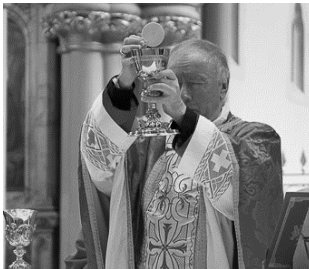




Catholic Diocese of Portsmouth

# Annual Report

2021  
2022



Bringing people closer to Jesus Christ through His Church  
**Catholic Diocese of Portsmouth**



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# AT A GLANCE

## CHARITY NAME

Portsmouth Roman Catholic Diocesan Trust

## CHARITY NUMBER

England **246871**

Jersey **381**

Guernsey **CH263**

## CHARITY TRUSTEE

Portsmouth Roman Catholic Trustees Registered (**PRCDTR**)

## PRCDTR BOARD OF TRUSTEES

Bishop of Portsmouth Rt Rev Philip Egan  
Rev Mr Gerard Dailly  
Mr Bernard Davis  
Rev Canon Michael Dennehy (resigned 11 August 2022)  
Mr Michael Elks  
Rev Christopher Heaps (appointed 08 December 2022)  
Rev Mark Hogan  
Mr Paul Kilduff (appointed 30 June 2022)  
Dr Catherine Knowles  
Rev James McAuley (appointed 15 September 2023)  
Mrs Sue Masser (resigned 08 December 2022)  
Rev Canon Paul James Smith  
Rev Benjamin Theobald (appointed 28 April 2022)  
Rev Canon Simon Thomson  
Rev Mgr Paul Townsend (resigned 11 August 2022)  
Mr Chris Trickey (appointed 30 June 2022)

## SENIOR OFFICERS

Mr Hereward Drummond, **Secretary to Trustees**  
Mrs Heather Hauschild, **Chief Operating Officer**  
Mr Clive Field, **Director of Finance**

## REGISTERED OFFICE

St Edmund House, Bishop Crispian Way, Portsmouth, PO1 3QA

## AUDITORS

10 Queen Street Place, London, EC4R 1AG **Haysmacintyre LLP**

## BANKERS

2-4 Palmerston Road, Southsea, PO5 3QH **Lloyds Bank PLC**

## SOLICITORS

Upper Borough Court, Upper Borough Walls, Bath, BA1 1RG **Stone King LLP**

## INVESTMENT ADVISORS

25 Luke Street, London, EC2A 4AR **Charles Stanley & Co LTD**  
1 London Wall Place, London, EC2Y 5AU **Cazenove Capital**

## PRINCIPAL INSURERS


Suite 5, Oxford House, Oxford Road, Thame, OX9 2AH **Catholic Insurance Services**

## FINANCIAL YEAR

01 September 2021 – **31 August 2022**







*Like the deer that yearns for  
the running streams, so my  
soul is yearning for you my  
God (Psalm 42:1)*



# FROM THE BISHOP



*Like the deer that yearns for running streams, so my soul is yearning for you, my God (Ps. 42).* The image of the deer yearning for running streams is portrayed in my episcopal crest. It symbolises you and me, indeed every human being, thirsting for happiness, looking for the water of life, seeking communion with the God who created us and put us here. As St Augustine once said, the human heart is restless until it rests in God, and this religious thirst is present in the heart of every child, woman, and man. We often hear about material poverty, yet spiritual poverty is living without a relationship with God, not knowing Jesus Christ our Lord and Saviour, and not having a spiritual community to call home. This is exactly our mission as the Catholic Diocese of Portsmouth: to bring people closer to Jesus Christ through His Church.

During 2022, the parishes and communities of our Diocese have been rebuilding after the COVID pandemic. It is gratifying that by the end of 2022, Sunday Mass attendance was on average about 80% of what it was pre-COVID. Some Catholics no longer practice although now there are also new families and others coming along. Numbers are not everything of course – Bl. Dominic Barberi, it is said, once remarked that England would be converted one person at a time - but numbers are important in terms of resources and the strength and impact of our witness and service.

This year, we launched the draft version of our Ten-Year Mission Plan and engaged in extensive consultation with clergy and laity, parishes, and individuals. Entitled *You Will Be My Witnesses*, the plan will be finalised in summer 2023. It outlines our priorities: to go out on a mission to all, to convert Catholics and deepen faith, to be people dependent on the Holy Spirit and to become outward-looking servants, focused on helping those in their time of need. We continue to pay special attention to youth, nurturing vocations, and prioritising resources.

*You Will Be My Witnesses* seeks to put Christ at the centre and to develop missionary communities. To release the resources, we propose to reconfigure the 87 parishes of the Diocese into 24 new pastoral areas that will over time become single integrated parishes. I devoted two of my four Pastoral Letters of 2022 to these themes. In one of them, I said: *"Many will focus on the proposed changes to parish structures... But don't be fooled! Structural change will fail without a deep spiritual change in ourselves and our communities. We will not be saved by structures: change the structures and all will be well. Sadly, it won't. What we all need now is to draw closer to the Sacred Heart of Christ."*

Our diocesan finances continue to be challenging. We need to encourage stewardship, responsibility, and tithing. Over these last months, our Chief Operating Officer, Heather Hauschild, and her support staff have been working hard on these matters. They have also been working on the incorporation of the Diocese as a Charitable Incorporated Organisation (CIO). I want to acknowledge with great gratitude their hard work. Those familiar with charities will know all about CIOs, but for most, it will make little visible difference.

What incorporation does is put the diocesan charity on a sound footing, updating many of the internal operating policies and procedures, whilst tidying up countless loose ends. This incorporation project has absorbed a huge amount of energy, second only to the work on our ten-year strategy.

Over the last year, I celebrated the tenth anniversary of my ordination as the Bishop of Portsmouth, full of gratitude to God for His blessings and to the clergy and faithful for their loyalty, whilst continuing all the regular things a Bishop does: parish and school visitations, numerous confirmations in Eastertide, pilgrimages to Lourdes and Oberammergau, two meetings of the Diocesan Pastoral Council, nine meetings of the Board of Trustees, three meetings of the Council of Priests and three of the Deans and Coordinating Pastors, plus other gatherings for Safeguarding, Bishops Council and the Vicariates.

This past year, I blessed the new Abbot of Douai and the new Mother Abbess of St. Cecilia's. I visited our seminarians in Oscott, Allen Hall and Rome. I welcomed Bishop John Arnold to lead the annual Schools Day and went on a short visit to Taizé with the Anglican Bishop of Portsmouth, Bishop Jonathan Frost. We had two ordinations in the summer: Fr James Lewis to the priesthood and Andrew Collins (along with a new Deacon of the Ordinariate, Timothy Graham) to the diaconate. I attended two plenary meetings of the Bishop's Conference and the bi-annual joint meeting of the Anglican and Catholic Bishops.

I sit on two committees of the Bishops Conference, Education and Evangelisation, and so I attended the annual Conference in York of NBRIA, of which I am the president, and the Conference in Washington DC of SPES, of which I am a Board member. I said Mass at the New Dawn Festival in Walsingham, led in the summer the Pro-Life Pilgrimage to Walsingham, celebrated Mass for the AGM in Jersey of the Knights of St. Columba, and visited the SCITT teacher training facility in Southampton.

We had two gatherings of the Hampshire Church Leaders, of which I am the convener, and we had the joy of a short visit from Archbishop Andrew Nkea of Bamenda. I have also visited innumerable clergy for one-to-ones and met with countless lay and religious groups. Overall, this has been a very busy year as many things not possible during the pandemic have now been taking place.

I finish by expressing profound gratitude to everyone for their good work. Our Diocese of Portsmouth with its parishes and schools, stretching from south Oxford to the Channel Islands, has enormous potential. I am especially thankful to our Support Staff and to our Trustees for their diligence, competence, advice, and practical support. Let us pray to the Lord that the good work done in His Name will bear much fruit, fruit that will last (cf. John 15: 16), through the intercession of our dear patrons Mary Immaculate, St Edmund of Abingdon and the patron of our youth, Bl Pier Giorgio Frassati.

In Corde Iesu

+ Philip

Rt Rev Philip A. Egan BA, STL, PhD  
Bishop of Portsmouth

# OUR YEAR IN NUMBERS

**25,321**

People attended Mass on an average Sunday, about 80% of pre-pandemic levels



**422**

Masses celebrated in an average week

**87**

Parishes

**96**

Priests in active ministry



**1,477**

Baptisms



**1,640**

First Holy Communions



**639**

Confirmations



**283**

Marriages

**185**

Pastoral Assistants

**979**

Funerals

**65**

Receptions into the Catholic Church



Together we received  
**£6.8 million**  
in offertory income,  
averaging £4.20 per parishioner per week

**1,118**

Catechists

**142**

Churches in active use

# CASE STUDY: BRINGING CHRIST TO OUR COMMUNITY

**The Parish of St Peter and the Winchester Martyrs** is based in Hampshire and has worshipping communities in Winchester, Alresford, and Stockbridge. The last year has finally seen a return to normal activities, enabling the missionary community to grow and thrive. One of the main highlights from St Peter's this year has been the creation of our Welcome Hub for refugees and asylum seekers.

Winchester is a place in which asylum seekers and refugees reside while waiting to hear if their applications to remain in the UK have proved successful. Following the outbreak of war in Ukraine in February 2022, our community of St Peter's wanted to initiate a pragmatic response to the emerging refugee crisis and so, the St Peter's Welcome Hub was born.

The Hub is open every Wednesday from 10:30 to 13:30. It is used by over 60 asylum seekers from across the globe, including people from Afghanistan, Iraq and Sudan.

A variety of planned activities take place to assist the attendees, including conversation classes to encourage and improve speaking in English, art, meditation, poetry, and CV writing. The Hub also runs food classes funded by donations of fresh fruit and vegetables from local businesses and contributions from our parishioners. The meals prepared at the Hub enable attendees to take home fresh food.

Our Welcome Hub sessions are facilitated by several local partners, including the Job Centre, and the Citizens Advice Bureau.

The Welcome Hub has been made a reality thanks to contributions from the Society of St Vincent de Paul, funds from our parish of St Peter and the Winchester Martyrs and generous donations from volunteers and community appeals. The Hub has also been supported by the Basics Bank supplying clothing for attendees, and neighbouring churches donating toys and games.



## St. Peter's

# Sanctuary Welcome Hub

A space for meeting, talking, listening and sharing information and knowledge.

St. Peter's welcomes all refugees seeking sanctuary, and their families, friends and hosts.

Come along to our weekly Wednesday morning gatherings and enjoy a cup of coffee or tea.

10.30 – 13.30

Open every Wednesday

Location:  
St. Peter's Church Campus,  
Jewry Street, Winchester SO23 8RY

The Hub will offer the opportunity to network, build friendships and learn from each other.

We can provide support by directing you to relevant organisations and useful resources.

**You all will be very welcome.**





“*St Peter's is a very outward-facing church, that forges ties within the community. The attendees love coming because they feel so welcome and feel they too are part of a community again.*”  
Welcome Hub Volunteer



# 31,179

Pupils attending Catholic schools in our Diocese

## 70

Schools

## 750

Volunteer governors & directors



## 4,855

Hours of Prayer

## 5,460

Hours of Religious Education

## 3,241

Pupils received free school meals



## 2,526

Teachers & education leaders

## 1,831

Support Staff

## CASE STUDY: OUTSTANDING CHRIST-CENTERED EDUCATION

**Our Lady and St Joseph's Catholic Primary School** in Lymington is a Christ-centred, energetic community with a reputation for academic excellence and an *Outstanding* Ofsted rating.

Among the highlights of the year, the school was officially recognised as a School of Sanctuary; illuminating its strong Catholic ethos through the love of its neighbour. 'Schools of Sanctuary' define schools which are particularly welcoming to refugees, asylum seekers and other individuals in need of sanctuary. Our Lady and St Joseph's went through a rigorous process to be accredited with this status by the esteemed charity, City of Sanctuary UK.

In their efforts to support refugees and asylum seekers, pupils have used School Council time to discuss political conflicts abroad and how they might help those in need. They have also embraced the changing liturgical seasons as an opportunity to help others. During Easter, pupils filled shoeboxes full of gifts for Ukrainian children seeking refuge in Poland, and did the same again at Christmas time, for displaced children in Moldova, Romania, and Montenegro.

The school has also come up with inventive ways in which to promote prayer among its pupils and their families. At the start of the academic year, staff organised Prayer Bags to be sent home with each pupil containing, Bibles, prayer books and copies of school prayers. It also included a little prayer bear, some electric candles, and a rosary. The school also united their prayers with one million children across the globe and prayed the Rosary for peace in the world, during the month of October.

Like many other schools in our Diocese, Our Lady and St Joseph's has excellent green credentials. The children are keen gardeners and have been growing a variety of produce which has been cooked by the school chef and served at dinner time. They also received the international accreditation of an Eco-Schools Green Flag Award in recognition of their ecological achievements which include their engagement with the COP-26 summit, their home-grown produce, impressive bug hotels and the establishment of an elected school Eco-Committee.



# CASE STUDY: CARE FOR OUR COMMON HOME

**Our Caritas Portsmouth Team** is instrumental in delivering environmental and outreach projects across our Diocese.

Two community hubs have been established. The Southampton Hub is partnered with Immaculate Conception and Holy Family churches, as well as Holy Family School. While the Portsmouth Hub has teamed up with St Joseph's Church in Havant.

Our Caritas Team supported volunteers at the parish of Southampton Immaculate Conception to run a gardening club dedicated to planting herbs and vegetables to support a community kitchen. In the summer, parish volunteers joined up with City Catering to prepare and deliver free cooked meals to local families.

Another gardening club was set up at Southampton Holy Family Church and School, planting hedges and growing vegetables and also creating bird boxes and bug hotels.

The environmental projects proposed by the Caritas Team also captured the imagination of schools across the Diocese, who have responded with considerable enthusiasm and dedication. Projects have included community tree planting, forest school activities, gardening clubs and bee-friendly planting



2

Herb gardens planted to be used in the **food provided** to the local community

665

Hedgerow saplings **planted** to help landscape school grounds

1

Bee bank designed and built to encourage **biodiversity**

128

Orchard trees planted to **create a legacy**

3

**Food-growing** projects

5

wildflower sowing sites to encourage **pollination**



## CASE STUDY: VOCATIONS

**Our Department for Vocations** focuses on building a culture of vocation across the Diocese. The Department proactively encourages parishes to share in the joy and responsibility of promoting this culture, through the distribution of monthly resources for parishes, including a weekly newsletter insert and intercessional prayers.

Each month, our 'Vocations Roadshow' visits local Evangelisation Strategy Teams (ESTs) in the Diocese. Part of the homily delivered during these visits includes a clear message to our faithful, who all have a significant part to play in the future of our Church.

During the visit, the Department for Vocations Team make themselves available to young adult groups around Confirmation age (15 years). The Team also gift people they meet with a Rosary for Vocations, encouraging them to pray for vocations, join the vocations' prayer network, and sign up for the monthly Vocation E-news.

Our Department for Vocations also host a monthly *Seeker Evening* for those who are trying to discern the Lord's call in their lives. Each session ends with prayer before the Blessed Sacrament. Three Seekers have progressed to conversations with the Bishop and Vocation Director, they are now seriously contemplating joining the priesthood. Another Seeker has been pursuing the call to Religious Life and is on the journey to joining a community.

The Team has also extended its work to schools and university chaplaincies addressing assemblies, delivering workshops and holding talks on vocations. It is our fervent hope that in time 'vocation' will be a part of the daily vocabulary of every school and parish in our Diocese.

**1**  
Priest  
Ordination

**2**  
Deacon  
Ordinations



**10**  
Diocesan seminarians  
(men training for the priesthood)



# CASE STUDY: CLOSER TO CHRIST CAMPAIGN

The Closer to Christ Campaign, launched in June 2021, is raising funds for two central aims; to support diocesan clergy through all stages of their ministry and to support parishes planning for mission as they emerge from the COVID pandemic. These aims include funding seminarians through their formation for the priesthood, supporting the wellbeing of priests in active ministry, providing support for retired priests in recognition of their life of service to the Church as well as rejuvenating parishes to ensure they have the necessary resources for prayer, worship, and community outreach.

It has been incredible to witness the enthusiasm with which priests and their parishes have embraced this initiative throughout the year, with some parishes surpassing their fundraising goals and hitting their targets, even earlier than anticipated.

The parish of Sacred Heart, Fareham, under the dedicated leadership of Canon John Cooke, has been among the highlights of the campaign this year, completing their fundraising timeline six weeks early and surpassing their goal by £40,000.

Securing this funding will allow the parish to “go green” as they hope to install solar panels and electric charging points at St Philip Howard Church, in addition to refurbishing the Sacred Heart Hall kitchen and recruiting a Catechetical Worker to launch faith formation.

“ I was so relieved and delighted when we reached our target of £210,000, I feel incredibly humbled by the generosity of the parishioners’ sacrifice of their time and treasure and look forward to when our local project comes to fruition, enhancing our parish life. ”

Canon John

£5,328  
Average pledge  
per donor



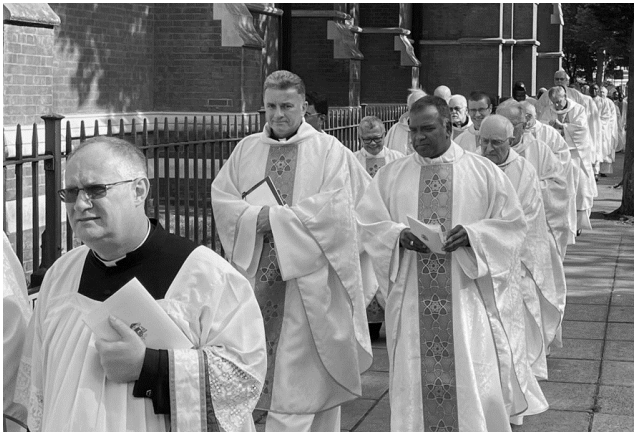
16

Parishes had either taken part or were in active fundraising at the end of August 2022

£3.1M  
in pledges

833

Families  
pledged to the  
campaign





**Catholic  
Safeguarding  
Standards  
Agency**



**600**

People received online training

**718**

DBS checks processed

**12**

Online training sessions for PSMs



**14**

New PSMs welcomed

**135**

Parish Safeguarding Ministers (PSMs)

Approximately

**2,500**

Volunteers working with vulnerable adults or children

## CASE STUDY: SAFEGUARDING

**As a Diocese, we are committed to ensuring that the dignity and protection of every human being, especially children and young people, is a fundamental principle across all our work and activities. With Christ at the centre of our safeguarding efforts, we always strive to ensure that safeguarding standards across the Diocese are exemplary, so that every individual is respected and safe, without exception.**

Following the initial restructure of the central Safeguarding Team this year we appointed two new additional Safeguarding and DBS Administrators and one Safeguarding Officer with responsibility for safeguarding training, to better meet the demands of our large Diocese.

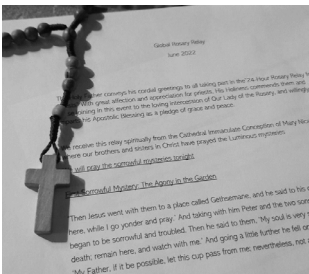
Our Head of Safeguarding has been working with the Diocesan Safeguarding Committee to create a safeguarding strategic plan for the Diocese, which will assist in identifying areas of strength, along with areas for development. The plan reflects the Diocese's commitment to working by the eight national safeguarding standards and ensuring best practice.

The Safeguarding Team continues to support the safe recruitment of employees and volunteers across our parishes and diocesan central teams.

Our central Safeguarding Team is responsible for the safe recruitment, induction, and ongoing training of our Parish Safeguarding Ministers (PSMs). Parishes are encouraged to build small teams of PSMs to manage the workload and to make local safeguarding arrangements more robust.

Following the appointment of our new Safeguarding Officer and the easing of Covid-19 restrictions, the Safeguarding Team has resumed face-to-face training for volunteers working within our parishes.







# FROM THE CHIEF OPERATING OFFICER

**Looking back** at the last year we can take encouragement that many of the plans we set have progressed thanks to the contributions of so many people across the Diocese.

The highlights for the year included:



The publication of the first draft of our Ten-Year Mission Plan *You Will Be My Witnesses*, the fruit of much discussion and consultation, sets out the vision for the Diocese and the priorities which will be our focus as we journey in faith together.



The progression of our plans to become a charitable incorporated organisation (CIO), which was intended to simplify our complex charitable structure to better reflect the current legislative and regulatory requirements. The transfer to the CIO took place in December 2022, just nine months after the project was formally commenced, which meant we could comply with the new legislation enacted in Guernsey at the beginning of the 2023 calendar year.



Our fundraising initiative, the *Closer to Christ* campaign which focuses on support for vocations to the priesthood, clergy in active ministry and support for priests in retirement, has been truly inspiring, with our parishioners pledging funds for the next three to five years. Some of the funds will also be used to support our parishes to recover from the impact of the COVID pandemic. We are so grateful for the generosity and commitment of our clergy who have led the local campaigns and for those who have donated to live their commitment to the future of our Church.



Our commitment to improving our IT functionality has borne fruit, with many parishes opting to participate in our central IT procurement and support. Our excellent IT manager has worked hard, building trust and confidence. This work enables us to ensure the capability, safety, and security of our IT systems.



The finance function for the Diocese, under the leadership of the Director of Finance appointed in May 2022, has taken steps to modernize reporting. A financial plan to ensure long-term sustainability has been developed and the financial challenges facing the Diocese have been shared with clergy and parishioners. An investment committee with members who have expertise in this area of finance was established to oversee our investment portfolio and advise Trustees on investment strategy in the future.



Caritas, our structure for supporting parish-led projects to reach out to people in their time of need, has supported several local initiatives. These include the provision of food and companionship, welcoming new arrivals from Hong Kong, and supporting out-of-school holiday clubs for young people. Our aspirations to realise the vision set for us by Pope Francis in *Laudato Si* have been brought to life with Caritas' work with schools which have embraced initiatives such as tree planting and ecological preservation.



We have continued as the lead sponsor for the Home Office Community Sponsorship scheme. The two refugee families, supported with housing and practical support, have flourished through the committed teamwork and dedicated support of generous and creative volunteers.



Our website was updated and will continue to be upgraded in the next year. We also established an intranet as a resource for those closely involved in the Diocese's operation. We know there is much to do to ensure our communications function reflects our aspirations over the coming years to realise our mission plan and to provide appropriate support for our parishes and teams and we look forward to progressing this.

**Looking ahead,** in the coming year, we will continue the implementation phase of our Ten-Year Mission plan, *You Will Be My Witnesses*. The most important aspect of this is the development of Christ-centered communities focused on mission, which include our parishes, schools and chaplaincies. Much prayer, courage, love and generosity will be needed as we seek new ways of working together to revitalise the life and mission of the Church. The priorities set out in the mission plan will underpin all that we do in the coming years.



Following the establishment of the Catholic Diocese of Portsmouth as a charitable incorporated organisation (CIO) in 2022, we will continue to improve our governance. This will include the development of new policies and accompanying resources to assist our parishes and central teams and ensure legal compliance.



We are committed to the *One Church* approach to safeguarding and are working with the Catholic Safeguarding Standards Agency (CSSA), established as part of the Catholic Bishops Conference for England and Wales. The implementation of our Safeguarding Strategic Plan, adherence to core standards, and commitment to safeguarding our most vulnerable people, will underpin our work in the coming year.



The last phase of the Closer to Christ Campaign will be rolled out across our parishes that have yet to take part. We hope to achieve our goal of £13.5m from this campaign.



The financial recovery programme will continue, including the disposal of some surplus assets as well as seeking further opportunities for cost reduction. A diocesan-wide financial system will be procured during 2023. It is overdue as the previous system is no longer supported. A widely adopted user-friendly system will enable more effective support to be provided by the central team and will also help parishes with their oversight and planning.



We aspire to complete the central procurement and support project for IT next year, so that equipment is fit for purpose, cost-effective and as safe as possible.



Many of our parishioners contribute their time and talent to support our Diocese and local parishes. Our volunteers serve through a variety of ministries, works of charity, day-to-day tasks and on our committees which support diocesan and parish life. One of our priorities for next year is the development of resources and opportunities to bring people together so that all are supported in their work.



The revitalisation of our communications and fundraising functions is a priority. We have long-standing vacancies; recruitment in these areas is a particular challenge.



The work of our Estates Team will focus on developing our approach to Health & Safety and the good stewardship of our estate in 2023. The redevelopment of the St Mary's parish site in Ryde is one of our priority projects; many of the buildings on this large site are derelict. A feasibility survey has been completed and a resolution must now be defined and implemented.



Turning to schools, the principal areas of work will be determining our approach to the structural reform signaled by the Government to best meet our aspiration for high-performing Christ-centered schools. Other priorities include rolling out the new inspection framework resourcing and implementing the new curriculum directory for religious education and deepening the partnership between our schools and parishes.



We are looking forward to participating in the National Schools' Singing Programme, partly supported by grant funding.

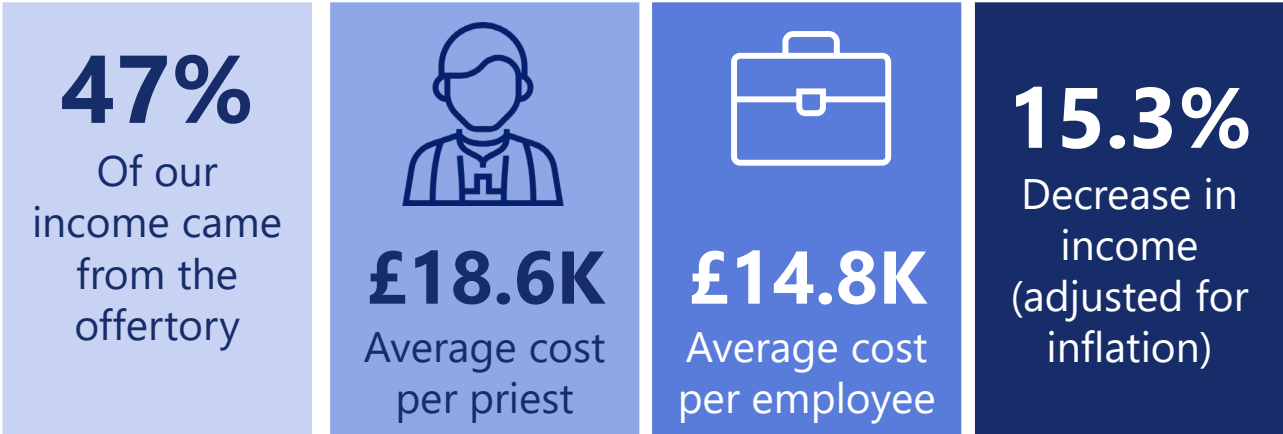


Our Caritas Team, under new leadership, will continue to work with parishes enabling many more local projects to grow and flourish. The first phase will be parish engagement to assess the need and define the principal priorities.





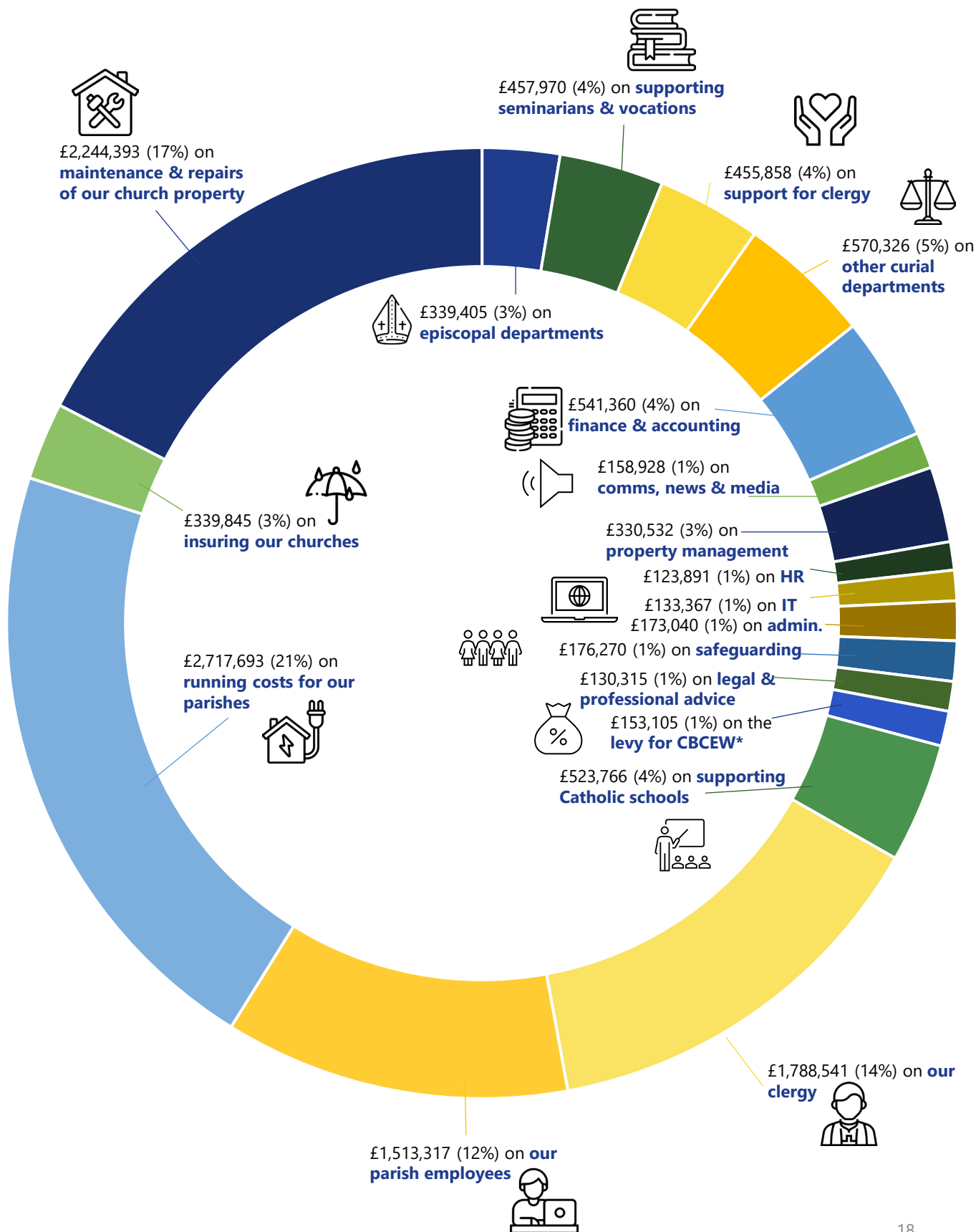
OUR FINANCES  
AT A GLANCE



**£80.8M**  
Net Assets  
**But** most cannot easily be realised; they include our **churches & restricted funds**

# STEWARDSHIP

## HOW WE SPENT OUR MONEY



\*Catholic Bishops' Conference for England & Wales

\*\* This chart excludes depreciation, and expenditure relating to trading subsidiaries and restricted funds

\*\*\*Icons are from freepik.com and flaticon.com





# FINANCIAL REVIEW

## OVERVIEW

The Diocese of Portsmouth's income for the year to 31 August 22 was £14.55M. This was an increase in absolute terms of £337K compared to the previous financial year. Expenditure meanwhile increased by £1.85M to £14.83M, leading to an operating deficit of £282K.

## Comparisons

These figures must be viewed in the context of the Covid Pandemic and its aftermath, the energy-price-driven inflation of the post-covid period and the changes in Mass attendance during and after the pandemic. Because of the ecclesial and financial significance of the pandemic, 2022 will be considered in comparison to 2021 (a pandemic recovery year) and 2019 (the last pre-pandemic year).

## Key Comparators: Mass attendance, inflation

Average weekly Mass attendance in the Diocese in 2019 was 32,294, falling to 17,306 in 2021 and then recovering, beyond expectations, to 25,321 in 2022. This is around 80% of pre-pandemic levels.

In terms of another key indicator, inflation, the Office of National Statistics retail price index shows that prices increased by 3.4% from September 2019 to August 2021 and by 9% from September 2021 to August 2022.

## Analysis in real terms

Comparing overall diocesan income in 2022 with that of 2019, we see that, adjusted for inflation, it has decreased by 15.3%. The 2022 income of £14.55M translates to £12.95M in 2019 terms compared to the actual 2019 income of £15.3M. Expenditure has likewise decreased in real terms by 15%. Meanwhile, over the same period, the number of Mass-goers has decreased by 21.6%, meaning that the income and expenditure per remaining post-pandemic Mass-goer have increased slightly in real terms.

## COVID Pandemic: before, during and after

The context suggests that, after the uncertainty of the pandemic, the 2022 financial results provide a more reliable indication of the Diocese's post-pandemic financial and demographic future and thus will be more useful in terms of forecasting and planning, as our parishes and curia work together to implement the Ten-Year Mission Plan, *You Will Be My Witnesses*.

## INCOME

### Fundraising: Closer to Christ Campaign

The Closer to Christ fundraising campaign raised £957K in 2022. By August 2022, 20% of parishes (17/87) had launched their campaigns. The campaign is on course to meet its targets, although in terms of the numbers of parishes participating in 2022, the rollout has been slower than originally planned due to the aftermath of the COVID pandemic. A dedicated accounting system has been set up to record campaign income and the distribution of funds.

### Parish offertory income

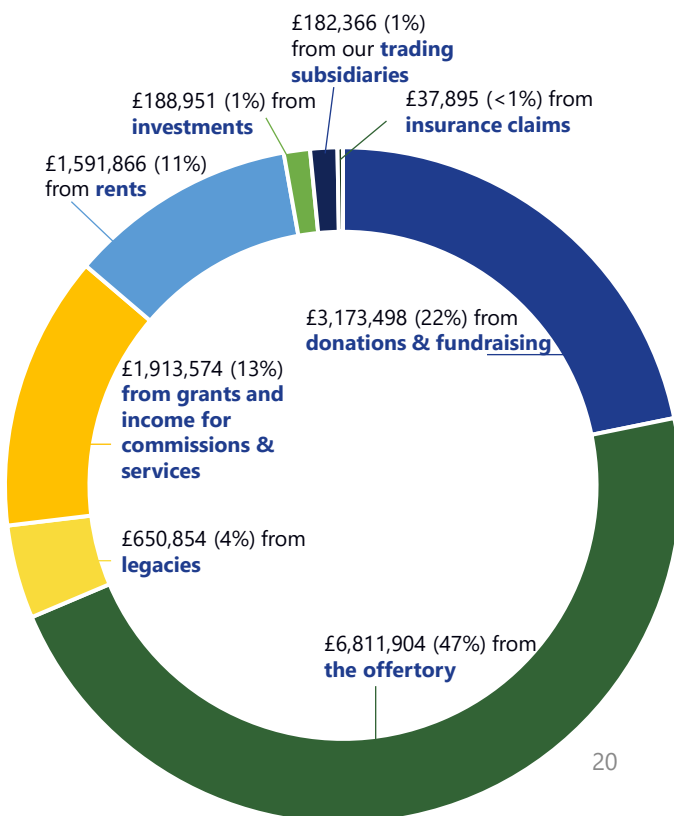
Offertory income includes income received via planned giving (standing orders, direct debits and envelopes), in addition to loose plate donations and contactless and online donations.

In 2022, offertory income amounted to £6.8M, which is 47% of total income. This included £3.97M in planned giving, £1.7M from loose plate donations, £58K from contactless donations and £37K from online giving. Offertory income declined from £7M in 2019 to £6.8M in 2022. Gift Aid reclaimed remains constant at around £1M.

### Offertory per person per week

The lower average weekly Mass count of 25,321 in 2022 has generated a higher gift per person per week when compared to 2019. Offertory per person per week now works out at £4.20, which is further increased by gift aid reclaimed.

### Other Sources of Income



## EXPENDITURE

### *Priests*

The cost of supporting a priest includes their stipend, as well as Stole Fees, Christmas and Easter Offerings, travel expenses, housekeeping expenses, and the cost of supply priests.

These costs have increased by 16% from £1.55M in 2021 to £1.79M, although the real increase is less when inflation is factored in.

The 2022 figure works out at £18.6K per priest, an increase of £2,500 per priest. The stipend priests receive was increased in April 2021, having been frozen during the COVID pandemic. There was also a post-pandemic recovery in Christmas and Easter offerings and Stole Fees.

### *Staff*

The period of 2019 to 2022 has seen a decline in staff numbers from 260 in 2019 to 216 in 2022. Expenditure on staff cost reduced from £3.6M in 2019 to £3.2M in 2022.

### *Repairs and Maintenance*

The biggest contributor to the increase in parish expenditure at Year End of August 2022 was repairs and maintenance on churches, presbyteries and halls, which cost £2.24M in 2022. The increase was due to the backlog in works required following the COVID pandemic.

The cost of maintaining our buildings is a significant strain on our resources. Average offertory giving per parishioner per year (including Gift Aid) is £269; £88 of this goes towards the repair and maintenance of our estate.

### *Cost per Church*

A basic analysis of running costs per church can be conducted by dividing total running costs per parish by the number of churches in each parish. There are 139 churches in active use across the Diocese, spread over eighty-seven parishes. General parochial expenses per church average £84K per annum and range from around £20K per church to £284K per church. Costs per church increase with the size, age, and historic value of churches, with listed buildings tending to cost more.

### *Levy*

In 2022, the parish levy - money paid by parishes to cover central diocesan costs - was set at £1.87M, representing 16% of parish income.

Analysis suggests that the levy in our Diocese is relatively low as a proportion of parish income compared to many dioceses. The low levy has led to a succession of curial budget deficits; the levy only funds 48% of overall curial costs.

The requirements for compliance in terms of managing a large, geographically diverse estate, the cost of ensuring we meet our statutory financial and governance obligations, and the responsibility of safeguarding our young people are significant drivers of central curial costs.

### *Central Costs*

The costs of most Curia departments remained relatively unchanged, or moderately reduced compared to 2021. This included largely unchanged costs of supporting clergy in ministry and New Evangelisation, and reduced costs for the Tribunal, Hospital Chaplaincies and Youth Chaplaincies.

The cost of training our seminarians increased to £355K in 2022 compared to £333K in 2021.

Support costs relating to Communications, Estates, HR, IT, Finance, Governance, Safeguarding and the Bishop's Conference Levy increased from £1.91M in 2021 to £1.95M in 2022. This was a 2% increase in absolute terms but a decrease in real terms, because the rate of inflation was higher than 2%.

The fluctuations of year-on-year costs for our central teams depend on whether these teams are fully staffed and this, in turn, is an outcome of the difficult recruitment environment in the economy as a whole and specifically for charities and churches.

### *Cash*

The cash position of the Diocese has improved from £9.4M to £10.8M due to the Closer to Christ Fundraising Campaign and capital expenditure controls. When the uncertainty of the COVID pandemic hit, the impact on our cash position could not be predicted, and there was an opportunity to safeguard the future by taking out a low-interest CBILS loan.

However, with the onset of global inflation and increases in interest rates, this loan became expensive to service and our financial strategy has focused on improving the sustainability of the cash position, removing dependence on borrowing, paying off the existing loan, and avoiding punitive interest charges. The loan was paid off in December 2022.

### *Parish Surplus/Deficit*

For the year to 31 Aug 2022, 28 parishes recorded a deficit and therefore are using up their reserves. Of these, 16 would have still posted a deficit even after excluding one-off or exceptional items. Further, exceptional items tend to recur on a cyclical basis so cannot be completely discounted.

Of the 28 parishes that recorded a deficit, five recorded a deficit of greater than £50K. The combined deficit of the 28 parishes was £622K.

### *Parish Bank Overdrafts*

Across the 87 parishes, there are 223 parish bank accounts. Of these, 28 bank accounts were overdrawn with a total overdrawn balance of £1.8M.

### *Assets*

Despite an operating deficit, and a fall in the value of quoted investments held by the Diocese due to the conflict in Ukraine, overall net assets increased from £76.4M to £80.8M, thanks to the reclassification and revaluation of functional properties as income generating investment properties.

The Diocese owns £91M of assets: £41M of churches and other buildings used for our charitable activities, £26M of investment properties, £12M of investment in securities, £11M of cash and £1M of debtors (owed to the Diocese).

Net assets are lower than the total assets owned by the Diocese because of the £10.2M worth of liabilities (owed by the Diocese).

It should be recognized that churches and functional buildings (those used for our charitable activities) are held at a fraction of their insurance/rebuild value of circa £500M. The valuation method used in the accounts is explained under accounting policy h) on page 35.

## Investments

The Diocese held £12.3 million in quoted investments on 31 August 2022. The target level of return set for these stocks and shares is set within the Investment Policy and is currently CPI plus 4%. Due to the impact on markets of the conflict in Ukraine and the global energy price inflation, these investments fell in value by £0.8 million over the financial year.

The Trustee Board have agreed on an ethical policy for the portfolio. The following is an extract from the investment policy:

*"Where the issuer of a security (share, stock or bond) or deposit taker (bank) is directly and substantially (more than 5% of the activity of that entity) involved in activities which constitute grave moral evil such investments are to be entirely excluded because holding such securities would constitute formal co-operation in that evil. These would include but not be limited to, murder, procured abortion, contraception, sexual activity outside marriage and acts which undermine the dignity and sanctity of human beings (for example the exploitation of workers, migrants, the weak and the elderly) from conception to natural death, corrupting the young, heresy and sacrilege."*

The Bishop and Board of Trustees also require that our investment managers keep under review the environmental stewardship of entities in which the Diocese holds investments or deposits and instructs them to refer any activities which might constitute a breach of the duty of the stewardship of creation to them.

In July 2022, the Diocese established an investment committee to encourage our parishes to participate in investment decisions and to assist the Board of Trustees in their decision-making.

## Reserves

Our Reserves Policy states that the Diocese should hold general funds (unrestricted, non-parish funds) equal to six months of mission support costs.

At the end of the 2021/22 financial year, total reserves stood at £80.8 million. The value of the churches, halls, and presbyteries of the Diocese, at £41 million, accounts for 51% of total diocesan reserves. As these assets cannot be spent, in August 2020 they were transferred out of the general fund into a designated fund. After this transfer, the general funds were reduced to a deficit of £3.9 million on 31 August 2020. By August 2022, the deficit had risen to £4.9M million, following losses on investments.

To return general funds to a balanced position we are focusing on three key inter-related areas:

The Closer to Christ fundraising campaign, over half of the revenues from which will cover major areas of curial expenditure such as supporting seminarians and clergy in active ministry; increases in the Levy, to avoid curial budget deficits; reductions in curial expenditure and strict budgetary discipline also aiming at balanced curial budgets.

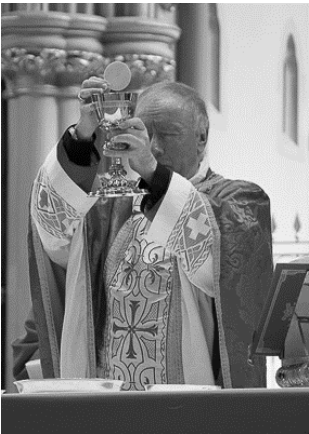
A ten-year strategic plan *You Will Be My Witnesses* has been drafted and widely consulted on across the Diocese. The final plan is due to be published in 2023. The implementation of this plan is intended to help contribute to the revenue and cash generation required to achieve the target level of reserves.

## Risks

A risk register is provided for Trustees to review at every meeting. Key risks are:

- The **financial position** of many parishes; reductions in weekly attendance and participation in the life of the church have been reflected in falling offertory income.
- The growing backlog of **estate maintenance**, together with the deterioration of older, listed buildings (most notably the Cathedral) is a long-term liability. Our mission plan, *You Will Be My Witnesses*, sets out to increase participation in parish life and enable us to discern where to invest and what we can no longer maintain.
- The Diocese comprises 87 individual parish units which operate autonomously to a significant extent. The organisation is highly dispersed and also largely reliant on volunteers for much of the day-to-day activity. This all presents a significant risk of **non-compliance** with key policies required by regulators and legislation.
- Support and regular **communication** in a variety of forms is provided to parishes about policy and general guidance. However, further work is required to ensure that practical resources are provided to help parishes to navigate increasingly complex requirements.
- **Cyber-security** is a recognised global risk. Much effort has been made to mitigate the risk through training and monitoring. Key performance indicators have been developed based on the 12-point plan provided by the Diocese's insurer; progress is regularly measured against the KPIs.
- Although we have been blessed with vocations, the **number of vocations to the priesthood** is not keeping pace with expected clergy retirement in the medium term. Our mission plan, *You Will Be My Witnesses*, is intended to enable ways of working which mitigate these anticipated challenges to some extent.
- The **governance** of the complex charity structure has become increasingly complicated. The incorporation of the charity in 2022 provided an opportunity to streamline the arrangements as part of our risk management strategy.
- **Recruitment** to key roles in central administration and in parishes is proving a significant challenge. Vacancies can, on occasion, be open for several months. Attracting and retaining candidates with the appropriate experience and expertise will require a re-evaluation of our structure and pay and reward strategy in the coming year.





# OUR STRUCTURE, GOVERNANCE AND MANAGEMENT

The structure, governance and management of our Diocese as set out below reflects the position for the 2021-2022 financial year covered in this report. At the time of publication (Spring 2023) the governance structure of the Diocese is significantly different, following the incorporation of the Catholic Diocese of Portsmouth as a CIO.

## Constitution

The Portsmouth Roman Catholic Diocesan Trust is a charitable trust established by a Trust Deed dated 04 September 1934. Following a Deed of Revocation dated 5 December 2002, the Trust is governed under a Trust Deed dated 5 December 2002 and the subsequent amendments made on 07 April 2004.

The Portsmouth Roman Catholic Diocesan Trust is registered under the Charities Act 2011, its charity number is 246871.

## Trustee

The Portsmouth Roman Catholic Diocesan Trust has a sole corporate trustee: The Portsmouth Roman Catholic Diocesan Trustees Registered (PRCDTR). The Portsmouth Roman Catholic Diocesan Trustees Registered is a body corporate under Part 12 of the Charities Act 2011 established on 11 September 1934 and granted corporation status by the Lord Chancellor on 27 November 1934.

The individuals who form the Portsmouth Roman Catholic Diocesan Trustees Registered are the trustees of the Portsmouth Diocesan Trust, a charitable trust established on the 1st of August 1934. It is registered under the Charities Act 2011; its charity number is 246872.

The Trustees of the Portsmouth Diocesan Trust who formed the corporate trustee of the Portsmouth Roman Catholic Diocesan Trust during the year ended 31 August 2022 and who were in office on the date of this report are detailed on p2.

The Board of Trustees met 10 times during the year.

## Linked charities

Under a Charity Commission Scheme, dated 20 July 2001, all charities which have the Portsmouth Roman Catholic Diocesan Trustees Registered as trustees, except for the Portsmouth Roman Catholic Priests' Retirement Fund, are linked for registration and reporting. The Portsmouth Roman Catholic Diocesan Trust is the reporting charity, it has more than 90 linked charities, most are related to property.

## The appointment of trustees

The sole corporate trustee of the Portsmouth Roman Catholic Diocesan Trust does not change. The individuals who form the Portsmouth Roman Catholic Diocesan Trustees Registered are appointed trustees for the Portsmouth Diocesan Trust by a resolution of the Board.

Trustee vacancies are advertised through the appropriate diocesan communication channels. All candidates applying to become a trustee will be interviewed by the Bishop and Secretary to Trustees. Any successful applicants are co-opted as advisory members of the board at the next full meeting for a period of six months. At the end of the six months, they are appointed trustees by a resolution of the Board.

The individuals who form the Portsmouth Roman Catholic Diocesan Trustees Registered will herein be referred to as the Trustees.

## Trustee induction and training

The Secretary to Trustees is responsible for ensuring that an appropriate induction training programme is arranged for new trustees, within 3 months of appointment. The induction is expected to include clarification of legal responsibilities, Charity Commission requirements of charity trustees, strategic issues, governance issues, familiarity with the Trust Deed and structure of the charity, and other relevant induction material to allow trustees to understand the Charity's purpose, activities, financial position, and current risks.

Trustees are encouraged to undertake regular training throughout their appointment which they feel is relevant to their role and to keep up to date with current legislation.

## Trustees expenses

Several trustees are clergy of the Catholic Diocese of Portsmouth. They are housed and remunerated by the Diocese and are reimbursed for expenses for carrying out their ministry in the same way as any other priest in the Diocese. However, no trustee received any remuneration from the Diocese, nor had any expenses reimbursed by the Diocese, in connection with their duties as Trustees during the year. No trustee had any beneficial interest in any contract with the Diocese.

## Management team

The trustees are responsible for the overall management, oversight, and strategic direction of the Diocese. To achieve this, they have appointed a Chief Operating Officer who has delegated responsibility for the day-to-day running of the Diocese. The Chief Operating Officer is supported by a senior leadership team who have delegated areas of responsibility such as finance, estates, safeguarding, HR, IT, communications, governance, fundraising, charity outreach, and clergy support.

## Setting pay

Remunerated roles in the Curia and central administration, have been benchmarked against several charity sector benchmarks, including other dioceses. The Diocese is a lower-quartile employer, although the Trustee Board may choose to apply a recruitment or retention premium to a particular post in certain circumstances.

## Organisation

The Diocesan Curia is organised into a Framework for Collaboration, with three vicariates reflecting the threefold ministry of the Bishop who acts in the name of Our Lord Jesus Christ as priest, prophet, and king.

Each Vicariate is responsible for one aspect of the Bishop's threefold ministry: Vocation, Education and Evangelisation. Each is headed by an Episcopal Vicar, who, together with the Vicars General, are the sole members of the Bishop's Council, most of whom have been appointed Trustees. Each Vicariate Committee is chaired by the Episcopal Vicar for that Vicariate.

The Chancery and Tribunal are also part of the Curia. The Judicial Vicar, who leads the Tribunal, has been appointed as a Trustee.

The Council of Priests meets regularly to consult on matters of Canon Law and advises the Board of Trustees.

The Trustee Board is also supported in decision-making by detailed scrutiny and recommendations provided by sub-committees: Finance, Audit and Risk; HR and Remuneration; Safeguarding; Investment; Caritas; Bamenda; Vocation Vicariate; Education Vicariate and Evangelisation Vicariate; which meet regularly throughout the year.

The purpose of the Finance, Audit and Risk Committee is to provide strategic oversight to the administration of the temporal goods of the Diocese and its parishes, land and buildings, money, investments, and the discharge of its legal and contractual obligations. The FAR Committee is chaired by the Vicar General, Moderator of the Curia.

The HR and Remuneration Committee considers remuneration across the Diocese and makes recommendations to the Board. It is chaired by the Vicar General, Moderator of the Curia.

The Safeguarding Committee is responsible for matters which relate to safeguarding and is chaired by a non-clergy trustee.

Each parish is expected to have a Parish Finance Committee and encouraged to have an Evangelisation Strategy Team to support the parish priest management of the parish day-to-day.

The structure of the Diocese presents a harmonious balance between the Diocese's legal responsibilities as a charity and its responsibility to Canon Law.

## Relationships with other organisations: other regulators

In addition to the Charity Commission for England and Wales, the Portsmouth Roman Catholic Diocesan Trust is overseen by the Jersey Charity Commissioner and the Guernsey Registrar for Charities.

The Portsmouth Roman Catholic Diocesan Trust is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice.

Safeguarding in the Diocese is overseen by the Catholic Safeguarding Standards Agency; the CSSA national safeguarding policies are in operation across the Diocese

## Other organisations within the Diocese

The Portsmouth Roman Catholic Diocesan Trust has a close relationship with other charities which operate as part of the Diocese, these include:

The Portsmouth Roman Catholic Priest's Retirement Fund, charity number 1061194, is a charitable trust which looks after our priests in retirement. It is currently undertaking a joint fundraising venture with the Portsmouth Roman Catholic Diocesan Trust.

The Portsmouth Roman Catholic Diocesan Properties Limited, charity number 1168798 is a charitable company limited by guarantee which holds the Diocese's property in Jersey.

Caritas Jersey Limited, charity number 150, is a charitable company limited by guarantee and is the hub of Catholic Social Action in Jersey.

The Portsmouth Roman Catholic Diocesan Trust works closely with Catholic schools across the Diocese, mostly through the Vicariate for Education, and in some cases owns the school estate.

## Other organisations outside the Diocese

In carrying out its work and mission, The Portsmouth Roman Catholic Diocesan Trust works in collaboration with many and varied organisations such as the Catholic Trust for England and Wales (CATEW), the Bishop's Conference for England and Wales (CBEW), CAFOD, other Catholic dioceses, hospitals, prisons, universities, food banks, and a variety of other charities and organisations.

## Charitable purposes

Our charitable purposes, as set out in our Trust Deed, are:

The provision maintenance and upkeep of churches and public chapels for the celebration of divine worship according to the rights and ceremonies of the Roman Catholic Church and of presbyteries and houses for the residence of Priests and Deacons attached to any such churches or chapels or otherwise and belonging to or connected with the Roman Catholic Church in the Diocese.

The provision maintenance and carrying on of the religious services of the said Church in such churches and public chapels or other places of a like character.

The provision maintenance and upkeep of houses of study halls and colleges for the education and training of priests and persons desirous of becoming priests of the said Church in the Diocese or elsewhere in Great Britain and abroad.

The education and training of priests, deacons, and persons desirous of becoming priests of the said Church by such means as the Trustees think fit.

The payment of stipends to the priests and deacons of the said Church and of salaries and wages in connection with any such institutions as aforesaid

The maintenance, support, and provision of medical and surgical aid for infirm and aged priests and deacons of the said Church and the burial of deceased priests and deacons of the said Church.



The provision of holidays and rest for priests and deacons of the Roman Catholic Church in the Diocese include contributions agreed by the Trustees under this, and the preceding sub-clause shall be made only to or in respect of persons whose own means (if any) are in the opinion of the Trustees inadequate for such purposes.

The relief of poor persons professing the Roman Catholic religion in the Diocese or nearly related to priests or deacons of the said Church.

The provision maintenance and upkeep of schools and colleges are to be conducted by the principles of the said Church for the general education whether religious or secular (or both) of children and young persons or whether members of the said Church and catechetical other religious education.

The provision maintenance and upkeep of houses of residence for teachers and students in any such houses of study halls schools and colleges as aforesaid.

The provision maintenance and upkeep of homes for infirm and aged priests and deacons of the said Church in the Diocese being in the opinion of the Trustees without adequate means of support and of houses or accommodation for infirm and aged poor person, with preference being given to those professing the Roman Catholic Religion.

The provision maintenance and upkeep of cemeteries or burying places for the interment of deceased members of the said Church and other persons authorised by the Trustees.

The provision maintenance and upkeep of parish rooms and halls in connection with any such churches or chapels as aforesaid to be used for the advancement of the Roman Catholic religion in the Diocese or otherwise for the enlightenment education and religious and moral benefit of members of the said Church in the Diocese.

The provision and maintenance of hospitals and sanatoria for poor persons members of the said Church.

The acquisition of sites for and of ground to be held with buildings for any of the purposes aforesaid and the erection restoring altering enlarging maintaining and repairing of any buildings for any such purpose and the laying out maintenance and upkeep of grounds in connection with any such buildings.

The development of any part of any land held as Trust Property and the maintenance of any works for the time being carried on thereon under the powers hereof.

The making of donations or subscriptions to any charitable institution trust or organisation for Roman Catholic or other purposes in Great Britain or abroad or direct to any Bishop or official person engaged in any such work or to any other charitable institution or organisation necessary or proper in the carrying on of the charitable work of the Trustees.

The maintenance and upkeep of the charitable institutions' work and undertakings now carried on or for the time being established under the trusts hereof.

Any such charitable purpose or purposes as in the opinion of the Bishop may be calculated to lead to the advancement or maintenance of the Roman Catholic religion.

## Fundraising activity

The Diocese follows the Code of Fundraising Practice and the guidance for all aspects of fundraising and has produced policies and procedures for all fundraising activity which are regularly reviewed by the fundraising department and trustees.

The fundraising activities of the Diocese take various forms; including fundraising through campaigns, planned regular giving via digital means and cash, securing grants from institutional, corporate, and non-profit organisations and community fundraising.

During the reporting period, there were no complaints received about fundraising activity. The Diocese ensures that the vulnerable are protected by adhering to the code of Fundraising Practice, ensuring diocesan policies and procedures are in place for fundraising activities, and regularly working with the safeguarding and governance teams to ensure that good practice is followed in accordance with the law.

## Public Benefit

The Trustee Board has due regard to the Charity Commission's guidance on public benefit in exercising its powers and duties.

The Trustee Board ensures the Diocese benefits the public by bringing meaning to people's lives, providing opportunities to strengthen relationships with God, providing a moral and ethical framework for life; through community and social cohesion in its pastoral work; and through its work supporting the poor and the marginalised.

## Statement of Trustees' responsibilities

The purpose of this statement is to distinguish the Trustees' responsibilities for the accounts from those of the auditors as stated in their report. The Charities Act 2011 requires the Trustees to prepare for each financial period, financial statements which give a true and fair view of the Charity's financial activities during the period and of its financial position at the period end. In preparing the financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that this basis applies.

The Trustees are responsible for ensuring proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Diocese and enable them to ensure that the financial statements comply with the Trust Deeds and the disclosure regulations. They are also responsible for safeguarding the assets of the Diocese and hence for taking reasonable steps for the prevention and detection of an error, fraud, and other irregularities.

**This Annual Report was approved by the Trustee Board at a meeting held on the 20 April 2023.**

Signed:

  
21/4/23

James McAuley  
21 April 2023



# FROM THE AUDITORS

## Independent auditor's report to the trustees of The Portsmouth Roman Catholic Diocesan Trust

### Opinion

We have audited the financial statements of The Portsmouth Roman Catholic Diocesan Trust for the year ending 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard is applicable in the UK and the Republic of Ireland (the United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as of 31 August 2022 and the group's net movement in funds for the year then ended.
- have been properly prepared under the United Kingdom Generally Accepted Accounting Practice; and
- have been prepared following the requirements of the Charities Act 2011.

### Basis for opinion

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit by International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group following the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

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

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters about which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees for the financial statements

Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 under 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 based on these financial statements.

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

Based on our understanding of the group and the environment in which it operates, we identified the principal risks of non-compliance with laws and regulations related to Canon Law, employment law, safeguarding regulations and Charity Law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of financial statements such as the Charities Act 2011 and Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Review of minutes of trustees' meetings.
- Inspect correspondence with regulators and tax authorities.
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluating management's controls designed to prevent and detect irregularities.
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. These are related to depreciation and investment property valuations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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

## Use of our report

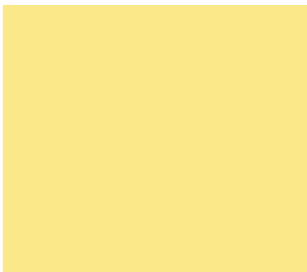
This report is made solely to the charity's trustees, as a body, under section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.



**Haysmacintyre LLP**  
10 Queen Street Place  
Statutory Auditors  
London  
EC4R 1AG

Date: 21 April 2023

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



# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	UNRESTRICTED		RESTRICTED	TOTAL - 2022	TOTAL - 2021
		CURIA - TOTAL	PARISH - TOTAL	RESTRICTED - TOTAL		
<b>Donations and legacies</b>						
Donations and Offertories		35,137	8,331,264	1,619,001	9,985,402	8,409,425
Legacies		93,823	557,031	-	650,854	829,273
Other		508,986	1,201,761	202,827	1,913,574	2,907,170
<b>Other trading activities:</b>				-		
Rent – miscellaneous lettings		44,277	852,746	-	897,023	740,776
Income of trading subsidiaries	15	-	182,366	-	182,366	248,761
<b>Investment income</b>				-		
Investment income and interest receivable	1	28,322	107,845	52,783	188,951	370,632
Rent – investment properties		-	694,843	-	694,843	583,121
<b>Other incoming resources:</b>				-		
Insurance claims		-	37,895	-	37,895	124,284
Gain on disposal of tangible fixed assets		-	-	-	-	-
<b>Total income</b>		<u>710,545</u>	<u>11,965,751</u>	<u>1,874,611</u>	<u>14,550,908</u>	<u>14,213,442</u>
<b>Expenditure on raising funds</b>		-				
Expenses of trading subsidiaries		-	(125,521)	-	(125,521)	(238,820)
Finance costs		(133,572)	(14,211)	-	(147,784)	(121,075)
<b>Charitable activities</b>						
Activities in furtherance of the Roman Catholic Faith		(3,784,442)	(9,681,360)	(1,094,268)	(14,560,070)	(12,623,004)
<b>Total expenditure</b>	2	<u>(3,918,014)</u>	<u>(9,821,092)</u>	<u>(1,094,268)</u>	<u>(14,833,375)</u>	<u>(12,982,899)</u>
<b>Net (outgoing)/incoming resources before transfers</b>		<u>(3,207,469)</u>	<u>2,144,659</u>	<u>780,343</u>	<u>(282,467)</u>	<u>1,230,543</u>
<b>Realised and unrealised gains on investments</b>		1,004,654	4,022,954	(312,241)	4,715,367	6,712,453
<b>Net income/(expenditure)</b>		<u>(2,202,815)</u>	<u>6,167,613</u>	<u>468,102</u>	<u>4,432,900</u>	<u>7,942,996</u>
Transfers between funds		(1,098,837)	826,578	272,259	-	-
Transfers - Diocesan Levy		1,877,145	(1,877,145)	-	-	-
<b>Net movement on funds</b>		<u>(1,424,507)</u>	<u>5,117,045</u>	<u>740,361</u>	<u>4,432,900</u>	<u>7,942,996</u>
<b>Reconciliation of funds</b>						
Fund balances brought forward		<u>2,567,095</u>	<u>69,091,738</u>	<u>4,752,998</u>	<u>76,411,832</u>	<u>68,468,835</u>
Fund balances carried forward		<u>1,142,588</u>	<u>74,208,784</u>	<u>5,493,359</u>	<u>80,844,732</u>	<u>76,411,831</u>

The statement of financial activities includes all gains and losses in the period. All operations are continuing and there are no discontinued operations in either year. The comparative year's Statement of Financial Activities is included in note 18.




# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2022

		CURIAL FUNDS	PARISH FUNDS	31-Aug-22	31-Aug-21
<b>Fixed Assets</b>	Notes				
Tangible assets	4	3,035,870	38,022,978	41,058,848	42,201,135
Investments	5	9,760,962	28,151,172	37,912,134	33,542,381
		<u>12,796,832</u>	<u>66,174,150</u>	<u>78,970,983</u>	<u>75,743,516</u>
<b>Debtors: due after more than one year</b>	6	28,809	-	28,809	698,463
<b>Current Assets</b>					
Debtors and prepayments	6	1,177,236	78,981	1,256,217	447,656
Cash at bank and in hand		1,336,740	9,450,338	10,787,078	9,411,965
		<u>2,513,976</u>	<u>9,529,319</u>	<u>12,043,295</u>	<u>9,859,621</u>
<b>Creditors: due within one year</b>	7	(6,342,381)	(309,663)	(6,652,044)	(4,721,634)
<b>Net Current Assets</b>		<u>(3,828,405)</u>	<u>9,219,656</u>	<u>5,391,251</u>	<u>5,137,987</u>
<b>Creditors: due after more than one year</b>	7	<u>(3,546,311)</u>	-	<u>(3,546,311)</u>	<u>(5,168,135)</u>
<b>Parish Loan Accounts</b>					
Due from parishes		6,214,046	(6,214,046)	-	-
Net off intra-curial		(183,223)	183,223	-	-
Due to parishes		<u>(7,051,318)</u>	<u>7,051,318</u>	-	-
		<u>(1,020,495)</u>	<u>1,020,495</u>	-	-
<b>NET ASSETS</b>		<u>4,430,430</u>	<u>76,414,301</u>	<u>80,844,732</u>	<u>76,411,831</u>
<b>Unrestricted Funds</b>					
General Funds		(4,892,151)	-	(4,892,151)	(3,788,993)
Designated Funds	10	6,034,740	74,208,784	80,243,523	75,447,825
		<u>1,142,588</u>	<u>74,208,784</u>	<u>75,351,372</u>	<u>71,658,832</u>
<b>Restricted Funds</b>	9	3,121,741	1,381,418	4,503,159	3,944,580
<b>Permanent Endowment Funds</b>	8	166,101	824,100	990,200	808,419
<b>RESERVES</b>		<u>4,430,430</u>	<u>76,414,301</u>	<u>80,844,732</u>	<u>76,411,831</u>

Approved by the Trustee Board on the 20 April 2023 and signed on their behalf by:

 Philip  
 21/4/23

James McAuley  
 21 April 2023


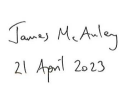
# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## CHARITY BALANCE SHEET

AS AT 31 AUGUST 2022

	CURIAL FUNDS	PARISH FUNDS	31-Aug-22	31-Aug-21
<b>Fixed Assets</b>				
Tangible assets	3,035,870	34,871,193	37,907,063	39,015,600
Investments	9,904,462	28,151,172	38,055,634	33,542,381
	<u>12,940,332</u>	<u>63,022,365</u>	<u>75,962,697</u>	<u>72,557,981</u>
<b>Debtors: due after more than one year</b>	28,809	-	28,809	698,463
<b>Current Assets</b>				
Debtors and prepayments	1,247,223	26,625	1,273,849	438,783
Cash at bank and in hand	1,336,740	9,358,399	10,695,139	9,183,111
	<u>2,583,964</u>	<u>9,385,024</u>	<u>11,968,987</u>	<u>9,621,894</u>
<b>Creditors: due within one year</b>	(6,342,381)	(267,367)	(6,609,748)	(4,527,324)
<b>Net Current Assets</b>	<u>(3,758,417)</u>	<u>9,117,657</u>	<u>5,359,240</u>	<u>5,094,570</u>
<b>Creditors: due after more than one year</b>	<u>(3,546,311)</u>	<u>-</u>	<u>(3,546,311)</u>	<u>(5,168,135)</u>
<b>Parish Loan Accounts</b>				
Due from parishes	6,144,058	(6,144,058)	-	-
Net off intra-curial	(183,223)	183,223	-	-
Due to parishes	(7,051,318)	7,051,318	-	-
	<u>(1,090,483)</u>	<u>1,090,483</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>	<u>4,573,930</u>	<u>73,230,505</u>	<u>77,804,435</u>	<u>73,182,879</u>
<b>Unrestricted Funds</b>				
General Funds	(4,748,651)	-	(4,748,651)	(3,788,993)
Designated Funds	6,034,740	71,024,988	77,059,727	72,218,873
	<u>1,286,088</u>	<u>71,024,988</u>	<u>72,311,076</u>	<u>68,429,880</u>
<b>Restricted Funds</b>	3,121,741	1,381,418	4,503,159	3,944,580
<b>Permanent Endowment Funds</b>	166,101	824,100	990,200	808,419
<b>RESERVES</b>	<u>4,573,930</u>	<u>73,230,505</u>	<u>77,804,435</u>	<u>73,182,879</u>

Approved by the Trustee Board on the 20 April 2023 and signed on their behalf by:

 21/4/23  
 21 April 2023

# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

	YE AUG 22	YE AUG 21		
Reconciliation of Net Incoming Resources to Cash Inflow from Operating Activities	£	£		
Changes in resources before revaluations	(282,467)	1,230,543		
Returns on investment	(188,951)	(370,632)		
Depreciation	924,016	907,399		
Loss/(gain) on disposal of Tangible Fixed Assets	59,721	87,942		
(Increase)/decrease in debtors	(138,907)	(182,719)		
(Decrease)/increase in creditors	154,498	(714,886)		
	527,910	957,647		
Net cash inflow from operating activities	527,910	957,647		
Cash flows from investing activities				
Returns on investment	188,951	370,632		
Payments to acquire tangible fixed assets	(90,099)	(1,144,951)		
Receipts from sales of tangible fixed assets	-	-		
Payments to acquire investments	(3,631,761)	(3,284,953)		
Receipts from sales of investments	4,226,024	3,238,700		
	693,115	(820,572)		
Cash flows from financing activities				
New bank loans received	-	4,000,000		
Movement on School Loans	630,350			
Bank loan repayments	(476,262)	(71,000)		
	154,088	3,929,000		
Change in cash and cash equivalents in the year	1,375,112	4,066,075		
Cash and cash equivalents at the beginning of the year	9,411,965	5,345,890		
Cash and cash equivalents at the end of the year	10,787,077	9,411,965		
Reconciliation of cash flow to movement in net funds/(debt)				
Increase in cash in the year	1,375,112	4,066,075		
Net cash inflow from movements in bank loans	(154,088)	(3,929,000)		
Change in cash and cash equivalents in the year	1,221,024	137,075		
Net funds at the beginning of the year	4,536,965	4,399,890		
Net funds at the year end	5,757,989	4,536,965		
Analysis of net funds/(debt)	01 Sep 2021	Cash flows	Other	31 Aug 2022
	£	£	£	£
Cash and bank balances	9,411,965	1,375,112	-	10,787,077
Loans due within one year	(4,165,760)	(154,088)	(1,621,824)	(5,941,672)
Loans due after one year	(5,168,135)	-	1,621,824	(3,546,311)
	78,070	1,221,024	-	1,299,094



# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## STATEMENT OF ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 AUGUST 2022

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The financial statements have been prepared in accordance with statutory requirements and with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019 and with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102) (Effective 1 January 2015). The particular accounting policies adopted are described below. The financial statements are prepared under the historical cost convention, as modified to include certain tangible fixed assets at a valuation and fixed asset investments at market value. The Portsmouth Roman Catholic Diocesan Trust meets the definition of a public benefit entity under FRS102.

#### **a) Basis of preparation**

The financial statements represent the Portsmouth Roman Catholic Diocesan Trust together with its wholly owned trading subsidiary companies (consolidated on a line-by-line basis) listed in note 15 No separate Statement of Financial Activities has been presented for the Charity alone.

#### **b) Preparation of accounts on a going concern basis**

Having considered future budgets and cash flows, the trustees confirm that they have no material uncertainties about the entity's ability to continue as a going concern. In coming to this conclusion trustees have considered the repayment of the CBILS and other loans at 31 Dec 22, in connection with incorporation of the Diocese, the resources available to the Diocese, the move towards, balanced curial budgets and the impact of the 10 year plan, *You will be My Witnesses*.

#### **c) Legacies, Donations and Grants**

Legacies and donations are recognised the Diocese becomes legally entitled to them, receipt is probable and they can reasonably be measured in financial terms. Receipts of property, investments or other gifts in kind are included at market value. Grants are recognised when receivable.

#### **d) Investment Income**

Investment income is accounted for as it accrues.

#### **e) Taxation**

As a registered charity, the Diocese is exempt from income tax, corporation tax and capital gains tax derived from its charitable activities. Gift aid is credited to the category of income to which it relates.

#### **f) Expenditure**

Costs of raising funds comprise those costs associated with attracting voluntary income and grants and the management of the Charity's investments. Costs of charitable activities consist of all expenditure directly relating to the objects of the Charity. Support costs which cannot be directly allocated are apportioned between activities.

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s). Governance costs include expenditure on management and compliance with constitutional and statutory requirements together with an allocation of support costs. Irrecoverable VAT is included with the category of expenses to which it relates.

#### **g) Schools Building Programme**

Any grants obtained on behalf of school governors are netted off against total costs and only the residual cost to the Diocese is included in the financial statements.

#### **h) Tangible Fixed Assets**

Prior to 1 January 1997 the cost of fixed assets was written off in the year of acquisition and no comprehensive cost records were maintained. In order to arrive at a reasonable valuation of parish property, taking into account age, type, condition and life expectancy, the Trustees considered that the then insured values should be discounted by 90% and in subsequent years be depreciated at 2% per annum, on the building value only. Properties acquired after 31 August 1996 are capitalised at their actual cost of acquisition.

The Diocese owns a number of properties that are occupied and run by independent charities in the form of Voluntary Aided Schools and Catholic Academies. The school properties (land and buildings) are vested in the name of the Trustees. The Trustees cannot take a unilateral decision to dispose of these properties. Disposal can only occur if the school governors and the Secretary of State for Education decide that all or part of a school site is no longer required for education. In most circumstances, where a disposal occurs, the Secretary of State or the local authority may be entitled to recoup any grant. Although no rights of ownership vest in the school governing body, most other rights and obligations, such as for the maintenance and repair of the school and its facilities, are passed to the governors. The Trustees therefore consider that there is no capital value to the Diocese in the stock of school buildings.

Thus school properties have not been capitalised. There is a potential value, or contingent asset, in the event of a closure of a school (either connected to a re-organisation or not). Such an asset is recognised only upon the occurrence of a closure/re-organisation and the site's development value becoming certain, such as upon the granting of planning permission. The recognition of this value is accounted for as an incoming resource in the year in which this value becomes measurable and certain. The inclusion of any value of school properties normally arises from a scheme under s554 Education Act and until then there is legally a duty to repay or recycle the proceeds from the sale of former school sites

Prior to 4 September 1934, the date of the original Trust Deed of the Charity, most parish properties were acquired on trusts related to individual parish missions and were formally brought under the legal control of the Trustees by virtue of Charity Commission schemes dated 4th and 7th February 1936. These assets are included in Parochial Funds.

There are a few properties held on trusts created after 1934 which are different from those in the 1934 and 2002 trust deeds. These assets are also included in Parochial Funds.

The estimated cost of furniture, equipment and motor vehicles held at 31 August 1996 has been capitalised in the financial statements. Subsequent additions exceeding £5,000 are capitalised at cost. Individual works of art, historical treasures and plate are not capitalised.

Depreciation is calculated by the straight-line method to write off the cost/value less anticipated residual value, over the expected useful lives of assets as follows:

**Freehold property (excluding land):** 50 years

**Leasehold property:** 50 years or, if less, the term of the lease  
**Furniture and equipment:** 5 to 20 years.

# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## STATEMENT OF ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### **i) Significant judgements and key sources of estimation uncertainty**

In preparing these financial statements the Trustees have had to make estimates and assumptions that affect the amounts recognised in these financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Key areas subject to judgement and estimation are as follows: Fixed assets and investment properties.

#### **j) Pensions**

All eligible staff may join a personal pension scheme of their choice to which the Diocese makes a matching contribution of up to five per cent of salary. As a defined contribution scheme, no liability falls upon the Diocese, as employer, to make good a shortfall of funding other than contributions due.

#### **k) Financial instruments**

The Diocese only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

#### *Investments*

Investments are valued at fair value on the balance sheet date. Investment properties are stated at market value or a Trustees' valuation, as advised by a qualified Chartered Surveyor. Gains/losses on investments are calculated as the difference between opening market value and closing market value after adjusting for additions and disposals during the period. No distinction is made between realised and unrealised gains in the financial statements.

#### *Debtors*

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### *Cash and cash equivalents*

Cash is represented by cash in hand and deposits with financial institutions repayable without notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### *Creditors*

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method. The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

#### **l) Parochial Funds**

Each Parish is considered by Canon Law to be a juridical person with corresponding rights and obligations, including the holding and use of funds. The use of these parochial funds is the responsibility of the Parish Priest, Diocesan Finance Council and the Trustees in varying ways depending on the amount and significance of the funds. However, for the purposes of civil law parishes are not distinct legal entities and, unless there are distinct and express special trusts clearly evidenced in law, parochial funds are therefore shown as unrestricted but designated funds.

#### **m) Permanent Endowment Funds**

The capital of Permanent Endowment Funds must be maintained intact with any income arising being available for restricted or general charitable purposes of the Diocese, according to the terms of the original gift.

#### **n) Fund accounting**

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives. Designated funds are funds set aside by the Trustees for specific purposes (see note 11).

Restricted funds are used for specific purposes as stated by the grantor. Expenditure which meets these criteria is charged to the fund (see note 10).

PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

**NOTES TO THE ACCOUNTS**

FOR THE YEAR ENDED 31 AUGUST 2022

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1. INVESTMENT INCOME AND INTEREST RECEIVABLE

	Year ended 31 August 2022 £	Year ended 31 August 2021 £
Arising on quoted investments	187,553	369,239
Rent on investment property	694,843	583,121
Bank interest	1,398	1,393
	<hr/>	<hr/>
	£883,794	£953,753



# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

### 2. CHARITABLE EXPENDITURE AND SUPPORT COSTS

	Support of Parish Life		Vocation			Education		Evangelisation				
	Locally Incurred Costs	Centrally Incurred Costs	Training New Clergy, Promoting vocations	Supporting Clergy in ministry	Supporting Retired Clergy	Supporting Catholic Education	Youth and University Chaplaincies	Supporting the Poor and Marginalised - Inspired by the Love of Christ	New Evangelisation	Fund-raising	Trading Subsidiaries	Total
<b>Direct Costs</b>	-	-	102,949	417,163	-	192,868	159,198	6,384	48,397	41,723	78,999	1,047,682
The Office of the Bishop	-	254,982	-	-	-	-	-	-	-	-	-	254,982
Chancery & Cathedral	-	23,444	-	-	-	-	-	-	-	-	-	23,444
Tribunal	-	26,821	-	-	-	-	-	-	-	-	-	26,821
Hospital Chaplaincies	-	38,694	-	-	-	-	-	-	-	-	-	38,694
Seminary Fees	-	-	355,021	-	-	-	-	-	-	-	-	355,021
Maintenance of Catholic Schools	-	-	-	-	-	523,766	-	-	-	-	-	523,766
Caritas/ERF	-	141,647	-	-	-	-	-	-	-	-	-	141,647
<b>Parish Costs</b>												
Clergy	1,788,541	-	-	-	-	-	-	-	-	-	-	1,788,541
Staff	1,513,317	-	-	-	-	-	-	-	-	-	-	1,513,317
Church Running Costs	774,116	-	-	-	-	-	-	-	-	-	-	774,116
Office and Presbetry Running Costs	1,036,000	-	-	-	-	-	-	-	-	-	-	1,036,000
Parish Centre Running Costs	174,187	-	-	-	-	-	-	-	-	-	-	174,187
General: books, events, donations, fees etc	733,390	-	-	-	-	-	-	-	-	-	-	733,390
Insurance	339,845	-	-	-	-	-	-	-	-	-	-	339,845
Repairs and Maintenance	2,244,393	-	-	-	-	-	-	-	-	-	-	2,244,393
Depreciation	976,189	-	-	-	-	-	-	-	-	-	-	976,189
Designated Funds	-	49,272	-	-	-	-	-	-	-	-	-	49,272
Endowment Funds	-	2,829	-	-	-	-	-	-	-	-	-	2,829
Restricted Funds	-	567,673	-	-	-	-	-	-	-	-	-	567,673
	9,579,978	1,105,362	457,970	417,163	-	716,634	159,198	6,384	48,397	41,723	78,999	12,611,808
<b>Support Costs</b>												
Communications	39,732	39,732	7,946	7,946	-	7,946	7,946	7,946	7,946	31,785	-	158,928
Estates	87,626	-	-	-	43,813	43,813	-	-	-	-	-	175,251
People	114,315	-	1,197	1,197	599	2,394	1,197	1,796	599	599	-	123,891
IT	99,894	-	4,184	4,184	2,092	8,368	4,184	6,276	2,092	2,092	-	133,367
Finance	335,374	38,696	16,033	14,604	-	25,088	5,573	223	1,694	1,461	-	438,746
Governance	193,904	22,373	9,270	8,444	-	14,505	3,222	129	980	844	-	253,671
Curia Property and overheads	212,731	52,731	8,338	8,186	9,658	21,523	6,804	4,031	3,396	7,639	-	335,035
Safeguarding	153,476	-	1,520	3,039	-	1,520	10,637	3,039	3,039	-	-	176,270
Bishops Conference Levy	-	153,105	-	-	-	-	-	-	-	-	-	153,105
<b>Total</b>	10,817,029	1,411,999	506,457	464,763	56,161	841,790	198,761	29,825	68,142	86,143	78,999	14,560,070

# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

### 2. CHARITABLE EXPENDITURE AND SUPPORT COSTS (Continued)

	2022	2021
	£	£
Governance costs include		
Auditors remuneration – Audit (including VAT)	£54,600	£51,600
	=====	=====

### 3. STAFF

	Year ended 31 August 2022	Year ended 31 August 2021
	£	£

The average number of total employees (not full time equivalents) of the Diocese during the period and their aggregate emoluments are shown below

#### Staff Costs:

Wages and salaries	2,922,265	3,088,349
Social security	209,004	335,382
Pension costs	99,594	63,572
Redundancy costs	-	23,731
	-----	-----
	£3,230,863	£3,511,034
	=====	=====

#### Monthly Average Number of Employees:

	No.	No.
Departments	49	39
Parishes	167	203
	-----	-----
	216	242
	=====	=====

#### Employees with emoluments greater than £60,000:

	2022	2021
£60,001 - £70,000	1	3
£70,001 - £80,000	1	1
£80,001 - £90,000	1	0
£90,001 - £100,000	1	1

Key management personnel received salary, benefits, pension contributions and employers NIC of £528,436 (2021: £456,374) during the year. This reflects changes to staffing arrangements.

# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

### 4. TANGIBLE FIXED ASSETS

TANGIBLE FIXED ASSETS	Freehold Buildings £	Leasehold Buildings £	Furniture & Equipment £	Total £
<b>COST OR VALUATION</b>				
At 1 September 2021	54,130,740	385,221	2,859,162	57,375,123
Additions	75,426	-	14,673	90,099
Disposals	(82,582)	-	(4,763)	(87,345)
Transfers to Investments	(278,008)	-	(11,788)	(289,796)
At 31 August 2022	53,845,577	385,221	2,857,284	57,088,081
<b>DEPRECIATION</b>				
At 1 September 2021	12,732,110	54,420	2,387,457	15,173,987
Charge for the period	869,061	7,714	47,240	924,016
On disposals	(22,861)	-	(4,763)	(27,624)
Transfers to Investments	(39,378)	-	(1,768)	(41,146)
At 31 August 2022	13,538,932	62,134	2,428,166	16,029,233
<b>NET BOOK VALUE</b>				
At 31 August 2022	40,306,644	323,086	429,118	41,058,849
At 31 August 2021	41,398,629	330,801	471,705	42,201,135

Fixed assets with a Net Book Value of £3,151,785 were held by the trading company. This is predominantly property owned in Jersey that has been transferred to a trading company to better comply with Jersey laws.

The Diocese also owns a number of properties, which are occupied and run by independent charities in the form of Voluntary Aided Schools and Catholic Academies. The Trustees consider that these properties have no capital value to the Charity – see Accounting Policy (f). The total re-instatement cost of these schools is approximately £300m. A list of the schools in the Diocese is set out on the Diocesan website ([www.portsmouthdiocese.org.uk](http://www.portsmouthdiocese.org.uk)). All fixed assets are used in direct furtherance of the Charity's objects.



# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

### 5. INVESTMENTS

INVESTMENTS	Investment	Quoted	Total
	Properties	Investments	
	£	£	£
Market value at 1 September 2021	20,490,000	13,052,382	33,542,382
Additions	-	3,631,761	3,631,761
Disposals	(645,000)	(3,418,027)	(4,063,027)
Transfer from Tangible Fixed Assets	248,650	-	248,650
Revaluation gains	5,508,867	(956,499)	4,552,368
Market value at 31 August 2022	25,602,517	12,309,617	37,912,134

All quoted investments (other than cash) are quoted on a recognised UK Stock Exchange or are valued by reference to investments listed on a recognised Stock Exchange. No figure for the cost of the investment properties owned at 1 January 1997 is available; the value at which they were first recognised in the accounts was £1,014,500. £10.6M of investment properties were valued in May 22 by Savills, Lancasters, Leaders, College & County, Ross Nicholas and Homebase Property Management. A further £7.1M has been valued between June 22 and Jan 23 by Kelway Law, Hose Rhodes Dickson, Robin Austen, Zoopla and Charters. The Trustees do not believe that there is a material movement in the value of investment properties since the date they were last revalued. The Charity Balance Sheet contains an additional £143,500 of investments in the Trading Subsidiaries listed in note 15.

# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

### 6. DEBTORS

	31 August 2022	31 August 2021
	£	£
<b>Due after more than one year</b>		
School and other loans	£28,809	£698,463
	=====	=====
<b>Due within one year</b>		
School and other loans	928,983	252,536
Legacies Receivable	-	-
Other debtors and prepayments	327,234	195,120
	=====	=====
	£1,256,217	£447,656
	=====	=====

The above represents debtors for the Diocese, including trading subsidiaries, as such the difference between this and the charity balance sheet is £17,632 made up of £7,555 and £50,526 relating to trading subsidiaries ( see note 12) and £75,713 being money owed by the trading subsidiaries to the General Fund which moves to debtors in the charity balance sheet.

### 7. CREDITORS

	31 August 2022	31 August 2021
	£	£
<b>Due after more than two years</b>		
School and other loans	2,673,738	3,697,711
	=====	=====
<b>Due between one and two years</b>		
School and other loans	872,573	1,470,424
	=====	=====
<b>Due within one year</b>		
School and other loans	5,941,672	4,165,760
PAYE	55,968	47,360
Other creditors and accruals	654,404	508,514
	=====	=====
	£6,652,044	£4,721,634
	=====	=====

Creditors on the Charity Balance sheet differ from those on the consolidated Balance Sheet by £42,296 due to eliminating trading subsidiary creditors of £118,008 whilst offsetting the £75,712 of inter diocesan, trading subsidiary liabilities.

A loan of £1,000,000 from Lloyds Bank was taken out in October 2019 for a five year commitment period at an interest rate of 1.7% above LIBOR. After an initial 12 month holiday period quarterly repayments are being made with the loan to be repaid in full on the fifth anniversary. A Lloyds CBILS five year loan of £4,000,000 was taken out in February 2021, with interest and capital repayments beginning in March 2022 and is underwritten against a portion of the investment portfolio. Due to rising interest rates and the requirement, to refinance, triggered by the move to a Charitable Incorporated Organisation on 1 Jan 23, both loans were repaid on 31 Dec 22.

# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

### 8. PERMANENT ENDOWMENT FUNDS

	Balance at 01 Sep 2021	Net Incoming / (Outgoing) Resources	Transfers	Movement On Investments	Balance at 31 Aug 2022
	£	£		£	£
<b>Parochial Funds</b>					
Properties	363,997	(2,379)	-	-	361,618
Other	170,823	1,558	-	20,067	192,447
Tanguy Masses	1,966	-	-	(125)	1,841
St Mary's Mission	224,306	146	-	2,876	227,327
Christchurch Parish Priest	-	-	43,647	(2,780)	40,867
	761,092	(675)	43,647	20,037	824,100
<b>Curial Funds</b>					
Curtin Masses	47,328	470	-	(3,048)	44,750
Dunne Masses	-	-	2,939	(187)	2,752
St Joseph Education Fund	-	741	122,662	(4,804)	118,599
	47,328	1,211	125,601	(8,039)	166,101
	808,420	536	169,248	11,998	990,201

For full comparative figures see Note 20.

# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

### 9. RESTRICTED FUNDS

RESTRICTED FUNDS	Balance at 01 Sep 2021	Incoming Resources	Resources Expended	Transfers	Movement On Investment s	Balance at 31 Aug 2022
	£	£	£	£	£	£
<b>CURIAL</b>						
Social Welfare	204,118	2,264	-	-	(14,677)	191,705
Clergy Training	1,042,786	49,946	-	11,479	(149,945)	954,266
Bamenda Fund	86,928	77,324	(81,503)	11,925	(348)	94,326
Clergy Assistance	172,575	18,160	(2)	-	(27,229)	163,504
Lourdes Fund	205,532	3,385	(3,977)	-	(11,305)	193,634
Youth Funds	783	-	-	-	-	783
Vicariate Triple Trust	71,140	944	-	-	(6,119)	65,964
Edmund Rice Fund	328,461	3,359	(2,621)	-	(21,779)	307,420
School Building Fund	77,146	243,529	(523,766)	203,089	-	(2)
Bamenda Millennial Gift Aid	1,300	-	-	(1,300)	-	-
Collins Fund	11,479	-	-	(11,479)	-	-
Dunne Masses	2,939	-	-	(2,939)	-	-
Friends of Bamenda	10,625	-	-	(10,625)	-	-
Holy Rosary Crosses	30	-	-	(30)	-	-
Mass Stipends	294	-	-	(294)	-	-
Bernard Medd Fund	11,810	141	-	-	(914)	11,038
Parish Sisters	7,160	-	-	(7,160)	-	-
Refugee Support	1,066	-	-	-	-	1,066
Religious Vicariate	174	-	-	(174)	-	-
World Youth Day	-	-	-	-	-	-
Other	21,907	-	-	(21,907)	-	-
Education Fund	-	7,625	-	213,016	(49,439)	171,202
Diocesan Caritas	5,195	6,620	(2,318)	-	-	9,497
Closer to Christ	-	957,338	-	-	-	957,338
	<u>2,263,446</u>	<u>1,370,634</u>	<u>(614,186)</u>	<u>383,601</u>	<u>(281,755)</u>	<u>3,121,741</u>
<b>PAROCHIAL</b>						
Parish Fund Raising	476,491	499,932	(476,270)	-	-	500,153
Barron Trust	467,585	3,704	-	-	(29,554)	441,735
Pangbourne Assistance Fund	214,160	1,994	(4,880)	-	(12,930)	198,344
St Joseph Education Fund	122,662	-	-	(122,662)	-	-
Christchurch Parish Priest	43,647	-	-	(43,647)	-	-
Other	115,403	-	-	(115,403)	-	-
Foundation Masses	159,862	-	-	-	-	159,862
Caritas Jersey Ltd	81,324	-	-	-	-	81,324
	<u>1,681,133</u>	<u>505,630</u>	<u>(481,150)</u>	<u>(281,712)</u>	<u>(42,484)</u>	<u>1,381,418</u>
	<u>3,944,579</u>	<u>1,876,264</u>	<u>(1,095,336)</u>	<u>101,889</u>	<u>(324,239)</u>	<u>4,503,159</u>

For full comparative figures see Note 21.



# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

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### 9. RESTRICTED FUNDS

#### CURIAL

##### Social Welfare Fund

This is a fund dating from 1952 for the promotion of social welfare generally.

##### Clergy Training Fund

A fund for the training of students to the priesthood, which is the recipient of a specific annual Diocesan collection for this purpose. A transfer is made to the General Fund from which the training costs are paid. A specialist review of funds has indicated that the Collins Fund, previously included under "other" should be included under this fund hence the transfer of £11,479.

##### Bamenda Fund

A fund to provide assistance to the Archdiocese of Bamenda in Cameroon, Africa that is the recipient of a specific annual Diocesan collection. There is a Trustees' committee charged with monitoring and making the appropriate grants. Following a specialist review of funds the Bamenda Millennial Gift Aid Fund and the Friends of Bamenda Fund, previously included under "other" will be shown under the main Bamenda Fund, hence the transfers of £1,300 and £10,625.

##### Clergy Assistance

This fund provides financial support for clergy in need and is the recipient of a specific annual Diocesan collection.

##### Lourdes Fund

A fund to support the annual Diocesan pilgrimage to Lourdes.

##### Youth Funds

Funds collected specifically for youth purposes including Lourdes pilgrimages and summer schools.

##### Vicariate Triple Trust

The purpose of the trust is primarily to assist parishes in providing church furnishings.

##### Edmund Rice Fund

This donation was received in 2005, primarily for education purposes in Reading and surrounding areas, and the local pastoral area is developing support for appropriate chaplaincies in the area.

##### School Building Fund

This fund was established in 2001, to provide a central fund to meet the governors' liabilities on expenditures in voluntary aided schools. The equalisation fund is targeted as half from all parishes on the mainland, whether feeder parishes or not, and the balance being raised by the schools from parental contributions. A transfer from Unrestricted Funds of £203,091 has been made to make up for a shortfall in funds raised.

##### Dunne Masses

Following a review, the £2,939 held in this fund, which provided a capital sum to derive an income to fund the saying of Masses in perpetuity has been transferred to Endowments.

##### Holy Rosary Crosses

Following a specialist review of funds, the balance of £30 has been transferred to unrestricted.

##### Mass Stipends

Following a specialist review of funds, the balance of £294 has been transferred to unrestricted.

##### Parish Sisters

Following a specialist review of funds, the balance of £7,160 has been transferred to unrestricted.

##### Religious Vicariate

Following a specialist review of funds, the balance of £174 has been transferred to unrestricted.

##### Bernard Medd Fund

This Fund aims to provide catechesis and summer schools for youth.

##### Refugee Support

This Fund is to support and assist refugees. Diocesan collections are made annually.

##### Education Fund

This fund is utilised for the support of schools and other educational purposes within the Diocese and has been reclassified from Designated to Restricted Fund, with a transfer of £213,016 following a specialist review.

##### Diocesan Caritas

Caritas Diocese of Portsmouth supports and promotes the love of neighbour in the parishes and schools of the Diocese.

##### Closer to Christ

This is a fundraising campaign being run in each of our 87 parishes aiming to raising £13.5M over five years with a third of the proceeds returning to the parishes and the remainder being split between funding seminarians, current clergy and our retired priests.

#### PAROCHIAL

##### Parish Fund Raising

These are funds that parishes raise for separate funds and charities, and account for as a restricted fund.

##### Investment Funds: Barron Trust, Pangbourne Assistance Fund

These are mainly legacies left specifically for expenditure within individual parishes or churches. The St Joseph Education Fund and Christchurch Parish Priest Fund have been reclassified as Permanent Endowments.

##### Foundation Masses

Legacies left for Mass intentions of the deceased, are held as separate funds within the parishes.

##### Caritas Jersey Ltd

Caritas Jersey Ltd supports and promotes the love of neighbour in the parish of Jersey.

# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

### 10. DESIGNATED FUNDS

	Balance at 01 Sep 2021	Incoming Resources	Resources Expended	Transfers	Movement on Investments	Balance at 31 Aug 2022
	£	£	£		£	£
<b>CURIAL</b>						
Education Fund	213,016	-	-	(213,016)	-	-
Diocesan Caritas	130,158	49,935	(139,329)	-	-	40,764
Insurance Risk Fund	(8,797)	-	-	8,797	-	-
Pastoral Development Fund	1,125,868	-	-	-	-	1,125,868
Living Our Faith Fund	1,820,339	5,481	(29,206)	-	(4,010)	1,792,603
Diocesan Buildings Fund	3,075,504	-	-	-	-	3,075,504
	<u>6,356,088</u>	<u>55,416</u>	<u>(168,535)</u>	<u>(204,219)</u>	<u>(4,010)</u>	<u>6,034,739</u>
<b>PAROCHIAL</b>						
Living Our Faith Fund	867,491	205,311	(22,383)	-	-	1,050,419
Living Our Faith Jersey	9,577	-	-	-	-	9,577
Diocesan Buildings Fund	39,158,371	-	(1,135,931)	-	-	38,022,440
Other Parochial Funds	28,056,298	11,965,751	(8,918,654)	-	4,022,954	35,126,349
	<u>68,091,737</u>	<u>12,171,062</u>	<u>(10,076,969)</u>	<u>-</u>	<u>4,022,954</u>	<u>74,208,784</u>
	<u>74,447,825</u>	<u>12,226,479</u>	<u>(10,245,504)</u>	<u>(204,219)</u>	<u>4,018,943</u>	<u>80,243,524</u>

For full comparative figures see Note 22.

#### Education Fund

This fund is utilised for the support of schools and other educational purposes within the Diocese and has been reclassified from Designated to Restricted Fund with a transfer of 213,016.

#### Diocesan Caritas

Caritas Diocese of Portsmouth supports and promotes the love of neighbour in the parishes and schools of the Diocese. Some of its funding is restricted.

#### Insurance Risk Fund

This fund has been designated to assist parishes and others to comply with safety requirements.

#### Pastoral Development Fund

This fund has been set up from the proceeds of the sale of a surplus property and will be supplemented from further disposals where there are surplus funds generated, in order to aid parishes with their own developments.

#### Living Our Faith Fund

A programme was initiated in 2008 to raise funds (i) to provide the Diocese with sufficient funds to support independently the training of students for the priesthood and the continuing care of its ordained clergy in their ministry, to fund adult formation programmes and resources and various capital projects, and (ii) to provide parish funds to meet local needs.

#### Value of Diocesan Buildings

Fund Funds invested in buildings used by the diocese in furtherance of their charitable objects are not available to spend. The value of these operational fixed assets have been transferred into a designated fund to indicate that they are not expendable financial assets.

# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

### 11. ALLOCATION OF NET ASSETS

ALLOCATION OF NET ASSETS	Fixed Assets	Investments	Cash & Debtors	Current & Long Term Liabilities	Parish Loan Accounts	Total - 31 Aug 22
	£	£	£	£	£	£
<b>Permanent</b>						
<b>Endowment Funds</b>						
Curial	-	115,256	49,988	-	857	166,101
Parochial	508,271	242,436	58,474	-	14,919	824,100
<b>Restricted Funds</b>						
Curial	-	4,043,825	1,178,926	-	(2,101,010)	3,121,741
Parochial	-	769,030	587,546	(714)	25,556	1,381,418
<b>Unrestricted funds</b>						-
Curial	3,035,870	5,601,881	1,313,873	(9,888,692)	1,079,656	1,142,588
Parochial	37,514,707	27,139,706	8,883,297	(308,948)	980,022	74,208,784
<b>Total Net Assets</b>	<b>41,058,848</b>	<b>37,912,134</b>	<b>12,072,104</b>	<b>(10,198,354)</b>	<b>-</b>	<b>80,844,732</b>

### 12. TRANSACTIONS WITH TRUSTEES

Certain of the Trustees are also priests within the Diocese. As priests they receive income from their office together with living accommodation, living expenses and reimbursement of costs incurred on behalf of their parish on the same basis as other priests within the Diocese. No Trustees receive any remuneration or benefits from their trusteeships in the current or preceding year. No Trustees were paid for providing professional services to the Diocese. Total donations received from Trustees were £17,440.

# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

### 13. CAPITAL COMMITMENTS

	31 August 2022	31 August 2021
	£	£
Authorised and contracted for	-	£223,601
	=====	=====

### 14. CONNECTED CHARITY

The following charity is a connected charity of The Portsmouth Diocesan Trust:

Charity	Charity Number	Address
Portsmouth Roman Catholic Diocese Priests' Retirement Fund	1061194	St Edmund House Bishop Crispian Way Portsmouth PO1 3QA

### 15. TRADING SUBSIDIARIES

During the period the Diocese had wholly owned active subsidiary companies incorporated in England and Wales. They were as follows: -

<b>The Portsmouth Diocesan Trading Co Limited</b> (Company Number: 2746549)	General commercial trading on behalf of the Diocese.
<b>Catholic Resource Centre Limited</b> (Company Number: 3141601)	Sale of religious material.
<b>Our Lady of Peace Catholic Club Limited</b> (Company Number: 3340552)	Management of licensed premises on behalf of Our Lady of Peace, Earley.

The results and assets and liabilities of the above companies are reported within the financial statements.

**Portsmouth Roman Catholic Diocesan Trust Company Limited** (Company Number: 9003096) acts as Member of Caritas Jersey Limited, a Jersey registered charitable company, whose results and assets and liabilities are reported within the financial statements.

**Portsmouth Roman Catholic Diocesan Properties Limited** (Company Number: 9611450) was incorporated on 28th May 2015 and ownership of the Diocese's freehold properties in Jersey was transferred to it from The Portsmouth Roman Catholic Diocesan Trust in 2019 in order better to comply with Jersey property law.



# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 15. TRADING SUBSIDIARIES (Continued)

A summary of the companies' trading results and balance sheets is set out below: -

#### Consolidated Profit and Loss Account

For the Year Ended 31 August 2022

	31 August 2022 £	31 August 2021 £
<b>TURNOVER</b>	182,366	248,761
Cost of sales	(46,905)	(129,046)
<b>GROSS PROFIT</b>	135,461	119,715
Administrative expenses	(78,616)	(115,860)
	56,845	3,855
Amount gifted to the Charity	(78,999)	(82,000)
Transfer of Fixed Assets	-	-
Tax on profit on ordinary activities	-	-
<b>(LOSS)/PROFIT AFTER TAXATION</b>	(22,154)	(78,145)
Reserves brought forward	3,062,451	3,140,596
<b>RESERVES CARRIED FORWARD</b>	£3,040,297	£3,062,451
	=====	=====

Included within turnover are sales to the Diocese amounting to £72,491 (2021 £96,253).

#### Consolidated Balance Sheet

As at 31 August 2022

	31 August 2022 £	31 August 2021 £
<b>FIXED ASSETS</b>		
Tangible assets	3,151,785	3,185,535
<b>CURRENT ASSETS</b>		
Stocks	7,555	11,085
Debtors	50,526	45,111
Cash at bank and in hand	91,939	181,531
	150,020	237,727
<b>CREDITORS: Amounts falling due within one year</b>	(118,008)	(194,310)
<b>NET CURRENT ASSETS</b>	32,012	43,417
<b>CREDITORS: Amounts falling due after one year</b>	-	-
<b>NET ASSETS</b>	£3,183,797	£3,228,952
	=====	=====
Share capital	143,500	166,501
Reserves	3,040,297	3,062,451
<b>SHAREHOLDERS' FUNDS</b>	£3,183,797	£3,228,952
	=====	=====

# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

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**16. RELATED PARTY TRANSACTIONS**

There were no related party transactions during the year. (2021: Nil).

**17. POST BALANCE SHEET EVENTS**

On 1 Jan 2023, with the change of the Diocese from a charitable trust to a charitable incorporated organisation, the assets of PRCDTR were transferred to the successor entity, the Catholic Diocese of Portsmouth. At the same time the £4M CBILS loan and £1M Lloyds Bank loan were repaid in full using the proceeds from the sale of £6M of quoted investments.

# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

### 18. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

	CURIA - TOTAL	PARISH - TOTAL	RESTRICTED - TOTAL	TOTAL - 2021	TOTAL - 2020
<b>Donations and legacies</b>					
Donations and Offertories	16,822	7,662,014	730,589	8,409,425	10,088,427
Legacies	281,246	548,028	-	829,273	755,131
Other	897,531	1,849,876	159,763	2,907,171	761,573
<b>Other trading activities:</b>			-		
Rent – miscellaneous lettings	-	740,776	-	740,776	1,231,352
Income of trading subsidiaries	-	248,761	-	248,761	257,405
<b>Investment income</b>			-		
Investment income and interest receivable	268,155	54,321	48,156	370,631	208,415
Rent – investment properties	15,575	567,546	-	583,121	650,754
<b>Other incoming resources:</b>			-		
Insurance Claims	-	124,284	-	124,284	151,127
Gain on disposal of tangible fixed assets	-	-	-	-	105,061
<b>Total income</b>	<u>1,479,329</u>	<u>11,795,605</u>	<u>938,508</u>	<u>14,213,442</u>	<u>14,209,245</u>
<b>Expenditure on raising funds</b>					
Expenses of trading subsidiaries	-	(238,820)	-	(238,820)	(376,108)
Finance costs	(121,075)	-	-	(121,075)	(55,798)
<b>Charitable activities</b>	-		-	-	0
Activities in furtherance of the Roman Catholic Faith	(3,457,616)	(8,362,614)	(802,774)	(12,623,004)	(13,864,222)
<b>Total expenditure</b>	<u>(3,578,691)</u>	<u>(8,601,434)</u>	<u>(802,774)</u>	<u>(12,982,899)</u>	<u>(14,296,128)</u>
<b>Net (outgoing)/incoming resources before transfers</b>	<u>(2,099,362)</u>	<u>3,194,171</u>	<u>135,734</u>	<u>1,230,543</u>	<u>(86,883)</u>
<b>Realised and unrealised gains on investments</b>	589,951	5,360,886	761,616	6,712,453	(1,061,213)
<b>Net income/(expenditure)</b>	<u>(1,509,411)</u>	<u>8,555,057</u>	<u>897,350</u>	<u>7,942,996</u>	<u>(1,148,096)</u>
Transfers between Funds	-	-	-	-	-
Transfers - Schools Building Fund Levy	-	-	-	-	-
Transfers - Diocesan Levy	1,894,585	(1,894,585)	-	-	-
<b>Net movement on funds</b>	<u>385,174</u>	<u>6,660,472</u>	<u>897,350</u>	<u>7,942,996</u>	<u>(1,148,096)</u>
<b>Reconciliation of funds</b>				-	-
Fund balances brought forward	<u>2,181,921</u>	<u>62,431,266</u>	<u>3,855,648</u>	<u>68,468,835</u>	<u>69,616,931</u>
Fund balances carried forward	<u>2,567,095</u>	<u>69,091,738</u>	<u>4,752,998</u>	<u>76,411,831</u>	<u>68,468,835</u>

# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

### 19. CHARITABLE EXPENDITURE AND SUPPORT COSTS FOR THE YEAR ENDED 31 AUGUST 2021

	Support of Parish Life		Vocation			Education		Evangelisation				
	Locally Incurred Costs	Centrally Incurred Costs	Training New Clergy	Supporting Clergy in ministry	Supporting Retired Clergy	Supporting Catholic Education	Youth and University Chaplaincies	Supporting the Poor and Marginalised - Inspired by the Love of Christ	New Evangelisation	Fundraising	Trading Subsidiaries	Total
<b>Direct Costs</b>	-	-	125,702	428,943	18,258	221,190	40,649	124,801	46,753	54,313	238,820	1,299,429
The Office of the Bishop	-	180,173	-	-	-	-	-	-	-	-	-	180,173
Chancery	-	4,166	-	-	-	-	-	-	-	-	-	4,166
Tribunal	-	37,535	-	-	-	-	-	-	-	-	-	37,535
Hospital Chaplaincies	-	64,319	-	-	-	-	-	-	-	-	-	64,319
Parish Initiatives	-	-	-	-	-	-	-	-	-	-	-	-
Seminary Fees	-	-	333,083	-	-	-	-	-	-	-	-	333,083
Maintenance of Catholic Schools	-	-	-	-	-	276,661	-	-	-	-	-	276,661
Caritas/ERF	-	147,103	-	-	-	-	-	-	-	-	-	147,103
<i>Parish Costs</i>												
Clergy	1,545,948	-	-	-	-	-	-	-	-	-	-	1,545,948
Staff	1,814,804	-	-	-	-	-	-	-	-	-	-	1,814,804
Church Running Costs	1,267,827	-	-	-	-	-	-	-	-	-	-	1,267,827
Office and Presbetry Running Costs	1,333,808	-	-	-	-	-	-	-	-	-	-	1,333,808
Parish Centre Running Costs	279,644	-	-	-	-	-	-	-	-	-	-	279,644
General: books, events, donations, fees etc	127,074	-	-	-	-	-	-	-	-	-	-	127,074
Insurance	309,086	-	-	-	-	-	-	-	-	-	-	309,086
Repairs and Maintenance	885,971	-	-	-	-	-	-	-	-	-	-	885,971
Depreciation	798,452	-	-	-	-	-	-	-	-	-	-	798,452
Parochial Restricted Funds	379,010	-	-	-	-	-	-	-	-	-	-	379,010
	8,741,624	433,296	458,785	428,943	18,258	497,851	40,649	124,801	46,753	54,313	238,820	11,084,093
<b>Support Costs</b>	Locally Incurred Costs	Centrally Incurred Costs	Training New Clergy	Supporting Clergy in ministry	Supporting Retired Clergy	Supporting Catholic Education	Youth and University Chaplaincies	Supporting the Poor and Marginalised - Inspired by the Love of Christ	New Evangelisation	Fundraising	Trading Subsidiaries	
Communications	68,678	68,678	13,736	13,736	-	13,736	13,736	13,736	13,736	54,942	-	274,711
Estates	131,678	-	-	-	65,839	65,839	-	-	-	-	-	263,355
People	100,532	-	1,053	1,053	526	2,105	1,053	1,579	526	526	-	108,954
IT	86,187	-	3,610	3,610	1,805	7,220	3,610	5,415	1,805	1,805	-	115,066
Finance	281,085	13,933	14,752	13,793	587	16,008	1,307	4,013	1,503	1,746	-	348,727
Governance	192,864	9,560	10,122	9,464	403	10,984	897	2,753	1,031	1,198	-	239,276
Curia Property and overheads	137,781	40,534	6,324	6,240	9,872	16,689	3,972	4,219	2,950	8,595	-	237,177
Safeguarding	104,249	-	1,032	2,064	-	1,032	7,225	2,064	2,064	-	-	119,732
Bishops Conference Levy	-	191,808	-	-	-	-	-	-	-	-	-	191,808
<b>Total</b>	9,844,677	757,808	509,413	478,902	97,290	631,464	72,448	158,581	70,369	123,127	238,820	12,982,899



# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

### 20. PERMANENT ENDOWMENT FUNDS COMPARATIVE FIGURES FOR THE YEAR ENDED 31 AUGUST 2021

	Balance at 01 Sep 2020	Net Incoming / (Outgoing) Resources	Movement On Investments	Balance at 31 Aug 2021
	£	£	£	£
<b>Parochial Funds</b>				
Properties	363,997	-	-	363,997
Other	146,757	-	26,031	172,788
St Mary's Mission	214,514	-	9,792	224,306
	<u>725,268</u>	<u>-</u>	<u>35,823</u>	<u>761,091</u>
<b>Curial Funds</b>				
	<u>39,571</u>	<u>-</u>	<u>- 7,757</u>	<u>47,328</u>
	<u>764,839</u>	<u>-</u>	<u>43,580</u>	<u>808,419</u>

# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

### 21. RESTRICTED FUNDS COMPARATIVE FIGURES FOR THE YEAR ENDED 31 AUGUST 2021

RESTRICTED FUNDS	Balance at 01 Sep 2020	Incoming Resources	Resources Expended	Transfers	Movement On Investments	Balance at 31 Aug 2021
	£	£	£	£	£	£
<b>CURIAL</b>						
Social Welfare	163,776	2,983	-	-	37,359	204,118
Clergy Training	631,428	31,546	-	-	379,812	1,042,786
Bamenda Fund	30,100	55,941	-	-	887	86,928
Clergy Assistance	88,056	15,210	-	-	69,310	172,576
Lourdes Fund	173,248	2,903	(29)	-	29,409	205,531
Youth Funds	782	-	-	-	-	782
Vicariate Triple Trust	54,320	1,244	-	-	15,575	71,139
Edmund Rice Fund	278,635	4,427	(10,038)	-	55,437	328,461
School Building Fund	113,130	240,677	(276,661)	-	-	77,146
Other Restricted Funds	56,611	2,294	-	-	9,880	68,785
Diocesan Caritas	103,230	39,000	(137,035)	-	-	5,195
	<u>1,693,316</u>	<u>396,225</u>	<u>(423,764)</u>	<u>-</u>	<u>597,669</u>	<u>2,263,446</u>
<b>PAROCHIAL</b>						
Parish Fund Raising	377,306	452,283	(353,098)	-	-	476,491
Investment Funds	843,089	-	-	-	120,367	963,456
Foundation Masses	159,862	-	-	-	-	159,862
Caritas Jersey Ltd	17,236	90,000	(25,912)	-	-	81,324
	<u>1,397,493</u>	<u>542,283</u>	<u>(379,010)</u>	<u>-</u>	<u>120,367</u>	<u>1,681,133</u>
	<u>3,090,809</u>	<u>938,508</u>	<u>(802,773)</u>	<u>-</u>	<u>718,036</u>	<u>3,944,580</u>

# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

### 22. DESIGNATED FUNDS COMPARATIVE FIGURES FOR THE YEAR ENDED 31 AUGUST 2021

	Balance at 01 Sep 2020	Incoming Resources	Transfers/ Resources Expended	Movement On Investments	Balance at 31 Aug 2021
	£	£	£	£	£
<b>CURIAL</b>					
Education Fund	77,125	10,049	-	125,842	213,016
Diocesan Caritas	-	197,208	(67,050)	-	130,158
Insurance Risk Fund	(8,797)	-	-	-	(8,797)
Pastoral Development Fund	1,125,868	-	-	-	1,125,868
Living Our Faith Fund	1,805,096	4,708	-	10,535	1,820,339
Diocesan Buildings Fund	3,075,504	-	-	-	3,075,504
	<u>6,074,796</u>	<u>211,965</u>	<u>(67,050)</u>	<u>136,377</u>	<u>6,356,088</u>
<b>PAROCHIAL</b>					
Living Our Faith Fund	1,131,440	2,354	(256,789)	-	877,005
Diocesan Buildings Fund	39,158,371	-	-	-	39,158,371
Other Parochial Funds	22,141,454	10,273,943	(8,840,354)	4,481,255	28,056,298
	<u>62,431,265</u>	<u>10,276,297</u>	<u>(9,097,143)</u>	<u>4,481,255</u>	<u>68,091,737</u>
	<u>68,506,061</u>	<u>10,488,262</u>	<u>(9,164,130)</u>	<u>4,617,632</u>	<u>74,447,825</u>

# PORTSMOUTH ROMAN CATHOLIC DIOCESAN TRUST


## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

### 23. ALLOCATION OF NET ASSETS COMPARATIVE FIGURES FOR THE YEAR ENDED 31 AUGUST 2021

ALLOCATION OF NET ASSETS	Fixed Assets	Investments	Cash & Debtors	Current & Long Term Liabilities	Parish Loan Accounts	Total - 31 Aug 21
	£	£	£	£	£	£
<b>Permanent Endowment Funds</b>						
Curial	-	-	47,328	-	-	47,328
Parochial	510,650	134,345	116,096	-	-	761,091
<b>Restricted Funds</b>						-
Curial	-	259	2,263,188	-	-	2,263,447
Parochial	-	1,123,318	557,815	-	-	1,681,133
<b>Unrestricted funds</b>						
Curial	3,035,864	9,544,269	(509,487)	(9,645,277)	141,726	2,567,095
Parochial	38,654,621	22,740,190	8,083,144	(244,492)	(141,726)	69,091,737
<b>Total Net Assets</b>	<b>42,201,135</b>	<b>33,542,381</b>	<b>10,558,084</b>	<b>(9,889,769)</b>	<b>-</b>	<b>76,411,831</b>





Please pray that our  
endeavours are blessed;  
we place them all in the  
hands of the Lord.

