



DIOCESE OF  SALFORD

# ANNUAL REPORT 2022



## About

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

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

Charity Registration Number: 250037

### Registered Address

Wardley Hall, Worsley, M28 2ND

### Public Address

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

### Trustees

Right Reverend John Stanley Kenneth Arnold, Bishop of Salford

Reverend Canon Michael Cooke, Vicar General

Reverend Christopher Dawson

Reverend Peter Hopkinson, Vicar General

Sir Peter Fahy

Edward Nally

Mary Hunter

Reverend Canon Michael Jones

Eamonn O'Neal

Brendan McCafferty

Elizabeth Lilley

Michael Devlin (resigned July 2023)

### Financial Secretary

Pauline Morgan, Chief Operating Officer and Financial Secretary

### Key Personnel

Rachel McGee - Head of Communications and Deputy Chief Operating Officer

Jenny Clayton - Head of Safeguarding

John Corrigan - Director of Property and Facilities

Nicola Cosens - Director of Finance

Emma Gardner - Head of Environment

Lisa Heywood - Head of Projects and Operations

Hannah Howard - Head of HR

Simon Smith - Director of Education

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



# Year In Numbers



**109** parishes

**163** churches

**102** priests

**88** religious

**66** retired

**5** deacons



**403** Sunday Masses

**519** Weekday Masses

**162** Hours of Adoration

**206** Schools

Number of pupils: **81,000**

**1,500** Governors



**2,060** Visitors to Wardley

**4,500** Visitors to St Bernadette's relics

**1,500** Responses to the Universal Synod

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

**387** Walsingham pilgrims



More than

**£3 million**

Spent on parish property repairs

**£10.5 million**

Spent on school improvements

Over

**£900K**

in grant income received

## Advisors:

## Auditors

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

## Bankers

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

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

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

## Investment Managers

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

## Solicitors

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

## Pensions

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



## Introduction from Bishop John Arnold

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

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

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

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

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

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

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

Stay with us, Lord, on Our Journey.



Rt Rev John Arnold, Bishop of Salford







## Report from the Chief Operating Officer

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

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

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

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

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

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

Pauline M Morgan  
Chief Operating Officer and Financial Secretary



## Our Work

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

### Hope



### Mission



### Challenge





## Hope

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

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

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

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

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

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





## Hope in the Future in Statistics

80

Hope in the  
Future  
Parish Reps



20%

Of parishes with  
Shared Leadership  
Teams

Over

200

Parish Projects

18

Deanery Projects

120

Events over 5 stages...

...with more than

8,500

attendees!

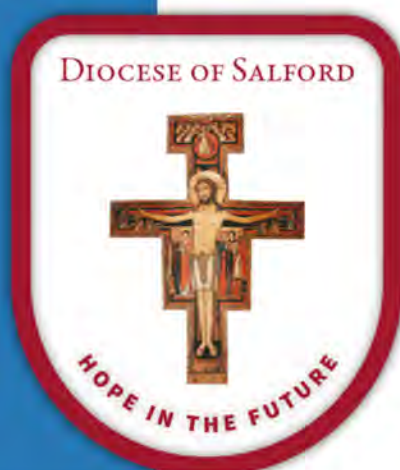


In Stage 5, in collaboration with Caritas Salford, we gave renewed focus to putting our Faith into action through caring for those most in need in our local area and caring for our Common Home. Through the resource pack and 'Sharing the Hope Deanery Days', we accompanied communities in learning more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

## Parish Case Study

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

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



# HOPE IN THE FUTURE



## Building for the Future

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

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

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

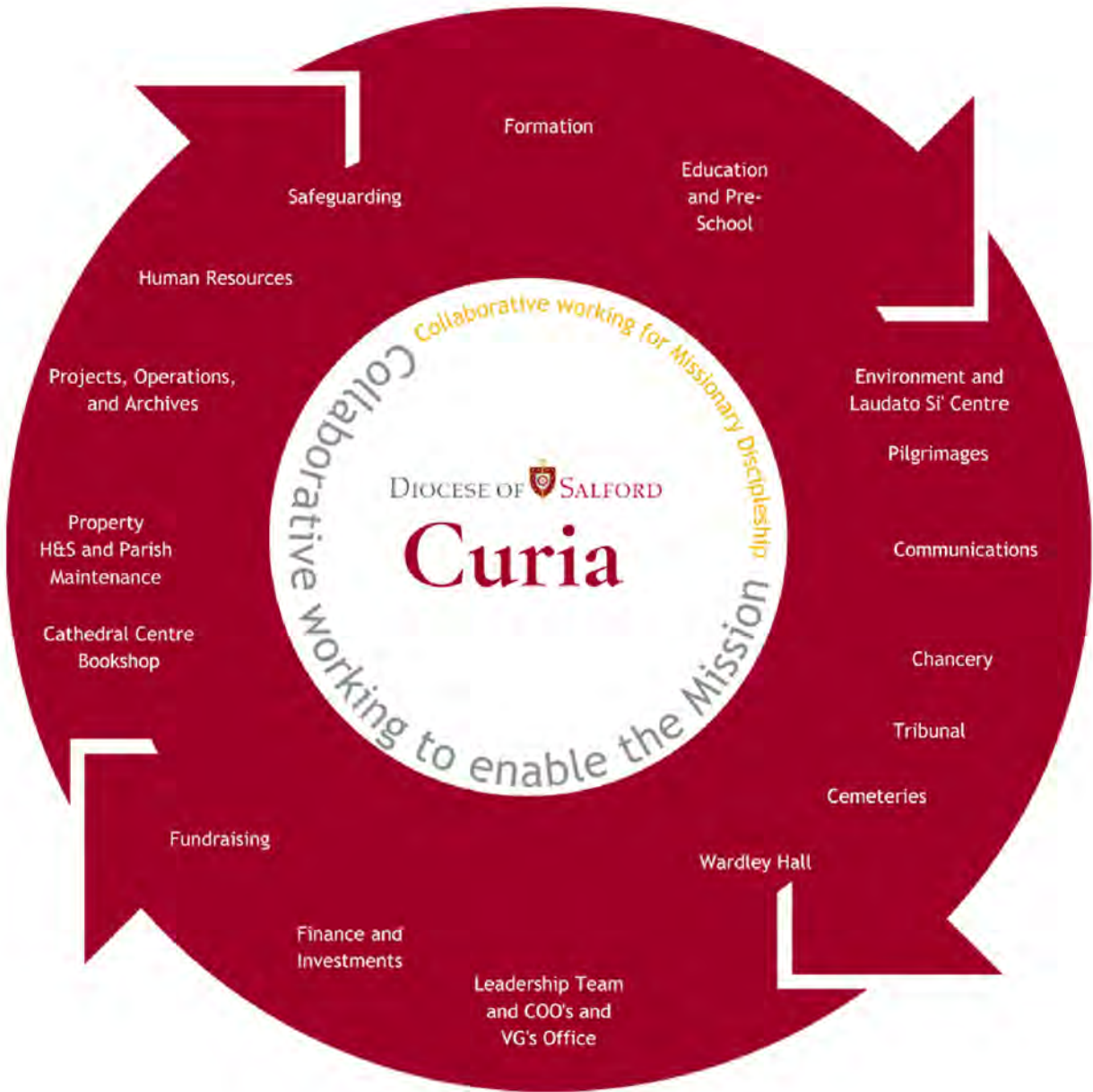
Our 81,000 pupils are involved in a number of activities that are helping us learn what they need from us. 25% of the responses we received to the Universal Synod came from our school pupils. They showed an investment in their faith and the need to put our values into actions. Building on this work our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

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

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



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





## Synod

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

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

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

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

## Synod Vision

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

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



DIOCESE OF  SALFORD  
SYNOD 2023-2025



# School Singing Programme



NATIONAL SCHOOLS SINGING PROGRAMME

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

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

Mrs Bainbridge - Headteacher, St Boniface, Salford

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





# Volition

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

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

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

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

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

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







## Hearing the Cry

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

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

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

## Examples of action

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



## Mission

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

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

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

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

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

## Safeguarding

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

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

148 Parish  
Safeguarding Reps

Thank You

2 staff volunteer days  
10 long service awards



# Our Volunteers

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

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





# Challenge

## Investing for the Future

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

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

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

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

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







## St Mary's Eccles

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

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

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

## Restoring and Celebrating Two Property Case Studies

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

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

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



## St Mary's Failsworth



## Vocations

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

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

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

## Preparing for the Challenge

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

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

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

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

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



# 2022 FINANCIALS

25%

of income came from  
Donations and  
Legacies

5%

of income came from  
our Investments

8%

was the increase in our  
income compared with  
2021

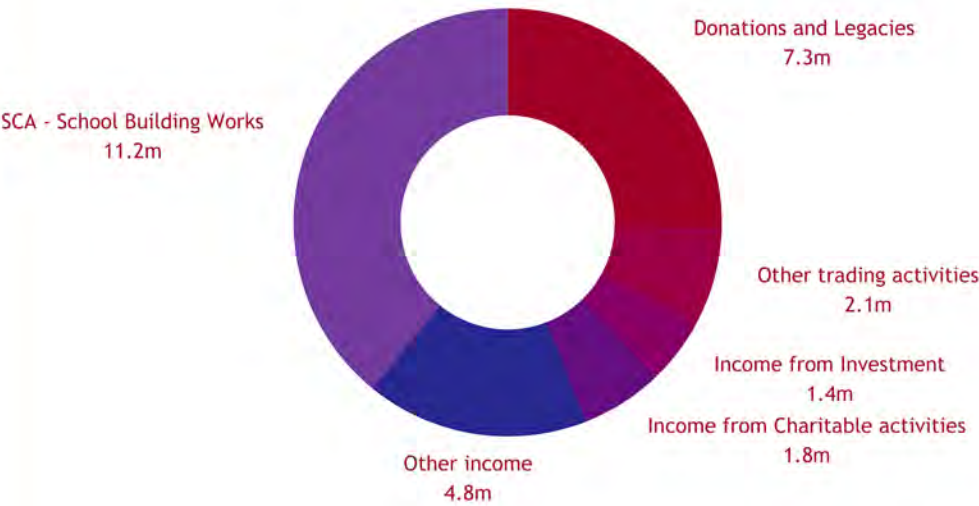
17%

was the increase in our  
expenditure compared  
with 2021

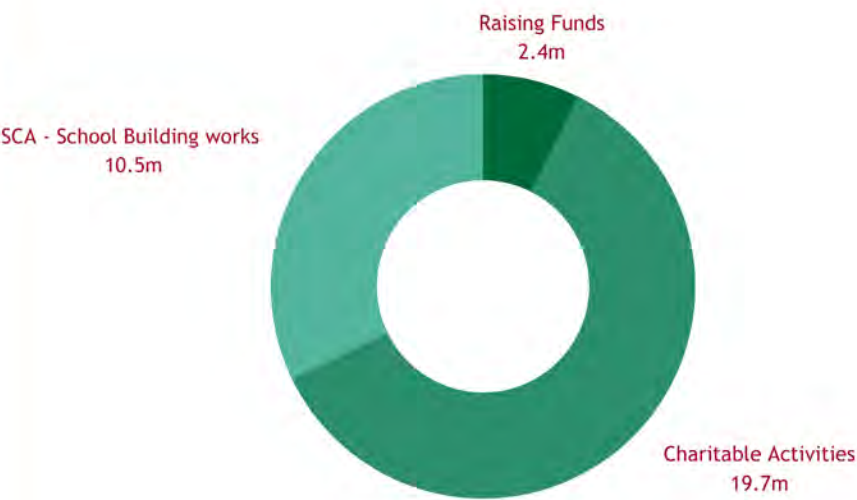
Over 90%

of expenditure was  
spent on Charitable  
activities and School  
Building Work

## Income 2022



## Expenditure 2022





## Aims, Objective and Purpose

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

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

## Objectives and Activities

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

## Structure, Governance and Management

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

## Governing regulations

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

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

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

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



- Remuneration Committee
- Safeguarding Committee
- Schools & Academies Committee

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

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

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

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

The Trustees are listed on page 1.

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

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

## Relationships with Other Parties

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

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

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

## Statement of Trustees' responsibilities

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

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and<sub>1</sub>



application of resources of the charity for that period .In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at anytime the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution.

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

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

## Statement as to Disclosure of information to Auditors

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

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

## Public Benefit

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

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

## Investment

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



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

## Fundraising

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

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

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

## Plans for Future Periods

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

We will focus on:

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

## Financial Review

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

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

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

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



## Income

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

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

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

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

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

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



## Expenditure

Expenditure 2022	2022 %	2022 £m	2021 %	2021 £m
Raising Funds	7%	2.4	5%	1.5
Charitable activities	60%	19.7	55%	15.4
SCA- School Building Work	32%	10.5	40%	11.0
Total Expenditure		32.7		27.8

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

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

## Summary

The net result for the year was a deficit of (£1.6) million (2021 surplus - £6m), leaving retained funds of £115.7 million (2021 £117.3million) at the year end.

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

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

## Statement of Reserves

The total reserves of the Charity including parochial reserves, amounted to £ 115.5 million at 31 December 2022 (2021 £117.3million). The unrestricted free reserves i.e. current assets including bank deposits less current liabilities amounted to £36.4 million (2021 £36.9 million). At 31 December 2022 the free reserves of the Diocese are equivalent to approximately 22 months of recurring expenditure (2021 29 months). The Trustees are currently assessing what the current target level of free reserves should be in the current economic climate

Restricted reserves as at 31 December 2022 were £ 9.8 million (2021 £9.1 million).

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



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

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

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

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

## Investment policy and performance

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

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

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

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

## Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Charity is exposed, in particular those relating to the specific operational areas of the Charity, and its finances and investments. The Trustees believe that by monitoring and maintaining reserves at an appropriate level, ensuring that proper controls exist in respect of key financial systems, and by examining the operational and business risks relevant to the Charity, they have established effective systems to mitigate these risks. The charity did not carry out any fundraising activities as defined by the Charities (Protection and Social Investment) Act 2016.

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

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



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

## Trading Subsidiaries

The Trust has four active wholly owned trading subsidiaries.

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

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

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

## Conclusion

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

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

## Approval

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

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



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

### **Opinion**

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

In our opinion the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

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

We have nothing to report in this regard.



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

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

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

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 22, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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



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

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

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

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Crowe U.K. LLP**

Statutory Auditor

The Lexicon  
Mount Street  
Manchester  
M2 5NT

### **Date:**

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



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

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

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



# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Consolidated Statement of Financial Activity

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

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

All incoming resources and resources expended derive from continuing activities.

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

The surplus/(deficit) for the charity alone for the year ended 31st December 2022 was (£1.6) million, 2021: surplus £6.0 million.



# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Consolidated and Charity Balance Sheet

### Consolidated and Charity Balance Sheet As of 31<sup>st</sup> December 2022

	Notes	Group		Charity	
		2022 £	Restated 2021 £	2022 £	Restated 2021 £
<b>Fixed assets</b>					
Tangible assets	4	38,187,602	37,356,405	38,016,314	37,152,709
Investment Property	5	7,969,000	2,250,000	7,969,000	2,250,000
Investments	6	32,971,703	40,869,388	32,971,708	40,869,393
		<u>79,128,305</u>	<u>80,475,793</u>	<u>78,957,022</u>	<u>80,272,102</u>
<b>Current assets</b>					
Stocks	7	134,329	109,210	-	-
Debtors	8	4,667,603	3,623,315	4,594,772	5,089,203
Cash at bank and in hand	9	44,906,183	45,384,452	44,251,220	43,770,431
		<u>49,708,115</u>	<u>49,116,977</u>	<u>48,845,992</u>	<u>48,859,634</u>
Creditors					
Amounts falling due within one year	10.1	(10,187,247)	(8,358,777)	(9,584,771)	(8,079,386)
Care of Clergy Provision	10.2	(2,890,000)	(3,900,000)	(2,890,000)	(3,900,000)
<b>Net current assets</b>		<u>36,630,868</u>	<u>36,858,200</u>	<u>36,371,221</u>	<u>36,880,248</u>
Total assets less current liabilities		115,759,175	117,333,993	115,328,243	117,152,350
<b>Total net assets</b>		<u>115,759,175</u>	<u>117,333,993</u>	<u>115,328,243</u>	<u>117,152,350</u>
<b>Funds</b>					
Unrestricted & Designated funds	14	103,401,786	112,138,972	102,970,853	111,957,328
Restricted funds	14	9,745,451	9,093,565	9,745,452	9,093,566
Permanent endowment	14	1,456	1,456	1,456	1,456
Revaluation Reserve	14	5,500,482	-	5,500,482	-
Care of the Clergy	14	(2,890,000)	(3,900,000)	(2,890,000)	(3,900,000)
<b>Total funds</b>		<u>115,759,175</u>	<u>117,333,993</u>	<u>115,328,243</u>	<u>117,152,350</u>

The financial statements were approved by the Trustees on 21st September 2023 and signed on their behalf by:

Trustee ..... *JSK Arnold*

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

Consolidated Statement of Cash Flow  
Year to 31<sup>st</sup> December 2022

**SALFORD ROMAN CATHOLIC DIOCESAN TRUSTEES REGISTERED**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	Restated 2021 £
<b>Cash flows from operating activities</b>		
Net cash surplus from the reporting period	(1,574,819)	5,950,013
<b>Adjustments to cash flows from non - cash items</b>		
Depreciation	1,366,573	1,406,643
Investment income	(1,413,326)	(1,212,311)
Financial instrument (gains) / losses through statement of financial acti	(2,393,558)	(3,396,392)
(Profit) / loss on disposal of fixed assets	(1,716,417)	(1,858,846)
(Profit) / loss on disposal of fixed assets investments	6,650,222	(3,580,494)
Increase / (decrease) in Care of Clergy Provision	(1,010,000)	(90,000)
	<b>(91,325)</b>	<b>(2,781,387)</b>
<b>Working capital adjustments</b>		
(Increase) / decrease in stock	(25,120)	(82,872)
(Increase) / decrease in debtors	(1,044,288)	1,268,734
Increase / (decrease) in creditors	1,828,470	1,126,006
<b>Net cash flows from operating activities</b>	<b>667,737</b>	<b>(469,519)</b>
<b>Cash flows from investing activities</b>		
Interest received and similar income	261,653	66,019
Purchase tangible fixed assets	(2,472,548)	(1,706,050)
Sale of tangible fixed assets	1,991,193	1,873,001
Purchase of investments	(1,669,818)	(6,765,011)
Sale of investments	4,063,376	10,671,378
Reclassification of investment property	(218,519)	-
Income from dividends	1,151,673	1,146,291
Disposal of Investment Assets	-	500,000
Reclassification of fixed assets		621
(Increase)/ decrease in Revaluation Surplus	(5,500,482)	-
<b>Net cash from investing activities</b>	<b>(2,393,471)</b>	<b>5,786,249</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,725,734)</b>	<b>5,316,730</b>
Cash and cash equivalents at 1 January 2022	47,239,375	41,922,645
<b>Cash and cash equivalents at 31 December 2022</b>	<b>45,513,641</b>	<b>47,239,375</b>
<b>Cash and cash equivalents Summary</b>		
Cash at bank and in hand	44,906,183	45,384,452
Cash held as part of investment fund	607,460	1,854,923
	<b>45,513,643</b>	<b>47,239,375</b>



## Notes to the Financial Statements Year to 31<sup>st</sup> December 2022

### 1. Significant Accounting policies

#### 1.1. Basis of preparation of financial statements

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

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

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

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

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

#### 1.2. Basis of consolidation and scope of the financial statements

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

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

#### 1.3. Areas of Judgement or Estimation

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

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

- Assessing the probability of the receipt of legacy income.
- Estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation charge.
- Assessing the need for any provision against slow-moving and/or obsolete stock within SDC Trading Limited and Catholic Truth Society.
- Assessing the recoverability of outstanding debtors and the need for any provision for bad or doubtful debts.
- Where certain clergy who are no longer in active ministry and the Diocese has undertaken a commitment of care a provision has been recognised using a discount rate of 2.5% (Note 10.2)

#### **1.4. Foreign exchange**

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

#### **1.5. Going concern**

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

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

#### **1.6. Income and endowments**

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

##### **1.6.1. Donations and legacies**

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

##### **1.6.2. Other trading activities**

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

##### **1.6.3. Investment income**

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

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

##### **1.6.4. Charitable activities**

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

##### **1.6.5. Government and other grants**

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

##### **1.6.6 SCA – (Schools Building Work)**

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



## **1.7. Expenditure**

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

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

### **1.7.1. Raising funds**

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

### **1.7.2. Charitable activities**

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

### **1.7.3. Governance costs**

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

### **1.7.4. Grants Payable**

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

### **1.7.5 SCA – (Schools Building Works)**

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

## **1.8. Taxation**

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

## **1.9. Fixed asset investments**

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

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

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

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

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

#### **1.10. Tangible fixed assets – other than property**

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

Fixtures and fittings 10%

Motor vehicles 25%

Computer equipment 25%

Central freehold land and buildings 2%

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

#### **1.11. Tangible fixed assets – inalienable school property**

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

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

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

#### **1.12. Tangible fixed assets – church property**

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

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

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



# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

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

- Land element, Nil
- Building element, 2%

Church and Presbytery contents etc

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

### 1.13. Investment property

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

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

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

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

### 1.14. Stock

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

### 1.15. Trade debtors

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

### 1.16. Cash and cash equivalents

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

### 1.17. Trade creditors

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

# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

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

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

### 1.18. Pensions

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

### 1.19. Funds accounting

Funds held by the Charity are either:

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

### 1.20. Financial Instruments

#### 1.20.1. Classification

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

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

#### 1.20.2. Recognition and measurement

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



# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

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

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

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

### 1.21. Subsidiary/associated bodies

The Charity has interests in the following undertakings:

Name, nature of business	Registered Office	Class and number of shares	% Held
<b><u>Subsidiaries</u></b>			
<b>Catholic Support Services Limited</b>	Cathedral Centre One	Ordinary	100
Company No. 02790890	3 Ford Street, Salford, Lancashire. M3 6DP		
<b>Support for Catholic schools, teachers and parishes, provision of chaplaincy services</b>			
<b>S.D.C Trading Limited</b>	Cathedral Centre Two	Ordinary	100
Company No. 03481323	3 Ford Street, Salford, Lancashire. M3 6DP		
<b>Social clubs in the Diocese of Salford</b>			
<b>Catholic Building Services Limited</b>	Cathedral Centre Two	Ordinary	100
Company No. 8020372	3 Ford Street, Salford, Lancashire. M3 6DP		
<b>Administration of building projects</b>			
Catholic Truth Society (Diocese of Salford)	Cathedral Centre	N/A	N/A:
	3 Ford Street, Salford, Lancashire. M3 6DP		consolidated due to common trusteeship and nature of Diocesan control over assets
<b>Advancement of religion by promoting knowledge of the Catholic Faith and its practice among both Catholics and Non Catholics via the circulation of books and publications.</b>			
<b><u>Associated Bodies</u></b>			
<b>Inter-Diocesan Fuel Management Limited</b>	2 Park Road South	One Ordinary	11
Company No. 02891029	Birkenhead, Wirral. CH43 4UX		
<b>Fuel and power distribution for Diocesan properties within the scheme</b>			

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

# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

### 2. Income and endowments

#### 2.1. Donations and legacies

	Parochial funds		Diocesan funds		2022	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2021
	£	£	£	£	£	Total
						£
Donations	305,564	710	47,913	12,258	366,445	685,199
Legacies	422,450	-	54,905	172,570	649,925	920,435
Offertory collections	6,257,585	-	466	-	6,258,051	5,767,935
	<u>6,985,599</u>	<u>710</u>	<u>103,284</u>	<u>184,828</u>	<u>7,274,421</u>	<u>7,373,569</u>

#### 2.2. Other trading activities

	Parochial funds		Diocesan funds		2022	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2021
	£	£	£	£	£	Total
						£
Social and fundraising income	452,929	-	12	-	452,941	246,120
S.D.C Trading Limited	-	-	1,566,864	-	1,566,864	709,899
Catholic Truth Society	-	-	105,346	-	105,346	104,807
	<u>452,929</u>	<u>-</u>	<u>1,672,222</u>	<u>-</u>	<u>2,125,151</u>	<u>1,060,826</u>

#### 2.3. Investment Income

	Parochial funds		Diocesan funds		2022	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2021
	£	£	£	£	£	Total
						£
Income from listed investments	-	-	1,151,673	-	1,151,673	1,146,291
Interest on cash deposits	92,773	-	118,880	-	211,653	83,923
Loan Interest Income	-	-	50,000	-	50,000	(17,903)
	<u>92,773</u>	<u>-</u>	<u>1,320,553</u>	<u>-</u>	<u>1,413,326</u>	<u>1,212,311</u>

#### 2.4. Charitable Activities

	Parochial funds		Diocesan funds		2022	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2021
	£	£	£	£	£	Total
						£
Moston & Wardley cemeteries	21,500	-	495,395	-	516,895	534,271
Catholic Support Services Limited	-	-	1,311,814	-	1,311,814	1,609,192
	<u>21,500</u>	<u>-</u>	<u>1,807,209</u>	<u>-</u>	<u>1,828,709</u>	<u>2,143,463</u>

#### 2.5. Other Income

	Parochial funds		Diocesan funds		2022	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2021
	£	£	£	£	£	Total
						£
Other income	1,102,670	-	122,371	23,997	1,249,038	996,327
Rental Income	507,504	-	263,668	-	771,172	553,459
Grant Income	-	890,068	121,590	51,500	1,063,158	534,089
Profit/(loss) on disposal of fixed assets	1,715,417	-	1,000	-	1,716,417	1,858,846
Catholic Building Services Limited	-	-	-	-	-	-
Lease Deed Extension	-	-	-	-	-	418,000
	<u>3,325,591</u>	<u>890,068</u>	<u>508,629</u>	<u>75,497</u>	<u>4,799,785</u>	<u>4,360,721</u>

#### 2.6. Other Income – SCA – School Building Works

	Parochial funds		Diocesan funds		2022	2021
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
SCA - School Building Works	-	-	-	11,187,664	11,187,664	10,556,309
	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,187,664</u>	<u>11,187,664</u>	<u>10,556,309</u>



# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

### 2.7. Subsidiary companies

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

	Income £	Expenditure £	2022 Net Income £	Restated 2021 Net Income £
Catholic Building Services Limited	177,853	177,853	-	-
Catholic Support Services Limited	1,311,814	791,630	520,184	950,073
Catholic Truth Society	105,345	129,756	(24,411)	5,504
S.D.C Trading Limited	2,410,883	1,727,083	683,800	(212,056)
	<u>4,005,896</u>	<u>2,826,322</u>	<u>1,179,573</u>	<u>743,521</u>

The taxable profit of the subsidiary companies is gifted to the charity so that there is no liability to corporation tax for these entities. Further details are set out in note 18 to the financial statements.

## 3. Resources expended

### 3.1. Expenditure on raising funds

#### 3.1.1. Investment management costs

	Parochial funds		Diocesan funds		2022 Total £	2021 Total £
	Unrestricted £	Restricted £	Unrestricted £	Restricted £		
Investment Management fees	-	-	152,955	-	152,955	171,438
	-	-	152,955	-	152,955	171,438

#### 3.1.2. Fundraising Costs

	Parochial funds		Diocesan funds		2022 Total £	Restated 2021 Total £
	Unrestricted £	Restricted £	Unrestricted £	Restricted £		
S.D.C Trading Limited	-	-	1,727,083	-	1,727,083	916,456
Social and fundraising	560,633	-	-	-	560,633	387,780
	<u>560,633</u>	<u>-</u>	<u>1,727,083</u>	<u>-</u>	<u>2,287,716</u>	<u>1,304,236</u>
<b>Total expenditure on raising funds</b>	<u>560,633</u>	<u>-</u>	<u>1,880,038</u>	<u>-</u>	<u>2,440,671</u>	<u>1,475,674</u>

# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

### 3.2. Expenditure on charitable activities

3.2.1. Parish Costs	Parochial funds		Diocesan funds		2022	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2021
	£	£	£	£	£	Total
Clergy allowances	699,989	-	-	-	699,989	758,546
Gross Wages	900,459	-	-	-	900,459	682,476
Employer's NI	38,189	-	-	-	38,189	30,226
Pension Costs	16,572	-	-	-	16,572	33,014
Staff costs - other	23,759	-	-	-	23,759	-
Diocese & special collections	-	-	-	-	-	-
Church & presbytery supplies	5,017,980	20,631	-	-	5,038,611	5,663,372
Property Overheads	34,923	58,626	-	-	93,549	349,659
Office costs	11,970	-	-	-	11,970	23,442
Parish vehicles	49,649	-	-	-	49,649	36,487
Hall upkeep	-	-	-	-	-	60,039
Repairs and renewals	2,727,711	890,003	-	-	3,617,714	127,703
Other costs	0	-	-	-	0	10,808
Bank charges	34,659	-	-	-	34,659	37,761
Bad debts provision	-	-	-	-	-	-
Depreciation	759,101	-	-	-	759,101	838,322
	10,314,961	969,260	-	-	11,284,221	8,651,855

### 3.2.2. Central & Diocesan Costs

	Parochial funds		Diocesan funds		2022	Restated
	Unrestricted	Restricted	Unrestricted	Restricted	Total	2021
	£	£	£	£	£	Total
Gross Wages	-	-	2,413,463	15,700	2,429,163	2,218,311
Employer's NI	-	-	260,666	1,579	262,245	268,465
Pension Costs	-	-	149,714	593	150,307	148,179
Staff costs - other	-	-	183,788	4,824	188,612	280,113
Clergy allowances	-	-	107,750	5,033	112,783	-
Sick & retired clergy costs	-	-	882,099	-	882,099	782,635
Property Overheads	-	-	1,394,242	11,228	1,405,470	659,063
Office costs	-	-	451,399	7,249	458,648	302,854
Church & presbytery supplies	-	-	877	-	877	-
Property costs	-	-	-	-	-	-
Other costs	-	-	212,645	153,978	366,623	230,862
Subsidiary costs	-	-	917,512	-	917,512	759,022
Bank charges	-	-	24,285	-	24,285	16,414
Bad debts provision	-	-	(115,522)	-	(115,522)	(31,836)
Depreciation	-	-	562,120	629	562,749	485,820
	-	-	7,445,038	200,813	7,645,851	6,119,903

### 3.2.3. Governance Costs

	Parochial funds		Diocesan funds		2022	2021
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
Legal & professional	600	60	172,418	32,692	205,770	169,515
Auditors remuneration	-	-	38,540	1,200	39,740	44,340
Accountancy services	-	-	21,970	-	21,970	54,590
	600	60	232,928	33,892	267,480	268,445

### 3.2.4. Grants Payable

	Parochial funds		Diocesan funds		2022	2021
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
CATEW/NCF - Gross	-	-	204,234	-	204,234	185,472
Survivors Manchester	-	-	83,895	-	83,895	125,605
	-	-	288,129	-	288,129	311,076

### 3.3. SCA – School Building Work

	Parochial funds		Diocesan funds		2022	2021
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
SCA - School Building Works	-	-	-	10,531,341	10,531,341	10,997,120
	-	-	-	10,531,341	10,531,341	10,997,120



# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

### 3.4. Staff Disclosures

<b>Personnel Costs</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Gross Wages	3,329,622	2,900,786
Employer's NI	300,434	298,691
Pension Costs	166,879	181,193
Other	212,371	280,113
<b>Total Employee Costs</b>	<b>4,009,306</b>	<b>3,660,784</b>

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Central Diocesan employees	66	64
Parish employees (excludes parish clergy)	91	91
Cemeteries employees	8	8
S.D.C Trading Limited	64	59
Catholic Truth Society	2	3
	<b>231</b>	<b>225</b>

<b>Employees receiving remuneration over £60,000</b>	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Between £60,000 to £69,999	2	1
Between £70,000 to £79,999	2	2
Between £80,000 to £89,999	-	-
Between £90,000 to £99,999	-	-
Between £100,000 to £109,999	1	1
Between £110,000 to £119,999	1	1
	<b>6</b>	<b>5</b>

Pension costs to higher paid employees	<b>43,137</b>	<b>49,201</b>
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Contributions to a defined benefits pension scheme during the year	<b>NIL</b>	<b>NIL</b>
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Key management personnel received salary and pension contributions	<b>705,707</b>	<b>530,215</b>
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### Remuneration Policy

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

# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

### 3.5. Trustees

The Board of Trustees is made up of members of clergy and laity of the faithful. The priests receive income for their office together with living accommodation, living expenses and reimbursement of costs incurred on the same basis as other Diocesan priests. No Trustee receives any remuneration or benefits from his/her trusteeship other than cover under the indemnity insurance purchased by the charity Trustee received reimbursement for expense in the year 2022: £543, (2021: £503).

### 3.6. Employee Loans

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
At the year end, there were outstanding loans to employees	<u>4</u>	<u>3</u>
	<b>£</b>	<b>£</b>
The total amount of outstanding loans was:	<u>664</u>	<u>2,905</u>
	<u>                    </u>	<u>                    </u>
The total amount of car benefit scheme outstanding was:	<u>4,286</u>	<u>-</u>

### 3.7. Movement in Net Funds

	<b>2022</b>	<b>Restated</b>
	<b>£</b>	<b>2021</b>
		<b>£</b>
This is stated after charging:		
Auditors remuneration:		
- Audit	50,034	44,340
- Other services	24,306	11,688
Profit on disposal of tangible fixed assets	1,716,417	1,858,846
Profit on disposal of investments	6,650,222	(3,580,494)
Depreciation of fixed assets	1,366,573	1,406,643
Finance charges payable	89,475	54,175

### 3.8. Change in Actuarial Movement

	<b>2022</b>	<b>Restated</b>
	<b>£</b>	<b>2021</b>
		<b>£</b>
Care of Clergy	(1,010,000)	(90,000)

The restated accounts for 2021 included a creditor for the Care of Clergy Provision (see note 10.2 and 17.3).

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

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



# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

### 4. Tangible Fixed Assets

#### Group

	Properties £	Fixtures & Fittings £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 January 2022	52,546,760	4,878,518	204,927	18,410	57,648,614
Additions	2,350,035	97,792	24,721	-	2,472,548
Disposals	(506,964)	(12,718)	-	-	(519,682)
At 31 December 2022	54,389,831	4,963,592	229,648	18,410	59,601,480
<b>Depreciation</b>					
At 1 January 2022	16,776,788	3,323,782	173,667	17,973	20,292,210
Charge for the year	1,081,373	263,233	21,530	437	1,366,573
Disposals	(238,986)	(5,920)			(244,905)
At 31 December 2022	17,619,175	3,581,096	195,197	18,410	21,413,878
Net book value at 31 December 2022	36,770,656	1,382,496	34,451	-	38,187,602
Restated net book value at 31 December 2021	35,769,972	1,554,736	31,260	437	37,356,405

#### Charity

	Properties £	Fixtures & Fittings £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 January 2022	52,758,182	3,424,922	177,742	18,410	56,379,256
Additions	2,350,035	90,921	22,938	-	2,463,894
Disposals	(506,964)	(5,676)			(512,640)
At 31 December 2022	54,601,253	3,510,167	200,680	18,410	58,330,510
<b>Depreciation</b>					
At 1 January 2022	16,815,359	2,249,073	144,142	17,973	19,226,547
Charge for the year	1,081,373	223,442	21,384	437	1,326,636
Disposals	(238,986)				(238,986)
At 31 December 2022	17,657,746	2,472,515	165,526	18,410	20,314,196
Net book value at 31 December 2022	36,943,507	1,037,652	35,154	-	38,016,314
Net book value at 31 December 2021	35,942,823	1,175,849	33,600	437	37,152,709

#### 4.1. Assets not used for charitable purposes

	2022 £	Restated 2021 £
All of the tangible fixed assets are used by the Charity for its charitable purposes with the exception of properties, computer equipment and fixtures and fittings with a net book value of	171,288	203,695

#### 4.2. Capital Commitments

	2022 £	2021 £
Capital commitments authorised and contracted for at 31 December 2022 were as follows:		
Diocesan Projects	2,546,892	677,256
School Capital Projects	7,481,885	6,261,657
	10,028,778	6,938,913

# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

### 5. Investment properties

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
At 1 January 2022	2,250,000	500,000	2,250,000	500,000
Additions	-	2,250,000	-	2,250,000
Transfer from Fixed Assets	218,518	-	218,518	-
Disposals	-	(500,000)	-	(500,000)
Revaluation Gain	5,500,482	-	5,500,482	-
At 31 December 2022	7,969,000	2,250,000	7,969,000	2,250,000

As at 31 December 2022, the investment property additions represent the following:

Property	Revalued Amount £	Initial NBV £	Revaluation Gain £
Sacred Heart Infant School, Gorton	485,000	24,275	460,725
Allen Hall (Land), 281 Wilmslow Road, Manchester	2,150,000	25,526	2,124,474
St Sebastians, Gerald Road, Pendleton, Salford	225,000	11,994	213,006
Former Our Lady's Primary School, Turf Pit Lane, Moorside	300,000	15,015	284,985
Playing Fields, St Bedes	440,000	22,023	417,977
Key Street Bar of Music, Clitheroe	175,000	9,306	165,694
St Wilfrid's Hall, Hulme, Manchester	150,000	4,206	145,794
Workshop, on Back Palace Street, Bolton, BL1 2DR	100,000	501	99,499
Land at Manchester Road Kearsley	19,000	951	18,049
Rental of Stydd Lodge Farm	510,000	25,526	484,474
Former St Paul's RC Church, Preston Old Road BB2 5EP	190,000	9,510	180,490
Lee House Farm	675,000	17,518	657,482
St Anthony's Centre, Trafford Park	300,000	52,167	247,833
<b>Total Investment Property</b>	<b>5,719,000</b>	<b>218,518</b>	<b>5,500,482</b>

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

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

As at 31 December 2021, the investment property represented former inalienable school land which is now leased on a long term lease. The land was valued at £2.25m based on open market value by Axis Property Consultancy LLP in August 2022. There are deemed to be no changes to this for 2022.

The historical cost for the inalienable school land was £Nil.



# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

### 6. Fixed Asset investments

		Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
Subsidiary Undertakings		-	-	5	5
Participating Interest		1	1	1	1
<b>6.1</b>		<b>1</b>	<b>1</b>	<b>6</b>	<b>6</b>
Investments listed or traded on a recognised stock exchange	<b>6.2</b>	32,364,242	39,014,464	32,364,242	39,014,464
Cash held as part of investment fund		607,460	1,854,923	607,460	1,854,923
<b>Total Investments</b>		<b>32,971,703</b>	<b>40,869,388</b>	<b>32,971,708</b>	<b>40,869,393</b>

#### 6.1. Investments held as fixed assets

		2022	2021
		£	£
Shares in group undertakings and participating interests		6	6
<b>Shares in group undertakings and participating interests</b>			
	<b>Subsidiary Undertakings</b>	<b>Participating Interest</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
At 1 January 2022	5	1	6
At 31 December 2022	5	1	6
<b>Net book value</b>			
At 31 December 2022	5	1	6
At 31 December 2021	5	1	6

#### 6.2. Investments listed or traded on a recognised stock exchange

<b>Group and Charity Movement</b>	<b>2022</b>	<b>2021</b>
	£	£
Market value at 1 January 2022	39,014,464	38,193,945
Additions at cost	1,669,818	6,765,011
Disposal proceeds	(4,063,376)	(10,671,378)
Net gain/(loss)	(4,256,664)	4,726,886
<b>Market value at 31 December 2022</b>	<b>32,364,242</b>	<b>39,014,464</b>

# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

	Cost £	2022 Market Value £	2021 Market Value £
<b>Analysed by type</b>			
Bonds	5,558,460	4,884,347	5,850,659
Alternatives & Multi-Asset	5,256,369	5,702,530	7,558,075
UK Equities	7,435,681	8,009,784	9,839,768
Global Equities	2,983,861	3,979,775	5,629,362
North America	3,631,163	4,446,723	4,769,458
European equities	1,536,434	1,738,465	1,885,710
Far East	2,421,960	2,862,045	2,680,500
Rest of the World	773,380	740,573	800,933
	<u>29,597,308</u>	<u>32,364,242</u>	<u>39,014,465</u>

<b>Analysed by fund</b>			
Unrestricted	29,597,308	32,364,242	39,014,465
Restricted	-	-	-
	<u>29,597,308</u>	<u>32,364,242</u>	<u>39,014,465</u>

	2022	2021
The charity had no holdings which comprised more than 5% of the market value of the portfolio at that date	NIL	NIL

### 7. Stock

	Group		Charity	
	2022	Restated 2021	2022	2021
	£	£	£	£
Stock	<u>134,329</u>	<u>109,210</u>	<u>-</u>	<u>-</u>

### 8. Debtors

	Group		Charity	
	2022	Restated 2021	2022	Restated 2021
	£	£	£	£
Trade debtors	1,624,280	107,658	1,730,700	38,778
Prepayments	606,820	250,042	549,063	208,852
Amounts due from subsidiaries	-	-	106,842	322,451
Other debtors	<u>2,436,503</u>	<u>3,265,615</u>	<u>2,208,167</u>	<u>4,519,122</u>
	<u>4,667,603</u>	<u>3,623,315</u>	<u>4,594,772</u>	<u>5,089,203</u>

#### 8.1. Loans to Other Charities

Group and Charity other debtors due within one year include £1,506,968 (2021: £1,649,134) loans to other charities which are repayable on demand. The figures reflect the amounts shown in the financial statements of the other Charities.



# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

### 9. Cash at bank and in hand

	Group		Charity	
	2022	Restated 2021	2022	2021
	£	£	£	£
Cash at bank and in hand	44,906,183	45,384,452	44,251,220	43,770,431

### 10. 1 Creditors: amounts falling due within one year

	Group		Charity	
	2022	Restated 2021	2022	Restated 2021
	£	£	£	£
Trade creditors	1,640,253	1,233,220	1,451,609	1,162,007
Social security and taxation	82,998	1,007	73,535	-
Other creditors	7,802,227	6,467,230	7,747,163	6,267,208
Accruals & Deferred Income	661,769	657,320	312,464	650,171
Amounts due to subsidiaries	-	-	-	-
	<u>10,187,247</u>	<u>8,358,777</u>	<u>9,584,771</u>	<u>8,079,386</u>

### 10.2. Care of Clergy Provision

	Group		Charity	
	2022	Restated 2021	2022	Restated 2021
	£	£	£	£
Care of Clergy Provision	2,890,000	3,900,000	2,890,000	3,900,000
	<u>2,890,000</u>	<u>3,900,000</u>	<u>2,890,000</u>	<u>3,900,000</u>

The restated accounts for 2021 include a Care of Clergy Provision. This has been independently assessed and has been included to provide clarity on the ongoing commitment the Diocese has to those no longer in active ministry.

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

The provision has been recognised on the basis that there is an agreement in place with certain clergy who are no longer in active ministry what gives rise to a future commitment. It has been calculated based upon the agreed levels of financial support, age profile, mortality tables, an appropriate discount rate of 2.5% (derived from a high quality corporate bond) and the number of priests no longer in active ministry and for whom the Diocese has undertaken an ongoing commitment of care.

	Care of Clergy Provision	Total
	£	£
Provisions at 1 January 2022	3,900,000	3,900,000
Change in actuarial assumptions	(1,010,000)	(1,010,000)
<b>Provisions at 31 December 2022</b>	<b>2,890,000</b>	<b>2,890,000</b>

# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

### 11. Contingent Liabilities

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

### 12. Related Parties

#### 12.1. Other Related Parties

Mr. Edward Nally has provided consultancy services for a number of years for which he is remunerated and has continued to be paid following his appointment as a Trustee in May 2016. In the accounting year ended 31 December 2022 the total was £55,000 (2021: £55,000). Mr Nally is not paid for his services as a Trustee of the charity but as a consultant to the k management team.

#### 12.2. Donations from Trustees

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

### 13. Funds

	Notes	Balance 01-Jan-22 £	Incoming resources £	Resources expended £	Transfers £	Gains and Losses £	Balance 31-Dec-22 £
<b>Unrestricted Funds</b>	<b>15</b>	112,117,772	16,290,290	(20,722,328)	(27,286)	1,243,818	108,902,266
<b>Restricted Funds</b>							
Parishes Special Collections	13.1.1	199,322	67,444	(1,154)	-	-	265,612
Pleasington Priory	13.1.2	1,208,678	26,588	(60,764)	-	-	1,174,502
Stydd Trust	13.1.3	309,639	-	-	-	-	309,639
Stanford Trust	13.1.4	385,466	-	-	-	-	385,466
Ecclesiastical Education Fund	13.1.5	-	118,363	(166,849)	48,486	-	-
SCA - School Building Works	13.1.6	6,834,562	11,187,664	(10,531,341)	-	-	7,490,885
Other Restricted Funds	13.1.7	155,898	938,707	(975,258)	-	-	119,347
		9,093,565	12,338,766	(11,735,366)	48,486	-	9,745,451
<b>Designated Funds</b>							
Moston & Wardley Cemetery	13.2.1	21,200	-	-	(21,200)	-	-
Care of Clergy Provision		(3,900,000)				1,010,000	(2,890,000)
<b>Endowment Funds</b>							
SRCDTR	13.3.1	1,000	-	-	-	-	1,000
Moston & Wardley Cemetery	13.3.2	456	-	-	-	-	456
		1,456	-	-	-	-	1,456
<b>TOTAL FUNDS</b>		117,333,993	28,629,056	(32,457,694)	-	2,253,818	115,759,173



# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

### 13.1. Restricted Funds

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

**13.1.1:** Parishes Special collections This represents the specific collections and payments within the parishes mainly for Parish based appeals, for example in relation to building projects.

**13.1.2:** Pleasington Priory Trust Funds held on behalf of the Pleasington Priory Trust for the upkeep and maintenance of the Chapel known as Pleasington Priory and its ancillary substantial buildings.

**13.1.3:** Stydd Trust Originally for the support of the almshouses at Stydd, the income is for the benefit of the Ecclesiastical Education Fund. This is a separate trust no 229802, administered by the Salford Diocesan Trustees.

**13.1.4:** Stanford Trust Income to the parish for the poor of Ribchester, this is a separate charitable trust no 252602, administered by the Salford Diocesan Trustees

**13.1.5:** Ecclesiastical Education Fund Funds held for the training of priests.

**13.1.6:** SCA, Schools buildings Programme, relates to committed yet uncompleted works.

### 13.2. Designated Funds

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

**13.2:** Moston & Wardley Cemeteries - Funds deposited with the cemeteries board to finance the upkeep of individual cemetery plots. No permanent endowment is created by these funds.

### 13.3. Permanent Endowment Funds

**13.3.2:** Moston & Wardley endowments are in respect of funds left for the maintenance of individual graves. No further endowments will be accepted for this purpose.

### 13.4. Revaluation Reserves

**13.4:** Due to the identification and revaluation of the investment properties, additional reserves have been identified,

## 14. Funds: movement in the year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
<b>Unrestricted &amp; Designated</b>				
Balance at 1 January	112,138,972	105,890,318	111,957,328	105,355,530
Net movements in the year	(8,688,702)	6,041,892	(8,937,990)	6,395,036
Transfer between funds	(48,486)	206,762	(48,486)	206,762
Balance at 31 December	<u>103,401,784</u>	<u>112,138,972</u>	<u>102,970,853</u>	<u>111,957,328</u>
<b>Restricted</b>				
Balance at 1 January	9,093,565	9,482,206	9,093,566	9,482,206
Net movements in the year	603,400	(181,879)	603,400	(181,878)
Transfer between funds	48,486	(206,762)	48,486	(206,762)
Balance at 31 December	<u>9,745,451</u>	<u>9,093,565</u>	<u>9,745,452</u>	<u>9,093,566</u>
<b>Permanent Endowment</b>				
Balance at 1 January	1,456	1,456	1,456	1,456
Net movements in the year	-	-	-	-
Transfer between funds	-	-	-	-
Balance at 31 December	<u>1,456</u>	<u>1,456</u>	<u>1,456</u>	<u>1,456</u>

# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

### 14. Funds: movement in the year (continued)

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
<b>Revaluation Reserve</b>				
Balance at 1 January	-	-	-	-
Net movements in the year	5,500,482	-	5,500,482	-
Change in revaluation surplus	-	-	-	-
Balance at 31 December	5,500,482	-	5,500,482	-
<b>Care of Clergy Provision</b>				
Balance at 1 January	(3,900,000)	(3,990,000)	(3,900,000)	(3,990,000)
Provisions created during the year	-	-	-	-
Amounts released from previous years	1,010,000	90,000	1,010,000	90,000
Balance at 31 December	(2,890,000)	(3,900,000)	(2,890,000)	(3,900,000)
<b>Total Funds</b>	115,759,173	117,333,993	115,328,243	117,152,350

### 15. Analysis of net assets between funds

Group	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Permanent Endowment £	Total £
<b>Fund balances at 31 December 2022 are represented by:</b>					
Tangible fixed assets	38,187,602	-	-	-	38,187,602
Investment assets	40,940,703	-	-	-	40,940,703
Current assets	39,961,208	-	9,745,451	1,456	49,708,115
Current liabilities	(10,187,247)	-	-	-	(10,187,247)
Total net assets at 31 December 2022	108,902,266	-	9,745,451	1,456	118,649,174

Charity	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Permanent Endowment £	Total £
<b>Fund balances at 31 December 2022 are represented by:</b>					
Tangible fixed assets	38,016,314	-	-	-	38,016,314
Investment assets	40,940,708	-	-	-	40,940,708
Current assets	39,099,084	-	9,745,452	1,456	48,845,992
Current liabilities	(9,584,771)	-	-	-	(9,584,771)
Total net assets at 31 December 2022	108,471,335	-	9,745,452	1,456	118,218,243

#### 15.1. Analysis of net funds

Group	Balance 01-Jan-22 £	Financing Cash Flows £	Balance 31-Dec-22 £
Cash and cash equivalents	47,239,375	(1,725,732)	45,513,643
Debt due within one year	(6,467,230)	(1,334,997)	(7,802,227)
Net Funds	40,772,145	(3,060,729)	37,711,416
Charity	Balance 01-Jan-22 £	Financing Cash Flows £	Balance 31-Dec-22 £
Cash and cash equivalents	45,625,354	(766,674)	44,858,680
Debt due within one year	(6,267,208)	(1,479,955)	(7,747,163)
Net Funds	39,358,146	(2,246,629)	37,111,517

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



# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

### 16. Pensions and similar obligations

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

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

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

#### Teachers' Pension Scheme

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

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

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

### 17. Restatement in relation to 2021 previously presented figures.

Notes:	Prior to restatement	17.1	17.2	17.3	Restated
	2021	CTS	S.D.C Trading	Care of Clergy Provision	2021
	£	£	£	£	£
2.5 Other Income	4,640,721	104,807	-	-	4,745,528
3.1 Expenditure on Raising funds	1,519,827		(44,153)		1,475,674
3.2 Expenditure on Charitable Activities	15,466,578	99,303	65,397		15,631,278
4. Tangible Fixed Assets	37,072,609	220	283,576		37,356,405
4.1 Assets not used for charitable purposes	382,074	-	(178,379)		203,695
7. Stock	41,384	67,826	-		109,210
8. Debtors	3,622,227	1,088	-		3,623,315
9. Cash at bank and in hand	45,289,835	94,617	-		45,384,452
10. Creditors: Amounts falling due within one y	8,351,660	7,117	-	3,900,000	12,258,777
13. Funds	120,793,783	156,634	283,576	(3,900,000)	117,333,993

#### 17.1 Catholic Truth Society - Consolidation of Entity into Group Financial Statements

In 2022, it was determined that the subsidiary Catholic Truth Society, should be consolidated into the Group accounts owing to the fact that the parent charity has the power to govern the financial and operating policies of the entity and benefits from its activities.

This consolidation is voluntary and previous financial statements were still deemed to present a 'true and fair' view of the group as the prior exclusion of CTS had no material impact.

#### 17.2 S.D.C Trading

Comparative figures have been restated in relation to a reassessment of who assets belong to assets paid for by, and ultimately belonging to, the parent charity had gone through S.D.C Trading Limited. These assets have been transferred to the parent charity and accumulated depreciation has been reversed within S.D.C Trading Limited. The cost has been written off against the loan to the parent company.

#### 17.3 Care of Clergy Provision

The restated accounts for 2021 include a creditor for a Care of Clergy Provision. This has been independently assessed and has been included to provide clarity on the ongoing commitment the Diocese has to those no longer in active ministry. Should a priest leave active ministry prior to retirement, there is no obligation to accrue for a liability and, as such, this has been excluded.

The provision has been deemed to be required due to the value of the liability. It has been calculated based upon the age profile and number of priests no longer in active ministry and for whom the Diocese has undertaken an ongoing commitment of care.

# Diocese of Salford Trustees' Annual Report and Accounts 2022

## Financial Statements Notes to the Financial Statements

### 18. Details of subsidiaries and consolidation

	Catholic Building Services Limited	Catholic Support Services Limited	S.D.C. Trading Limited	Catholic Truth Society (Diocese of Salford)	2022 Total	Restated 2021 Total
	£	£	£	£	£	£
Tangible fixed assets	-	1,105	169,515	664	171,283	203,697
Current assets	63,826	400,252	418,054	149,492	1,031,624	1,876,022
	63,826	401,357	587,569	150,155	1,202,907	2,079,719
Creditors: amounts falling due within one year	(63,824)	(381,172)	(210,073)	(17,931)	(673,000)	(658,919)
	2	20,185	377,496	132,224	529,908	1,420,800
Creditors: amounts falling due after more than one year	-	-	(313,227)	-	-	908,618
	2	20,185	64,269	132,224	529,908	512,182
Representing:						
Share capital	2	1	2	2	7	5
Profit and loss account	0	20,184	64,267	132,222	529,901	512,177
	2	20,185	64,269	132,224	529,908	512,182

	Catholic Building Services Limited	Catholic Support Services Limited	S.D.C. Trading Limited	Catholic Truth Society (Diocese of Salford)	2022 Total	Restated 2021 Total
	£	£	£	£	£	£
Turnover	177,853	1,311,814	1,604,647	105,345	3,199,659	2,228,966
Cost of sales	(172,787)	(772,993)	(1,345,123)	(76,611)	(2,367,514)	(1,402,368)
Gross profit/ (loss)	5,067	538,821	259,524	28,734	832,145	826,598
Administrative expenses	(5,000)	(16,342)	(88,366)	(45,945)	(155,653)	(95,766)
Establishment Costs	-	-	(229,604)	(3,016)	(232,620)	(126,829)
Finance charges	(67)	(157)	(26,360)	(4,013)	(30,597)	(18,072)
Depreciation costs	-	(2,137)	(37,630)	(170)	(39,938)	(37,342)
Other Operating income - grants receivable	-	-	806,236	-	806,236	194,932
Taxation	-	-	-	-	-	-
Net profit	0	520,184	683,800	(24,411)	1,179,573	743,521
Retained earnings brought forward	-	975,076	(619,533)	156,634	512,177	809,702
Amount gifted to charity	-	(1,475,076)	-	-	(1,475,076)	(633,569)
Retained in the subsidiary	0	20,184	64,267	132,222	216,674	919,654

The individual financial statements of the subsidiary companies included in the consolidation are drawn up on the same accounting date, 31st December 2022. All subsidiary companies are fully consolidated in the Group financial statements.



