

Lumen Christi



Westminster Roman Catholic
Diocesan Trust

Annual Report & Accounts 2019

About the Diocese of Westminster

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

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

Trustee

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

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

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

Auditor

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Principal investment managers

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Principal bankers

HSBC Bank plc
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London
SW1Y 5EY

Charity solicitors

Winckworth Sherwood LLP
Minerva House
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London
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Principal insurers

The Catholic National Mutual Limited
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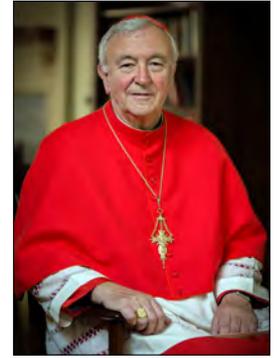
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Cardinal's Introduction



As we look back at 2019, we do so from the prism of the global pandemic that changed so much about the way we live our lives. For over three months, everything seemed to stop, as we adjusted to living in lockdown and learning new ways of doing things.

Although our churches were closed for common worship and even for individual prayer, the Church is always alive and active. This was shown in so many ways. Priests and people adapted quickly and found new ways to carry on the life of faith, both spiritual and practical. Every day the Mass, the great prayer of praise and intercession, was celebrated in our churches.

Those who were able, took to digital media to keep in touch with their parish, schools and each other, and to participate in live streamed Masses. The sense of community continued online. A great number used their creativity to find ways to include those without internet access.

Parishioners checked on each other and their neighbours, offering useful assistance with everyday tasks, as well as companionship over the phone or internet.

Our parishes, schools and Caritas agencies stepped up their efforts to help their neighbours who suddenly found themselves jobless, homeless or with little support. For many, who had nowhere else to turn, parishes and schools, coordinated by Caritas, became a beacon of hope. An army of volunteers prepared and delivered meals to homeless people and households in need, distributed food vouchers to families left with little or no income, and even used their talents to produce personal protective equipment for health and social care workers.

These acts of kindness, and others too numerous to mention, extend the work that is already done in our parishes, schools and communities, examples of which abound in the following pages. Done with selfless generosity and quiet dedication, they are the thousands of lights, shining brightly, illuminating the darkness of hardship and despair. Their source is the light of Christ that shines through all who are made in the image and likeness of God, displaying the innate goodness of God, flowing through us.

I thank all in our diocese whose love and care of their neighbour and creation demonstrates all that is best in the human spirit and reflects the light of Christ.

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

+ Vincent Nichols

His Eminence Cardinal Vincent Nichols, Archbishop of Westminster



Lumen Christi

Light is a prominent theme in the liturgy and teaching of the Catholic Church. It is a symbol of Christ himself, who is called 'the Light of the World,' as in the famous prologue to the Gospel of John:

*and his life brought light to everyone
The light shines in the darkness,
and the darkness can never extinguish it.*

Each year on the evening of Holy Saturday the Easter Vigil begins in darkness. The Easter fire is blessed, and from it the Paschal candle is lit, announcing Christ's Resurrection, his victory over the darkness of the tomb. From this fire each person present lights a smaller candle until the dark church is filled with the glow of many flames. This liturgy shows the power of the symbolism of light: as the flame is shared it is multiplied, not divided. It grows brighter, rather than diminishing.

Bringing this light to everyone and helping everyone to walk by the light of Christ is at the very heart of the mission of the Catholic Church, and therefore of the Diocese of Westminster. Cardinal Vincent Nichols explained, in his homily at the 2019 Mass for New Catholics:

We all know our lives can be shrouded in darkness: the darkness of pain, of confusion, of conflict, of a seeming total loss of inner peace. Here, in Jesus, is the light that overcomes all darkness. His light is a shining invitation. It is the Holy Spirit that says to us 'Come.' It is the Church, the Bride, who says to us 'Come.'

This invitation is expressed in the activities of the Charity. The light of Christ shines in the liturgies of the Church, in the education and pastoral care given to young people through Catholic schools, in the outreach to the poor and the vulnerable, and in the activities that offer a community to the lonely and abandoned. This shining light is a source of hope for many who find the world a dark, unwelcoming or confusing place.

St John Henry Newman, the great 19th century scholar and apologist who was canonised by Pope Francis on 13 October 2019 in St Peter's Square in Rome, is known to many through the stirring and evocative verse he wrote. One of his best-known compositions is the hymn *Lead Kindly Light*:

*Lead Kindly light, amid th'encircling gloom;
Lead Thou me on!
The night is dark, and I am far from home;
Lead Thou me on!
Keep Thou my feet;
I do not ask to see
The distant scene—
One step enough for me.*

Newman's image of the Kindly Light of Christ is a hopeful one. A single person, lighting her small candle from the Paschal flame at the Easter vigil will not be able to see the whole church, but she can see enough to take a step towards her neighbour, to share the flame and make it brighter. The single flame of the Paschal candle is enough to give the whole congregation hope that there will be enough light to see by, and to take one step, and then another as the gentle, kindly light grows stronger. So it is with the varied ministries of the Church: each one is a candle to light the feet of those it serves, offering hope, consolation, and an invitation to follow the light, to take it up, and to banish the darkness of the world one flame at a time.

Easter Vigil in Westminster Cathedral



Hope in the Community

'For you are all children of light, children of the day. We are not of the night or the darkness...Therefore encourage one another and build one another up, just as you are doing.'

-1 Thessalonians 5:5, 11

The diocese is made up of many communities that keep the light of Christ aglow and offer hope to their members every day in all circumstances. Through parishes, chaplaincies, and other faith groups lay Catholics and clergy support, minister to, and become kindly lights to each other. Together they provide welcome to the strangers who come amongst them and reach out in partnership with ecumenical and interfaith communities to support the good of the wider society to which they belong.



© Weenson Co/picture-u-net

Over 600 couples celebrating significant wedding anniversaries in 2019 joined Cardinal Vincent Nichols in June for the Annual Mass for Matrimony in Westminster Cathedral to renew their vows. The Mass is organised by the office for Marriage and Family Life who work to support married couples and those preparing for marriage.

Annual Migrants' Mass celebrating the ethnic diversity and contribution to society of London Catholics. Many of these Catholics play an important part in providing care in NHS hospitals and the social care sector. Parishioners of Ss Michael and Martin, Hounslow and members of the Ghanaian Association in Hounslow are among the many groups attending in their national costumes.



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St John Henry Newman, the first English saint who has lived since the Reformation to be canonised, whose famous quote 'God has created me to do him some definite service. He has committed some work to me which he has not committed to another,' continues to inspire many Catholics in their efforts to care for others in their community.



© Diocese of Westminster

World Day of the Poor and Mitzvah Day fall on the same day in November. On this day Catholics and Jews are particularly encouraged to undertake an act of charity. In 2019, 75 pupils from six Catholic and three Jewish schools in London joined forces to assemble 400 Vinnie Packs with essential winter items that were distributed by St Vincent de Paul volunteers to rough sleepers.



© Diocese of Westminster



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Cardinal Vincent Nichols joined other London church leaders in Trafalgar Square in April 2019 for the Standing Together Against Knife Crime rally to call for an end to knife crime, to demand action and to stand alongside young people, families and communities affected by knife crime. Three parishes in the Diocese of Westminster have installed knife surrender bins, supplied and managed by Words 4 Weapons and supported by Caritas Westminster, to encourage young people to discard knives and other sharp weapons anonymously.

The Transformative Power of Hope

'The people who walked in darkness have seen a great light; those who dwelt in a land of deep darkness, on them has light shined.'

-Isaiah 9:2

There are myriad reasons why many persons live without hope: unrelenting poverty, deep loneliness and isolation, abuse, fear of violence, difficulty finding a place to fit in, or never quite being able to acquire the skills or resources to pursue their ambitions. No matter the cause of the darkness, the diocese tries to shine a light, offering food and shelter to those in poverty, a refuge to victims of violence and abuse, belonging to those dwelling on the margins of society, and meaning for those who find the world altogether without purpose. The light of the Christ transforms the lives of those it touches, allowing them to take a step, even a small one, when previously many felt trapped in the darkness, unable to move forward.

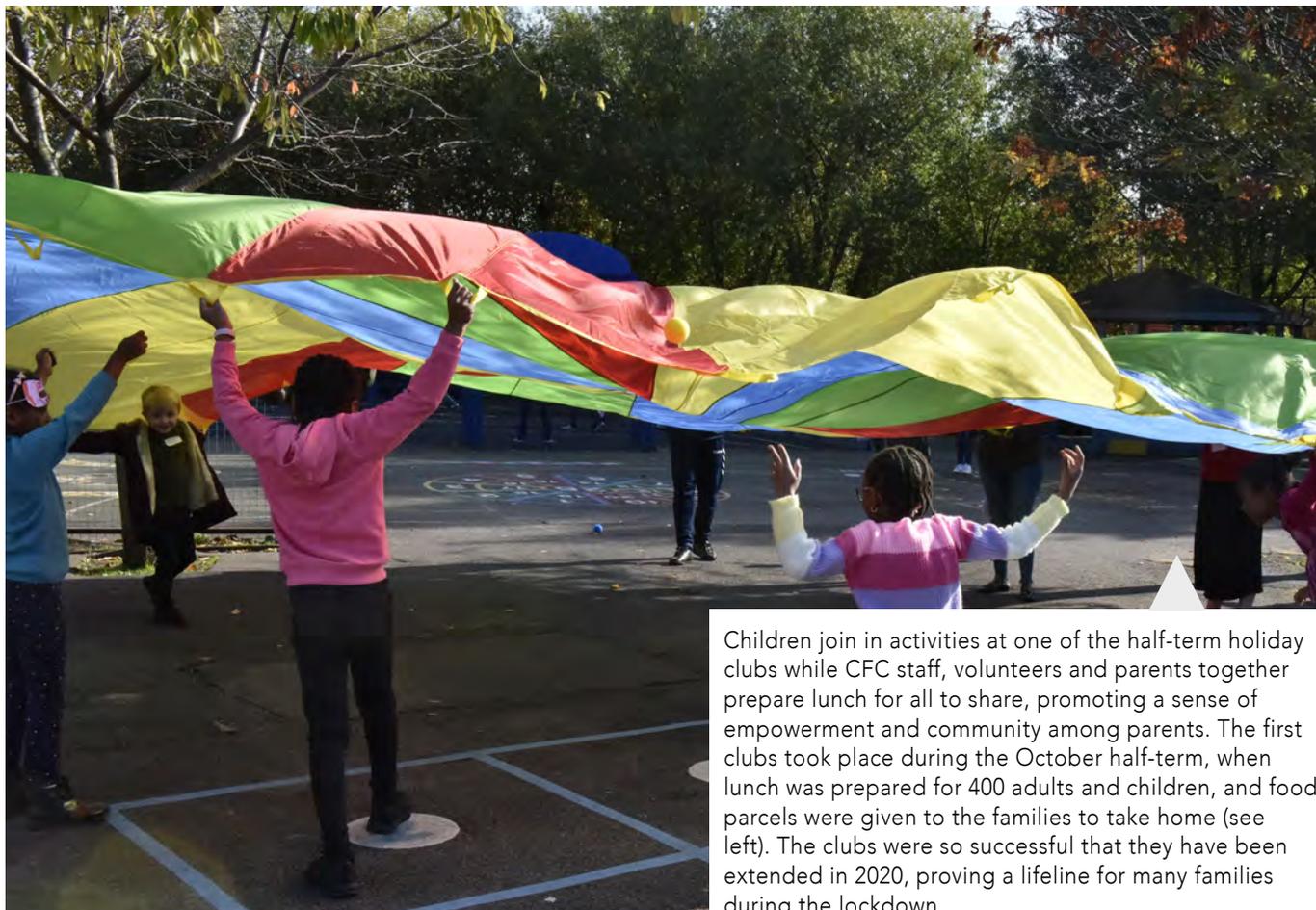


Caritas Food Collective (CFC) staff and volunteers prepare food parcels for families participating in the October half-term holiday clubs to take home at the end of the day. In 2019, the CFC and Felix Project distributed the equivalent of over 7,000 meals.



Pupils from St John XXIII Primary School in White City visit the free food stall set up for families to supplement their provisions with fresh produce and packaged foods, donated by the Felix Project who redistribute good quality food from shops which, would have gone to waste, to those who need it most.

© Diocese of Westminster



Children join in activities at one of the half-term holiday clubs while CFC staff, volunteers and parents together prepare lunch for all to share, promoting a sense of empowerment and community among parents. The first clubs took place during the October half-term, when lunch was prepared for 400 adults and children, and food parcels were given to the families to take home (see left). The clubs were so successful that they have been extended in 2020, proving a lifeline for many families during the lockdown.

© Diocese of Westminster

Hope for the Future

'Your word is a lamp to my feet and a light to my path.'

-Psalm 119:105

A hope-filled future is one that awaits us down a well-lit path. Much of the work of the Charity is directed at lighting the way for all whom it serves: through the education provided in the Catholic schools of the diocese, through the accompaniment and formation of those who find their path leads to a religious vocation, and through youth and adult faith formation. The kindly light of Christ that is shared in all these ministries and activities is offered in order that those who receive it may become kindly lights themselves, caring for each other and for our common home with dedication, generosity, and love at every stage of their lives.

Fr Ben Woodley (L) and Fr Julian Davies (R) were ordained to the priesthood in 2019. They join the hundreds of priests in the Diocese of Westminster who minister in parishes, hospitals, hospices, universities, schools and other settings, serving their congregations and other people in the wider community in a variety of ways, both spiritual and temporal.



© Mazur/CBCEW.org.uk



Pupils from primary schools around the diocese gathered in Westminster Cathedral for the Mass concluding *Adoremus: Our Eucharistic Journey*.

© Diocese of Westminster



Pupils from St Gregory's Catholic Science College in Kenton, taking part in the RHS Big Soup Share, turned produce, grown in the school's eco-garden, into a hearty soup for homeless guests of Ealing Abbey Soup Kitchen. This is one of many examples of community outreach in diocesan schools, forming an important aspect of Catholic education, teaching pupils the significance of caring for others and for the environment. The school has also won the Green Flag Award for four consecutive years for its work in teaching and involving pupils in good environmental practices.

© St Gregory's Catholic Science College

Care for the environment is increasingly important in the diocese and is reflected in the Investment Policy, the move towards green energy for parishes and schools, incorporating environmentally sensitive methods and materials in new buildings and renovations where possible, and the work of parish and school communities in promoting good practices.



St Augustine's Priory School in Ealing has its own farm, allotment and orchard of ancient apple and pear trees, all of which are managed and run by pupils of all ages. (These pupils are preparing heritage apples for pressing into cider.) The care and cultivation of these grounds improves the environmental health of the whole area of Ealing, acting as green lungs and refreshing the air from the pollution of the busy North Circular.

© St Augustine's Priory School

Promoting a Culture of Safeguarding

In 2019, the Diocese of Westminster continued to increase its investment in the work of Safeguarding.

Recognising and responding to concerns:

Responding to allegations: The Safeguarding Team in line with the Catholic Safeguarding Advisory Service (CSAS) procedures deals with all enquiries relating to concerns about children and vulnerable adults. Those that relate to the Church are managed by the team; others are referred on to the responsible authorities. A critical area of the work is ensuring survivors feel listened to and supported.

Consultations: 259 (204 in 2018)

Safeguarding files subject to statutory involvement opened: 39 (37 in 2018)

Managing risk: Safeguarding plans/covenants of care are put in place to manage the assessed risk of parishioners, volunteers and clergy.

Covenants of care/safeguarding plans: 15 (5 in 2018)



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Creating a Safe Environment:

The CSAS procedures, designed to ensure that all activities in the parish for children and vulnerable adults are conducted safely, are widely promoted through induction training for Parish Safeguarding Representatives (PSR), in deanery meetings and parish visits. Particular emphasis is placed on the safe use of social media and photography.

The PSR is a key conduit in the parish between the parishioners and priest on the one hand and the Safeguarding Office on the other. PSRs have their own dedicated diocesan email address and receive routine communications.

Number of PSRs: 275 (247 in 2018)

PSRs inducted: 46 (63 in 2018)

Parishes without a PSR: 4 (6 in 2018)

Safe Recruitment:

Safe recruitment of all staff and volunteers begins with a job description, followed by an interview, and reference checks. Staff, volunteers and priests are required to have an up-to-date Disclosure and Barring Service (DBS) check. The diocese has a policy of rechecking each volunteer, member of staff and clergy every three years.

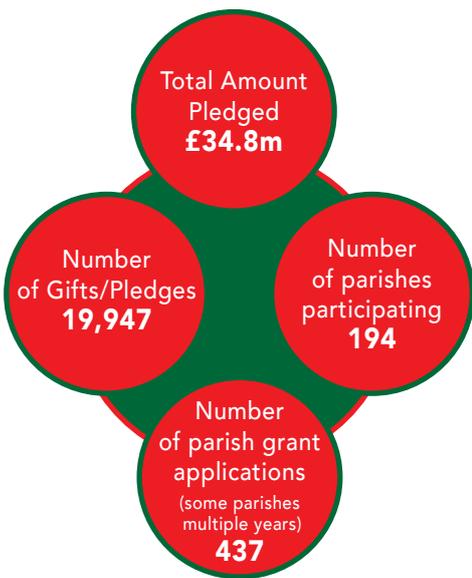
DBS processed: 1,657 (1,469 in 2018)

Promoting a Culture of Safeguarding:

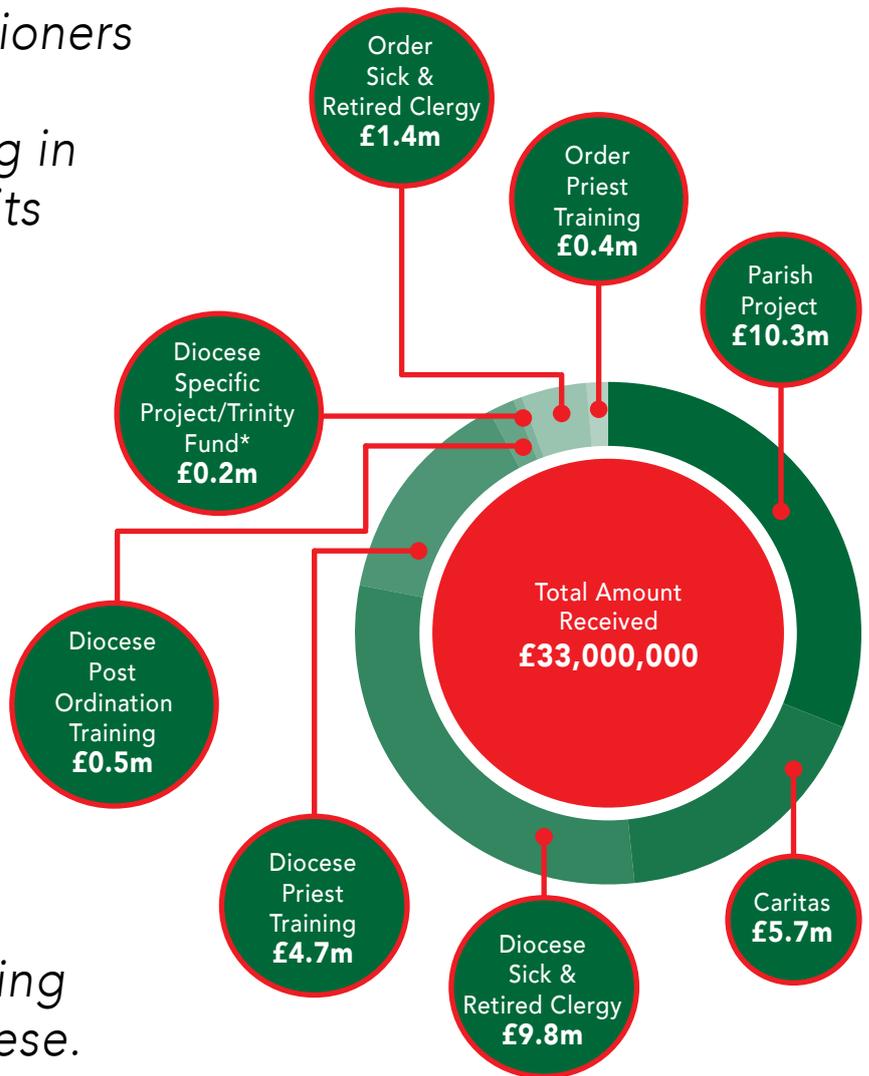
Raising awareness widely in parish communities through a variety of means detailed in the Trustees' Report (page 26)

Growing in Faith

Thank you to all parishioners and donors who have supported the Growing in Faith campaign since its inception in 2013.

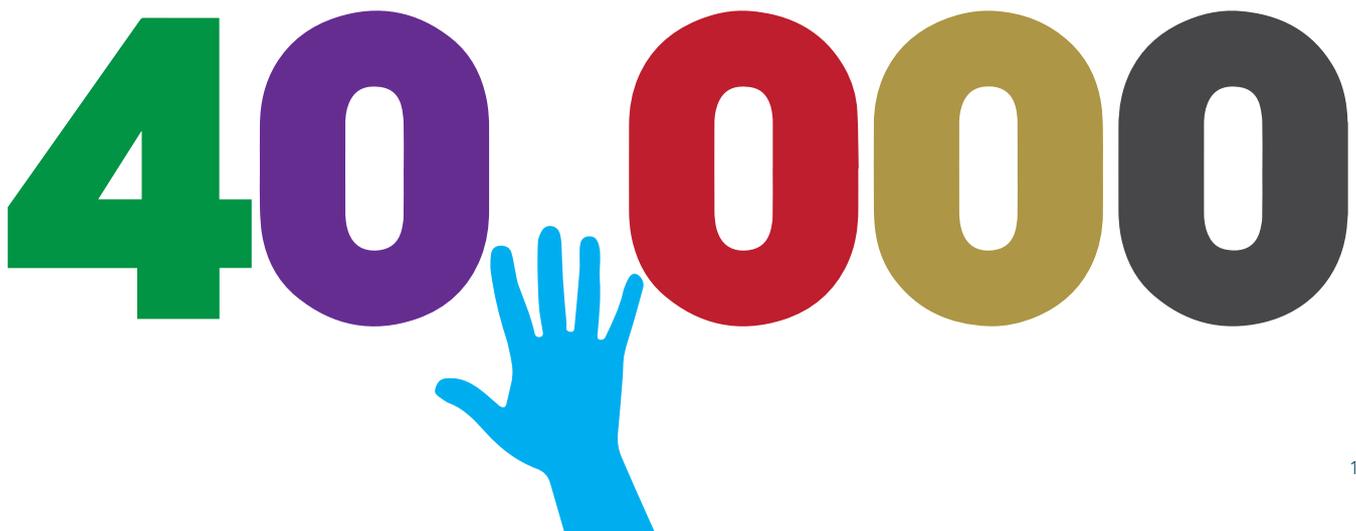


Thank you for supporting the vision for our diocese.



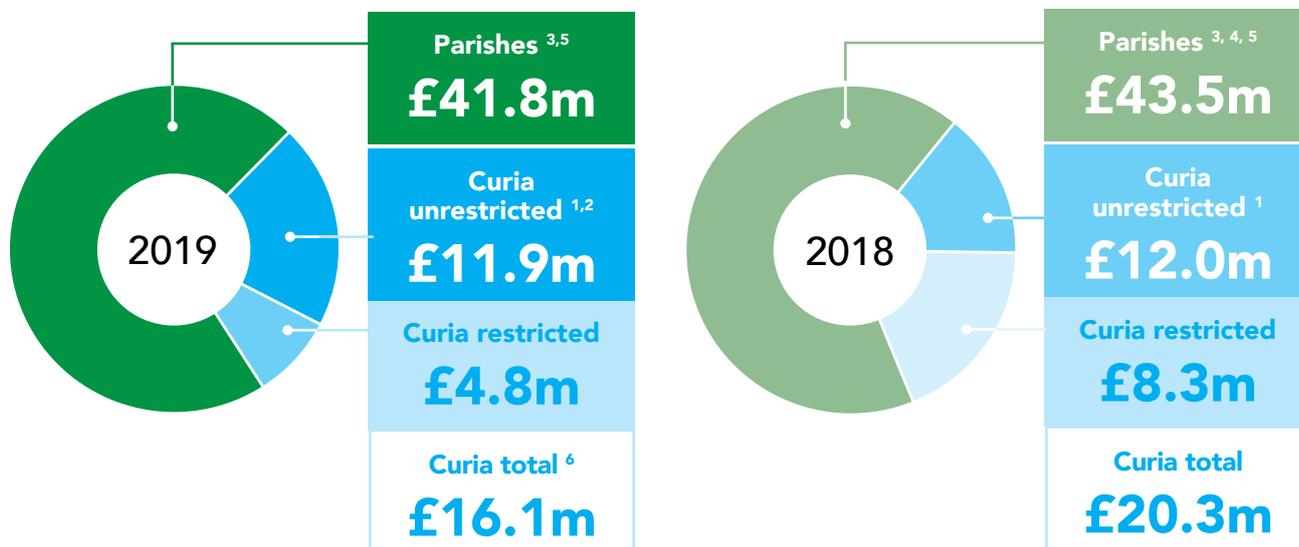
Volunteers

Thank you to our many volunteers for your selfless dedication.

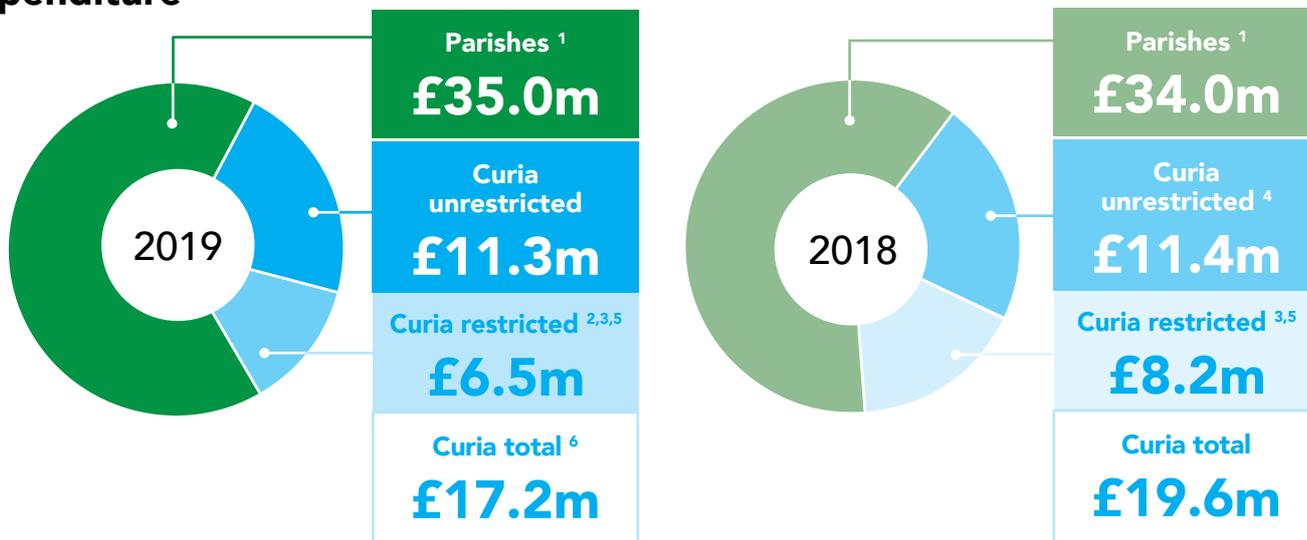


Consolidated income and expenditure

Income

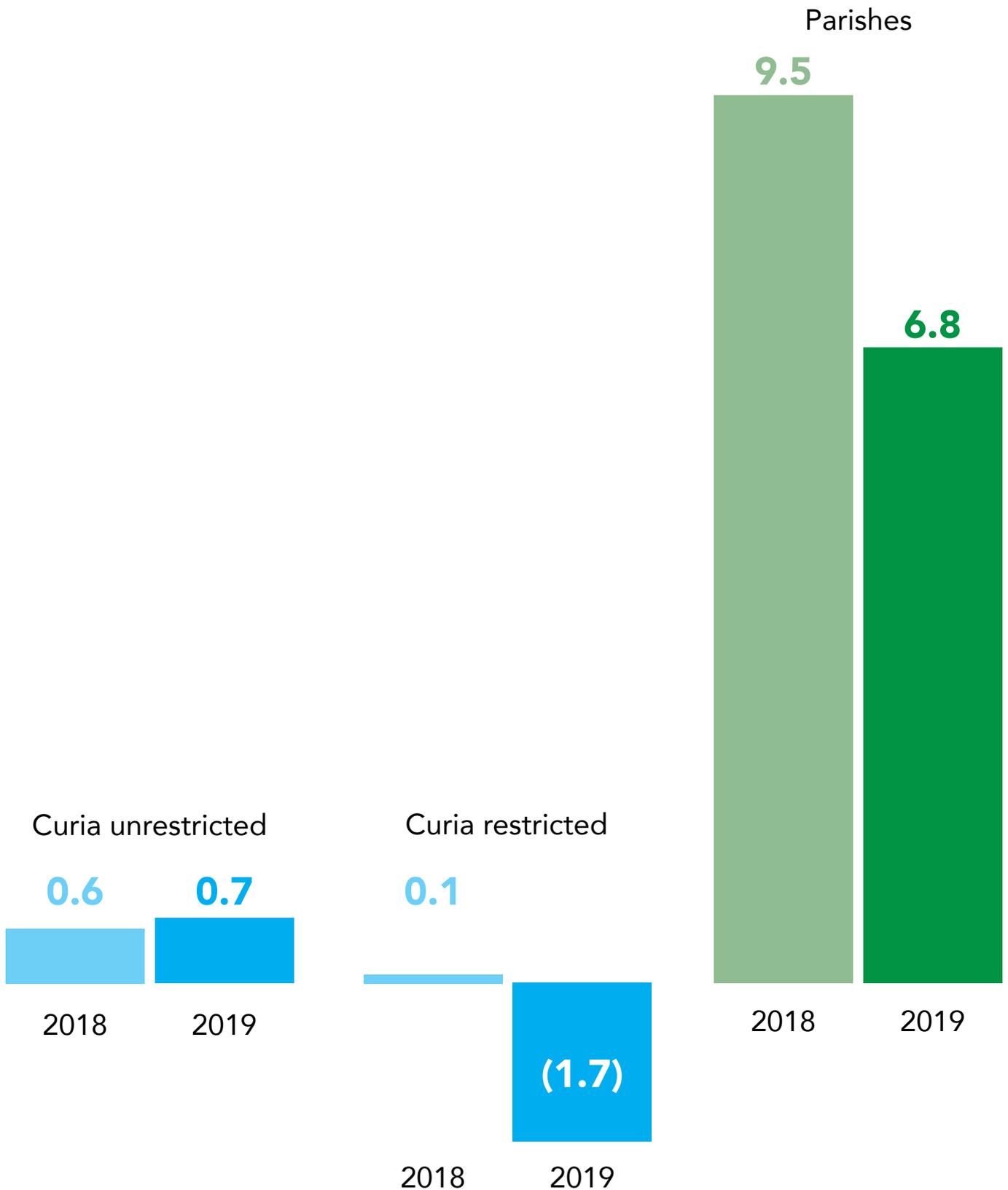


Expenditure

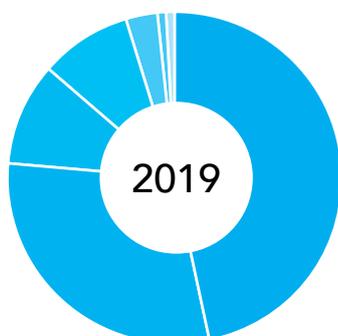


1) Includes assessment transferred from parishes to curia unrestricted (£6.5M in 2019 and £6.1M in 2018)
 2) Includes other transfers from curia restricted to curia unrestricted (£0.6M in 2019 and £0.0M in 2018)
 3) Includes Growing in Faith transfers from curia restricted to parishes (£1.0M in 2019 and £1.4M in 2018)
 4) Includes other transfers from curia unrestricted to parishes (£0.0M in 2019 and £1.1M in 2018)
 5) Includes other transfers from curia restricted to parishes (£0.2M in 2019 and £0.7M in 2018)
 6) After eliminating inter-curia transfers (£0.6M in 2019 and £0.0M in 2018)

Net income (expenditure) before investment and actuarial gains



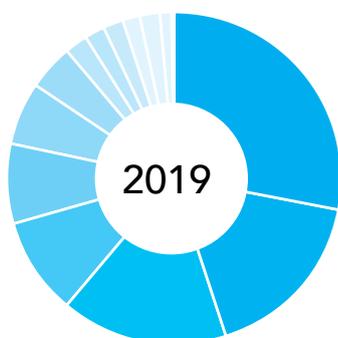
Curia income and expenditure



Income

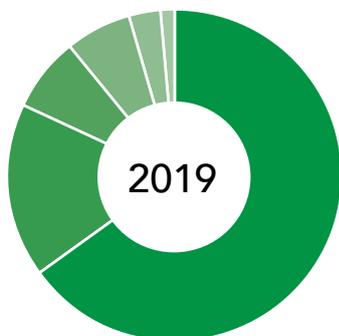
Income by type (£'000)	2019	2018	%2019
Diocesan assessment	6,529	6,061	40.6
Donations and legacies	4,546	9,498	28.2
Income from charitable activities	2,220	1,981	13.8
Investment income	1,872	1,745	11.6
Rents from functional property	646	673	4.0
Trading activities	148	154	0.9
Assessment for non-consolidated parishes	146	150	0.9
Total	16,107	20,262	100.0

Expenditure



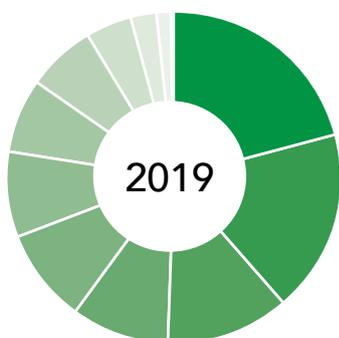
Expenditure by type (£'000)	2019	2018	%2019
Pastoral and related work	5,848	5,492	34.1
Administration	4,205	3,330	24.5
Education and formation	1,540	1,492	9.0
Clergy and consecrated life	1,373	1,219	8.0
Transfers to parishes	1,247	3,193	7.2
Auxiliaries and Vicar General	807	843	4.7
Archbishop's office and house	480	434	2.8
National bodies	443	421	2.6
Communication and safeguarding	389	342	2.3
Growing in Faith projects	289	344	1.7
Fundraising trading and other	282	347	1.6
Bank loan interest	271	260	1.6
School projects	(19)	1,886	(0.1)
Total	17,156	19,603	100.0

Parish income and expenditure



Income

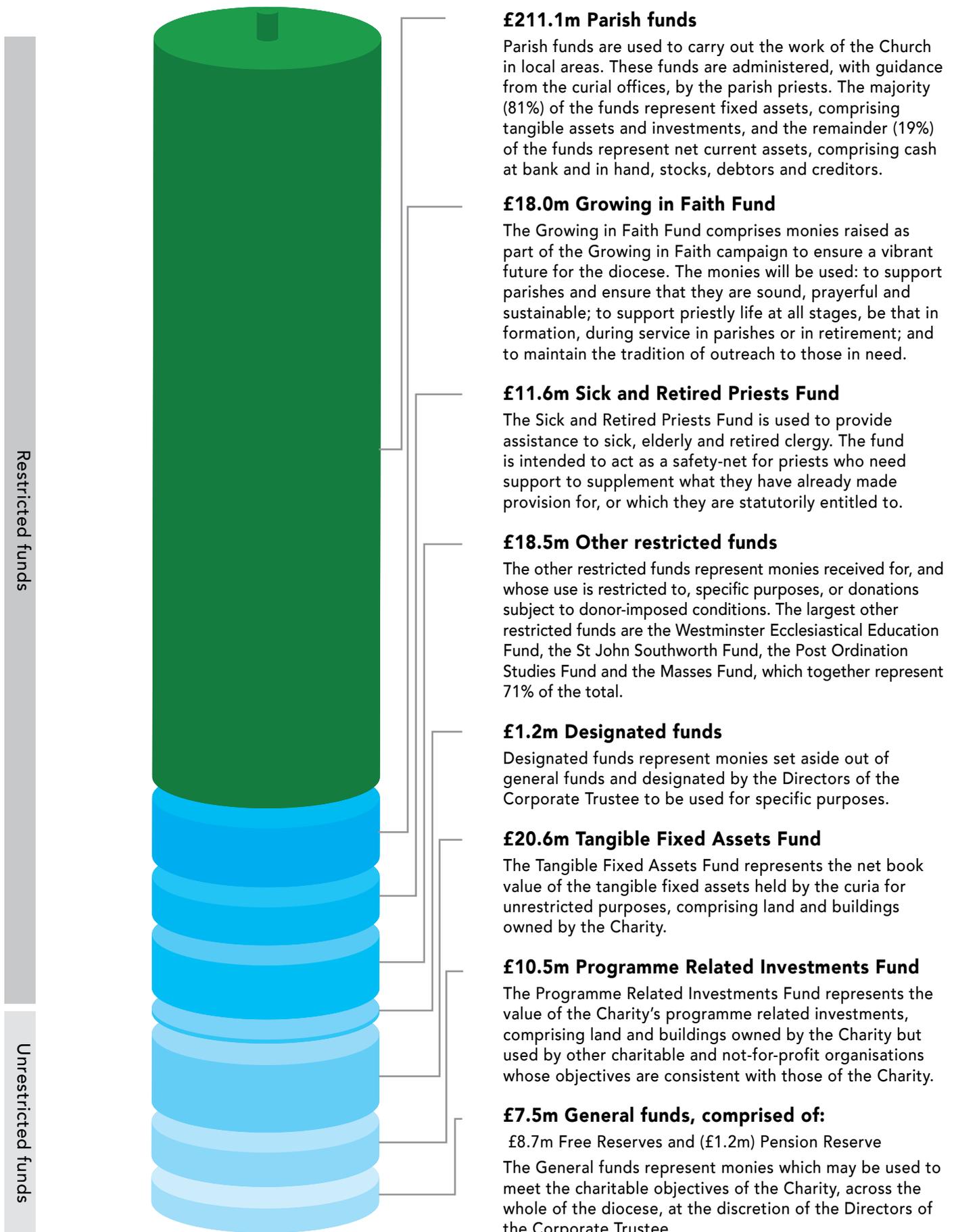
Income by type (£'000)	2019	2018	%2019
Donations and legacies	27,814	28,280	66.6
Parish activities	7,783	7,418	18.6
Investment income	2,914	2,767	7.0
Rents from functional property	1,366	1,289	3.3
Transfers from curia	1,247	3,193	3.0
Trading activities	627	548	1.5
Disposal of assets	1	1	-
Total	41,752	43,496	100.0



Expenditure

Expenditure by type (£'000)	2019	2018	%2019
Non-clergy salaries and housekeeping	7,512	7,124	21.5
Diocesan assessment	6,529	6,061	18.6
Property repairs and renewals	4,288	3,973	12.3
Other	3,151	3,272	9.0
Council tax and utilities	3,092	3,052	8.8
Liturgical, candles and repository	2,769	2,862	7.9
Depreciation	2,724	2,519	7.8
Clergy stipends	2,372	2,306	6.8
Parish activities	1,282	1,517	3.7
Donations and grants	828	890	2.4
Costs of generating trading activities	437	469	1.2
Total	34,985	34,045	100.0

Reserves



Lumen Christi



Westminster Roman Catholic
Diocesan Trust

Annual Accounts **2019**

Report of the Directors of the Corporate Trustee

– Year to 31 December 2019

Introduction

The Directors of the Corporate Trustee (i.e. the Trustees) present their statutory report together with the consolidated accounts of Westminster Roman Catholic Diocesan Trust (the Charity) for the year ended 31 December 2019.

The accounts have been prepared in accordance with the accounting policies on pages 53 to 57 of the attached accounts and comply with the Charity's Trust Deed, with applicable laws and applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and with the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Purpose and Activities

The Purpose of the Charity

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

The diocese comprises 212 parishes and 208 schools located in the boroughs of London lying north of the Thames and west of the Lea River, in the Borough of Spelthorne in Surrey, and in the County of Hertfordshire.

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

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

The Charity therefore fulfils its purpose by offering religious and pastoral services, educational programmes, and charitable support and assistance to all who live within its

borders: approximately 430,000 self-identifying Catholics and roughly 4.2 million other residents. The main vehicles for these ministries are parishes and chaplaincies, schools, and outreach agencies coordinated by Caritas Westminster.

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

Hope Today: The Light of Christ in Our Communities

The primary point of contact with the Charity for most of its benefactors is through its parishes, schools, ethnic chaplaincies and other small groups. These communities are at the heart of the spiritual life and practice of their members, offering them not only a place of worship, but of understanding, belonging, and support. Although the activities of these communities can appear ordinary, even mundane, their impact and importance in the lives of their members should not be underestimated. The social cohesion offered by parishes and chaplaincies extends beyond their own membership and the strangers they welcome: many of these groups are involved in initiatives to make their local areas safer and more welcoming, or have sought out opportunities to enter into ecumenical and interfaith partnerships that improve mutual understanding between faith groups, and offer social support to a broad cross-section of society, irrespective of the religious belief or practice of those benefitted. The fruits of these initiatives (examples of which can be seen on the following pages) are a beacon of hope to many in a society that too often appears to be fragmented and turbulent.

Parishes

Parishes are geographical regions centred around a church and administered by a priest. The parish church is usually the hub of Catholic activity in a parish: Mass, the heart of Catholic spiritual life, will be offered there almost every day, especially on Sundays when it may be offered several times; the sacraments of Baptism, Penance, Confirmation, Holy Communion, and Marriage are conferred there; and outside of these liturgies the facilities are often used by various groups (such as prayer and faith-sharing groups, charitable organisations like food banks, youth groups, parent-toddler groups, nurseries, and other community associations) to meet, and to coordinate and carry out their activities. All places of worship are open to the general public for prayer, for quiet and peaceful reflection, for access to burial grounds, and to experience the rich history and beauty of their architecture and the numerous devotional artefacts, stained glass windows and other religious works of art located in them. Their meaning in sustaining parishioners and the local community has been made markedly clear

Report of the Directors of the Corporate Trustee

– Year to 31 December 2019

in the reactions to their closure during the COVID-19 pandemic. These reactions have included shock, sorrow and even outrage at being deprived access.

Parishes across the diocese are extremely diverse in their populations: one particular parish has nearly 100 nationalities represented amongst its parishioners, and most have persons of all ages and backgrounds; but parishes are places where all people can be integrated into the community. The parish church and its community become deeply important to those who worship or are involved in activities there. The Diocese of Westminster plays host to persons from all over the world. Many of them are likely to say that at their parish church they found a welcoming Catholic community that made somewhere far from where they were born feel more like home: their parish community becomes an adopted family. Equally, there are members of some parishes whose families have lived within its boundaries for generations. There are parishioners who will explain proudly that they, their parents, grandparents, children, and now grandchildren have all been baptised in that same church, indeed in the same baptismal font. For them, too, the parish is a part of their family identity.

Parish-led Activities

One of the principal activities in each parish is the celebration of Mass by the parish priest. Approximately 137,100 people across the diocese attended this sacred liturgy every Sunday last year (2018: 137,200). In addition to hearing Mass, thousands of persons in the parishes of the diocese were prepared for and received the sacraments of Baptism, First Holy Communion, Confirmation, and Holy Matrimony all of which are important milestones in the spiritual life of Catholics.

As well as being the ordinary setting for collective worship and the celebration of the sacraments, parish communities are hubs of social engagement across a variety of spheres including safer-streets initiatives, cultural projects, and community outreach.

The parish of Saints Michael and Martin in Hounslow is the largest in the diocese, and serves a diverse population of Indian, African, Caribbean, European and British parishioners. Three ethnic chaplaincies have dedicated monthly Masses in the parish, the Goan, Syro-Malabar and Sinhalese chaplaincies, and many others are involved in music ministry, including the Ghanaian, Caribbean and Filipino chaplaincies. It would be a mistake to think that such a diverse parish is divided on ethnic lines though. As a whole, the parish has a very active branch of the St Vincent de Paul Society (SVP), which is supported financially by the parish, and a Caritas group. The two

work together seamlessly to support parishioners and those in the wider community who find themselves in need. Being a predominantly migrant parish, many rely on the SVP for stability and assistance when they first arrive. Additionally, the parish has formed partnerships with the wider community: it provides food and volunteers to run a community food bank in cooperation with St Paul's Anglican Church, and is part of an ecumenical network of night shelters that offer the homeless a safe place to sleep during the colder months. As well as being a place of charity and social concern, Ss Michael and Martin has a busy and joyful schedule of collective worship and sacramental life. One hundred and seventy-eight candidates for confirmation were prepared by a legion of catechists through the year, and were scheduled to be confirmed in May 2020 in Westminster Cathedral. COVID-19 made the date impossible, but the *confirmandi* are waiting eagerly for the sacrament to be rescheduled as soon as possible. Additionally, 172 children are currently preparing to make their First Holy Communion, a number that requires two Masses a weekend for four consecutive weekends to accommodate. Unsurprisingly, there are many baptisms in the parish. Additionally, many couples are prepared for the sacrament of Holy Matrimony; however, with so many migrants and immigrants in the parish, many couples return to their home countries for their weddings, no doubt with tales to tell of this vibrant parish in Hounslow.

In July the parish of Our Lady of Lourdes and St Vincent de Paul in Harrow Road became the third parish in the diocese to install a knife surrender bin. Knives and other weapons used in violent street crime can be deposited in the bin anonymously. The secure bin is managed by Word 4 Weapons, a non-denominational Christian charity with a proven track-record of tackling street crime through voluntary weapon surrender: 35,000 weapons have been collected in their bins in the last decade. The Parish Priest at Our Lady of Lourdes and St Vincent de Paul was drawn to the project because every knife collected is one less that can be used to injure or kill. One of his parishioners described the importance of the project in the local community: 'All of the communities including our churches are part of the community that brings our children up well and keeps them safe. The whole community knows about [the knife surrender bin] and wants to come together for it.' This parish project provides a more hopeful future for a local area that is worried by the rise in knife crime and the impact it has on young people.

Parishes are also places where the arts and culture are advanced and explored. In the first quarter of 2019 Farm Street Parish supported and played host to the inaugural event of Catholic Creators, an initiative dedicated to

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supporting and connecting Catholic artists across the UK. The event coordinator, herself a parishioner at Farm Street, pointed to the extraordinary sold-out gathering as proof of hunger for the arts. The invited speaker for the evening, Dr Gabriele Finaldi, director of the National Gallery, addressed the audience with these words about hope and art: 'Christian writers often quote the words of Dostoyevsky that "beauty will save the world". There is surely something profoundly insightful in this phrase. Beauty can cut across a thousand arguments, it can speak directly to the heart, it can be persuasive in many mysterious ways.' Certainly the shared experience of art and beauty provides a vital point of connection for members of a community, as well as a starting point for outreach that has far-reaching benefit.

As well as being hubs of community activity, parishes are also places of quiet reflection where their members and the wider public may come to be restored through mindful meditation and prayer. In May 2019, the parish of Our Lady of the Rosary and St Dominic at Haverstock Hill, which is designated as a diocesan shrine for the ancient Catholic devotion of the Rosary, expanded the space they offer for tranquil contemplation when they opened a newly-landscaped Rosary Garden in what was previously unused land tucked around the back of the church, adjacent to a public footpath. Featuring specially commissioned artwork and statuary dedicated to the Luminous Mysteries of the Rosary, the garden provides the ideal setting for visitors to pray the Rosary, or simply to enjoy the beauty of nature. The priests at the parish say that the garden has already become an inviting space to the wider community: many people who might be uncomfortable entering the church can happily enjoy the sunshine in the garden, converse with the priests and laity of the parish, and even play with the priory cat. Sometimes something as simple as a beautiful garden can provide greater understanding and connection in a community and build a more hopeful future.

Beyond these examples and activities, parish priests engage daily with their congregation (e.g. during daily Mass, when ministering to the home-bound) and also, in concert with the approximately 40,000 volunteers in the diocese, to the wider local community (e.g. when visiting people who are sick or in hospital, when counselling those experiencing pain, loss, hardship or other difficulties, when leading bereavement support groups).

Many parish activities that fulfil the Charity's purpose rely on purpose-built buildings, and the Trustees direct significant resources and funds towards ensuring that parish buildings are fit for their intended purpose. There is a constant and ongoing programme of repairs and renewals, which this year included the renovation of the entrance porch to improve access facilities at St Peter-in-Chains,

Stroud Green; a complete refurbishment and reordering to the church building at Our Lady and St Thomas of Canterbury, Harrow on the Hill; and renovating a tired and run-down parish hall at St Scholastica, Clapton. All of these projects, and the others overseen by the Property Department, will allow parishes to make best use of their facilities and to continue to undertake essential work and ambitious projects, like the ones described above.

Another, complementary, way in which the diocese strives to be inclusive in its ministry, and to engage more widely with society, is through its chaplaincies.

Chaplaincy-led Activities

Chaplaincy is the provision of religious and pastoral services to people in local communities who may have specific needs due to their state of life, who face unique challenges, or who are vulnerable and therefore require special accommodations to be made.

The creation and continued operation of individual chaplaincies reflects not only the changing needs of people in their local communities, but also of contemporary society itself, particularly in relation to social integration and community cohesion.

Chaplaincies are often connected with secular institutions, such as hospitals, prisons, and schools, providing spiritual support for Catholics in those institutions, and to any others who ask. In addition to providing such institution-based chaplaincies, the diocese offers a diverse range of other chaplaincies ministering to those who are not affiliated with any secular institution, amongst which ethnic chaplaincies merit special mention as they are often regarded as a parish or natural home community by those who access them.

Chaplaincies provide sacramental and pastoral care and support to people from 34 different ethnic communities, from Albanian-Kosovan to Zimbabwean, from Brazilian to Vietnamese. People engaging with these chaplaincies may simply face a language barrier, or at the other end of the spectrum may have fled their home nation to escape persecution for their beliefs and have been granted asylum. Each chaplaincy offers the newly-arrived immigrant a safe and welcoming environment in which to engage with their local community, helping them in turn to integrate into society. The vast majority of ethnic chaplaincies celebrate Mass at least once a month in their native languages, helping to preserve and nourish the diversity of distinct cultural expressions of faith and community present in the diocese, and provide support to new arrivals; others cater for communities, such as Travellers, who are not typically integrated into a particular parish.

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In September, 2019, the diocese celebrated the World Day for Migrants, designated by the Vatican as the last Sunday in September of each year, to highlight the hardships faced by migrants, refugees, internally-displaced peoples, and victims of human trafficking. Whilst not all ethnic chaplaincies in the diocese minister to migrants, and no ethnic chaplaincy ministers to them exclusively, these groups form a primary outreach to migrant workers and refugees in the UK because they allow their members to receive spiritual care, material assistance, and social acceptance in their native language and in a setting that is culturally familiar. However, ethnic chaplaincies are not separate from the rest of the diocese, and so integrating persons into the life of the Church via ethnic chaplaincies gives hope for a more unified future for the broader community. As Pope Francis noted in connection with the World Day for Migrants: 'The presence of migrants and refugees, and of vulnerable people in general, is an invitation to recover some of those essential dimensions of our Christian existence and our humanity that risk being overlooked in a prosperous society.' This is the hopeful spirit behind the work of the ethnic chaplaincies: to welcome all into the community as equal, even the profoundly needy.

In October 2019, when 39 Vietnamese migrants were found dead in the back of a lorry in Essex, Fr Simon Nguyen, Parish Priest of The Holy Name and Our Lady of the Sacred Heart, Bow Common worked with police to assist them in their endeavour to identify victims and contact families in Vietnam. As the Vietnamese Chaplain, he organised prayers and Masses to help Vietnamese Catholics in London deal with this shocking disaster. While these deaths gained national attention, there have been a number of similar deaths. Each time, the Vietnamese Chaplaincy has provided support to the members of the community, many of whom may have initially arrived in the UK seeking a better life.

The religious, pastoral and spiritual activities undertaken by chaplains are hugely varied, and can include: performing wedding or funeral ceremonies, providing regular, informal counselling, leading prayers, and personal advocacy on behalf of those who cannot do it themselves (e.g. certain hospital patients). Chaplains do not have to be ordained priests, though many are. Likewise they are not required to undertake theological education, though many have indeed done so.

Central Services

The success of all the day-to-day frontline activities offered by our parishes and chaplaincies in fulfilling the Church's purpose is facilitated with support from the central services of the diocese. This support takes many practical forms,

encompassing the provision of training, the production and dissemination of printed materials, the organisation and promotion of programmes and events, and the hosting of pilgrimages, as well as safeguarding, financial administration, fundraising, and data protection.

Agency for Evangelisation

The Agency for Evangelisation (AFE) supports parish priests and catechists in carrying out their work in the diocese. The training and encouragement provided by the agency is essential to ensuring that parish priests and catechists not only have a common knowledge base, but also are confident in transmitting the Catholic faith to those seeking a deeper relationship with Christ and his Church.

Catechesis is a continual process of education, formation and conversion that must be offered in many forms, tailored to each individual's particular circumstances. For example, the catechesis provided to children preparing for their First Holy Communion will differ from that which is given to adults preparing to be received into the Church.

During 2019, to support the work of parish catechists in the delivery of sacramental and other programmes, the agency offered 46 different training events and courses covering a wide range of themes. Seven hundred and sixty catechists attended these events and left many positive comments about their increased confidence in carrying out their ministry and hope for the future of catechesis in the Church.

In 2019 the AFE, in partnership with the well-regarded Maryvale Institute in Birmingham, launched a suite of a three certificate courses: Certificate in Catechesis (MCC), Certificate in Parish Ministry and Mission (CPMM), and Certificate in Marriage and Family Life (MFL). Bursaries were made available to make the courses more widely accessible, with some students receiving full funding and some partial. The first intake of students was enthusiastic about the courses and their impact on ministry within the parishes, one commenting that the course had 'enabled me to see how the teaching of the Church can be realised in practice in the life of the parish.'

Marriage and Family Life (MFL), a department within the AFE, works at the service of marriage, family and the Gospel of Life, endeavouring to extend the research, policy, educational and pastoral activities that the Diocese of Westminster undertakes in these areas.

In 2019 MFL continued to offer a variety of proven programmes, including: SmartLoving Engaged, a comprehensive marriage preparation course; Loving4Life, marriage enrichment weekends offered to married couples; and Retrouvaille, a programme designed to help heal and renew troubled marriages. They also organised the

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Annual Mass for Matrimony held at Westminster Cathedral, which brings together couples from across the diocese to celebrate their 5th, 10th, 25th, 40th, 50th or 60th+ wedding anniversary. In 2019, 620 couples attended, many with their families.

Additionally, MFL helped to mark the 60th anniversary of Teams of Our Lady in England. Teams of Our Lady is an international lay movement within the Church that aims to improve all marriages, even good ones, through spiritual enrichment and deepening the prayer life of the family. The anniversary celebration involved 250 delegates and their families.

Safeguarding

Westminster Safeguarding Service's principal mission is to protect children and vulnerable adults in the diocesan Catholic community from experiencing harm. Their work is essential to the Charity being able to carry out its work safely and responsibly. Their principal responsibilities are

- (1) Safeguarding children and adults at risk;
- (2) Protecting that group from harm;
- (3) Responding to the victims of such abuse and helping them to find the assistance they need;
- (4) Creating a safe environment in which to worship and to be involved in church activities.

At a central level, safeguarding is undertaken by a team comprising a Safeguarding Co-ordinator with a wealth of experience in safeguarding work and a Safeguarding Support Officer with a background in family law, supported by a Disclosure and Barring Service (DBS) administrator with a wealth of experience of Catholic charity work and disclosure and barring matters, a team administrator and the Episcopal Vicar for Safeguarding. As part of the ongoing commitment to safeguarding, two Safeguarding Caseworkers were added to the team in the autumn.

This team works in collaboration with the Westminster Safeguarding Commission, which has members with expertise spanning a number of safeguarding agencies, including the police, social care, education, nursing and the law. The Commission sets the strategic agenda for safeguarding in the diocese and meets every three months to review the agenda and analyse any cases.

During 2019 the team focused on promoting a 'Culture of Safeguarding' through a variety of activities, amongst which were:

- (1) Safeguarding in Our Parishes: every parish website now has a 'Safeguarding in Our Parishes' tab, providing easy access to information on how safeguarding is organised and implemented in the diocese, who is responsible both locally and centrally, advice for reporting past and present safeguarding concerns, and support for victims of abuse.
- (2) Newsletter: Parish Safeguarding Reps (PSRs) now receive a regular safeguarding newsletter, which includes information on any updates to policies and answers to frequently asked questions.
- (3) Induction for New Employees: all new diocesan employees receive an hour of safeguarding training during their general induction.
- (4) Educare: Educare is online safeguarding training and is available at no charge for all parishioners in the diocese.

Additionally, Safeguarding is in the process of developing both a poster for use in the parishes designed by and aimed at children and young people to help them know how to talk about any concerns they might have, and a basic, but comprehensive training course for parish volunteers to be delivered by the PSRs.

Safeguarding has welcomed the scrutiny offered by the Independent Inquiry into Child Sexual Abuse (IICSA) enquiry, with which it has fully cooperated.

The Transformative Power of Hope: Ministry on the Margins

In its ministry to those who are suffering or dwelling at the margins of society due to poverty, homelessness, or disability, the Charity always intends to leave those whom it helps with a newfound or renewed hope in life and an awareness of its deeper meaning that will lead them to reach out to others to share the hope they have received. The principal ways in which the Charity helps those on the margins of society are through Caritas Westminster, an organisation that promotes an active understanding of Christ's teachings about love, working in collaboration with and through parishes and schools to lead practical initiatives to make love, compassion and justice concrete realities in society, and through dedicated chaplaincies, such as those that minister to people in prisons and hospitals.

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The Implementation of Catholic Social Teaching through Caritas

The fundamental principle of all Catholic social teaching is that each and every human person is created in the image and likeness of God, and therefore possesses an innate dignity. This is the most basic meaning of being ‘children of God’. The development of Catholic Social Teaching has led the Church to articulate some basic truths about human dignity: that it entails certain innate human rights that must be upheld by a just society, including the right to do meaningful work for a just wage. Furthermore, recognising the disadvantages that poverty brings, the Church has long promoted and emphasised the ‘preferential option for the poor,’ to allow those without economic means a voice in society and hope concerning their own future. Caritas Westminster has used these principles of Catholic social teaching to develop four key values, which guide its work.

- (1) To meet basic human need
- (2) To give attention to the development of each person’s potential
- (3) To foster community, inclusion, and engagement of both our volunteers and those we serve
- (4) To bring about a fairer society

Caritas encourages all parishes to run social action projects that respond to needs in their own local area according to these values. Assistance for these projects is available from seven development workers, each assigned to a different geographic hub in the diocese. Projects that minister to those persons suffering from the following forms of poverty and social exclusion are at the heart of Caritas’s work throughout the diocese:

- The homeless: those living on the streets or in insecure housing
- Those in food poverty: those who cannot afford to buy sufficient food to feed their families
- Those with intellectual disability: those with intellectual disabilities often face social exclusion due to prejudice and misunderstanding of their talents, abilities, and needs
- Refugees: displaced persons can face many different social, legal and economic hurdles
- The Deaf Community: the deaf may struggle to access social services, and the Church and sacraments
- Victims of trafficking: often suffering abuse or enslavement, these persons are especially vulnerable and isolated, and in need of immediate and long-term assistance

In 2019 Caritas directly administered seven large-scale projects and services, including the Caritas Food Collective, which was a new initiative, and six continuing projects: Caritas Bakhita House, which gives shelter and assistance to women who have been trafficked; Caritas St Joseph’s, a college for adults with intellectual disabilities; SEIDs (Social Enterprise, Ideas, Development), which is a start-up business programme and resource hub for those embarking on social enterprise; Caritas Deaf Service, which is a programme enabling the deaf community to access the Mass and the sacraments; the St John Southworth Fund, which is an amalgamation of funds and legacies that were provided to alleviate hardship in the diocese; and Caritas Volunteer Service, which uses a specially-designed website to link potential volunteers with charities that need their help.

Some of the stories to come out of these projects this year are especially stirring:

The **Caritas Food Collective** was launched in February 2019 to address food poverty across the diocese through a series of initiatives. There are an estimated 2.3 million people living in poverty in London, many of whom cannot afford to buy food each day. Children in these circumstances are entitled to free school lunches, and many also receive breakfast at school in term time. During school holidays, however, the burden of providing meals falls back on the parents, although many are unable to do so. In response to this pressing need, beginning in October half-term 2019 the Caritas Food Collective set up family holiday clubs at seven centres across the diocese, providing meals to children and adults living in food poverty, as well as giving information to adults, and arranging sports and crafts activities for children. Much of the food served was provided through a partnership with the Felix Project, a food rescue charity that donates unsellable but edible food to food banks and other food charities. The feedback on the holiday clubs has been phenomenally positive. For many families the clubs have transformed school breaks from something to dread into something to look forward to, and the volunteers who supported the clubs described it as a privilege to be involved.

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In January 2019 **SEIDS** launched its Start Up Business Programme, helping 26 entrepreneurs build up their skills and confidence to run small enterprises. This followed a year of offering business support on a more ad hoc basis, as well as providing office space and meeting rooms to its clients. The programme is grateful to the sixteen volunteer mentors who provide one-to-one support for those on the course. As a testament to its success, in November, one of the first SEIDs members, Amanda Epe, won a Pride of Brent award for her enterprise, Fly Girls, a ladies' running group that aims at community support and empowerment as well as fitness. Any woman over the age of 14 is invited to walk, jog, or run at her own pace while making friends across generations and across the community.

Caritas Bakhita House is an initiative that goes from strength to strength in its service to some of the most vulnerable women in the country. It is a safe house for women who have been trafficked or rescued from modern slavery. The house hosted 17 guests in 2019, making a total of 118 since it opened in 2015. The staff and volunteers provide much more than food, accommodation and safety: Bakhita House is a real community of support where the women eat together each day, taking it in turns to cook, and socialise and take classes together. Some of them have known nothing but abuse since childhood, but the support they receive at Bakhita House, and even when they move on, allows them to begin living ordinary, hope-filled lives. In autumn of 2019 four women at Bakhita House were granted leave to remain in the UK for five years, a legal status that allows them study or work, claim benefits, and access the NHS. The peace of mind this brings these women is immeasurable. The opportunities it brings with them can truly transform their lives and those of their families.

Not every person requiring assistance to overcome poverty or social exclusion fits into a defined programme or needs long-term aid. Caritas Westminster also works with beneficiaries who need ad hoc or short-term assistance. One means for assisting these persons is the **St John Southworth Fund**, which awarded grants totalling about £190,000 in 2019. This total included 39 emergency grants to families or individuals in extreme hardship, 41 grants to cover funeral costs when the family of the deceased was unable to do so, and 12 grants to parish groups to set up social action projects.

Hope for the Future: Education and Formation

The Charity seeks to provide for the present needs of society through its community engagement and work for its benefactors through parishes and chaplaincies and through the socially and personally transformative programmes offered by Caritas Westminster, but in addition to this in fulfilling its mission the Charity seeks to provide a better, hope-filled future through its work with children and young people. At the heart of this mission are the 208 schools run by the diocese and the dynamic Westminster Youth Ministry team that coordinates spiritual outreach to the young people of the diocese through parishes, schools, and diocesan programmes.

Education provided through Diocesan Catholic Schools

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

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

Have the child at their centre: Catholic schools are designed and run to provide the very best educational opportunities and life-fulfilling experiences in communities formed by the teachings of Christ and his Church.

Have Christ at their heart: Catholic schools are places where everyone is valued as a child of God, where every individual is enabled to grow in unity with Christ, and to achieve his or her full potential.

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

Are distinctive: Catholic schools, through their clear and visible Catholic identities, will be for many people the place where they first encounter Christ and his Church, and as such are evangelising communities.

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Are centres of excellence for Religious Education and the wider curriculum: A Catholic school's entire curriculum is underpinned by and expresses Catholic beliefs and values, so it is vital that an understanding and knowledge of the Catholic faith permeates all aspects of school life.

Are collaborative: Catholic schools actively promote strong and positive links with the wider community, including the diocese, deaneries, parishes, local communities, families, and other schools. Given that parents, or those who act in their place, are the primary educators of their children, links between the home, the school and the parish are especially significant.

Have a liturgical, sacramental and spiritual life: Catholic schools are worshipping communities whose spiritual identities are expressed most visibly through classroom prayer, whole-school liturgies, and assemblies.

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

The Charity has oversight of 208 Catholic schools in the Diocese of Westminster, attended by around 93,000 boys and girls from the ages of 4 to 18. As of 1 June 2019, there were ten academy trusts, comprising both primary and secondary schools.

Both the land and the buildings through which all diocesan schools and academies operate are provided by the Charity, together with advice and guidance for both headteachers and governors on general, school-related employment matters. Furthermore, the Charity appoints all Foundation Governors and Foundation Directors, and through its Education Service is represented at the appointment of all headteachers, deputy headteachers, heads of Religious Education, and chaplains. As faith leaders in diocesan schools, many headteachers provide retreats for their staff. It is vitally important that they also have the opportunity to be spiritually nourished.

All schools in the diocese are regulated by the Office for Standards in Education, Children's Services and Skills (Ofsted) which conducts a rolling programme of inspections and regulatory visits to all schools in order to achieve excellence in education and skills for learners of all ages, and in the care of children and young people.

In January 2018, Ofsted changed the way in which schools previously graded 'Good', and so inspected under Section 8 (short inspection), were judged. There are now four possible outcomes from a Section 8 inspection but those usually applying to our schools are: continues to be Good (Good), inspected in 4 years under Section 8; currently Good but showing signs of Outstanding (Good plus), inspected within 2 years under Section 5; currently Good but showing signs of Requiring Improvement (Good minus), inspected within 2 years under Section 5. Section 5 is a full inspection, following which a school's grade may be changed.

In total, 95% of all schools in the diocese were judged as Good or Outstanding by Ofsted criteria. This consistency of inspection rating is to be applauded, and it affirms the sterling efforts made by diocesan schools and the Education Service to ensure that a universal, high-quality education is available to all pupils. Equally noteworthy is the fact that diocesan schools achieved on average better ratings than their peers: in 2019, 27% of primary schools in London were rated by Ofsted as Outstanding (diocese: 32%) and 5% as Requires Improvement (diocese: 4%); for secondary schools and sixth form colleges in London Ofsted rated 36% as Outstanding (diocese: 49%) and 10% as Requires Improvement (diocese: 3%).

As of September 2019, 32% of diocesan primary schools were rated by Ofsted as Outstanding (31% in 2018), while just 4% were rated as Requires Improvement (4% in 2018). Amongst diocesan secondary schools and sixth form colleges, Ofsted had assessed 49% as Outstanding (49% in 2018). No diocesan schools, either primary or secondary, were rated Inadequate/Special Measures in either 2019 or 2018.

The two headline performance measures are Progress 8 and Attainment 8, each of which can be calculated from the grades achieved across eight different subjects that must include both English and maths.

Progress 8 is intended to measure student progress between primary school and GCSE. A score of 0 is, by definition, the national average, while scores above 0 mean students have performed better than the national average and scores below 0 mean performance has been below the national average. In 2019, students in diocesan secondary schools achieved a Progress 8 score of +0.48, significantly above the national average and a slight increase on the 2018 Progress 8 score of +0.47.

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Attainment 8 is intended to measure average student achievement with an emphasis on the importance of both English and maths. In 2019, students in diocesan secondary schools achieved an Attainment 8 score of 5.4, considerably above the national average (4.6).

Diocesan secondary schools continue to outperform their peers academically on other performance measures. In 2019, 57% of students achieved a grade 5 or above in both English and maths (nationally: 42%). The percentage of students who achieved the English Baccalaureate (EBacc) at grade 5 or above in English and maths was consistent from 2018 (29% in 2018 and 2019), which remains considerably ahead of the national average (2019: 17%, 2018: 16%).

This impressive overall academic performance was even more remarkable for Religious Studies. The number of students taking the exam was up roughly 3% in 2019 over 2018. The 5,871 students who sat the exam in 2019 attained an average grade of 5.8, well above the national average (5.0), and 83% of them were awarded a grade 4 or above (the equivalent of unreformed A*-C grades), once again significantly above the national average (71%). Furthermore, the average progress score of +0.71 (2018: +0.68) was again significantly above the national average. These results were in line with achievements in 2018.

During the year, the Education Service continued to conduct its own rolling programme of inspections to assess both the standard of Religious Education (RE) in the classroom and the state of Catholic Life in all its schools.

Based on the objective criteria used by the diocese in its assessments, the proportion of primary schools rated as Outstanding for classroom RE was 34% (24% in 2018) and the proportion rated Outstanding for Catholic Life of the School was 84% (86% in 2018). The proportions rated Requires Improvement were 0% and 0% respectively (3% and 0% respectively in 2018). In secondary schools, the same proportions were 63% and 88% (71% and 71% respectively in 2018) rated Outstanding, and 0% and 0% as Requires Improvement (14% and 0% respectively in 2018).

The Diocesan Education Service provides many resources to support this outstanding commitment to religious education and Catholic life in our schools. Amongst these is Our Eucharistic Journey, a programme launched in 2018 to build on *Adoremus*, the National Eucharistic Congress, which took place in September of that year. It aims to build greater

understanding and therefore devotion among primary and secondary school pupils. Schools worked closely with their local parishes to promote this initiative and to involve parents and the entire parish community. The feedback from headteachers was positive, highlighting the positive impact the introduction of Eucharistic Adoration had on the spiritual and mental wellbeing of their pupils by allowing them quiet time to 'simply be' in the presence of the Lord. The programme culminated in an all-schools Mass in June 2019 to consolidate and celebrate this learning. At this Mass Cardinal Vincent Nichols led students from diocesan schools in a meditation on some well-known and beloved Eucharistic hymns, such as Sweet Sacrament Divine, which inspired some of the schools present to learn new hymns to incorporate into their collective worship. The resources for Our Eucharistic Journey will remain available to all schools in the hope that they continue to inspire and develop the spiritual life of the young scholars of the diocese.

Education in the Catholic tradition also includes a strong commitment to social justice and to making the world we live in fairer. Many of our schools have joined with the diocese in promoting our mission of social justice through initiatives like Fairtrade, which aims to help producers of commodities in developing countries, to achieve better trading conditions, and to promote sustainable farming. Other initiatives include CAFOD groups promoting development projects in communities overseas, and Caritas Ambassadors and Mini Vinnies offering assistance to some of the most vulnerable people in the local community.

Storing up hope for the future has also come to mean taking practical steps to safeguard our environment and to become good stewards of God's creation. Many of the diocesan schools have taken up this challenge in a special way with remarkable results.

St Augustine's Priory School in Ealing has a serious commitment to agriculture and food security. They have a farm and an allotment, and are now the custodians of an orchard of ancient apple and pear trees. In 2019 the school invited a representative of the Heritage Fruit Tree company to come and inspect the orchard to advise them on its care and help them to identify the varieties of fruit. They were able to identify at sight Granny Smiths, Bramley, Howgate Wonder and Lord Derby apple trees, and samples of fruit were taken from other trees to aid in the identification. The bumper crop of apples has been made into juice and pasteurised by the school. The care and cultivation given to the grounds at St Augustine's improves the environmental health of

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the whole area in Ealing, refreshing the air from the pollution of the busy North Circular road and acting as a set of green lungs for West London. Experts have said that the growth of lichen in the orchards is a sign of a healthy environment.

St Gregory's Catholic Science College is also getting involved in agriculture with a social justice twist. The school has joined a Royal Horticultural Society scheme called the Big Soup Share. This programme is designed to teach children to grow and cook edible plants to revive interest in traditional horticulture and improve the food security of the country. St Gregory's planted an eco-garden in the summer term and harvested their crop of potatoes and baby leeks in October. Under the guidance of their cookery teacher, the students then prepared over 100 portions of leek and potato soup, which they packaged and donated to the Ealing Abbey soup kitchen to help feed the homeless clients it serves.

In coordination with the government, local authorities, school governors and parents, the diocese continues to improve and expand its schools' buildings. At the start of the most recent financial year, a total of 137 school development projects were being overseen by the Trustees, of which 45 projects were still active at the end of the year. The 92 projects that were completed within the year represent a capital investment of about £21.6 million. During the financial year, a total of 107 new projects were initiated, increasing the total number of projects open at the end of the year to 152, representing an estimated total capital investment of £74.2 million.

Funding for each project is sourced from a combination of the Department for Education, the relevant Local Education Authority, the diocese and the school itself. Each school generates its own funding contribution from a mixture of sources, such as fundraising activities, and contributions from parents and the diocese. School governors are responsible for claiming funds for which they are eligible, with the diocese acting as an agent on their behalf, allowing it to handle the day-to-day administration of the funds received and to pay the suppliers, such as contractors and consultants, appointed by the school.

Westminster Youth Ministry

The diocesan schools do not stand alone in the task of forming young people according to the tradition of the Catholic Church into spiritually mature and socially responsible adults. Westminster Youth Ministry (WYM) is a crucial arm of the Charity's outreach to its

members, especially as not all the Catholic children and young people in the diocese attend Catholic schools. Operating with the mission statement 'Helping young people pursue the true, the good, and the beautiful found in Christ, because each of us is made for greatness,' the role of WYM is to nurture the character of tomorrow's adults, forming them into active, capable citizens with the confidence required to thrive in modern society through supporting youth leaders, developing youth ministry in schools and parishes, running retreats, and bringing young people together.

The Charity believes that nurturing the positive role models of tomorrow requires a holistic approach, and so to complement its youth chaplaincy provision, WYM also runs a residential youth retreat centre based in Pinner, called SPEC, that is dedicated to providing an opportunity for children and young people to step back from their daily routines in order to reflect on, and hopefully experience, the presence of God in their lives. These retreats are very popular with the young people who attend them and their teachers and youth leaders. Returning groups are common, and many groups who attend one retreat book the following year's straight away.

WYM has undergone a restructuring in 2018-2019 to help staff at SPEC and in Youth Ministry Outreach to work together more effectively and to increase engagement with stakeholders across the diocese. The first fruits of this process are already apparent: following the appointment of a new manager for Youth Ministry Outreach in February, 2019, engagement with youth workers has risen by two thirds since the beginning of 2019, and the first training and workshop sessions for youth workers were held in October and attracted a good crowd.

Attendance at youth events is also up significantly on last year, with about 3,250 young people attending diocesan events such as youth Masses. The first ever Diocesan Youth Summit, which was held at Westminster Cathedral, attracted a crowd of 500 youths, far exceeding expectations. A group of young adults were taken on pilgrimage to Rome to attend the canonisation of the first English saint who lived after the Reformation and was canonised since the 1970s; they were inspired by the influential John Henry Newman to think about their personal vocation (God has created me to do him some definite service).

All these increases in engagement with WYM and young people accessing its events and programmes demonstrate the enthusiasm there is in the diocese for the type of integrative formation offered by the

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Youth Ministry team and the spiritual vision they offer. The testimonials from young people who have attended WYM events talk about how “Youth ministry has added a whole extra dimension to my personal and prayer life,” and teachers who accompanied some of them were pleasantly surprised that “Even children who I thought might disengage have not!”

The joint efforts of the schools and WYM give every cause to be hopeful about the future, as they offer the formation necessary to give children and young people the understanding of the world, the sense of social justice and responsibility, and the spiritual maturity and discipline to become the visionary leaders and caring, community-minded citizens the world will need to meet the challenges of tomorrow.

Conclusion

Good governance is increasingly regarded as a key measure of an organisation’s success in achieving its mission and can have a significant influence on its long-term sustainability. This is particularly apparent for charities as their reputations often determine their likelihood of receiving donations.

In order to ensure the Charity is able to continue improving the lives and circumstances of all in society, the Trustees periodically review internal governance arrangements and operating models to identify potential inefficiencies or deficiencies that need to be eliminated, and to determine those additional services that must be provided to ensure that the Charity offers a comprehensive suite of accessible and appropriate activities for their needs. The services, programmes, events, initiatives, projects, resources and courses described above are just a sample of the plethora of activities undertaken by the Charity in achieving its purpose and ministering to as many people as possible.

The Trustees are confident that the Charity and its activities are more relevant to society today than ever, and are unwavering in their commitment to improving the welfare of all in society according to the principles of the Church’s teachings and its beliefs.

One of these teachings is about glorifying God by giving back to him a portion of the blessings he has given us. All Catholics are encouraged to volunteer their time, use their talents and donate their treasures for the benefit and betterment of others. The Charity’s work would be immeasurably harder without the extraordinary dedication and commitment of the tens of thousands of volunteers who give so freely of their time, who offer so widely of their talents and who donate so generously in support of the Charity’s many activities.

During the next year, the Charity will continue to build on these concrete achievements in an effort to demonstrate further its resolve to effect meaningful societal change and its commitment to its stated purpose. The Trustees are already anticipating some of the challenges that lie ahead in 2020, particularly in connection with the COVID-19 pandemic, which has, at time of writing, already had a massive and unprecedented impact on the day-to-day activities of the diocese and every parish and school therein, as it has on all of the UK. The closure of schools and churches and the suspension of public Masses and other gatherings will have deep and long-lasting financial consequences for the Charity.

The remainder of 2020 will not be business-as-normal, and the Trustees recognise that the Charity will not be able to provide all of the same services and ministries in the same way as it has before. The vast majority of the Charity’s engagement with its beneficiaries happens face to face, and by the first quarter of 2020 even the basic face to face personal meeting had been complicated by social distancing directives and the other ways the government has sought to contain the spread and flatten the curve of the pandemic.

Despite these challenges, the Charity has demonstrated resilience and creativity in stepping up its services to marginalised members of society, whose circumstances have been made worse by the pandemic and resulting lockdown. Parishes, schools and the Caritas team are working together to deliver more meals to homeless people, meals for children who normally receive a school lunch, and groceries to sustain families during the lockdown. As they have always done, volunteers are also keeping in regular telephone contact with those who are isolated, especially those without internet access, to ensure that they do not feel alone or forgotten.

But, as the years go by, the ways in which people first encounter the Charity or experience its work are constantly evolving, and the Charity is making the best use it can of modern evolutions in technology to maintain contact and ministry with its beneficiaries in such forms as can be accomplished digitally, remotely, or by some other means. The Charity continues to embrace new methods of communication as opportunities for it to engage more widely, more deeply and with a greater number of individuals, and are taking steps to promote on-line giving where possible as a way of maintaining the income that allows us to carry out crucial work.

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In previous years the Trustees have attested that, in order to serve as many beneficiaries as possible, the Charity must remain vigilant to new trends, evolving needs, changing demographics, social aspirations and societal norms. This requires the Charity to challenge itself constantly to offer activities that best suit the demands of individuals in need, and to do so in ways that are relevant and easily accessible to them, as well as to use and distribute scarce resources and infrastructure fairly and efficiently, so as to magnify the social benefit it creates and to maximise the impact it has on the lives of its beneficiaries. This spirit of innovation and challenge will continue to serve the Charity well in the difficult months and years ahead so that it may continue to meet the diverse and pressing needs of its beneficiaries whilst maintaining its core values and mission.

The Trustees believe that in all circumstances the sacramental ministry and spiritual support that the Catholic Church offers to her members, as well as her constantly outward-looking stance, her attempts to build bridges with the broader community and her efforts to advance social justice and the common good in our society, place the Catholic Church at the forefront of the movement towards a more tolerant, cosmopolitan populace.

Financial Review

Scope of the Consolidated Accounts

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

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

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

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

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

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

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

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

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

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

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

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

In accordance with the principal accounting policies which form part of the accounts attached to this

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report, voluntary aided schools and academies which are publicly funded are valued at £nil in the Charity's accounts.

Consequently, the total amount spent by the Charity on St Richard Reynolds School in the past five years (£17.6 million) has been recognised in the accounts as expenditure. No expenditure was incurred in 2019 and no further expenditure on St Richard Reynolds School is expected to be incurred in 2020.

As of 31 December 2019, the total amount invested in the Friary (£10.5 million) has been recognised in the accounts as a programme related investment.

Financial Results

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

Parishes

Parishes are central to fulfilling the Charity's mission. They are communities whose daily activities contribute, both directly and indirectly, to the moral and spiritual wellbeing of everyone living and working within them. They are the places where local communities come together each Sunday to worship,

where sacraments are administered, where children are educated in the faith and where social outreach programmes are developed, allowing communities to support individuals of all faiths and none in their local area, caring for those in need, and working together for the common good of society.

Parish income (excluding net transfers from curia) was £40.5 million for the year (£40.3 million in 2018), including donations and legacies totalling £27.8 million (£28.3 million in 2018), income from parish and similar activities of £7.8 million (£7.4 million in 2018) and investment income and interest receivable of £2.9 million (£2.8 million in 2018).

Parish expenditure increased by £0.5 million in 2019 to £28.5 million (£28.0 million in 2018), resulting in a surplus before assessment and transfers of £12.0 million (£12.3 million in 2018). The main driver for the increase in parish expenditure was an increase in non-clergy salaries.

The diocesan assessment, being monies transferred from parishes to the curia in order to fund diocesan-wide programmes, amounted to £6.5 million (£6.0 million in 2018).

Transfers from the curia to parishes relate to transactions between the curia and the parishes which are eliminated upon consolidation. In 2019 they amounted to £1.2 million for the year (£3.2 million in 2018), and relate mainly to Growing in Faith grants.

Parish investment gains amounted to £7.7 million (£10.2 million in 2018), resulting primarily from an increase in the value of investment properties held by the parishes of £6.4 million, as well as an increase in the value of listed investments held by the parishes of £1.3 million.

Parish reserves increased by £14.4 million in the current year (£19.7 million in 2018). All parish activities and funds are restricted and can only be used for the benefit of parishes.

Curia

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

Total curial income after assessment in 2019 stood at £16.1 million (£20.2 million in 2018).

As mentioned previously, the diocesan assessment amounted to £6.5 million (£6.0 million in 2018).

	2019 £m	2018 £m
Parishes		
Income	40.5	40.3
Expenditure	(28.5)	(28.0)
Surplus before assessment and transfers	12.0	12.3
Diocesan assessment	(6.5)	(6.0)
Transfers from Curia to Parishes	1.2	3.2
Surplus after assessment and transfers	6.7	9.5
Investment gains	7.7	10.2
Added to reserves	14.4	19.7
Curia		
Diocesan assessment	6.5	6.0
Other income	9.6	14.2
Total income after assessment	16.1	20.2
Expenditure	(15.9)	(16.4)
Transfers from Curia to Parishes	(1.2)	(3.2)
(Deficit) surplus	(1.0)	0.6
Investment and actuarial gains (losses)	5.0	(0.5)
Funds introduced	–	6.8
Added to reserves	4.0	6.9

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Other curial income stood at £9.6 million (£14.2 million in 2018), a decrease of £4.6 million versus the prior year. This income relates to both restricted and unrestricted activities. In 2019, the main components of other curial income are income from Growing in Faith of £0.9 million (£2.5 million in 2018) and other donations and legacies of £3.6 million (£5.4 million in 2018).

The main contributors to the £4.1 million decrease in curial income are £1.5 million less grant income for St Richard Reynolds (£0.1 million, compared to £1.6 million in 2018), £1.6 million less Growing in Faith income (£0.9 million, compared to £2.5 million in 2018) and £1.8 million less donations and legacies (£3.6 million, compared to £5.4 million in 2018), all partly offset by a £0.5 million increase in diocesan assessment.

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

Curial expenditure for 2019 decreased by £0.5 million to £15.9 million (£16.4 million in 2018). The decrease is mainly due to the net effect of a £1.5 million reduction in expenditure on St Richard Reynolds (matching the income reduction noted above), partially offset by a £0.9 million increase in administration costs.

Investment and actuarial gains for the year amounted to £5.0 million (£0.5 million loss in 2018). Net gains on investments (listed investments and investment properties) were £4.4 million in the year, compared to a net loss of £0.6 million in 2018, and the actuarial gain for the year was £0.6 million (£0.1 million in 2018).

In order to better understand the curial activities during the year, a split between unrestricted and restricted funds is provided in the table below.

Total curial unrestricted income after diocesan assessment stood at £11.4 million (£11.9 million in 2018). Total curial unrestricted expenditure amounted to £11.3 million (£10.3 million in 2018).

Unrestricted investment and actuarial gains amounted to £2.0 million (£0.1 million in 2018) leading to an increase in the curial unrestricted reserves in the period of £2.7 million (£0.7 million in 2018).

Total curial restricted income after net transfers was £4.7 million in 2019 (£8.3 million in 2018). Curial restricted income largely results from income received under the Growing in Faith campaign and from income received from the restricted activities developed centrally, in particular Caritas, the Diocese of Westminster Sick and Retired Priests Fund, and Westminster Ecclesiastical Education Fund. Restricted expenditure was £4.6 million for the year (£6.1 million in 2018) comprising expenditure on the restricted activities developed centrally, in particular Caritas, the Diocese of Westminster Sick and Retired Priests Fund and the Westminster Ecclesiastical Education Fund.

Gains from restricted listed investments amounted to £3.0 million (£0.6 million net loss in 2018) whilst transfers from curial restricted funds amounted to

	Unrestricted funds		Restricted funds		Total funds	
	2019 £m	2018 £m	2019 £m	2018 £m	2019 £m	2018 £m
Curia						
Diocesan assessment	6.5	6.0	–	–	6.5	6.0
Other income	4.9	5.9	4.7	8.3	9.6	14.2
Total income after assessment	11.4	11.9	4.7	8.3	16.1	20.2
Expenditure	(11.3)	(10.3)	(4.6)	(6.1)	(15.9)	(16.4)
Transfers	0.6	(1.0)	(1.8)	(2.2)	(1.2)	(3.2)
Surplus (deficit)	0.7	0.6	(1.7)	–	(1.0)	0.6
Investment and actuarial gains (losses)	2.0	0.1	3.0	(0.6)	5.0	(0.5)
Funds introduced	–	–	–	6.8	–	6.8
Added to reserves	2.7	0.7	1.3	6.2	4.0	6.9

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£1.8 million (£2.2 million in 2018) leading to an increase in curial restricted reserves of £1.3 million (£6.2 million in 2018).

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

Reserves Policy

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

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

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

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

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

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

In 2019 the average number of people who attend Mass each Sunday in the diocese showed no significant increase or decrease to the previous

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

Regulatory and legal externalities: The ever-changing regulatory environment impacts on the mission of the Church. When changes occur there is typically an impact on the Charity's resources. An example of this is in the field of education, with the Academy policy that was implemented by the government and the implication for voluntary aided schools, where schools could convert to education companies and receive money directly from the government. This programme has gone through various steps from pilot to acceleration and then deceleration. To participate in the programme, appropriate skill sets, resources and finances are required, which were not all available in the Charity when it first began with this programme.

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

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

Although funds for the capital outlay could be raised, the sheer financial requirement, the complexity of the sites' needs and the risk of an unplanned but

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necessary immediate expenditure could require the Charity to spend funds before fundraising is complete. It is very difficult to quantify what funds should be set aside to cover the potential costs arising from risks, but a figure of £2.0 million seems reasonable, with the intent being to reduce this over the next ten years as a result of investing to improve the existing physical plant, as well as proactively fundraising.

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

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

Impact of COVID-19: While this report was being written there was a post balance sheet event, the worldwide outbreak of the coronavirus pandemic, which has caused extensive disruptions to organisations globally with major implications for operations as well as finances. For three months between mid-March and mid-June, all churches were closed to the public and Holy Mass was celebrated by parish priests in physical isolation, though in most cases it was streamed in some form. The impact of this period of closure on parochial reserves is estimated at the time of writing this report to be

between £5.0 million and £7.0 million. During the same three-month period, chaplaincy-led activities, central services and Caritas had to suspend temporarily any activities that could not be adapted to be delivered remotely or on-line. The impact of this on the free reserves is estimated at the time of writing this report to be between £1.0 and £2.0 million. This estimate includes the estimated impact of the pandemic on the financial markets, and is within the £2.5 million reserves set aside to weather shocks to asset value and working capital.

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

Funds of the Group

General Funds and Free Reserves

The Charity's general funds, which represent monies available to the Charity for its general purposes, increased by £2.4 million over the year to reach £7.5 million (£5.1 million in 2018), the equivalent of approximately eight months of future unrestricted expenditure (six months in 2018).

The Charity's general funds are subdivided between free reserves totalling £8.7 million (£7.1 million in 2018) and a pension reserve deficit which stands at £1.2 million (£2.0 million in 2018). Excluding the actuarial pension reserve deficit, the Charity's free reserves represent nine months of future budgeted unrestricted expenditure.

Other Unrestricted Funds

Also included in the balance of the unrestricted funds are tangible fixed assets funds totalling £20.6 million (£20.3 million in 2018) and programme related investments funds amounting to £10.5 million (£10.5 million in 2018), both of which represent property and other fixed assets essential to furthering the Charity's mission. By definition, they do not represent liquid assets immediately available for expenditure. Designated funds represent monies set aside for specific purposes, totalling £1.2 million (£1.2 million in 2018).

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Total curial unrestricted funds amounted to £39.9 million at 31 December 2019 (£37.2 million in 2018).

Restricted Funds

Curial restricted funds of the Charity total £48.1 million (£46.9 million in 2018) and are not available to the Charity to use for its general purposes. Included in the total is £18.0 million (£19.3 million in 2018) representing monies raised as part of the Growing in Faith campaign.

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

Parochial reserves at 31 December 2019 amounted to £211.1 million (£196.7 million in 2018) and relate solely to the assets and activities of individual parishes. These reserves are not available to the Charity to use for its general purposes, nor are individual parishes able to transfer their funds to other parishes within the diocese.

The Charity's Assets

During 2019, capital expenditure for the Charity was £8.2 million. Of this amount, £6.9 million relates to ongoing capital projects carried out in parishes, ranging from major projects, such as replacing church roofs or renovating parish halls, to smaller projects, such as refurbishing or redecorating meeting rooms. The remaining capital expenditure for the year (£1.3 million) is mainly related to restoration projects at Westminster Cathedral and to Caritas SEIDs Hub, our new social enterprise community centre at Wembley. The total value of the assets disposed of during the year was £1.1 million, of which £0.1 million relates to abortive costs for University chaplaincy.

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

Connected Charities

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

Fundraising Policy

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

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

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

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

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

Fundraising Practice The Charity is registered with the Fundraising Regulator, whose Code of Fundraising Practice provides the framework within which all charities need to operate. The Trustees see this as the minimum standard that should be upheld. For instance, the Charity takes great care when processing donations and when speaking to donors on the telephone to ensure that vulnerable adults are not exploited. For example, this includes training to look for signs that an older donor might be confused about their giving. Parishes, communities in which people build friendships over many years and in which parish priests come to know almost everyone, create an environment in which any concerns about

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an individual's vulnerability can be discussed in strict confidence. This allows the Charity to tailor its approach and interaction with individuals whenever necessary.

The Charity is also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from it, but no such requests were received in 2019.

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

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

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

The Trustees have systems and processes in place to monitor and respond to any complaints received: thankfully these are extremely rare, totalling eight in 2019 (25 in 2018). During the year, no complaints were received by the Fundraising Regulator about the Charity. Although in most cases this fundraising simply builds upon the connection people have with the Church through their parish, as wide a variety of fundraising activities as necessary is used to fund all aspects of the mission.

Thus, fundraising activities range from cash collections and standing order donations in parishes to events focused on specific projects and a variety of digital fundraising tools. At different times during the year opportunities are provided to support specific appeals, such as the Priests Training Fund appeal

around Good Shepherd Sunday and the Sick and Retired Priests Fund appeal in November.

In addition, the Charity is glad to receive funding from a range of trusts and foundations.

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

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

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

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

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

Investment Policy

Introduction

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

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– Year to 31 December 2019

The Charity's investments comprise units in the Mutual Investment Fund, the investment policy of which is determined by the Investment Committee which meets on a quarterly basis to monitor the performance of the Fund and of the investment managers. At the end of the year, the Fund was invested as follows: 9.9% in UK equities; 58.4% in other (overseas) equities; 7.4% in UK fixed interest; 8.6% in alternative and property investments; 15.7% in liquid assets. The overall long-term objective is to manage the portfolio on a total return basis.

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

Faith Consistent Investment (FCI)

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

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

The Trustees have specific guidelines to exclude specific investments. In order to preserve the dignity and sanctity of life the Trustees intend to exclude

from their investment portfolio companies that: profit from abortion; manufacture contraceptives or make significant revenue from the distribution of contraception; are involved with embryonic stem cell research, foetal tissue research, or human cloning; engage in arms production; manufacture tobacco products or make significant revenue from distribution of tobacco; have revenue greater than 3% from production or distribution of pornography.

In 2019, the Trustees renewed their climate change policy, and will continue to develop it. Currently, the Charity invests in line with a strict climate change policy, which excludes companies that generate more than 10% of their revenue from the extraction of thermal coal and oil from oil sands. From the end of 2021, the Charity will only invest in electrical utility and fossil fuel companies that have taken steps to manage their business in line with energy scenarios that limit temperature rises to a level that is well below two degrees Celsius above pre-industrial times. Furthermore, the Trustees recognise that they have an obligation to use the investment portfolio to accelerate the transition to a low carbon economy. Wherever possible, and subject to proper risk analysis, the Charity will seek investments that contribute to or facilitate reductions in greenhouse gas emissions. This currently includes significant allocations in solar and wind infrastructure, battery storage and energy efficiency initiatives (such as retrofitting buildings with more efficient heating and lighting systems).

The Trustees must ensure that the transition to a low carbon economy seeks justice for all stakeholders. In line with the Charity's direct activities, the Trustees will, by the end of 2021, transition the investment holdings to comply with the same requirements.

The Trustees continually review the FCI policy, and the officers of the diocese keep up to date on the ongoing discussions about the subject, assessing how they might impact the overall investment approach. Additionally, dialogue and cooperation with other institutions ensure that the policy remains relevant and up to date. It is a complicated journey which requires continual improvements, amendments and learning from mistakes that have been unintentionally made. The Trustees periodically audit the investment portfolio to ensure that the underlying assets continue to adhere to the FCI policy; when they do not, the Trustees seek to rectify the situation when possible. The review carried out at year-end 2019 identified 1.8% of the holdings in the portfolio being in breach of the policy, which holdings have been divested in 2020.

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In implementing these policies, the Trustees have adopted a three-tier approach. First, they believe that positive engagement with companies, while taking more effort and time, can lead to a more sustainable change for the betterment of society. Where this engagement fails to change a company's behaviour, the second approach is to disinvest from that company and exclude it from further investments. Additionally, as a third approach, the Trustees are developing interest in a social impact investment policy in which the Charity invests for a positive outcome.

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

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

Recognising our long-term commitment to addressing modern slavery and human trafficking, the diocese is a founding supporter, and sits on the Advisory Committee, of the 'Find It, Fix It, Prevent It' initiative. This has been created and co-ordinated by CCLA and supported by Sarasin & Partners, our investment managers, and aims to bring investors together to encourage companies to find, and then provide remedy to, victims of slavery in their supply chain. The initiative was launched in November and is already supported by investors with over £3.5 trillion in assets under management. Through CCLA and the CIG we also supported a response to the UK Government's Transparency in the Supply Chain consultation that called for changes to make the Modern Slavery Act (2015) more impactful on company behaviour.

Our investment managers have also continued to actively engage to accelerate climate action. On our behalf, CCLA have concentrated efforts on promoting better public policy on climate change. This has focused on helping the UK and Canadian governments develop the Powering Past Coal Initiative Finance Principles which aim to support the initiative's goal of phasing unabated coal-fired electricity generation (as the most carbon intensive form of electricity generation) out of the energy mix of OECD countries by 2030 and other countries by 2050. They have continued direct engagement with the limited number of companies that we hold in carbon intensive sectors. This included the Church Investors Group's annual engagement with UK-listed companies that have not achieved a 'B' grade on CDP (formerly the Carbon Disclosure Project) Climate Change Ranks. A 'B' grade requires companies to take steps such as establishing good governance practices related to the management of greenhouse gas emissions and link this to strategy. They then have to set and meet long-term ambitious emissions reduction targets. During the year the CIG engaged with 64 FTSE350 constituent companies, of which 22 improved their CDP score after our dialogue.

The diocese continues to have a below index exposure to the traditional energy sector and has investments in assets, such as renewable energy infrastructure, that are designed to accelerate the transition to a low carbon economy. Our investment managers have also continued to actively engage with carbon intensive companies. This engagement led to Royal Dutch Shell setting an ambition to link their product mix to the steps set out in the Paris Climate Change Agreement.

The Trustees continue to focus on governance issues in companies. This has been led by Sarasin, and exemplified by its engagement with EssilorLuxottica. Sarasin engaged with independent Board members on concerns about the power exerted by the Executive Chair. Sarasin also engaged with the Competition and Markets Authority to discuss the proposal to structurally separate the providers of audit from non audit services and increase the oversight of auditors and audit committees.

In the third aspect of the FCI policy, which is positive social impact investment, while the Trustees do not have a specific target, as of 31 December, 2019 around 5.8% of the portfolio managed by CCLA invested in 'wholly positive' entities, such as companies involved solely in renewable energy infrastructure, energy infrastructure and the provision of social housing. Besides the investment portfolio, the physical assets of the diocese

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are used for social justice initiatives such as housing and caring for female victims of human trafficking, hosting Syrian refugee families or housing social workers in economically disadvantaged communities.

Structure, Governance and Management

Constitution

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

Trustees

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

The Trustees who served during the year ended 31 December 2019 and who were in office at the date of this report were:

	Appointed/Resigned
His Eminence Cardinal V Nichols	
Rt Rev J Sherrington (1,2,4,5)	
Rt Rev N Hudson (1)	
Rt Rev P McAleenan (1,7)	
Rt Rev J Wilson (1,6)	Resigned 24 July 2019
Rev Mgr M Hayes (1,4)	
Rev Mgr J O'Boyle	
Dame C Bowe	Appointed 5 June 2019
Mr E Craston (5)	Appointed 23 April 2020
Miss L Ferrar (2,4)	Resigned 31 December 2019
Mr K Ingram (2)	Appointed 11 September 2019
Rt Hon R Kelly	
Mr C Kemball	
Mr A Ndoca (1,3,7)	

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

The Trustees met four times during the year.

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

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the annual report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

'The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and group and of the income and expenditure of the group for that period.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.'

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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The Trustees are responsible for the maintenance and integrity of financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Trustees' Expenses

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

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

Key Management Personnel

The key management personnel of the Roman Catholic Diocese of Westminster comprises the COO/ Financial Secretary together with the heads of the following departments of the Curial Offices/Central Services: Evangelisation, Youth, Education, Caritas, Tribunal, Safeguarding, Human Resources, Finance, Property, Maintenance, Fundraising, Communications, ICT and Data Protection.

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

Organisation

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

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

Audit and Risk Committee, which has delegated responsibility for ensuring that a framework of accountability exists and operates effectively within the Charity; for examining and reviewing all systems and methods of control, both financial and otherwise,

including risk analysis and risk management; and for ensuring that the Charity complies with all applicable aspects of the law, relevant regulations and good practice.

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

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

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

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

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

Further details of the membership of all diocesan committees can be found on page 84.

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

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

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

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

At the re-establishment of the Catholic Church hierarchy in 1850 each diocesan Bishop was empowered to appoint a **Chapter of Canons** to take responsibility for the organisation and maintenance of his cathedral. In the Diocese of Westminster 18 senior priests constitute the Chapter of Canons and are consulted by the Archbishop on important diocesan matters. They are also constituted as the College of Consultors to fulfil the legal requirements of Canon 502 s.3.

Risk Management

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

The Risk Register is also reviewed by the Audit and Risk Committee and Trustees at least annually.

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

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

To mitigate this risk, the Charity follows the policies and procedures put in place by the Catholic Church in England and Wales, which are enforced by the Safeguarding department. This department promotes a safe recruitment policy and assists both the curia and parishes with the implementation of prevention measures at recruitment stage. The department also educates and advises on best practice and is currently rolling out a training programme across the Charity to reinforce safeguarding procedures. This programme includes induction days for new parish safeguarding coordinators, mandatory safeguarding training for clergy, religious, chaplains and employees, and a new resource centre of materials available via the intranet. The Safeguarding team also responds to any allegation, past or present, of inappropriate behaviour or actual abuse by any person working for the Charity, whether paid or voluntary, liaising with the police and other statutory authorities. An independent Safeguarding Commission oversees the work of the Safeguarding team in this respect.

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

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

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

The Charity also encourages co-operation between various schools and the sharing of resources. This not only happens within Catholic Academy Trusts that have been established but across all schools within the Charity. The Catholic school network allows for best practices to be shared and practical support to be provided to schools in need.

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

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

In December 2016, the Trustees announced their policy to move toward the academisation of schools which proposed that schools be geographically grouped into multi academy trusts. In 2019, the Trustees approved a Multi Academy Trust in the Lea Valley. The officers of the Charity are currently working with other groups of schools on conversions to academy trusts. The Trustees believe this model will provide more support for the challenges that schools will face and improve the standards of education provided to pupils. In the meantime, the Charity is increasing support for schools, creating networks and ensuring vigilance in financial matters and educational standards. The Education

Commission retains canonical oversight of diocesan schools in maintaining the Catholic ethos, even if they are converted to academies.

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

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

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

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

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

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

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

A new major risk the Charity is facing is the COVID-19 pandemic, which continues to have a significant influence on the Charity's activities and its plans for the future. While the pandemic gives rise to a number of challenges for the Charity, it is important to note that the majority of parishes have sufficient reserves to fund their entire operational expenditure for at least 12 months without income. Equally, the implementation of the early steps of the four year plan agreed by the Trustees in 2017 had already improved the Charity's financial and administrative resilience, making it better able to withstand the challenges presented by the pandemic. The officers of the Charity continue to implement agreed actions from the plan, and are taking additional mitigating actions to further cushion the Charity from adverse financial impacts.

Independent Inquiry into Child Sexual Abuse (IICSA)

The Charity has been asked by IICSA to provide information to and participate in this inquiry into the extent of institutional failures to protect children

from sexual abuse in the Catholic Church in England and Wales. The diocese has fully and transparently cooperated with the inquiry through providing witness statements and statistical information. The diocese fully supports the aims of the inquiry and actively promotes the Truth Project in the diocese. The inclusion of the Charity in the list of Catholic dioceses in England and Wales to be investigated in the IICSA inquiry presents reputational risk to the diocese and financial risk relating to the associated legal costs.

Signed on behalf of the Trustees:



Trustee

Approved by the Board on: 21 October 2020

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

Opinion

We have audited the accounts of Westminster Roman Catholic Diocesan Trust (the 'Charity') and of Westminster Roman Catholic Diocesan Trust and its subsidiaries (the 'Group') for the year ended 31 December 2019 which comprise the consolidated statement of financial activities, the consolidated and Charity balance sheets, the consolidated statement of cash flows, the principal accounting policies, the notes to the accounts and the comparative consolidated statement of financial activities. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of affairs of the Group and of the Charity as at 31 December 2019 and of the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these 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 accounts is not appropriate; or
- the Trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Group's or the 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 accounts 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 and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Report of the Directors of the Corporate Trustee is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept by the Charity; or
- the Charity accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

In preparing the accounts, the Trustees are responsible for assessing the Group's and the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

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

concern basis of accounting unless the Trustees either intend to liquidate the Group or the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

Use of our report

This report is made solely to the Directors of the Westminster Roman Catholic Diocese Trustee (the Trustees), as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP Statutory Auditor 130 Wood Street
London
EC2V 6DL

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



26 October 2020

Consolidated statement of financial activities

– Year to 31 December 2019

	Notes	Curial funds		Parochial funds		Total 2019 £'000	Total 2018 £'000
		Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000		
Income:							
Donations and legacies							
. Grants receivable	1	–	112	112	–	112	1,588
. Growing in Faith	1	–	863	863	–	863	2,525
. Other donations and legacies	1	695	2,876	3,571	27,814	31,385	33,665
Assessments	2	146	–	146	–	146	150
Other trading activities							
. Commercial trading operations	3	148	–	148	627	775	702
Investment income and interest receivable	4	1,525	347	1,872	2,914	4,786	4,512
Charitable activities							
. Rental income from functional properties	5	646	–	646	1,366	2,012	1,962
. Parish and similar activities	5	1,668	552	2,220	7,783	10,003	9,399
Other income							
. Net gains on disposal of tangible fixed assets		–	–	–	1	1	1
Total income		4,828	4,750	9,578	40,505	50,083	54,504
Expenditure:							
Cost of raising funds							
. Fundraising trading: cost of goods sold and other costs	3	29	–	29	437	466	472
Charitable activities							
. Advancement of the Catholic faith primarily in the Diocese of Westminster	6	11,252	4,628	15,880	28,019	43,899	43,922
Total expenditure		11,281	4,628	15,909	28,456	44,365	44,394
Net (expenditure) income before transfers and investment gains	7	(6,453)	122	(6,331)	12,049	5,718	10,110
Transfers between funds							
. Growing in Faith		–	(1,010)	(1,010)	1,010	–	–
. Assessments	2	6,529	–	6,529	(6,529)	–	–
. Other		592	(829)	(237)	237	–	–
		7,121	(1,839)	5,282	(5,282)	–	–
Net income (expenditure) before investment gains		668	(1,717)	(1,049)	6,767	5,718	10,110
Net gains on investments		1,465	2,989	4,454	7,670	12,124	9,600
Net income		2,133	1,272	3,405	14,437	17,842	19,710
Actuarial gains	8	590	–	590	–	590	107
Net movement in funds before funds introduced		2,723	1,272	3,995	14,437	18,432	19,817
Funds introduced	23	–	–	–	–	–	6,766
Net movement in funds		2,723	1,272	3,995	14,437	18,432	26,583
Reconciliation of funds							
Total funds brought forward at 1 January		37,180	46,856	84,036	196,712	280,748	254,165
Total funds carried forward at 31 December		39,903	48,128	88,031	211,149	299,180	280,748

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

A full comparative consolidated statement of financial activities may be found on page 83.

Consolidated balance sheet

31 December 2019

	Notes	Curial £'000	Parochial £'000	Total 2019 £'000	Total 2018 £'000
Fixed assets					
Tangible assets	10	22,945	100,333	123,278	118,742
Programme related investments	11	10,503	-	10,503	10,503
Investments	12	35,525	71,434	106,959	96,001
		68,973	171,767	240,740	225,246
Current assets					
Stocks		-	60	60	66
Debtors	13	5,299	682	5,981	5,422
Short term deposits		17,020	-	17,020	17,000
Cash at bank and in hand		11,383	39,521	50,904	49,834
		33,702	40,263	73,965	72,322
Current liabilities					
Creditors: amounts falling due within one year	14	(4,231)	(790)	(5,021)	(5,224)
Net current assets before adjustment for inter-fund indebtedness		29,471	39,473	68,944	67,098
Elimination of inter-fund indebtedness		91	(91)	-	-
Net current assets		29,562	39,382	68,944	67,098
Total assets less current liabilities					
		98,535	211,149	309,684	292,344
Creditors: amounts falling due after one year	15	(9,352)	-	(9,352)	(9,630)
Total net assets excluding pension liability		89,183	211,149	300,332	282,714
Pension liability	8	(1,152)	-	(1,152)	(1,966)
Total net assets including pension liability		88,031	211,149	299,180	280,748
The funds of the Group					
Restricted funds					
. Growing in Faith	16	17,953	-	17,953	19,259
. Other restricted funds	16	30,175	211,149	241,324	224,309
Total restricted funds		48,128	211,149	259,277	243,568
Unrestricted funds					
. Designated funds	17	1,232	-	1,232	1,248
. Tangible fixed assets fund	18	20,624	-	20,624	20,320
. Programme related investments fund	19	10,503	-	10,503	10,503
. General funds					
.. Free reserves		8,696	-	8,696	7,075
.. Pension reserve	8	(1,152)	-	(1,152)	(1,966)
		7,544	-	7,544	5,109
Total unrestricted funds		39,903	-	39,903	37,180
		88,031	211,149	299,180	280,748

Approved by the Trustees and signed on their behalf by:



Trustee

Approved on: 21 October 2020

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

Charity balance sheet

31 December 2019

	Notes	Total 2019 £'000	Total 2018 £'000
Fixed assets			
Tangible assets	10	123,276	118,739
Programme related investments	11	10,503	10,503
Investments	12	106,959	96,001
		240,738	225,243
Current assets			
Debtors	13	6,017	5,485
Short term deposits		17,020	17,000
Cash at bank and in hand		50,707	49,776
		73,744	72,261
Current liabilities			
Creditors: amounts falling due within one year	14	(4,988)	(5,160)
Net current assets		68,756	67,101
Total assets less current liabilities		309,494	292,344
Creditors: amounts falling due after one year	15	(9,352)	(9,630)
Total net assets excluding pension liability		300,142	282,714
Pension liability	8	(1,152)	(1,966)
Total net assets including pension liability		298,990	280,748
The funds of the Charity			
Restricted funds			
. Growing in Faith	16	17,953	19,259
. Other restricted funds	16	241,134	224,309
Total restricted funds		259,087	243,568
Unrestricted funds			
. Designated funds	17	1,232	1,248
. Tangible fixed assets fund	18	20,624	20,320
. Programme related investments fund	19	10,503	10,503
. General funds			
.. Free reserves		8,696	7,075
.. Pension reserve	8	(1,152)	(1,966)
		7,544	5,109
Total unrestricted funds		39,903	37,180
		298,990	280,748

Approved by the Trustees and signed on their behalf by:



Trustee

Approved on: 21 October 2020

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

Consolidated statement of cash flows

– Year to 31 December 2019

	Notes	Total 2019 £'000	Total 2018 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	A	3,689	8,006
Cash flows from investing activities:			
Investment income and interest received		4,627	4,512
Proceeds from the disposal of tangible fixed assets		1	1
Purchase of tangible fixed assets		(8,197)	(7,153)
Expenditure on programme related investments		–	(78)
Repayment by joint venture		10	10
Net proceeds from disposals of investments		1,238	425
Net cash used in investing activities		(2,321)	(2,283)
Cash flows from financing activities:			
Loan repayments		(278)	–
Change in cash and cash equivalents in the year		1,090	5,723
Cash and cash equivalents at 1 January	B	66,834	61,111
Cash and cash equivalents at 31 December	B	67,924	66,834

Notes to the statement of cash flows for the year to 31 December 2019

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

	Total 2019 £'000	Total 2018 £'000
Net movement in funds (as per the statement of financial activities)	18,432	26,583
Adjustments for:		
Depreciation charge	3,479	3,172
Gains on investments	(12,124)	(9,600)
Investment income and interest receivable	(4,627)	(4,512)
Surplus on disposal of tangible fixed assets	(1)	(1)
Tangible fixed assets written off	101	–
Pension cost less contributions payable	(224)	(231)
Actuarial gains	(590)	(107)
Decrease in stocks	6	21
Increase in debtors	(559)	(513)
Decrease in creditors	(204)	(4,575)
Tangible fixed assets introduced to the Group	–	(2,231)
Net cash provided by operating activities	3,689	8,006

B Analysis of cash and cash equivalents

	Total 2019 £'000	Total 2018 £'000
Short term deposits	17,020	17,000
Cash at bank and in hand	50,904	49,834
Total cash and cash equivalents	67,924	66,834

Principal accounting policies

– Year to 31 December 2019

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

Basis of preparation

These accounts have been prepared for the year to 31 December 2019 with comparative information provided for the year to 31 December 2018.

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

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

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

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

Critical accounting estimates and areas of judgement

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

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

- assessing the probability of the receipt of legacy income;
- estimating accrued expenditure including employees' accrued holiday pay;
- estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation charge;
- assessing the appropriateness of the assumptions and methodology used in determining the fair value of investment properties;
- assessing the need for any provision against slow-moving and/or obsolete stock within Westminster Cathedral Limited;
- assessing the recoverability of outstanding debtors and the need for any provision for bad or doubtful debts;
- assessing the appropriateness of the assumptions and methodology used by the scheme actuary in the valuation of the defined benefit pension scheme;

- determining the value of designated funds needed at the year end to meet specific future expenditure; and
- estimating future income and expenditure flows for the purpose of assessing going concern (see below)

Assessment of going concern

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

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

Although there has been an impact on the finances and reserves of the Charity, the Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its

Principal accounting policies

– Year to 31 December 2019

liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2020, the most significant areas that affect the carrying value of the assets held by the Charity are the level of investment return, the performance of the investment markets and property values, and the impact of the COVID-19 pandemic (see the reserves policy, the investment policy and the risk management sections of the report of the Directors of the Corporate Trustee for more information).

Basis of consolidation and scope of the accounts

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

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

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

Income recognition

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

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

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

conditions is wholly within the control of the Group and/or Charity and it is probable that those conditions will be fulfilled within the reporting period.

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

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

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

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

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

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

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

Principal accounting policies

– Year to 31 December 2019

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

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

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

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Group and/or Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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

The classification between activities is as follows:

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

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

All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

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

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

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

Functional freehold property

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

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

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

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

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

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

Principal accounting policies

– Year to 31 December 2019

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

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

Voluntary aided and grant maintained schools and academies

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

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

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

The 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/Central Administration 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.

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

Furniture, fittings and equipment

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

The depreciation rates applied are as follows:

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

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

Motor vehicles

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

Fixed asset investments

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

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

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

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

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

Principal accounting policies

– Year to 31 December 2019

statement of financial activities and are credited (or debited) in the year in which they arise.

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

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

Programme related investments

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

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

Stocks

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

• The Curial Funds

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

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

• The Parochial Funds

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

Pension costs

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

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

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

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

Notes to the accounts

– Year to 31 December 2019

1 Donations and legacies

2019	Curial funds			Parochial funds	
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000	Total 2019 £'000
Grants receivable	–	112	112	–	112
Growing in Faith	–	863	863	–	863
Other donations	433	1,895	2,328	27,167	29,495
Legacies	262	981	1,243	647	1,890
Total	695	3,851	4,618	27,814	32,360

2018	Curial funds			Parochial funds	
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000	Total 2018 £'000
Grants receivable	–	1,588	1,588	–	1,588
Growing in Faith	–	2,525	2,525	–	2,525
Other donations	663	2,569	3,232	27,109	30,341
Legacies	1,510	643	2,153	1,171	3,324
Total	2,173	7,325	9,498	28,280	37,778

2 Assessments

Six (six in 2018) parishes operated by specific religious congregations are not consolidated into these accounts. Income from assessments (£146,000 in 2019 and £150,000 in 2018) represents monies received by the Charity from those parishes and is unrestricted.

The diocesan assessment, being monies transferred from parishes to the curia in order to fund diocesan-wide programmes, is included under 'Transfers between funds'. In 2019, £6,529,000 was transferred from parochial funds to curial funds (£6,061,000 in 2018).

3 Income from other trading activities and cost of raising funds

These categories of income and expenditure comprise the income and expenditure of the Charity's trading subsidiaries. At 31 December 2019 the Charity owned the entire called up ordinary share capital of the following trading companies:

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

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

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

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

Notes to the accounts

– Year to 31 December 2019

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

	Unrestricted funds		Restricted funds	
	Aedificabo Limited		Westminster Cathedral Limited	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Turnover	148	154	627	548
Cost of sales	–	–	(268)	(263)
Gross profit	148	154	359	285
Administrative expenses	(93)	(109)	(169)	(206)
Profit on ordinary activities before Gift Aid and taxation	55	45	190	79
Gift Aid (via deed of covenant)	(55)	(45)	–	(79)
Profit for the year	–	–	190	–

Administrative expenses include amounts recharged by the Charity and eliminated on consolidation of £64,000 (£106,000 in 2018).

At 31 December 2019 the called up share capital of Westminster Cathedral Limited comprised 2 ordinary £1 shares and its reserves amounted to £154,000 (£nil in 2018).

At 31 December 2019 the called up share capital of Aedificabo Limited comprised 2 ordinary £1 shares and its reserves amounted to £nil (£nil in 2018).

4 Investment income and interest receivable

2019	Curial funds			Parochial funds	
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000	Total 2019 £'000
Investment income					
Income from listed investments	87	292	379	251	630
Income from programme related investments	524	–	524	–	524
Rents and similar income	235	55	290	2,656	2,946
	846	347	1,193	2,907	4,100
Interest receivable	679	–	679	7	686
Total	1,525	347	1,872	2,914	4,786

2018	Curial funds			Parochial funds	
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000	Total 2018 £'000
Investment income					
Income from listed investments	42	273	315	233	548
Income from programme related investments	619	–	619	–	619
Rents and similar income	235	56	291	2,532	2,823
	896	329	1,225	2,765	3,990
Interest receivable	520	–	520	2	522
Total	1,416	329	1,745	2,767	4,512

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

Notes to the accounts

– Year to 31 December 2019

5 Income from charitable activities

	Total 2019 £'000	Total 2018 £'000
Rental income from functional properties		
Curial unrestricted funds	646	673
Parochial restricted funds	1,366	1,289
	2,012	1,962

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

	Total 2019 £'000	Total 2018 £'000
Parish and similar activities		
Candles, repository and newspapers	2,417	2,398
Parish centres	1,541	1,619
Parish activities	1,199	1,318
Catechetics	407	378
Board and lodging	141	130
Income from clubs	52	38
Chaplaincies	43	38
Miscellaneous	1,983	1,499
Parochial restricted funds	7,783	7,418
Curial unrestricted funds	1,668	1,325
Curial restricted funds – School contributions	552	656
	10,003	9,399

School contributions

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

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– Year to 31 December 2019

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

Expenses incurred by the Charity in offering religious and pastoral services and educational programmes through its chaplaincies, through its schools, and through its social outreach agencies coordinated by Caritas Westminster are paid from curial funds. The table below provides a detailed breakdown of these expenses for the year.

2019	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Curial funds			
Pastoral and related work	2,910	2,938	5,848
Administration	4,205	–	4,205
School projects			
.St Richard Reynolds School	(19)	–	(19)
Education and formation	988	552	1,540
Clergy and consecrated life	579	794	1,373
Auxiliaries and Vicar General	807	–	807
Cardinal's office and Archbishop's House	425	55	480
National bodies	443	–	443
Growing in Faith projects	–	289	289
Bank loan interest	271	–	271
Safeguarding	242	–	242
Communications	148	–	148
Governance costs	66	–	66
Ecumenical and interfaith	52	–	52
Miscellaneous	135	–	135
Total	11,252	4,628	15,880

Depreciation of £755,000 (£653,000 in 2018) is included in the above curial fund expenditure.

2018	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Curial funds			
Pastoral and related work	2,640	2,852	5,492
Administration	3,330	–	3,330
School projects			
.St Richard Reynolds School	292	1,594	1,886
Education and formation	836	656	1,492
Clergy and consecrated life	592	627	1,219
Auxiliaries and Vicar General	843	–	843
Cardinal's office and Archbishop's House	400	34	434
National bodies	421	–	421
Growing in Faith projects	–	344	344
Bank loan interest	260	–	260
Safeguarding	189	–	189
Communications	153	–	153
Governance costs	70	–	70
Ecumenical and interfaith	49	–	49
Miscellaneous	225	–	225
Total	10,300	6,107	16,407

Notes to the accounts

– Year to 31 December 2019

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

School and academy building works

During the year, the Group and Charity recognised £nil expenditure (£1,886,000 in 2018) on St Richard Reynolds School. The credit of £19,000 in 2019 represents the release of an excess prior year accrual. St Richard Reynolds is a voluntary aided school which cannot be disposed of in the open market whilst occupied by the school. Grants of £112,000 were received in 2019 (£1,588,000 in 2018) towards the cost of the building works. A transfer of this amount was made to unrestricted funds at the year end as the expenditure had been charged to these funds when incurred. Grants received were mainly from the Roman Catholic Archdiocese of Southwark and the Government. (These grants are included in grants receivable in note 1).

During the year, the Group and Charity received, as agent, government grants of £25,455,000 (£36,228,000 in 2018) in connection with major repair and capital projects at Church schools and academies in the diocese. These monies, together with the contributions received from governors

are used to fund contractor payments also administered by the Charity acting as managing agent for the Church schools and academies concerned. During the year, the Charity made payments to contractors of £26,226,000 (£37,712,000 in 2018). The Charity receives this money in its capacity of managing agent for the governors only and, as such, these amounts are excluded from the statement of financial activities. Consequently, only the Charity's net contribution to costs after deducting the contributions from governors and government grants towards the costs of the projects concerned is included as expenditure in the statement of financial activities.

Parochial restricted funds

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

Parochial restricted funds	Total 2019 £'000	Total 2018 £'000
Non-clergy salaries	6,121	5,724
Property repairs and renewals	4,288	3,973
Clergy stipends	2,372	2,306
Liturgical expenses	1,772	1,908
Heat, light and water	1,936	1,896
Parish activities	1,281	1,517
Non property asset depreciation	1,592	1,434
Housekeeping	1,392	1,400
Council tax, insurance and rates	1,156	1,156
Property asset depreciation	1,132	1,085
Office and administration	1,092	1,084
Candles, repository and papers	997	954
Donations/grants	828	890
Catechetics	415	426
Supply priests	444	396
Parish Centre expenses	352	354
Travel expenses	244	260
Mass stipends distributed	110	139
Bank interest	111	127
Governance costs	–	5
Miscellaneous expenses	384	481
	28,019	27,515

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

Notes to the accounts

– Year to 31 December 2019

7 Net (expenditure) income before transfers and investment gains

This is stated after charging:

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

2018 Group	Curial funds			Parochial funds	
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000	Total 2018 £'000
Staff costs (note 8)	5,318	1,172	6,490	5,599	12,089
Auditor's remuneration					
. Audit fees current year	72	–	72	–	72
. Other services: taxation	6	2	8	–	8
Depreciation (note 10)	502	151	653	2,519	3,172

8 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

Group	Total 2019 £'000	Total 2018 £'000
Wages and salaries	11,567	10,860
Social security costs	870	826
Other pension costs	576	403
	13,013	12,089

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

	2019 FTE	2019 Total Employees	2018 FTE	2018 Total Employees
Charitable activities	377	703	377	683

Notes to the accounts

– Year to 31 December 2019

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

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

	2019	2018
£60,001 - £70,000	2	2
£70,001 - £80,000	3	2
£80,001 - £90,000	–	2
£90,001 - £100,000	2	1
£110,001 - £120,000	1	1
£120,001 - £130,000	1	–
	9	8

Employer pension contributions totalling £78,500 (£52,300 in 2018) were made to defined contribution schemes in respect of all those employees who earned £60,000 or more during the year (as defined above).

The key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis comprise the Directors of the Corporate Trustee, the COO/Financial Secretary and the heads of the following departments of the Curial Offices/Central Services: Evangelisation, Youth, Education, Caritas, Tribunal, Safeguarding, Human Resources, Finance, Property, Maintenance, Fundraising, Communications, ICT and Data Protection. The total remuneration (including taxable benefits and employer's national insurance and pension contributions) of the key management personnel for the year was £1,171,200 (£1,028,700 in 2018).

A number of the Directors of the Corporate Trustee (i.e. Trustees) are clergy of the Catholic Diocese of Westminster. They are housed and remunerated by the diocese and are reimbursed expenses for carrying out their ministry in the same way as other priests of the diocese. However, none of the Trustees received any remuneration in respect of their services as a Trustee during the year (£nil in 2018), nor were they reimbursed any expenses connected with their duties as Trustees (£nil in 2018).

Pension schemes

Auto-enrolled pension scheme The Charity offers an auto-enrolled pension scheme provided by Standard Life. The total contributions made by the employer in 2019 to this scheme amounted to £492,000 (£341,000 in 2018).

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

From 6 July 2005 accrual of benefits, death in service benefits and member contributions ceased. The level of funding has been reviewed on a yearly basis. During 2019, deficit funding contributions were made at the rate of £22,975 per month, as agreed following the finalisation of the 6 April 2016 formal valuation.

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

Following the conclusion of the preliminary 6 April 2019 actuarial valuation, it has been agreed with the pension scheme trustees that deficit funding contributions in 2020 will be made at the rate of £22,975 per month until 31 May 2020. The Charity will also continue to make monthly contributions to the scheme to cover administrative expenses, and from 1 January 2021 will make contributions at a rate of £10,000 per month.

Financial Reporting Standard 102 (FRS 102) requires the surplus or deficit on the scheme as at 31 December 2019, calculated in accordance with the requirements of FRS 102, to be included on the balance sheet. For the purposes of FRS 102, the assets of the scheme have been taken at market value and the liabilities have been calculated by a qualified independent actuary.

Notes to the accounts

– Year to 31 December 2019

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

The assets and liabilities in the scheme were:

	2019 £'000	2018 £'000
Equity securities	5,209	4,146
Fixed interest securities	1,159	1,157
Insurance contracts	2,901	2,701
Cash and cash equivalents	1,441	1,256
Other	425	365
Total assets	11,135	9,625
Actuarial value of liabilities	(12,287)	(11,591)
Deficit in the scheme – net pension liability	(1,152)	(1,966)

The major assumptions used by the actuary were:

	2019 % per annum	2018 % per annum
Inflation	3.2	3.5
Salary increases	2.3	2.5
Rate of discount	2.0	2.8
Rate of increase in pensions in payment and deferred pensions	2.3	2.5

The mortality assumptions used were as follows:

	2019 years	2018 years
Longevity at age 65 for current pensioners		
Men	22.0	22.2
Women	24.0	24.1

The net pension liability decreased from £1,966,000 in 2018 to £1,152,000 in 2019.

The deficit decrease is mainly due to the performance of the scheme's assets, despite a deterioration in general financial conditions (in particular the decreases in the yields available on high-quality corporate bonds), and the deficit decrease is also partly due to the deficit reduction contributions made during the year.

Contributions The total contributions made to the scheme by the Charity in the year were £293,000 (£443,000 in 2018). The contributions expected to be paid by the Charity to the scheme for the year ending 31 December 2020 total £133,000.

Notes to the accounts

– Year to 31 December 2019

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

Total operating charge and net interest recognised in the statement of financial activities:	2019 £'000	2018 £'000
Administration costs	(17)	(12)
Past service cost	–	(146)
Total operating charge	(17)	(158)
Interest income on scheme assets	270	246
Interest cost on scheme liabilities	(322)	(300)
Net interest on net defined benefit liability	(52)	(54)
Total amount recognised in the statement of financial activities	(69)	(212)

Actuarial net gains (losses) recognised in the statement of financial activities:	2019 £'000	2018 £'000
Actual return on assets excluding amounts included in net interest	1,195	(626)
Actuarial (losses) gains on scheme obligations	(605)	733
Re-measurement gains recognised in the statement of financial activities	590	107

The reconciliation of the fair value of the scheme assets is as follows:	2019 £'000	2018 £'000
Opening fair value of scheme assets	9,625	9,784
Interest income	270	246
Contributions by Westminster Roman Catholic Diocesan Trust	293	443
Actual return on assets excluding amount included in net interest	1,195	(626)
Benefits paid	(248)	(222)
Closing fair value of scheme assets	11,135	9,625

The reconciliation of the scheme benefit obligation is as follows:	2019 £'000	2018 £'000
Opening defined benefit obligation	11,591	12,088
Administration costs	17	12
Interest cost	322	300
Actuarial losses (gains)	605	(733)
Past service cost	–	146
Benefits paid	(248)	(222)
Closing defined benefit obligation	12,287	11,591

The actuarial value of the scheme liabilities at 31 December 2019 if different key actuarial assumptions had been used is shown below:	2019 £'000	2018 £'000
-0.5% decrease in discount rate	13,307	12,743
1 year increase in member life expectation	12,778	12,055
+0.5% change in inflation	12,685	11,937

Notes to the accounts

– Year to 31 December 2019

9 Taxation

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

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

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

10 Tangible fixed assets

Group	Functional freehold property £'000	Plant, equipment, fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 1 January 2019	133,843	35,125	335	169,303
Additions	4,927	3,241	29	8,197
Disposals	(101)	(807)	(211)	(1,119)
Reclassifications to investment properties (note 12)	(138)	–	–	(138)
At 31 December 2019	138,531	37,559	153	176,243
Original cost	111,129	37,559	153	148,841
Deemed cost – valuation (1997)	26,182	–	–	26,182
Deemed cost – valuation (2013)	1,220	–	–	1,220
	138,531	37,559	153	176,243
Depreciation and impairment				
At 1 January 2019	21,138	29,130	293	50,561
Depreciation charge for the year	1,457	2,009	13	3,479
On disposals	–	(807)	(211)	(1,018)
Reclassifications to investment properties (note 12)	(57)	–	–	(57)
At 31 December 2019	22,538	30,332	95	52,965
Net book values				
At 31 December 2019	115,993	7,227	58	123,278
At 31 December 2018	112,705	5,995	42	118,742

Notes to the accounts

– Year to 31 December 2019

10 Tangible fixed assets (continued)

Charity	Functional freehold property £'000	Plant, equipment, fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 1 January 2019	133,843	34,968	335	169,146
Additions	4,927	3,241	29	8,197
Disposals	(101)	(807)	(211)	(1,119)
Reclassifications to investment properties (note 12)	(138)	–	–	(138)
At 31 December 2018	<u>138,531</u>	<u>37,402</u>	<u>153</u>	176,086
Original cost	111,129	37,402	153	148,684
Deemed cost – valuation (1997)	26,182	–	–	26,182
Deemed cost – valuation (2013)	1,220	–	–	1,220
	<u>138,531</u>	<u>37,402</u>	<u>153</u>	176,086
Depreciation and impairment				
At 1 January 2019	21,138	28,976	293	50,407
Depreciation charge for the year	1,457	2,008	13	3,478
On disposals	–	(807)	(211)	(1,018)
Reclassifications to investment properties (note 12)	(57)	–	–	(57)
At 31 December 2019	<u>22,538</u>	<u>30,177</u>	<u>95</u>	52,810
Net book values				
At 31 December 2019	<u>115,993</u>	<u>7,225</u>	<u>58</u>	123,276
At 31 December 2018	<u>112,705</u>	<u>5,992</u>	<u>42</u>	118,739

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

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

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

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

It is likely that there are material differences between the open market values of the Charity's land and buildings and their book values. These arise from the specialised nature of some properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of the Trustees, is not justified in terms of the benefit to the users of the accounts.

Land and buildings legally owned by the Charity and occupied rent free by Catholic voluntary aided schools and academies, which are separate charities and publicly funded, are valued at fnil for the purposes of these accounts. The Trustees consider that no meaningful value

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– Year to 31 December 2019

10 Tangible fixed assets (continued)

can be attributed to these assets since they are not used directly by the Charity, do not generate income, and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues. Any expenditure incurred on the fabric of these buildings is written off in the year it is incurred and treated in these accounts as expenditure on the advancement of the Catholic faith primarily in the Diocese of Westminster.

Capital commitments

At 31 December 2019 the Group and Charity had the following capital commitments:

Group and Charity	2019 £'000	2018 £'000
Land and buildings – functional property		
. Contracted but not provided	1,237	593

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

11 Programme related investments

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

Group and Charity	2019 £'000	2018 £'000
At 1 January	10,503	10,425
Additions	–	78
At 31 December	10,503	10,503

Programme related investments comprise:

Group and Charity	2019 £'000	2018 £'000
The Friary, Westminster	10,503	10,503

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

It is leased to the Westminster Cathedral Choir School, a charity connected to the Westminster Roman Catholic

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

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– Year to 31 December 2019

12 Investments

At 31 December 2019 investments comprised the following:

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Listed investments	35,435	30,304	35,435	30,304
Investment properties	71,477	65,645	71,477	65,645
Joint venture	47	52	47	52
	106,959	96,001	106,959	96,001

Listed investments

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

The market value of the units in the Mutual Investment Fund at 31 December 2019 amounted to £35,253,000 (£30,152,000 in 2018) and their historical cost as at that date was £30,820,000 (£25,649,000 in 2018).

Investment managers' fees of £114,000 in 2019 and £118,000 in 2018 are charged indirectly through the unit holdings.

At 31 December 2019 the composition of the listed investments comprising the Mutual Investment Fund was as follows:

Group and Charity	2019 %	2018 %
Fixed income	7.4	11.2
UK equities	9.9	15.3
Global equities	58.4	48.2
Property	1.2	1.4
Alternatives	7.4	7.9
Liquid assets (money market instruments and cash)	15.7	16.0
	100.0	100.0

At 31 December 2019, listed investments held as part of the Mutual Investment Fund (the Fund) included the following individual holdings deemed material when compared with the overall valuation of the Fund as at that date:

Group and Charity	Percentage of fund %	Value £000
Sterling Investment Account	6.5	2,285

Notes to the accounts

– Year to 31 December 2019

12 Investments (continued)

Listed investments held at 31 December 2019 and their movements during the year were as follows:

Group and Charity	2019 £'000
Market value	
At 1 January 2019	30,304
Net disposals	(144)
Net realised and unrealised gains during the year	5,275
At 31 December 2019	35,435

Investment properties

Investment properties held at 31 December 2019 and their movements during the year were as follows:

Group and Charity	2019 £'000
Market value	
At 1 January 2019	65,645
Reclassification from tangible fixed assets (note 10)	81
Disposal Proceeds	(1,115)
Gains on revaluation during the year	6,866
At 31 December 2019	71,477

In 2019, the Charity disposed of two curial investment properties with a market value at 31 December 2018 of £1,115,000. The total gross sale proceeds realised in respect of these two properties amounted to £1,115,000. Costs of disposal or realised losses amounted to £22,000.

Investment properties are included in the accounts at market valuations. It is the aim of the Trustees that properties will each be revalued every five years, unless there is an indication that a valuation has changed by a material amount in which case the valuation date will be brought forward. In 2018 four investment properties were revalued by Smith & Knight Property Consultants and five investment properties were revalued by an internal property surveyor in possession of relevant qualifications and knowledge of the property market. In 2019, 14 properties were revalued by Smith & Knight Property Consultants and 12 investment properties were revalued by an internal property surveyor in possession of relevant qualifications and knowledge of the property market.

Post balance sheet event

Since the year end, it is probable that the COVID-19 pandemic will have impacted on the valuation of investment properties. The amount of such an impact

cannot be determined with any certainty. The Trustees have no intention of disposing of the properties in the short to medium term.

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

Joint venture

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

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

Notes to the accounts

– Year to 31 December 2019

12 Investments (continued)

A summary of the trading results and financial position of the company at 31 December 2019 is given below:

Summary statement of income	2019 £'000	2018 £'000
Turnover	146	136
Cost of sales	(119)	(110)
Gross profit	27	26
Administrative expenses	(16)	(14)
Profit on ordinary activities before taxation	11	12
Taxation	–	–
Profit for the financial period	11	12

Summary statement of financial position and retained earnings	2019 £'000	2018 £'000
Fixed assets	65	79
Current assets	33	27
Current liabilities	(4)	(3)
Net current assets	29	24
Total assets less current liabilities	94	103
Creditors: amounts falling due after one year	(92)	(112)
Total net assets (liabilities)	2	(9)

The total net assets are represented by called up share capital of £2 and retained net profits. The retained net profits are shared equally by the two partners. As such, the investment by Westminster Roman Catholic Diocesan Trust as at 31 December 2019 comprises:

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

Notes to the accounts

– Year to 31 December 2019

13 Debtors

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Receivable within one year				
Sundry debtors	349	284	349	284
Legacies receivable	1,598	1,727	1,598	1,727
Prepayments and other accrued income	1,547	2,008	1,546	2,008
Amounts due from subsidiaries	–	–	37	63
School expenditure recoverable from the Department for Education, Local Education Authorities and contract advances (see below and note 21)	2,022	935	2,022	935
Other loans (see below)	109	112	109	112
	5,625	5,066	5,661	5,129
Receivable after more than one year				
Loan to the Cardinal Hume Centre	339	339	339	339
Other	17	17	17	17
	5,981	5,422	6,017	5,485

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

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

14 Creditors: amounts falling due within one year

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
School building projects (see below and note 21)	661	405	661	405
Collections payable to third parties	480	530	480	530
PAYE and national insurance	260	304	260	304
Bank loan (see note 15)	370	370	370	370
Other loans (see overleaf)	295	317	295	317
St Richard Reynolds	447	603	447	603
Accruals and sundry creditors	1,425	1,613	1,392	1,549
Funds held on behalf of the Belarusian Catholic Mission	163	162	163	162
Funds held on behalf of the Congregation for the Eastern Churches	920	920	920	920
	5,021	5,224	4,988	5,160

Notes to the accounts

– Year to 31 December 2019

14 Creditors: amounts falling due within one year (continued)

Amounts due in respect of school building projects represent amounts due to contractors in connection with work and maintenance to school properties.

The majority of the loans are interest bearing with interest rates linked to bank base rates.

15 Creditors: amounts falling due after more than one year

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Bank loan	9,352	9,630	9,352	9,630

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

The loan is repayable in quarterly instalments commencing three years after initial drawdown with interest payable at 2% over the base rate. Of the amounts falling due after more than one year, £1,481,000 (2018 - £1,481,000) is repayable within 2 to 5 years and £7,871,000 (2018 - £8,149,000) is repayable after 5 years.

Post Balance Sheet Event

On 9 April 2020, HSBC granted the Charity a six-month capital loan repayment holiday. This has the effect of reducing the amounts falling due within one year by £183,000 and increasing the amounts falling due after more than one year by £183,000, to £9,535,000, of which £1,511,000 (2018 - £1,481,000) is repayable within 2 to 5 years and £8,024,000 (2018 - £8,149,000) is repayable after 5 years.

16 Restricted funds

Restricted funds comprise:

	2019 £'000	2018 £'000
Group		
Curial	48,128	46,856
Parochial	211,149	196,712
	259,277	243,568
Charity		
Curial	48,128	46,856
Parochial	210,959	196,712
	259,087	243,568

Notes to the accounts

– Year to 31 December 2019

16 Restricted funds (continued)

Curial restricted funds

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

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

Notes to the accounts

– Year to 31 December 2019

16 Restricted funds (continued)

2018	At 1 January 2018 £'000	Income £'000	Expenditure £'000	Net losses £'000	Transfers and funds introduced £'000	At 31 December 2018 £'000
Group and Charity						
Growing in Faith Fund	19,909	2,525	(344)	–	(2,831)	19,259
Masses Funds	1,082	15	(115)	(28)	(12)	942
Poor Fund	529	6	–	(14)	(5)	516
Ecclesiastical Education Fund	121	2	–	(4)	(1)	118
Trinity Fund	31	10	–	–	197	238
Wellesley Colley Fund	287	4	–	(9)	(4)	278
Harrow Education Fund	14	–	–	–	–	14
St Richard Reynolds	–	1,588	(1,594)	–	6	–
Archbishop's Fund	708	657	(105)	–	(110)	1,150
St Joseph's Pastoral Centre	279	123	(212)	–	–	190
Bakhita House	881	571	(386)	–	–	1,066
Property Repairs Fund	154	2	–	(4)	(2)	150
Post-ordination Studies Fund	1,337	19	(55)	(45)	(19)	1,237
Missions Fund	92	2	(29)	(5)	(2)	58
St John Southworth Fund	2,773	87	(114)	(86)	(49)	2,611
Filipino Chaplaincy Fund	131	2	(10)	(5)	(2)	116
Hare Street House	666	11	(34)	(24)	(9)	610
Sick and Retired Priests Fund	10,815	1,141	(598)	(265)	(330)	10,763
Westminster Ecclesiastical Education Fund	–	706	(1,122)	(135)	7,172	6,621
Other restricted funds	863	839	(1,389)	(18)	624	919
Total	40,672	8,310	(6,107)	(642)	4,623	46,856

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

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

Notes to the accounts

– Year to 31 December 2019

16 Restricted funds (continued)

- St John Southworth Fund supports the work of parishes, organisations and projects across a range of issues including poverty, homelessness, old age and infirmity, and children with disabilities or who are in danger of deprivation.
- Filipino Chaplaincy Fund supports the work of the Filipino Chaplaincy.
- Hare Street House represents the net assets of the linked charity (see note 23).
- Sick and Retired Priests Fund represents the net assets of the linked charity (see note 23).
- Westminster Ecclesiastical Education Fund represents the net assets of the linked charity (see note 23).
- Other restricted funds are for specific charitable purposes of the diocese.

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

Parochial restricted funds

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

17 Designated funds

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

Group and Charity	2019 £'000	2018 £'000
At 1 January	1,248	583
New designations	2	678
Released	(18)	(13)
At 31 December	1,232	1,248

18 Tangible fixed assets fund

Group and Charity	2019 £'000	2018 £'000
At 1 January	20,320	20,609
Net movement in the year	304	(289)
At 31 December	20,624	20,320

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

Notes to the accounts

– Year to 31 December 2019

19 Programme related investments fund

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

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

Group and Charity	2019 £'000	2018 £'000
At 1 January	10,503	10,425
Movement	–	78
At 31 December	10,503	10,503

20 Analysis of net assets between funds

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

2018	Curial funds			Parochial funds	
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000	Total 2018 £'000
Group					
Fund balances at 31 December 2018 are represented by:					
Tangible fixed assets	20,320	2,195	22,515	96,227	118,742
Programme related investments	10,503	–	10,503	–	10,503
Investments	12,632	19,650	32,282	63,719	96,001
Net current assets	5,321	25,011	30,332	36,766	67,098
Non-current liabilities	(9,630)	–	(9,630)	–	(9,630)
Total net assets excluding pension liability	39,146	46,856	86,002	196,712	282,714
Pension liability	(1,966)	–	(1,966)	–	(1,966)
Total net assets	37,180	46,856	84,036	196,712	280,748

Notes to the accounts

– Year to 31 December 2019

20 Analysis of net assets between funds (continued)

2019

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

2018

Charity	Total unrestricted funds £'000	Total restricted funds £'000	Total 2018 £'000
Fund balances at 31 December 2018 are represented by:			
Tangible fixed assets	20,320	98,419	118,739
Programme related investments	10,503	–	10,503
Investments	12,632	83,369	96,001
Net current assets	5,321	61,780	67,101
Non-current liabilities	(9,630)	–	(9,630)
Total net assets excluding pension liability	39,146	243,568	282,714
Pension liability	(1,966)	–	(1,966)
Total net assets	37,180	243,568	280,748

Unrealised gains and revaluation reserve

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

Notes to the accounts

– Year to 31 December 2019

21 School and academy building works

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

the associated grant income, this income and expenditure is not included in these accounts. However, the Charity is closely involved in providing practical assistance to Catholic schools and academies in the Diocese of Westminster and acts as an agent for the governing bodies in administering building contracts and recovering grants and contributions towards cost.

The Charity acted as an agent for governors on school and academy building projects as summarised below:

	2019	2018
Number of projects	162	142
	2019 £'000	2018 £'000
Total amount spent	26,226	37,712
Less: grants received	(25,455)	(36,228)
Net governors' liability	771	1,484
Amounts owing on contracts at 31 December (note 14)	661	405
Amounts recoverable from Department for Education, Local Education Authorities and contract advances (note 13)	2,022	935

22 Connected charities and related party transactions

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

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

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

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

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

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

Other than the transactions disclosed above, there were no other related party transactions in 2019 or 2018 requiring disclosure.

Notes to the accounts

– Year to 31 December 2019

23 Linked charities

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

The activities of Diocese of Westminster Sick and Retired Priests Fund were previously consolidated with those of the Charity, whereas the activities of Westminster Ecclesiastical Education Fund were not previously consolidated. The net funds introduced into the Charity in respect of WEEF as at 1 January 2018 were £6,766,000.

In 2017, the Charity successfully applied to the Charity Commission for a uniting direction in respect of The Moorfields Charity, Westminster Cathedral Trust and Hare Street House which took effect from 1 January 2017. The effect of the uniting direction was to allow the Charity

to prepare a single set of accounts that incorporated these three charities as restricted funds of the Charity. Consequently, Hare Street House is included in curial funds and both The Moorfields Charity and Westminster Cathedral Trust are included in parochial funds.

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

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

A summary of the statement of financial activities and a statement of the net assets at 31 December 2018 is given below.

2018	Curial funds			Parochial funds		Total 2018 £'000
	Hare Street House £'000	Sick & Retired Priests Fund £'000	WEEF £'000	The Moorfields Charity £'000	Westm. Cathedral Trust £'000	
Income	11	1,141	706	158	154	2,170
Expenditure	(43)	(928)	(716)	(79)	(379)	(2,145)
Net losses on investments	(24)	(265)	(135)	(98)	(94)	(616)
Net expenditure and net movement in funds	(56)	(52)	(145)	(19)	(319)	(591)
Net assets	610	10,763	6,621	3,176	3,222	24,392

Notes to the accounts

– Year to 31 December 2019

24 Contingent liability

During 2014, the Charity agreed to act as guarantor to HSBC Bank plc to secure all liabilities in respect of a loan facility made available by HSBC Bank plc to St Etheldreda Trust (Registered Charity No. 1154426) in connection with the purchase and refurbishment of 13 Ely Place, London, EC1N 6RY. The maximum amount of the loan and hence the amount guaranteed by the Charity is £1,500,000. In return for the guarantee, the Charity has been granted a second legal charge over the freehold property purchased by St Etheldreda Trust at 13 Ely Place. The loan is for a period of 30 years with monthly capital repayments commencing two years after the initial drawdown. Interest on the loan is charged at 1.5% above Bank Rate.

St Etheldreda Trust is a charitable trust which owns both St Etheldreda's Church and the adjoining presbytery which serve the Parish of St Etheldreda's in the Roman Catholic Diocese of Westminster.

25 Post balance sheet event

Since the year-end, the worldwide outbreak of the coronavirus (COVID-19) pandemic has caused extensive disruptions to organisations globally with major implications for operations as well as finances. The Trustees acknowledge and recognise the impact of the COVID-19 pandemic on the operations of the Charity, its beneficiaries, partners, stakeholders and on the wider society, and have ensured that both resources and processes are in place to mitigate any disruption to its operations. As a result, the impact of the COVID-19 pandemic does not warrant any adjustments to these financial statements.

Comparative consolidated statement of financial activities

– Year to 31 December 2018

	Notes	Curial funds			Parochial funds	
		Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000	Total 2018 £'000
Income:						
Donations and legacies						
. Grants receivable	1	–	1,588	1,588	–	1,588
. Growing in Faith	1	–	2,525	2,525	–	2,525
. Other donations and legacies	1	2,173	3,212	5,385	28,280	33,665
Assessments	2	150	–	150	–	150
Other trading activities						
. Commercial trading operations	3	154	–	154	548	702
Investment income and interest receivable	4	1,416	329	1,745	2,767	4,512
Charitable activities						
. Rental income from functional properties	5	673	–	673	1,289	1,962
. Parish and similar activities	5	1,325	656	1,981	7,418	9,399
Other income						
. Net gains on disposal of tangible fixed assets		–	–	–	1	1
Total income		5,891	8,310	14,201	40,303	54,504
Expenditure:						
Cost of raising funds						
. Fundraising trading: cost of goods sold and other costs	3	3	–	3	469	472
Charitable activities						
. Advancement of the Catholic faith primarily in the Diocese of Westminster	6	10,300	6,107	16,407	27,515	43,922
Total expenditure		10,303	6,107	16,410	27,984	44,394
Net (expenditure) income before transfers and investment gains (losses)	7	(4,412)	2,203	(2,209)	12,319	10,110
Transfers between funds						
. Growing in Faith		–	(1,406)	(1,406)	1,406	–
. Assessments	2	6,061	–	6,061	(6,061)	–
. Other		(1,050)	(737)	(1,787)	1,787	–
		5,011	(2,143)	2,868	(2,868)	–
Net income before investment gains (losses)		599	60	659	9,451	10,110
Net gains (losses) on investments		21	(642)	(621)	10,221	9,600
Net income (expenditure)		620	(582)	38	19,672	19,710
Actuarial gains	8	107	–	107	–	107
Net movement in funds before funds introduced		727	(582)	145	19,672	19,817
Funds introduced	23	–	6,766	6,766	–	6,766
Net movement in funds		727	6,184	6,911	19,672	26,583
Reconciliation of funds						
Total funds brought forward at 1 January		36,453	40,672	77,125	177,040	254,165
Total funds carried forward at 31 December		37,180	46,856	84,036	196,712	280,748

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

Diocesan Committees

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

Members at time of printing.

How to support the Diocese of Westminster

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

- The care of sick and elderly priests
- The training of new priests
- Evangelisation and formation
- The inclusion of all people in the life of the Church
- The Trinity Fund (which provides a lifeline to parishes with financial problems)
- Work with young people
- Lourdes pilgrimage
- Preserving church buildings

You can make a donation online at www.rcdow.org.uk/donations.

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

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The Diocese of Westminster



Keep in touch with the Diocese of Westminster

On our website

Our website has the latest news about the work and mission of the Catholic Church in the diocese. It also includes full listings of all Catholic parishes, schools and chaplaincies. You can visit our website at www.rcdow.org.uk

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Diocese of Westminster

Westminster Year Book 2021

Westminster Year Book contains full listings of Catholic parishes, priests, schools and societies. To be published in November 2020, it also includes the 2021 Liturgical Calendar. To order a copy please contact wyb@rcdow.org.uk.

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