

The Roman Catholic Archdiocese of Southwark – Report



REPORT AND ACCOUNTS

For the year ended
31st December 2018

The Roman Catholic Archdiocese of Southwark CIO



Report of the Trustees
and
Financial Statements

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About the Archdiocese of Southwark

The Archdiocese of Southwark is a Roman Catholic Archdiocese in England. The cathedral church is St George's Cathedral, Southwark. The Archdiocese covers the London boroughs south of the Thames, the county of Kent and the Medway Unitary Authority.

Archdiocese of Southwark:

Curia

Archbishop's House

150, St. George's Road

London,

SE1 6HX



Finance Office

Archdiocesan Finance Office

59, Westminster Bridge Road

London,

SE1 7JE

Reference and administrative information

Registered Charity no. 1173050

Trustees in office during the year and to the date the accounts were signed are as follows:

The Most Reverend Archbishop John Wilson appointed 25 July 2019
The Most Reverend Archbishop Peter David Smith retired 25 July 2019
The Right Reverend Patrick Lynch VG
The Right Reverend Paul Hendricks VG
The Reverend Monsignor Matthew Dickens VG
The Right Reverend Paul Mason - resigned 12 September 2018
Mr. Ben Andradi appointed
Ms. Mary Ney appointed
Ms. Caroline Stockmann
Ms. Sheila Wheeler

The Archbishop is *ex officio* a Trustee of the Archdiocese and has the power to appoint the other Trustees.

Key management personnel

Financial Secretary	Mr. Paul McCallum
Episcopal Vicar for Finance	Reverend Canon John Weatherill
Director of Education	Dr. Simon Hughes
Archdiocesan Property Manager	Mr. Christopher Millington

Professional Advisors

<i>Auditors</i>	Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG
<i>Bankers</i>	NatWest, 40 Whitgift Centre, Croydon CR0 2EX
<i>Investment Managers</i>	Barclays Wealth, 1 Churchill Place, London E14 5HP
<i>Solicitors</i>	Wedlake Bell, 71 Queen Victoria Street London EC4V 4AY
<i>Insurance Managers</i>	Catholic Insurance Services Limited, Suite 5, Oxford House, Oxford Road, Thame, OX9 2AH

Archbishop's Introduction

Dear Brothers and Sisters,

Since the last set of accounts was published, another busy diocesan year has passed by. The great events of the liturgical year have given spiritual joy to the many who took part in them. It was a great pleasure for me to welcome so many on their journey of faith to a packed Cathedral for the Rite of Election at the start of Lent 2018; 204 Catechumens, 184 candidates, with their sponsors, many catechists and parish clergy.

The joy of welcome was tempered by some sad farewells. In the summer we had to say farewell to Bishop Paul Mason, who the Holy Father appointed as the new Bishop of the Forces. Although pleased for the Catholic Chaplains, the men and women of HM forces, and their families, we were very sorry indeed to lose Bishop Paul, especially the people of Kent to whom he had been ministering for several years.

In a diocese that has existed for 168 years jubilees abound, with some churches even older than the diocese. Of particular note this year was the Golden Jubilee of the Centre for Catholic Formation. Fifty years of service were marked with a series of jubilee lectures, and a Mass of thanksgiving in Tooting. I also celebrated Mass to mark the sixtieth anniversary of the 're-opening' of St. George's Cathedral. The Cathedral had been severely damaged during WWII, and so needed major restoration.

Nationally the Diocese enthusiastically took part in "*Adoremus*", the 2018 Eucharistic Pilgrimage and Congress in Liverpool. Over the course of the year leading up to the Congress, our parishes selected delegates, who then met over several months in preparation for this event. We were supported in preparation by our diocesan co-ordinator Fr John Mulligan, who was always keen to stress that "*Adoremus*" was more than simply an event in Liverpool, but a pilgrim journey, and one which should have an important impact in all our parishes. Sadly, like Moses in the Old Testament, Fr John didn't make it to the end of the journey, as he passed away on the very morning of his planned trip to Liverpool. He was remembered in prayer by all the delegates present, but most especially at a gathering of the Southwark delegates. We now face the challenge of living up to the hopes that Fr John had so clearly laid out during the preparations.

A journey that Bishops make, usually every five years, is the 'ad limina apostolorum' (literally meaning thresholds of the Apostles). In October 2018 I joined all the Bishops of England and Wales for the latest "Ad Limina" visit to the Holy Father and the Curia in Rome. During this visit bishops traditionally give an account of our stewardship of the Diocese. In preparation for the visit a detailed report on the life of the diocese was prepared. My thanks go particularly to Mgr. Matthew Dickens, the Vicar General, for coordinating this work, along with the many people who contributed to the final report.

2018 also marked a personal milestone for me, as the 21st October marked my 75th birthday, and in accordance with the requirements of Canon Law, I offered my resignation to the Holy Father. This resignation was formally accepted on the 10th June 2019, and at the same time Pope Francis appointed Archbishop John Wilson as my successor. Archbishop John comes to us from the Diocese of Leeds, via the Archdiocese of Westminster where he had served as an Auxiliary Bishop of the past three and a half years, and he officially took 'possession' of the diocese on the 25th July. I pray for Archbishop John, knowing that the stewardship of the diocese has been placed in capable hands.



Archbishop Emeritus of Southwark

Purpose of the Charity

The Charity's aims are to establish, maintain, and advance the Roman Catholic religion in the area of the Archdiocese, or in connection with the Archdiocese of Southwark. Although the Charity could theoretically support any form of activity that fulfilled the aims, the practical aims are to support the parochial and diocesan structure of the Catholic Church as set out from time to time in the rules and regulations of the Church, known as the Code of Canon Law.

The Trustees have as their main aim the preservation and development of the network of Parishes and Schools, which now covers the area of the Archdiocese. Beyond these activities, we support the development of faith via the provision of youth services, Catholic Formation and the promotion of justice and peace. Given the nature of our activities, we take safeguarding very seriously and have an extensive programme of training and support in place through a dedicated team.

The Trustees confirm that they comply with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity. That the Church does produce a public benefit beyond that benefit that accrues to its members, is shown in the public character of its distinctive buildings, the churches and chapels. The teaching that accompanies public worship has a significant impact upon public life.

Our regular activity of promoting God's teachings is evidenced in the 169 Schools, the Parishes and the good works carried out by the faithful, which range from supporting food banks, helping the homeless, promoting harmonious relationships, assisting refugees and immigrants, and supporting vulnerable people.

The Charity owns most of the land, buildings, and other property, which the church uses to fulfil its mission within the area covered by the Archdiocese, which comprises the unitary authority of Medway and the county of Kent, and that part of London to the south of the river Thames.

The Charity therefore promotes public worship, spiritual renewal, parochial community life, and catholic education.

Parish life in the Archdiocese of Southwark

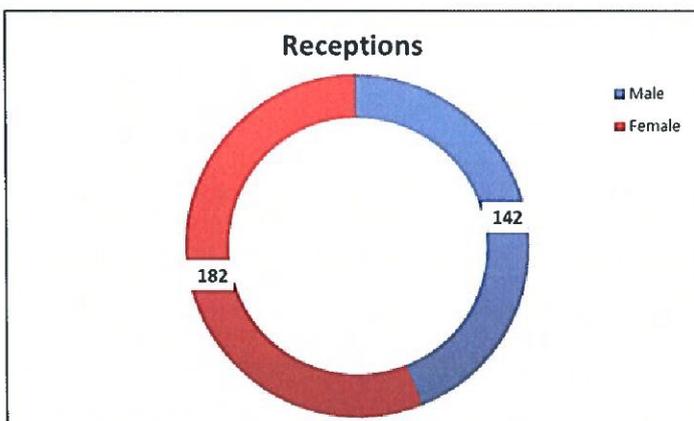
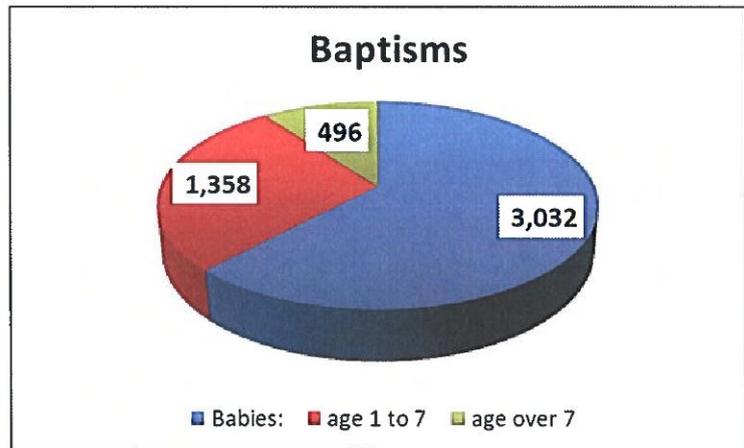


The parish community gathers each Sunday to celebrate Mass, which is at the heart of all that the parish does. Each Sunday around 80,000 Catholics attend services (both adults and children) in Southwark.

The actual number of Catholics going to Mass is significantly higher, as some families are only able to attend services once every two or three weeks.

The water of Baptism symbolises both washing and new life.

4,886 people entered the family of the Church in our Archdiocese in 2018, as children of God and members of the Church

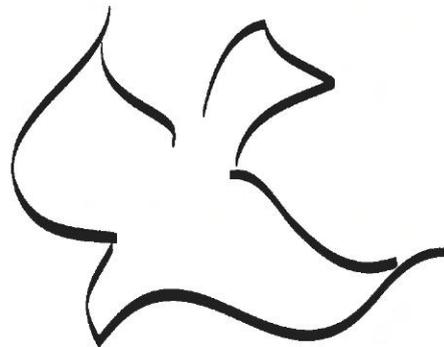
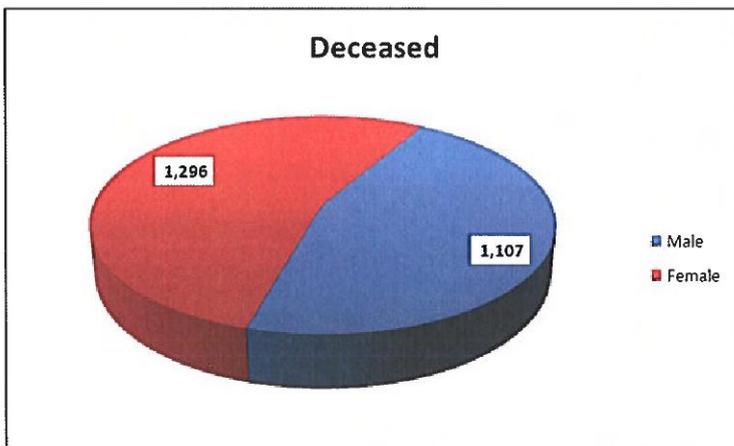
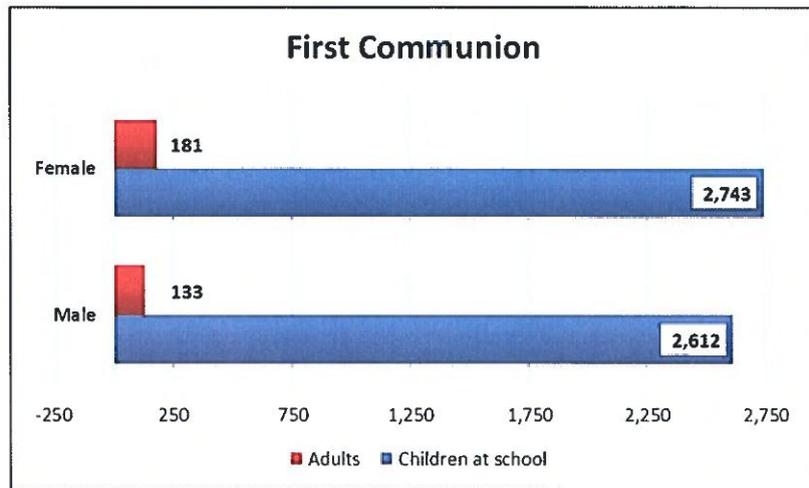


324 adults were received from other faiths or no faith into the Catholic Church in 2018. If you are already a baptised Christian the pathway into the Catholic Church would be to seek Reception, Confirmation and Eucharist.

Parish life in the Archdiocese of Southwark

The sacrament of the Eucharist (Holy Communion) is an important part of the faith journey for both children and adults.

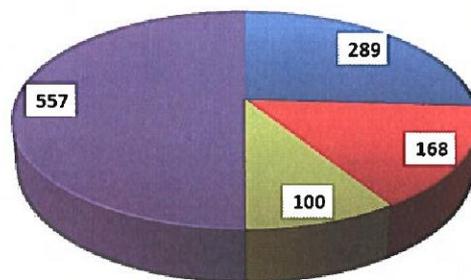
5,669 people received the sacrament for the first time in 2018.



Catholics believe that marriage comes as a gift from the hand of God.

The Catholic vision of marriage is rooted in Sacred Scripture and is expressed in the teachings and practices of the Church.

Marriages in 2018

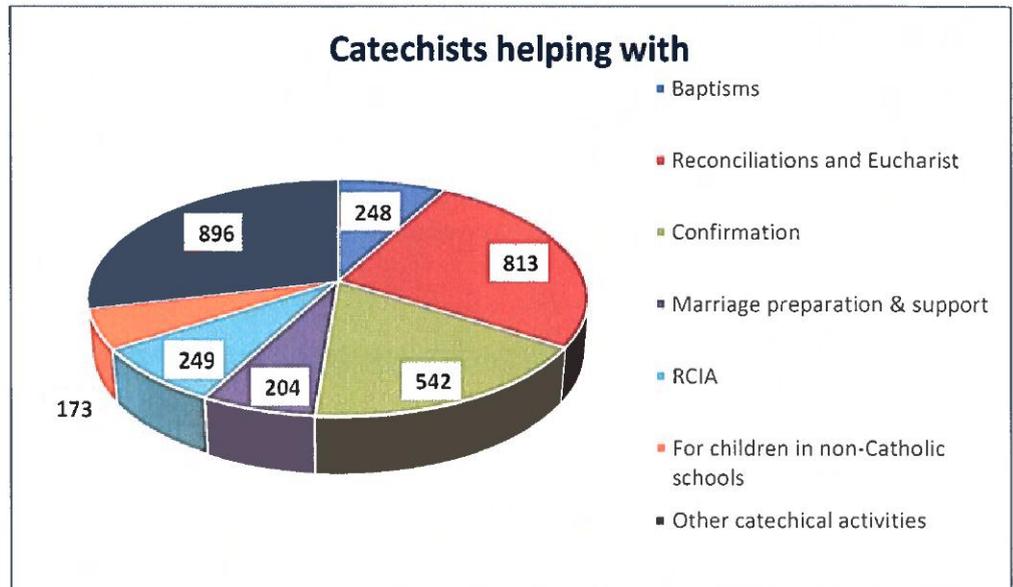


- Between 2 Catholics
- Catholic and a baptised non Catholic
- Catholic and an unbaptised person
- Prepared by Parish, married overseas

Parish life in the Archdiocese of Southwark

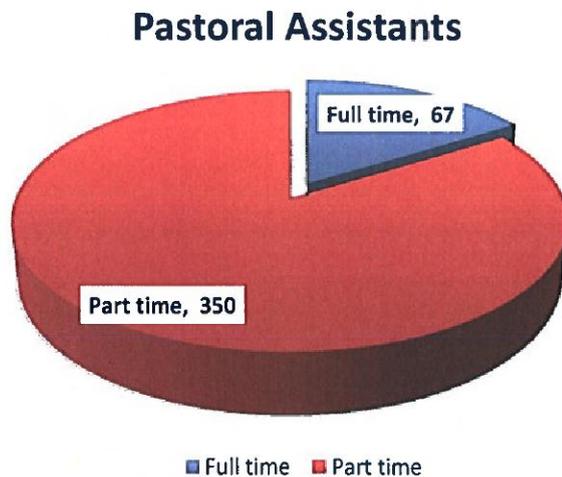
To catechize means to teach: more specifically, to teach by word of mouth.

Catechists are **volunteers** often deployed to teach candidates who are preparing for the sacraments of Baptism, Reconciliation, First Holy Communion and Confirmation.



Volunteers give generously of their time in Parishes, schools and social action.

Pastoral assistants provide invaluable support to parishes within the Archdiocese on sacramental preparation, religious education for children attending non-Catholic schools, adult education and formation, safeguarding and catechist training and organisation.



Education Commission

The Education Commission is responsible for carrying out the work of the Archbishop in relation to the 169 schools and colleges within the Archdiocese. 52 are Academies, 8 are Independent Schools, 11 are in the Trusteeship of Religious Orders and the remainder are Voluntary Aided Schools.

At the Education Commission:

- We recognise and affirm the place of our Catholic schools and colleges within our mission
- We work for excellence in our schools and colleges
- We discern the signs of the times and are open to positive change and development
- We use government initiatives creatively for the benefit of Catholic education
- We provide schools and colleges for our children and young people, with the support of parents and carers.

We support our schools and colleges in a number of areas including:

- Religious Education
- Denominational Inspections
- Leadership
- Governance
- Admissions, appeals and place planning
- Buildings
- Innovations
- Legal Frameworks and Advice
- Youth Voice

The principal successes in the past year have been:

All schools currently good or outstanding retained their grading following Section 5 or Section 8 inspections by OFSTED and all schools currently good or outstanding under Section 48. Denominational Inspection stayed the same or moved up a grade.

The Commission has continued to develop the Youth Engagement Board. The aim of the YEB is to provide young people in the Archdiocese of Southwark with the opportunity to express their views in order to help inform the Education Commission and the Archbishop to assist decision making that affects their education. This enables the Director of Education and the officers at the Education Commission to consult the young people in our schools on a variety of issues that impact on schools within the diocese.

Common challenges remain terms of recruitment of head teachers, governors and teachers. In the case of the latter, rates of pay compare unfavourably with other sectors. School budgets have also been squeezed which has also impacted the recruitment of staff.

In terms of school places these are at the right number overall but there is no consistency across the Diocese where the inner London boroughs have a surplus of places and specific areas elsewhere have shortages. There have been no new academies during the year and the structure of some of the smaller academies is under review.

There have been some major building projects during the year, notably in Lewisham, together with other projects under the LCVAP scheme.

A strategic review of the Education Commission is to be carried out in 2019. A new Education Strategy is being developed in consultation with stakeholders, for implementation from 2020.



Centre for Catholic Formation

The CCF’s principal purpose is assisting the Archbishop in his role as ‘chief catechist’ of the diocese in the service and support of education, evangelisation and formation. It accomplishes this through promoting the religious formation of the faithful of every age and condition:

- advising parishes and catechists on diocesan norms and guidelines;
- encouraging suitable catechetical instruction in parishes;
- promoting a culture of evangelization;
- advising parishes on catechesis for those with learning and physical disabilities;
- where necessary, take a lead on initiatives such as Year of Faith and Year of Mercy, in the diocese.

2018 saw the fiftieth anniversary of the diocesan catechetical centre, a jubilee marked by a celebratory series of public lectures on themes relating to the work of the CCF (previously the Christian Education Centre, CEC). The Centre for Catholic Formation supplies training for catechists and children’s liturgists in parishes; and many further hours of training and formation to readers, extraordinary ministers of Holy Communion and others in liturgical ministry such as MC’s, sacristans and musicians. The CCF also provides parishes with consultation on catechetical programmes and evangelization initiatives, helping catechists and priests to determine useful parish resources.

The Centre organises two major rites in the diocese in collaboration with the Cathedral and the music committee of the Liturgy Commission. The Rite of Election, on the first Saturday of Lent, remains an uplifting occasion with around 1000 participants assembled in the cathedral (204 catechumens – those seeking baptism - and 184 candidates - those, already baptised, who are preparing to receive the final sacraments of initiation, confirmation and Eucharist, as well as godparents, sponsors and guests). The Mass for New Catholics, just before Pentecost, gathered many who had been received into the Catholic Church at Easter.

The Faith and Art series of talks continued through 2018 and all talks are recorded and uploaded to the CCF’s YouTube channel, increasing the ‘reach’ of the Centre. 1100 people have viewed the Golden Jubilee lecture series on YouTube. In 2018, the CCF started to live-stream talks via social media for those unable to attend.

The annual diocesan day for catechists, saw 165 catechists from 48 parishes come to the Cathedral for formation, shared prayer and networking – each participating in three of the twelve, distinct workshops provided by the CCF staff, external speakers and other diocesan agencies (e.g. safeguarding).

The Catholic Certificate in Religious Studies was run the by CCF in 3 centres (Erith, Tonbridge, KCSP and Tooting Bec) had 61 students on role at various stages of their studies. Additional specialist modules were introduced in Canon Law and Liturgy and Worship in collaboration with other diocesan agencies.

The CCF holds a particular responsibility in assisting parishes with issues surrounding disability. A designated formation adviser works with parishes to prepare those with varied needs for the sacraments. The CCF also holds, at The Friars Aylesford, a day of celebration for those with differing needs. Around 80 people attended the 2018 day of celebration.

CCF Activity	Numbers
Diocesan Day for Catechists	165 catechists; 48 parishes
Rite of Election	204 catechumens; 184 candidates; 74 parishes
Catholic Certificate in Religious Studies (CCRS)	61 students
Diocesan Catechetical Certificate (DCC)	35 students (2017-2019 cohort)
Day of Celebration in Aylesford	80 guests



Youth Service

The work and ministry of Southwark Catholic Youth Service (SCYS) continued to focus on the Synod theme: Young People, the Faith and Vocational Discernment. The Youth Service encouraged and resourced parishes and schools to gather young people to reflect on the Synod preparation, reflecting on belonging and exploring how young people can be more actively engaged in communities.

In response to the Synod feedback, SCYS further developed its young leadership programmes and secured external funding for a member of staff to facilitate this work in a more targeted way. Initially this will focus on the CYMFed Faith in Action award, which encourages young people to volunteer in communities and reflect on Catholic Social Teaching.

In the spring of 2018, SCYS ran a training day for those working with young people to unpack the Synod process. The keynote input explored the sociological and theological themes of the documents and workshops and included 'Complex Catholicism' (unpacking research from young Catholics), 'Engaging young people in the life of the Church' and 'practical guidance'. This will be followed up in training for 2019.

Following the Synod which took place in October 2018, the Youth Service began looking at producing more practical resources for parishes to help with the recruitment and training of volunteers. SCYS are working alongside the CCF and Safeguarding Office to produce clear guidelines for those working with young people, including parish catechists. Pope Francis' Apostolic Exhortation that follows the Synod will provide further opportunities for training and give a focus for parish visits.

Work in the residential retreat centre in Whitstable and day retreats at Aylesford Priory continue to be popular with schools, parishes, young people, their leaders and teachers. Our young people have a hunger for acceptance, belonging and affirmation. In response to this, the Youth Service is providing support, training and encouragement to schools and parishes to support young people in the important transition from child to adult and helping them to encounter Christ.

The St. Vincent's Gap year programme continues to attract young adults, who give a year of service to the Church and young people. The peer ministry team provide and facilitate an important ministry in the Archdiocese, sharing their faith, building and developing relationships with young people and supporting their development. Through the experience of community life, the team explore their own faith, develop their prayer life and gain many new skills and experiences. Following their time with SCYS, many go on to further studies or to secure employment in youth ministry or related fields such as school chaplaincy and teaching.

SCYS is continuing to explore the possibility of relocating the work and ministry from St. Vincent's to Aylesford Priory. The potential new development would need to be part of Archdiocesan Pastoral priorities. As well as a provision for young people, it could also potentially provide a facility for adult groups as well as Archdiocesan Agencies and Commissions.

Youth Service Activity	Numbers
Residential Retreats	820 young people
Aylesford Day Retreats	3,900 young people
Adult Leaders training and support	240

Safeguarding

In January 2018 the Board of Trustees of the Archdiocese of Southwark formally adopted the Safeguarding Policies and Procedures of the Catholic Church in England and Wales.

National Standards in Safeguarding are set by the National Catholic Safeguarding Commission (NCSC) through the Catholic Safeguarding Advisory Service (CSAS) who also have a role in measuring/auditing compliance to the national standards on behalf of the NCSC.

The NCSC and CSAS are mandated by the Bishop's Conference and the Conference of Religious, and they both sit within the Department of Citizenship and Christian Responsibility of the Catholic Trust for England and Wales.

CSAS is also the Registered Body for the Disclosure and Barring Service (DBS) and ensures that all DBS Disclosure applications comply with the national policies and the conditions set by the DBS.

The Southwark Safeguarding Commission has the responsibility of ensuring that the Diocese is compliant with the national policies and procedures and the Southwark Safeguarding Office has the job of providing all the practical functions to enable the parishes of the Diocese to create a safer environment for all to worship.

Each parish in the Diocese (currently 175) has to appoint at least one Parish Safeguarding Representative (PSR) having a key role is assisting the parish priest to apply the national policies in the parish. The Diocese has approximately 350 PSRs. In 2018, 18 new PSRs were recruited to fill vacancies due to retirements/resignations. There were four PSR Induction Training Days held during the year to give PSRs basic training in relation to parish safeguarding and in particular the safer recruitment procedures including managing applications for DBS Disclosure paperwork.

PSRs also have a role in promoting Safeguarding Training. The Diocese is committed to promoting the Educare e.learning Safeguarding Training package that is available to everyone in the diocese. There are 7 modules of training and it is a very cost effective way of obtaining basic safeguarding training. Anyone who is interested just needs to email the Safeguarding Office and ask for a personal log in and they can access the programme at their own convenience.

There are 35 Religious Orders/Communities aligned to Southwark Diocese for Safeguarding services. Each of the Religious communities nominates a Safeguarding Lead and they have a similar role to the Parish PSRs.

The key works of Safeguarding are:

- **Promotion** – raising awareness of safeguarding by providing information and training
- **Prevention** – by promoting a safer environment, safer recruitment, codes of conduct, awareness of professional boundaries etc.
- **Protection** – by ensuring that any concerns raised are dealt with and appropriate actions taken including the provision of support

In 2018 the Safeguarding Office issued 1,310 Disclosure Applications and 1,075 were returned for processing. The fourth Annual Safeguarding Reps Gathering Day had to be postponed due to problems with dates and shortage of staff.

The targets for 2019 include:

- the recruitment of more PSRs to cover the 46 Mass Centres
- Improvement of the administration of safer recruitment ensuring compliance across the diocese
- rolling out of the electronic application process so that it can be more efficient, and cost effective
- Safeguarding Refresher Trainings for clergy
- Continued promotion of the Educare programme
- Delivery of more training sessions to build on the basic learning in Educare
- Two Safeguarding Reps Gathering Days

An internal review of Safeguarding is due to be undertaken in 2019.

Apprenticeships

Apprenticeship is a way for individuals to “earn while they learn”, gaining valuable skills and knowledge in a specific job role. The apprentice gains this through a wide mix of learning in the workplace, formal off-the-job training and the opportunity to practise new skills in a real work environment.

Apprenticeships benefit employers and individuals, and by boosting the skills of the workforce, they help to improve productivity.

In 2018, two apprentices and one sixth former on work experience had roles in the Safeguarding, Finance and HR Offices.

Josie Harding - Apprenticeship

“My time at the Archdiocese of Southwark was spent in the Safeguarding Office where I was primarily responsible for the processing of Disclosure and Barring Service applications. This experience has given me a valuable insight into the world of work that I will carry with me through the rest of my career life. Everyone has been so supportive through my apprenticeship journey throughout the past 12 months.”

Scott Singers - Apprenticeship

“During my time in the Finance Office I was exposed to a variety of different financial roles and managed invoices, databases and school financial projects. This involved communicating with a range of individuals, both in and out of the Finance Office, which will benefit my future career.

I want to thank my colleagues who have supported me since my first day in the Finance Office. My attitude and knowledge have benefited from this apprenticeship, and have allowed me to confirm my future career as an accountant.”

Mia Gilmour – 6th Form Work Experience

During my work placement at the Finance Office, I helped to organise GDPR training sessions and assisted individuals to book their places on these sessions. This involved emailing and phoning attendees to confirm dates and times of the training, and to let them know the available venues. I also did some HR related work, e.g. inputting data on the HR system.

My work placement has allowed me to develop my communication skills, as I had to liaise with all kinds of different people, both within and outside of the Finance Office. This work has helped me to move my career forward as communication is a transferable skill that will be required in any new role.

I have benefited greatly from my time at the Finance Office as I feel that I have earned valuable experience that will be useful and prepare me for the future job roles that I am going to encounter.

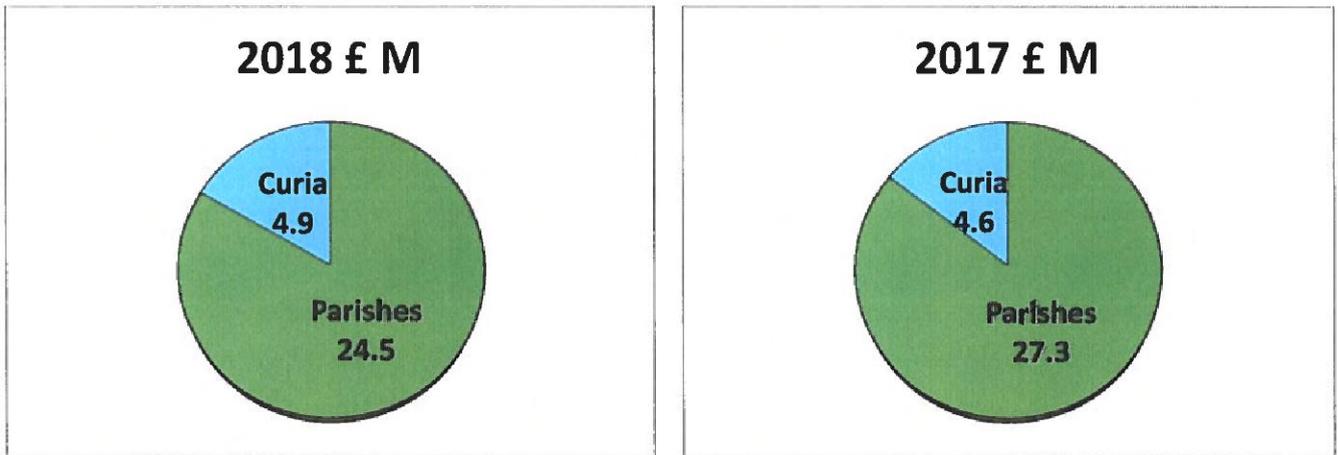


Left to right: Scott Singers, Mia Gilmour, Josie Harding

Financials

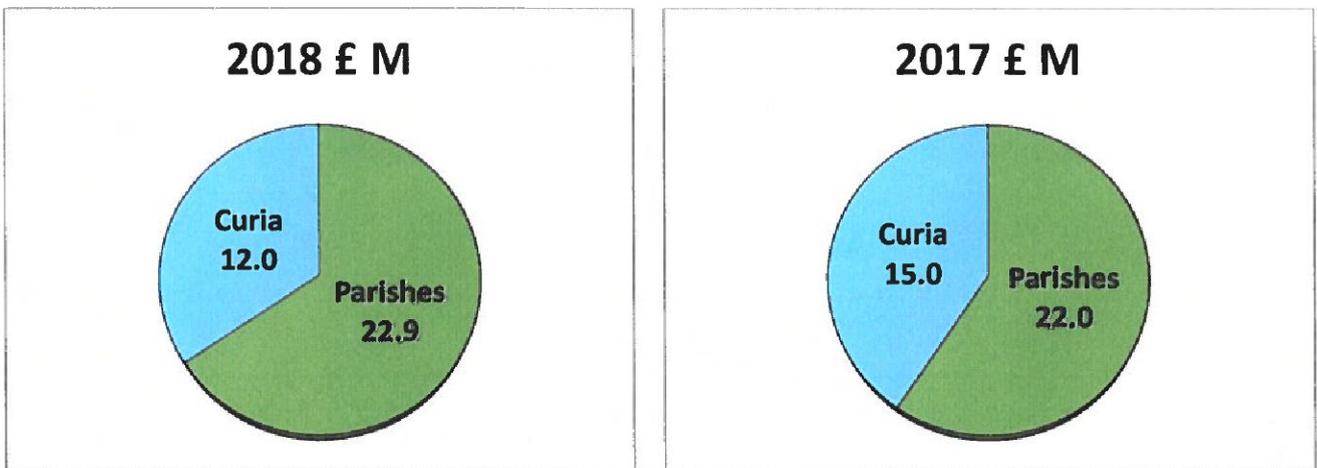
These accounts are for the year ended 31 December 2018. The comparative figures in the accounts are for the period from the 16 May 2017 (the date the CIO was incorporated) to 31 December 2017. On 6 October 2017, the assets and liabilities of Roman Catholic Diocese of Southwark Diocesan Trust registered Charity number 235468 were transferred into the Roman Catholic Archdiocese of Southwark CIO Charity number 1173050. The comparative figures in the charts and tables shown on pages 16-18 show the full year figures for 2017.

Income



2018 and 2017 Curia includes income from disposal of school sites

Expenditure



2018 and 2017 Curia includes school building expenditure

Parish income and expenditure

Income

Income by Type (£'000)	2018	2017	DIFFERENCE
Collections, donations and legacies	20,935	23,782	-12.0%
Grants receivable	0	385	-100%
Interest receivable	244	245	-0.4%
Rents receivable	1,020	950	7.4%
Rents receivable (occasional lettings)	1,342	1,252	7.2%
Other income from charitable activities	643	637	0.9%
Profit on disposal of fixed assets	362	0	-
Disposal of former school sites	0		
Total	24,546	27,251	-10.9%

Expenditure

Expenditure	2018	2017	DIFFERENCE
Church repairs	6,709	5,427	18.1%
Salaries & wages	2,736	2,764	-1.0%
Property costs	2,706	2,502	8.2%
Offerings paid to priests	1,931	2,010	3.9%
Church Supplies	1,231	1,159	6.2%
Education & training	558	568	-1.8%
Special collections for 3rd parties	1,721	1,708	0.8%
Telephone, stationery & cars	1,018	985	3.3%
Hall expenses	619	516	20.0%
Other parish expenses	500	1,320	-62.1%
Depreciation	809	802	0.9%
Household expenses	1,004	986	1.8%
House repairs & equipment	975	912	7.0%
Fundraising and Social	320	296	8.1%
Investment Management Fees	24	26	-0.8%
Total	22,861	21,981	4.0%

Curia income and expenditure

Income

Income	2018	2017	DIFFERENCE
Collections, donations and legacies	1,418	1,942	-26.9%
Interest receivable	643	823	-21.9%
Rents receivable	196	77	154.5%
Other income	257	122	110.7%
Disposal of former school sites	1,871	1,671	12.0%
Profit on disposal of fixed assets	537	0	-%
Total	4,921	4,635	6.2%

Curia Expenditure

Expenditure	2018	2017	DIFFERENCE
Schools building & maintenance	2,905	4,876	-67.8%
Clergy support	1,899	2,568	-26.1%
Education Service/Ctr Catholic Formation	1,990	1,539	29.3%
Youth service	196	196	0.0%
Church Repairs	318	1,161	-72.6%
Support costs	2,165	2,116	2.3%
Priests training	744	475	56.6%
House repairs & Equipment	481	666	-27.8%
Chaplaincies	192	414	-53.6%
Marriage tribunal	131	204	-35.6%
Catholic Trust England & Wales	182	167	9.0%
Other grants	213	353	-39.7%
Other expenses	286	22	1200.0%
Child protection	184	174	5.7%
Investment Management Fees	130	87	49.4%
Total	12,016	15,018	-20.0%

The Roman Catholic Archdiocese of Southwark – Report and Accounts

REPORT OF THE TRUSTEES

The Trustees present their Report & Accounts for the year ended 31 December 2018. The Statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) - Charities SORP FRS 102.

Structure, Governance and Management

The Roman Catholic Archdiocese of Southwark Charitable Incorporated Organisation (CIO) was established by a constitution dated 16 May 2017. On 6 October 2017, the assets and liabilities of Roman Catholic Diocese of Southwark Diocesan Trust registered Charity number 235468 were transferred into the CIO.

We take the view that the Charity and the local Church, which is sometimes called 'the Diocese', are two distinct entities. They are bound together by the will of the Archbishop of Southwark, who must intend throughout his period of office to govern the Charity, in conjunction with the other Trustees, in support of the Archdiocese, as this is understood in Catholic theology and Canon Law.

The Archdiocese owns those lands, buildings, and other forms of property, which it is necessary for the Church to have and to use, to fulfil the mission of the Church within the area covered by the Archdiocese of Southwark. This area comprises the unitary authority of Medway and the county of Kent, and those London boroughs and those parts of the London boroughs that lie to the south or to the south east sides of the river Thames. The Archdiocese consists of 175 parishes, which together cover the whole area.

Each Area Bishop is charged with establishing and maintaining and developing or furthering the educational and worshipping functions of the Church, but usually within a certain geographic area. This geographic area is the Bishop's Diocese.

The Archdiocese is governed by the Board of Trustees that has eight members. The Archbishop is empowered to appoint and remove all Trustees. The clergy Trustees are appointed for their expertise in parochial, spiritual and pastoral matters. The lay Trustees are appointed for their expertise in a number of different areas.

The Board of Trustees is responsible for formulating strategies and policies of the CIO. New Trustees are provided with terms of reference and a pack of information relating to the constitution, governance and operation of the trust. Trustees are expected to visit all central departments as well as being familiar with the work of parishes. The Trustees are updated regularly through courses both internally and externally updating their expertise in their own particular field and their responsibilities as Trustees. The Board of Trustees meets at least six times per year; in 2018 there were seven meetings.

The Archbishop also appoints the clerical trustees (three auxiliary bishops and the Vicar General) and his Private Secretary as members of the Archbishop's Council. The Archbishop's Council deals with local administrative, pastoral and disciplinary matters. Issues are referred to the full Trustee board if necessary. The Archbishop's Council meets approximately every two weeks. In 2018 there were 20 meetings of the Archbishop's Council.

The Archdiocesan Finance Committee meets once per month. This Committee consists of two Trustees, one of whom is chair, the other is the Vicar General and Chancellor of the Archdiocese, together with the officers of the CIO, namely the Financial Secretary, The Episcopal Vicar for Finance and Financial Controller, plus two lay members and two clergy members. This committee reports to the Board of Trustees and to the Archbishop direct via its officers.

The Archdiocese does not control, nor own, property owned by the many religious orders of the Church which have convents, abbeys, friaries, shrines, care homes, chapels, schools, retreat houses, and other property in

The Roman Catholic Archdiocese of Southwark – Report and Accounts

our geographic area. There is, therefore, a considerable commitment of resources, financial, material and human, from members of the Church within our Archdiocese, which is not reported here.

Achievements and Performance

The Archdiocesan achievements are set out in the review at the beginning of this annual report.

Key management personnel

The Trustees consider that the Trustees and the Senior Management Team consisting of the Financial Secretary, Episcopal Vicar for Finance, Director of Education and the Archdiocesan Property Manager comprise the key management personnel of the Charity in charge of directing, controlling, running and operating the Charity on a day-to-day basis. The pay of the senior staff is reviewed annually and normally increased in accordance with earnings in similar organisations in the sector to reflect a cost of living adjustment. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees expenses are disclosed in Note 16 of the accounts.

Use of volunteers

Those who are termed volunteers in other charities are in our Archdiocese the “lay faithful”, members of the worshipping community, which is the parish. Many parishioners help in all aspects of parish life and they are vital in our parishes which would not be able to operate without their assistance. Many parishioners are members of organisations in the parish that provide support to those need. The Trustees would like to express their sincere thanks to all parishioners for all the work they do in helping to build and maintain the parish community.

Fundraising

The Charity, mainly through its parishes, undertakes fundraising activity to its parishioners through fetes and other similar fundraising events. These are normally advertised through newsletters or from the pulpit. We did undertake some fundraising for the Clergy Support Campaign a few years ago and individuals committed to regular donations for a 4 year fixed period. A number of these donors have renewed their commitment.

The Archdiocese has registered with the Fundraising Regulator, www.fundraisingregulator.org.uk, and the principles set out in the Code of Fundraising Practice are adhered to.

In 2018 the Charity employed a full time member of staff to lead on the introduction of planned giving drives, being an initiative to encourage Parishioners to refresh the “time, talent and treasures” that they invest in their Parish. This is an entirely discretionary initiative, met from central funds but actioned by our Parishes on an “opt in” basis. The initiative will not bear fruit until 2019 financial year, due to set up and lead in time. The methodology covers three consecutive Sundays and consideration has been given to ensure compliance with GDPR.

We have not employed professional fundraisers and there is no failure to comply with fundraising standards or scheme for fundraising regulation to report. No fundraising related complaints were received in 2018.

Plans for the future

In 2019 we will:

- Following a tender process for the new accounting system in late 2018 we have now decided on the new accounting system and will be installed in the curia and the commissions and will be rolled out top the parishes
- Continue to develop plans as regards a potential new Archdiocesan Youth Retreat and Pastoral Centre

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- Carry out an external review of the Education Commission so that improve the way we work with our schools
- Implement the strategy regarding the Curial Archdiocesan property
- Establish a priest welfare team to support our sick and retired priests

FINANCIAL REVIEW OF THE YEAR ENDED 31 DECEMBER 2018

Investment Policy

The Trustees have issued an Investment Policy Statement in accordance with the requirements of the *Trustee Act 2000*. The Trustees' investment goal is to place emphasis on maximising total return through both income and capital growth. This strategy was adopted in 2017, replacing the previous approach, which favoured yield rather than capital growth. The Trustees require the portfolio to be managed so that they become shareholders only of companies which uphold ethical standards consistent with the Trust. The Trustees look after this issue by a structure of quarterly meetings between the Trustees' appointed officers and the investment managers. At these meetings, the officers and the managers consider each holding in the portfolio and the officers instruct Barclays Wealth as appropriate if disinvestment is required on ethical grounds.

Risk Management

The Trustees have assessed the major risks to which the Archdiocese is exposed, in particular those related to the operation and finances of the trust, and are satisfied that the systems are in place to mitigate the exposure.

The major risks can be categorised as financial (insufficient resources to meet our objectives), pastoral (insufficient priests to minister to the Catholic population and promote evangelisation) together with the risk of safeguarding failures in relation to children and vulnerable adults. Uncertainties include the impact of government policy on school provision and risks relating to recruitment of teachers in a competitive environment remain on the Trustees agenda. All have a potential impact on the delivery of our objectives and a variety of mitigating activities are in place.

Over the recent years, the Trustees have taken several initiatives to protect the value in the large number of buildings owned by the Charity. These include a points scoring system of assessing the condition of the fabric of the churches. Our initial impression is that most buildings are in a reasonable state of repair and the parishes are playing their full part in looking after them. Parishes tend to accumulate funds over a number of years before commencing building works, and often have large balances of money at the bank as a result.

Financial Performance

We refer to the statement of financial activities in the financial statements that follow and cover the year ended 31 December 2018. The comparatives are for the period from the 6 October 2017 to 31 December 2017.

Legacies, which were mainly credited to parishes, were £0.5m (2017 period £1.70m). Investment income remained static with the Archdiocese continuing to be adversely affected by the generally low level of interest rates in the economy.

Expenditure was £35.0m for the year (2017 period £9.50m) and the main areas of expenditure are in the areas of church repairs and supporting sick and retired priests. Overall, the Archdiocese had a surplus of £3.3m (2017 period £3.67m, to which was added £78.75m funds transferred from the predecessor entity giving a total surplus of £82.42m). The funds transferred of £78.75m represent the assets and liabilities of Roman Catholic Diocese of Southwark Diocesan Trust registered Charity number 235468 which were transferred into the Roman Catholic Archdiocese of Southwark CIO Charity on 6 October 2017.

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FINANCIAL REVIEW OF THE YEAR 2018 (Continued)

The adverse movement on investments reflected the fall in the stock market in December 2018.

Thus total funds carried forward total £85.77m (2017 £82.42m).

Reserves and Asset cover for Funds

The economic climate remains difficult for the Archdiocese. The very low rates of interest available on bank deposits have had a very significant adverse impact on income levels in recent years. At the same time financial markets remain volatile. The Trustees therefore need to balance readily accessible funds to meet cash flow requirements whilst endeavouring to ensure that the capital base of the Archdiocese is protected.

At 31 December 2018 the total net assets of the Archdiocese stood at £85.77m (2017 £82.42m). Of this £39.24m (2017 £39.26m) consists of fixed assets in the form of Churches and other property required for the purposes of the Church, without which the work of the Church could not continue. Investments, at £42.2m (2017 £37.17m), amount to approximately 14 months' expenditure, a level consistent with the Trustees' policy of holding one to two years' expenditure in reserve. Investments generate parish income and much of the income which is essential to most central Archdiocesan activities; they could not be realised for cash without depriving the Archdiocese of income needed to support the salaries of Archdiocesan employees.

Net current assets (including cash reserves) amounted to £4.37m (2017 £5.99m). It has been necessary in the present situation to hold large sums in the form of immediately available cash, because of the risk factors in building works. It is very difficult for our Charity to get major financing of building projects, and so sufficient sums have to be accumulated from parish collections and other sources before there is any commitment to building. Parish net current assets amounted to £11.42m (2017 £11.22m). Central Archdiocesan funds had net current liabilities of £7.02m (2017 £5.2m). The net current assets of parishes represent an average of around £65,000 (2017 £60,000 per parish).

For further detail see notes 13 to 15 of the Accounts.

Note 13 shows the unrestricted funds total of £7.7m (2017£1.9m).

The Archdiocese has a number of restricted funds totalling £9.14m (2017 £10.34m) of which the main funds are:

Ecclesiastical Education

This fund meets the costs of students at Seminaries training to be priests for the Archdiocese and ongoing training for Clergy. Its income derives from investments.

Clergy Support Fund

A legacy specifically restricted to helping clergy in need has been invested and the income is applied to the Clergy Support Fund. Income is also derived from the Clergy Support Campaign, which raised over £480,000 in 2018. These funds are utilised in helping towards the costs of our retired and sick clergy

Mass Funds

Income received on investments provided by donors is paid to priests who offer masses for the intentions of the donors.

To sum up, Trustees regard the present level of reserves cover is appropriate, and take the view that it should, when circumstances permit, be further increased.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Select suitable accounting policies and apply them consistently;

Observe the methods and principles in the Charities SORP

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that this basis applies.

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

The Archdiocesan Finance Committee meeting on 21 October 2019 recommended the accounts for approval by the Trustees. The Board of Trustees meeting on 23 October 2019, approved this statement of responsibilities, together with the Report and the Review and the Accounts, and the four appendices.


.....
Most Reverend John Wilson
Trustee

23 October 2019

Opinion

We have audited the financial statements of the Roman Catholic Archdiocese of Southwark for the period ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2018 and of the Charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Responsibilities of Trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the Charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the Charity 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.

Use of our report

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

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

29 October 2019

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

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STATEMENT OF FINANCIAL ACTIVITIES

FOR THE PERIOD ENDED 31 DECEMBER 2018

		Archdiocesan Funds				12 months	3 months
Notes		Unrestricted Funds £	Restricted Funds £	Parish Funds £	Charitable Trading £	2018 Total £	2017 Total £
<u>INCOME FROM</u>							
<i>Donations and legacies</i>							
		449,917	570,210	20,471,457	-	21,491,584	5,337,234
	1.3	-	-	328,847	-	328,847	6,671
		232,837	165,401	135,536	-	533,774	1,685,216
<i>Investment income</i>							
		486,358	156,380	244,260	-	886,998	533,963
	2	196,290	-	1,020,464	-	1,216,754	256,743
<i>Other Trading Activities</i>							
		-	-	1,342,565	-	1,342,565	312,921
<i>Charitable activities</i>							
		-	-	638,315	-	638,315	158,742
		-	-	-	48,880	48,880	12,227
<i>Other</i>							
	3	-	-	-	-	-	78,752,688
		256,548	-	2,687	-	259,235	121,549
		536,883	-	362,182	-	899,065	-
		-	1,870,955	-	-	1,870,955	-
		<u>2,158,833</u>	<u>2,762,946</u>	<u>24,546,313</u>	<u>48,880</u>	<u>29,516,972</u>	<u>87,177,954</u>
<u>EXPENDITURE ON</u>							
	4	97,238	34,682	344,995	-	476,915	162,685
	4&5	8,521,263	3,363,270	22,516,184	124,737	34,525,454	9,340,226
		<u>8,618,501</u>	<u>3,397,952</u>	<u>22,861,179</u>	<u>124,737</u>	<u>35,002,369</u>	<u>9,502,911</u>
		<u>(6,459,668)</u>	<u>(635,006)</u>	<u>1,685,134</u>	<u>(75,857)</u>	<u>(5,485,397)</u>	<u>77,675,043</u>
		(824,727)	(501,206)	(589,441)	-	(1,915,374)	355,018
		10,749,506	-	-	-	10,749,506	4,388,875
		<u>3,465,111</u>	<u>(1,136,212)</u>	<u>1,095,693</u>	<u>(75,857)</u>	<u>3,348,735</u>	<u>82,418,936</u>
NET (EXPENDITURE)/INCOME							

The Roman Catholic Archdiocese of Southwark – Report and Accounts
STATEMENT OF FINANCIAL ACTIVITIES (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2018

	Notes	Archdiocesan Funds Unrestricted Funds £	Restricted Funds £	Parish Funds £	Charitable Trading £	12 months 2018 Total £	3 months 2017 Total £
NET (EXPENDITURE)/INCOME		3,465,111	(1,136,212)	1,095,693	(75,857)	3,348,735	82,418,936
Transfers	8	2,344,776	(65,294)	(2,361,482)	82,000	-	-
NET MOVEMENT IN FUNDS		5,809,887	(1,201,506)	(1,265,789)	6,143	3,348,735	82,418,936
RECONCILIATION OF FUNDS							
Funds brought forward		1,898,324	10,345,054	70,147,787	27,771	82,418,936	-
FUNDS CARRIED FORWARD		<u>£7,708,211</u>	<u>£9,143,548</u>	<u>£68,881,998</u>	<u>£33,914</u>	<u>£85,767,671</u>	<u>£82,418,936</u>

The notes form part of these accounts.

The Statement of Financial Activities includes all gains and losses recognised in the year.

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BALANCE SHEET
AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	9		39,235,548		39,261,153
Investments	10		42,155,439		37,171,214
			<u>81,390,987</u>		<u>76,432,367</u>
CURRENT ASSETS					
Debtors	11	3,310,177		4,565,585	
Cash at bank and in hand		5,540,645		15,807,458	
		<u>8,850,822</u>		<u>20,373,043</u>	
CREDITORS: Amounts falling due within one year	12	(4,474,138)		(14,386,474)	
NET CURRENT ASSETS			4,376,684		5,986,569
NET ASSETS			<u>£85,767,671</u>		<u>£82,418,936</u>
FUNDS					
Unrestricted	13		7,708,211		1,898,324
Restricted	14		9,143,548		10,345,054
Parish Funds			68,881,998		70,147,787
Charitable trading			33,914		27,771
			<u>£85,767,671</u>		<u>£82,418,936</u>

Approved by the Trustees on 23 October 2019 and signed on their behalf by:


 Most Reverend John Wilson
 Trustee
 The notes form part of these accounts.

The Roman Catholic Archdiocese of Southwark – Report and Accounts

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	12 months 2018 £	3 months 2017 £
Cash flows from operating activities		
Net cash provided by(used in) operating activities: (see below)	(5,310,975)	(2,424,754)
Cash flows from investing activities		
Dividends, interest and rents from investments	886,998	533,963
Purchase of property	(1,629,540)	(14,973)
Proceeds from sale of property	588,431	-
Purchase of investments	(7,773,116)	(59,775)
Proceeds from sale of investments	11,586,634	-
Net cash provided by(used in) investing activities	3,659,407	459,215
Cash flows from financing activities		
Repayments of borrowings	-	-
Cash flows from new borrowing	-	-
Receipt of endowment	-	-
Net cash provided by(used in) financing activities	-	-
Change in cash and cash equivalents in reporting period	(1,651,568)	(1,965,539)
Cash and cash equivalents at beginning of reporting period	7,192,213	9,157,752
Cash and cash equivalents at end of reporting period	5,540,645	7,192,213
Reconciliation of net incoming resources to cash flow from operating activities		
Net (expenditure)/ income for reporting period(as in SOFA)	3,348,735	82,418,936
Adjustments for:		
Depreciation	1,103,103	269,766
Returns on investments	(8,834,132)	(4,743,893)
Dividends	(886,998)	(533,963)
Net Gain on Disposal of school sites and Fixed Assets	-	-
Transfer from predecessor entity	-	(78,752,688)
(Increase)/Decrease in Debtors	1,255,408	(3,475,783)
Increase/(Decrease) in Creditors	(1,297,091)	2,392,871
Net Cash provided by/(used in) operating activities	(5,310,975)	(2,424,754)

ANALYSIS OF CHANGES IN CASH AT BANK AND IN HAND

	2018 £	Cash flow £	2017 £	Cash flow £	2017 £
Cash at bank and in hand	5,540,645	(10,266,813)	15,807,458	(1,498,137)	17,305,595
Short-term bank loans and overdrafts	-	8,615,245	(8,615,245)	(467,402)	(8,147,843)
	5,540,645	(1,651,568)	7,192,213	(1,965,539)	9,157,752
					Transfer from predecessor entity

**NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES

1.1 Basis of Accounting

The financial statements have been prepared in accordance with all statutory requirements and with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102) (Effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The Roman Catholic Archdiocese of Southwark meets the definition of a public benefit entity under FRS102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Basis of consolidation

The Roman Catholic Archdiocese of Southwark has a subsidiary – St George’s Cathedral Car Park Limited registered company number 2705778. Consolidated accounts have not been prepared on the grounds of materiality

1.2 Preparation of the accounts on a going concern basis

Having considered future budgets and cash flows, the Trustees confirm that they have no material uncertainties about the entity’s ability to continue as a going concern for the foreseeable future.

1.3 Income

Donations

Donations are recognised when receivable or when the Archdiocese becomes legally entitled to them and they can reasonably be measured in financial terms. Receipts of property, investments or other gifts in kind are included at market value.

Legacies

For legacies, entitlement is considered to be earlier of when either:

- a) Notification has been received from the executor that probate has been granted and the Charity is expected to receive a distribution: or
- b) A distribution has been received from the estate

Receipt of a legacy is only considered probable when the executors have indicated that there are sufficient assets in the estate to make a distribution. Where legacies have been notified to the Charity, but the criteria or income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Life interests are not recognised until the cessation of the life interest: they are then valued as residuary legacies.

Grants

Grants are recognised when receivable.

Investment income

Investment income is accounted for as it accrues.

1.4 Expenditure

Costs of raising funds comprise those costs associated with attracting voluntary income and the management of the Charity's investments.

Costs of charitable activities consist of all expenditure directly relating to the objects of the Charity. Support costs that cannot be directly allocated are apportioned between the different areas on the basis of the Trustees' estimate of the time spent on the relevant functions.

Governance costs include expenditure on management and compliance with constitutional and statutory requirements and are now part of support costs.

Irrecoverable VAT is included with the category of expenses to which it relates.

1.5 Schools Building Programme

The Archdiocese assists schools undertaking major projects by meeting the costs and claiming grants on behalf of the schools. These grants are netted off against the cost and only the net costs to the Archdiocese are included in the financial statements.

1.6 Tangible Fixed Assets

Prior to 31 December 1996, the cost of fixed assets was written off in the year of acquisition and no comprehensive cost records were maintained. In order to arrive at a reasonable valuation of parish property, taking into account age, type, condition and life expectancy, the Trustees considered that present insured values should be discounted by 90% and in subsequent years be depreciated at 2% per annum. Properties acquired after 31 December 1996 are capitalised at their actual cost of acquisition. The value of buildings includes all fixtures and fittings and organs, which form part of the fabric of the building.

The Archdiocese owns a number of properties which are occupied and run by independent charities in the form of Voluntary Aided Schools. The School properties (land and buildings) are vested in the name of the Charity. The Archdiocesan Trustees cannot take a unilateral decision to dispose of these properties. Disposal can only occur if the school governors and the Secretary of State for Education decide that all or part of a school site is no longer required for education. In most circumstances, where a disposal occurs, the Secretary of State or the local authority may be entitled to recoup grant. Although no rights of ownership vest in the school governing body, most other rights and obligations, such as for the maintenance and repair of the school and its facilities, are passed to the governors. The Trustees therefore consider that there is no capital value to the Archdiocese in the stock of school buildings. Thus these properties have not been capitalised. There is a potential value, or contingent asset, in the event of a closure of a school (either connected to a re-organisation or not). Such an asset is recognised only upon the occurrence of a closure/re-organisation and the site's development value becoming certain, such as upon the granting of planning permission. The recognition of this value is accounted for as an incoming resource in the year in which this value becomes measurable and certain.

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

Freehold buildings	50 years
Long leasehold	50 years

1.7 Financial instruments

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

1.8 Investments

Quoted investments are valued at their middle market price on the balance sheet date. Investment properties are stated at a Trustees' valuation. Unrealised gains/losses on investments are calculated as the difference between opening market value and closing market value after adjusting for additions and disposals during the year, less investment management and administration costs. No distinction is made between realised and unrealised gains in the Statement of Financial Activities.

Debtors

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

Cash and cash equivalents

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

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.9 Fund accounting

Designated Funds

These are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or prospects.

Restricted Funds

These are funds where the income is restricted by the conditions imposed by the donors. Further details of the restricted funds are show in note 14 to the accounts.

Parochial Funds

Each parish is considered by canon law to be a juridical person with corresponding rights and obligations, including the holding and use of funds. The use of these parochial funds is the responsibility of the parish priest, Archdiocesan Finance Committee, College of Consultors and the Archbishop in varying ways depending on the amount and significance of the funds. They therefore constitute a form of restricted fund.

1.10 Charitable Trading

The charitable trading activities have been shown in a separate column of the Statement of Financial Activities. Sales of goods are accounted for in the period in which the relevant services or goods are provided or supplied and are stated net of, discounts or other allowances.

The Roman Catholic Archdiocese of Southwark – Report and Accounts

NOTES TO THE ACCOUNTS (Continued) FOR THE PERIOD ENDED 31 DECEMBER 2018

1.11 Pensions

Certain staff are members of personal pension schemes to which they make contributions. The Archdiocese contributes an additional amount to the employee's contribution but has no commitment to make good any shortfall in funding.

Some staff employed in the educational work of the Archdiocese are members of the Department for Education and Skills Teachers' Superannuation Scheme (TPA), which is a defined benefits scheme. The Department instructs the Archdiocese as to the level of employer's contribution, which the Archdiocese is obliged to make, but the Archdiocese does not have any commitment to make good an actuarial deficit, nor is it entitled to benefit from surplus funding. For the purposes of complying with relevant accounting standards, the TPA is accounted for as a defined contribution scheme as the employer is not responsible for or entitled to receive benefit for any deficit or surplus of the scheme.

1.12 Significant judgements

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

Fixed asset depreciation. Judgement is applied when assigning anticipated average lives to the fixed assets of the Charity.

2. INCOME

Investment Income and Interest Receivable

	12 months 2018	3 months 2017
	£	£
Arising on quoted investments	841,164	500,237
Bank interest	10,685	5,645
Other interest	35,149	28,081
	886,998	533,963
	886,998	533,963

3. TRANSFER FROM PREDECESSOR ENTITY

	£	£
Fixed assets		
Cost	-	53,943,825
Accumulated depreciation	-	(14,427,879)
	-	39,515,946
Investment properties	-	-
Investments at market value	-	32,367,546
Cash at bank and in hand	-	17,305,595
Short term bank loans and overdrafts	-	(8,147,843)
Debtors	-	1,089,802
Creditors	-	(3,378,358)
	-	78,752,688
	-	78,752,688

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NOTES TO THE ACCOUNTS (Continued)

FOR THE PERIOD ENDED 31 DECEMBER 2018

The Roman Catholic Archdiocese of Southwark Charitable Incorporated Organisation (CIO) was established by a constitution dated 16 May 2017. On 6 October 2017, the assets and liabilities of Roman Catholic Diocese of Southwark Diocesan Trust- the predecessor Charity- registered Charity number 235468 were transferred into the CIO.

4. EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	Parochial Funds £	Charitable Trading £	12 months 2018 Total £
Raising Funds					
Investment Management Fees	97,238	34,682	24,119	-	156,039
Fundraising & Social	-	-	320,876	-	320,876
	<u>97,238</u>	<u>34,682</u>	<u>344,995</u>	<u>-</u>	<u>476,915</u>

	Staff Costs £	Other £	Depreciation £	12 months 2018 Total £
Raising funds	-	476,915	-	476,915
Direct Charitable Expenditure Costs in furtherance of objects (see also Note 5)	4,349,934	29,896,955	273,859	34,525,454
	<u>4,349,934</u>	<u>30,378,576</u>	<u>273,859</u>	<u>35,002,369</u>

The Roman Catholic Archdiocese of Southwark – Report and Accounts

NOTES TO THE ACCOUNTS (Continued)

FOR THE PERIOD ENDED 31 DECEMBER 2018

4. EXPENDITURE(Continued)

	Unrestricted Funds £	Restricted Funds £	Parochial Funds £	Charitable Trading £	3 months 2017 Total £
Raising Funds					
Investment Management Fees	43,358	32,437	12,818	-	88,613
Fundraising & Social	-	-	74,072	-	74,072
	<u>43,358</u>	<u>32,437</u>	<u>86,890</u>	<u>-</u>	<u>162,685</u>

	Staff Costs £	Other £	Depreciation £	3 months 2017 Total £
Raising funds	-	162,685	-	162,685
Direct Charitable Expenditure Costs in furtherance of objects (see also Note 5)	1,201,579	7,868,881	269,766	9,340,226
	<u>1,201,579</u>	<u>8,031,566</u>	<u>269,766</u>	<u>9,502,911</u>

Direct charitable expenditure includes: Fees to the auditors (including VAT):	12 months 2018 £	3 months 2017 £
- Audit	50,688	12,672
- Other	-	-
	<u>50,688</u>	<u>12,672</u>

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	12 months 2018 £	3 months 2017
Commissions consist of :		
Justice and Peace	29,583	7,424
Liturgy	2,500	-
Music	6,000	1,500
Ecumenical	11,484	3,981
Schools	1,673,357	280,530
Christian Education Centre	317,417	76,479
Other	5,123	2,483
	<u>2,045,464</u>	<u>372,397</u>

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NOTES TO THE ACCOUNTS (Continued)

FOR THE PERIOD ENDED 31 DECEMBER 2018

5. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

	Unrestricted Funds £	Restricted Funds £	Parochial Funds £	Charitable Trading £	12 months 2018 Total £	3 months 2017 Total £
Provision of Worship						
Upkeep of Buildings:						
- Church Supplies	-	-	1,231,001	-	1,231,001	289,779
- Church Repairs	-	-	6,709,121	-	6,709,121	1,356,699
- Hall Expenses	-	-	619,084	-	619,084	129,098
- Other	318,006	-	-	-	318,006	281,911
Other Parish Expenses	120,627	-	499,625	-	620,252	620,252
Depreciation	13,918	6,052	809,274	-	829,244	269,766
Support Costs allocated	569,582	-	-	-	569,582	137,552
	1,022,133	6,052	9,868,105	-	10,896,290	2,796,186
Clergy & Parish Support						
Priests' Training	-	734,041	-	-	734,041	118,746
Clergy Support	1,168,239	731,440	-	-	1,899,679	1,132,872
Clergy & Church Support:						
- Household	-	-	1,003,361	-	1,003,361	246,419
- House Repairs & Equipment	480,576	-	975,028	-	1,455,604	394,645
- Salaries & Wages	-	-	2,736,616	-	2,736,616	623,633
- Property costs	-	-	2,705,683	-	2,705,683	625,421
- Offerings paid to Priests	-	-	1,930,743	-	1,930,743	502,508
- Other	133,990	11,370	-	-	145,360	71,461
Support Costs allocated	797,415	-	-	-	797,415	195,748
	2,580,220	1,476,851	9,351,431	-	13,408,502	3,911,453
Pastoral Care & Community Support						
Commissions (see above)	2,045,464	-	-	-	2,045,464	372,398
Child Protection	183,872	-	-	-	183,872	43,610
Chaplaincies	191,773	-	-	-	191,773	103,453
Marriage Tribunal	130,735	-	-	-	130,735	50,931
Education & Training	-	9,412	557,628	-	567,040	143,115
Special collections for 3rd parties	-	-	1,720,578	-	1,720,578	427,050
Telephone, stationery & cars	-	-	1,018,542	-	1,018,542	246,128
Catholic Trust England & Wales	182,038	-	-	-	182,038	41,861
Other Grants	157,878	-	-	-	157,878	88,956
Youth Service	195,650	-	-	-	195,650	48,934
Support Costs allocated	341,750	-	-	-	341,750	84,647
	3,429,160	9,412	3,296,748	-	6,735,320	1,651,083
Schools Programme						
Schools building & maintenance	1,034,084	1,870,955	-	-	2,904,939	842,861
Support Costs allocated	455,666	-	-	-	455,666	111,101
	1,489,750	1,870,955	-	-	3,360,605	953,962
Charitable Trading Costs						
Catholic Formation	-	-	-	124,737	124,737	27,542
	8,521,263	3,363,270	22,516,284	124,737	34,525,454	9,340,226

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NOTES TO THE ACCOUNTS (Continued)

FOR THE PERIOD ENDED 31 DECEMBER 2018

5. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

	Unrestricted Funds £	Restricted Funds £	Parochial Funds £	Charitable Trading £	3 months 2017 Total £
Provision of Worship					
Upkeep of Buildings:					
- Church Supplies	-	-	289,779	-	289,779
- Church Repairs	-	-	1,356,699	-	1,356,699
- Hall Expenses	-	-	129,098	-	129,098
- Other	281,911	-	-	-	281,911
Other Parish Expenses	-	-	331,381	-	331,381
Depreciation	69,075	1,513	199,178	-	269,766
Support Costs allocated	137,552	-	-	-	137,552
	488,538	1,513	2,306,135	-	2,796,186
Clergy & Parish Support					
Priests' Training	-	118,746	-	-	118,746
Clergy Support	271,454	861,418	-	-	1,132,872
Clergy & Church Support:					
- Household	-	-	246,419	-	246,419
- House Repairs & Equipment	166,618	-	228,027	-	394,645
- Salaries & Wages	-	-	623,633	-	623,633
- Property costs	-	-	625,421	-	625,421
- Offerings paid to Priests	-	-	502,508	-	502,508
- Other	1,250	2,729	67,482	-	71,461
Support Costs allocated	195,748	-	-	-	195,748
	635,070	982,893	2,293,490	-	3,911,453
Pastoral Care & Community Support					
Commissions (see above)	372,398	-	-	-	372,398
Child Protection	43,610	-	-	-	43,610
Chaplaincies	103,453	-	-	-	103,453
Marriage Tribunal	50,931	-	-	-	50,931
Education & Training	-	1,112	142,003	-	143,115
Special collections for 3rd parties	-	-	427,050	-	427,050
Telephone, stationery & cars	-	-	246,128	-	246,128
Catholic Trust England & Wales	41,861	-	-	-	41,861
Other Grants	88,956	-	-	-	88,956
Youth Service	48,934	-	-	-	48,934
Support Costs allocated	84,647	-	-	-	84,647
	834,790	1,112	815,181	-	1,651,083
Schools Programme					
Schools building & maintenance	2,467	840,394	-	-	842,861
Support Costs allocated	111,101	-	-	-	111,101
	113,568	840,394	-	-	953,962
Charitable Trading Costs					
Catholic Formation	-	-	-	27,542	27,542
	2,071,966	1,825,912	5,414,806	27,542	9,340,226

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NOTES TO THE ACCOUNTS (Continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

6. SUPPORT COSTS	12 months 2018 £	3 months 2017 £
Diocesan Administration		
- General	771,151	203,366
- Staff Costs	769,763	124,542
Archbishop and Area Bishops costs	298,952	122,873
Depreciation	273,859	65,595
Governance costs	50,688	12,672
	<u>2,164,413</u>	<u>529,048</u>
Allocated as follows:	£	£
Expenditure on Charitable Activities		
Provision of Worship	569,582	137,552
Clergy and Parish Support	797,415	195,748
Pastoral Care and Community Support	341,750	84,647
Schools Programme	455,666	111,101
Charitable Trading Costs	-	-
	<u>2,164,413</u>	<u>529,048</u>

7. STAFF

The average number of employees of the Archdiocese during the year and their aggregate emoluments are shown below:

Staff Costs:	Archdiocese £	Parish £	Charitable Trading £	12 months 2018 Total £
Wages and salaries	2,152,485	2,464,589	-	4,617,074
Social security	203,062	100,236	-	303,298
Pension costs	132,449	16,458	-	148,907
	<u>2,487,996</u>	<u>2,581,283</u>	<u>-</u>	<u>5,069,279</u>
Staff Costs:	Archdiocese £	Parish £	Charitable Trading £	3 months 2017 Total £
Wages and salaries	478,156	575,457	53,312	1,106,925
Social security	44,094	22,200	4,994	71,288
Pension costs	19,258	3,640	468	23,366
	<u>541,508</u>	<u>601,297</u>	<u>58,774</u>	<u>1,201,579</u>

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NOTES TO THE ACCOUNTS (Continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

7. STAFF (continued)

Average number of employees	12 months 2018 Number	3 months 2017 Number
Administration	13	11
Diocesan agencies	80	83
Parish employees (mainly domestic and secretarial)	293	295
Charitable trading	8	9
	394	398
	394	398

The numbers of employees earning £60,000 or more during the year were as follows:

£110,000 - £120,000	1	-
£70,000 - £80,000	1	-
£60,001 - £70,000	2	-
	=====	=====

Key management personnel salary, employer's national insurance and pension contribution costs amounted to £252,222.

8. TRANSFERS FROM/ (TO) PARISH FUNDS

	12 months 2018 Total	3 months 2017 Total
Clergy Support	420,533	-
Diocesan Development Fund	2,071,161	-
Episcopal Support	173,983	-
Net loan interest to parishes	(292,195)	(135,087)
Other	(12,000)	2,984
	£2,361,482	£(132,103)
	£2,361,482	£(132,103)

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NOTES TO THE ACCOUNTS (Continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

9. TANGIBLE FIXED ASSETS

	Archdiocesan Property £	Parish Property And Equipment £	Total £
Cost/valuation			
At 1 January 2018	14,117,446	39,841,352	53,958,798
Additions	1,297,856	331,684	1,629,540
Disposals	(60,685)	-	(60,685)
Transfer to investment property	(663,225)	-	(663,225)
At 31 December 2018	<u>14,691,392</u>	<u>40,173,036</u>	<u>54,864,428</u>
Depreciation			
At 1 January 2018	2,675,804	12,021,841	14,697,645
Charge in year	293,829	809,274	1,103,103
Disposals	(9,137)	-	(9,137)
Transfer to investment property	(162,731)	-	(162,731)
At 31 December 2018	<u>2,797,765</u>	<u>12,831,115</u>	<u>15,628,880</u>
Net Book Value			
As at 31 December 2018	<u>£11,893,627</u>	<u>£27,341,921</u>	<u>£39,235,548</u>
Net Book Value			
As at 31 December 2017	<u>£11,441,642</u>	<u>£27,819,511</u>	<u>£39,261,153</u>

The Archdiocese also owns a number of properties, which are occupied and run by independent charities in the form of Voluntary Aided Schools. The Trustees consider that these properties have no capital value to the Archdiocesan Charity – see Accounting Policy 1.6. The total insurance value of these schools is £218m. Apart from a small proportion used for management and administration, all fixed assets are used in direct furtherance of the Charity's objects.

The Archdiocesan property includes long leaseholds at a cost of £3,869,202 and a net book value of £3,268,850.

NOTES TO THE ACCOUNTS (Continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

10. INVESTMENTS

	2018
	£
Investment properties (at Trustees' valuation)	
Brought forward	6,360,000
Additions	-
Transfer from fixed assets	500,494
Revaluation	10,749,506
	<u>17,610,000</u>
Quoted investments (see below)	24,545,439
	<u>42,155,439</u>

The breakdown of quoted investments is as follows:

	2018
	£
UK fixed interest stocks	418,813
UK equities	16,841,829
Overseas equities and fixed interest stocks	1,650,660
Portfolio bank accounts	5,634,137
	<u>24,545,439</u>

Quoted investments at market value:

	2018
	£
Opening balance at 1 January 2018	30,811,214
Additions	7,773,116
Disposals	(12,123,517)
Unrealised losses on investments	(1,915,374)
	<u>£24,545,439</u>
Balance at 31 December 2018	<u>£24,545,439</u>
Cost of investments at 31 December 2018	<u>£23,609,287</u>
Unrealised gains	<u>£936,152</u>

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NOTES TO THE ACCOUNTS (Continued)
FOR THE PERIOD ENDED 31 DECEMBER 2018

10. INVESTMENTS (Continued)

All quoted investments (other than cash) are listed on a recognised Stock Exchange or are valued by reference to investments listed on a recognised Stock Exchange. Investments other than holdings of fixed interest Government stocks, representing more than 5% of the portfolio value are shown below:

iSharePLC - iShares Core S&P 500 UCITS ETF 6.65%

A figure for the cost of investment properties owned at 1 January 1997 is not available.

SUBSIDIARY COMPANY

The Charity owns 100% of the Issued share capital in St George’s Cathedral Car Park Limited. The company had net liabilities of £2,281 at 31 December 2018. Consolidated accounts have not been prepared on the grounds of materiality.

11. DEBTORS

	2018 £	2017 £
Grants due on school projects	911,430	1,111,935
Other debtors, prepayments and accrued income	2,345,135	3,427,331
Charitable trading debtors	53,612	26,419
	<u>3,310,177</u>	<u>4,565,585</u>

Included in other debtors, prepayments and accrued income are balances totalling £1,023,945, which are due after one year.

12. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Short-term bank loans and overdrafts	-	8,615,245
Loans to the Archdiocese and Parishes from third parties	926,720	865,834
Other creditors	1,669,761	2,413,966
School Building Projects	1,877,657	2,491,429
	<u>4,474,138</u>	<u>14,386,474</u>

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NOTES TO THE ACCOUNTS (Continued)

FOR THE PERIOD ENDED 31 DECEMBER 2018

13. UNRESTRICTED FUNDS

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers and Investment Gains/Losses £	Balance at 31 December 2018 £
General	1,898,324	2,158,833	(8,618,501)	12,269,555	7,708,211

General

The General Fund includes the Diocesan Development Fund, which finances the School Building Programme.

	Transfer from predecessor entity 6 October 2017 £	Income £	Expenditure £	Transfers and Investment Gains/Losses £	Balance at 31 December 2017 £
General	2,832,930	630,899	(2,115,324)	549,819	1,898,324

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NOTES TO THE ACCOUNTS (Continued)

FOR THE PERIOD ENDED 31 DECEMBER 2018

14. RESTRICTED FUNDS

	Balance at 1 January 2018 £	Incoming Resources £	Resources Expended £	Transfers and Investment Gains/Losses £	Balance at 31 December 2018 £
Ecclesiastical Education	3,607,458	143,562	(768,723)	(153,530)	2,828,767
Clergy Support Fund	737,330	645,198	(651,250)	(50,125)	681,153
Ferrers Funds	533,536	18,922	(11,370)	-	541,088
Mass Funds	1,844,704	86,242	(86,242)	-	1,844,704
Parish Church Fund	52,622	-	-	-	52,622
Trust and Other Funds	3,272,570	(1,933)	(9,412)	(362,845)	2,898,380
Legion of Mary Fund	233,716	-	-	-	233,716
Education Fund	63,118	1,870,955	(1,870,955)	-	63,118
	<u>10,345,054</u>	<u>2,762,946</u>	<u>(3,397,952)</u>	<u>(566,500)</u>	<u>9,143,548</u>

	Transfer from predecessor entity 6 October 2017 £	Incoming Resources £	Resources Expended £	Transfers and Investment Gains/Losses £	Balance at 31 December 2017 £
Ecclesiastical Education	3,713,379	92,043	(183,619)	(14,345)	3,607,458
Clergy Support Fund	727,776	817,477	(818,990)	11,067	737,330
Ferrers Funds	519,763	16,502	(2,729)	-	533,536
Mass Funds	1,834,523	43,121	(43,121)	10,181	1,844,704
Parish Church Fund	52,622	-	-	-	52,622
Trust and Other Funds	3,170,316	98,635	(1,933)	5,552	3,272,570
Legion of Mary Fund	232,556	1,160	-	-	233,716
Education Fund	871,075	-	(807,957)	-	63,118
	<u>11,122,010</u>	<u>1,068,938</u>	<u>(1,858,349)</u>	<u>12,455</u>	<u>10,345,054</u>

Ecclesiastical Education

This fund meets the costs of students at Seminaries training to be priests for the Archdiocese and ongoing training for Clergy.

Clergy Support Fund

A legacy specifically restricted to helping clergy in need has been invested and the income is applied to the Clergy Support Fund. This income is insufficient to meet the needs of the Fund. As annual expenditure is invariably

14. RESTRICTED FUNDS(Continued)

Clergy Support Fund(Continued)

considerably in excess of the income generated, and is met from a specific parish assessment and allocations from Unrestricted Funds, all the income and expenditure is shown in the Unrestricted Funds column of the Statement of Financial Activities. The Fund also received £562,431 arising from the Clergy Support Fundraising Campaign and all of this was expended in the period in supporting the Archdiocese's sick and retired priests.

Ferrers Fund

The Archdiocesan Charity Trustees took over the administration of the Vyvyan Macleod Ferrers Deceased Almshouses Trust (former registered Charity number 265719) under a Charity Commission Scheme dated 24 February 2011.

Under the terms of the Scheme the property of the Fund is to be used for the public benefit:

- (a) To provide adapted accommodation for the beneficiaries: and/or
- (b) To make grants to the beneficiaries for goods and/or services;

In carrying out these objects the Trustees shall take all reasonable steps to ensure that the beneficiaries have their spiritual needs recognised and supported

Mass Funds

Income received on investments provided by donors is paid to priests who offer masses for the intentions of the donors.

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NOTES TO THE ACCOUNTS (Continued)

FOR THE PERIOD ENDED 31 DECEMBER 2018

14. RESTRICTED FUNDS (Continued)

Trust and Other Funds

The Archdiocese has a number of subsidiary and connected trust funds as well as some 22 other restricted funds, which have been received over many years from donors who have specified particular purposes for the funds.

Education Fund

This fund represents the net proceeds of sale from schools that have been closed. The funds will be allocated to the cost of building new schools.

Legion of Mary Fund

These funds are held on trust for the Legion of Mary's purposes or, if the Legion shall cease to exist or to carry out any charitable works in the area of the Archdiocese of Southwark, then for such similar charitable purposes to the Legion's Purposes, as the Trustees of the Archdiocese of Southwark shall decide.

15. ANALYSIS OF NET ASSETS

	Fixed Assets £	Investments £	Net Current Assets less loans £	Net Parish and Restricted Fund loans to the Diocese £	Total as at 31 December 2018 Total £
Unrestricted Archdiocesan funds	11,669,681	24,833,168	(7,023,536)	(21,771,102)	7,708,211
Restricted Archdiocesan funds	223,947	6,715,353	(57,639)	2,261,887	9,143,548
Parish funds	27,341,920	10,606,918	11,423,945	19,509,215	68,881,998
Charitable trading	-	-	33,914	-	33,914
Total Net Assets	£39,235,548	£42,155,439	£4,376,684	£-	£85,767,671

	Fixed Assets £	Investments £	Net Current Assets less loans £	Net Parish and Restricted Fund loans to the Diocese £	Total as at 31 December 2017 £
Unrestricted Archdiocesan funds	11,211,644	14,524,691	(1,919,329)	(21,918,682)	1,898,324
Restricted Archdiocesan funds	229,999	11,251,422	(3,338,557)	2,202,190	10,345,054
Parish funds	27,819,510	11,395,101	11,216,684	19,716,492	70,147,787
Charitable trading	-	-	27,771	-	27,771
Total Net Assets	£39,261,153	£37,171,214	£5,986,569	£-	£82,418,936

16. TRANSACTIONS WITH TRUSTEES

The Trustees of the Archdiocese are also priests in the Archdiocese conducting pastoral ministries. As priests they receive income in respect of their priestly work together with living accommodation, living expenses and reimbursement of costs on a similar basis as other priests of the Archdiocese. They do not receive any remuneration or benefits from their trusteeship.

17. TRUSTEE INDEMNITY INSURANCE

The insurers of the Archdiocese provide Trustees' indemnity insurance at nil premium. Therefore, no funds of the Charity have been used to purchase this insurance.

18. COMMITMENTS

At 31st December 2018 the projects for the School Building Programme had a budget cost going forward of £2.84m (2017 £3.54m) for the following twelve months. Of this sum, £2.49m (2017 £3.19m) is due to be funded by DFE grant, £0.35m (2015 £0.56m) will be recoverable from Governing bodies or other parties leaving £Nil (2017 £Nil) to be met by the Archdiocese over the next three years.

19. RELATED PARTY TRANSACTIONS

The Most Reverend John Wilson and The Reverend Monsignor Matthew Dickens VG, two of the Trustees are members of Kent Catholic Schools Partnership (KCSP). A credit facility was provided to KCSP. The balance due from KCSP at 31 December 2018 is £484,155.

The Reverend Paul Mason, one of the Trustees, is also a director of Kent Catholic Schools Partnership (KCSP). He stood down as a director on 18 July 2018.

The Most Reverend John Wilson and The Reverend Monsignor Matthew Dickens VG, two of the Trustees are members of St Matthew Academy. A payment of £700,000 was made to St Matthew Academy during the year.