value has been derived by an independent Actuarial assessment.

13.3. Permanent Endowment Funds

- 13.3.1** The original endowment funds of the Diocese amount to £1,000 representing the minimum reserve.
- 13.3.2** Moston & Wardley endowments are in respect of funds left for the maintenance of individual graves. No further endowments will be accepted for this purpose.

13.4. Revaluation Reserves

13.4.1 Identification and revaluation of investment properties, additional reserves have been identified, verified by independent assessment. Review of the identified investment properties will occur ever 5 years.

14. Funds: movement in the year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Unrestricted & Designated				
Balance at 1 January	103,401,784	112,138,972	102,970,853	111,957,328
Net movements in the year	(6,816,710)	(8,688,702)	(6,839,988)	(8,937,990)
Transfer between funds	-	(48,486)	-	(48,486)
Balance at 31 December	96,585,074	103,401,784	96,130,865	102,970,853
Restricted				
Balance at 1 January	9,745,451	9,093,565	9,745,452	9,093,566
Net movements in the year	80,961	603,400	80,961	603,400
Transfer between funds	-	48,486	-	48,486
Balance at 31 December	9,826,412	9,745,451	9,826,413	9,745,452
Permanent Endowment				
Balance at 1 January	1,456	1,456	1,456	1,456
Net movements in the year	-	-	-	-
Transfer between funds	-	-	-	-
Balance at 31 December	1,456	1,456	1,456	1,456
Revaluation Reserve				
Balance at 1 January	5,500,482	-	5,500,482	-
Net movements in the year	45,000	5,500,482	45,000	5,500,482
Change in revaluation surplus	-	-	-	-
Balance at 31 December	5,545,482	5,500,482	5,545,482	5,500,482
Care of Clergy Provision				
Balance at 1 January	(2,890,000)	(3,900,000)	(2,890,000)	(3,900,000)
Net movements in the year	-	-	-	-
Change in revaluation surplus	(322,000)	1,010,000	(322,000)	1,010,000
Balance at 31 December	(3,212,000)	(2,890,000)	(3,212,000)	(2,890,000)
Total Funds	108,746,424	115,759,173	108,292,216	115,328,244

15. Analysis of net assets between funds

Group	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Permanent Endowment £	Total £
Fund balances at 31 December 2023 are represented by:					
Tangible fixed assets	42,734,185	-	-	-	42,734,185
Investment assets	40,802,850	-	-	-	40,802,850
Current assets	28,544,441	-	9,826,412	1,456	38,372,309
Current liabilities	(9,950,920)	(3,212,000)	-	-	(13,162,920)
Total net assets at 31 December 2023	102,130,556	(3,212,000)	9,826,412	1,456	108,746,425
Charity					
Charity	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Permanent Endowment £	Total £
Fund balances at 31 December 2023 are represented by:					
Tangible fixed assets	42,589,253	-	-	-	42,589,253
Investment assets	40,802,855	-	-	-	40,802,855
Current assets	27,687,433	-	9,826,413	1,456	37,515,302
Current liabilities	(9,403,194)	(3,212,000)	-	-	(12,615,194)
Total net assets at 31 December 2023	101,676,347	(3,212,000)	9,826,413	1,456	108,292,216

15. Analysis of net assets between funds (Continued)

Group	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Permanent Endowment £	Total £
Fund balances at 31 December 2022 are represented by:					
Tangible fixed assets	38,187,602	-	-	-	38,187,602
Investment assets	40,940,703	-	-	-	40,940,703
Current assets	39,961,208	-	9,745,451	1,456	49,708,115
Current liabilities	(10,187,247)	(2,890,000)	-	-	(13,077,247)
Total net assets at 31 December 2022	108,902,266	-	2,890,000	1,456	115,759,173

Charity	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Permanent Endowment £	Total £
Fund balances at 31 December 2022 are represented by:					
Tangible fixed assets	38,016,314	-	-	-	38,016,314
Investment assets	40,940,708	-	-	-	40,940,708
Current assets	39,099,084	-	9,745,452	1,456	48,845,992
Current liabilities	(9,584,771)	(2,890,000)	-	-	(12,474,771)
Total net assets at 31 December 2022	108,471,335	-	2,890,000	1,456	115,328,243

15.1. Analysis of net funds

Group	Balance 01-Jan-23 £	Financing Cash Flows £	Balance 31-Dec-23 £
Cash at bank and in hand	45,513,643	(11,520,278)	33,993,365
Debt due within one year	(7,802,227)	756,693	(7,045,534)
Net Funds	37,711,416	(10,763,585)	26,947,831

Charity	Balance 01-Jan-23 £	Financing Cash Flows £	Balance 31-Dec-23 £
Cash at bank and in hand	44,858,680	(11,521,034)	33,337,646
Debt due within one year	(7,747,163)	760,592	(6,986,571)
Net Funds	37,111,517	(10,760,442)	26,351,075

Cash and cash equivalents are comprised of Cash at bank as well as Cash held as part of the investments

16. Pensions and similar obligations

The Charity has made suitable arrangements for employee pensions, providing access to defined contribution pension schemes for all members of staff, including ensuring compliance with recent legislation for auto-enrolment and where applicable access to the Teacher' Pension Scheme England and Wales (TPS) for academic and related staff.

The Trustees retain the services of independent pension advisors, Punter Southall Aspire, who provide specialist advice. Pension schemes are administered by Insurance Companies with the assets held separately from the Charity.

Pension costs charged in the statement of financial activities represent the contributions payable by the Charity in the year.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.

17. Details of subsidiaries and consolidation

	Catholic Building Services Limited £	Catholic Support Services Limited £	S.D.C. Trading Limited £	Catholic Truth Society (Diocese of Salford) £	2023 Total £	2022 Total £
Tangible fixed assets	-	1,338	143,588	-	144,926	171,283
Current assets	11,091	644,077	329,315	103,597	1,088,080	1,015,698
	11,091	645,415	472,903	103,597	1,233,006	1,186,982
Creditors: amounts falling due within one year	(11,091)	(383,112)	(207,511)	(40,820)	(642,535)	(657,074)
	-	262,303	265,391	62,777	590,471	529,908
Creditors: amounts falling due after more than one year	-	-	(344,124)	-	(344,124)	(313,227)
	-	262,303	(78,733)	62,777	246,347	216,680
Representing:						
Share capital	-	1	2	-	3	7
Profit and loss account	-	262,302	(78,735)	62,777	246,344	216,673
	-	262,303	(78,733)	62,777	246,347	216,680

	Catholic Building Services Limited £	Catholic Support Services Limited £	S.D.C. Trading Limited £	Catholic Truth Society (Diocese of Salford) £	2023 Total £	2022 Total £
Turnover	-	1,408,583	1,593,572	108,620	3,110,775	3,199,659
Cost of sales	-	(913,066)	(1,277,581)	(113,915)	(2,304,561)	(2,367,514)
Gross profit/ (loss)	-	495,517	315,992	(5,295)	806,213	832,145
Administrative expenses	-	(52,392)	(420,827)	(59,067)	(532,286)	(155,653)
Establishment Costs	-	-	-	(2,197)	(2,197)	(232,620)
Finance charges	-	(306)	-	(2,624)	(2,930)	(30,597)
Depreciation costs	-	(702)	(38,060)	(265)	(39,027)	(39,938)
Other Operating income - grants receivable	-	-	-	-	-	806,236
Taxation	-	-	-	-	-	-
Net profit	-	442,118	(142,896)	(69,448)	229,774	1,179,573
Retained earnings brought forward	-	20,184	64,161	132,224	216,569	512,177
Amount gifted to charity	-	(200,000)	-	-	(200,000)	(1,475,076)
Retained in the subsidiary	-	262,302	(78,735)	62,775	246,343	216,674

The individual financial statements of the subsidiary entities included in the consolidation are drawn up on the same accounting date, 31st December 2023. All subsidiary companies are fully consolidated in the Group financial statements.



www.dioceseofsalford.org.uk



@SalfordDiocese



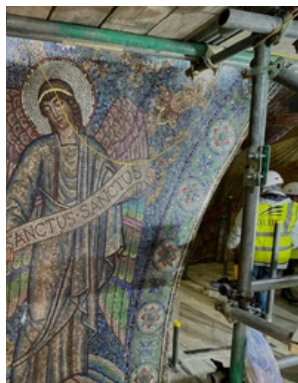
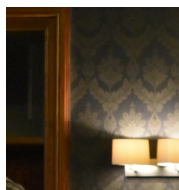
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DIOCESE OF  SALFORD

THE SALFORD DIOCESAN TRUST

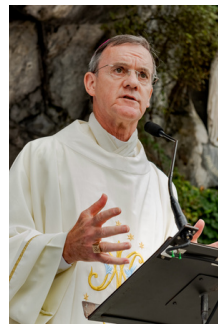
England & Wales - Charity number 250037

Accounts



DIOCESE OF  SALFORD

ANNUAL REPORT 2022



About

Charity Registered Name: The Salford Diocesan Trust (TSDT) commonly known as the Roman Catholic Diocese of Salford and also referred to as Salford Roman Catholic Diocesan Trustees Registered (SRCDTR).

The Diocese includes much of Greater Manchester north of the Mersey and Lancashire including Blackburn and Burnley. The diocese comprises approximately 263,295 Catholics, with 109 parishes and 206 schools.

Charity Registration Number: 250037

Registered Address

Wardley Hall, Worsley, M28 2ND

Public Address

Cathedral Centre, 3 Ford Street, Salford, M3 6DP

Trustees

Right Reverend John Stanley Kenneth Arnold, Bishop of Salford

Reverend Canon Michael Cooke, Vicar General

Reverend Christopher Dawson

Reverend Peter Hopkinson, Vicar General

Sir Peter Fahy

Edward Nally

Mary Hunter

Reverend Canon Michael Jones

Eamonn O'Neal

Brendan McCafferty

Elizabeth Lilley

Michael Devlin (resigned July 2023)

Financial Secretary

Pauline Morgan, Chief Operating Officer and Financial Secretary

Key Personnel

Rachel McGee - Head of Communications and Deputy Chief Operating Officer

Jenny Clayton - Head of Safeguarding

John Corrigan - Director of Property and Facilities

Nicola Cosens - Director of Finance

Emma Gardner - Head of Environment

Lisa Heywood - Head of Projects and Operations

Hannah Howard - Head of HR

Simon Smith - Director of Education

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The Trustees present their report along with the consolidated financial statements of the Charity for the year ended 31 December 2022. The Statements appear in the format required by the Statement of Recommended Practice for Accounting (second edition) and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland - Charities SORP FRS102.

Year In Numbers



109 parishes

163 churches

102 priests

88 religious

66 retired

5 deacons



403 Sunday Masses

519 Weekday Masses

162 Hours of Adoration

206 Schools

Number of pupils: **81,000**

1,500 Governors

2,060 Visitors to Wardley



4,500 Visitors to St Bernadette's relics

1,500 Responses to the Universal Synod

800+ Attended Synod, Formation, or Hope in the Future talks and training.

387 Walsingham pilgrims



More than

£3 million

Spent on parish property repairs

£10.5 million

Spent on school improvements

Over

£900K

in grant income received

Advisors:

Auditors

Crowe UK LLP, 3rd Floor, The Lexicon, Mount Street, Manchester, M2 5NT

Bankers

Barclays Bank Plc, Barclays Business Centre, Manchester City Office, PO Box 357, 51 Mosley Street, Manchester, M60 2AU

The Royal Bank of Scotland Plc, St Anne Street, Manchester, M60 2SS

Lloyds Bank, PO Box 545, Faryners House, 25 Monument Street, London, EC3R 8BQ Santander, 298 Deansgate, Manchester, M3 4HH

Investment Managers

Evelyn Partners, 14th Floor, 103 Calmore Row, Birmingham B3 3AG

Solicitors

Fieldings Porter, Silverwell House, Silverwell Street, Bolton, BL1 1PP

Pensions

Punter Southall, Aspire Beech House, Hackness Road, Northminster Business Park, Northfield Lane, York, YO26 6QR

Introduction from Bishop John Arnold

Over the past few years, we have spoken many times about the challenge of meeting the changing needs of our world today. Pope Francis is clear that we must be prepared to question the way we undertake our ministry, organise our parishes and our role in the wider community. We have already undertaken some changes in our Diocese, thinking carefully about what it is to be Church today and how we can all play our part as missionary disciples.

The reality is that many people, even among our family members and friends, have distanced themselves from the Church, drawn away by the individualism and materialism of our times. We must respond, with that sense of mission and, respond to Pope Francis' challenge; "do we have the courage to walk with them, even while they are walking away from the Church?"

As part of this challenge, we have embarked on a diocesan synod. The synod is an opportunity to work together, hearing voices from those connected with our parishes and those who feel they no longer have a part to play, or place in our Church. Listening to those voices will help us discern what our diocesan Church can be and needs to be. It is an invitation to build a different future, built on joy, hope and renewal.


This year we embraced the themes of challenge, hope and renewal as we embarked on the fifth and final stage of our pastoral programme Hope in the Future. This final stage was entitled 'Sharing the Hope'. In this time we asked parishes to turn their attention to putting our faith into action through caring for those most in need in our local area, and to caring for our common home.

Our parishes already make an enormous contribution to the local community, and I would like to express my gratitude to the many lay people who contribute so generously to the pastoral and social life of the Church. We are fortunate to have such dedicated volunteers who contribute their time and expertise to the activities of our parishes and many Church organisations. It is impossible to measure the full impact of contribution and support, but each volunteer is assisting us on our journey, where we are all called to be missionary disciples in missionary parishes.

We understand the urgent need for our Diocese and the whole Church to use its voice, its members, and its resources to repair the damage of climate change and to live in harmony with our common home. It is an opportunity to evidence how we can play our part globally. As a Diocese we have set ourselves an environmental plan that is ambitious and understands the scale of change that is needed, and one that is grounded in Christian Hope and guided by prayer and Church teaching. We are putting the ecological crisis at the heart of what we do and have committed to be carbon neutral by 2038.

There is much to be done to make our world a better place and we all have our part to play. Let us all remember that prayer will guide us and strengthen us as we ask:

Stay with us, Lord, on Our Journey.



Rt Rev John Arnold, Bishop of Salford

24th October 2023





Report from the Chief Operating Officer

I would once again like to start with my thanks to all our colleagues across the diocese for their continued unwavering dedication, hard work and commitment to our mission to serve both the diocese and the wider community. Without the ongoing commitment and dedication of staff and volunteers, we would not be able to provide the support needed by our clergy, parishes and schools.

The diocese like many charities and organisations is feeling the effects of the cost-of-living crisis. Escalating fuel costs have especially hit our parish communities. We are incredibly thankful to our parishioners who continue to give generously in the face of rising costs. Despite these external factors we remain committed to our stewardship of the diocese and our ongoing financial sustainability.

During 2022 we saw many more of our Parish Centres reopen their doors to external events, bringing together our parishes and communities, and again thank you to all our SDC colleagues for making this possible.

We have also taken the time to review and update our investment policy to reflect our approach to being a Responsible Investor. As a diocese we have an obligation to past as well as present and future generations to be a 'good steward' of our investments. In managing the investments, the balance must be struck between the importance of using the money to support the income needs, to run the diocese activities on an ongoing basis, to smooth the financial needs of the diocese when capital sums are needed to maintain buildings or support other capital projects (such as our Cathedral Restoration Project) and maintain a contingency appropriate to the diocese. Being a responsible investor means ensuring that the beliefs we hold as Catholics are translated into positive action through the portfolio of shares we hold. This is about active participation through the investments we hold in key issues as they affect people and planet. We will continue to review our portfolio and respond effectively.

In 2022, there were changes to several of our diocesan central teams, including welcoming a new Head of Safeguarding, to work alongside our established Safeguarding Advisory Panel and Safeguarding Committee.

2023 has many challenges ahead but we are confident that working together as one team we can navigate our journey to be a diocese adapting and building for the 21st Century.

Pauline M Morgan
Chief Operating Officer and Financial Secretary

24th October 2023

Our Work

As we look back over the last year, we are met with three overriding themes, Hope, Mission and Challenge. Looking forward we see a challenge for how we as parishes, individuals and parishioners must adapt to a changing world but also we witness Hope as we see the opportunity to build on our success and renew our communities together and grow as missionary parishes.

Hope



Mission



Challenge



Hope

Hope was evident when as a diocesan community we came together in large numbers to celebrate and pay witness to our faith.

We were delighted to see the return of our pilgrimages to Walsingham and Lourdes. Walsingham saw one of its largest gatherings in recent years from our Diocese with nearly 400 taking part including the first special youth pilgrimage. In addressing the Pilgrims, Bishop John asked those present to have hope and faith that we can unite to make the world a better place.

One of our parishes that has taken that message to heart is the Parish of the Nativity in Failsworth and Limeside. Coming together volunteers from the parish and local community have spent three years building the Bee Together Community Centre and Garden. Inspired by our diocesan Laudato Si' project the parish have built a network that has transformed a neglected patch of land into a focus of activity. It is now home to vegetable patches, fruit trees, wildflowers and more. The space has become a vital and vibrant community hub hosting numerous events and winning the RHS North West in Bloom competition for its pioneering project.

The Parish of the Nativity is just one example of how our parishes understand the need for the Church to use its voice, its people, and its resources to create a different legacy for the next generation. We look to learn from those around us and in 2022 we saw the fruit of one of the lessons we have taken from other Dioceses with the ordinations of four deacons. Hundreds of parishioners from across the Diocese came to support these men who stepped forward to be the first of a new generation of Deacons in our Diocese. The journey of the diaconate also signifies the importance of mission and challenge. In welcoming the Deacons Bishop John spoke of the importance of each of us identifying our mission and challenged them specifically to help shape a diaconate ready to adapt to the needs of our Diocese.

We continued to gather in large numbers and much joy was witnessed from the thousands that flocked to the Cathedral leaving standing room only as they took part in a series of open visits, services and Masses for the relics of St Bernadette. The two day visit began with a Mass of Welcome, following which the afternoon then saw the first of our open visits, welcoming in the queue of pilgrims that had snaked its way through the cathedral grounds and into the surrounding streets, before a Mass of Vocation, Youth Vigil and Mass of Anointing filled the Cathedral once more.

The visit from the relics brought an unmistakable atmosphere of hope and the visit from the relics was followed a few weeks later by a challenge to all in the Diocese to 'Share the Hope'. This was the start of Stage 5 of our pastoral programme, Hope in the Future.



In Stage 5, in collaboration with Caritas Salford, we gave renewed focus to putting our Faith into action through caring for those most in need in our local area and caring for our Common Home. Through the resource pack and 'Sharing the Hope Deanery Days', we accompanied communities in learning more about the needs in their community and encouraged them to prayerfully discern how best to respond, using the 'See, Judge, Act' method. Different communities responded in a range of different ways including; prayer, financial giving, volunteering, advocacy, signposting to existing support, developing a new project or supporting an existing one.

Parish Case Study

One parish community hit the airwaves in 2022 in an effort to share God's message of love and hope beyond the pews of the parish.

During Advent, the parish of St Cuthbert's in Bolton appeared in a weekly programme on Bolton FM to share readings, reflections, hymns, and prayers with the wider community. The programme is part of an initiative that has developed since the pandemic, which also includes additional activities such as visiting the sick and housebound, visiting new neighbours, developing projects with the parish schools, and holding additional prayer sessions at church.



Hope in the Future in Statistics

80
Hope in the Future Parish Reps



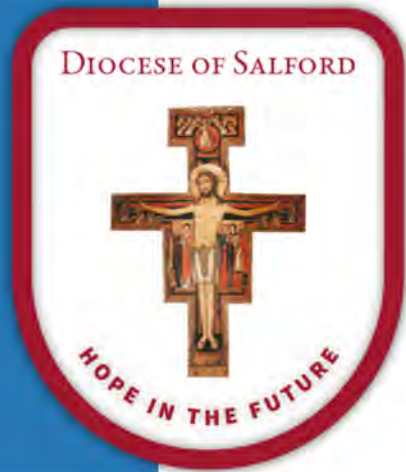
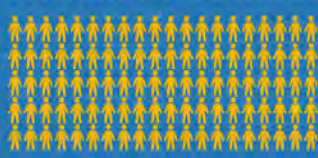
20% Of parishes with Shared Leadership Teams

Over **200** Parish Projects

18 Deanery Projects

120
Events over 5 stages...

...with more than **8,500** attendees!



HOPE IN THE FUTURE

Building for the Future

In 2017 we set out on a programme called Hope in the Future. It aimed to provide each parish with the tools, resources and opportunities they needed to be missionary parishes moving towards the Church of the Future. We asked people to join with us in Rebuilding the Church. This is a theme we have taken forward over the last 5 years. The Covid-19 Pandemic enhanced the need for our diocese to look forward and take a fresh focus in to the way we operate.

As part of this we have changed the way we operate as a Diocese looking to be more outward facing, placing our gospel values in a 21st Century world.

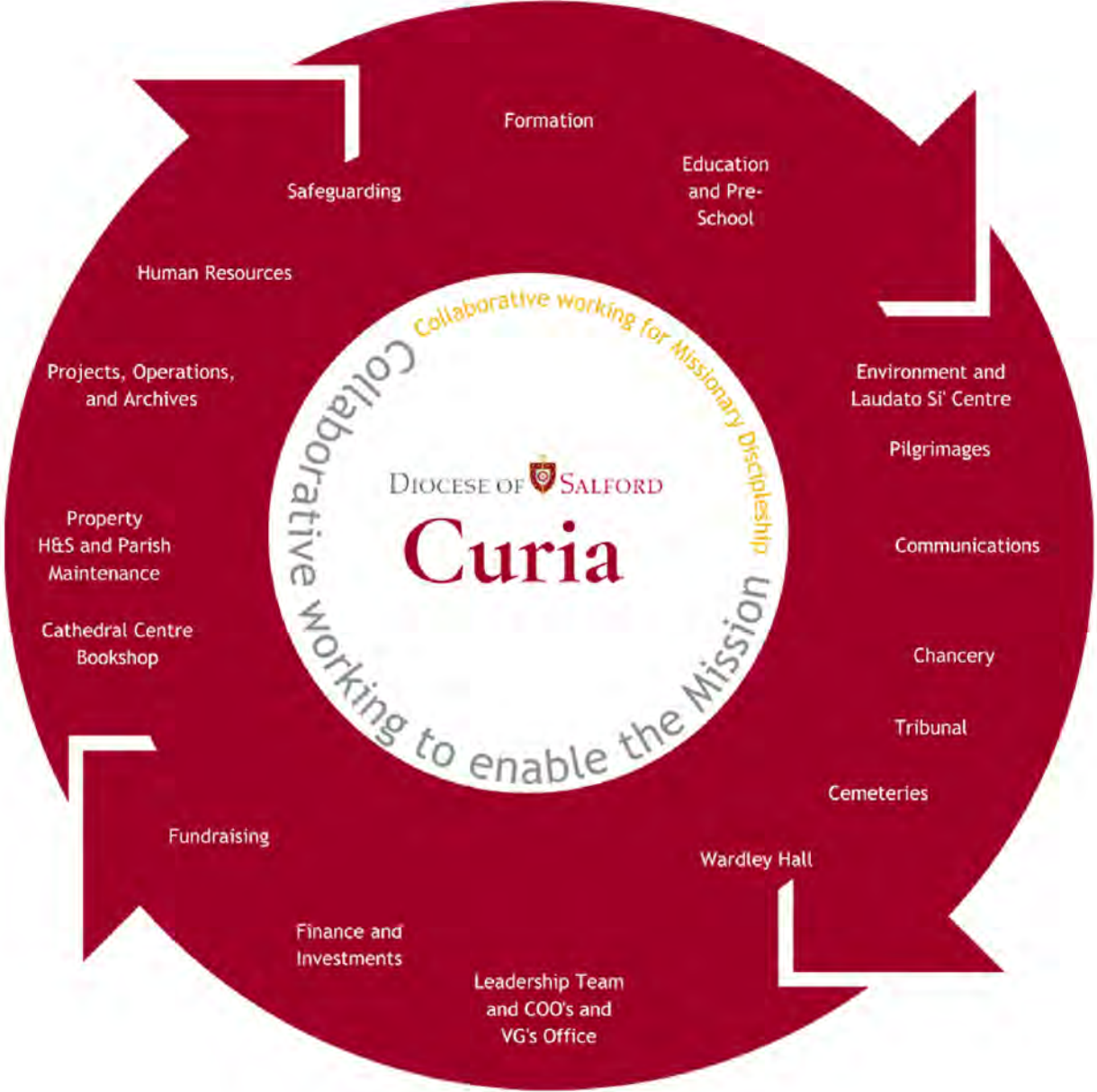
In this new landscape, a critical role for our school governors and leaders is to look to the future and guide the strategic direction of not only their own school but the whole diocesan family of schools. This wider vision is crucial to our mission of 'Rebuilding the Church, fit for future generations'. The vision for schools was set through our Academies Strategy. The diocese's academy trusts are becoming stronger with the number of voluntary converters increasing. As of December 2022, there were around 20 academies across Romero, St Teresa of Calcutta and Emmaus Catholic Academy Trusts. Our Catholic Academy Trusts (CATs) are building effective and strong central teams in order to effectively support our schools who are members of the trust as well as those with an aspiration to join and are developing closer links with them.

Our 81,000 pupils are involved in a number of activities that are helping us learn what they need from us. 25% of the responses we received to the Universal Synod came from our school pupils. They showed an investment in their faith and the need to put our values into actions. Building on this work our Youth Team have been undertaking a listening exercise across our secondary schools meeting with focus groups to understand the challenges our young people face in living out their faith.

The Faith in Action Award has been created to help our young people find a way to translate their relationship with God into action for the common good. Its strength lies in uniting young people, schools and parishes together to make a difference to the world around them. In 2022 14 new schools joined the award and 376 badges were presented.

Putting their faith into action was also in evidence at our youth eco summit. More than 40 students from secondary schools across the area met at our Laudato Si Centre to share ideas and solutions to tackle some of the biggest environmental challenges we face today. The summit was a concluding event of a pilot research project with over 200 students across the Diocese of Salford, called Laudato Si' Champions. Dubbed "Laudato Si' Champions" in connection to Pope Francis' environmental teachings, these students met to discuss their findings in the programme's first ever youth summit. The day included a range of powerful and inspiring sessions, which saw students present their ideas for a more sustainable future, before taking part in tree planting and meditation sessions, and finally burying a time capsule of their hopes and ideas.

As well as developing the Laudato Si' Centre at Wardley Hall the arrival of Bishop John brought the decision that the hall would be opened to allow visitors and further engagement with our parishes and schools. The use of the space for retreats and diocesan celebrations encourages a sense of belonging between the historic hall and our communities. In 2022 we saw a record number of visitors and events being held here. Further adaptations to the Hall improved the access for visitors with mobility issues. This decision to expand the use of the building has brought a new lease of life to the hall and mirrors our curia mission of being here to support and serve the Diocese.



Synod

Having come together to answer the questions put to us by Pope Francis and the Universal Synod, we embarked on a synodal journey that will begin to transform the way in which decisions are made in the Church. It is this invitation from Pope Francis that has encouraged Bishop John to announce the launch of a Diocesan Synod to prayerfully discern how we can address the needs of our diocesan community in a post-pandemic world.

In calling the Synod Bishop John reflected on the considerable changes our Church has witnessed over recent years, remarking that the time has come to envisage a new future for the Church in our diocese. A challenge as to what we need to be now in a changing world. What our people expect of us and how might we rethink things?

Our diocesan synod seeks to provide an answer to these questions by calling us to reflect on the needs of our diocesan community today, and to understand more about the opportunities we have to build up the Church in our part of Greater Manchester and Lancashire.

The next stage of the Synod will be 'The Big Listen' where we will ensure each and every voice is represented in this new generation of our diocesan Church.

Synod Vision

To enable true collaboration between the clergy and laity at diocesan and parish level by truly listening to each other.

To discern what the Holy Spirit is saying to the Church in Salford at this next stage of our journey



DIOCESE OF  SALFORD
SYNOD 2023-2025

School Singing Programme



NATIONAL SCHOOLS SINGING PROGRAMME

In 2021 we joined the National School Singing Programme (SSP). The School Singing Programme enabled via grant funding the expansion of Salford Cathedral's grassroots Music Foundation. The music team at the Cathedral now work with children and teachers around the diocese to institute long-term musical programmes, comprising both of singing sessions during school hours and after-school choirs.

"Our pupils have regained their enthusiasm, lost their self-consciousness, and their love for singing has been re-ignited."

Mrs Bainbridge - Headteacher, St Boniface, Salford

The Schools Singing Programme has reached 681 children through 9 schools, with each school receiving at least one hour of singing each week. Sessions cover musical theory, singing technique and often form the basis of lively spiritual debates, inspired by the children's interaction with powerful sacred music. Singing sacred music has been shown to have a range of mental and physical health benefits for children: it's a great way to build confidence, feel part of a community, further academic attainment and foster a lifelong relationship with spirituality.



Volition

Volition has been active at Manchester Cathedral for a decade and in March 2022 we saw its formal launch in Salford Cathedral, providing another ecumenical link between our two historic Cathedrals.

Volition is a partnership between Manchester and Salford Cathedrals, promoting employability through volunteering. This ten-week programme enables the long-term unemployed to develop skills and interview techniques, whilst crucially giving them meaningful volunteering opportunities to put on their CV. The Volition Programme takes advantage of links between the cathedral and local businesses.

Volition at Salford Cathedral developed a different strategy to that at Manchester Cathedral - to focus on the well-being of Salfordians, providing a safe, creative, and welcoming space in which people can gain confidence and skills, allowing them to engage with life in a productive manner.

Volition can give isolated people the confidence they need to flourish in Salford. One Volition volunteer who has attended the Programme explained how previously she was unable to leave the house. Volition has given her the encouragement to go outside, take public transport and attend Volition's art classes.

The Cathedral hosts a wide variety of Volition activities and events over the year, including beekeeping, art classes, interview technique training, and litter picking. Our volunteers have worked across both cathedrals throughout the year. Our art class spent the Autumn crafting beautiful Christmas cards and tree decorations, which were then sold at Salford Cathedral's Christmas Fayre, and throughout the Advent season.

The partnership also means we have a colony of 8 beehives in Cathedral gardens!





Hearing the Cry

In September 2021 we were pleased to share with you, “For the Beauty of the Earth”, which is our commitment to Environmental Action. The document is a guide to put our Christian faith into action protecting the environment. It built upon work already undertaken in our Diocese. Now we are taking the next step. “Hearing the Cry: Responding with Hope” is our strategic response, providing more details of the commitment to be made in the Diocese. It has one main ask of all of us, that we work together as one Diocese, united towards creating transformative change and healing for our common home.

Now is the time to unite these actions and responsibilities and set ourselves a plan that is ambitious and understands the scale of change that is needed, and one that is grounded in Christian Hope. Our joint response brings us together, maximising its impact, guided by prayer and Church teaching.

Our Laudato Si’ Centre gives us a focal point to put our commitment to act into practice. It is rooted in the belief that we can all make a difference through the actions we take and the Centre can provide the tools and learning needed to enable that response. It also enables us to provide a place of inspiration and welcome to the wider community. Providing a vital hub for the local community to fall in love with nature and to experience its beauty first hand. In 2022 we were able to forge successful partnerships to expand our offering and worked with a local Community Interest Company that held self-esteem workshops, a wellbeing café and breathwork in nature. For the first time we ran projects as part of Salford’s Green Social Prescribing, work supporting local community members to use our space for the common good.

Examples of action

- Work begins to make Salford Cathedral the most sustainable cathedral in the UK
- Diocesan schools join Laudato Si’ Centre “Hear the Cry” campaign to send message to world leaders at COP27
- Bishop John calls for urgent action in crucial new document entitled ‘Call for Creation’ from Bishops’ Conference of England and Wales
- Pioneering research project - ‘Laudato Si’ Champions’ comes to a close with dynamic Schools Summit - after engaging with 200 school pupils from across the diocese
- More than 300 parish and school buildings surveyed for decarbonisation aims
- Travel survey launched to better understand how travel to and from church impacts our carbon emissions
- Laudato Si’ Centre launches Christmas tree recycling scheme to recycle trees into valuable wood chippings and raise funds for St Ann’s Hospice

Mission

Mission is at the heart of our work. The professional support services are set the challenge to work collaboratively to enable our mission to support our parishes to be missionary parishes.

Our support services look to answer the needs of parishes in their daily work, training and resources. In 2022 we saw the Communications Team hold a 'Digital Missionaries' Training day. The day was aimed at those who play a role or were looking to start in parish communications. The theme for the day was 'How can parishes be digital missionaries in a post Covid world'. Accepting that there have been changes to how people engage with the Church and identifying digital ways to encourage parishioners to return to in-person worship, in addition to bridging the gap to parishioners who have become engaged through the digital channels.

Creating digital and in person hubs has also been an area of focus for our Youth Team. Working with the Communication Team we have spoken to and listened to our young people about the content they want online and have been led by their responses. At the same time 2022 was the year that we could rebuild our Youth Hub. St Augustine's parish church now provides a much-needed base for the monthly young adults Mass. This creates the opportunity for a regular meeting place each month in order to build community amongst the young adults, the monthly offering is growing and yearly retreats are now on offer. Safeguarding remains essential to all that we do in the diocese, and we are committed to the Church offering a safe space for everyone to enjoy their religious practice and education whilst experiencing positivity in their journey of faith.

To help our employees fulfil our mission we also look to provide a supportive workplace where our people can reach their full potential. The HR departments and the staff wellbeing group deliver a range of initiatives where talents are encouraged and wellbeing is prioritised. Last year saw several successful volunteer days with staff taking time out to support our sister charity Caritas in their homeless provision and planting trees at our Laudato Si Centre. All staff were invited to attend a health check and a new long service recognition scheme was introduced with the first beneficiaries being presented with awards at our annual Advent Celebration. The "Appreciating You" Scheme was formally launched to recognise the efforts of all employees to say thank you to all those who go above and beyond to help in their line of work.

Our support for employees echoes our focus to care for our clergy whatever the stage of their journey from formation to retirement. It speaks to the values we hold as a charity and a church. The welfare of active and retired clergy is central to our 2030 vision.

Safeguarding

We are lucky to have a fantastic group of committed Safeguarding Parish Representatives, diocesan volunteers and clergy who work hard to help us create a safer environment across our parishes. 2022 saw significant changes to the team and we are grateful to our parishes and clergy for their support during this time.

Following an audit the staffing of the team has been reviewed and expanded to ensure we are best equipped to meet the needs of our parishes by being able to offer practical support, guidance and training, listening to their needs and requirements.

148 Parish
Safeguarding Reps

Thank You

2 staff volunteer days
10 long service awards

Our Volunteers

The Trustees wish to recognise and express their gratitude to the number of lay people who contribute to the pastoral and social life of the Church.

In a typical parish volunteers contribute in a variety of ways whether through pastoral work such as assisting in the religious life of the church, visiting sick, elderly or infirm parishioners, providing administrative support, acting as local safeguarding representatives and keeping church and parish property clean and well-maintained. At a broader level, volunteers support wider diocesan events and initiatives including the annual pilgrimages to Lourdes and Walsingham and missionary activities such as Hope in the Future.



Challenge

Investing for the Future

In 2022 we saw the beginning of our 'Restoring the Glory' Project. The main aim of the Cathedral Restoration Project is to conserve the mother church of our diocese, renewing its exterior and interior, ensuring that the cathedral is fully sustainable and a source of spiritual inspiration for future generations. Large parts of our cathedral are in extremely poor repair. This is the right time to fix these and restore some of the original design features that have been lost over the years and enhance what we are able to offer the diocese and cathedral parish. These repairs will be performed using sustainable materials and methods.

As part of this project we will seek to provide full equal and integrated access across the cathedral. The focus of the project so far has been on the outside of the building with repairs to the masonry, roof and spire.

2023 we will see the focus move inside the building. The current cathedral interior is very different from its original appearance - in the 1840s. Successive re-orderings have meant that the cathedral has lost a lot of its exceptional detailing, ecclesiastical ambience, and interior character. The intention is to introduce interior finishes that match with the style and character of the original finishes.

We have grown to understand historical buildings in a different way over the last few decades and the restoration project will look to renew the interior while remaining sensitive to the Cathedral's Grade II* Listed status.

We are developing a property strategy that will create sustainable estate both environmentally and financially that serves the needs of the parish and school communities we serve. Restoring, celebrating and recognising the future needs of our buildings.





St Mary's Eccles

In 2022 St Mary's Church in Eccles celebrated its 125th Anniversary. The Church is now part of St John Paul II Parish. It is the amalgamation of three parishes joining together to form a new community. Having made the difficult decision that one of the church buildings would need to close the new parish could then focus its efforts on ensuring the parish estate suited their needs and would provide for them in the future.

Having vacated the building they were able to undertake a major repair project including complete floor and roof repairs. They also replaced the heaters with a new, modern and efficient system. Investing now for the future sustainability of the parish.

The church re-opened in May 2022 by a special service celebrated by Bishop John marking the renovations and the anniversary of the parish. The service was a full house made up of new and life long parishioners.

Restoring and Celebrating Two Property Case Studies

St Mary's Church in Failsworth is a Grade II listed building. Now part of the Parish of the Nativity and some of the architecture behind the listing needed some extra attention.

The outside of the building is adorned with cast stone friezes and a dramatic suspended aluminium statue of the Virgin Mary greets you at the entrance. Above is a concrete cylindrical spire.

All of the external features needed to be restored to match their original beauty. The corroded metal was cleaned, repaired and reinstated.



St Mary's Failsworth

Vocations

There were no ordinations to the Priesthood in 2022 and while we had one in 2023, the pattern of none or one looks to remain. We remain hopeful with the interest in the diaconate and parishes embracing a new way of operating. Our new vocations team are looking at ways to embed a culture of vocation throughout the diocese and a new campaign was launched.

“What is God asking of you?” is the question we relaunched our vocations drive with. A call to respond to God’s plan with an “open heart” was shared across the diocese with a video series, poster campaign and the reestablishment of regular vocations Masses. We are looking to inspire conversation and prayer around vocations to the priesthood.

We are challenged to listen to God’s voice and respond to our own unique mission.

Preparing for the Challenge

This decade presented new challenges that we did not envisage having to tackle and it also brought into the spotlight that we cannot always rely on practices and structures of past decades to best serve our needs. We are using our central support services to help the dioceses and parishes adapt and prepare us to truly be a 21st Century Church delivering our mission in an economical and sustainable way.

We are responding to the growing legislative needs on charities and resourcing departments appropriately to meet these. In 2022 we appointed a new Health and Safety Partner, whose focus is on being out and about providing guidance and practical assistance to parishes. The new appointee visited over a third of our parishes in their first few months. The partnership role is echoed in a new IT role centered on proactive and responsive support to parishes and clergy.

Parish Partner roles were created to allow teams to be more visible and proactive in the support they have been able to offer. In finance this has meant that all of our parishes are now using an online accounting system. The rollout has been a success due to having a dedicated person travelling around proactively transitioning parishes in this change. At the same time we have also been rolling out electronic collection plates. These new devices are in 18 parishes and further roll out plans have been identified.

Alongside staffing structure reviews we are also reviewing our operational systems. Like most workplaces the way in which we work and the technology needs of our workforce have changed. We are looking at having systems in place that enable people to spend their time doing what is needed the most and streamlining systems. Reviews of central contracts on telephony and administration have saved over £10,000. We will be repeating this exercise across all contracts to ensure best value for money and that we operate in an economically sustainable manner. We are aware that one of the greatest challenges we all face not just as organisations but as individuals is to adapt our practices and cultures to be more environmentally conscious and sustainable. As the only UK diocese to have a dedicated Head of Environment leading not only our parishioners in this journey we have also been able to start making an impact in the way in which we operate. We have a diocesan commitment to a decarbonisation pathway that will aim to be carbon neutral by 2038. It is an important practical effort to reduce our carbon emissions and help repair and heal the damage we’ve done. The pathway is ambitious but realistic, science-based and balanced in relation to the wider needs of our diocese and the need to take swift and effective action. We know the diocese is responsible for emitting over 23,000 tonnes of carbon each year. To help inform our next steps towards decarbonising the diocese in December 2022 we completed energy audits in over 300 diocesan buildings. A staff travel survey was undertaken that will be used to support targets to reduce carbon associated with commuter travel.

We continue to work with Greater Manchester Combined Authority, Salford Council Climate Action Board and the Greater Manchester Interfaith Climate Action Group to amplify our reach and voice. It is one example of the way we know that to meet the challenges of the future we must look to collaborative working both inside and outside the church.

2022 FINANCIALS

25%

of income came from Donations and Legacies

5%

of income came from our Investments

8%

was the increase in our income compared with 2021

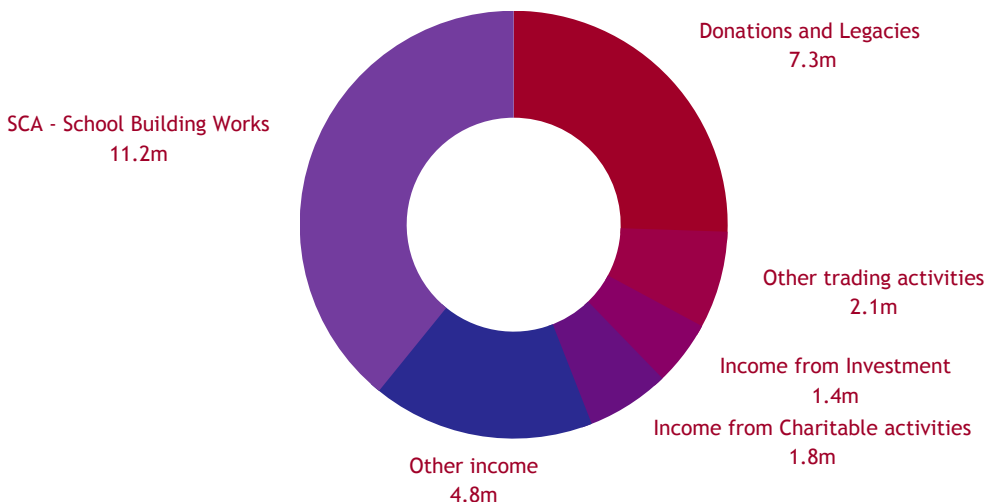
17%

was the increase in our expenditure compared with 2021

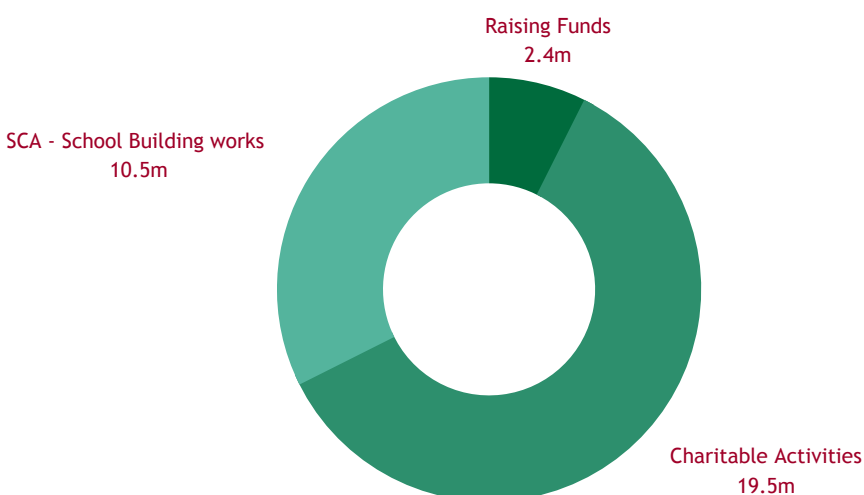
Over 90%

of expenditure was spent on Charitable activities and School Building Work

Income 2022



Expenditure 2022



Aims, Objective and Purpose

The diocese primary purpose is the advancement of the Roman Catholic Faith. The diocese comprises of 109 parishes serving 263, 295 Catholics across much of Greater Manchester and East Lancashire.

We achieve this objective by providing activities undertaken by our parishes and central services, guided by our gospel values and the principle of good stewardship. Those activities include worship, education, charity and care for our common home.

Objectives and Activities

- Support to priests during both their active service and in retirement or ill health
- Charitable works to show our Gospel values to the world around us
- Access to the Sacraments
- Education and Youth Services
- Ongoing Formation for our communities and our clergy
- Education and Training for those who wish to be priests
- Maintenance and upkeep of our church and parish buildings
- Providing assistance to governors regarding the upkeep of school buildings through grant schemes under the DFC and SCA.
- Access to professional advice and support for our communities including in Safeguarding, Health and Safety, Human Resources, Project Management, Property Management, Data Protection and Finance

Structure, Governance and Management

The Bishop of Salford is ex-officio the Chair of Trustees and membership of the board is based upon invitation by the trustees to suitably qualified individuals subject to approval by the Bishop. Trustees are selected on the basis of their range of skills and experience and the board comprises a mix of both ordained clergy and Catholic lay people. Periodic training and workshop sessions are also held for the trustee body as a whole.

Governing regulations

The Trust Deed of the Charity governs appointments of Trustees. The latter are chosen according to their experience of the Trust's Ministry and of its need to function in accordance with both Canon and Civil Law.

Each Trustee Board committee has defined terms of reference, detailing the delegated authorities where appropriate.

Certain matters are delegated to these trustee committees including in the areas of:

- Audit and Risk Committee
- Claims Committee
- Communication Committee
- Environment Committee (formerly Laudato Si)
- Finance Committee
- HR Committee
- Investment Committee
- Planning and Resources Committee
- Property Committee

- Remuneration Committee
- Safeguarding Committee
- Schools & Academies Committee

The Chief Operating Officer and the Moderator of the Curia are responsible to the board for the day-to-day running of the trust.

Annual pay reviews are approved by either the Remuneration Committee (for senior staff) or the HR Committee based on external advice and information and recommendations from the Chief Operating Officer. The salary for the COO is also agreed by the Trustees at the Remuneration Committee. In setting overall pay levels for our staff the Diocese takes account of pay practice in other similarly sized charities and, where necessary, private or public sector organisations for specialist and technical roles.

The fixed assets and investments of the Charity are vested in a trust with the Diocesan Trustees as the managing Trustees.

Recognising the need for expertise, the Trustees have engaged professional advisors in the areas of finance, investment, insurance, law and protection of minors and vulnerable adults.

The Trustees are listed on page 1.

The Trustees keep themselves informed of new developments in the above areas and when necessary, meet to be briefed on particular issues by their advisors.

The Trust has four active wholly owned trading subsidiaries. See section Trading Subsidiaries on page 27.

Relationships with Other Parties

The Trustees consider Caritas Diocese of Salford to be a related party by virtue of it having common Trustees. The Charity's aim is that the lives of all people should be free from poverty, disadvantage and discrimination. Their purpose is to help the most vulnerable children, young people and adults in our communities to transform their lives and fulfil their potential.

The faith and teachings of the Roman Catholic Church clearly inform and have a profound influence on the operating policies in place within the Trust.

As a Catholic diocese within England and Wales, the Diocese of Salford co-operates on various initiatives, projects and other matters of common interest with other Catholic dioceses, charities and agencies of the Catholic Church. For example, the Diocese and its parishes support the activities of other charities such as the Catholic Agency for Overseas Development (CAFOD), the official aid agency of the Catholic Church in England and Wales (Charity no 1160384) and adopts unified policies through national bodies for the safeguarding of children and adults at risk of harm.

Statement of Trustees' responsibilities

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

The law applicable to charities 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 of the charity for that period .In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles 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 that disclose with reasonable accuracy at anytime the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution.

The trustees 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.

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.

Public Benefit

The Trustees have ensured they carry out the Trust's objectives for the public benefit and have (in accordance with Charities Act 2011) had regard to guidance published by the Charity Commission on public benefit when exercising powers or duties where that may be relevant.

It is clear from the detail in the Trustees Report that the Trust acts in a way which beneficially impacts on society. It promotes public services, in dedicated buildings and elsewhere, in accordance with the practices and teachings of the Roman Catholic Church, for hearing and appropriating the word of God and for the worship of God both generally and at significant points in people's lives. In this way it helps form and gives expression to the spiritual dimension of the lives of members of the public. It also thus provides religious and moral parameters by which individual members of the public may live fulfilled lives and act in a way which is socially beneficial, and influence wider society for the better. The Trust also engages in a number of practical expressions of Christian faith (including advancing education in schools and otherwise and relieving various forms of charitable need in social outreach to the public generally).

Investment

We have established ourselves as a Responsible Investor. Guided by the principle of stewardship, with an authentic set of investment statements and an accompanying investment framework that demonstrates that the Catholic Social Teaching of Human Dignity, the Common Good and Care for Our Common Home are central to how our investment portfolio is managed, shaped and targeted.

As responsible and active investors, we have used our influence to challenge companies to set ambitious targets and make the lasting change we need. As part of this commitment, we also regularly review our investments monitoring our impact and responding to changing landscapes. Where we feel we can no longer make an impact with our investment we will divest and take a stand against companies that do not align with our principles and that put their profits ahead of the common good.

Fundraising

As with other charities we are witnessing the cost of living crisis in our donations levels. Individual giving at a parish level has reached pre 2020 levels but we are now receiving more money from less individuals. We have continued to focus on new ways of donating as we move towards a more cashless society.

Since the appointment of the Grant and Bid Writer post in 2021 we have successfully raised over £900k of funding for parish and capital projects.

In 2023 we will be looking to begin a professional fundraising campaign using an outside agency.

The charity did not carry out any fundraising activities as defined by the Charities (Protection and Social Investment) Act 2016

Plans for Future Periods

We will continue on our strategic plans for a vision to take the diocese into the next decade. Creating parishes that can respond and adapt to the challenges they face.

We will focus on:

- Being a synodal church as asked by the Holy Father
- Supporting our clergy
- Reviewing our support services to best support our parishes and schools, including increasing our digital solutions
- Completing a property strategy that recognises the future needs of our buildings
- Adapting to a new landscape of fundraising in the Church
- Completing our Cathedral Restoration
- Leading by example to care for our common home
- Using our voice to champion for dialogue, change and action as a Responsible and active investor

Financial Review

The financial statements reflect the activities with our parishes, all aspects of the central professional support services (curia) and some subsidiary activities such as the operating of our clubs and commercial activities.

The Consolidated Statement of Financial Activities and notes for the year ended 31 December 2022 is set out on pages 31-57.

Total incoming resources amounted to £28.6 million in 2022 (2021 £26.7 million).

Most of the funds in the Charity are raised through donations. The funds raised in the parish support the individual parish and contribute towards the expenditure requirements of the Diocese.

Income

	2022 %	2022 £m	2021 %	2021 £m
Donations and Legacies	25%	7.3	28%	7.4
Other trading activities	7%	2.1	4%	1.1
Income from Investment	5%	1.4	4%	1.2
Income from Charitable activities	6%	1.8	8%	2.1
Other income	17%	4.8	16%	4.4
SCA- School Building Work	39%	11.2	40%	10.6
Total Income		28.6		26.7

Total income figures above include £ 11.2 million in 2022 (2021 £10.6 million) in relation to changes in the way income is received from School Building Projects as set out in accounting policy note 2.6.

Total overall Donations and Legacies have decreased during 2022 by £0.1 million. Our Parish Income is still well below pre-pandemic levels but has increased £0.8 million from 2020.

Our Mass attendance also increased from 20,034 in 2021 to 24, 104, although this does not show a return to pre pandemic levels yet it is an increase of 20%.

During the year collections in the parishes for specific purposes including those for other charities totalled £0.2 million (2021 £0.3 million).

The investment portfolio achieved income of £1.4 million in 2022, this was up from the £1.2 million achieved in 2021.

Expenditure

	2022 %	2022 £m	2021 %	2021 £m
Raising Funds	7%	2.4	5%	1.5
Charitable activities	60%	19.5	55%	15.4
SCA- School Building Work	32%	10.5	40%	11.0
Total Expenditure		32.5		27.8

Total expenditure amounted to £ 32.5 million in 2022 (2021 £27.8million).

Total expenditure figures above include £ 10.5 million in 2022 (2020 11 million) relating to the change in the recognition of SCA school building works income and subsequently the related expenditure as referenced above.

Summary

The net result for the year was a deficit of (£1.6) million (2021 surplus - £6m), leaving retained funds of £115.8 million (2021 £117.3million) at the year end.

The Trustees continue to monitor the activities and budgets of the Diocesan Departments. The trustees are of the opinion that the necessary measures have been implemented to ensure the viability of the Trust over the medium term.

The Diocese made contributions of £204k in 2022 (2021 - £185k) to National Bodies of the Roman Catholic Church.

Statement of Reserves

The total reserves of the Charity including parochial reserves, amounted to £ 115.8 million at 31 December 2022 (2021 £117.3million). The unrestricted free reserves i.e. current assets including bank deposits less current liabilities amounted to £29.8 million (2021 £31.7million). At 31 December 2022 the free reserves of the Diocese are equivalent to approximately 18 months of recurring expenditure (2021 25 months). The Trustees are currently assessing what the current target level of free reserves should be in the current economic climate

Restricted reserves as at 31 December 2022 were £ 9.7 million (2021 £9.1 million).

Both the economy and stock markets remain uncertain with global supply issues and the cost of living crisis having an impact. Investment income has increased in the year by £0.2m but is still below pre COVID levels.

The major project that will affect future reserves in the Cathedral Project as this will be funded from the liquidation of investments. £6m was released in 2021 and 2022, based on current indicative cashflow we estimate that we will release a further £11m during 2024, and the balance at the end of the defects liability period in 2025. The diocese has not committed to any other major projects at this time and are reviewing any in the pipeline.

The demand for services both centrally and within our parishes continues to increase, as do the associated costs and it is within this setting that the trust has to operate.

The diocese as part of the 2030 vision is looking at the whole estate to ensure that this is fit for future purpose and sustainable going forward.

By managing assets and resources the Trustees are confident that the Trust has sufficient available funds to maintain its activities over the medium term.

Investment policy and performance

The Diocesan Trust deed authorises the Trustees to invest the general funds of the Charity in stocks, shares, investments and property, in accordance with charity law.

The Trustees have engaged Evelyn Partners Investment Managers, as advisors. The policy is to invest on a low to medium risk basis with a balance of a reasonable rate of return and capital growth. In 2023 a Responsible Investment Policy was agreed. The policy acknowledges the importance of being good stewards of our donations from past, present, and future generations. Looking to balance the immediate and future needs of the Diocese while ensuring that our Catholic Principles are upheld in our portfolio by being a responsible and active investor. This is about active participation through the investments we hold in key issues as they affect people and planet.

The Investment Managers report to the Trustees on a regular basis.

The Investments are held for the long term. The overall portfolio value decreased in the year by (£7.9) million, mainly as a result of divestment in relation to the plan capital works for the cathedral, the dividend yield increased slightly by 0.5% resulting in an increase in income of £5k from 2021. The Trustees will continue to invest as appropriate with the aim of providing a secure financial and ethical platform for the Diocese.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Charity is exposed, in particular those relating to the specific operational areas of the Charity, and its finances and investments. The Trustees believe that by monitoring and maintaining reserves at an appropriate level, ensuring that proper controls exist in respect of key financial systems, and by examining the operational and business risks relevant to the Charity, they have established effective systems to mitigate these risks.

An Audit Committee was established by the Trustees during 2017. Risks currently include managing the restructuring of the parishes, establishing and monitoring both the Diocesan budget and treasury policy for the Diocesan cash reserves.

SDC Trading Limited the Charity's subsidiary company responsible for the commercial activities of parish social clubs within the Diocese, is currently in a surplus position, of £64k in 2022 (2021 loss of £256k) The Charity was taking steps to reduce the deficit prior to the pandemic, however the closure of the clubs for an extended period due to government restrictions has put this back a little. Within 2022 It was identified historic transactions required adjustment, assets have been transferred to the parent company and

accumulated depreciation has been reversed within S.D.C trading ltd. The cost has been written off against the loan to the parent company. The SDC review is underway to analyse the activity and potential recovery of SDC following the disruption of the Pandemic to this business.

Trading Subsidiaries

The Trust has four active wholly owned trading subsidiaries.

Catholic Support Services Limited which continues to provide training, advice and recruitment assistance to our Catholic Schools as part of the Diocesan Department for Education and to assist them with building matters. In addition, it administers the links with local hospital trusts and police for the provision of chaplains. The operating surplus from the company is gift aided to the Diocese. SDC Trading Limited is responsible for the commercial activities of parish social clubs within the Diocese. The operating surplus is gift aided to the parishes via the Diocese.

2022 continued to be an exceptional time for SDC Trading Limited following the closure of all activities from 22nd March 2020 to late 2021 due to Government guidelines.

Catholic Building Services Limited is responsible for the development and management of construction and building projects within the Diocese.

Conclusion

The commitment, dedication and innovation of the clergy, staff and volunteers of the diocese ensure that the objectives of Worship, Education, Charity and promotion of the Faith are met and that our work continues to be in accordance with the principles of the Church's teachings.

As we continue to respond to the many new challenges, we continue to review the ways in which we operate, creating an agile professional support services, building and investing in a forward looking diocese serving the needs of our parishes, people and schools.

Approval

This report was approved by the Trustees on 24th October 2023 and signed on their behalf:

Trustee.....*JSK Arnold*
Rt Rev John Arnold, Bishop of Salford

Independent Auditor's Report to the Members of The Salford Diocesan Trust

Opinion

We have audited the financial statements of The Salford Diocesan Trust for the year ended 31 December 2022 which comprise Consolidated Statement of Financial Activities, Charity Statement of Financial Activities, Consolidated and Charity Balance Sheet, Consolidated Cash Flow Statement 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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 by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement 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 group's and the parent 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

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

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

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Charities Act 2011.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the completeness and cutoff of non-SCA grant income and offertory income, valuation of properties and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and substantive testing of grant and offertory income, challenging management on their rationale for the valuation of historic properties.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.



Crowe U.K. LLP

Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

Date: 30th October 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Diocese of Salford Trustees' Annual Report and Accounts 2022
Financial Statements Consolidated Statement of Financial Activity

Consolidated Statement of Financial Activity Year End to the 31st
December 2022

	Notes	PAROCHIAL FUNDS			DIOCESAN FUNDS			DESIGNATED Total £	ENDOWMENT Total £	2022 Total funds £	Restated 2021 Total funds £
		Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £				
INCOME AND ENDOWMENTS FROM:											
Donations and legacies	2.1	6,985,599	710	6,986,309	103,284	184,828	288,112	-	-	7,274,421	7,373,569
Other trading activities	2.2	452,929	-	452,929	1,672,222	-	1,672,222	-	-	2,125,151	1,060,826
Income from Investment	2.3	92,773	-	92,773	1,320,553	-	1,320,553	-	-	1,413,326	1,212,311
Income from Charitable activities	2.4	21,500	-	21,500	1,807,209	-	1,807,209	-	-	1,828,709	2,143,463
Other income	2.5	3,325,591	890,068	4,215,659	508,629	75,497	584,126	-	-	4,799,785	4,360,721
SCA - School Building Works	2.6	-	-	-	-	11,187,664	11,187,664	-	-	11,187,664	10,556,309
Total Income		10,878,392	890,778	11,769,170	5,411,897	11,447,989	16,859,886	-	-	28,629,056	26,707,199
EXPENDITURE ON:											
Raising funds	3.1	560,633	-	560,633	1,880,038	-	1,880,038	-	-	2,440,671	1,475,674
Charitable activities	3.2	10,315,561	969,320	11,284,881	7,966,095	234,705	8,200,800	-	-	19,485,681	15,351,278
SCA - School Building Works	3.3	-	-	-	-	10,531,341	10,531,341	-	-	10,531,341	10,997,120
Total Expenditure		10,876,194	969,320	11,845,514	9,846,133	10,766,046	20,612,179	-	-	32,457,693	27,824,072
Net Gains/(losses) on investments		-	-	-	(4,256,664)	-	(4,256,664)	-	-	(4,256,664)	6,976,886
Net income/(expenditure)		2,198	(78,542)	(76,344)	(8,690,900)	681,943	(8,008,957)	-	-	(8,085,301)	5,860,013

Diocese of Salford Trustees' Annual Report and Accounts 2022
Financial Statements Consolidated Statement of Financial Activity

	Notes	PAROCHIAL FUNDS			DIOCESAN FUNDS			DESIGNATED Total £	ENDOWMENT Total £	2022 Total funds £	Restated 2021 Total funds £
		Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £				
Transfer between Funds		-	-	-	(27,286)	48,486	21,200	(21,200)	-	-	-
Other recognised gains/(losses):											
Gains/(losses) on revaluation of investment properties	5	1,616,727		1,616,727	3,883,755		3,883,755	-	-	5,500,482	
Gains/(losses) on actuarial provision	3.8	-	-	-	-	-	-	1,010,000	-	1,010,000	90,000
NET MOVEMENT IN FUNDS		<u>1,618,925</u>	<u>(78,542)</u>	<u>1,540,383</u>	<u>(4,834,431)</u>	<u>730,429</u>	<u>(4,104,002)</u>	<u>988,800</u>	<u>-</u>	<u>(1,574,819)</u>	<u>5,950,013</u>
RECONCILIATION OF FUNDS											
Total funds brought forward	17	37,014,446	199,322	37,213,768	75,103,326	8,894,243	83,997,569	(3,878,800)	1,456	117,333,993	111,383,980
TOTAL FUNDS CARRIED FORWARD		<u>38,633,371</u>	<u>120,780</u>	<u>38,754,151</u>	<u>70,268,895</u>	<u>9,624,672</u>	<u>79,893,567</u>	<u>(2,890,000)</u>	<u>1,456</u>	<u>115,759,173</u>	<u>117,333,993</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

Salford Roman Catholic Diocesan Trustees Registered has taken advantage of the exemption from the Charities Act 2011 in not presenting a separate Statement of Financial Activity.

The surplus/(deficit) for the charity alone for the year ended 31st December 2022 was (£1.6) million, 2021: surplus £6.0 million.

Diocese of Salford Trustees' Annual Report and Accounts 2022
Financial Statements Consolidated and Charity Balance Sheet

Consolidated and Charity Balance Sheet
As of 31st December 2022

	Notes	Group		Charity	
		2022 £	Restated 2021 £	2022 £	Restated 2021 £
Fixed assets					
Tangible assets	4	38,187,602	37,356,405	38,016,314	37,152,709
Investment Property	5	7,969,000	2,250,000	7,969,000	2,250,000
Investments	6	32,971,703	40,869,388	32,971,708	40,869,393
		<u>79,128,305</u>	<u>80,475,793</u>	<u>78,957,022</u>	<u>80,272,102</u>
Current assets					
Stocks	7	134,329	109,210	-	-
Debtors	8	4,667,603	3,623,315	4,594,772	5,089,203
Cash at bank and in hand	9	44,906,183	45,384,452	44,251,220	43,770,431
		<u>49,708,115</u>	<u>49,116,977</u>	<u>48,845,992</u>	<u>48,859,634</u>
Creditors					
Amounts falling due within one year	10.1	(10,187,247)	(8,358,777)	(9,584,771)	(8,079,386)
Care of Clergy Provision	10.2	(2,890,000)	(3,900,000)	(2,890,000)	(3,900,000)
Net current assets		<u>36,630,868</u>	<u>36,858,200</u>	<u>36,371,221</u>	<u>36,880,248</u>
Total assets less current liabilities		115,759,173	117,333,993	115,328,243	117,152,350
Total net assets		<u>115,759,173</u>	<u>117,333,993</u>	<u>115,328,243</u>	<u>117,152,350</u>
Funds					
Unrestricted & Designated funds	14	103,401,784	112,138,972	102,970,853	111,957,328
Restricted funds	14	9,745,451	9,093,565	9,745,452	9,093,566
Permanent endowment	14	1,456	1,456	1,456	1,456
Revaluation Reserve	14	5,500,482	-	5,500,482	-
Care of the Clergy	14	(2,890,000)	(3,900,000)	(2,890,000)	(3,900,000)
Total funds		<u>115,759,173</u>	<u>117,333,993</u>	<u>115,328,243</u>	<u>117,152,350</u>

The financial statements were approved by the Trustees on 24th October 2023 and signed on their behalf by:

Trustee *JSK Arnold*

Diocese of Salford Trustees' Annual Report and Accounts 2022
Financial Statements Consolidated Statement of Cash Flow

Consolidated Statement of Cash Flow
Year to 31st December 2022

**SALFORD ROMAN CATHOLIC DIOCESAN TRUSTEES REGISTERED
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	Restated
	£	2021
		£
Cash flows from operating activities		
Net cash surplus from the reporting period	(1,574,819)	5,950,013
Adjustments to cash flows from non - cash items		
Depreciation	1,366,573	1,406,643
Investment income	(1,413,326)	(1,212,311)
Financial instrument (gains) / losses through statement of financial acti	(2,393,558)	(3,396,392)
(Profit) / loss on disposal of fixed assets	(1,716,417)	(1,858,846)
(Profit) / loss on disposal of fixed assets investments	6,650,222	(3,580,494)
Increase / (decrease) in Care of Clergy Provision	(1,010,000)	(90,000)
	<u>(91,325)</u>	<u>(2,781,387)</u>
Working capital adjustments		
(Increase) / decrease in stock	(25,119)	(82,872)
(Increase) / decrease in debtors	(1,044,288)	1,268,734
Increase / (decrease) in creditors	1,828,470	1,126,006
	<u>667,738</u>	<u>(469,519)</u>
Net cash flows from operating activities		
Cash flows from investing activities		
Interest received and similar income	261,653	66,019
Purchase tangible fixed assets	(2,472,548)	(1,706,050)
Sale of tangible fixed assets	1,991,193	1,873,001
Purchase of investments	(1,669,818)	(6,765,011)
Sale of investments	4,063,376	10,671,378
Reclassification of investment property	(218,518)	-
Income from dividends	1,151,673	1,146,291
Disposal of Investment Assets	-	500,000
Reclassification of fixed assets	-	621
(Increase)/ decrease in Revaluation Surplus	(5,500,482)	-
	<u>(2,393,470)</u>	<u>5,786,249</u>
Net cash from investing activities		
Net increase/(decrease) in cash and cash equivalents	<u>(1,725,732)</u>	<u>5,316,730</u>
Cash and cash equivalents at 1 January 2022	47,239,375	41,922,645
Cash and cash equivalents at 31 December 2022	<u>45,513,643</u>	<u>47,239,375</u>
Cash and cash equivalents Summary		
Cash at bank and in hand	44,906,183	45,384,452
Cash held as part of investment fund	607,460	1,854,923
	<u>45,513,643</u>	<u>47,239,375</u>

Notes to the Financial Statements
Year to 31st December 2022

1. Significant Accounting policies

1.1. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements include the results of the Charity's operations which are all continuing:

- Parochial – consolidation of Diocesan parish accounts
- Diocesan – consolidation of Central Funds and subsidiary company accounts

The Charity constitutes a public benefit entity as defined by FRS102.

1.2. Basis of consolidation and scope of the financial statements

The statement of financial activities and the balance sheet consolidate the financial statements of the charity and its subsidiary undertakings, made up to the balance sheet date.

A separate Statement of Financial Activities for the charity has not been presented because the Trust has taken advantage of the exemption from the Charities Act 2011.

1.3. Areas of Judgement or Estimation

The preparation of the financial statements in line with the Charities' SORP and FRS102 requires the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and other factors which are considered to be relevant. Actual results may differ from these estimates.

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.

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

- Assessing the probability of the receipt of legacy income.
- Estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation charge.
- Assessing the need for any provision against slow-moving and/or obsolete stock within SDC Trading Limited and Catholic Truth Society.
- Assessing the recoverability of outstanding debtors and the need for any provision for bad or doubtful debts.
- Where certain clergy who are no longer in active ministry and the Diocese has undertaken a commitment of care a provision has been recognised using a discount rate of 2.5% (Note 10.2)

1.4. Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

1.5. Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast a significant doubt on the ability of the Charity to continue as a going concern and that they have no material uncertainties about the entity's ability to continue as a going concern. The trustees made this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6. Income and endowments

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

1.6.1. Donations and legacies

Donations and Legacies are recognised when the receipt is probable, and the amount of income receivable can be measured reliably. Income is deferred only when the charity must fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

1.6.2. Other trading activities

Details of trading activities are set out in the notes. Income receivable is accounted for in the period in which the relevant service or goods are provided or supplied.

1.6.3. Investment income

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

Dividends are recognised once the dividend has been declared and notification has been received of the dividends due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

1.6.4. Charitable activities

Income from charitable activities is recognised as earned when the related services are provided. The Diocese receives substantial help from volunteers. It is not possible to place a financial value on this work and no amounts are therefore included in the financial statements for the value of services donated by volunteers. Gifts of fixed assets are included at valuation and recorded as donation income.

1.6.5. Government and other grants

Government and other grants are recognised under the performance model. Income is recognised where the grant does not impose performance related conditions and when the performance related conditions are met.

1.6.6 SCA – (Schools Building Work)

Grants received from the education authority are recognised as income on a receipts basis. These funds have been granted to the Diocese as restricted funds to be expended on school building projects. These projects may spread over several years and so there is a balance on the fund at the year end.

1.7. Expenditure

All expenditure is recognised once there is a legal or constructive obligation committing the charity to that expenditure. It is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses are allocated or apportioned to the applicable expenditure headings. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.7.1. Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

1.7.2. Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly attributable to such activities and those costs of an indirect nature necessary to support them and includes governance costs.

1.7.3. Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

1.7.4. Grants Payable

Grants payable to partner organisations are included in the SOFA when approved by the Trustees and agreed with other organisations. The value of such grants unpaid at the yearend is accrued. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued but are noted as financial commitments.

1.7.5 SCA – (Schools Building Works)

Expenditure is recognised on an accruals basis. These projects may spread over a number of years and so there is a balance on the restricted funds at the year end.

1.8. Taxation

The charity is a registered charity and therefore is exempt from taxation.

1.9. Fixed asset investments

Fixed asset investments are a form of basic financial instrument and are initially recognised at their transaction value and are subsequently measured at their fair value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between the sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market value during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

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

1.10. Tangible fixed assets – other than property

These tangible fixed assets are stated at cost less depreciation, which is calculated to write off the cost or valuation less estimated residual values over their estimated useful lives. Depreciation is provided at the following rates on a straight-line basis and time apportionments are made in the year of acquisition on disposal.

Fixtures and fittings 10%

Motor vehicles 25%

Computer equipment 25%

Central freehold land and buildings 2%

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

1.11. Tangible fixed assets – inalienable school property

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

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

The governors are responsible for the buildings, and for repair and refurbishment and insurance costs.

1.12. Tangible fixed assets – church property

Prior to 1 January 1997, the accounting policy was applied for capital expenditure on church property to be written off in full as incurred. The accounts prepared for previous years therefore did not include any balance sheet value for the Cathedral, Churches, Presbyteries, Halls and other parish property or for their contents.

As a result of the previous accounting policy, the original costs and accumulated depreciation of all church parish property held at 31 December 1997 was not readily available. After consideration, the Trustee's view was that a reasonable approximation of the net book value of the church parish property held at 31 December 1997 was established through discounting the insurance values of the above properties by 90%, which is the policy employed to include assets on the balance sheet at estimated historic cost net of accumulated depreciation.

Following the recommendation of the SORP, the value of church parish property capitalised on the balance sheet is to be depreciated over their expected useful lives at the following rates from 31 December 1997. All depreciation is calculated by using the straight-line method.

Diocese of Salford Trustees' Annual Report and Accounts 2022

Financial Statements Notes to the Financial Statements

Cathedral, Churches, Presbyteries, Halls and church properties acquired prior to 31 December 1997 – 2%

- Land element, Nil
- Building element, 2%

Church and Presbytery contents etc

- Fixtures and fittings, 10%
- Computer equipment, 25%

1.13. Investment property

Investment properties of the Group are held for long-term rental yields. Investment properties are treated as on-current investments and are stated at revalued amounts, representing open market value determined on an annual basis by independent valuers. Investment properties are not subject to depreciation.

When an investment property is revalued, revaluation surpluses are taken to the asset revaluation reserve, unless they offset previous revaluation losses of the same investment that were taken to the income statement. Revaluation losses are taken to the asset revaluation reserve, to the extent that they offset previous revaluation surpluses of the same investment that were taken to the asset revaluation reserve. Other revaluation surpluses or losses are taken to the income statement.

If investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as development properties until construction or development is completed, at which time it is reclassified and accounted for as investment property.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is taken to the income statement; any amount in the revaluation reserve relating to that investment property is also transferred to the income statement.

1.14. Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow-moving stocks. Cost is determined using the first-in, first-out (FIFO) method.

1.15. Trade debtors

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

1.16. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

1.17. Trade creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Diocese of Salford Trustees' Annual Report and Accounts 2022

Financial Statements Notes to the Financial Statements

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 Diocese. Where any balance has not been paid to the respective organisation concerned, it has been included in creditors.

DFC – (School Building Work). The Charity assists governors in managing projects and may make grants via the Curial Offices to assist the governors with their liability for school and academy building and repair costs. The Charity administers these monies as managing agent and makes the appropriate payments to contractors for work carried out. Any monies due to the Charity or held by the Charity on behalf of schools and academies, as at balance sheet date, are included in other amounts owed in creditors.

1.18. Pensions

The Charity has made suitable arrangements for employer pensions, providing access to defined contribution pension schemes for all members of staff, including ensuring compliance with recent legislation for auto-enrolment and where applicable access to the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff. Pension costs charged in the statement of financial activities represent the contributions payable by the Charity in the year.

1.19. Funds accounting

Funds held by the Charity are either:

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- Unrestricted designated funds – these are funds which have been set aside by the Trustees for specific purposes.
- Restricted funds – these are funds which can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose.
- Permanent endowment funds – these represent funds given to the Charity, subject to the restriction that they are held as capital. Income derived from endowment funds is included in the Statement of Financial Activities, unless restricted to a particular purpose.

1.20. Financial Instruments

1.20.1. Classification

Financial assets and financial liabilities are recognised when the charity become a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

1.20.2. Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Diocese of Salford Trustees' Annual Report and Accounts 2022

Financial Statements Notes to the Financial Statements

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to offset the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

1.21. Subsidiary/associated bodies

The Charity has interests in the following undertakings:

Name, nature of business	Registered Office	Class and number of shares	% Held
<u>Subsidiaries</u>			
Catholic Support Services Limited	Cathedral Centre One 3 Ford Street, Salford, Lancashire. M3 6DP	Ordinary	100
Company No. 02790890			
Support for Catholic schools, teachers and parishes, provision of chaplaincy services			
S.D.C Trading Limited	Cathedral Centre Two 3 Ford Street, Salford, Lancashire. M3 6DP	Ordinary	100
Company No. 03481323			
Social clubs in the Diocese of Salford			
Catholic Building Services Limited	Cathedral Centre Two 3 Ford Street, Salford, Lancashire. M3 6DP	Ordinary	100
Company No. 8020372			
Administration of building projects			
Catholic Truth Society (Diocese of Salford)	Cathedral Centre 3 Ford Street, Salford, Lancashire. M3 6DP	N/A	N/A: consolidated due to common trusteeship and nature of Diocesan control over assets
Advancement of religion by promoting knowledge of the Catholic Faith and its practice among both Catholics and Non Catholics via the circulation of books and publications.			
<u>Associated Bodies</u>			
Inter-Diocesan Fuel Management Limited	2 Park Road South Birkenhead, Wirral. CH43 4UX	One Ordinary	11
Company No. 02891029			
Fuel and power distribution for Diocesan properties within the scheme			

The aggregate amount of the subsidiaries turnover, expenditure, assets, liabilities and funds at the end of the reporting period can be found in note 18.

Diocese of Salford Trustees' Annual Report and Accounts 2022

Financial Statements Notes to the Financial Statements

2. Income and endowments

2.1. Donations and legacies

	Parochial funds		Diocesan funds		2022	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2021
	£	£	£	£	£	Total
Donations	305,564	710	47,913	12,258	366,445	685,199
Legacies	422,450	-	54,905	172,570	649,925	920,435
Offertory collections	6,257,585	-	466	-	6,258,051	5,767,935
	<u>6,985,599</u>	<u>710</u>	<u>103,284</u>	<u>184,828</u>	<u>7,274,421</u>	<u>7,373,569</u>

2.2. Other trading activities

	Parochial funds		Diocesan funds		2022	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2021
	£	£	£	£	£	Total
Social and fundraising income	452,929	-	12	-	452,941	246,120
S.D.C Trading Limited	-	-	1,566,864	-	1,566,864	709,899
Catholic Truth Society	-	-	105,346	-	105,346	104,807
	<u>452,929</u>	<u>-</u>	<u>1,672,222</u>	<u>-</u>	<u>2,125,151</u>	<u>1,060,826</u>

2.3. Investment Income

	Parochial funds		Diocesan funds		2022	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2021
	£	£	£	£	£	Total
Income from listed investments	-	-	1,151,673	-	1,151,673	1,146,291
Interest on cash deposits	92,773	-	118,880	-	211,653	83,923
Loan Interest Income	-	-	50,000	-	50,000	(17,903)
	<u>92,773</u>	<u>-</u>	<u>1,320,553</u>	<u>-</u>	<u>1,413,326</u>	<u>1,212,311</u>

2.4. Charitable Activities

	Parochial funds		Diocesan funds		2022	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2021
	£	£	£	£	£	Total
Moston & Wardley cemeteries	21,500	-	495,395	-	516,895	534,271
Catholic Support Services Limited	-	-	1,311,814	-	1,311,814	1,609,192
	<u>21,500</u>	<u>-</u>	<u>1,807,209</u>	<u>-</u>	<u>1,828,709</u>	<u>2,143,463</u>

2.5. Other Income

	Parochial funds		Diocesan funds		2022	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2021
	£	£	£	£	£	Total
Other income	1,102,670	-	122,371	23,997	1,249,038	996,327
Rental Income	507,504	-	263,668	-	771,172	553,459
Grant Income	-	890,068	121,590	51,500	1,063,158	534,089
Profit/(loss) on disposal of fixed assets	1,715,417	-	1,000	-	1,716,417	1,858,846
Catholic Building Services Limited	-	-	-	-	-	-
Lease Deed Extension	-	-	-	-	-	418,000
	<u>3,325,591</u>	<u>890,068</u>	<u>508,629</u>	<u>75,497</u>	<u>4,799,785</u>	<u>4,360,721</u>

2.6. Other Income – SCA – School Building Works

	Parochial funds		Diocesan funds		2022	2021
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
SCA - School Building Works	-	-	-	11,187,664	11,187,664	10,556,309
	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,187,664</u>	<u>11,187,664</u>	<u>10,556,309</u>

Diocese of Salford Trustees' Annual Report and Accounts 2022

Financial Statements Notes to the Financial Statements

2.7. Subsidiary companies

Trading activities within the diocese consist of the subsidiary companies' activities as follows:

	Income £	Expenditure £	2022 Net Income £	Restated 2021 Net Income £
Catholic Building Services Limited	177,853	177,853	-	-
Catholic Support Services Limited	1,311,814	791,630	520,184	950,073
Catholic Truth Society	105,345	129,756	(24,411)	5,504
S.D.C Trading Limited	2,410,883	1,727,083	683,800	(212,056)
	<u>4,005,896</u>	<u>2,826,322</u>	<u>1,179,573</u>	<u>743,521</u>

The taxable profit of the subsidiary companies is gifted to the charity so that there is no liability to corporation tax for these entities. Further details are set out in note 18 to the financial statements.

3. Resources expended

3.1. Expenditure on raising funds

3.1.1. Investment management costs

	Parochial funds		Diocesan funds		2022	2021
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
Investment Management fees	-	-	152,955	-	152,955	171,438
	-	-	152,955	-	152,955	171,438

3.1.2. Fundraising Costs

	Parochial funds		Diocesan funds		2022	Restated 2021
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
S.D.C Trading Limited	-	-	1,727,083	-	1,727,083	916,456
Social and fundraising	560,633	-	-	-	560,633	387,780
	<u>560,633</u>	<u>-</u>	<u>1,727,083</u>	<u>-</u>	<u>2,287,716</u>	<u>1,304,236</u>
Total expenditure on raising funds	<u>560,633</u>	<u>-</u>	<u>1,880,038</u>	<u>-</u>	<u>2,440,671</u>	<u>1,475,674</u>

Diocese of Salford Trustees' Annual Report and Accounts 2022

Financial Statements Notes to the Financial Statements

3.2. Expenditure on charitable activities

3.2.1. Parish Costs	Parochial funds		Diocesan funds		2022	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2021
	£	£	£	£	£	Total
Clergy allowances	699,989	-	-	-	699,989	758,546
Gross Wages	900,459	-	-	-	900,459	682,476
Employer's NI	38,189	-	-	-	38,189	30,226
Pension Costs	16,572	-	-	-	16,572	33,014
Staff costs - other	23,759	-	-	-	23,759	-
Diocese & special collections	-	-	-	-	-	-
Church & presbytery supplies	5,017,980	20,631	-	-	5,038,611	5,663,372
Property Overheads	34,923	58,626	-	-	93,549	349,659
Office costs	11,970	-	-	-	11,970	23,442
Parish vehicles	49,649	-	-	-	49,649	36,487
Hall upkeep	-	-	-	-	-	60,039
Repairs and renewals	2,727,711	890,003	-	-	3,617,714	127,703
Other costs	0	-	-	-	0	10,808
Bank charges	34,659	-	-	-	34,659	37,761
Bad debts provision	-	-	-	-	-	-
Depreciation	759,101	-	-	-	759,101	838,322
	10,314,961	969,260	-	-	11,284,221	8,651,855

3.2.2. Central & Diocesan Costs

	Parochial funds		Diocesan funds		2022	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2021
	£	£	£	£	£	Total
Gross Wages	-	-	2,413,463	15,700	2,429,163	2,218,311
Employer's NI	-	-	260,666	1,579	262,245	268,465
Pension Costs	-	-	149,714	593	150,307	148,179
Staff costs - other	-	-	183,788	4,824	188,612	280,113
Clergy allowances	-	-	107,750	5,033	112,783	-
Sick & retired clergy costs	-	-	882,099	-	882,099	782,635
Property Overheads	-	-	1,394,242	11,228	1,405,470	659,063
Office costs	-	-	451,399	7,249	458,648	302,854
Church & presbytery supplies	-	-	877	-	877	-
Property costs	-	-	-	-	-	-
Other costs	-	-	212,645	153,978	366,623	230,862
Subsidiary costs	-	-	917,512	-	917,512	759,022
Bank charges	-	-	24,285	-	24,285	16,414
Bad debts provision	-	-	(115,522)	-	(115,522)	(31,836)
Depreciation	-	-	562,120	629	562,749	485,820
	-	-	7,445,038	200,813	7,645,851	6,119,903

3.2.3. Governance Costs

	Parochial funds		Diocesan funds		2022	2021
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
Legal & professional	600	60	172,418	32,692	205,770	169,515
Auditors remuneration	-	-	38,540	1,200	39,740	44,340
Accountancy services	-	-	21,970	-	21,970	54,590
	600	60	232,928	33,892	267,480	268,445

3.2.4. Grants Payable

	Parochial funds		Diocesan funds		2022	2021
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
CATEW/NCF - Gross	-	-	204,234	-	204,234	185,472
Survivors Manchester	-	-	83,895	-	83,895	125,605
	-	-	288,129	-	288,129	311,076

3.3. SCA – School Building Work

SCA - School Building Works	Parochial funds		Diocesan funds		2022	2021
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
	-	-	-	10,531,341	10,531,341	10,997,120
	-	-	-	10,531,341	10,531,341	10,997,120

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3.4. Staff Disclosures

Personnel Costs	2022	2021
	£	£
Gross Wages	3,329,622	2,900,786
Employer's NI	300,434	298,691
Pension Costs	166,879	181,193
Other	212,371	280,113
Total Employee Costs	<u>4,009,306</u>	<u>3,660,784</u>

The average monthly number of staff employed, based on average headcount during the year was as follows:

	2022	2021
	No.	No.
Central Diocesan employees	66	64
Parish employees (excludes parish clergy)	91	91
Cemeteries employees	8	8
S.D.C Trading Limited	64	59
Catholic Truth Society	2	3
	<u>231</u>	<u>225</u>

Employees receiving remuneration over £60,000	2022	2021
	No.	No.
Between £60,000 to £69,999	2	1
Between £70,000 to £79,999	2	2
Between £80,000 to £89,999	-	-
Between £90,000 to £99,999	-	-
Between £100,000 to £109,999	1	1
Between £110,000 to £119,999	1	1
	<u>6</u>	<u>5</u>

Pension costs to higher paid employees	<u>43,137</u>	<u>49,201</u>
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Contributions to a defined benefits pension scheme during the year	<u>NIL</u>	<u>NIL</u>
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Key management personnel received salary and pension contributions	<u>705,707</u>	<u>530,215</u>
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Remuneration Policy

Annual Pay changes are approved by the Trustees, and job roles and remuneration are reviewed periodically. Benchmarking against market rates is employed when new roles are created or when significant roles change hands.

3.5. Trustees

The Board of Trustees is made up of members of clergy and laity of the faithful. The priests receive income for their office together with living accommodation, living expenses and reimbursement of costs incurred on the same basis as other Diocesan priests. No Trustee receives any remuneration or benefits from his/her trusteeship other than cover under the indemnity insurance purchased by the charity Trustee received reimbursement for expenses in the year 2022: £543, (2021: £503).

3.6. Employee Loans

	2022	2021
	No.	No.
At the year end, there were outstanding loans to employees	4	3
	£	£
The total amount of outstanding loans was:	664	2,905
	£	£
The total amount of car benefit scheme outstanding was:	4,286	-

3.7. Movement in Net Funds

	2022	Restated 2021
	£	£
This is stated after charging:		
Auditors remuneration:		
- Audit	50,034	44,340
- Other services	24,306	11,688
Profit on disposal of tangible fixed assets	1,716,417	1,858,846
Profit on disposal of investments	6,650,222	(3,580,494)
Depreciation of fixed assets	1,366,573	1,406,643
Finance charges payable	89,475	54,175

3.8. Change in Actuarial Movement

	2022	Restated 2021
	£	£
Care of Clergy	(1,010,000)	(90,000)

The restated accounts for 2021 included a creditor for the Care of Clergy Provision (see note 10.2 and 17.3).

Independently included to provide clarity on the ongoing commitment the Diocese to those no longer in active ministry.

The adjustment noted above is a result of change in circumstances of priest included within the current provision.

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4. Tangible Fixed Assets

Group

	Properties £	Fixtures & Fittings £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 January 2022	52,546,760	4,878,518	204,927	18,410	57,648,614
Additions	2,350,035	97,792	24,721	-	2,472,548
Disposals	(506,964)	(12,718)	-	-	(519,682)
At 31 December 2022	<u>54,389,831</u>	<u>4,963,592</u>	<u>229,648</u>	<u>18,410</u>	<u>59,601,480</u>
Depreciation					
At 1 January 2022	16,776,788	3,323,782	173,667	17,973	20,292,210
Charge for the year	1,081,373	263,233	21,530	437	1,366,573
Disposals	(238,986)	(5,920)	-	-	(244,905)
At 31 December 2022	<u>17,619,175</u>	<u>3,581,096</u>	<u>195,197</u>	<u>18,410</u>	<u>21,413,878</u>
Net book value at 31 December 2022	<u>36,770,656</u>	<u>1,382,496</u>	<u>34,451</u>	<u>-</u>	<u>38,187,602</u>
Restated net book value at 31 December 2021	<u>35,769,972</u>	<u>1,554,736</u>	<u>31,260</u>	<u>437</u>	<u>37,356,405</u>

Charity

	Properties £	Fixtures & Fittings £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 January 2022	52,758,182	3,424,922	177,742	18,410	56,379,256
Additions	2,350,035	90,921	22,938	-	2,463,894
Disposals	(506,964)	(5,676)	-	-	(512,640)
At 31 December 2022	<u>54,601,253</u>	<u>3,510,167</u>	<u>200,680</u>	<u>18,410</u>	<u>58,330,510</u>
Depreciation					
At 1 January 2022	16,815,359	2,249,073	144,142	17,973	19,226,547
Charge for the year	1,081,373	223,442	21,384	437	1,326,636
Disposals	(238,986)	-	-	-	(238,986)
At 31 December 2022	<u>17,657,746</u>	<u>2,472,515</u>	<u>165,526</u>	<u>18,410</u>	<u>20,314,196</u>
Net book value at 31 December 2022	<u>36,943,507</u>	<u>1,037,652</u>	<u>35,154</u>	<u>-</u>	<u>38,016,314</u>
Net book value at 31 December 2021	<u>35,942,823</u>	<u>1,175,849</u>	<u>33,600</u>	<u>437</u>	<u>37,152,709</u>

4.1. Assets not used for charitable purposes

	2022 £	Restated 2021 £
All of the tangible fixed assets are used by the Charity for its charitable purposes with the exception of properties, computer equipment and fixtures and fittings with a net book value of	<u>171,288</u>	<u>203,695</u>

4.2. Capital Commitments

	2022 £	2021 £
Capital commitments authorised and contracted for at 31 December 2022 were as follows:		
Diocesan Projects	2,546,892	677,256
School Capital Projects	<u>7,481,885</u>	<u>6,261,657</u>
	<u>10,028,778</u>	<u>6,938,913</u>

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5. Investment properties

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
At 1 January 2022	2,250,000	500,000	2,250,000	500,000
Additions	-	2,250,000	-	2,250,000
Transfer from Fixed Assets	218,518	-	218,518	-
Disposals	-	(500,000)	-	(500,000)
Revaluation Gain	5,500,482	-	5,500,482	-
At 31 December 2022	7,969,000	2,250,000	7,969,000	2,250,000

As at 31 December 2022, the investment property additions represent the following:

Property	Revalued Amount £	Initial NBV £	Revaluation Gain £
Sacred Heart Infant School, Gorton	485,000	24,275	460,725
Allen Hall (Land), 281 Wilmslow Road, Manchester	2,150,000	25,526	2,124,474
St Sebastians, Gerald Road, Pendleton, Salford	225,000	11,994	213,006
Former Our Lady's Primary School, Turf Pit Lane, Moorside	300,000	15,015	284,985
Playing Fields, St Bedes	440,000	22,023	417,977
Key Street Bar of Music, Clitheroe	175,000	9,306	165,694
St Wilfrid's Hall, Hulme, Manchester	150,000	4,206	145,794
Workshop, on Back Palace Street, Bolton, BL1 2DR	100,000	501	99,499
Land at Manchester Road Kearsley	19,000	951	18,049
Rental of Stydd Lodge Farm	510,000	25,526	484,474
Former St Paul's RC Church, Preston Old Road BB2 5EP	190,000	9,510	180,490
Lee House Farm	675,000	17,518	657,482
St Anthony's Centre, Trafford Park	300,000	52,167	247,833
Total Investment Property	5,719,000	218,518	5,500,482

The historical cost for the property, formerly held in Fixed Assets, was £431,784 and has been transferred from property fixed assets, net of accumulated depreciation. The historical cost of land was £nil.

The land and properties have been valued by Axis Property Consultancy LLP and P Wilson & Company in August 2023.

As at 31 December 2021, the investment property represented former inalienable school land which is now leased on a long term lease. The land was valued at £2.25m based on open market value by Axis Property Consultancy LLP in August 2022. There are deemed to be no changes to this for 2022.

The historical cost for the inalienable school land was £Nil.

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6. Fixed Asset investments

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Subsidiary Undertakings	-	-	5	5
Participating Interest	1	1	1	1
6.1	1	1	6	6
Investments listed or traded on a recognised stock exchange	6.2 32,364,242	39,014,464	32,364,242	39,014,464
Cash held as part of investment fund	607,460	1,854,923	607,460	1,854,923
Total Investments	32,971,703	40,869,388	32,971,708	40,869,393

6.1. Investments held as fixed assets

	2022 £	2021 £	
Shares in group undertakings and participating interests	6	6	
Shares in group undertakings and participating interests			
	Subsidiary Undertakings £	Participating Interest £	Total £
Cost			
At 1 January 2022	5	1	6
At 31 December 2022	5	1	6
Net book value			
At 31 December 2022	5	1	6
At 31 December 2021	5	1	6

6.2. Investments listed or traded on a recognised stock exchange

Group and Charity Movement	2022 £	2021 £
Market value at 1 January 2022	39,014,464	38,193,945
Additions at cost	1,669,818	6,765,011
Disposal proceeds	(4,063,376)	(10,671,378)
Net gain/(loss)	(4,256,664)	4,726,886
Market value at 31 December 2022	32,364,242	39,014,464

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	Cost £	2022 Market Value £	2021 Market Value £
Analysed by type			
Bonds	5,558,460	4,884,347	5,850,659
Alternatives & Multi-Asset	5,256,369	5,702,530	7,558,075
UK Equities	7,435,681	8,009,784	9,839,768
Global Equities	2,983,861	3,979,775	5,629,362
North America	3,631,163	4,446,723	4,769,458
European equities	1,536,434	1,738,465	1,885,710
Far East	2,421,960	2,862,045	2,680,500
Rest of the World	773,380	740,573	800,933
	<u>29,597,308</u>	<u>32,364,242</u>	<u>39,014,465</u>
Analysed by fund			
Unrestricted	29,597,308	32,364,242	39,014,465
Restricted	-	-	-
	<u>29,597,308</u>	<u>32,364,242</u>	<u>39,014,465</u>

	2022	2021
The charity had no holdings which comprised more than 5% of the market value of the portfolio at that date	NIL	NIL

7. Stock

	Group		Charity	
	2022	Restated 2021	2022	2021
	£	£	£	£
Stock	134,329	109,210	-	-

8. Debtors

	Group		Charity	
	2022	Restated 2021	2022	Restated 2021
	£	£	£	£
Trade debtors	1,624,280	107,658	1,730,700	38,778
Prepayments	606,820	250,042	549,063	208,852
Amounts due from subsidiaries	-	-	106,842	322,451
Other debtors	2,436,503	3,265,615	2,208,167	4,519,122
	<u>4,667,603</u>	<u>3,623,315</u>	<u>4,594,772</u>	<u>5,089,203</u>

8.1. Loans to Other Charities

Group and Charity other debtors due within one year include £1,506,968 (2021: £1,649,134) loans to other charities which are repayable on demand. The figures reflect the amounts shown in the financial statements of the other Charities.

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9. Cash at bank and in hand

	Group		Charity	
	Restated			
	2022	2021	2022	2021
	£	£	£	£
Cash at bank and in hand	44,906,183	45,384,452	44,251,220	43,770,431

10. 1 Creditors: amounts falling due within one year

	Group		Charity	
	Restated			
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	1,640,253	1,233,220	1,451,609	1,162,007
Social security and taxation	82,998	1,007	73,535	-
Other creditors	7,802,227	6,467,230	7,747,163	6,267,208
Accruals & Deferred Income	661,769	657,320	312,464	650,171
Amounts due to subsidiaries	-	-	-	-
	<u>10,187,247</u>	<u>8,358,777</u>	<u>9,584,771</u>	<u>8,079,386</u>

10.2. Care of Clergy Provision

	Group		Charity	
	Restated			
	2022	2021	2022	2021
	£	£	£	£
Care of Clergy Provision	2,890,000	3,900,000	2,890,000	3,900,000
	<u>2,890,000</u>	<u>3,900,000</u>	<u>2,890,000</u>	<u>3,900,000</u>

The restated accounts for 2021 include a Care of Clergy Provision. This has been independently assessed and has been included to provide clarity on the ongoing commitment the Diocese has to those no longer in active ministry.

Should a priest leave active ministry prior to retirement, there is no obligation to accrue for a liability and, as such, this has been excluded.

The provision has been recognised on the basis that there is an agreement in place with certain clergy who are no longer in active ministry what gives rise to a future commitment. It has been calculated based upon the agreed levels of financial support, age profile, mortality tables, an appropriate discount rate of 2.5% (derived from a high quality corporate bond) and the number of priests no longer in active ministry and for whom the Diocese has undertaken an ongoing commitment of care.

	Care of Clergy Provision	Total
	£	£
Provisions at 1 January 2022	3,900,000	3,900,000
Change in actuarial assumptions	(1,010,000)	(1,010,000)
Provisions at 31 December 2022	<u>2,890,000</u>	<u>2,890,000</u>

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11. Contingent Liabilities

Appropriate consideration has been given to historical liabilities in respect of which insurance cover cannot be traced or where the historical policy limits are inadequate. No contingent liabilities have been identified that require disclosure.

12. Related Parties

12.1. Other Related Parties

Mr. Edward Nally has provided consultancy services for a number of years for which he is remunerated and has continued to be paid following his appointment as a Trustee in May 2016. In the accounting year ended 31 December 2022 the total was £55,000 (2021: £55,000). Mr Nally is not paid for his services as a Trustee of the charity but as a consultant to the key management team.

12.2. Donations from Trustees

Throughout the year, Trustees who are not members of the clergy attend Mass and other services and events within the Diocese that they live in. In the course of doing so, the Trustees resident in the Diocese of Salford will contribute to the offertory and make other financial contributions. to the Diocese of Salford. The nature of such giving means that it is not possible to quantify the amount donated to the Charity by its Trustees during any financial year.

13. Funds

	Notes	Balance 01-Jan-22 £	Incoming resources £	Resources expended £	Transfers £	Gains and Losses £	Balance 31-Dec-22 £
Unrestricted Funds	15	112,117,772	16,290,290	(20,722,328)	(27,286)	1,243,818	108,902,266
Restricted Funds							
Parishes Special Collections	13.1.1	199,322	67,444	(1,154)	-	-	265,612
Pleasington Priory	13.1.2	1,208,678	26,588	(60,764)	-	-	1,174,502
Stydd Trust	13.1.3	309,639	-	-	-	-	309,639
Stanford Trust	13.1.4	385,466	-	-	-	-	385,466
Ecclesiastical Education Fund	13.1.5	-	118,363	(166,849)	48,486	-	-
SCA - School Building Works	13.1.6	6,834,562	11,187,664	(10,531,341)	-	-	7,490,885
Other Restricted Funds	13.1.7	155,898	938,707	(975,257)	-	-	119,348
		9,093,565	12,338,766	(11,735,365)	48,486	-	9,745,452
Designated Funds							
Moston & Wardley Cemetery	13.2.1	21,200	-	-	(21,200)	-	-
Care of Clergy Provision		(3,900,000)	-	-	-	1,010,000	(2,890,000)
		(3,878,800)	-	-	(21,200)	1,010,000	(2,890,000)
Endowment Funds							
SRCDTR	13.3.1	1,000	-	-	-	-	1,000
Moston & Wardley Cemetery	13.3.2	456	-	-	-	-	456
		1,456	-	-	-	-	1,456
TOTAL FUNDS		117,333,993	28,629,056	(32,457,693)	-	2,253,818	115,759,173

Within note 13 the Unrestricted funds include the £5.5m gain on revaluation relating to Investment Properties.

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13.1. Restricted Funds

The funds designated as restricted are held for the following purposes:

13.1.1: Parishes Special collections This represents the specific collections and payments within the parishes mainly for Parish based appeals, for example in relation to building projects.

13.1.2: Pleasington Priory Trust Funds held on behalf of the Pleasington Priory Trust for the upkeep and maintenance of the Chapel known as Pleasington Priory and its ancillary substantial buildings.

13.1.3: Stydd Trust Originally for the support of the almshouses at Stydd, the income is for the benefit of the Ecclesiastical Education Fund. This is a separate trust no 229802, administered by the Salford Diocesan Trustees.

13.1.4: Stanford Trust Income to the parish for the poor of Ribchester, this is a separate charitable trust no 252602, administered by the Salford Diocesan Trustees

13.1.5: Ecclesiastical Education Fund Funds held for the training of priests.

13.1.6: SCA, Schools buildings Programme, relates to committed yet uncompleted works.

13.2. Designated Funds

Designated funds are set aside for various purposes. The main areas are as follows:

13.2: Moston & Wardley Cemeteries - Funds deposited with the cemeteries board to finance the upkeep of individual cemetery plots. No permanent endowment is created by these funds.

13.3. Permanent Endowment Funds

13.3.2: Moston & Wardley endowments are in respect of funds left for the maintenance of individual graves. No further endowments will be accepted for this purpose.

13.4. Revaluation Reserves

13.4: Due to the identification and revaluation of the investment properties, additional reserves have been identified, verified by independent assessment.

14. Funds: movement in the year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Unrestricted				
Balance at 1 January	112,117,772	105,869,118	111,936,128	105,334,330
Net movements in the year	(8,688,703)	6,041,892	(8,937,990)	6,395,036
Transfer between funds	(27,286)	206,762	(27,286)	206,762
Balance at 31 December	103,401,784	112,117,772	102,970,852	111,936,128
Restricted				
Balance at 1 January	9,093,565	9,482,206	9,093,566	9,482,206
Net movements in the year	603,401	(181,879)	603,401	(181,878)
Transfer between funds	48,486	(206,762)	48,486	(206,762)
Balance at 31 December	9,745,451	9,093,565	9,745,453	9,093,566
Designated				
Moston & Wardley Cemeteries				
Balance at 1 January	21,200	21,200	21,200	21,200
Net movements in the year	-	-	-	-
Transfer between funds	(21,200)	-	(21,200)	-
Balance at 31 December	-	21,200	-	21,200

Diocese of Salford Trustees' Annual Report and Accounts 2022

Financial Statements Notes to the Financial Statements

14. Funds: movement in the year (continued)

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Care of Clergy Provision				
Balance at 1 January	(3,900,000)	(3,990,000)	(3,900,000)	(3,990,000)
Provisions created during the year	-	-	-	-
Amounts released from previous years	1,010,000	90,000	1,010,000	90,000
Balance at 31 December	<u>(2,890,000)</u>	<u>(3,900,000)</u>	<u>(2,890,000)</u>	<u>(3,900,000)</u>
Permanent Endowment				
Balance at 1 January	1,456	1,456	1,456	1,456
Net movements in the year	-	-	-	-
Transfer between funds	-	-	-	-
Balance at 31 December	<u>1,456</u>	<u>1,456</u>	<u>1,456</u>	<u>1,456</u>
Revaluation Reserve (Unrestricted)				
Balance at 1 January	-	-	-	-
Net movements in the year	5,500,482	-	5,500,482	-
Change in revaluation surplus	-	-	-	-
Balance at 31 December	<u>5,500,482</u>	<u>-</u>	<u>5,500,482</u>	<u>-</u>
Total Funds	<u>115,759,173</u>	<u>117,333,993</u>	<u>115,328,243</u>	<u>117,152,350</u>

15. Analysis of net assets between funds

Group	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Permanent Endowment £	Total £
Fund balances at 31 December 2022 are represented by:					
Tangible fixed assets	38,187,602	-	-	-	38,187,602
Investment assets	40,940,703	-	-	-	40,940,703
Current assets	39,961,207	(2,890,000)	9,745,452	1,456	46,818,115
Current liabilities	(10,187,247)	-	-	-	(10,187,247)
Total net assets at 31 December 2022	<u>108,902,265</u>	<u>(2,890,000)</u>	<u>9,745,452</u>	<u>1,456</u>	<u>115,759,173</u>

Charity	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Permanent Endowment £	Total £
Fund balances at 31 December 2022 are represented by:					
Tangible fixed assets	38,016,314	-	-	-	38,016,314
Investment assets	40,940,708	-	-	-	40,940,708
Current assets	39,099,083	(2,890,000)	9,745,453	1,456	45,955,992
Current liabilities	(9,584,771)	-	-	-	(9,584,771)
Total net assets at 31 December 2022	<u>108,471,334</u>	<u>(2,890,000)</u>	<u>9,745,453</u>	<u>1,456</u>	<u>115,328,243</u>

15.1. Analysis of net funds

Group	Balance 01-Jan-22 £	Financing Cash Flows £	Balance 31-Dec-22 £
Cash and cash equivalents	47,239,375	(1,725,732)	45,513,643
Debt due within one year	(6,467,230)	(1,334,997)	(7,802,227)
Net Funds	<u>40,772,145</u>	<u>(3,060,729)</u>	<u>37,711,416</u>
Charity	Balance 01-Jan-22 £	Financing Cash Flows £	Balance 31-Dec-22 £
Cash and cash equivalents	45,625,354	(766,674)	44,858,680
Debt due within one year	(6,267,208)	(1,479,955)	(7,747,163)
Net Funds	<u>39,358,146</u>	<u>(2,246,629)</u>	<u>37,111,517</u>

Cash and cash equivalents are comprised of Cash at bank as well as Cash held as part of investments

Diocese of Salford Trustees' Annual Report and Accounts 2022

Financial Statements Notes to the Financial Statements

16. Pensions and similar obligations

The Charity has made suitable arrangements for employee pensions, providing access to defined contribution pension schemes for all members of staff, including ensuring compliance with recent legislation for auto-enrolment and where applicable access to the Teacher' Pension Scheme England and Wales (TPS) for academic and related staff

The Trustees retain the services of independent pension advisors, Punter Southall Aspire, who provide specialist advice. Pension schemes are administered by Insurance Companies with the assets held separately from the Charity.

Pension costs charged in the statement of financial activities represent the contributions payable by the Charity in the year.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.

17. Restatement in relation to 2021 previously presented figures.

Notes:	Prior to restatement	17.1	17.2	17.3	Restated
	2021	CTS	S.D.C Trading	Care of Clergy Provision	2021
	£	£	£	£	£
2.5 Other Income	4,640,721	104,807	-	-	4,745,528
3.1 Expenditure on Raising funds	1,519,827		(44,153)		1,475,674
3.2 Expenditure on Charitable Activities	15,466,578	99,303	65,397		15,631,278
4. Tangible Fixed Assets	37,072,609	220	283,576		37,356,405
4.1 Assets not used for charitable purposes	382,074	-	(178,379)		203,695
7. Stock	41,384	67,826	-		109,210
8. Debtors	3,622,227	1,088	-		3,623,315
9. Cash at bank and in hand	45,289,835	94,617	-		45,384,452
10. Creditors: Amounts falling due within one y	8,351,660	7,117	-	3,900,000	12,258,777
13. Funds	120,793,783	156,634	283,576	(3,900,000)	117,333,993

17.1 Catholic Truth Society - Consolidation of Entity into Group Financial Statements

In 2022, it was determined that the subsidiary Catholic Truth Society, should be consolidated into the Group accounts owing to the fact that the parent charity has the power to govern the financial and operating policies of the entity and benefits from its activities.

This consolidation is voluntary and previous financial statements were still deemed to present a 'true and fair' view of the group as the prior exclusion of CTS had no material impact.

17.2 S.D.C Trading

Comparative figures have been restated in relation to a reassessment of who assets belong to assets paid for by, and ultimately belonging to, the parent charity had gone through S.D.C Trading Limited. These assets have been transferred to the parent charity and accumulated depreciation has been reversed within S.D.C Trading Limited. The cost has been written off against the loan to the parent company.

17.3 Care of Clergy Provision

The restated accounts for 2021 include a creditor for a Care of Clergy Provision. This has been independently assessed and has been included to provide clarity on the ongoing commitment the Diocese has to those no longer in active ministry. Should a priest leave active ministry prior to retirement, there is no obligation to accrue for a liability and, as such, this has been excluded.

The provision has been deemed to be required due to the value of the liability. It has been calculated based upon the age profile and number of priests no longer in active ministry and for whom the Diocese has undertaken an ongoing commitment of care.

Diocese of Salford Trustees' Annual Report and Accounts 2022

Financial Statements Notes to the Financial Statements

18. Details of subsidiaries and consolidation

	Catholic Building Services Limited	Catholic Support Services Limited	S.D.C. Trading Limited	Catholic Truth Society (Diocese of Salford)	2022 Total	Restated 2021 Total
	£	£	£	£	£	£
Tangible fixed assets	-	1,105	169,515	664	171,283	203,697
Current assets	63,826	400,252	418,054	149,492	1,031,624	1,876,022
	63,826	401,357	587,569	150,155	1,202,907	2,079,719
Creditors: amounts falling due within one year	(63,824)	(381,172)	(210,073)	(17,931)	(673,000)	(658,919)
	2	20,185	377,496	132,224	529,908	1,420,800
Creditors: amounts falling due after more than one year	-	-	(313,227)	-	-	908,618
	2	20,185	64,269	132,224	529,908	512,182
Representing:						
Share capital	2	1	2	2	7	5
Profit and loss account	0	20,184	64,267	132,222	529,901	512,177
	2	20,185	64,269	132,224	529,908	512,182

	Catholic Building Services Limited	Catholic Support Services Limited	S.D.C. Trading Limited	Catholic Truth Society (Diocese of Salford)	2022 Total	Restated 2021 Total
	£	£	£	£	£	£
Turnover	177,853	1,311,814	1,604,647	105,345	3,199,659	2,228,966
Cost of sales	(172,787)	(772,993)	(1,345,123)	(76,611)	(2,367,514)	(1,402,368)
Gross profit/ (loss)	5,067	538,821	259,524	28,734	832,145	826,598
Administrative expenses	(5,000)	(16,342)	(88,366)	(45,945)	(155,653)	(95,766)
Establishment Costs	-	-	(229,604)	(3,016)	(232,620)	(126,829)
Finance charges	(67)	(157)	(26,360)	(4,013)	(30,597)	(18,072)
Depreciation costs	-	(2,137)	(37,630)	(170)	(39,938)	(37,342)
Other Operating income - grants receivable	-	-	806,236	-	806,236	194,932
Taxation	-	-	-	-	-	-
Net profit	0	520,184	683,800	(24,411)	1,179,573	743,521
Retained earnings brought forward	-	975,076	(619,533)	156,634	512,177	809,702
Amount gifted to charity	-	(1,475,076)	-	-	(1,475,076)	(633,569)
Retained in the subsidiary	0	20,184	64,267	132,222	216,674	919,654

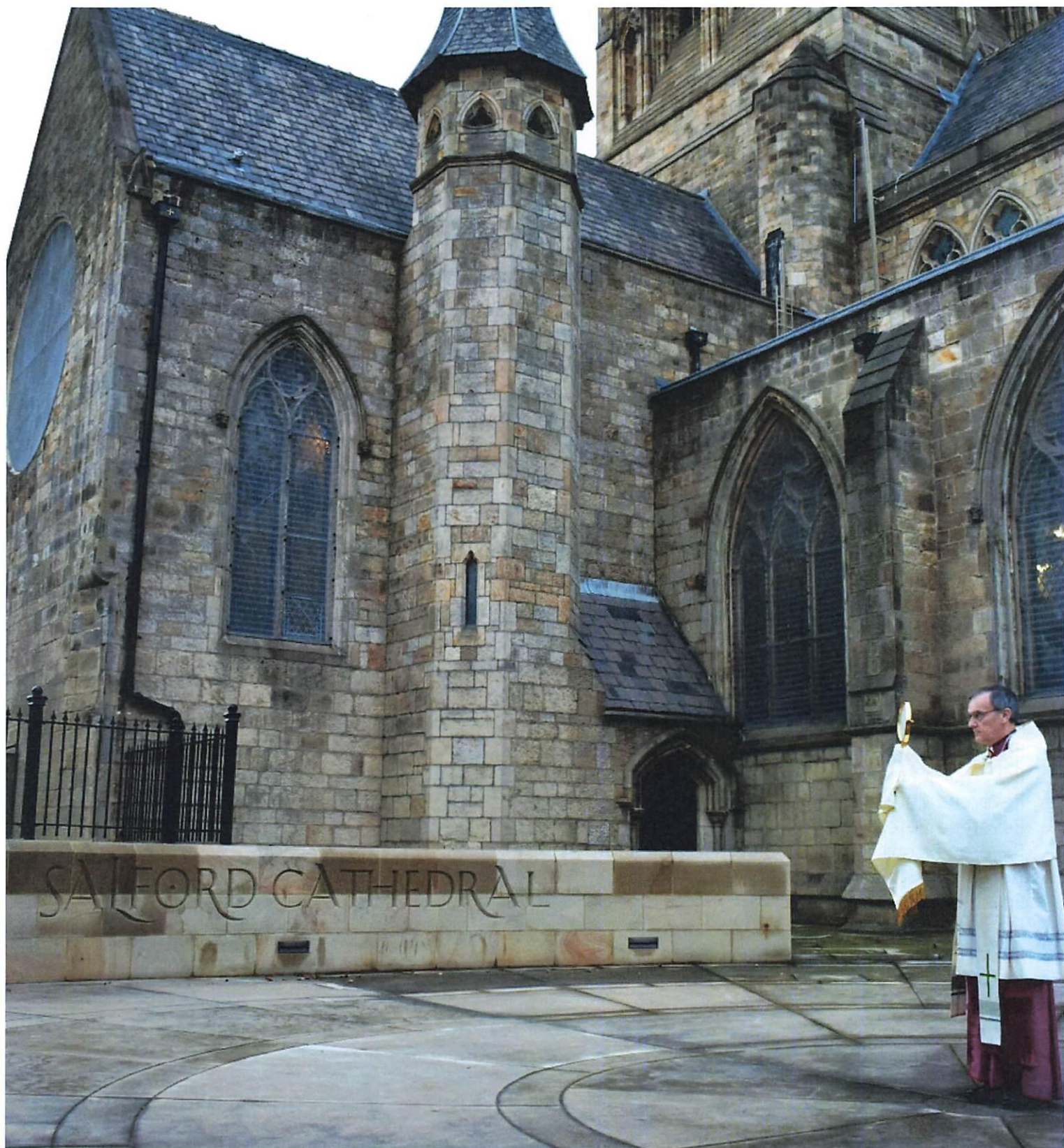
The individual financial statements of the subsidiary companies included in the consolidation are drawn up on the same accounting date, 31st December 2022. All subsidiary companies are fully consolidated in the Group financial statements.



THE SALFORD DIOCESAN TRUST

England & Wales - Charity number 250037

Accounts



Annual Report

2021

DIOCESE OF  SALFORD

About us

Reference and Administrative Information

Charity Registered Name: The Salford Diocesan Trust (TSDT) commonly known as the Roman Catholic Diocese of Salford and also referred to as Salford Roman Catholic Diocesan Trustees Registered (SRCDTR).

Charity Registration Number: 250037

Registered Address

Wardley Hall, Worsley, M28 2ND

Public Address

Cathedral Centre, 3 Ford Street, Salford, M3 6DP

Trustees

Right Reverend John Stanley Kenneth Arnold,
Bishop of Salford
Reverend Canon Michael Cooke, Vicar General
Reverend Christopher Dawson
Reverend Peter Hopkinson, Vicar General
Reverend Monsignor John Daly, Vicar General
(resigned 16th July 2021)
Sir Peter Fahy
Edward Nally
Mary Hunter
Reverend Michael Jones
Eamonn O'Neal
Brendan McCafferty
Elizabeth Lilley
Michael Devlin (appointed 27th May 2021)

Key Management Personnel

Pauline Morgan, Chief Operating Officer and
Financial Secretary
John Corrigan - Director of Property & Estates
Nicola Cosens - Director of Finance
Emma Gardner - Head of Environment
Lisa Heywood - Diocesan Project Manager
Hannah Howard - Head of Human Resources
Dawn Lundergan - Director of Safeguarding
(resigned July 2021)
Rachel McGee - Head of Communications
Simon Smith - Director of Education

Advisors:

Auditors

The Moffatts Partnership LLP, Progress
House, 396 Wilmslow Road, Withington,
Manchester, M20 3BN

Bankers

Barclays Bank Plc, Barclays Business
Centre, Manchester City Office, PO Box
357, 51 Mosley Street, Manchester, M60
2AU

The Royal Bank of Scotland Plc, St Anne
Street, Manchester, M60 2SS

Lloyds Bank, PO Box 545, Faryners House,
25 Monument Street, London, EC3R 8BQ

Santander, 298 Deansgate, Manchester,
M3 4HH

Investment Managers

Evelyn Partners Investment Managers, 3rd
Floor, Colmore Row, Birmingham, B3 2BJ

Solicitors

Fieldings Porter, Silverwell House,
Silverwell Street, Bolton, BL1 1PP

Pensions

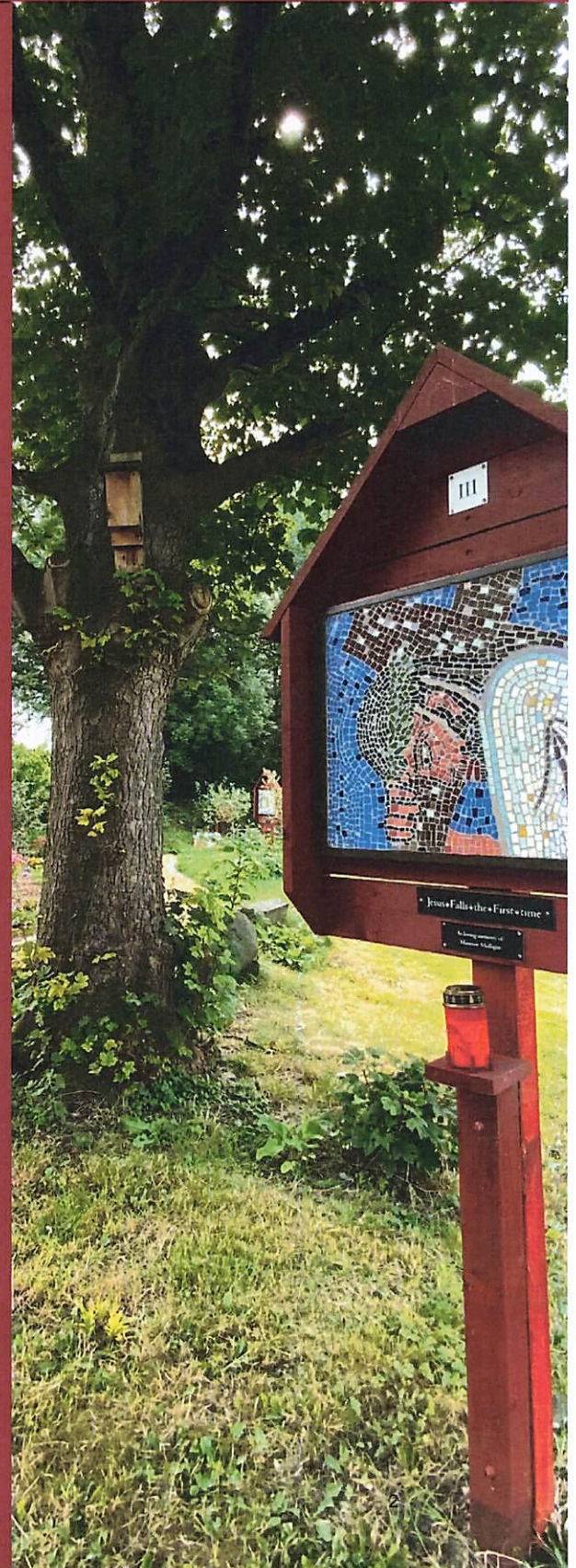
Punter Southal Aspire, Beech House,
Hackness Road, Northminster Business
Park, Northfield Lane, York, YO26 6QR

The Trustees present their report along with the consolidated financial statements of the Charity for the year ended 31 December 2021. The Statements appear in the format required by the Statement of Recommended Practice for Accounting (second edition) and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland – Charities SORP FRS102.

The financial statements have been prepared in accordance with the Accounting Policies set out on 38 to 44 and comply with the Charity's trust deed and applicable law.

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Bishop's Introduction

The disruption and uncertainty imposed by the pandemic in 2020 has still maintained a shadow over the whole of 2021. With the fluctuations in infection rates, and many of the areas within the Diocese of Salford being among the most affected, it has certainly disrupted any smooth emergence from the pandemic and undermined the planning of many of the events that make up our life as a Church. While grateful for the impact of the vaccination policies, many people have understandably felt cautious about attending any public events, although numbers attending Masses have been slowly increasing in recent months.



Not everything has been negative. We have also been reminded of the importance of maintaining a sense of community in times when it has been difficult to meet together. There have been many initiatives in the parishes that have kept people in touch and made connections with people who would otherwise have been isolated and alone. I would like to thank and commend all those priests, religious, and people who have given so generously of their time in extra duties, sharing responsibilities that have been so important for the sense of collaboration, prayer, and mission.

I would also like to express my gratitude to the number of lay people who contribute to the pastoral and social life of the Church. We are lucky to have such dedicated volunteers who contribute their time and expertise on an unpaid basis in parishes across a wide array of diocesan activities. It is impossible to quantify their contribution and support but without them our parishes and diocesan life would not be as vibrant or as effective in achieving the Church's mission.

I have no doubt that there is much to be learned in our parishes and communities and we will benefit from engaging with Pope Francis' vision that "everything is connected". We need a global response to our problems and challenges. The launch of the Universal Synod gives us an invitation to listen to the voice of the Holy Spirit and to discern together the way forward.

As we move through our Five Stage Hope in the Future Journey our next two stages explore our relationship with the wider community and how we can 'Proclaim the Good News'. Reflecting on how we can develop links between our schools, parishes, and families, and how we can help those who come into contact with our parishes through the celebrations of baptisms, weddings, funerals, RCIA, Christmas and Easter Liturgies to experience the Good News of Jesus Christ. We need to accept that we live in different times and that what may have worked in the past may no longer work today.

As we look to the future, the needs of our planet and people around the world is one voice that cannot be ignored. But it is not too late for action. The awareness that the COP26 gathering gave to the challenges we face encouraged our voices to unite and look at ways we can take the call for action back to our parishes, schools, and communities to create a different legacy for the next generation.

In Salford, one of the ways we are responding is through the Laudato Si' Centre, which will help our diocese lead the way in educating, informing, and inspiring people on ways they can heal and care for our common home.

There is much to be done to make our world a better place and we all have our part to play. Let us all remember that prayer will guide us and strengthen us as we ask:

Stay with us Lord on Our Journey.



Rt Rev John Arnold, Bishop of Salford



Chief Operating Officer's Report

In 2021, we continued to feel the impact of changing restrictions and guidance on our working practices and parish activity. Thankfully, due to our proactive approach in 2020 and the establishment of a COVID response team we were able to respond quicker and more effectively to the changing landscape.

I would like to thank our colleagues across the diocese for their dedication, hard work and commitment to our mission to serve our communities. Our centre based and parish staff continued to adapt with resilience and good humour to the challenges we faced.

Despite the challenges we continue to move forward. Our new environment team are working hard to embed a culture of change across the diocese. Our commitment to the principle of stewardship must reach all our work. We are looking closely at several of our working practices to implement positive social and environmental change. These changes will range from seemingly small decisions on ending the use of single use plastic in our parish clubs to rethinking our entire mindset towards our investment portfolio. Some of these changes will be easier to adapt to but we must accept that the right decision is not always the easiest.

As we look forward our property team will be reviewing their function to best suit the needs of the parish and school communities we serve. The team currently looks after over 1000 properties; it is now the time to assess how this can best be managed and how we can aim to create a sustainable estate both financially and environmentally.

We maintain a very clear commitment to our safeguarding team and compliance with the evolving national standards. Our Safeguarding Advisory Panel and Safeguarding Committee are established and working well within the newly defined responsibilities. We are proud of the importance given to hearing the voice of the survivors and the excellent work that our ground breaking partnership- Healing Through Community - continues to provide.

Our income levels have started to recover but we do not yet know the lasting impact that the pandemic has caused on our diocese and community, but the work we have done already and plans we are working on should help us achieve a more sustainable diocese fit for the future.

Pauline M Morgan
Chief Operating Officer and Financial Secretary



Our Year in Numbers

Our Parishes

110 Parishes

88 Hope in the Future
Teams



242 Marriages

2648 Baptisms

164 Parish Safeguarding Reps

Our Clergy

105 diocesan clergy

66 retired clergy



86 non diocesan clergy

6 seminarians

6 permanent
diaconate students

Our People

Over 400 Volunteer
DBS Checks

Over 9000 parish
Volunteers



40 Virtual Training & Formation Events

Over 1000 attended events

Our Schools

208 schools

Over 82,000
students



4754 Teaching Staff

1127 Foundation
Governors

3 Catholic Academy Trusts

*schools not included in the financial review

Annual Review

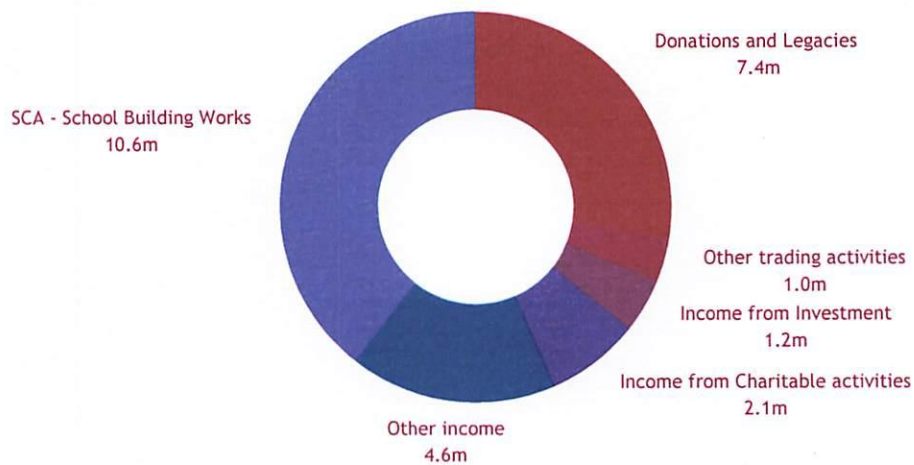
Over the last two years, our parishes have responded creatively and effectively to the challenges that the pandemic threw our way. During lockdowns, restrictions and the re-opening of the churches, we saw parishes use technology and more importantly their people to continue to serve their parishioners and communities.

Across the diocese, we saw virtual Masses, coffee mornings and even parish pilgrimages to Rome! The way in which our parishes adapted the way they connect are testimony to the dedication and commitment of our parish priests and volunteers who reacted to meet the needs of their people during the pandemic. Their actions show the integral nature of our parishes and our volunteers in our communities.

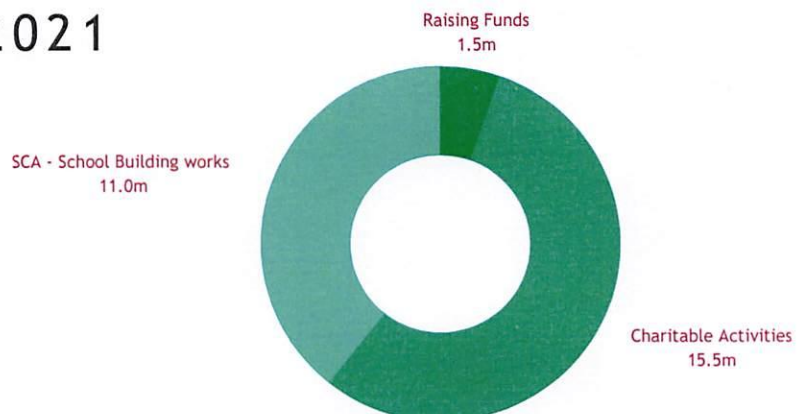
Alongside our pastoral programme our diocesan synod will allow the voices of our parishioners and priests to be heard and for their priorities for the diocese to be fed into this process. By planning our roadmap to 2030 we will be anticipating the needs of future generations rather than responding to our past.

This journey will involve a process where we reflect on what is right for the diocese but also our distinct local areas, helping us adapt, build, and sustain the diocese for the future.

INCOME 2021



EXPENDITURE 2021



Creating a Sustainable Future

St John the Baptist, Rochdale

A great example of sustaining our heritage while looking at the new and evolving needs of the community is shown in the excellent parish led project at St John the Baptist Church, in Rochdale.

Last year, the parish received a generous £182,442 from Historic England's Heritage Stimulus Fund: Grants for Programmes of Major Works, which forms part of the government's Culture Recovery Fund. For St John the Baptist, this meant work could be undertaken to carry out urgent repairs to the West Transept, including a roof replacement, parapet re-pointing and coping works, internal re-plastering, and decoration.

St John the Baptist is a Grade II *listed building that has become an iconic landmark of the town, thanks to its stunning Byzantine design, impressive domed roof that can be seen for miles around, and its exquisite mosaic work. Now, thanks to this most-welcome cash boost including an additional grant from the National Lottery, the parishioners at St John the Baptist are looking to create an inclusive heritage site right at the heart of Rochdale.

The Church is home to inspiring volunteer led programme has worked hard to hear voices from across their community. Vital to the project is a desire to see the Church doors open to all. With this principle at its heart the Church will become a community hub to share stories, preserve the local heritage and welcome young and old to gain new skills and new friends.

The parish project team is leading the way not only in the refurbishment and restoration of the building but it shaping an activity plan that will see the creation of an interactive website, recording oral histories, researching the history of our church through the decades, mosaic design classes, and a nature project with local schools and community groups to increase sustainability and biodiversity by utilising the land around the church.

Magnificent Mosaics Connecting Communities

34
Listed
Church
Buildings



£182,442
Historic
England's
Heritage
Stimulus Fund

Care for Our Common Home

It is becoming clearer that the time for action to address our climate and nature crisis is now. In 2021 we built on our environment work to look at ways to allow the voice of our parishes and people to come together, unite and look at ways we can create a different legacy for the next generation.

Our engagement with our schools, parishes, and communities increased and we looked to hear what they wanted us to focus on. Over 80% of the responses to our environment survey and focus groups wanted the diocese to use its position to help Care for Our Common Home.

We responded by using Season of Creation as a focus for action and prayer ahead of COP26 conference and some of our resources have been shared in parishes in Ireland, Australia and the USA.

There was enthusiasm and commitment ahead of COP26 across the diocese. Our schools showed the important role our faith can play in social action by supporting CAFOD's 'Eyes of the World' campaign and encouraged pupils to write to their MPs to act for the climate.

Our parishes held Climate Sunday services and our parishioner based Season of Creation activity culminated in our inaugural 'Walk for our Climate' from the Cathedral to the Laudato Si' Centre.

We will look to continue to help our parishes and schools rethink their relationship with the earth and give examples of how they can put their faith into action by caring for their common home.

One way that parishes have got involved during the last few years is by establishing parish gardens. We have seen them popping up the length of the diocese. Each garden epitomises the unique location and needs of the community it represents. We have vegetable gardens providing fresh produce for a foodbank amid outdoor stations of the cross in Gorton and a thriving bee colony looked after by the local community and schools in Failsworth.

We also have a number of more traditional gardens that hope to highlight environmental issues. The Hope Garden in the grounds of the parish of St John Fisher in Kearsley was created in a bid to make better use of the parish grounds for the many people from across the world who travel and stay at the shrine, in addition to strengthening ties with the local community, work began on creating a welcoming space where people could come and spend some time outdoors. Led by a team of parish volunteers and incredible support from local tradesmen and suppliers who donated time, materials, and expertise at no cost, the grounds of St John Fisher's were transformed with vibrant planters, beautiful borders, and exquisite artwork.

Next to the wheelchair-accessible planter that also combines as a seating area, is the spectacular plastic bottle top mosaic. Made up of 2,000 - 3,000 plastic bottle tops, this stunning display captures the idea of the peace and hope of God's rainbow. From exploring ways to reduce waste and reliance on single-use plastic at events, in addition to investing in a water tank to collect rainwater to water plants in the summer, volunteers at St John Fisher's have plenty of ideas to inspire more care for our common home within the community.

80%
Parishioners
want us to
fight climate
change

24 000
tonnes of carbon emissions from
our property

210,000
Bees
across
Laudato Si
Hubs

30 New Trees at Wardley Hall



The Laudato Si' Centre

The first phase of the centre to be completed was the Walled Garden and after a pause during restrictions it is back open and welcoming school and community groups. Our aim is to educate, inspire and inform all those who visit. Recent activities have involved learning about the nature around us and making birdfeeders that pupils can take back to their own homes. We want to help explain how nature, faith and protecting others are interlinked.

One of our main aims is to reach out to groups often excluded from society. Developing these plans is key to our 2022 work but we are delighted that a new gardening group for refugees has already been set up.

Our bees have been very active and we welcomed a new colony. Our prize-winning honey continues to help fund CAFOD projects around the world.

Our planting continues and over 30 new trees are now in the walled garden, creating a forest garden. We are looking forward to showing our visitors our harvest of fruit and nuts. We also planted lots of vegetables around the new trees as part of the forest garden. However we were soon to discover that we have a healthy rabbit population that ate all our produce!



Laudato Si' Centre

Our logo for the centre was based on a winning entry from our schools logo competition.

We had over 500 entries from across the diocese.

Ethical Investments

We must look to reflect the Church's teaching in all aspects of our work and use all our opportunities for positive social and environmental impact.

That is why as a diocese we have committed to divest from companies who will not enter a productive dialogue and commit to act. Our investments are guided by the principle of stewardship, putting our care for people and our common home at the centre of all that we do. As stewards of God's Creation we will use our influence to challenge companies to set ambitious targets and make the lasting change we need.

Looking Ahead

Synod

This year Catholics around the world were invited to take part in a Synod by Pope Francis. In our diocese we want this to be the first step in a longer and deeper listening journey to help us shape the diocese for the future, building on the work of Hope in the Future and other parish based initiatives.

In this journey it is important that we hear from lots of different voices. We need those who are active in their parishes but also to hear from people who have drifted from the Church and feel that the Church does not offer them the assistance that they need or is not fulfilling its mission as they understand it. We will need to listen to those on the margins of the Church or of society and those who feel excluded from either. It will be important to hear, also, from people of other faith traditions about how they perceive the Church.

More details of our synod journey will be shared soon but we hope that we can hear and listen to voices from around our diocese and move forward together.

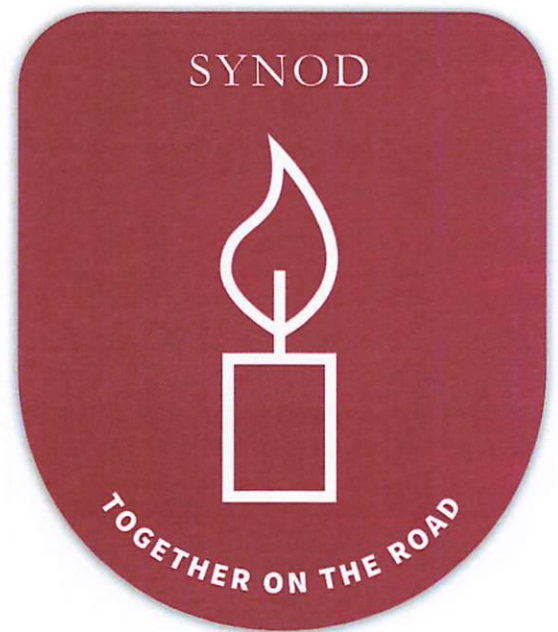
Feedback so Far

"Please reach out to young people.

Tap into their enthusiasm and honesty.

Give them a chance to lead."

"The Holy Spirit is guiding us and leading us, and He will help us to be a stronger community of love, faith and unity, if we let Him - we can't do it without Him."



"The early church was radical, revolutionary, Spirit-filled, world changing, unafraid, bold, uncompromising in teaching the Word of God. That is what we are still called to be and to do!"

£453, 000
grant funding
received so
far

£18, 000, 000
Cathedral Restoration Project



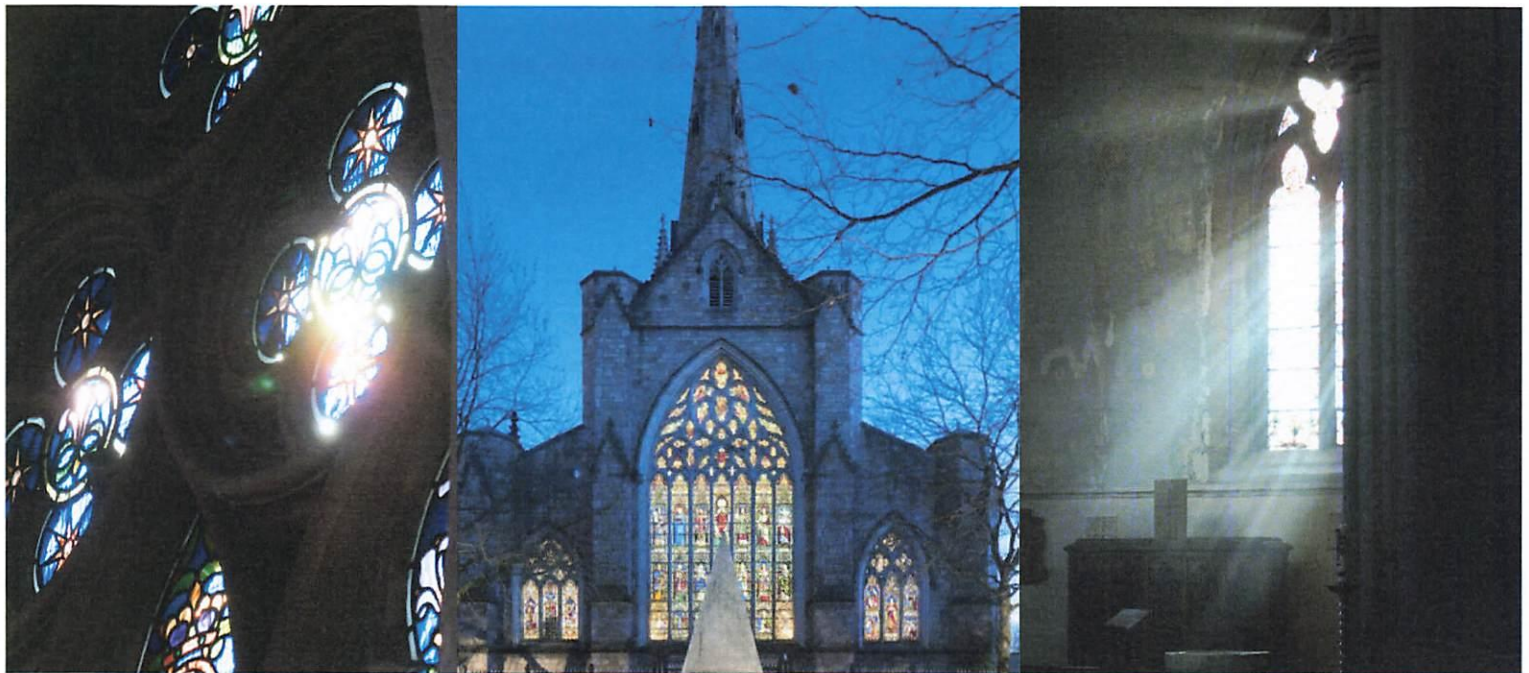
Restoring the Glory

Our multi-million-pound restoration project of our Cathedral starts in 2022. This is one of the biggest major projects the diocese has undertaken and aims to revive the iconic splendour of this church whilst making it the most sustainable cathedral in the country. The decision to do this project and put restoration and sustainability at its heart is evidence of the necessity to anticipate the needs of future generations.

The use of innovative technologies will provide new sources of energy to heat and light the Cathedral as well as offer long term drainage and roofing solutions to increasingly unpredictable and extreme patterns of weather associated with climate change.

Large parts of the Cathedral are in extremely poor repair. This is the right time to fix these and restore some of the original design features that have been lost over the years and enhance what we are able to offer the growing congregation.

The work coincides with the cathedral's 175th anniversary in 2023.



The Cathedral restoration project will seek to conserve the Cathedral, renewing its interior and ensuring our sanctuary in the city is fully sustainable and a source of spiritual inspiration for future generations.

402
DBS Checks

164
Parish
Safeguarding
Reps

12
Mandatory
PSR Training
Courses

18
Newly
Appointed
Reps

5
Mandatory
Clergy Training
Sessions

Safeguarding

Safeguarding remains essential to all that we do in the diocese and we are lucky to have a fantastic group of committed Safeguarding Parish Representatives, diocesan volunteers and clergy who work hard to help us create a safer environment across our parishes.

The Voice of Survivors

Our work with Survivors continues to be central to our plans. Our ground-breaking Healing Through Community project, which provides help and practical support to those who are dealing with the impact of abuse, grew again.

Like many services, it was hit by the restrictions placed on us during the pandemic but responded creatively with the development of community-based projects, such as walking groups and workshops to support family and friends of survivors.

Just some of the feedback we have received is:

“Many thanks for your help with this. I’m relieved I have finally got someone to talk to and being able to meet face to face is a bonus.”

“I am halfway through my twenty sessions of therapy with them [HTC] which is exhausting and liberating.”

We continue to look at the different ways that we can engage with and support survivors on their journey and plans are being developed to create a survivors’ garden, aiming to provide a community-based therapeutic safe space accessible for all.

Purpose, Aims and Activities

The Diocese is a Charitable Trust established by a trust deed dated 16th July 1942 and a Certificate of Incorporation dated 17th September 1954 in England as amended by scheme dated 13th April 2016.

All property and other assets are vested in the diocesan Trustees. Trustee Meetings are generally at least on a quarterly basis to oversee the operations of the Charity.

The objectives of the diocese can be summarised as:

- Promotion of the Catholic Faith
- Education
- Charity
- Worship

These objectives are achieved by the work of the parishes and the central services.

We provide:

- Support to priests during both their active service and in retirement or ill health
- Charitable works to show our Gospel values to the world around us
- Access to the Sacraments
- Education and Youth Services
- Ongoing Formation for our communities and our clergy
- Education and Training for those who wish to be priests
- Maintenance and upkeep of our church and parish buildings
- Providing assistance to governors regarding the upkeep of school buildings through grant schemes under the DFC and SCA.
- Access to professional advice and support for our communities including in Safeguarding, Health and Safety, Human Resources, Project Management, Property Management, Data Protection and Finance

The diocese primary purpose is the advancement of the Roman Catholic Faith. The diocese comprises of 8 Deaneries 110 parishes serving circa 260,895 Catholics across much of Greater Manchester and East Lancashire.

We undertake this objective by providing activities undertaken by our parishes and central services, guided by our gospel values and the principle of good stewardship. Those activities include worship, education, charity and care for our common home.

Meeting the Challenges of the Pandemic

Many of the challenges we faced in 2020 continued into 2021. However, our planning and procedures that we had established during the first year of the pandemic put us in a better position to respond to the changing landscape of 2021. Key to this was the ability to assist parishes to respond quickly and effectively to the varying government restrictions.

As well as a Covid Response team on the ground assisting parishes, we also ensured regular communication of both government restrictions and Bishop's Conference requirements. Just as important was the customised support and guidance parishes needed to respond to the realities of the situations in their own local areas. As our churches opened and we welcomed more volunteers we undertook over 400 DBS checks.

During 2021, many parishes continued to live stream their Masses and provide most of their information electronically. This is a trend that is continuing even as we emerge from the pandemic.

As part of these developments the finance department has responded to the request from parishes to help increase their online and contactless giving options. Where the collection plates are still in use, we will be moving to a new hybrid model, supporting parishes to increase their use of digital giving and maximising the gift aid available to them.

In 2021, 50% of our parishes migrated to the new 'Xero' online accounting system, the success of this rollout has been down to a new model of working from our professional support services. Following a restructure of the Department of Finance, Parish Business Partner roles were created which has allowed the team to be more visible and proactive in the support they have been able to offer.

Additionally, there has been a focus on connecting parish volunteers from various parishes together. During the pandemic, we saw how the sharing of best practice across parishes enabled the developing of ideas, resources and joined up working.

During the pandemic, this concentrated on the practicalities of running a parish with restrictions from health and safety practices, use of stewards but also how we continued to offer our worship and formation activities. By creating an environment where sharing and pooling of resources is commonplace, we can continue laying the groundwork for a diocese able to adapt to the ever changing challenges around us.

Supporting our Parishes to Look Ahead

As we navigate the new post-Covid setting we need to look to our future, to what our diocese will look like in 10 years' time and how we can take responsibility for the task of caring for our common home.

We are looking to create a sustainable diocese that responds to the environmental crisis and puts our care for people at the heart of what we do. This is why we are supporting our parishes to make decisions that will help them plan both financially and environmentally for the future. Our property team is looking to build a sustainable estate, empowering parishes to make the appropriate decision on repairs and upgrades, that doesn't just quickly solve a problem but that provides a long term eco based solution.

As part of this aim, we are pleased to be the pilot diocese involved with The Guardians of Creation project. The goal of the project is to help the Catholic community in the UK make transformational change towards carbon neutrality and a more sustainable future. The project will develop a generalisable framework for sustainability transition in the Catholic Church and will be implementable at the diocesan level. During 2019 the diocese emitted 24,000 tonnes of carbon. A decarbonisation pathway is being drafted and a working party within our diocese is now looking at how this can be implemented and communicating the positive impact.

As part of our commitment to care for our community we are creating a Modern Slavery Working Group. Its initial focus will be working towards creating an action plan that will increase the amount of awareness training for clergy, parish volunteers, and employees. The working group will review and implement a new Code of Conduct, requiring our suppliers and contractors to monitor their supply chain. By supporting our parishes to take positive action we can enable them to continue to be a force for change in their communities.

We will also look to ways we can help rebuild our parishes as active places serving our parishioners and the wider community. In the summer of 2021, we released a new resource helping parishes to look at the opportunities and challenges we face as we head into a post-Covid world. The resource is designed to be a living document to help individuals and communities as we rebuild and strengthen our Faith and communities.

A significant part of this reassessment is looking at the changes in how people engage with the Church and identifying ways to encourage parishioners to return to in-person worship, in addition to welcoming new parishioners who have become engaged through the digital channels that became available during lockdown.

We also need to re-establish ourselves as community hubs utilising the resource that is our parish clubs. These clubs are a vital route to provide a service to the wider community.

As we revive our offering, we will look to align the clubs and their practices with our environmental aims. As a starting point no single use cutlery is now used in these premises.

The last two years have been difficult for fundraising. Individual giving has continued at a parish level but at a decreased level. We have increased focus on our promotion of electronic giving, online donations, and the maximising of gift aid. During 2022, our Parish Business Partners will be working to assist parishes to take advantage of the various donations options available to them.

Our newly created post of Grant and Bid writer has successfully supported dozens of bids bringing in £388,068. These are funding both major projects like the Cathedral Restoration but also helping parish projects get back up and running.



These developments are integral to our revised goals to achieve a safe and people focused organisation where wellbeing is paramount, and a diversity of talent is valued.

This goal mirrors our focus to care for our clergy whatever the stage of their journey from formation to retirement.

In 2021, our clergy continued to feel the impact of the pandemic as restrictions remained for services and major life events celebrated in the church. Many continued their extra responsibilities as hospital chaplains. We are thankful for all that they do. The welfare of our active and retired clergy remains central to our 2030 vision.

There were no ordinations to the Priesthood in 2021, the second consecutive year and a pattern that will continue in 2022. A new vocations team has been appointed and they are looking at ways to embed a culture of vocation throughout the diocese.

Our safeguarding team continued to deliver training across the diocese to clergy, volunteers, employees and trustees. Training has been well received and has also raised awareness of the complex safeguarding issues that parishes can encounter. The team found it encouraging to receive requests from parishes, wanting to explore how to create a safer environment for those who attend their weekday lunch club. The thought and attention to detail from the volunteers was inspiring.

We continue our work to place the voice and needs of survivors at the centre of our safeguarding plans. The diocese remains committed to our partnership project - Healing through Community. 2,772 individuals had been referred to active cases or the waiting list by the end of 2021. To reflect this growing need members of the safeguarding team attended a survivor-led training session, looking to build a survivor reference panel to strengthen the voice of survivors across the diocese.

Looking after our People

The impact of Covid on their work for most of our colleagues has probably been felt in a change to their working locations and patterns. Over the past two years, our HR team have supported central based and parish staff to alter their working patterns and places as work as required. Moving forward several roles will continue to work in a hybrid model allowing for more flexibility as we deliver the diocesan mission.

To support our staff a number of new and revised HR policies have been issued over the last 12 months. These allow for greater clarity and parity between the various roles held centrally and in parishes.

Alongside this work the recently established Wellbeing Group have coordinated the training of mental health first aiders, started a staff choir and organised volunteer activities for staff to participate in at our environmental project.

208 Schools and Colleges

Supporting Our Young People

We have over 80,000 pupils across our 208 school and colleges. We have a responsibility not only for their education but preparing them for life beyond education. We are looking to inspire a generation of Catholic pupils who know how to put their faith into action and that will help us build for the future of the diocese.

We achieve this by supporting a range of initiatives both via our education team but also working across our environment and formation departments. Schools are increasingly able, since the lifting of Covid restrictions, to re-connect with the Laudato Si' project and in working to reduce the carbon footprint of our school estate. Our schools remain highly engaged in our environmental work and were invited to join our Youth Climate Service, where a Sustainable Covenant for schools was launched.

The benefits for our young people when they engage their faith in practical and real ways via the social action projects they are inspired to create and support are evident. Listening and supporting the way in which they want to express their faith is vital to the continuing work of the diocese. To help us learn about their priorities the youth team undertook a listening exercise to hear directly of the issues, actions, and services our young people wanted us to provide for them. We will be reviewing and implementing the findings of the exercise throughout 2022-23.

As we continue to look to the future and our 2030 vision we will be reflecting on the role of academies. In 2021, five more schools joined one of the three diocesan academy trusts that are now established. The trusts are functioning well and building on the memorandum of understanding in place between Catholic dioceses and the government Department for Education. Three chief executive officers, known as Catholic Senior Executive Leaders, have been recruited against a national field and now work in collaboration and partnership with the department on behalf of the bishop.

In 2021, we benefited from a £4million increase in the Schools Capital Allocation funding from the Department of Education. This resulted in a £12 million budget for school improvements. The increase allows a more proactive approach to improvements across our diocesan schools with this investment directly improving the school lives of our young people. In 2021, we also announced that our diocesan special school, St John Vianney, will have a new purpose built building as part of the government's School Rebuilding Programme. The new build will create a modern learning environment and will look to utilise green technology to help sustain the building and invest in the future of the school.



Structure, Governance and Management

The Diocese is a Charitable Trust established by a trust deed dated 16th July 1942 and a Certificate of Incorporation dated 17th September 1954 in England as amended by scheme dated 13th April 2016. All property and other assets are vested in the diocesan Trustees. Trustee Meetings are generally at least on a quarterly basis to oversee the operations of the Charity

The Bishop of Salford is ex-officio the Chair of Trustees and membership of the board is based upon invitation by the trustees to suitably qualified individuals subject to approval by the Bishop. Trustees are selected on the basis of their range of skills and experience and the board comprises a mix of both ordained clergy and Catholic lay people. Periodic training and workshop sessions are also held for the trustee body as a whole.

Governing regulations

The Trust Deed of the Charity governs appointments of Trustees. The latter are chosen according to their experience of the Trust's Ministry and of its need to function in accordance with both Canon and Civil Law.

Each Trustee Board committee has defined terms of reference, detailing the delegated authorities where appropriate.

Certain matters are delegated to these trustee committees including in the areas of:

- Planning and Resources Committee
- HR Committee
- Property Committee
- Finance Committee
- Investment Committee
- Audit and Risk Committee

- Remuneration Committee
- Schools & Academies Committee
- Claims Committee
- Environment Committee (formerly Laudato Si')
- Safeguarding Committee

Annual pay reviews are approved by the Remuneration Committee (for senior staff) or HR Committee based on external advice and information and recommendations from the Chief Operating Officer. The salary for the COO is also agreed by the Trustees at the Remuneration Committee. In setting overall pay levels for our staff the Diocese takes account of pay practice in other similarly sized charities and, where necessary, private or public sector organisations for specialist and technical roles.

The fixed assets and investments of the Charity are vested in a trust with the Diocesan Trustees as the managing Trustees.

Recognising the need for expertise, the Trustees have engaged professional advisors in the areas of finance, investment, insurance, law and protection of minors and vulnerable adults.

The Trustees are listed on page 1. One new trustee were appointed during 2021 and there was one resignation.

The Trustees keep themselves informed of new developments in the above areas and when necessary, meet to be briefed on particular issues by their advisors.

The Trust has three active wholly owned trading subsidiaries. See section Trading Subsidiaries on page 31.

Relationships with Other Parties

The Trustees consider the Catholic Truth Society, Diocese of Salford, to be a related party by virtue of it having common Trustees. The Society operates a religious bookshop on diocesan premises and bears a proportion of the costs of the Cathedral Centre. The Charity supports the Society through the provision of loans or grants to cover its running costs.

The Trustees also consider the Caritas Diocese of Salford to be a related party by virtue of it having common Trustees. The Charity's aim is that the lives of all people should be free from poverty, disadvantage and discrimination. Their purpose is to help the most vulnerable children, young people and adults in our communities to transform their lives and fulfil their potential.

The faith and teachings of the Roman Catholic Church clearly inform and have a profound influence on the operating policies in place within the Trust.

As a Catholic diocese within England and Wales, the Diocese of Salford co-operates on various initiatives, projects and other matters of common interest with other Catholic dioceses, charities and agencies of the Catholic Church. For example, the diocese and its parishes support the activities of other charities such as the Catholic Agency for Overseas Development (CAFOD), the official aid agency of the Catholic Church in England and Wales (Charity no 1160384) and adopts unified policies through a 'One Church' approach for the safeguarding of children and adults at risk of harm.

Statement of Trustees' responsibilities

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

The law applicable to charities 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 of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles 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 that 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution.

The trustees 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.

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.

Public Benefit

The Trustees have ensured they carry out the Trust's objectives for the public benefit and have (in accordance with Charities Act 2011) had regard to guidance published by the Charity Commission on public benefit when exercising powers or duties where that may be relevant.

It is clear from the detail in the Trustees Report that the Trust acts in a way which beneficially impacts on society. It promotes public services, in dedicated buildings and elsewhere, in accordance with the practices and teachings of the Roman Catholic Church, for hearing and appropriating the word of God and for the worship of God both generally and at significant points in people's lives. In this way it helps form and gives expression to the spiritual dimension of the lives of members of the public. It also thus provides religious and moral parameters by which individual members of the public may live fulfilled lives and act in a way which is socially beneficial, and influence wider society for the better.

The Trust also engages in a number of practical expressions of Christian faith (including advancing education in schools and otherwise and relieving various forms of charitable need in social outreach to the public generally).

Investment

The Diocese is establishing itself as a Responsible Investor, with an authentic set of investment statements and an accompanying investment framework that demonstrates that the Catholic Social Teaching of Human Dignity, the Common Good and Care for Our Common Home are central to how our investment portfolio is managed, shaped and targeted.

Our decision to divest from companies that will not commit to act is the first step of this developing journey.

Our Environmental, Social and Governance Criteria is a priority piece of work in 2022 and we are engaging a specialist to guide our criteria and advise on our next steps. It is essential that we build on work on caring for our common home, social action and modern slavery and embed those principles across our investment portfolio.

Our Volunteers

The Trustees wish to recognise and express their gratitude to the number of lay people who contribute to the pastoral and social life of the Church. Volunteers contribute their time and expertise on an unpaid basis in parishes and across a wide array of diocesan activities. It is impossible to quantify their contribution and support but without this our parishes and diocesan life would not be as vibrant or as effective in achieving the Church's mission.

Fundraising Practices

Although 2021 continued to be a difficult year for fundraising, our fundraising did continue on at individual parish level, albeit at much lower levels, both to generate increased income for the Charity - for example via the gift aid scheme - and also by way of special collections to raise money for specific causes.

No professional fundraisers are employed in this capacity, although the diocese has a Grant and Bid Writer to assist at both a diocesan and parish level.

Plans for Future Periods

Our Journey to 2030 plan will enable us to build on the developments and foundations we have established over the last few years to help create a diocese, parishes and communities that are fit for the future, with the resources and adaptability to respond to changing demands of the next decade.

Our diocesan journey will be focused on:

- Enhancing our support to our parishes and schools to help them deliver their mission
- Building on our responsibility to our communities and our common home
- Leading as a responsible investor
- Our commitment to support our clergy
- Our major projects - including the Cathedral Restoration and Laudato Si' Centre

The Charity continues to review the impact of Covid and the extent to which new technology can assist in maintaining and furthering the Charity's mission in a post-Covid environment. As part of this work we are identifying a 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.

Work is continuing on the formulation of a Diocesan Synod. These 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 diocesan priorities in future years.

The Trustees have a policy of maintaining free reserves at between 18 and 24 months of recurring expenditure and they continually review the level of reserves necessary to fund the current level of activity over the medium to long term.

Both the economy and stock markets remain uncertain, We were fortunate to see an increase in dividend income and capital growth in 2021. interest rates remain at a historical low.

The demand for services both centrally and within our parishes continues to increase, as do the associated costs (including the large rises in energy costs that are currently being experienced and are to continue into 2022 and 2023) and it is within this setting that the trust has to operate.

The Trustees are continuing to monitor their obligations to a growing number of retired priests and to the maintenance of the many properties for diocesan activities some of which are historic. The diocese is continuing to review the whole estate as part of its 2030 vision to enable it to be fit for future purpose and sustainable going forward.

By managing assets and resources the Trustees are confident that the Trust has sufficient available funds to maintain its activities over the medium term.

Financial Review

The financial statements reflect the activities with our parishes, all aspects of the central professional support services (curia) and some subsidiary activities such as the operating of our clubs and commercial activities.

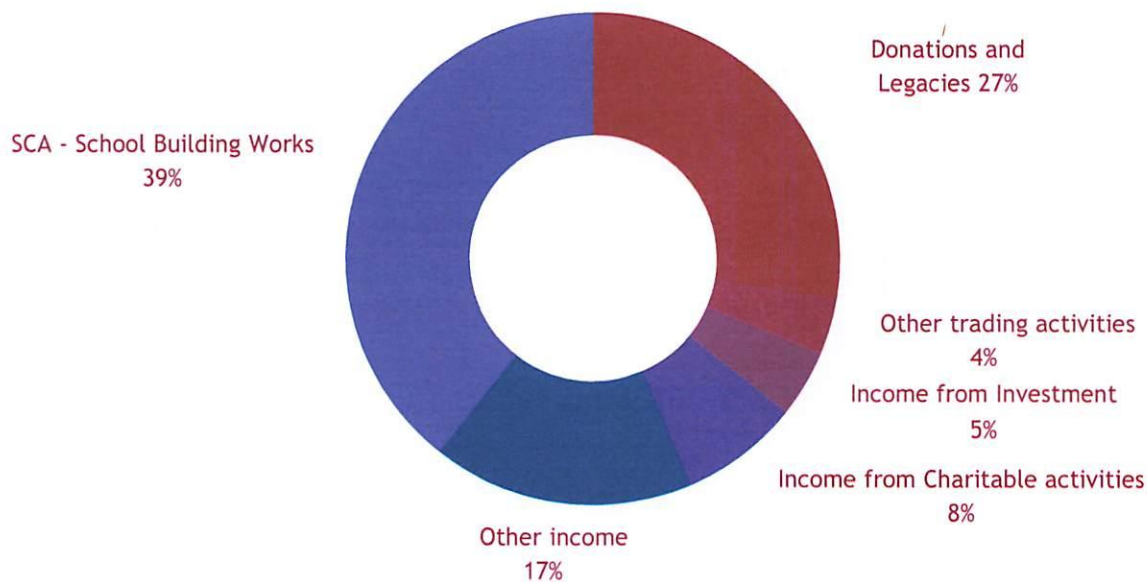
The Consolidated Statement of Financial Activities for the year ended 31 December 2021 is set out on pages 34-35.

Total incoming resources amounted to £26.9 million in 2021 (2020 £23.4 million).

Most of the funds in the Charity are raised through donations. The funds raised in the parish support the individual parish and contribute towards the expenditure requirements of the Diocese.

Income 2021

	2021 %	2021 £m	2020 %	2020 £m
Donations and legacies	27%	7.4	27%	6.4
Other Trading activities	4%	1.0	3%	0.6
Income from Investment	5%	1.2	5%	1.1
Income from Charitable activities	8%	2.1	8%	1.8
Other Income	17%	4.6	10%	2.4
SCA - School Building Works	39%	10.6	47%	11.1
Total Income		26.9		23.4



Total income figures above include £10.6 million in 2021 (2020 £11.1 million) in relation to changes in the way income is received from School Building Projects as set out in accounting policy note 1.6.5a. The figures for 2020 have been restated as appropriate, refer to note 18.1.

The inclusion of this income has arisen due to the Department of Education changing the way schools received funding for capital projects in 2020. This change meant that the charity became the principle and therefore the funds received should be recognised as restricted income under the charity SORP.

Total overall Donations and Legacies have increased during 2021 by £0.9 million, this is an increase of 14.7% on 2020. Parish Income is still well below pre-pandemic levels but has increased £1.4 million from 2020.

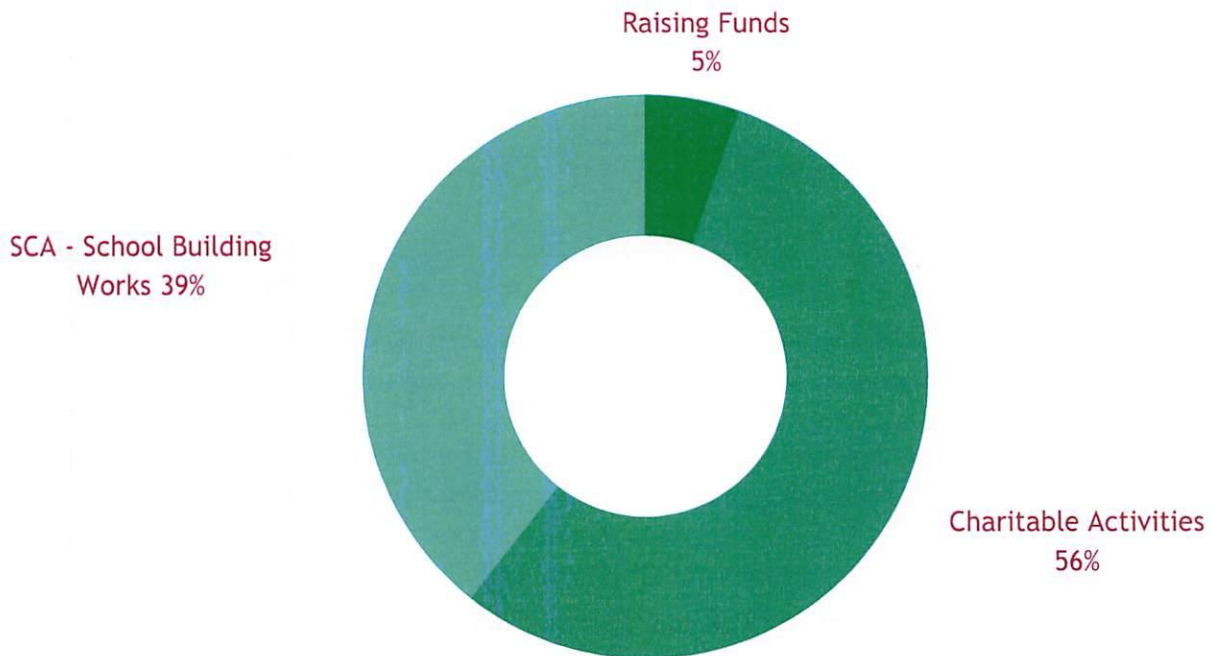
Our Mass attendance also increased from 12,766 in 2020 to 20,034 in 2021, although this does not show a return to pre pandemic levels yet it is an increase of 57% and does not take into account the streaming services that have been provided by many of our parishes throughout 2021.

During the year collections in the parishes for specific purposes including those for other charities totalled £0.3 million (2020 £0.4 million).

The investment portfolio achieved income of £1.2 million in 2021, this was up from the £1.1 million achieved in 2020.

Expenditure 2021

	2021 %	2021 £m	2020 %	2020 £m
Raising Funds	5%	1.5	6%	1.2
Charitable Activities	56%	15.5	76%	15.9
SCA- School Building Works	39%	11.0	18%	3.7
Total Expenditure		28.0		20.8



Total expenditure amounted to £28 million in 2021 (2020 £20.8 million).

Total expenditure figures above include £11 million in 2021 (2020 £3.7 million) relating to the change in the recognition of SCA school building works income and subsequently the related expenditure as referenced above.

Summary

The net result for the year was a surplus of £5.9 million (2020 - £3.2m), leaving retained funds of £120.8 million (2020 £ 114.9 million) at the year end.

The Trustees continue to monitor the activities and budgets of the Diocesan Departments. The trustees are of the opinion that the necessary measures have been implemented to ensure the viability of the Trust over the medium term.

The Diocese made contributions of £185k in 2021 (2020 - £188k) to National Bodies of the Roman Catholic Church.

During the year, one of the buildings has been reclassified as a fixed asset investment as the rent received for the building is at commercial value. The value of the building at the financial year end is £2.25 million.

Statement of Reserves

The total reserves of the Charity including parochial reserves, amounted to £120.8 million at 31 December 2021 (2020 £114.9 million). The unrestricted free reserves i.e. current assets including bank deposits less current liabilities amounted to £31.5 million (2020 £29.5 million). At 31 December 2021 the free reserves of the Diocese are equivalent to approximately 21 months of recurring expenditure (2020 20 months).

Restricted reserves as at 31 December 2021 were £9.0 million (2020 £9.5 million).

Both the economy and stock markets are recovering but remain uncertain, Investment income has increased in the year but is still below pre COVID levels.

The major project that will affect future reserves is the Cathedral Project as this will be funded from the liquidation of investments, £2.5m was released in 2021 and a further £3.5m has been released in 2022, based on current indicative cashflow we estimate that we will release a further £4m during 2023, £7-8m during 2024 and the balance at the end of the defects liability period in 2025. The St John the Baptist project is funded primarily from external grant funding and will be completed by the end of 2022. The diocese has not committed to any other major projects at this time, although we do have some in the pipeline.

The demand for services both centrally and within our parishes continues to increase, even during the period of pandemic, as do the associated costs and it is within this setting that the trust has to operate.

The Trustees are conscious of their obligations to a growing number of retired priests and to the maintenance of the many properties used for diocesan activities some of which are historic and listed. The diocese as part of the 2030 vision is looking at the whole estate to ensure that this is fit for future purpose and sustainable going forward.

By managing assets and resources the Trustees are confident that the Trust has sufficient available funds to maintain its activities over the medium term.

Investment policy and performance

The Diocesan Trust deed authorises the Trustees to invest the general funds of the Charity in stocks, shares, investments and property, in accordance with charity law.

The Trustees continue to engage Evelyn Partners Investment, formerly Smith and Williamson Investment Manager, as advisor. The policy is to invest on a low to medium risk basis with a balance of a reasonable rate of return and capital growth. The Trustees have requested that investments be made with regard to the Charity's ethical stance. The Investment Managers report to the Trustees on a regular basis.

The Investments are held for the long term. The overall portfolio value increased in the year by £2.1 million, the dividend yield increased by 29% resulting in an increase in income of £258k from 2020. The Trustees will continue to invest as appropriate with the aim of providing a secure financial and ethical platform for the Diocese.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Charity is exposed, in particular those relating to the specific operational areas of the Charity, and its finances and investments. The Trustees believe that by monitoring and maintaining reserves at an appropriate level, ensuring that proper controls exist in respect of key financial systems, and by examining the operational and business risks relevant to the Charity, they have established effective systems to mitigate these risks.

An Audit and Risk Committee was established by the Trustees during 2017. Risks currently include managing the re-structuring of the parishes, establishing and monitoring both the Diocesan budget and treasury policy for the Diocesan cash reserves.

SDC Trading Limited the Charity's subsidiary company responsible for the commercial activities of parish social clubs within the Diocese, is currently in a deficit position, making a loss of £256k in 2021 (2020 loss of £354k) and carrying forward a deficit of £968k (2020 £712k). The Charity was taking steps to reduce the deficit prior to the pandemic, however the closure of the clubs for an extended period due to government restrictions has put this back a little. We are now recommencing the plan with the viability of individual sites being reviewed on an ongoing basis and, where continued operation can no longer be justified on the basis that it is of benefit to the parish, centres are closed. Elsewhere, where centres are seen to have potential for growth, arrangements have been reorganised and money invested in capital improvements. The SDC Operating Board is continuing to review the activity and potential recovery of SDC following the disruption of the Pandemic to this business.

Trading Subsidiaries

The Trust has three active wholly owned trading subsidiaries.

Catholic Support Services Limited which continues to provide training, advice and recruitment assistance to our Catholic Schools as part of the Diocesan Department for Education and to assist them with building matters. In addition, it administers the links with local hospital trusts and police for the provision of chaplains. Any operating surplus from the company is gift aided to the Diocese. SDC Trading Limited is responsible for the commercial activities of parish social clubs within the Diocese. The operating surplus is gift aided to the parishes via the Diocese.

2021 continued to be an exceptional time for SDC Trading Limited following the closure of all activities from 22nd March 2020 to late 2021 due to Government guidelines

Catholic Building Services Limited is responsible for the development and management of construction and building projects within the Diocese.

Post Covid 19

As restrictions have been lifted during 2021 and the early part of 2022, we are now planning our recovery from the Pandemic. We are seeing increased numbers returning to our churches and hope that 2022 will see services and activities increase to pre pandemic levels over the coming months.

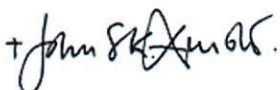
Conclusion

The commitment, dedication and innovation of the clergy, staff and volunteers of the diocese ensure that the objectives of Worship, Education, Charity and promotion of the Faith are met and that our work continues to be in accordance with the principles of the Church's teachings.

As we continue to respond to the many new challenges, we continue to review the ways in which we operate, creating an agile professional support services, building and investing in a forward looking diocese serving the needs of our parishes, people and schools.

Declaration and Signature

This report for the year ended 31st December 2021 was approved by the Trustees on 26th October 2022 and signed on their behalf:



Trustee.....
Rt Rev John Arnold, Bishop of Salford

Report of the Independent Auditors to the Trustees of the Salford Roman Catholic Diocesan Trust Registered

Year Ended 31st December 2021

Opinion

We have audited the financial statements of Salford Roman Catholic Diocesan Trustees Registered (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2021, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Parent Charity Balance Sheet, Consolidated Statement of Cash Flow and Notes to the Financial Statements, including a summary of significant accounting policies.

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

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent 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 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 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 original financial statements were authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Report of the Independent Auditors to the Trustees of the Salford Roman Catholic Diocesan Trust Registered

Year Ended 31st December 2021

Matters on which we are required to report by exception

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
 - sufficient accounting records have not been kept; or
 - the financial statements are not in agreement with the accounting records; or
 - we have not received all the information and explanations we require for our audit
- In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

Responsibilities of trustees

As explained more fully in the trustees responsibilities statement (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 Responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the charity, we identified that the principle risks of non-compliance with laws and regulations related to breaches of the legal and regulatory framework that the charity operates in. We considered the extent to which non-compliance might have a material effect on the financial statements. The key laws and regulations we considered in this context including but not exclusively employment law and health and safety.

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

Report of the Independent Auditors to the Trustees of the Salford Roman Catholic Diocesan Trust Registered

Year Ended 31st December 2021

- we identified the laws and regulations applicable to the charity through discussions with key management and the trustees and from our knowledge and experience of the sector, we assessed the extent of compliance and the audit team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

There are inherent limitations in our audit procedures described above. The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control systems, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned in accordance with ISAs (UK).

We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

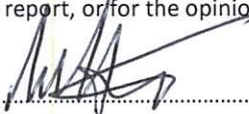
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the charity and or the prevention and detection of fraud, error and non-compliance with law or regulations rests with the trustees'.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

This report is made solely to the charity trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



John Saxon (Senior Statutory Auditor)

For and on behalf of The Moffatts Partnership LLP, Statutory Auditor

Progress House
396 Wilmslow Road
Withington
Manchester
M20 3BN

Date 17.10.2021

The Moffatts Partnership LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Diocese of Salford Trustees' Annual Report and Accounts 2021 **Financial Statements Consolidated Statement of Financial Activity**

Consolidated Statement of Financial Activity Year End to the 31st December 2021

	Notes	PAROCHIAL FUNDS			DIOCESAN FUNDS			ENDOWMENT	2021	Restated 2020
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Total funds	Total funds	
		£	£	£	£	£	£	£	£	
INCOME AND ENDOWMENTS FROM:										
Donations and legacies	2.1	6,993,748	265	6,994,013	225,384	154,173	379,556	0	7,373,569	6,427,204
Other trading activities	2.2	246,045	0	246,045	709,974	0	709,974	0	956,019	600,502
Income from Investment	2.3	36,519	0	36,519	1,174,271	1,521	1,175,792	0	1,212,311	1,090,151
Income from Charitable activities	2.4	0	0	0	2,143,463	0	2,143,463	0	2,143,463	1,785,715
Other income	2.5	1,781,405	0	1,781,405	2,352,159	507,157	2,859,316	0	4,640,721	2,381,831
SCA - School Building Works	2.6	0	0	0	0	10,556,309	10,556,309	0	10,556,309	11,124,455
Total Income		9,057,717	265	9,057,982	6,605,251	11,219,160	17,824,411	0	26,882,393	23,409,858
EXPENDITURE ON:										
Raising funds	3.1	387,781	0	387,781	1,132,047	0	1,132,047	0	1,519,827	1,230,230
Charitable activities	3.2	8,586,458	0	8,586,458	6,475,937	404,183	6,880,120	0	15,466,578	15,945,694
SCA - School Building Works	3.3	0	0	0	0	10,997,120	10,997,120	0	10,997,120	3,652,526
Total Expenditure		8,974,239	0	8,974,239	7,607,984	11,401,303	19,009,287	0	27,983,526	20,828,451
Net Gains/(losses) on investments		0	0	0	6,976,885	0	6,976,885	0	6,976,885	640,121
Net income/(expenditure)		83,478	265	83,743	5,974,152	(182,143)	5,792,009	0	5,875,752	3,221,528

Diocese of Salford Trustees' Annual Report and Accounts 2021 **Financial
Statements Consolidated Statement of Financial Activity**

Notes	PAROCHIAL FUNDS			DIOCESAN FUNDS			ENDOWMENT	2021	Restated 2020
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Total	Total funds	Total funds
	£	£	£	£	£	£	£	£	£
Transfer between Funds	0	0	0	206,762	(206,762)	0	0	0	0
NET MOVEMENT IN FUNDS	83,478	265	83,743	6,180,915	(388,906)	5,792,009	0	5,875,752	3,221,528
RECONCILIATION OF FUNDS									
Total funds brought forward	36,996,365	199,057	37,195,422	68,438,004	9,283,149	77,721,153	1,456	114,918,031	111,696,503
TOTAL FUNDS CARRIED FORWARD	37,079,843	199,322	37,279,165	74,618,919	8,894,243	83,513,162	1,456	120,793,783	114,918,031

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

Diocese of Salford Trustees' Annual Report and Accounts 2021 **Financial
Statements Consolidated and Charity Balance Sheet**

**Consolidated and Charity Balance Sheet
As At 31st December 2021**

	Notes	Group		Charity	
		2021 £	Restated 2020 £	2021 £	Restated 2020 £
Fixed assets					
Tangible assets	4	37,072,609	36,721,559	36,690,536	36,298,154
Investment Property	5	2,250,000	500,000	2,250,000	500,000
Investments	6	40,869,388	38,806,419	40,869,393	38,806,424
		<u>80,191,998</u>	<u>76,027,978</u>	<u>79,809,929</u>	<u>75,604,578</u>
Current assets					
Stocks	7	41,384	26,338	0	0
Debtors	8	3,622,227	4,910,244	5,267,802	5,839,377
Cash at bank and in hand	9	45,289,835	41,204,436	43,770,431	40,333,720
		<u>48,953,446</u>	<u>46,141,018</u>	<u>49,038,232</u>	<u>46,173,097</u>
Creditors					
Amounts falling due within one year	10	(8,351,660)	(7,250,966)	(8,079,386)	(6,938,483)
Net current assets		<u>40,601,786</u>	<u>38,890,052</u>	<u>40,958,846</u>	<u>39,234,614</u>
Total assets less current liabilities		<u>120,793,783</u>	<u>114,918,031</u>	<u>120,768,775</u>	<u>114,839,192</u>
Total net assets		<u>120,793,783</u>	<u>114,918,031</u>	<u>120,768,775</u>	<u>114,839,192</u>
Funds					
Unrestricted funds - general	15	111,698,762	105,434,369	111,673,753	105,355,530
		<u>111,698,762</u>	<u>105,434,369</u>	<u>111,673,753</u>	<u>105,355,530</u>
Restricted funds	13.1	9,093,565	9,482,206	9,093,566	9,482,206
Permanent endowment	13.2	1,456	1,456	1,456	1,456
Total funds		<u>120,793,783</u>	<u>114,918,031</u>	<u>120,768,775</u>	<u>114,839,192</u>

Salford Roman Catholic Diocesan Trustees Registered has taken advantage of the exemption from the Charities Act 2011 in not presenting a separate Statement of Financial Activity.

The surplus for the charity alone for the year ended 31st December 2021 was £5.9 million, (Restated 2020: surplus £3.2 million).

The financial statements were approved by the Trustees on 26th October 2022 and signed on their behalf by:



Trustee

Rt Rev John Arnold, Bishop of Salford

Diocese of Salford Trustees' Annual Report and Accounts 2021
Financial Statements Consolidated Statement of Cash Flow

Consolidated Statement of Cash Flow
Year to 31st December 2021

	2021	Restated 2020
	£	£
Cash flows from operating activities		
Net cash surplus from the reporting period	5,875,752	3,221,528
Adjustments to cash flows from non - cash items		
Depreciation	1,340,845	1,316,026
Investment income	(1,212,311)	(1,090,151)
Financial instrument (gains) / losses through statement of financial activities	(3,396,391)	(860,566)
(Profit) / loss on disposal of fixed assets	(1,858,846)	(514,436)
(Profit) / loss on disposal of fixed assets investments	(3,580,494)	220,445
	<u>(2,831,445)</u>	<u>2,292,846</u>
Working capital adjustments		
(Increase) / decrease in stock	(15,046)	37,568
(Increase) / decrease in debtors	1,288,017	131,649
Increase / (decrease) in creditors	1,100,694	(70,824)
Net cash flows from operating activities	<u>(457,780)</u>	<u>2,391,239</u>
Cash flows from investing activities		
Interest received and similar income	66,019	201,760
Purchase tangible fixed assets	(1,706,050)	(1,469,173)
Sale of tangible fixed assets	1,873,001	570,582
Purchase of investments	(6,765,011)	(4,317,289)
Sale of investments	10,671,378	4,570,984
Income from dividends	1,146,291	888,389
Disposal of Investment Assets	500,000	0
Net cash from investing activities	<u>5,785,628</u>	<u>445,253</u>
Net increase/(decrease) in cash and cash equivalents	<u>5,327,848</u>	<u>2,836,492</u>
	2021	Restated 2020
	£	£
Cash and cash equivalents at 1 January 2021	41,816,910	38,980,418
Net increase/(decrease) in cash and cash equivalents	<u>5,327,848</u>	<u>2,836,492</u>
Cash and cash equivalents at 31 December 2021	<u>47,144,758</u>	<u>41,816,910</u>
Cash and cash equivalents Summary		
Cash at bank and in hand	45,289,835	41,204,437
Cash held as part of investment fund	1,854,923	612,473
	<u>47,144,758</u>	<u>41,816,910</u>

Notes to the Financial Statements
Year to 31st December 2021

1. Significant Accounting policies

1.1. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

The financial statements include the results of the Charity's operations which are all continuing:

- Parochial - consolidation of Diocesan parish accounts
- Diocesan - consolidation of Central Funds and subsidiary company accounts

The Charity constitutes a public benefit entity as defined by FRS102.

1.2. Basis of consolidation and scope of the financial statements

The statement of financial activities and the balance sheet consolidate the financial statements of the charity and its subsidiary undertakings, made up to the balance sheet date.

A separate Statement of Financial Activities for the charity has not been presented because the Trust has taken advantage of the exemption from the Charities Act 2011.

1.3. Areas of Judgement or Estimation

The preparation of the financial statements in line with the Charities' SORP and FRS102 requires the Trustees' to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. 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.

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.

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

- assessing the probability of the receipt of legacy income;
- estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation charge;
- assessing the need for any provision against slow-moving and/or obsolete stock within SDC Trading Limited;
- assessing the recoverability of outstanding debtors and the need for any provision for bad or doubtful debts;

Diocese of Salford Trustees' Annual Report and Accounts 2021

Financial Statements Notes to the Financial Statements

1.4. Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

1.5. Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern and that they have no material uncertainties about the entity's ability to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6. Income and endowments

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

1.6.1. Donations and legacies

Donations and legacies are recognised when the receipt is probable and the amount of income receivable can be measured reliably. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

1.6.2. Other trading activities

Details of trading activities are set out in the notes. Income receivable is accounted for in the period in which the relevant service or goods are provided or supplied.

1.6.3. Investment income

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

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

1.6.4. Charitable activities

Income from charitable activities is recognised as earned when the related services are provided. The Diocese receives substantial help from volunteers. It is not possible to place a financial value on this work and no amounts are therefore included in the financial statements for the value of services donated by volunteers. Gifts of fixed assets are included at valuation and recorded as donation income.

1.6.5. Government and other grants

Government and other grants are recognised under the performance model. Income is recognised where the grant does not impose performance related conditions and when the performance related conditions are met.

1.6.5a SCA – (Schools Building Work)

Grants received from the education authority are recognised as income on a receipts basis. These funds have been granted to the Diocese as restricted funds to be expended on school building projects. These projects may spread over several years and so there is a balance on the fund at the year end.

1.7. Expenditure

All expenditure is recognised once there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on accruals basis. All expenses are allocated or apportioned to the applicable expenditure headings. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.7.1. Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

1.7.2. Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly attributable to such activities and those costs of an indirect nature necessary to support them and includes governance costs.

1.7.3. Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

1.7.4. Grants Payable

Grants payable to partner organisations are included in the SOFA when approved by the Trustees and agreed with the other organisations. The value of such grants unpaid at the year end is accrued. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued but are noted as financial commitments.

1.7.5. SCA – (Schools Building Work)

Expenditure is recognised on an accruals basis. These projects may spread over several years and so there is a balance on the restricted fund at the year end.

1.8. Taxation

The charity is a registered charity and is therefore exempt from taxation.

1.9. Fixed asset investments

Fixed assets investments are a form of basic financial instruments and are initially recognised at their transaction value and are subsequently measured at their fair value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market value during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

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

Diocese of Salford Trustees' Annual Report and Accounts 2021

Financial Statements Notes to the Financial Statements

1.10. Tangible fixed assets – other than property

These tangible fixed assets are stated at cost less depreciation, which is calculated to write off the cost or valuation less estimated residual values over their estimated useful lives. Depreciation is provided at the following rates on a straight line basis and time apportionments are made in the year of acquisition or disposal.

Fixtures and fittings	10%
Motor vehicles	25%
Computer equipment	25%
Central freehold land and buildings	2%

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

1.11. Tangible fixed assets – inalienable school property

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

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

The governors are responsible for the buildings, and for the repair and refurbishment and insurance costs.

1.12. Tangible fixed assets – church property

Prior to 1 January 1997 the accounting policy applied was for capital expenditure on church property to be written off in full as incurred. The accounts prepared for previous years therefore did not include any balance sheet value for the Cathedral, Churches, Presbyteries, Halls and other parish property or for their contents.

As a result of the previous accounting policy, the original costs and accumulated depreciation of all church parish property held at 31 December 1997 was not readily available. After consideration, the Trustees' view was that a reasonable approximation of the net book value of the church parish property held at 31 December 1997 was established through discounting the insurance values of the above properties and contents by 90%, which is the policy employed to include the assets on the balance sheet at estimated historic cost net of accumulated depreciation.

Following the recommendation of the SORP, the value of church parish property capitalised on the balance sheet is to be depreciated over their expected useful lives at the following rates from 31 December 1997. All depreciation is calculated by using the straight line method.

Diocese of Salford Trustees' Annual Report and Accounts 2021

Financial Statements Notes to the Financial Statements

Cathedral, Churches, Presbyteries, Halls and church properties acquired prior to 31 December 1997 - 2%

- land element Nil
- building element 2%

Church and Presbytery contents etc.

- fixtures and fittings 10%
- computer equipment 25%

1.13. Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

1.14. Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

1.15. Trade debtors

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

1.16. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

1.17. Trade creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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 Diocese. Where any balance has not been paid to the respective organisation concerned, it has been included in creditors.

DFC – (School Building Work). The Charity assists governors in managing projects and may make grants via the Curial Offices to assist the governors with their liability for school and academy building and repair costs. The Charity administers these monies as managing agent and makes the appropriate payments to contractors for work carried out. Any monies due to the Charity, or held by the Charity on behalf of schools and academies, as at the balance sheet date, are included in other amounts owed in creditors.

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1.18. Pensions

The Charity has made suitable arrangements for employee pensions, providing access to defined contribution pension schemes for all members of staff, including ensuring compliance with recent legislation for auto-enrolment and where applicable access to the Teacher' Pension Scheme England and Wales (TPS) for academic and related staff. Pension costs charged in the statement of financial activities represent the contributions payable by the Charity in the year.

1.19. Funds accounting

Funds held by the Charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- Unrestricted designated funds - these are funds which have been set aside by the Trustees for specific purposes.
- Restricted funds - these are funds which can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purpose.
- Permanent endowment funds - these represent funds given to the Charity, subject to the restriction that they are held as capital. Income derived from endowment funds is included in the Statement of Financial Activities, unless restricted to a particular purpose.

1.20. Financial Instruments

1.20.1. Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified 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 charity after deducting all of its liabilities.

1.20.2. Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

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1.21. Subsidiary/associated bodies

The Charity has interests in the following undertakings:

Name, nature of business	Registered Office	Class and number of shares	% Held
<u>Subsidiaries</u>			
Catholic Support Services Limited	Cathedral Centre 3 Ford Street, Salford, Lancashire. M3 6DP	One Ordinary	100
Company No. 02790890			
Support for Catholic schools, teachers and parishes, provision of chaplaincy services			
S.D.C Trading Limited	Cathedral Centre 3 Ford Street, Salford, Lancashire. M3 6DP	Two Ordinary	100
Company No. 03481323			
Social clubs in the Diocese of Salford			
Catholic Building Services Limited	Cathedral Centre 3 Ford Street, Salford, Lancashire. M3 6DP	Two Ordinary	100
Company No. 8020372			
Administration of building projects			
<u>Associated Bodies</u>			
Inter-Diocesan Fuel Management Limited	2 Park Road South, Birkenhead, Wirral. CH43 4UX	One Ordinary	11
Company No. 02891029			
Fuel and power distribution for Diocesan properties within the scheme			

The aggregate amount of the subsidiaries turnover, expenditure, assets, liabilities and funds at the end of the reporting period can be found in note 17.

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2. Income and endowments

2.1. Donations and legacies

	Parochial funds		Diocesan funds		2021	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2020
	£	£	£	£	£	Total
Donations	597,963	265	35,795	51,175	685,199	487,488
Legacies	627,850	0	189,588	102,997	920,435	608,836
Offertory collections	5,767,935	0	0	0	5,767,935	5,330,880
	<u>6,993,748</u>	<u>265</u>	<u>225,384</u>	<u>154,173</u>	<u>7,373,569</u>	<u>6,427,204</u>

2.2. Other trading activities

	Parochial funds		Diocesan funds		2021	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2020
	£	£	£	£	£	Total
Social and fundraising income	246,045	0	75	0	246,120	239,092
S.D.C Trading Limited	0	0	709,899	0	709,899	361,410
	<u>246,045</u>	<u>0</u>	<u>709,974</u>	<u>0</u>	<u>956,019</u>	<u>600,502</u>

2.3. Investment Income

	Parochial funds		Diocesan funds		2021	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2020
	£	£	£	£	£	Total
Income from listed investments	0	0	1,146,291	0	1,146,291	888,389
Interest on cash deposits	36,519	0	45,883	1,521	83,923	178,667
Loan Interest Income	0	0	(17,903)	0	(17,903)	23,095
	<u>36,519</u>	<u>0</u>	<u>1,174,271</u>	<u>1,521</u>	<u>1,212,311</u>	<u>1,090,151</u>

2.4. Charitable Activities

	Parochial funds		Diocesan funds		2021	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2020
	£	£	£	£	£	Total
Moston & Wardley cemeteries	0	0	534,271	0	534,271	520,037
Catholic Support Services Limited	0	0	1,609,192	0	1,609,192	1,265,678
	<u>0</u>	<u>0</u>	<u>2,143,463</u>	<u>0</u>	<u>2,143,463</u>	<u>1,785,715</u>

2.5. Other Income

	Parochial funds		Diocesan funds		2021	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2020
	£	£	£	£	£	Total
Other income	721,065	0	268,255	7,006	996,327	825,103
Rental Income	275,735	0	277,724	0	553,459	558,095
Grant Income	278,801	0	247,194	288,094	814,089	484,150
Profit/(loss) on disposal of fixed assets	87,803	0	1,558,986	212,057	1,858,846	514,436
Lease Deed Extension	418,000	0	0	0	418,000	0
Catholic Building Services Limited	0	0	0	0	0	47
	<u>1,781,405</u>	<u>0</u>	<u>2,352,159</u>	<u>507,157</u>	<u>4,640,721</u>	<u>2,381,831</u>

2.6 Other Income - SCA – Schools Building Works

	Parochial funds		Diocesan funds		2021	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2020
	£	£	£	£	£	Total
SCA - (Schools Building Work)	0	0	0	10,556,309	10,556,309	11,124,455
	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,556,309</u>	<u>10,556,309</u>	<u>11,124,455</u>

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2.7. Subsidiary companies

Trading activities within the diocese consist of the subsidiary companies' activities as follows:

	Income £	Expenditure £	2021 Net Income £	2020 Net Income £
Catholic Building Services Limited	34,741	34,741	0	46
Catholic Support Services Limited	1,609,192	659,719	949,473	630,921
S.D.C. Trading Limited	709,899	966,109	(256,209)	(354,407)
	2,353,833	1,660,569	693,264	276,560

The taxable profit of the subsidiary companies is gifted to the charity so that there is no liability to corporation tax for these entities. Further detailed within note 17 to the financial statements.

3. Resources expended

3.1. Expenditure on raising funds

3.1.1. Investment management costs

	Parochial funds		Diocesan funds		2021	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2020
	£	£	£	£	£	Total £
Investment Management fees	0	0	171,438	0	171,438	150,119

3.1.2. Fundraising Costs

	Parochial funds		Diocesan funds		2021	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2020
	£	£	£	£	£	Total £
S.D.C Trading Limited	0	0	960,609	0	960,609	980,017
Social and fundraising	387,781	0	0	0	387,781	100,094
	387,781	0	960,609	0	1,348,389	1,080,111

	Parochial funds		Diocesan funds		2021	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2020
	£	£	£	£	£	Total £
Total expenditure on raising funds	387,781	0	1,132,047	0	1,519,827	1,230,230

3.2. Expenditure on charitable activities

3.2.1. Parish Costs

	Parochial funds		Diocesan funds		2021	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2020
	£	£	£	£	£	Total £
Clergy allowances	758,546	0	0	0	758,546	760,053
Wages & national insurance	712,702	0	0	0	712,702	725,567
Staff costs – other	33,014	0	0	0	33,014	0
Church & presbytery supplies	5,663,372	0	0	0	5,663,372	4,995,478
Property Overheads	349,659	0	0	0	349,659	0
Office costs	23,442	0	0	0	23,442	0
Parish vehicles	36,487	0	0	0	36,487	27,885
Hall upkeep	60,039	0	0	0	60,039	80,523
Repairs and renewals	127,703	0	0	0	127,703	1,504,790
Other costs	10,808	0	0	0	10,808	5,000
Bank charges	37,761	0	0	0	37,761	49,794
Depreciation	772,925	0	0	0	772,925	711,543
	8,586,458	0	0	0	8,586,458	8,860,633

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3.2. Expenditure – Charitable Activities

3.2.2. Central & Diocesan Costs

	Parochial funds		Diocesan funds		2021	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2020
	£	£	£	£	£	Total
Wages & national insurance	0	0	2,478,373	8,403	2,486,776	2,483,138
Pensions	0	0	147,222	958	148,179	144,658
Staff costs – other	0	0	279,669	444	280,113	157,508
Sick & retired clergy costs	0	0	782,635	0	782,635	783,338
Property Overheads	0	0	550,292	108,772	659,063	765,785
Office costs	0	0	247,257	55,597	302,854	512,035
Property costs	0	0	0	0	0	141,878
Other costs	0	0	364,580	146,282	510,862	559,082
Subsidiary costs	0	0	659,719	0	659,719	630,967
Bank charges	0	0	16,408	5	16,414	15,817
Bad debts provision	0	0	(31,836)	0	(31,836)	84,792
Depreciation	0	0	485,527	293	485,820	502,128
	0	0	5,979,846	320,753	6,300,599	6,781,126

3.2.3. Governance Costs

	Parochial funds		Diocesan funds		2021	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2020
	£	£	£	£	£	Total
Legal & professional	0	0	86,085	83,430	169,515	38,551
Auditors remuneration	0	0	44,340	0	44,340	40,978
Accountancy services	0	0	54,590	0	54,590	36,023
	0	0	185,015	83,430	268,445	115,552

3.2.4. Grants Payable

	Parochial funds		Diocesan funds		2021	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2020
	£	£	£	£	£	Total
CATEW/NCF – gross	0	0	185,472	0	185,472	188,384
Survivors Manchester	0	0	125,605	0	125,605	0
	0	0	311,076	0	311,076	188,384

	Parochial funds		Diocesan funds		2021	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2020
	£	£	£	£	£	Total
Total expenditure on charitable activities	8,586,458	0	6,475,937	404,183	15,466,578	15,945,695

3.3 SCA – Schools Building Work

	Parochial funds		Diocesan funds		2021	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2020
	£	£	£	£	£	Total
SCA - (Schools Building Work)	0	0	0	10,997,120	10,997,120	3,652,526
	0	0	0	10,997,120	10,997,120	3,652,526

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3.4. Staff Disclosures

Personnel Costs	2021	Restated 2020
	£	£
Employee Salaries	3,199,478	3,208,705
Pension Costs	148,179	144,658
Other	313,127	157,508
Total Employee Costs	<u>3,660,784</u>	<u>3,510,871</u>

The average monthly number of staff employed, calculated as full time equivalents during the year was as follows:

	2021	Restated 2020
	No.	No.
Central Diocesan employees	59	56
Parish employees (excludes parish clergy)	65	64
Cemeteries employees	8	8
	<u>132</u>	<u>128</u>

Employees receiving remuneration over £60,000	2021	Restated 2020
	No.	No.
Between £60,000 to £69,999	1	1
Between £70,000 to £79,999	2	3
Between £80,000 to £89,999	0	0
Between £90,000 to £99,999	0	0
Between £100,000 to £109,999	1	1
Between £110,000 to £119,999	1	1
	<u>5</u>	<u>6</u>
Pension costs to higher paid employees	<u>49,201</u>	<u>51,856</u>
Contributions to a defined benefits pension scheme during the year	<u>NIL</u>	<u>NIL</u>
Key management personnel received salary and pension contributions	<u>530,215</u>	<u>541,532</u>

Remuneration Policy

Annual Pay changes are approved by the Trustees, and job roles and remuneration are reviewed periodically. Benchmarking against market rates is employed when new roles are created or when significant roles change hands.

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3.5. Trustees

The Board of Trustees is made up of members of clergy and laity of the faithful. The priests receive income for their office together with living accommodation, living expenses and reimbursement of costs incurred on the same basis as other Diocesan priests. No Trustee receives any remuneration or benefits from his/her trusteeship other than cover under the indemnity insurance purchased by the charity. Trustee received reimbursement for expenses in the year 2021: £503 , (2020:£Nil).

3.6. Employee Loans

	2021	2020
	No.	No.
At the year end, there were outstanding loans to employees	<u>3</u>	<u>2</u>
	£	£
The total amount of outstanding loans was:	<u>2,905</u>	<u>1,397</u>

3.7. Movement in Net Funds

	2021	Restated 2020
	£	£
This is stated after charging:		
Auditors remuneration - audit	44,340	40,978
- other services	11,688	10,602
Profit on disposal of tangible fixed assets	1,858,846	514,436
Profit on disposal of investments	3,396,391	860,566
Depreciation of fixed assets	1,340,845	1,363,318
Finance charges payable	54,175	65,611

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4. Tangible Fixed Assets

Group

	Properties £	Fixtures & Fittings £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1/1/2021	51,183,229	4,478,632	173,960	37,098	55,872,919
Additions	1,391,811	306,370	7,869	0	1,706,050
Disposals	(28,280)	0	0	(18,688)	(46,968)
At 31/12/2021	<u>52,546,760</u>	<u>4,785,002</u>	<u>181,829</u>	<u>18,410</u>	<u>57,532,000</u>
Depreciation					
At 1/1/2021	16,015,196	2,971,027	128,913	36,223	19,151,359
Charge for the year	1,059,293	259,447	21,668	438	1,340,845
Disposals	(14,126)	0	0	(18,688)	(32,814)
At 31/12/2021	<u>17,060,364</u>	<u>3,230,474</u>	<u>150,581</u>	<u>17,973</u>	<u>20,459,391</u>
Net book value at 31/12/2021	<u>35,486,396</u>	<u>1,554,528</u>	<u>31,248</u>	<u>437</u>	<u>37,072,609</u>
Net book value at 31/12/2020	<u>35,168,033</u>	<u>1,507,605</u>	<u>45,047</u>	<u>875</u>	<u>36,721,559</u>

Charity

	Properties £	Fixtures & Fittings £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1/1/2021	50,867,081	3,160,829	169,873	37,098	54,234,881
Additions	1,391,811	264,093	7,869	0	1,663,774
Disposals	(28,280)	0	0	(18,688)	(46,968)
At 31/12/2021	<u>52,230,612</u>	<u>3,424,922</u>	<u>177,742</u>	<u>18,410</u>	<u>55,851,686</u>
Depreciation					
At 1/1/2021	15,726,848	2,048,667	124,989	36,223	17,936,727
Charge for the year	1,037,239	200,406	19,153	438	1,257,237
Disposals	(14,126)	0	0	(18,688)	(32,814)
At 31/12/2021	<u>16,749,962</u>	<u>2,249,073</u>	<u>144,142</u>	<u>17,973</u>	<u>19,161,150</u>
Net book value at 31/12/2021	<u>35,480,650</u>	<u>1,175,849</u>	<u>33,600</u>	<u>437</u>	<u>36,690,536</u>
Net book value at 31/12/2020	<u>35,140,233</u>	<u>1,112,162</u>	<u>44,884</u>	<u>875</u>	<u>36,298,154</u>

4.1. Assets not used for charitable purposes

	2021 £	2020 £
All of the tangible fixed assets are used by the Charity for its charitable purposes with the exception of properties, computer equipment and fixtures and fittings with a net book value of	<u>382,074</u>	<u>423,405</u>

4.2. Capital Commitments

	2021 £	2020 £
Capital Commitments authorised and contracted for at 31st December 2021 were as follows:		
Diocesan Projects	677,256	965,196
School Capital Projects	6,261,657	769,461
	<u>6,938,913</u>	<u>1,734,657</u>

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5. Investment properties

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
At 1st January	500,000	500,000	500,000	500,000
Additions	2,250,000	0	2,250,000	0
Disposals	(500,000)	0	(500,000)	0
At 31st December	<u>2,250,000</u>	<u>500,000</u>	<u>2,250,000</u>	<u>500,000</u>

As at 31st December 2021, the investment property represents former inalienable school land which is now leased on a long term lease. The land has been valued at open market value by Axis Property Consultancy LLP in August 2022.

The Historical cost for inalienable school land was £Nil.

As at 31st December 2020, the investment property represented property which was valued by the trustees at a contracted purchase and sale price. The historical cost of the property was £500,000.

6. Fixed Asset investments

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Subsidiary undertakings	0	0	5	5
Participating Interest	1	1	1	1
	<u>6.1</u>	<u>1</u>	<u>6</u>	<u>6</u>
Investments listed or traded on a recognised stock exchange	6.2	39,014,464	38,193,945	39,014,464
Cash Held as part of Investment Fund		1,854,923	612,473	1,854,923
Total Investments		<u>40,869,388</u>	<u>38,806,419</u>	<u>40,869,393</u>

6.1. Investments held as fixed assets

Investments held as fixed assets

	2021 £	2020 £
Shares in group undertakings and participating interests	<u>6</u>	<u>6</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Participating Interest £	Total £
Cost			
At 1 January 2021	<u>5</u>	<u>1</u>	<u>6</u>
At 31 December 2021	<u>5</u>	<u>1</u>	<u>6</u>
Net book value			
At 31 December 2021	<u>5</u>	<u>1</u>	<u>6</u>
At 31 December 2020	<u>5</u>	<u>1</u>	<u>6</u>

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6.2. Investments listed or traded on a recognised stock exchange

Group and Charity Movement	2021 £	2020 £
Market value at 1 January 2021	38,193,945	37,807,519
Additions at cost	6,765,011	4,317,289
Disposal proceeds	(10,671,378)	(4,570,984)
Net gain/(loss)	4,726,886	640,121
Market value at 31 December 2021	<u>39,014,464</u>	<u>38,193,945</u>

	2021 Cost £	2021 Market Value £	2020 Market Value £
Analysed by type			
Bonds	5,534,887	5,850,659	7,321,442
Alternatives & Multi-Asset	6,120,064	7,558,075	5,539,073
UK Equities	7,877,016	9,839,768	9,226,106
Global Equities	3,638,692	5,629,362	6,072,857
North America	3,464,483	4,769,458	4,946,230
European equities	1,536,434	1,885,710	1,697,327
Far East	2,327,800	2,680,500	2,611,772
Rest of the World	773,380	800,933	779,138
	<u>31,272,756</u>	<u>39,014,465</u>	<u>38,193,945</u>

Analysed by fund			
Unrestricted	31,272,756	39,014,465	38,193,945
Restricted	0	0	0
	<u>31,272,756</u>	<u>39,014,465</u>	<u>38,193,945</u>

The charity had no holdings which comprised more than 5% of the market value of the portfolio at that date	2021 NIL	2020 NIL
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7. Stock

	2021 £	Group 2020 £	2021 £	Charity 2020 £
Stocks	<u>41,384</u>	<u>26,338</u>	<u>0</u>	<u>0</u>

8. Debtors

	2021 £	Group 2020 £	2021 £	Charity 2020 £
Due within one year:				
Trade debtors	104,003	399,271	38,778	0
Prepayments	247,942	380,611	208,852	307,151
Amounts due from subsidiaries	0	0	501,049	1,475,727
Other debtors	3,270,282	4,130,362	4,519,123	4,107,762
	<u>3,622,227</u>	<u>4,910,244</u>	<u>5,267,802</u>	<u>5,890,640</u>

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8.1. Loans to Other Charities

Group and Charity other debtors due within one year include £1,649,134 (2020 - £2,250,480) of loans to other charities which are repayable on demand. The figures reflect the amounts shown in the financial statements of the other Charities.

9. Cash at bank and in hand

	2021	Group 2020	2021	Charity 2020
	£	£	£	£
Cash at bank	<u>45,289,835</u>	<u>41,204,436</u>	<u>43,770,431</u>	<u>40,333,720</u>

10. Creditors: amounts falling due within one year

	2021	Group 2020	2021	Charity 2020
	£	£	£	£
Trade creditors	1,230,523	937,464	1,162,007	868,924
Social Security and Taxation	0	67,626	0	67,626
Other Creditors	6,467,230	5,428,623	6,267,208	5,460,237
Accruals	653,906	817,253	650,171	541,696
	<u>8,351,660</u>	<u>7,250,966</u>	<u>8,079,386</u>	<u>6,938,483</u>

11. Contingent Liabilities

Appropriate consideration has been given to historical liabilities in respect of which insurance cover cannot be traced or where the historical policy limits are inadequate.

No contingent liabilities have been identified that require disclosure.

Diocese of Salford Trustees' Annual Report and Accounts 2021

Financial Statements Notes to the Financial Statements

12. Related Parties

12.1. Entities over which the entity has control, joint control or significant influence

The Trustees consider the Catholic Truth Society Diocese of Salford to be a related party by virtue of it having common Trustees. The Society operates a religious bookshop on Diocesan premises and online, it therefore is unified in its aims with the Charity. The Society bears a proportion of the running costs of the Cathedral Centre. At the year end there were outstanding loans of £4,667 (2020 - £13,529) due to the Diocese.

The Trustees consider the CARITAS Diocese of Salford to be a related party by virtue of it having common Trustees. The Charity's aim is that the lives of all people should be free from poverty, disadvantage and discrimination. Their purpose is to help the most vulnerable children, young people and adults in our communities to transform their lives and fulfil their potential. The Diocese reported a Caritas loan prior to 2021, this was resolved in year, 2021 £0 (2020 £64,344).

12.2. Other Related Parties

Mr. Edward Nally has provided consultancy services for a number of years for which he is remunerated and has continued to be paid following his appointment as a Trustee in May 2016. In the accounting year ended 31 December 2021 the total was £55,000 (2020: £55,000). Mr Nally is not paid for his services as a Trustee of the charity but as a consultant to the key management team.

12.3. Donations from Trustees

Throughout the year, Trustees who are not members of the clergy attend Mass and other services and events within the Diocese that they live in. In the course of doing so, the Trustees resident in the Diocese of Salford will contribute to the offertory and make other financial contributions to the Diocese of Salford. The nature of such giving means that it is not possible to quantify the amount donated to the Charity by its Trustees during any financial year.

Diocese of Salford Trustees' Annual Report and Accounts 2021

Financial Statements Notes to the Financial Statements

13. Funds

	Notes	Restated Balance 01-Jan-21 £	Movement in incoming resources £	Movement in resources expended £	Transfer £	Gains and Losses £	Balance 31-Dec-21 £
Unrestricted Funds	15	105,413,169	15,662,968	(16,582,223)	206,762	6,976,885	111,677,561
Restricted Funds							
Parishes Special Collections		199,057	265	0	0	0	199,322
Pleasington Priory		1,012,133	213,323	(10,577)	(6,201)	0	1,208,678
Stydd Trust		309,639	0	0	0	0	309,639
Stanford Trust		385,466	0	0	0	0	385,466
Ecclesiastical Education Fund		0	122,523	(118,519)	(4,005)	0	0
SCA - School Building Works		7,471,929	10,556,309	(10,997,120)	(196,556)	0	6,834,562
Other Restricted Funds		103,982	327,004	(275,088)	0	0	155,898
		<u>9,482,206</u>	<u>11,219,425</u>	<u>(11,401,303)</u>	<u>(206,762)</u>	<u>0</u>	<u>9,093,566</u>
Designated Funds		21,200	0	0	0	0	21,200
Endowment Funds		1,456	0	0	0	0	1,456
TOTAL FUNDS		<u>114,918,031</u>	<u>26,882,393</u>	<u>(27,983,525)</u>	<u>0</u>	<u>6,976,885</u>	<u>120,793,783</u>

	Notes	Balance 01-Jan-20 £	Movement in incoming resources £	Movement in resources expended £	Transfer £	Gains and Losses £	Restated Balance 31-Dec-20 £
Unrestricted Funds	15, 18.3	109,628,420	12,831,950	(16,966,707)	(80,493)	0	105,413,169
Restricted Funds							
Parishes Special Collections		160,784	90,981	(96,012)	43,304	0	199,057
Pleasington Priory		1,012,133	0	0	0	0	1,012,133
Stydd Trust		309,639	0	0	0	0	309,639
Stanford Trust		385,466	0	0	0	0	385,466
Ecclesiastical Education Fund		73,423	2,593	(113,205)	37,189	0	0
SCA - School Building Works	18.1	0	11,124,455	(3,652,526)	0	0	7,471,929
Other Restricted Funds		103,982	0	0	0	0	103,982
		<u>2,045,427</u>	<u>11,218,029</u>	<u>(3,861,743)</u>	<u>80,493</u>	<u>0</u>	<u>9,482,206</u>
Designated Funds		21,200	0	0	0	0	21,200
Endowment Funds		1,456	0	0	0	0	1,456
TOTAL FUNDS		<u>111,696,503</u>	<u>24,049,979</u>	<u>(20,828,450)</u>	<u>0</u>	<u>0</u>	<u>114,918,031</u>

Unrestricted Funds Balance 01-Jan-20 restated due to Parish adjustment from 2019. Refer to note 18.2

13.1. Restricted Funds

The funds designated as restricted are held for the following purposes:

13.1.1. Parishes Special collections This represents the specific collections and payments within the parishes mainly for Parish based appeals, for example in relation to building projects.

13.1.2. Pleasington Priory Trust Funds held on behalf of the Pleasington Priory Trust for the upkeep and maintenance of the Chapel known as Pleasington Priory and its ancillary substantial buildings.

13.1.3. Stydd Trust Originally for the support of the almshouses at Stydd, the income is for the benefit of the Ecclesiastical Education Fund. This is a separate trust no 229802, administered by the Salford Diocesan Trustees.

Diocese of Salford Trustees' Annual Report and Accounts 2021

Financial Statements Notes to the Financial Statements

13.1.4. Stanford Trust Income to the parish for the poor of Ribchester, this is a separate charitable trust no 252602, administered by the Salford Diocesan Trustees.

13.1.5. Ecclesiastical Education Fund Funds held for the training of priests.

13.1.6. SCA, Schools buildings Programme , relates to committed yet uncompleted works.

13.1.7 Other Restricted Funds includes Laudato Si centre, Thomas Eccles Trust and the School Singing Programme monies which have a restricted purpose.

13.2. Designated Funds

	Restated Balance 01-Jan-21 £	Movement in incoming resources £	Movement in resources expended £	Transfer £	Gains, losses and transfers £	Balance 31-Dec-21 £
Moston & Wardley cemeteries	21,200	0	0	0	0	21,200
	21,200	0	0	0	0	21,200

Designated funds are set aside for various purposes. The main areas are as follows:

Moston & Wardley Cemeteries

Funds deposited with the cemeteries board to finance the upkeep of individual cemetery plots. No permanent endowment is created by these funds.

13.3. Permanent Endowment Funds

	Restated Balance 01-Jan-21 £	Movement in incoming resources £	Movement in resources expended £	Transfer £	Gains, losses and transfers £	Balance 31-Dec-21 £
SRCDTR	1,000	0	0	0	0	1,000
Moston & Wardley cemeteries	456	0	0	0	0	456
	1,456	0	0	0	0	1,456

The original endowment funds of the Diocese amount to £1,000 representing the minimum reserve.

Moston & Wardley endowments are in respect of funds left for the maintenance of individual graves. No further endowments will be accepted for this purpose.

13.4. Transfer between Funds

During the period there has been transfer between different classes of funds in relation to the following:

Pleasington Priory

In year adjustment identified within the restricted Funds have been identified and adjusted into unrestricted.

Diocese of Salford Trustees' Annual Report and Accounts 2021

Financial Statements Notes to the Financial Statements

Ecclesiastical Education Fund

Funds have been transferred in relation to costs in excess of the funds held and received for this restricted purpose

(SCA) – School Building Works

In year transactions identified and moved from the restricted to unrestricted fund

14. Funds: movement in the year

Notes	Group		Charity	
	2021	Restated 2020	2021	Restated 2020
	£	£	£	£
Unrestricted				
Designated and general				
Balance at 1 January 2021	105,434,369	109,649,620	105,355,530	109,709,530
Net movements in the year	6,057,631	(4,134,758)	6,111,462	(4,273,507)
Transfer between funds	206,762	(80,493)	206,762	(80,493)
Balance at 31 December 2021	<u>111,698,762</u>	<u>105,434,369</u>	<u>111,673,753</u>	<u>105,355,530</u>
Restricted				
Balance at 1 January 2021	9,482,206	2,045,427	9,482,206	2,045,427
Net movements in the year	(181,878)	7,356,286	(181,878)	7,356,286
Transfer between funds	(206,762)	80,493	(206,762)	80,493
Balance at 31 December 2021	<u>9,093,565</u>	<u>9,482,206</u>	<u>9,093,566</u>	<u>9,482,206</u>
Permanent endowment				
Balance at 1 January 2021	1,456	1,456	1,456	1,456
Net movements in the year	0	0	0	0
Balance at 31 December 2021	<u>1,456</u>	<u>1,456</u>	<u>1,456</u>	<u>1,456</u>
Total Funds	<u>120,793,783</u>	<u>114,918,031</u>	<u>120,768,775</u>	<u>114,839,192</u>

The full details of movements in restricted funds are shown in note 15 to the financial statements.

15. Analysis of net assets between funds

Group	Unrestricted funds	Designated funds	Restricted funds	Permanent endowment	Total
	£	£	£	£	£
Fund balances at 31 December 2021 are represented by:					
Tangible fixed assets	37,072,609	0	0	0	37,072,609
Investment assets	43,119,388	0	0	0	43,119,388
Current assets	39,837,224	21,200	9,093,565	1,456	48,953,446
Current liabilities	(8,351,660)	0	0	0	(8,351,660)
Total net assets at 31 December 2021	<u>111,677,562</u>	<u>21,200</u>	<u>9,093,565</u>	<u>1,456</u>	<u>120,793,783</u>
Charity					
Charity	Unrestricted funds	Designated funds	Restricted funds	Permanent endowment	Total
	£	£	£	£	£
Fund balances at 31 December 2021 are represented by:					
Tangible fixed assets	36,690,536	0	0	0	36,690,536
Investment assets	43,119,393	0	0	0	43,119,393
Current assets	39,922,010	21,200	9,093,566	1,456	49,038,232
Current liabilities	(8,079,386)	0	0	0	(8,079,386)
Total net assets at 31 December 2021	<u>111,652,553</u>	<u>21,200</u>	<u>9,093,566</u>	<u>1,456</u>	<u>120,768,775</u>

Diocese of Salford Trustees' Annual Report and Accounts 2021
Financial Statements Notes to the Financial Statements

15.1 Analysis of Net Funds

Group	Balance 01-Jan-21 £	Financing Cash Flows £	Balance 31-Dec-21 £
Cash at bank and in hand	41,816,910	5,327,848	47,144,758
Debt due within one year	(5,428,623)	(1,038,607)	(6,467,230)
Net Funds	36,388,287	4,289,241	40,677,528

Charity	Balance 01-Jan-21 £	Financing Cash Flows £	Balance 31-Dec-21 £
Cash at bank and in hand	40,946,193	4,679,160	45,625,354
Debt due within one year	(5,460,237)	(806,971)	(6,267,208)
Net Funds	35,485,956	3,872,190	39,358,146

16. Pensions and similar obligations

The Charity has made suitable arrangements for employee pensions, providing access to defined contribution pension schemes for all members of staff, including ensuring compliance with recent legislation for auto-enrolment and where applicable access to the Teacher' Pension Scheme England and Wales (TPS) for academic and related staff.

The Trustees retain the services of independent pension advisors, Punter Southall Aspire, who provide specialist advice. Pension schemes are administered by Insurance Companies with the assets held separately from the Charity.

Pension costs charged in the statement of financial activities represent the contributions payable by the Charity in the year.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.

Diocese of Salford Trustees' Annual Report and Accounts 2021
Financial Statements Notes to the Financial Statements

17. Details of subsidiaries and consolidation

	Catholic Building Services Limited £	Catholic Support Services Limited £	SDC Trading Limited £	2021 Total £	Restated 2020 Total £
Tangible fixed assets	0	2,074	380,001	382,075	423,406
Current assets	39,031	1,312,531	356,262	1,707,824	1,456,324
	<u>39,031</u>	<u>1,314,605</u>	<u>736,263</u>	<u>2,089,899</u>	<u>1,879,730</u>
Creditors: amounts falling due within one year	(39,029)	(339,528)	(1,704,766)	(2,083,323)	(1,933,449)
	<u>2</u>	<u>975,077</u>	<u>(968,503)</u>	<u>6,576</u>	<u>(53,719)</u>
Creditors: amounts falling due after more than one year	0	0	0	0	0
	<u>2</u>	<u>975,077</u>	<u>(968,503)</u>	<u>6,576</u>	<u>(53,719)</u>
Representing:					
Share capital	2	1	2	5	5
Profit and loss account	0	975,076	(968,505)	6,571	(53,724)
	<u>2</u>	<u>975,077</u>	<u>(968,503)</u>	<u>6,576</u>	<u>(53,719)</u>

	Catholic Building Services Limited £	Catholic Support Services Limited £	SDC Trading Limited £	2021 Total £	Restated 2020 Total £
Turnover	34,741	1,609,192	514,967	2,158,901	1,660,737
Cost of sales	(31,610)	(618,651)	(684,415)	(1,334,676)	(695,657)
Gross profit/ (loss)	<u>3,131</u>	<u>990,541</u>	<u>(169,448)</u>	<u>824,225</u>	<u>965,080</u>
Administrative expenses	(3,131)	(40,468)	(60,881)	(104,480)	(956,766)
Establishment Costs	0	0	(125,571)	(125,571)	0
Finance charges	0	0	(14,148)	(14,148)	0
Depreciation costs	0	0	(81,094)	(81,094)	0
Other Operating income - grants receivable	0	0	194,932	194,932	268,200
Taxation	0	(180,992)	0	(180,992)	0
Interest receivable	0	0	0	0	0
Net profit	<u>0</u>	<u>950,073</u>	<u>(256,210)</u>	<u>512,872</u>	<u>276,514</u>
Retained earnings brought forward	0	658,572	0	658,572	0
Amount gifted to charity	0	(633,569)	0	(633,569)	(518,552)
Retained in the subsidiary	<u>0</u>	<u>975,076</u>	<u>(256,210)</u>	<u>537,875</u>	<u>(242,038)</u>

Diocese of Salford Trustees' Annual Report and Accounts 2021

Financial Statements Notes to the Financial Statements

17. Details of subsidiaries and consolidation (continued)

The individual financial statements of the subsidiary companies included in the consolidation are drawn up on the same accounting date, 31st December 2021. All subsidiary companies are fully consolidated in the Group financial statements.

18. Restatement to 2020

The 2020 accounts have been restated as follows:

Notes:	Prior to Restatement 2020 £	18.1 SCA building Works £	18.2 Parish £	18.3 SDC £	Restated 2020 £
2.1 Donations and legacies	6,506,622		(79,418)		6,427,204
2.5 Other Income	2,382,951		(1,120)		2,381,831
2.6 SCA - School Building Works	0	11,124,455			11,124,455
3.1 Raising Funds	1,281,493			(51,263)	1,230,230
3.2 Charitable Activities	16,003,245		(57,551)		15,945,694
3.3 SCA - School Building Works	0	3,652,526			3,652,526
3.7 Net Movement in Funds	(4,278,676)	7,471,929	(22,987)	51,263	3,221,529
4 Fixed Assets	36,674,267		(3,971)	51,263	36,721,559
9 Bank	41,311,142		(106,706)		41,204,436
10 Creditors	14,723,057	(7,471,929)	(162)		7,250,966
SOFA Unrestricted Funds - Parochial Brought Forward	37,106,878		(110,513)		36,996,365
13 Restricted Funds	2,010,277	7,471,929			9,482,206
3.1.2 SDC Trading Limited Expenditure	1,031,280			(51,263)	980,017

18.1 SCA – Schools Building Works - (FRS102 – Charity SORP)

In 2020, the Department of Education changed the way schools received funding for capital projects. Prior to the change the decision making rested with the Department of Education and therefore the charity was acting as an agent on behalf of Voluntary Aided Schools within the geographical area of the charity.

Following the change, the decision making power rests with the charity, and the schools apply to the charity for their capital funding. The charity has been in receipt of the full amount of capital funding allocated by the Department of Education based on the schools under their remit. Based on this change, the charity has become the principal and therefore the funds received should be recognised as restricted income.

Expenditure in relation to the funds received must therefore also be recognised through the statement of financial activity, this is recognised on the accrual basis.

18.2 Parish

During the accounts preparation, it has become known that a parish within the geographical area of the charity and with links to the charity, is not legally part of the charity and falls under the control of another entity. Therefore an adjustment has taken place to remove any funds brought forward related to the parish and the income and expenditure for 2020 and 2021.

18.3 Impairment of Assets

Comparative figures have been restated in relation to the impairment previously applied to the fixtures and fittings held by the subsidiary company SDC Trading Limited. In light of COVID19, at the time of the assessment, it was felt the assets should be impaired based on the expectation that they would not provide future economic benefits in line with the estimated useful life of the assets based on the depreciation policy. However, this assessment has been reviewed and where it was previously thought that clubs would not re-open or continue the same operations, this is not case. It is therefore felt the impairment was disproportionate to the level of impairment required and a restatement is appropriate.

THE SALFORD DIOCESAN TRUST

England & Wales - Charity number 250037

Accounts

DIOCESE OF  SALFORD

Trustees' Annual Report and
Accounts 2020

The Trustees present their report along with the consolidated financial statements of the Charity for the year ended 31 December 2020. The Statements appear in the format required by the Statement of Recommended Practice for Accounting (second edition) and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland – Charities SORP FRS102.

The financial statements have been prepared in accordance with the Accounting Policies set out on 33 to 39 and comply with the Charity’s trust deed and applicable law.

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Reference and Administrative Information

Charity Registered Name: The Salford Diocesan Trust (TSDT) commonly known as the Roman Catholic Diocese of Salford and also referred to as Salford Roman Catholic Diocesan Trustees Registered (SRCDTR)

Charity Registration Number: 250037

Registered Address

Wardley Hall, Worsley, M28 2ND

Public Address

Cathedral Centre, 3 Ford Street, Salford, M3 6DP

Trustees

Right Reverend John Stanley Kenneth Arnold, Bishop of Salford
Reverend Canon Michael Cooke, Vicar General
Reverend Christopher Dawson
Reverend Peter Hopkinson, Vicar General
Reverend Monsignor John Daly, Vicar General
Sir Peter Fahy
Edward Nally
Mary Hunter
Reverend Michael Jones
Eamonn O'Neal
Brendan McCafferty
Elizabeth Lilley

Advisors:

Auditors

The Moffatts Partnership LLP, Progress House, 396 Wilmslow Road, Withington, Manchester, M20 3BN

Bankers

Barclays Bank Plc, Barclays Business Centre, Manchester City Office, PO Box 357, 51 Mosley Street, Manchester, M60 2AU

The Royal Bank of Scotland Plc, St Anne Street, Manchester, M60 2SS

Lloyds Bank, PO Box 545, Faryners House, 25 Monument Street, London, EC3R 8BQ

Santander, 298 Deansgate, Manchester, M3 4HH

Investment Managers

Smith & Williamson Investment Managers, 3rd Floor, Colmore Row, Birmingham, B3 2BJ

Solicitors

Fieldings Porter, Silverwell House, Silverwell Street, Bolton, BL1 1PP

Sleigh Son & Booth, 1 Market Street, Denton, Manchester, M34 2BN

Pensions

Punter Southall, Aspire Beech House, Hackness Road, Northminster Business Park, Northfield Lane, York, YO26 6QR

Key Management Personnel

John Corrigan - Director of Property & Estates – appointed April 2020

Nicola Cosens – Head of Finance and Parish Business Partner – appointed September 2020

Emma Gardner – Head of Environment – appointed November 2020

Lisa Heywood – Diocesan Project Manager

Hannah Howard – Head of Human Resources

Dawn Lundergan - Director of Safeguarding

Rachel McGee – Diocesan Communications Manager

Pauline Morgan - Chief Operating Officer and Financial Secretary

Simon Smith - Director of Education

Introduction

Bishop John Arnold - Chair of Trustees



The Covid pandemic has dominated the whole year and, even now, we are still very unsure as to the timing of the lifting of restrictions. Indeed, there is still some talk of renewing restrictions in the threat of a further wave of infection.

During this year our priests have learned to minister in a very different way, our diocesan administration has been conducted from home, families have had to re-organise themselves for home-schooling and so many people have been furloughed from their employment. Many of us will have suffered the loss of a loved one, whether as a victim of Covid or other medical condition. But I can only say that I have been very impressed by the initiatives and resilience that have been shown throughout the Diocese and, despite the lockdowns which have included a time of closure of our churches, there has been clear evidence of life and community in our parishes and the essential administrative work of the Diocese has continued uninterrupted. My sincere thanks to all who have been part of this difficult journey, adapting to new structures and technological means.

There is no doubt that the pandemic has presented us with both challenges and opportunities. There has been a need to re-think our priorities and provide the means required to achieve our goals. Our pastoral programme Hope in the Future is scheduled to continue with the launch of Stage Four, later this year. Our experience of the pandemic will surely assist us interpreting this Stage Four which itself calls for practical actions of faith.

Emerging from the pandemic will require sensitivity and time. Many of our young people will not have received First Reconciliation, First Communion and Confirmation. Weddings have been delayed. The severe limitations on numbers of those able to attend funerals will call for memorial Masses for the deceased. This cannot all happen at once. There has been a great deal of talk about the increasing mental health issues, and it is probably true that all of us have been adversely affected in some way or other. It is important that we are aware of a degree of fragility. We must remember that we will only effectively care for others if we have a care for ourselves.

The pandemic has presented us all with a challenge to question our priorities, to evaluate our processes and routines and to see how we might, in the words of the Prime Minister, "Build back better". I believe that this questioning had already begun in the thinking and initiatives shown in many parishes which has ensured that those isolated have not been forgotten. We have increased in the sense of care for our parish families. If we make the sense of welcome a priority, if we seek to encourage, we will emerge a stronger Faith community, able to challenge the social injustices of our day, in a genuine care for our brothers and sisters.

Stay with us Lord on Our Journey.

A handwritten signature in black ink that reads "John".

Rt Rev John Arnold, Bishop of Salford



Chief Operating Officers Report

Pauline Morgan

Reflecting on 2020 gives us the opportunity to look back at the massive changes in working practices that have been achieved. The Diocese set up a COVID Response team in the first quarter of the year, this was guided by the available Government and Scientific Information. The Cathedral Centre closed the day before the government lockdown, and within a couple of weeks the majority of the team were working successfully from home. The working practice has now been in place for over a year, with the majority of the central curia team working successfully remotely or a hybrid of home and office working. For many the changes in working practices brought about changes in the home life of our teams many juggling family, work and home schooling, but I am proud to say that our teams worked so hard and achieved great things despite the global pandemic.

The pandemic didn't stop the team continuing to review resources and procedures and this led to the following:

- Restructure of the Safeguarding and Finance teams. Both restructures are now fully implemented successfully.
- The finance restructure has changed the focus of the team from just being a central resource to being a more proactive and parish centered resource, this includes the introduction of the Parish Business Partners.
- The Projects and Fundraising team has also now been established to provide much needed project support to the parishes and central services and we have now employed a Grant & bid Writer to assist the Diocesan Project Manager with funding applications to help bring in the much needed additional funds.
- We have now also recruited a Head of Environment as part of the restructure of the Environment/Laudato Si agenda, we now feel we have the right balance of skills to ensure we have a sustainable plan and roadmap going forward.

Our income levels have massively decreased during the year, but we have put in place structures, procedures, policies and technologies that will enable the diocese to come out of the lockdown later this year stronger and ready to face the ongoing challenges that will come in the wake of the pandemic. We do not yet know the lasting impact that the pandemic has caused on our diocese and community, but the work we have done already and plans we are working on should help us achieve a more sustainable diocese fit for the future.

Our staff and our volunteers working together have enabled us to open our churches during the year and without the stewards and teams of volunteers this would not be possible. Our Curia team working together managed to bring together training materials and deliver these online to ensure that our parishioners were kept safe and well when visiting our churches.

Pauline M Morgan
Chief Operating Officer and Financial Secretary

Diocese of Salford - 2020 in Numbers

Our Parishes



A weekly Mass attendance of
12,766



1,064
 Baptisms across the Diocese



1,938
 First Holy Communions



196
 Catechumens

Our Clergy



5
 Seminarians training for the Priesthood



180
 Priests across the Diocese



67
 Retired and sick members of the clergy



5
 in Formation for the Permanent Diaconate

Safeguarding



240
 Parish safeguarding representatives

153
 People registered for E-Learning



483
 New DBS checks undertaken



Wardley Hall



Caring for Our Common Home at Wardley Hall, home of the Laudato Si Centre



60,000
 Bees living on site at Wardley Hall



45
 Orchard trees planted by school children



16
 Memorial Trees planted in remembrance

Our School Communities



80,592
 Pupils in 208 Catholic schools



1,134
 Foundation Governors



Organisation, Objectives and Activities

The Diocese is a Charitable Trust established by a trust deed dated 16th July 1942 and a Certificate of Incorporation dated 17th September 1954 in England as amended by scheme dated 13th April 2016. All property and other assets are vested in the diocesan Trustees. Trustee Meetings are generally at least on a quarterly basis to oversee the operations of the Charity.

The objectives of the diocese can be summarised as:

- Promotion of the Catholic Faith
- Education
- Charity
- Worship

These objectives are achieved by the work of the parishes and the central services.

We provide:

- Support to priests during both their active service and in retirement or ill health
- Charitable works to show our Gospel values to the world around us
- Access to the Sacraments
- Education and Youth Services
- Ongoing Formation for our communities and our clergy
- Education and Training for those who wish to be priests
- Maintenance and upkeep of our church, school and parish buildings
- Access to professional advice and support for our communities including in Safeguarding, Health and Safety, Human Resources, Project Management, Property Management, Data Protection and Finance

The Diocese of Salford is divided into eight Deaneries with a Roman Catholic population of circa 263,295 and an average weekly Mass attendance of 12,766. A restructuring of our parishes was announced at the beginning of 2017 and overall this restructure will see the number of parishes reduced from 150 to around 90, by the end of 2020 the number of parishes had reduced to 110.

The Bishop has oversight of the whole Diocese, this is achieved through visitations to parishes, schools and the various operations of the Diocese referred to above. He is aided in this through the work of a number of consultative bodies and by deans who have pastoral oversight of groupings of parishes. The Trustee Committee structure was amended at the end of 2020 to reflect the changing needs of the diocese.

Vicars General

Vicars General share general oversight of the Diocese with the Bishop, with a wide range of responsibilities in relation to clergy, parishes, administration and pastoral provision. The Office of the Vicars General is located at Cathedral Centre but a lot of the work takes place across the Diocese. Care of the clergy, whether active or retired, is an important part of the work of the Vicars General and they are assisted in this by the Department for the Care of the Clergy, with one of the Vicars General taking a lead in this area.

In accordance with Canon Law, one of the Vicars General is appointed as the Moderator of the Curia, overseeing the central services of the Diocese and working very closely with the Chief Operating Officer. The Moderator of the Curia and another Vicar General share oversight of the four departments engaging in specific aspects of the mission of the Diocese (Caritas, Dialogue, Education and Formation). All three Vicars General are diocesan trustees and either chair or are members of the various trustees' committees.

As the Covid-19 pandemic began to take hold in March 2020, one of the Vicars General was asked to take the lead in ensuring the Diocese kept abreast of and correctly implemented the various guidance emerging from the Government and the Bishops' Conference. That same Vicar General also acted to ensure that priests were available to step in as hospital chaplains wherever the current chaplains were unable to continue due to either age or medical conditions requiring them to shield.

Implementation of the parish re-structuring programme was basically on hold throughout 2020, with only one amalgamation taking place. This reduced the number of parishes from 111 to 110, with no further church closures. Deployment of clergy across the Diocese to provide the most effective support to the parishes and better serve the changing needs of the Diocese continues to be a major aspect of the work of the Bishop and Vicars General.

Curia

The Curia is here to support our schools and parish communities, the Curia is overseen by the Chief Operating Officer working in close collaboration with the Moderator of the Curia. The combination of these two roles has allows the diocese to provide an effective and collaborative leadership across a diverse range of departments and disciplines.

The Curia has successfully adapted to the challenges brought on by the pandemic, with the majority of our staff having to adapt to new ways of working including working remotely. During this time our HR and Health & Safety colleagues produced guidelines to support employees and line managers, including, supporting employees on furlough, those working from home or returning to work when allowed. In addition, a Staff Wellbeing Focus Group was established during the year, this group has met several times and has already implemented some good ideas to help staff.

A review of Diocesan people policies has commenced, and some changes have already been instigated and new policies developed (e.g. uplift to maternity/paternity pay, introduction of a Professional Development Study Policy). This will continue into the coming year as the employee handbook is thoroughly reviewed and updated with plans to make accessible via the roll out of employee intranet facility, a resource that will assist with our future proofing.

Finance

The pandemic highlighted the need for a major restructure of the Finance Department. The restructure has allowed the diocese to refocus its resources to focus on providing better and more effective parish support. The Team have restructured into a more coherent and effective structure to allow clergy and volunteers access to staff with the appropriate skills to help. We are already beginning to see the benefits of the restructure and hope to see this continuing through 2021 with the implementation of a new finance system for central and parish areas. During 2020 the finance team, working with the Projects Team began the move to online donating and contactless donations across the diocese, this project will continue with the next phase of the contact donations rollout during 2021. This is just one example of the pandemic speeding up our planned changes by the increased use of technology across the diocese.

Human Resources

The HR team has spent much of 2020 working with central and parish teams to assess their needs during the pandemic and then implement the processes for furloughing a significant number of employees, in both the diocese and SDC Trading Limited.

During the year the team supported and led on a number of recruitment campaigns across both parishes and the Curia and have worked efficiently to successfully recruit to 31 positions in 2020 and early 2021. Just over half of these roles were replacement positions and the majority of the new roles were based in parishes. In doing so recruitment practices have been reviewed to ensure processes are in line with safer recruitment protocols. HR have also supported the successful restructure of 2 other Curial departments. The job evaluation process has become established and used on several occasions to determine salary banding for new, existing and restructured roles enabling fairness and consistency of approach.

The team have also developed a new Performance Development Framework which sees the development of Goals at an Organisational, team/department and individual level alongside the creation of personal development plans. The framework is currently being deployed at Cathedral Centre and will be extended during the coming year to other teams. The framework supports regular, structured reviews and helps employees understand their individual contributions to their teams and wider Professional Support Services Mission Statement and Goals.

Property & Facilities

As for all our departments 2020 was a busy year for our property team, with particular emphasis on the implementation of our COVID-19 risk assessments and guidance to parishes. The department continued to ensure that all school and parish buildings are fit for their intended use. During the year the department saw the benefits of the additional resources agreed in 2019 and are achieving its goals as the team are more able to be responsive to the demands of the parishes and schools.

During 2020 the Property Handbook was updated, and this was published in early 2021, with the focus on the development of a parish support team, that is the property team, working closely with the finance and fundraising and project management teams to provide a full professional service to parishes. The handbook gives clear guidance on who to contact, and the processes and timescales that parishes can expect when starting capital works. By producing these resources we are answering the needs of our parishes and enabling the development of closer links as we move forward in planning for the future.

Despite the pandemic the development of the major capital projects continued during 2020.

Safeguarding

Safeguarding within the Diocese of Salford is of paramount importance and the Diocese is dedicated to promoting the safeguarding of children and adults within its community. We aim to proactively embed a culture of safeguarding to prevent abuse occurring in the first instance and to reduce the likelihood of further harm where incidents are reported.

The team works in collaboration with the Diocese of Salford Safeguarding Commission whose members have expertise spanning a wide range of safeguarding fields including criminal law, police, social care and education. The commission meets every two months and provides case management oversight to the department. The diocese has established a safeguarding committee, a sub-committee of the trustees to strengthen the governance arrangements of the department.

The work of the Safeguarding Department continues to grow, and the department adapts to meet these needs. Once again 2020 saw the delivery of a successful training programme, as we turned to virtual platforms again showcasing how well our teams responded to the need to change quickly. There was an increase in the demand to provide relevant safeguarding checks to ensure the safer recruitment of all those wishing to minister or volunteer on behalf of the Diocese especially in relation to our COVID stewarding.

Throughout 2020 the partnership with Survivors Manchester and Manchester Rape Crisis saw referrals increase to 1,424, demonstrating the need for quality therapeutic interventions for those who have been harmed. Our joint Healing through Community Programme aims at providing the right vision and resources to respond and support survivors of abuse so that they can get the best help available.

Together with our partner charities, our shared vision of understanding and reconciliation will help us to deliver support right in the heart of our parish communities.

Communications

All of the diocesan central services had to respond rapidly to the changing circumstances of 2020 but the Communications Department quickly found itself at the frontline of communicating the changing situation in our churches as well as ensuring that the Bishop was able to communicate directly to parishioners who were suddenly isolated from their parish communities. Our website prayer resources and lists of streaming parishes had 20,000 visitors in the first two months of the lockdown. A trend we built on as the year continued, we saw a 30% rise in our social media interactions, a main draw were the regular series of videos from Bishop John which reached thousands each week.

As we learn from the past year the department aims to do more to help parishes tackle the issue of digital exclusion which was felt by so many of our parishioners during this time.

Environment

During 2020 the Diocese appointed a Head of Environment and a part-time Environment Project Officer and work began on a diocesan environment strategy. The strategy will include a set of overarching principles, several themes, a five year action plan. The strategy will embed the environment in all we do and will encourage participation and action for all.

The pandemic halted work temporarily on the diocesan flagship environmental centre, Laudato Si Centre. The walled gardens now include an outdoor classroom, beehives, an orchard and a willow sculpture, we hope to welcome visitors to the project in 2020.

The Diocese was pleased to become a member of The Guardians of Creation Project (GOCP) launched in December 2020. GOCP is a two-year project that will meet a strategic goal 'to help the Catholic community in the UK make transformational changes towards a carbon neutral and more sustainable future'. The project will develop a generalisable framework for sustainability transition in the Catholic Church and will be implementable at the diocesan level, Salford is the pilot diocese. Working with researchers from St Mary's University, The Laudato Si Research Institute and The University of Manchester. The project will build on existing good practice and environmental activities and will concentrate on how measure diocesan sustainability (e.g., calculating our carbon footprint), how to practically implement and create change towards sustainability in a Diocese. The lessons from Salford will be translated into a toolkit that any other diocese and religious order can use.

Chancery and Tribunal

The Diocesan Tribunal and Chancery provide expert advice, help and guidance to all the parishes of our Diocese especially in relation to marriage.

Evangelisation

Evangelisation is a term that expresses our desire to share our Faith with others and which covers the departments that carry out the work of Missionary Discipleship: Caritas, Dialogue, Education and Formation.

Dialogue

As we move forward from the pandemic our interfaith work and charitable links will have increased importance. We will work together to help the wider community come together after considerable grief, trauma and hardship.

We will work together across our diocese to reflect on the importance of solidarity both in our faith and in our communities.

Education

We remain immensely proud of our 208 schools and the 80,000 pupils in Catholic schools in Salford Diocese - 72,000 of whom are in schools under diocesan trusteeship. As well as an excellent education we aim to give our young people a clear identity of what it is to be a Catholic in the 21st century, to know who they are, why they are here and how to put their faith in to action as ambassadors for Christ.

The education department's staffing changes in 2019, together with a more targeted approach to improving our schools has started to bear fruit. Our improvement priorities for 2019-21 have been clearly communicated to stakeholders. The department's school support model is beginning to be embedded in our work, despite Covid, which is being supported by departmental staff members supported by some consultancy work. This is focused on brokering interventions and support for specific improvement work through a range of national funding including DFE recovery funding and the Strategic Schools Improvement Fund using the agency of national support schools. The new Catholic Schools' Inspection framework is becoming our key tool to describe and exemplify the expectation of excellent provision of Catholic education in our schools and colleges as set out in canon law. This was a key area which Salford Diocese contributed to nationally through representatives on the national review panels. The new Religious Education Catholic Directory Education Directory (RECD) is similarly being refined with diocesan representation at a national level.

The diocese now has three fully incorporated Catholic Academy Trust companies. Through embryonic leadership models, processes and systems are being further developed led by two permanent Catholic Senior Executive Leaders. Additional directors continue to be appointed to increase strategic capacity. There are currently 16,000 pupils attending catholic Voluntary Academies in the Salford Diocesan family of schools.

The education department continued to support our schools throughout the many changes they faced this year. The way in which our schools responded to the challenges they faced show the resilience and initiatives in our teaching and support staff and our students. We thank them all for their commitment.

Formation

During the pandemic, the Department and its partners continued to work, albeit in a different manner. Our Hope in the Future Co-Ordinator and Youth Ministry Manager have worked throughout the pandemic helping parishes and groups during these difficult times.

The Formation team adapted to new ways of working during 2020 with some initiatives were postponed; others moved online, for example the series of guest speakers presenting 'the God who speaks through....'

When churches were initially closed a series of weekly 'Prayer @ Home' resources began to be produced, initially for the duration of lockdown. Given the number of people still isolating the series has continued throughout the year.

Resources have been drawn up, sometimes in collaboration with other dioceses, to prepare families and children for First Reconciliation and First Holy Communion and to prepare young people for the Sacrament of Confirmation. An online course was also provided to enrich Marriage and Family life.

The department will continue to look how it can best serve the parishes as we emerge from lockdown and support them in the pressures that may follow.

Hope in the Future

Stage 3 of our Diocesan renewal programme, focusing on our celebration of Sunday Eucharist, was well received by parishes, schools and families. Prior to the pandemic, a number of successful formation and training days took place. These were attended by a large number of volunteers from across the Diocese, especially those involved in key liturgical roles in parishes. The worshipping assembly was also formed on the liturgy through pastoral messages and worksheets. In line with the rest of the diocese the programme adapted quickly and most of the planned formation moved online in March. Parishes responded creatively by moving services online and through social outreach and this was showcased in the Stage 3 celebration booklet. Resources were provided to allow preparation for the Sacraments to continue online with training for catechists. There was a renewed focus on strengthening 'the domestic Church' through Home, School, Parish collaboration.

We look forward to restarting the programme with the launch of Stage 4 in October 2021. The focus for stage 4 will be on 'Proclaiming the Good News' with a renewed focus on evangelisation, catechesis, and lifelong faith.

Youth

The Diocesan Youth Ministry Manager and the Youth Chaplains have continued to produce resources, messages, videos, updates for websites and social media, aimed at young adults. More varied content was produced during the year to engage our youth at home, with specific youth resources for Advent and Lent, targeted at young people and families. We look to review the success of these resources and learn lessons for greater online engagement.

A small working group has been established to seek to hear the voices of young people in our secondary schools and those who work with them, and also to hear the voices of young adults. This is part of the synodical way of working, encouraged by Pope Francis. As of the end of 2020 they had spoken to those engaged in youth ministry in a variety of dioceses in England and Wales and drawn up a strategy and timescale for listening to young people/young adults; the timescale is proving to be on track.

Some of our deaneries have continued, online, with preparation for the Sacrament of Confirmation and the Youth Office has continued to offer support.

Care of the Clergy

Care of the Clergy encompasses a number of varied areas with two specific focus on vocations and retired clergy. The Office for Care of the Clergy also supports the work of our chaplains in universities, hospitals and prisons, our supply priests and the training and support for our junior clergy.

During 2020 our focus turned to supporting our clergy as they dealt with grieving families, restrictions on major life events usually celebrated in the church and their own isolation from their parish communities.

Regular phone calls were made to all clergy and the deanery meetings were moved online to ensure that support was there for all.

A number of clergy also took on extra responsibilities as hospital chaplains, we are thankful for all that they do.

Vocations

2020 was a challenging year in many ways due to the pandemic. In terms of Vocations to the Priesthood we had no ordinations in 2020 and will not have any in 2021. This challenges us all to pray and work for Vocations to the Priesthood. Do we know anybody whom we think would make a good Priest? Let us tell them. Let us include in our daily prayers a prayer for Vocations to the Priesthood. Let us seek to live out our faith in joy that others may be inspired to think about their Vocation. Let us pray for our five men who are studying for the Priesthood for this Diocese and the three who are discerning a call at this time.

Retired

In 2020 there were 68 priests either sick or in retirement. Our support for retired clergy is overseen by a dedicated part time member of staff.

The support for retired clergy and providing options for communal living remain a priority, we saw the benefits of our new support plans during the lockdowns of 2020 and the welfare of our clergy remains central to our 2030 vision.

Wardley Hall

Wardley Hall is the official residence of the Bishop of Salford. Since the arrival of Bishop John the hall has been opened to allow visitors and further engagement with our parishes and schools. This decision has brought a new lease of life to the hall. The use of the space for retreats and diocesan celebrations encourages a sense of belonging between the historic hall and our communities.

We welcome visitors from our parishes and also groups from different faiths looking to build our foundations of dialogue and interfaith work.

Developments at Wardley Hall continue as we expand on the work of The Laudato Si Centre. The environmental centre is a learning space to take practical action to tackle climate change.

Structure, Governance and Management

The Bishop of Salford is ex-officio the Chair of Trustees and membership of the board is based upon invitation by the trustees to suitably qualified individuals subject to approval by the Bishop. Trustees are selected on the basis of their range of skills and experience and the board comprises a mix of both ordained clergy and Catholic lay people. Periodic training and workshop sessions are also held for the trustee body as a whole.

Governing regulations

The Trust Deed of the Charity governs appointments of Trustees. The latter are chosen according to their experience of the Trusts Ministry and of its need to function in accordance with both Canon and Civil Law.

Each Trustee Board committee has defined terms of reference, detailing the delegated authorities where appropriate.

Certain matters are delegated to these trustee committees including in the areas of:

- Planning and Resources Committee
- HR Committee
- Property Committee
- Finance Committee
- Investment Committee
- Audit and Risk Committee
- Remuneration Committee
- Schools & Academies Committee
- Claims Committee
- Environment Committee (formerly Laudato Si)
- Safeguarding Committee

The Chief Operating Officer and the Moderator of the Curia are responsible to the board for the day-to-day running of the trust.

Annual pay reviews are approved by either the Remuneration Committee (for senior staff) and HR Committee based on external advice and information and recommendations from the Chief Operating Officer. The salary for the COO is also agreed by the Trustees at the Remuneration Committee. In setting overall pay levels for our staff the Diocese takes account of pay practice in other similarly sized charities and, where necessary, private or public sector organisations for specialist and technical roles.

The fixed assets and investments of the Charity are vested in a trust with the Diocesan Trustees as the managing Trustees.

Recognising the need for expertise, the Trustees have engaged professional advisors in the areas of finance, investment, insurance, law and protection of minors and vulnerable adults.

The Trustees are listed on page 3. No new trustees were appointed during 2020.

The Trustees keep themselves informed of new developments in the above areas and when necessary, meet to be briefed on particular issues by their advisors.

The Trust has three active wholly owned trading subsidiaries. See section Trading Subsidiaries on page 22 & 41.

Relationships with Other Parties

The Trustees consider the Catholic Truth Society, Diocese of Salford, to be a related party by virtue of it having common Trustees. The Society operates a religious bookshop on Diocesan premises and bears a proportion of the costs of the Cathedral Centre. The Charity supports the Society through the provision of loans or grants to cover its running costs.

The Trustees also consider the Caritas Diocese of Salford to be a related party by virtue of it having common Trustees. The Charity's aim is that the lives of all people should be free from poverty, disadvantage and discrimination. Their purpose is to help the most vulnerable children, young people and adults in our communities to transform their lives and fulfil their potential.

The faith and teachings of the Roman Catholic Church clearly inform and have a profound influence on the operating policies in place within the Trust.

As a Catholic diocese within England and Wales, the Diocese of Salford co-operates on various initiatives, projects and other matters of common interest with other Catholic dioceses, charities and agencies of the Catholic Church. For example, the Diocese and its parishes support the activities of other charities such as the Catholic Agency for Overseas Development (CAFOD), the official aid agency of the Catholic Church in England and Wales (Charity no 1160384) and adopts unified policies through a 'One Church' approach for the safeguarding of children and vulnerable adults.

Statement of Trustees' responsibilities

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

The law applicable to charities 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 of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles 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 that 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution.

The trustees 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.

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.

Public Benefit

The Trustees have ensured they carry out the Trust's objectives for the public benefit and have (in accordance with Charities Act 2011) had regard to guidance published by the Charity Commission on public benefit when exercising powers or duties where that may be relevant.

It is clear from the detail in the Trustees Report that the Trust acts in a way which beneficially impacts on society. It promotes public services, in dedicated buildings and elsewhere, in accordance with the practices and teachings of the Roman Catholic Church, for hearing and appropriating the word of God and for the worship of God both generally and at significant points in people's lives. In this way it helps form and gives expression to the spiritual dimension of the lives of members of the public. It also thus provides religious and moral parameters by which individual members of the public may live fulfilled lives and act in a way which is socially beneficial, and influence wider society for the better. The Trust also engages in a number of practical expressions of Christian faith (including advancing education in schools and otherwise and relieving various forms of charitable need in social outreach to the public generally).

Our Volunteers

The Trustees wish to recognise and express their gratitude to the number of lay people who contribute to the pastoral and social life of the Church. Volunteers contribute their time and expertise on an unpaid basis in parishes and across a wide array of diocesan activities. It is impossible to quantify their contribution and support but without this our parishes and diocesan life would not be as vibrant or as effective in achieving the Church's mission.

In a typical parish volunteers contribute in a variety of ways whether through pastoral work such as assisting in the religious life of the church, visiting sick, elderly or infirm parishioners, providing administrative support, acting as local safeguarding representatives and keeping church and parish property clean and well-maintained. At a broader level, volunteers support wider diocesan events and initiatives including the annual pilgrimages to Lourdes and Walsingham (due to the pandemic there were no pilgrimages during 2020) and missionary activities such as Hope in the Future.

We would also like to note the dedication and commitment of our parish volunteers who have responded to meet their local needs and set up welfare checks and crisis responses during the pandemic. Their actions show the integral nature of our parishes in our communities. We will also continue to rely on our volunteers to help us to safely reopen our churches and follow the necessary public health guidelines, their support as stewards is invaluable.

Fundraising Practices

Although 2020 has been a difficult year our fundraising has carried on at individual parish level, albeit at much lower levels, both to generate increased income for the Charity – for example via the gift aid scheme - and also by way of special collections to raise money for specific causes. No professional fundraisers are employed in this capacity, although the diocese has now employed a Grant and Bid Writer to assist at both a diocesan and parish level.

Plans for Future Periods

We have started the new decade by planning our journey as diocese to 2030. This focus will enable us to build on the developments and foundations we have established over the last few years to help create a diocese, parishes and communities that are fit for the future, with the resources and adaptability to respond to changing demands of the next decade.

This process was started before the pandemic in 2020 but the changes we saw last year evidence further the need for our diocese to be able adapt to our changing world and our 'new normal'. By continuing our roadmap for 2030 we will help build and sustain the diocese for the future anticipating the needs of future generations rather than responding to our past.

Our journey will be focused on:

- Supporting our Parishes and Schools
- Our Commitment to assist our clergy
- Our response to our communities, the environment and our common home
- Ensuring we have an Estate and Resources available to meet the future needs of our diocese

Our Parishes and Schools

We have restructured several of our Curia departments this year to maximise the focus of providing first class professional support for our parishes and schools. We have moved more of our support online and will continue to look at new technology to help modernise our work.

Our Clergy

Our ongoing commitment to provide support for our clergy, both those in ministry and those sick and retired, remains at the centre of our plans. Our package of support is regularly reviewed, and we look to develop new initiatives to help enhance our offer.

Our Communities and Our Common Home

We aim to help our communities respond where they are needed most. As well as the professional and governance support to parishes we remain dedicated to supporting and engaging our parishioners to take a more active role in the life of the Church and the wider community we serve via our Hope in the Future pastoral program

During 2020 we created a new post of Head of Environment to work with Bishop John and the Trustees as we continue to enable our parishes and schools to respond to the challenges in the wider world such as climate change. The Laudato Si Centre will inspire the local community, schools and parishes to transfer some of the ideas on display into their own communities.

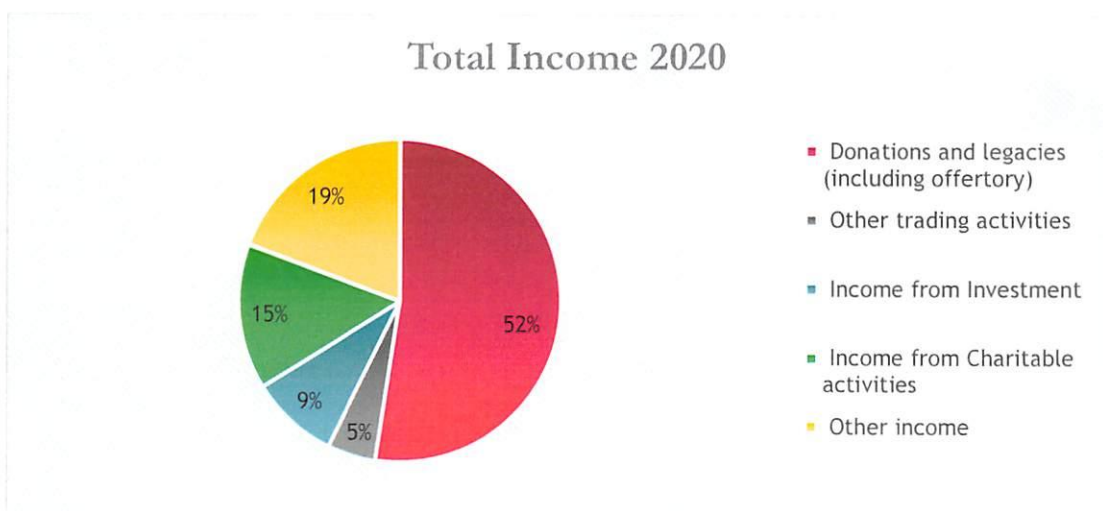
Financial Review

The financial statements reflect the activities with our parishes, all aspects of the central professional support services and some our subsidiary activities such as the operating of our clubs and commercial activities. The Consolidated Statement of Financial Activities for the year ended 31 December 2020 is set out on pages 28 and 29.

Total incoming resources amounted to £12.4 million in 2020 (2019 £19.3 million).

Most of the funds in the Charity are raised through donations, the funds raised in the parish support the individual parish and contribute towards the expenditure requirements of the Diocese.

Total Income	2020%	2020 £m	2019%	2019 £m
Donations and legacies (including offertory)	52%	£6.50	52%	£10.10
Other trading activities	5%	£0.60	13%	£2.40
Income from Investment	9%	£1.10	6%	£1.20
Income from Charitable activities	15%	£1.80	11%	£2.10
Other income	19%	£2.40	18%	£3.50
		<u>£12.40</u>		<u>£19.30</u>



Our Parish Income has dropped by 34% from £11.6 million in 2019 to £7.7 million in 2020 due to the closure of our churches during the first lockdown and the other restrictions during the rest of the year. Our mass attendance also dropped from 37,860 in 2019 to 12,766 in 2020 a drop of 66%, although this only represents the physical attendance and does not take into account the streaming services that have been provided by many of our parishes.

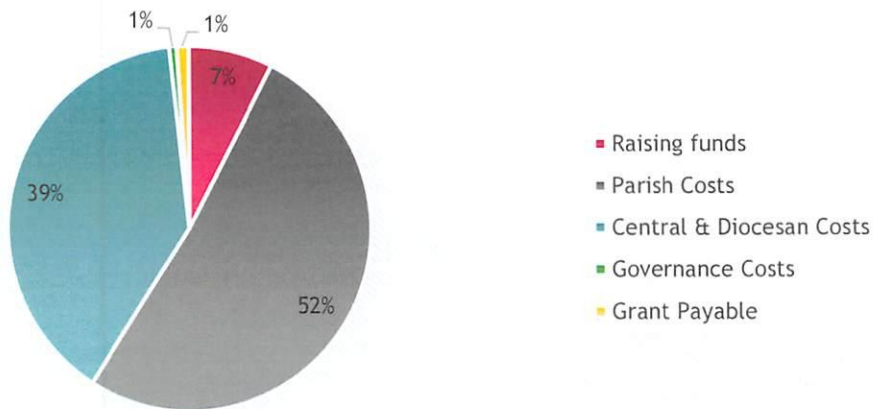
During 2020 we have introduced contactless donations in some of our parishes and online donations for all of our parishes. We have also seen an increase in the numbers of donations now made by Standing Order.

Expenditure amounted to £17.3 million in 2020 (2019 £19.5 million)

Total Expenditure	%	2020 £m	%	2019 £m
Raising funds	8%	1.30	10%	2.00
Charitable activities	92%	16.00	90%	17.50
		<u>£17.30</u>		<u>£19.50</u>

Charitable Activities	%	2020 £m	%	2019 £m
Parish Costs	55.8%	8.92	64.4%	11.29
Central & Diocesan Costs	42.3%	6.78	30.5%	5.33
Governance Costs	0.7%	0.11	0.5%	0.08
Grant Payable	1.2%	0.19	4.6%	0.80
	<u>100.0%</u>	<u>£16.00</u>	<u>100.0%</u>	<u>£17.50</u>

Total Expenditure 2020



Costs associated with raising funds dropped, this was primarily related to SDC Trading Limited.

Parish costs decreased by 21%, with many costs being fixed.

Other non-parish costs increased by 14%, this is mainly due to staff costs, which have increased year on year from £2.8m in 2019 to £3.5m in 2020. This was as a result of some new and replacement posts in 2019 having the full year impact in 2020. During 2020, there was a net increase in staff of 11, this split is across both parishes and curia.

The investment portfolio achieved income of £0.9m in 2020, this was down from the £1.1m achieved in 2019. The portfolio increased by £0.6m million by the end 2020 (2019 increase of £4.1million).

The net result for the year was a deficit of £4.278 million (2019 £4.149 million surplus), leaving retained funds of £107.5 million (2019 £ 111.8 million) at the year end.

The Trustees continue to monitor the activities and budgets of the Diocesan Departments. The trustees are of the opinion that the necessary measures have been implemented to ensure the viability of the Trust over the medium term.

During the year collections in the parishes for specific purposes including those for other charities totaled £0.1 million (2019 £0.4 million).

The Diocese made contributions of £188k in 2020 (2019 £193k) to National Bodies of the Roman Catholic Church.

Statement of Reserves

The total reserves of the Charity including parochial reserves, amounted to £107.5 million at 31 December 2020 (2019£111.8 million). The unrestricted free reserves i.e. current assets including bank deposits less current liabilities amounted to £29.5 million (2019 £34.3 million). At 31 December 2020 the free reserves of the Diocese are equivalent to approximately 18 months of recurring expenditure (2019 21 months), based on pre COVID19 expenditure levels.

The Trustees have a policy of maintaining free reserves at between 18 and 24 months of recurring expenditure and they continually review the level of reserves necessary to fund the current level of activity over the medium to long term. Administration and governance costs continue to rise as do the costs of providing medical care and residential accommodation for the sick and retired clergy.

Both the economy and stock markets remain uncertain, 2020 has shown a reduction in dividend income due to the uncertainties surrounding the global pandemic, although the capital recovered towards the end of 2020, interest rates remain at a historical low.

The demand for services both centrally and within our parishes continues to increase, even during the period of pandemic, as do the associated costs and it is within this setting that the trust has to operate.

The Trustees are conscious of their obligations to a growing number of retired priests and to the maintenance of the many properties used for diocesan activities some of which are historic. The diocese as part of the 2030 vision is looking at the whole estate to ensure that this is fit for future purpose and sustainable going forward.

By managing assets and resources the Trustees are confident that the Trust has sufficient available funds to maintain its activities over the medium term.

Investment policy and performance

The Diocesan Trust deed authorises the Trustees to invest the general funds of the Charity in stocks, shares, investments and property, in accordance with charity law.

The Trustees have engaged Smith & Williamson Investment Managers, as advisors. The policy is to invest on a low to medium risk basis with a balance of a reasonable rate of return and capital growth. The Trustees have requested that investments be made with regard to the Charity's ethical stance. The Investment Managers report to the Trustees on a regular basis.

The Investments are held for the long term, the overall portfolio value increased in the year by £0.6 million, the dividend yield decreased by 17% resulting in a decrease in income of £186k from 2019. The Trustees will continue to invest as appropriate with the aim of providing a secure financial and ethical platform for the Diocese.

Principal Risks & Uncertainties

The Trustees have assessed the major risks to which the Charity is exposed, in particular those relating to the specific operational areas of the Charity, and its finances and investments. The Trustees believe that by monitoring and maintaining reserves at an appropriate level, ensuring that proper controls exist in respect of key financial systems, and by examining the operational and business risks relevant to the Charity, they have established effective systems to mitigate these risks.

An Audit and Risk Committee was established by the Trustees during 2017. Risks currently include managing the re-structuring of the parishes, establishing and monitoring both the Diocesan budget and treasury policy for the Diocesan cash reserves.

SDC Trading Limited the Charity's subsidiary company responsible for the commercial activities of parish social clubs within the Diocese, is currently in a deficit position, making a loss of £406k in 2020 (2019 profit of £41k) and carrying forward a deficit of £764 thousand (2019 £358 thousand). The Charity is taking steps to reduce the deficit: the viability of individual sites is reviewed on an ongoing basis and, where continued operation can no longer be justified on the basis that it is of benefit to the parish, centres are closed. Elsewhere, where centres are seen to have potential for growth, arrangements have been reorganised and money invested in capital improvements. One of the Trustees and the COO of the diocese sit on the Board of SDC Trading Limited and a report is made to the Trustees from each Board meeting. The SDC Operating Board are currently reviewing the activity and potential recovery of SDC following the disruption of the Pandemic to this business. A full business plan and recovery plan are being drawn up and will be presented to the Trustees later this year.

Trading subsidiaries

The Trust has three active wholly owned trading subsidiaries.

Catholic Support Services Limited which continues to provide training, advice and recruitment assistance to our Catholic Schools as part of the Diocesan Department for Education and to assist them with building matters. In addition, it administers the links with local hospital trusts and police for the provision of chaplains. The operating surplus from the company is gift aided to the Diocese.

SDC Trading Limited is responsible for the commercial activities of parish social clubs within the Diocese. Any operating surplus is gift aided to the parishes via the Diocese. 2020 has been an exceptional year for SDC Trading Limited following the closure of all activities from 22nd March 2020 due to Government guidelines.

Catholic Building Services Limited is responsible for the development and management of construction and building projects within the Diocese.

COVID-19

As has been a theme throughout this years annual report COVID-19 has had a major impact on all aspects of diocesan life. We are continuing to monitor the national, regional and local guidance to ensure that we are continuing to act responsibly.

Our income for 2020, for the diocese and our subsidiaries, has inevitably been lower due to the closure of our churches and ancillary centres for a significant portion of the year.

The COVID-19 outbreak has inevitably had an impact in all areas of life, our goal to continually adapt policies, whilst adhering to safety concerns, to continue to achieve the objectives and activities of the charity

Conclusion


The commitment of the clergy, staff and volunteers of the diocese ensure that the objectives of Worship, Education, Charity and promotion of the Faith are met and that our work continues to be in accordance with the principles of the Church's teachings.

This expertise, dedication and innovation allow us to adapt to the changing needs of parishes, schools and the wider community, so that we can best serve their needs.

As we continue to respond to the many new challenges, we continue to review the ways in which we operate. The many changes we have made to our working practices during the last year are still in place and will continue to be adapted as required.

Approval

This report was approved by the Trustees on 27th May 2021 and signed on their behalf:

Trustee.....
Rt Rev John Arnold, Bishop of Salford

Report of the Independent Auditors to the Trustees of the Salford Roman Catholic Diocesan Trust Registered

Opinion

We have audited the financial statements of Salford Roman Catholic Diocesan Trustees Registered (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Statement of Cash Flow and Notes to the Financial Statements, including a summary of significant accounting policies, as set out on pages 33 to 39.

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

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; 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 16), 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.

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

Diocese of Salford Trustees' Annual Report and Accounts 2020

Report of the Independent Auditors' to the Trustees of Salford Roman Catholic Diocesan Trustees Registered

- we identified the laws and regulations applicable to the entity through discussions with key management, and from our knowledge and experience of the sector, assessed the extent of compliance and the audit team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1.3 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

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

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

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

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Diocese of Salford Trustees' Annual Report and Accounts 2020
Report of the Independent Auditors' to the Trustees of Salford Roman Catholic Diocesan Trustees Registered

- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of the audit report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of the Act. Our audit work has been undertaken so that we might state to 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.


.....
John Saxon (Senior Statutory Auditor)

For and on behalf of The Moffatts Partnership LLP, Statutory Auditor

Progress House
396 Wilmslow Road
Withington
Manchester
M20 3BN

Date.....17.05.2021.....

The Moffatts Partnership LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activity Year End to the 31st December 2020

	Notes	PAROCHIAL FUNDS			DIOCESAN FUNDS			ENDOWMENT	2020	2019
		Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £	Total £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM:										
Donations and legacies	2.1	6,103,027	92,702	6,195,729	310,021	872	310,893	-	6,506,622	10,088,721
Other trading activities	2.2	236,224	-	236,224	364,278	-	364,278	-	600,502	2,444,620
Income from Investment	2.3	102,681	-	102,681	987,470	-	987,470	-	1,090,151	1,211,558
Income from Charitable activities	2.4	-	-	-	1,785,715	-	1,785,715	-	1,785,715	2,094,629
Other income	2.5	1,130,056	-	1,130,056	1,252,895	-	1,252,895	-	2,382,951	3,491,326
Total Income		<u>7,571,988</u>	<u>92,702</u>	<u>7,664,690</u>	<u>4,700,379</u>	<u>872</u>	<u>4,701,251</u>	<u>-</u>	<u>12,365,941</u>	<u>19,330,854</u>
EXPENDITURE ON:										
Raising funds	3.1	100,094	-	100,094	1,181,399	-	1,181,399	-	1,281,493	2,015,675
Charitable activities	3.2	8,822,171	96,012	8,918,183	6,971,857	113,205	7,085,062	-	16,003,245	17,494,447
Total Expenditure		<u>8,922,265</u>	<u>96,012</u>	<u>9,018,277</u>	<u>8,153,256</u>	<u>113,205</u>	<u>8,266,461</u>	<u>-</u>	<u>17,284,738</u>	<u>19,510,122</u>
Net Gains/(losses) on investments		-	-	-	640,121	-	640,121	-	640,121	4,328,506
Net income/(expenditure)		(1,350,277)	(3,310)	(1,353,587)	(2,812,756)	(112,333)	(2,925,089)	-	(4,278,676)	4,149,238

The notes on pages 33 to 65 form part of these financial statements

Diocese of Salford Trustees' Annual Report and Accounts 2020
Financial Statements Consolidated Statement of Financial Activity

Notes	PAROCHIAL FUNDS			DIOCESAN FUNDS			ENDOWMENT	2020	2019
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £	Total £	Total funds £	Total funds £
Transfer between Funds	136,696	41,583	178,279	(217,189)	38,910	(178,279)	-	-	-
NET MOVEMENT IN FUNDS	(1,213,581)	38,273	(1,175,308)	(3,029,945)	(73,423)	(3,103,368)	-	(4,278,676)	4,149,238
RECONCILIATION OF FUNDS									
Total funds brought forward	38,320,459	160,784	38,481,243	71,416,687	1,884,643	73,301,330	1,456	111,784,029	107,634,791
TOTAL FUNDS CARRIED FORWARD	<u>37,106,878</u>	<u>199,057</u>	<u>37,305,935</u>	<u>68,386,742</u>	<u>1,811,220</u>	<u>70,197,962</u>	<u>1,456</u>	<u>107,505,353</u>	<u>111,784,029</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

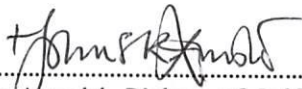
Salford Roman Catholic Diocesan Trustees Registered has taken advantage of the exemption from the Charities Act 2011 in not presenting a separate Statement of Financial Activity. The deficit for the charity alone for the year ended 31st December 2020 was £4.3 million (2019: surplus £4.1 million).

The notes on pages 33 to 65 form part of these financial statements

Consolidated and Charity Balance Sheet As At 31st December 2020

	Notes	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
Fixed assets					
Tangible assets	4	36,674,267	36,624,556	36,302,124	36,131,775
Investment Property	5	500,000	500,000	500,000	500,000
Investments	6	<u>38,806,419</u>	<u>38,259,841</u>	<u>38,806,424</u>	<u>38,259,846</u>
		<u>75,980,686</u>	<u>75,384,397</u>	<u>75,608,548</u>	<u>74,891,621</u>
Current assets					
Stocks	7	26,338	63,906	-	-
Debtors	8	4,910,244	5,041,893	5,839,377	6,090,288
Cash at bank and in hand	9	<u>41,311,142</u>	<u>38,615,623</u>	<u>40,440,426</u>	<u>37,442,991</u>
		<u>46,247,724</u>	<u>43,721,422</u>	<u>46,279,803</u>	<u>43,533,279</u>
Creditors					
Amounts falling due within one year	10	(14,723,057)	(7,321,790)	(14,410,574)	(6,668,487)
Net current assets		<u>31,524,667</u>	<u>36,399,632</u>	<u>31,869,229</u>	<u>36,864,792</u>
Total assets less current liabilities		<u>107,505,353</u>	<u>111,784,029</u>	<u>107,477,777</u>	<u>111,756,413</u>
Total net assets		<u><u>107,505,353</u></u>	<u><u>111,784,029</u></u>	<u><u>107,477,777</u></u>	<u><u>111,756,413</u></u>
Funds					
Unrestricted funds - general		105,472,420	109,715,946	105,444,844	109,688,330
Unrestricted funds - designated	14.3	<u>21,200</u>	<u>21,200</u>	<u>21,200</u>	<u>21,200</u>
		105,493,620	109,737,146	105,466,044	109,709,530
Restricted funds	14.1, 15	<u>2,010,277</u>	<u>2,045,427</u>	<u>2,010,277</u>	<u>2,045,427</u>
Permanent endowment	14.2, 15	<u>1,456</u>	<u>1,456</u>	<u>1,456</u>	<u>1,456</u>
Total funds		<u><u>107,505,353</u></u>	<u><u>111,784,029</u></u>	<u><u>107,477,777</u></u>	<u><u>111,756,413</u></u>

The financial statements were approved by the Trustees on 27th May 2021 and signed on their behalf by:

Trustee 
Rt Rev John Arnold, Bishop of Salford

Consolidated Statement of Cash Flow

Year to 31st December 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net cash income from the reporting period	(4,278,676)	4,149,238
Adjustments to cash flows from non - cash items		
Depreciation	1,363,318	1,316,987
Investment income	(1,090,151)	(1,211,558)
Financial instrument (gains) / losses through statement of financial activities	(860,566)	(2,494,304)
(Profit) / loss on disposal of fixed assets	(514,436)	(1,831,929)
(Profit) / loss on disposal of fixed assets investments	220,445	(1,834,202)
	(5,160,066)	(1,905,768)
Working capital adjustments		
(Increase) / decrease in stock	37,568	(7,886)
(Increase) / decrease in debtors	131,649	(1,514,842)
Increase / (decrease) in creditors	7,401,267	1,324,819
	2,410,418	(2,103,677)
Net cash flows from operating activities	2,410,418	(2,103,677)
Cash flows from investing activities		
Interest received and similar income	201,760	136,802
Purchase tangible fixed assets	(1,469,173)	(2,989,416)
Sale of tangible fixed assets	570,582	1,884,504
Purchase of investments	(4,317,289)	(13,322,398)
Sale of investments	4,570,984	12,493,790
Income from dividends	888,389	1,074,755
	445,253	(721,963)
Net cash from investing activities	445,253	(721,963)
Net increase/(decrease) in cash and cash equivalents	2,855,671	(2,825,640)

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Diocese of Salford Trustees' Annual Report and Accounts 2020
Financial Statements Consolidated Statement of Cash Flow

	2020	2019
	£	£
Cash and cash equivalents at 1 January 2020	39,067,944	41,893,584
Net increase/(decrease) in cash and cash equivalents	2,855,671	(2,825,640)
Cash and cash equivalents at 31 December 2020	41,923,615	39,067,944
Cash and cash equivalents Summary		
Cash at bank and in hand	41,311,142	38,615,623
Cash held as part of investment fund	612,473	452,321
	41,923,615	39,067,944

Notes to the Financial Statements Year to 31st December 2020

1. Significant Accounting policies

1.1. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

The financial statements include the results of the Charity's operations which are all continuing:

Parochial	-	consolidation of Diocesan parish accounts
Diocesan	-	consolidation of Central Funds and subsidiary company accounts

The Charity constitutes a public benefit entity as defined by FRS102.

1.2. Basis of consolidation and scope of the financial statements

The statement of financial activities and the balance sheet consolidate the financial statements of the charity and its subsidiary undertakings, made up to the balance sheet date.

A separate Statement of Financial Activities for the charity has not been presented because the Trust has taken advantage of the exemption from the Charities Act 2011.

1.3. Areas of Judgement or Estimation

The preparation of the financial statements in line with the Charities' SORP and FRS102 requires the Trustees' to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. 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.

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.

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

- assessing the probability of the receipt of legacy income;
- estimating accrued expenditure
- estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation charge;
- assessing the appropriateness of the assumptions and methodology used in determining the fair value of investment properties;
- assessing the need for any provision against slowmoving and/or obsolete stock within SDC Trading Limited;
- assessing the recoverability of outstanding debtors and the need for any provision for bad or doubtful debts;

1.4. Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

1.5. Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern and that they have no material uncertainties about the entity's ability to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6. Income and endowments

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

1.6.1. Donations and legacies

Donations and legacies are recognised when the receipt is probable and the amount of income receivable can be measured reliably. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

1.6.2. Other trading activities

Details of trading activities are set out in the notes. Income receivable is accounted for in the period in which the relevant service or goods are provided or supplied.

1.6.3. Investment income

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

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

1.6.4. Charitable activities

Income from charitable activities is recognised as earned when the related services are provided.

The Diocese receives substantial help from volunteers. It is not possible to place a financial value on this work and no amounts are therefore included in the financial statements for the value of services donated by volunteers. Gifts of fixed assets are included at valuation and recorded as donation income.

1.6.5. Government and other grants

Government grants are recognised under the accrual model. Income is recognised in the same period that the related expenditure the grant is intended to compensate is incurred.

1.7. Expenditure

All expenditure is recognised once there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on accruals basis. All expenses are allocated or apportioned to the applicable expenditure headings. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.7.1. Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

1.7.2. Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly attributable to such activities and those costs of an indirect nature necessary to support them and includes governance costs.

1.7.3. Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

1.7.4. Grants Payable

Grants payable to partner organisations are included in the SOFA when approved by the Trustees and agreed with the other organisations. The value of such grants unpaid at the year end is accrued. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued but are noted as financial commitments.

1.8. Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9. Fixed asset investments

Fixed assets investments are a form of basic financial instruments and are initially recognised at their transaction value and are subsequently measured at their fair value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market value during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

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

1.10. Tangible fixed assets - other than property

These tangible fixed assets are stated at cost less depreciation, which is calculated to write off the cost or valuation less estimated residual values over their estimated useful lives. Depreciation is provided at the following rates on a straight line basis and time apportionments are made in the year of acquisition or disposal.

Fixtures and fittings	10%
Motor vehicles	25%
Computer equipment	25%
Central freehold land and buildings	2%

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

1.11. Tangible fixed assets - inalienable school property

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

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

The governors are responsible for the buildings, and for the repair and refurbishment and insurance costs thereof, and for accounting for any grants received in respect of any of these costs.

The Charity assists governors in managing projects and may make grants via the Curial Offices to assist the governors with their liability for school and academy building and repair costs. The Charity administers these monies as managing agent and makes the appropriate payments to contractors for work carried out. Any monies due to the Charity, or held by the Charity on behalf of schools and academies, as at the balance sheet date, are treated as debtors or creditors respectively on the balance sheet.

1.12. Tangible fixed assets - church property

Prior to 1 January 1997 the accounting policy applied was for capital expenditure on church property to be written off in full as incurred. The accounts prepared for previous years therefore did not include any balance sheet value for the Cathedral, Churches, Presbyteries, Halls and other parish property or for their contents.

As a result of the previous accounting policy, the original costs and accumulated depreciation of all church parish property held at 31 December 1997 was not readily available. After consideration, the Trustees' view was that a reasonable approximation of the net book value of the church parish property held at 31 December 1997 was established through discounting the insurance values of the above properties and contents by 90%, which is the policy employed to include the assets on the balance sheet at estimated historic cost net of accumulated depreciation.

Following the recommendation of the SORP, the value of church parish property capitalised on the balance sheet is to be depreciated over their expected useful lives at the following rates from 31 December 1997. All depreciation is calculated by using the straight line method.

Cathedral, Churches, Presbyteries, Halls and church properties acquired prior to 31 December 1997 - 2%

Cathedral, Churches, Presbyteries, Halls and church properties acquired from 31 December 1997

	- land element	Nil
	- building element	2%
Church and Presbytery contents etc.		
	- fixtures and fittings	10%
	- computer equipment	25%

1.13. Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

1.14. Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

1.15. Trade debtors

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

1.16. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

1.17. Trade creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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 Diocese. Where any balance has not been paid to the respective organisation concerned, it has been included in creditors.

1.18. Pensions

The Charity has made suitable arrangements for employee pensions, providing access to defined contribution pension schemes for all members of staff, including ensuring compliance with recent legislation for auto-enrolment and where applicable access to the Teacher' Pension Scheme England and Wales (TPS) for academic and related staff. Pension costs charged in the statement of financial activities represent the contributions payable by the Charity in the year.

1.19. Funds accounting

Funds held by the Charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- Unrestricted designated funds - these are funds which have been set aside by the Trustees for specific purposes.
- Restricted funds - these are funds which can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purpose.
- Permanent endowment funds - these represent funds given to the Charity, subject to the restriction that they are held as capital. Income derived from endowment funds is included in the Statement of Financial Activities, unless restricted to a particular purpose.

1.20. Financial Instruments

1.20.1. Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified 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 charity after deducting all of its liabilities.

1.20.2. Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

1.21. Subsidiary/associated bodies

The Charity has interests in the following undertakings:

Name, nature of business	Registered Office	Class and number of shares	% Held
Subsidiaries			
Catholic Support Services Limited Company No. 02790890 Support for Catholic schools, teachers and parishes, provision of chaplaincy services	Cathedral Centre, 3 Ford Street, Salford, Lancashire, M3 6DP	One ordinary	100
S.D.C. Trading Limited Company No. 03481323 Social clubs in the Diocese of Salford	Cathedral Centre, 3 Ford Street, Salford, Lancashire, M3 6DP	Two ordinary	100
Catholic Building Services Limited Company No. 08020372 Administration of building projects	Cathedral Centre, 3 Ford Street, Salford, Lancashire, M3 6DP	Two ordinary	100
Associated Bodies			
Inter-Diocesan Fuel Management Limited Company No. 02891029 Fuel and power distribution for Diocesan properties within the scheme	2 Park Road South, Birkenhead, Wirral, CH43 4UX	One ordinary	11

The aggregate amount of the subsidiaries turnover, expenditure, assets, liabilities and funds at the end of the reporting period can be found in note 19.

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2. Income and endowments

2.1. Donations and legacies

	Parochial funds		Diocesan funds		2020 Total £	2019 Total £
	Unrestricted £	Restricted £	Unrestricted £	Restricted £		
Donations	310,918	92,702	83,134	872	487,626	773,494
Legacies	422,843	-	226,887	-	649,730	1,280,801
Offertory collections	5,369,266	-	-	-	5,369,266	8,034,426
	<u>6,103,027</u>	<u>92,702</u>	<u>310,021</u>	<u>872</u>	<u>6,506,622</u>	<u>10,088,721</u>

2.2. Other trading activities

	Parochial funds		Diocesan funds		2020 Total £	2019 Total £
	Unrestricted £	Restricted £	Unrestricted £	Restricted £		
Social and fundraising income	236,224	-	2,868	-	239,092	807,870
S.D.C Trading Limited	-	-	361,410	-	361,410	1,636,750
	<u>236,224</u>	<u>-</u>	<u>364,278</u>	<u>-</u>	<u>600,502</u>	<u>2,444,620</u>

2.3. Investment Income

	Parochial funds		Diocesan funds		2020 Total £	2019 Total £
	Unrestricted £	Restricted £	Unrestricted £	Restricted £		
Income from listed investments	-	-	888,389	-	888,389	1,074,755
Interest on cash deposits	102,681	-	75,986	-	178,667	129,491
Loan Interest Income	-	-	23,095	-	23,095	7,312
	<u>102,681</u>	<u>-</u>	<u>987,470</u>	<u>-</u>	<u>1,090,151</u>	<u>1,211,558</u>

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2.4. Charitable Activities

	Parochial funds		Diocesan funds		2020	2019
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
Moston & Wardley cemeteries	-	-	520,037	-	520,037	564,519
Catholic Support Services Limited	-	-	1,265,678	-	1,265,678	1,530,110
	-	-	1,785,715	-	1,785,715	2,094,629

2.5. Other Income

	Parochial funds		Diocesan funds		2020	2019
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
Other income	614,929	-	211,294	-	826,223	1,049,091
Rental Income	263,970	-	294,125	-	558,095	519,923
Grant Income	163,686	-	320,464	-	484,150	90,383
Profit/(loss) on disposal of fixed assets	87,471	-	426,965	-	514,436	1,831,929
Catholic Building Services Limited	-	-	47	-	47	-
	1,130,056	-	1,252,895	-	2,382,951	3,491,326

2.6. Subsidiary companies

Trading activities within the diocese consist of the subsidiary companies' activities as follows:

	Income £	Expenditure £	2020 Net Income £	2019 Net Income £
Catholic Building Services Limited	33,649	33,603	46	-
Catholic Support Services Limited	1,265,678	634,757	630,921	515,397
S.D.C. Trading Limited	629,610	1,035,280	(405,670)	41,701
	1,928,937	1,703,640	225,297	557,098

The taxable profit of the subsidiary companies is gifted to the charity so that there is no liability to corporation tax for these entities. Further details are set out in note 19 to the financial statements.

3. Resources expended

3.1. Expenditure on raising funds

3.1.1. Investment management costs

	Parochial funds		Diocesan funds		2020	2019
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
Management fees	-	-	150,119	-	150,119	161,952

3.1.2. Fundraising costs

	Parochial funds		Diocesan funds		2020	2019
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
S.D.C Trading Limited	-	-	1,031,280	-	1,031,280	1,588,499
Social and fundraising	100,094	-	-	-	100,094	265,224
	<u>100,094</u>	<u>-</u>	<u>1,031,280</u>	<u>-</u>	<u>1,131,374</u>	<u>1,853,723</u>
Total expenditure on raising funds	<u>100,094</u>	<u>-</u>	<u>1,181,399</u>	<u>-</u>	<u>1,281,493</u>	<u>2,015,675</u>

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3.2. Expenditure on charitable activities

3.2.1. Parish Costs

	Parochial funds		Diocesan funds		2020	2019
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
Clergy allowances	760,053	-	-	-	760,053	902,048
Wages & national insurance	730,871	-	-	-	730,871	682,285
Diocese & special collections	-	-	-	-	-	162,518
Church & presbytery supplies	5,047,724	-	-	-	5,047,724	6,618,128
Parish vehicles	27,885	-	-	-	27,885	45,530
Hall upkeep	80,523	-	-	-	80,523	195,087
Repairs and renewals	1,408,778	96,012	-	-	1,504,790	2,132,198
Other costs	5,000	-	-	-	5,000	21,554
Bank charges	49,794	-	-	-	49,794	37,380
Depreciation	711,543	-	-	-	711,543	484,591
	<u>8,822,171</u>	<u>96,012</u>	<u>-</u>	<u>-</u>	<u>8,918,183</u>	<u>11,281,319</u>

3.2.2. Central & Diocesan Costs

	Parochial funds		Diocesan funds		2020	2019
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
Wages & national insurance	-	-	2,483,138	-	2,483,138	1,918,107
Pensions	-	-	144,658	-	144,658	56,316
Staff costs – other	-	-	157,508	-	157,508	118,506
Sick & retired clergy costs	-	-	783,338	-	783,338	669,862
Central property overheads	-	-	765,785	-	765,785	235,001
Office costs	-	-	512,035	-	512,035	418,022
Property costs	-	-	141,878	-	141,878	187,539
Other costs	-	-	445,877	113,205	559,082	809,573
Subsidiary costs	-	-	630,967	-	630,967	1,011,263
Bank charges	-	-	15,817	-	15,817	39,363
Bad debts provision	-	-	84,792	-	84,792	(861,092)
Depreciation	-	-	502,128	-	502,128	732,382
	-	-	6,667,921	113,205	6,781,126	5,334,841

3.2.3. Governance Costs

	Parochial funds		Diocesan funds		2020	2019
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
Legal & professional	-	-	38,551	-	38,551	9,159
Auditors remuneration	-	-	40,978	-	40,978	43,550
Accountancy services	-	-	36,023	-	36,023	27,615
	-	-	115,552	-	115,552	80,324

3.2.4. Grants Payable

	Parochial funds		Diocesan funds		2020	2019
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Total £	Total £
Catholic Truth Society	-	-	-	-	-	605,423
CATEW/NCF – gross	-	-	188,384	-	188,384	192,540
	-	-	188,384	-	188,384	797,963
Total expenditure on charitable activities	8,822,171	96,012	6,971,857	113,205	16,003,245	17,494,447

3.3. Staff Disclosures

Personnel Costs

	2020	2019
	£	£
Employee Salaries	3,214,009	2,600,392
Pension Costs	144,658	56,316
Other	157,508	118,506
	<hr/>	<hr/>
Total Employee Costs	<u>3,516,175</u>	<u>2,775,214</u>

The average monthly number of staff employed, calculated as full time equivalents during the year was as follows:

	2020	2019
	No.	No.
Central Diocesan employees	67	55
Parish employees (excludes parish clergy)	86	87
Cemeteries employees	8	8
	<hr/>	<hr/>
	<u>161</u>	<u>150</u>

	2020	2019
	No.	No.
Employees receiving remuneration over £60,000		
Between £60,000 to £69,999	1	2
Between £70,000 to £79,999	3	2
Between £80,000 to £89,999	0	0
Between £90,000 to £99,999	0	0
Between £100,000 to £109,999	1	1
Between £110,000 to £119,999	1	0
	<hr/>	<hr/>
	<u>6</u>	<u>5</u>
	<hr/>	<hr/>
Pension costs to higher paid employees	<u>51,856</u>	<u>28,395</u>
	<hr/>	<hr/>
Contributions to a defined benefits pension scheme during the year	<u>NIL</u>	<u>NIL</u>
	<hr/>	<hr/>
Key management personnel received salary and pension contributions	<u>541,532</u>	<u>325,103</u>

Remuneration Policy

Annual Pay changes are approved by the Trustees, and job roles and remuneration are reviewed periodically. Benchmarking against market rates is employed when new roles are created or when significant roles change hands.

3.4. Trustees

The board of Trustees is made up of members of clergy and laity of the faithful of the Salford Diocese. The priests receive income for their office together with living accommodation, living expenses and reimbursement of costs incurred on the same basis as other Diocesan priests. No Trustee receives any remuneration or benefits from his/her trusteeship other than cover under the indemnity insurance purchased by the charity. No Trustee received reimbursement for any expenses in the year (2019: £Nil).

3.5. Employee Loans

	2020	2019
	no	no
At the year end, there were outstanding loans to employees	<u>2</u>	<u>2</u>
	£	£
The total amount of outstanding loans was:	<u>1,397</u>	<u>2,701</u>

3.6. Movement in Net Funds

	2020	2019
	£	£
This is stated after charging:		
Auditors remuneration - audit	40,978	43,550
- other services	10,602	8,394
Profit on disposal of tangible fixed assets	514,436	1,831,929
Profit on disposal of investments	860,566	2,494,304
Depreciation of fixed assets	1,363,318	1,316,987
Finance charges payable	65,611	76,743

4. Tangible Fixed Assets

Group

	Properties	Fixtures & Fittings	Computer Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1/1/2020	49,916,199	4,391,887	163,036	37,098	54,508,220
Additions	1,355,775	102,474	10,924	-	1,469,173
Disposals	(88,745)	(11,759)	-	-	(100,504)
At 31/12/2020	<u>51,183,229</u>	<u>4,482,602</u>	<u>173,960</u>	<u>37,098</u>	<u>55,876,889</u>
Depreciation					
At 1/1/2020	15,029,721	2,707,215	110,940	35,786	17,883,662
Charge for the year	1,025,631	319,277	17,973	437	1,363,318
Disposals	(40,156)	(4,202)	-	-	(44,358)
At 31/12/2020	<u>16,015,196</u>	<u>3,022,290</u>	<u>128,913</u>	<u>36,223</u>	<u>19,202,622</u>
Net book value at 31/12/2020	<u>35,168,033</u>	<u>1,460,312</u>	<u>45,047</u>	<u>875</u>	<u>36,674,267</u>
Net book value at 31/12/2019	<u>34,886,478</u>	<u>1,684,672</u>	<u>52,096</u>	<u>1,312</u>	<u>36,624,556</u>

Charity

	Properties	Fixtures & Fittings	Computer Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1/1/2020	49,600,051	3,098,891	158,949	37,098	52,894,989
Additions	1,355,775	65,908	10,924	-	1,432,607
Disposals	(88,745)	-	-	-	(88,745)
At 31/12/2020	<u>50,867,081</u>	<u>3,164,799</u>	<u>169,873</u>	<u>37,098</u>	<u>54,238,851</u>
Depreciation					
At 1/1/2020	14,754,660	1,865,751	107,016	35,786	16,763,213
Charge for the year	1,012,344	182,916	17,973	437	1,213,670
Disposals	(40,156)	-	-	-	(40,156)
At 31/12/2020	<u>15,726,848</u>	<u>2,048,667</u>	<u>124,989</u>	<u>36,223</u>	<u>17,936,727</u>
Net book value at 31/12/2020	<u>35,140,233</u>	<u>1,116,132</u>	<u>44,884</u>	<u>875</u>	<u>36,302,124</u>
Net book value at 31/12/2019	<u>34,845,391</u>	<u>1,233,140</u>	<u>51,933</u>	<u>1,312</u>	<u>36,131,775</u>

4.1. Assets not used for charitable purposes

All of the tangible fixed assets are used by the Charity for its charitable purposes with the exception of properties, computer equipment and fixtures and fittings with a net book value of

	2020	2019
	<u>372,143</u>	<u>492,781</u>

4.2. Capital Commitments

There were capital commitments authorised and contracted for at 31 December 2020 of £965,196 for projects around the diocese (2019 - £252,905).

5. Investment properties

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
At 1st January	500,000	-	500,000	-
Additions	-	500,000	-	500,000
At 31st December	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>

The historical costs of the investment property portfolio is £500,000 (2019 - £500,000).

The trustees have themselves undertaken a valuation of the properties held by the charity and agreed that there is no change to the valuation in the financial statements.

6. Fixed Asset investments

	Group		Charity		
	2020 £	2019 £	2020 £	2019 £	
Subsidiary undertakings		0		5	
Participating Interest		1		1	
6.1		1		6	
Investments listed or traded on a recognised stock exchange	6.2	38,193,945	37,807,519	38,193,945	37,807,519
Cash Held as part of Investment Fund		612,473	452,321	612,473	452,321
Total Investments		38,806,419	38,259,841	38,806,424	38,259,846

6.1. Investments held as fixed assets

Investments held as fixed assets

	2020 £	2019 £
Shares in group undertakings and participating interests	6	6

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Participating Interest £	Total £
Cost			
At 1 January 2020	5	1	6
At 31 December 2020	5	1	6
Net book value			
At 31 December 2020	5	1	6
At 31 December 2019	5	1	6

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6.2. Investments listed or traded on a recognised stock exchange

Group and Charity	2020	2019
Movement	£	£
Market value at 1 January 2020	37,807,519	33,150,405
Additions at cost	4,317,289	12,822,398
Disposal proceeds	(4,570,984)	(12,493,790)
Net gain/(loss)	<u>640,121</u>	<u>4,328,506</u>
Market value at 31 December 2020	<u><u>38,193,945</u></u>	<u><u>37,807,519</u></u>

Analysed by type	Cost	2020 Market Value	2019 Market Value
	£	£	£
Bonds	6,620,435	7,321,442	7,146,977
Alternatives & Multi-Asset	2,141,697	5,539,073	5,476,937
UK Equities	11,017,187	9,226,106	12,000,365
Global Equities	3,707,500	6,072,857	4,338,663
North America	3,745,709	4,946,230	4,383,238
European equities	1,493,502	1,697,327	1,614,436
Far East	2,265,554	2,611,772	2,037,690
Rest of the World	<u>773,380</u>	<u>779,138</u>	<u>809,213</u>
	<u><u>31,764,963</u></u>	<u><u>38,193,945</u></u>	<u><u>37,807,519</u></u>

Analysed by fund			
Unrestricted	31,764,963	38,193,945	37,807,519
Restricted	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>31,764,963</u></u>	<u><u>38,193,945</u></u>	<u><u>37,807,519</u></u>

The charity had no holdings which comprised more than 5% of the market value of the portfolio at that date	2020	2019
	<u>NIL</u>	<u>NIL</u>

7. Stocks

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Stocks	<u>26,338</u>	<u>63,906</u>	<u>-</u>	<u>-</u>
			2020 £	2019 £
The cost of stock recognised as an expense in the year amounted to			<u>199,831</u>	<u>579,330</u>

8. Debtors

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Due within one year:				
Trade debtors	399,271	477,303	-	-
Prepayments	380,611	958,781	307,151	923,628
Amounts due from subsidiaries	-	-	1,424,464	1,934,234
Other debtors	<u>4,130,362</u>	<u>3,605,809</u>	<u>4,107,762</u>	<u>3,232,426</u>
	<u>4,910,244</u>	<u>5,041,893</u>	<u>5,839,377</u>	<u>6,090,288</u>

8.1. Loans to Other Charities

Group and Charity other debtors due within one year include £2,250,480 (2019 - £2,069,977) of loans to other charities which are repayable on demand. The figures reflect the amounts shown in the financial statements of the other charities.

8.2. Secured Debtors

Included within other debtors are loans of £500,000 (2019: £350,000) that are secured, against assets and property of the debtors.

9. Cash at bank and in hand

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Cash at bank	<u>41,311,142</u>	<u>38,615,623</u>	<u>40,440,426</u>	<u>37,442,991</u>

10. Creditors: amounts falling due within one year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	937,464	1,431,306	868,924	1,313,635
Social Security and Taxation	67,626	62,615	67,626	62,615
Other amounts owed	12,900,714	5,271,223	12,932,328	5,071,121
Accruals	817,253	556,646	541,696	221,116
	<u>14,723,057</u>	<u>7,321,790</u>	<u>14,410,574</u>	<u>6,668,487</u>

11. Contingent Liabilities

Appropriate consideration has been given to historical liabilities in respect of which insurance cover cannot be traced or where the historical policy limits are inadequate.

12. Related Parties

12.1. Entities over which the entity has control, joint control or significant influence

The Trustees consider the Catholic Truth Society Diocese of Salford to be a related party by virtue of it having common Trustees. The Society operates a religious bookshop on Diocesan premises and online, it therefore is unified in its aims with the Charity. The Society bears a proportion of the running costs of the Cathedral Centre. At the year end there were outstanding loans of £13,529 (2019 - £6,122) due to the Diocese. During the period, it was agreed to grant funds to the Catholic Truth Society Diocese of Salford in the amount of £NIL (2019 - £605,423).

The Trustees consider the CARITAS Diocese of Salford to be a related party by virtue of it having common Trustees. The Charity's aim is that the lives of all people should be free from poverty, disadvantage and discrimination. Their purpose is to help the most vulnerable children, young people and adults in our communities to transform their lives and fulfil their potential. At the year end there were outstanding loans of £64,344 (2019 - £64,344) due to the Diocese in relation to recharged costs due.

12.2. Other Related Parties

Mr. Edward Nally has provided consultancy services for a number of years for which he is remunerated and has continued to be paid following his appointment as a Trustee in May 2016. In the accounting year ended 31 December 2020 the total was £55,000 (2019: £55,000). Mr Nally is not paid for his services as a Trustee of the charity but as a consultant to the key management team.

12.3. Donations from Trustees

Throughout the year, Trustees who are not members of the clergy attend mass and other services and events within the Diocese of Salford in their capacity as parishioners. In the course of doing so, they will contribute to the offertory and make other financial contributions. The nature of such giving means that it is not possible to quantify the amount donated to the Charity by its Trustees during any financial year.

13. Non-adjusting events after the financial period

The Coronavirus pandemic developed in early 2020 and continued for the remainder of the year. The effects of the pandemic can be seen within our 2020 accounts, with income down by 36%, and an overall reduction in reserves of £4.3m. At the present time we do not know the long-term effects of the pandemic.

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14. Funds

	Notes	Balance 01-Jan-20 £	Movement in incoming resources £	Movement in resources expended £	Transfer £	Gains and Losses £	Balance 31-Dec-20 £
Unrestricted Funds	15	109,715,946	12,912,488	(17,075,521)	(80,493)	-	105,472,420
Restricted Funds							
Parishes Special Collections Pleasington Priory		160,784	90,981	(96,012)	43,304	-	199,057
Stydd Trust		1,012,133	-	-	-	-	1,012,133
Stanford Trust Ecclesiastical Education Fund		309,639	-	-	-	-	309,639
Other Restricted Funds		385,466	-	-	-	-	385,466
		73,423	2,593	(113,205)	37,189	-	0
		<u>103,982</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,982</u>
		2,045,427	93,574	(209,217)	80,493	-	2,010,277
Designated Funds		21,200	-	-	-	-	21,200
Endowment Funds		1,456	-	-	-	-	1,456
TOTAL FUNDS		<u><u>111,784,029</u></u>	<u><u>13,006,062</u></u>	<u><u>(17,284,738)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>107,505,353</u></u>

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	Notes	Balance 01-Jan-19 £	Movement in incoming resources £	Movement in resources expended £	Transfer £	Gains and Losses £	Balance 31-Dec-19 £
Unrestricted Funds	15	105,375,039	23,183,719	(19,248,941)	406,129	-	109,715,946
Restricted Funds							
Parishes Special Collections Pleasington Priory		298,330	303,555	(162,518)	(278,583)	-	160,784
Stydd Trust		1,030,597	-	-	(18,464)	-	1,012,133
Stanford Trust Ecclesiastical Education Fund		309,639	-	-	-	-	309,639
Other Restricted Funds		385,466	-	-	-	-	385,466
		-	172,086	(98,663)	-	-	73,423
		<u>213,064</u>	<u>-</u>	<u>-</u>	<u>(109,082)</u>	<u>-</u>	<u>103,982</u>
		2,237,096	475,641	(261,181)	(406,129)	-	2,045,427
Designated Funds		21,200	-	-	-	-	21,200
Endowment Funds		1,456	-	-	-	-	1,456
TOTAL FUNDS		<u><u>107,634,791</u></u>	<u><u>23,659,360</u></u>	<u><u>(19,510,122)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>111,784,029</u></u>

14.1. Restricted Funds

The funds designated as restricted are held for the following purposes:

14.1.1. Parishes Special collections

This represents the specific collections and payments within the parishes mainly for Parish based appeals, for example in relation to building projects.

14.1.2. Pleasington Priory Trust

Funds held on behalf of the Pleasington Priory Trust for the upkeep and maintenance of the Chapel known as Pleasington Priory and its ancillary substantial buildings.

14.1.3. Stydd Trust

Originally for the support of the almshouses at Stydd, the income is for the benefit of the Ecclesiastical Education Fund. This is a separate trust no 229802, administered by the Salford Diocesan Trustees.

14.1.4. Stanford Trust

Income to the parish for the poor of Ribchester, this is a separate charitable trust no 252602, administered by the Salford Diocesan Trustees.

14.1.5. Ecclesiastical Education Fund

Funds held for the training of priests.

14.2. Permanent Endowment Funds

	Notes	Balance 01-Jan-20 £	Movement in incoming resources £	Movement in resources expended £	Transfer £	Gains, losses and transfers £	Balance 31-Dec-20 £
SRCDTR		1,000	-	-	-	-	1,000
Moston & Wardley cemeteries		456	-	-	-	-	456
		<u>1,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,456</u>

	Notes	Balance 01-Jan-19 £	Movement in incoming resources £	Movement in resources expended £	Transfer £	Gains, losses and transfers £	Balance 31-Dec-19 £
SRCDTR		1,000	-	-	-	-	1,000
Moston & Wardley cemeteries		456	-	-	-	-	456
		<u>1,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,456</u>

The original endowment funds of the Diocese amount to £1,000 representing the minimum reserve.

Moston & Wardley endowments are in respect of funds left for the maintenance of individual graves. No further endowments will be accepted for this purpose.

14.3. Designated Funds

At 31st December 2020 the Trustees have set aside funds for the following purposes:

Notes	Balance 01-Jan-20 £	Movement in incoming resources £	Movement in resources expended £	Transfer £	Gains, losses and transfers £	Balance 31-Dec-20 £
Moston & Wardley cemeteries	21,200	-	-		-	21,200
	<u>21,200</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>21,200</u>

At 31st December 2019 the Trustees have set aside funds for the following purposes:

Notes	Balance 01-Jan-19 £	Movement in incoming resources £	Movement in resources expended £	Transfer £	Gains, losses and transfers £	Balance 31-Dec-19 £
Moston & Wardley cemeteries	21,200	-	-		-	21,200
	<u>21,200</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>21,200</u>

Designated funds are set aside for various purposes. The main areas are as follows:

Moston & Wardley Cemeteries

Funds deposited with the cemeteries board to finance the upkeep of individual cemetery plots. No permanent endowment is created by these funds.

14.4. Transfer between Funds

During the period there has been transfer between different classes of funds in relation to the following:

14.4.1. Parish Special Collections

Funds have been transferred to the fund in relation to restricted fund previously held as unrestricted

14.4.2. Ecclesiastical Education Fund

Funds have been transferred to the fund in relation to costs in excess of the funds held and received for this restricted purpose

15. Funds: movement in the year

	Notes	Group 2020 £	2019 £	Charity 2020 £	2019 £
Unrestricted Designated and general					
Balance at 1 January 2020		109,737,146	105,396,239	109,709,530	105,397,572
Net movements in the year		(4,163,033)	3,934,778	(4,162,993)	3,905,829
Transfer between funds		(80,493)	406,129	(80,493)	406,129
Balance at 31 December 2020		<u>105,493,620</u>	<u>109,737,146</u>	<u>105,466,044</u>	<u>109,709,530</u>
Restricted					
Balance at 1 January 2020		2,045,427	2,237,096	2,045,427	2,237,096
Net movements in the year		(115,643)	214,460	(115,643)	214,460
Transfer between funds		80,493	(406,129)	80,493	(406,129)
Balance at 31 December 2020		<u>2,010,277</u>	<u>2,045,427</u>	<u>2,010,277</u>	<u>2,045,427</u>
Permanent endowment					
Balance at 1 January 2020		1,456	1,456	1,456	1,456
Net movements in the year		-	-	-	-
Balance at 31 December 2020		<u>1,456</u>	<u>1,456</u>	<u>1,456</u>	<u>1,456</u>
Total Funds	16	<u>107,505,353</u>	<u>111,784,029</u>	<u>107,477,777</u>	<u>111,756,413</u>

The full details of movements in restricted funds are shown in note 14 to the financial statements.

16. Analysis of net assets between funds

Group	Unrestricted funds £	Designated funds £	Restricted funds £	Permanent endowment £	Total £
Fund balances at 31 December 2020 are represented by:					
Tangible fixed assets	36,674,267				36,674,267
Investment assets	39,306,419				39,306,419
Current assets	44,214,791	21,200	2,010,277	1,456	46,247,724
Current liabilities	(14,723,057)				(14,723,057)
Total net assets at 31 December 2020	<u>105,472,419</u>	<u>21,200</u>	<u>2,010,277</u>	<u>1,456</u>	<u>107,505,353</u>

Charity	Unrestricted funds £	Designated funds £	Restricted funds £	Permanent endowment £	Total £
Fund balances at 31 December 2020 are represented by:					
Tangible fixed assets	36,302,124				36,302,124
Investment assets	39,306,424				39,306,424
Current assets	44,246,870	21,200	2,010,277	1,456	46,279,803
Current liabilities	(14,410,574)				(14,410,574)
Total net assets at 31 December 2020	<u>105,444,844</u>	<u>21,200</u>	<u>2,010,277</u>	<u>1,456</u>	<u>107,477,777</u>

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Group	Unrestricted funds £	Designated funds £	Restricted funds £	Permanent endowment £	Total £
Fund balances at 31 December 2019 are represented by:					
Tangible fixed assets	36,624,556				36,624,556
Investment assets	38,759,841				38,759,841
Current assets	41,653,339	21,200	2,045,427	1,456	43,721,422
Current liabilities	(7,321,790)				(7,321,790)
Total net assets at 31 December 2019	<u>109,715,946</u>	<u>21,200</u>	<u>2,045,427</u>	<u>1,456</u>	<u>111,784,029</u>

Charity	Unrestricted funds £	Designated funds £	Restricted funds £	Permanent endowment £	Total £
Fund balances at 31 December 2019 are represented by:					
Tangible fixed assets	36,131,775				36,131,775
Investment assets	38,759,846				38,759,846
Current assets	41,465,196	21,200	2,045,427	1,456	43,533,279
Current liabilities	(6,668,487)				(6,668,487)
Total net assets at 31 December 2019	<u>109,688,330</u>	<u>21,200</u>	<u>2,045,427</u>	<u>1,456</u>	<u>111,756,413</u>

17. Analysis of net funds

Group	Balance 01-Jan-20 £	Financing Cash Flows £	Balance 31-Dec-20 £
Cash at bank and in hand	39,067,944	2,855,671	41,923,615
Debt due within one year	(5,271,223)	(7,629,491)	(12,900,714)
Net Funds	<u>33,796,721</u>	<u>(4,773,820)</u>	<u>29,022,901</u>
Charity	Balance 01-Jan-20 £	Financing Cash Flows £	Balance 31-Dec-20 £
Cash at bank and in hand	37,895,312	3,157,587	41,052,899
Debt due within one year	(5,071,121)	(7,861,207)	(12,932,328)
Net Funds	<u>32,824,191</u>	<u>(4,703,620)</u>	<u>28,120,571</u>
Group	Balance 01-Jan-19 £	Financing Cash Flows £	Balance 31-Dec-19 £
Cash at bank and in hand	41,893,584	(2,825,640)	39,067,944
Debt due within one year	(4,426,594)	(844,629)	(5,271,223)
Net Funds	<u>37,466,990</u>	<u>(3,670,269)</u>	<u>33,796,721</u>
Charity	Balance 01-Jan-19 £	Financing Cash Flows £	Balance 31-Dec-19 £
Cash at bank and in hand	40,684,262	(2,788,950)	37,895,312
Debt due within one year	(4,235,210)	(835,911)	(5,071,121)
Net Funds	<u>36,449,052</u>	<u>(3,624,861)</u>	<u>32,824,191</u>

18. Pensions and similar obligations

The Charity has made suitable arrangements for employee pensions, providing access to defined contribution pension schemes for all members of staff, including ensuring compliance with recent legislation for auto-enrolment and where applicable access to the Teacher' Pension Scheme England and Wales (TPS) for academic and related staff.

The Trustees retain the services of independent pension advisors, Punter Southall Aspire, who provide specialist advice. Pension schemes are administered by Insurance Companies with the assets held separately from the Charity.

Pension costs charged in the statement of financial activities represent the contributions payable by the Charity in the year.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.

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19. Details of subsidiaries and consolidation

	Catholic Building Services Limited	Catholic Support Services Limited	SDC Trading Limited	2020 Total	2019 Total
	£	£	£	£	£
Tangible fixed assets	-	4,588	367,555	372,143	492,782
Current assets	63,195	990,164	402,965	1,456,324	1,817,633
Creditors: amounts falling due within one year	63,195	994,752	770,520	1,828,467	2,310,415
	<u>(63,193)</u>	<u>(336,179)</u>	<u>(1,534,077)</u>	<u>(1,933,449)</u>	<u>(2,122,141)</u>
Creditors: amounts falling due after more than one year	2	658,573	(763,557)	(104,982)	188,274
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2</u>	<u>658,573</u>	<u>(763,557)</u>	<u>(104,982)</u>	<u>188,274</u>
Representing:					
Share capital	2	1	2	5	5
Profit and loss account	-	658,572	(763,559)	(104,987)	188,269
	<u>2</u>	<u>658,573</u>	<u>(763,557)</u>	<u>(104,982)</u>	<u>188,274</u>

A summary of the subsidiaries profit and loss account is shown below:

	Catholic Building Services Limited	Catholic Support Services Limited	SDC Trading Limited	2020 Total	2019 Total
	£	£	£	£	£
Turnover	33,649	1,265,678	361,410	1,660,737	3,306,448
Cost of sales	(30,380)	(655,450)	(665,231)	(1,351,061)	(2,147,532)
Gross profit	3,269	610,228	(303,821)	309,676	1,158,916
Administrative expenses	(3,223)	20,693	(370,049)	(352,579)	(601,820)
Grants Receivable	-	-	268,200	268,200	-
Interest receivable	-	-	-	-	2
Net profit	46	630,921	(405,670)	225,297	557,098
Amount gifted to charity	-	(518,552)	-	(518,552)	(110,817)
Retained in the subsidiary	<u>46</u>	<u>112,369</u>	<u>(405,670)</u>	<u>(293,255)</u>	<u>446,281</u>

The individual financial statements of the subsidiary companies included in the consolidation are drawn up on the same accounting date, 31st December 2020. All subsidiary companies are fully consolidated in the Group financial statements.