



Westminster Roman Catholic Diocesan Trust

Annual Report & Accounts **2017**

About the Diocese of Westminster

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

Since the restoration of the Catholic Hierarchy in 1850, its bishop has often been appointed a Cardinal. His Eminence Cardinal Vincent Nichols is the eleventh Archbishop of Westminster, having been installed as Archbishop on 20 May 2009. In an increasingly cosmopolitan city, the diocese reflects wide ethnic and cultural diversity amongst its Catholic population.

The Diocese of Westminster is also a Metropolitan See, having as members of its Province the Dioceses of Brentwood, Northampton, Nottingham and East Anglia. The Archbishop's Council assists the Archbishop in the governance of the diocese. It is comprised of the Archbishop, the Auxiliary Bishops, the Vicar General, the Chairman of the Council of Priests, the Private Secretary and the Chief Operating Officer/ Financial Secretary.



Diocese of Westminster

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Reference and Administrative Information

Trustee

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

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

His Eminence Cardinal V Nichols

Rt Rev J Sherrington

Rt Rev N Hudson

Rt Rev P McAleenan

Rt Rev J Wilson

Rev Mgr J O'Boyle

Rev Mgr M Hayes

Lord Brennan QC

Miss L Ferrar

Rt Hon R Kelly

Mr C Kemball

Mr A Ndoca

COO/Financial Secretary

Mr P Camoletto CPA

Finance Director

Mrs M Luiz MSc

Principal address

Archbishop's House
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Westminster
London
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Charity registration number

233699

Audit and Risk Committee

Miss L Ferrar

Rt Rev J Sherrington

Mr K Ingram

Auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Principal investment managers

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Principal bankers

HSBC Bank plc
69 Pall Mall
London
SW1Y 5EY

Charity solicitors

Winckworth Sherwood LLP
Minerva House
5 Montague Close
London
SE1 9BB

Principal insurers

The Catholic National Mutual Limited
Level 5
Mill Court
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St Peter Port
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Cardinal's Introduction



Our world is full of signs of hope. They surround us every day. They come as daily strivings to establish, maintain, express or consolidate efforts to attain something both desired and difficult to achieve. No matter how fragmented our world, no matter how lacking in overall vision, there are countless fragments of hope.

What kinds of fragments do I mean? They are often the experiences of our daily lives to which we respond with warmth of heart, a quiet smile of gratitude and admiration: a neighbour's kindness, a friend's compassion, the utter generosity of a friend, the creativity of a gifted person brought to a good purpose. These stories do not fill our newspapers; but they do fill our hearts and encourage us along the way.

These fragments express the strivings of hope and are themselves generative of hope in others. We can see well enough how each of them is a tiny masterpiece designed to strengthen a hope that something difficult will be achieved: the relief of suffering, the faithfulness of love, the ending of poverty, the creation of new jobs or new wealth.

More challenging is to see how these tiny fragments are in fact pieces of a mosaic, the 'tesserae' which when brought together can make a fine and inspiring work of art. Indeed, through our relationships we assemble a larger picture, of which we are all part, thereby strengthening the generative capacity for hope.

In the social sphere, our identity as social beings, whose fulfilment is bound up with that of others, finds expression. More importantly in this place, hope is something carried by the community and not just by the individual. For a common project or goal that is difficult yet possible to attain, one week I may be full of hope and cheer you along; but the next week your commitment and belief stirs me from my apathy and despondency.

These are some of the ways in which we can bring together isolated fragments of hope into a wider and more coherent picture. The more we construct and contemplate that picture, the more we are encouraged to seize some of the difficult things we know are for our good and believe that they are achievable.

As St Thomas Aquinas reminds us, the ultimate good towards which hope compels us is the mystery of God. Hope directs us towards God, the source and summit of all good: Goodness itself. Our reason for hope, then, is the never-ending mercy of God, who pours out his life that we might see and live again.

In the pages of this Annual Report are the stories of people, groups and communities who strive to strengthen the signs of hope in every part of the diocese. Together, they form a mosaic of a Church whose service to the most vulnerable in our society is rooted in the love of Jesus Christ, who is the model of service and our ultimate hope.

I am most grateful to them all. I extend my gratitude, too, to those who compiled this report and the Annual Accounts.

+ Vincent Nichols

His Eminence Cardinal Vincent Nichols, Archbishop of Westminster

Mosaics are created by combining numerous small pieces of materials such as stone, glass and ceramics, to form a unified image or pattern. Many examples of this art form can be found in Westminster Cathedral. The classic mosaic material is smalti, small hand-cut pieces of coloured glass with an irregular finish that makes them a great reflector of light. Each individual smalti has a unique size, shape and colour, but by choosing and carefully placing smalti into a composition a skilled artist can transform humble materials, unremarkable in themselves, into a single image of beauty.

So it is with God and the Church. Although each person is made in the image and likeness of God, each is unique, not only in their outward appearance but also in their talents and abilities, their interests and passions, their faults and their imperfections. And how fortunate, for just as a diversity of smalti are required to create a mosaic of sublime beauty, a diversity of individuals are needed to contribute to the Church's work in the world: worship, stewardship, care and evangelisation.

God is a skilled artist. He takes all the diversity of people and combines them into the mosaic of the Church, his masterpiece. He calls each person to serve others as faithful stewards, so that together as one body we can strive to accomplish the Church's work in the world: worship, stewardship, care and evangelisation. This work, however, is not just a matter of organisation or cooperation between people. It is not merely human.

'There are different kinds of gifts, but the same Spirit distributes them. There are different kinds of service, but the same Lord. There are different kinds of working, but in all of them and in everyone it is the same God at work.' *1 Corinthians 12:4-6*

The Church is the living Body of Christ: in him alone does the Church have its unity. Christ is revealed through the pattern of the mosaic: its life, its purpose and its beauty.

'He is the one who holds the whole building together and makes it grow into a sacred temple dedicated to the Lord. In union with him you too are being built together with all the others into a place where God lives through his Spirit.'

Ephesians 2: 21-22

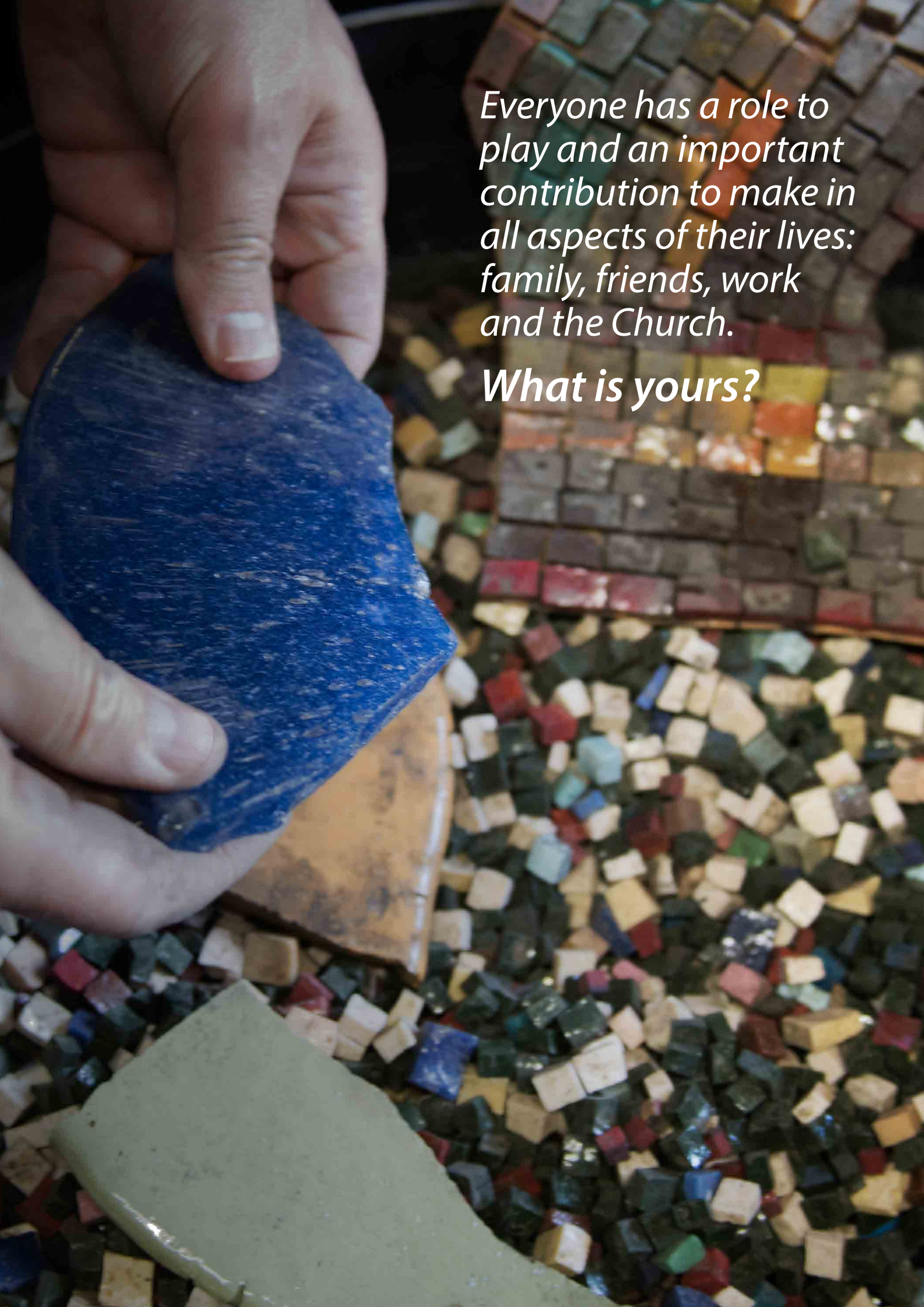
Though profoundly united in Christ, the faithful do not leave their individual identities. If the Church is to be a true reflection of Christ, everyone has an important contribution to make, according to their gifts, talents and abilities.

'For just as the body is one and has many members, and all the members of the body, though many, are one body, so it is with Christ.' *1 Corinthians 12:12*

The following pages contain some remarkable stories about individuals who have contributed to, or benefitted from, the shared work of the Church. From the victims of human trafficking to a gifted young student to venerable parishioners with over 50 years' service to the Church, all are part of the Church mosaic and each reflects the beauty at its heart.

As individuals we each have unique gifts, talents and abilities, and our own important contributions to make in all areas of our lives, to the glory of God. So when you read the stories and hear the testimonies of the beneficiaries, give some thought to what your gifts are, what role you have to play and what contribution you can make. Reflect on the unique way in which your abilities can shine the light of Christ into the world. All are invited. All are welcomed. And all are needed.

All the mosaics pictured in this annual report have been created from a selection of smalti that are being used to construct permanent mosaics in Westminster Cathedral.

A close-up photograph showing a person's hands holding a single, irregularly shaped blue mosaic tile. The tile has a textured, slightly mottled appearance. Below the hands is a large, dense pile of many small, multi-colored mosaic tiles in various shades including red, yellow, green, black, and white. The background is dark, making the colorful tiles stand out.

*Everyone has a role to
play and an important
contribution to make in
all aspects of their lives:
family, friends, work
and the Church.*

What is yours?

Purpose of the Charity

The Trust Deed of November 1940 sets out the purpose of the Westminster Roman Catholic Diocesan Trust charity as the advancement of the Catholic religion within the diocese.

The advancement of the Roman Catholic religion is most effectively achieved when Catholics, inspired by their faith and nurtured in relationship to Christ, extend the love of God to others around them, in their families, schools, local communities and in the care of the stranger. This practical faith reaches out to care for neighbours in need, to build community cohesion, to bring about peace and reconciliation where they are needed, and to work for the common good of society, all the while respecting every person's intrinsic human dignity.

A diocese is a district or an area under the pastoral care of a bishop. The Diocese of Westminster covers the boroughs of London north of the Thames and west of the Lea River, the Borough of Spelthorne in Surrey, and the County of Hertfordshire.

Living within the diocese are approximately half-a-million people who identify themselves as Catholics. Pastoral care for these Catholics, as well as people of all faiths and none, living in these communities, is primarily exercised through the 212 parishes, 209 schools, and social outreach agencies coordinated by Caritas Westminster.

Parishes are the focal point of local communities. A parish is the place where Catholics come together each Sunday to worship God in and through Jesus Christ, and where children are educated in the faith. It is also the base from which the Catholic community reaches out to all others in their local area, caring for those in need, working towards the common good and celebrating with neighbours.

Each parish is entrusted to the ministry of at least one parish priest, an active leader in the local community with responsibility not only for celebrating Mass and preparing eligible candidates to receive, and then for conferring upon them, the sacraments, but also for visiting people who are sick or in hospital, and for offering counsel to those experiencing pain, loss, hardship or other difficulties in their lives.

With such a social, ethnic and religious diversity within the diocese, developing social cohesion begins in the parish community and radiates outwards to embrace the wider local community. This is done in a variety of ways that include forming the character of children to live and thrive in a socially diverse society, as well as working with others in the community to deliver social outreach programmes.

Schools provide the environment where children learn and develop across a wide spectrum of disciplines, some more obvious, such as the academic disciplines, sports, music, and practical subjects. Schools are also where students learn to collaborate with others for the common good of all, becoming confident, mature citizens working for the good of society.

Catholic schools promote learning which exposes each pupil to a wide range of subjects at a high standard of rigour and excellence. Children are encouraged to integrate the knowledge they acquire in these subjects so that they form a better understanding of the culture in which they live.

Every person is called to serve others and contribute to the good of society in some unique way. A Catholic education forms the character of each student and helps each young person to discern the way in which he or she is called to serve. Students are encouraged to reach out in love and service to others in projects that promote the dignity and well-being of others in their local and global community. As students participate in this outreach they develop leadership skills that will help them grow into confident, mature citizens ready to serve society.

Caritas Westminster is the social outreach arm of the diocese. Through its own direct agencies, such as Caritas St Joseph's and Caritas Bakhita House, as well as by enabling initiatives in parishes and schools, Caritas Westminster works towards serving the needs of some of the most vulnerable members of society, sharing the love of God in practical ways, such as feeding the hungry, giving shelter to the homeless, helping rehabilitate victims of human trafficking, and enabling those with intellectual difficulties to grow.

Caritas Westminster promotes parish-based social action through local hubs and development workers which help to develop new, and support existing, social initiatives to make a difference in local communities, serving those who are most in need, regardless of religious or ethnic affiliation. This support includes providing training and developing resources for parish priests and volunteers, and providing opportunities for people to discover potential volunteering opportunities in their local community.

In this way Caritas Westminster supports the work of our parishes in reaching out to the most vulnerable and promotes cooperation with all other groups to deliver these services in local communities.

429,046

People who identify as Catholic in the diocese

91,650

Children in our schools

601

Caritas and parish social justice projects

146,230

People who attend Mass each Sunday on average

Over
40,000

Volunteering roles

Feeding the Hungry in Borehamwood

All 10 local authorities in Hertfordshire contain within their boundaries pockets of considerable deprivation, such as child poverty, overcrowding and welfare benefit dependence. The 2010 Index of Multiple Deprivation showed three of Borehamwood's four electoral wards as having areas of significant deprivation, including one ward ranked in the top 25% of the most deprived in the country. Since opening its doors five years ago, Borehamwood Foodbank has helped over 10,700 households.

'I was hungry and you gave me food, I was thirsty and you gave me drink, I was a stranger and you welcomed me ... Truly, I say to you, as you did it to one of the least of these my brothers, you did it to me.'

Feeding the Hungry in Borehamwood: A Story

No-one should have to go hungry. Unfortunately, however, every day individuals and families up and down the country are forced to go without essential nutrition. Among the most common reasons, cited by individuals, are being on a low income, debt, homelessness, and unexpected ill health or sickness.

Fortunately, a simple package of emergency food can make a big difference to people's lives, helping to prevent housing loss, family breakdown and mental health problems. Indeed, helping people in need has always been central to Christian vocation, for as Christ tells us, in serving those in need we serve Christ himself:

'I was hungry and you gave me food, I was thirsty and you gave me drink, I was a stranger and you welcomed me ... Truly, I say to you, as you did it to one of the least of these my brothers, you did it to me.' (Mt 25: 35-40)

Inspired by Christ's message the Elstree and Borehamwood Christian Council (EBCC) identified in 2012 the need for a foodbank in the local community. Thus was conceived the idea of what is now Borehamwood Foodbank, a registered charity, with its simple, all-encompassing objective: to ensure that no-one in the community is forced to go hungry.

Feeding the Hungry in Borehamwood: A Journey

Having identified the need, attention turned to assembling the resources necessary. First, premises belonging to the Catholic parishes of Borehamwood were offered to the foodbank as a permanent location. Second, two containers, in which supplies could be stored, were donated by a benefactor who also arranged and paid for electricity and plumbing to be installed. Third, funding and assistance were provided by Caritas Westminster, which gave a grant to help with set-up costs. Fourth, the local Tesco store was approached and agreed to provide a box where shoppers were encouraged to place donated food items. Last, but not least, volunteers came forward from the Catholic parishes and schools, other local Christian groups, the Jewish community and other faith groups, as well as individuals of no religious belief.

Highlights

4,845 Catechists in the diocese (4,590 in 2016). Each parish provides specific formation for its young parishioners before they make their first confession, receive First Holy Communion, and receive the sacrament of Confirmation.

8,997 First Holy Communions (8,892 in 2016). In their sacramental preparation children are taught the values of love and service of others, and a spirit of service and cooperation is instilled in them.

5,772 Confirmations (5,423 in 2016). This sacrament completes the process of becoming a full member of the Church that began with Baptism.



Expert advice and guidance were sought from the Trussell Trust, a charity that works to combat poverty and hunger right across the UK, and, upon its launch in April 2013, Borehamwood Foodbank joined a nationwide network of over 400 foodbanks supported by the trust.

As the foodbank became established in the community, a part-time employee was needed, and Caritas Westminster stepped in to provide an annual grant to help cover the cost. Steady growth in client numbers led to an increased demand for storage space, which was provided by converting the wooden structure adjacent to the church hall and by acquiring a third storage container. It became apparent that a steady source of donations, both in cash and in kind, would also be required. This demand was met through regular food collection drives at Tesco and by seeking (and being kindly granted) permission to hold a monthly collection at King's Cross station.

Highlights

700 Couples (671 in 2016) attended the Annual Mass for Matrimony at Westminster Cathedral, in celebration of significant wedding anniversaries (10th, 25th, 40th, 50th and 60th+).

919 Secondary school students (1,099 in 2016) attended Explore sessions with married couples to learn about the importance of marriage and the realities of married life.

4,877 Children and young adults (4,188 in 2016) attended Youth Ministry-led events around the diocese, designed to foster a greater sense of community and service.



Highlights

136 Parishes (57 in 2016) had social groups for the elderly, providing older isolated people with friendship and company.

37 Parishes (14 in 2016) ran or supported foodbanks in partnership with other organisations.

35 Parishes (13 in 2016) ran or supported winter night shelters in partnership with other organisations.

What began as a small project rooted in core Christian principles has, with the perseverance of the Catholic parishes of Borehamwood and the EBCC, flowered into a community-wide project involving the coordinated efforts of a diverse cross-section of the Borehamwood community. The local youth in particular have taken the foodbank's aims to heart: local Catholic schools regularly collect donations, competing against each other to see who can donate the most, and young people from the local Jewish community now set aside a percentage of the gift money they receive at their Bar and Bat mitzvahs towards combatting food poverty.

Currently the foodbank is open two sessions each week, with an average of 12 to 15 households helped in each session, supported by up to 15 volunteers. Not only do the volunteers assemble the food parcels, but they also offer clients a friendly face, a listening ear and a chance to chat over a cup of tea and a light meal while their food is collated and bagged up.

Crisis can strike anyone at any time, and it can be very difficult to consider going to a foodbank. That's why the foodbank's volunteers welcome clients with compassion and kindness, and are specially trained to signpost clients to local services that can provide the right support, helping them to break out of crisis.

As the need in the community continues to grow, so too does the provision and range of activities offered: for example, on Wednesdays during school holidays, the parish hosts lunch with a hot meal, crafts for children and, for parents, lessons in preparing simple, nutritious meals. These sessions ensure those who might go without food have something to eat and help build community cohesion.

Feeding the Hungry in Borehamwood: Testimony

Over the last five years, Borehamwood Foodbank has become much more than just a place that hands out food parcels: for example, when clients requested food that did not need cooking they were given a grant towards their fuel costs, a scheme that is now extended during the coldest months of the winter. The foodbank also helped to arrange the funeral of one of its clients who died without relatives, thanks also to a funeral grant from the Caritas St John Southworth Fund.

A young single mother and her child were given a home at St John Fisher & St Thomas More parish for six months while the mother got back on her feet, with rent and food being paid for by Caritas Westminster and the Catholic Children's Society. And another former client of the foodbank has subsequently become one of its trustees. His experience allows him to give the charity a unique insight into the circumstances that lead people to its doors, the best ways to engage with clients and the kind of additional support they often need.

Feeding the Hungry in Borehamwood: A Mosaic

Individuals or families in need of a food parcel are referred by a number of different agencies, such as the local council, community groups, churches, GP surgeries and children's centres. Each food voucher issued can be exchanged for three days of nutritionally balanced emergency food (nine meals in total). It is vital that clients are given the right food for their needs, and volunteers are able to cater for any special dietary requirements, such as gluten-free, halal or vegetarian.

Donations of non-perishable, in-date food from churches, synagogues, schools, individuals and businesses are often encouraged as part of seasonal religious celebrations, such as during the Harvest Festival and in the run-up to Christmas.

Gifts of food, toiletries, money, time, energy and skills are the lifeblood of the foodbank and in constant need of replenishment, as is the support of the volunteers to sort, check, label and pack items into bags ready to be given to clients, as is the help provided through partnerships with local groups and businesses.

Coordinating all these elements to keep the foodbank stocked and staffed is a complex logistical challenge, as is the operation of the charity itself, which requires trustees to oversee the day-to-day management and maintenance of the foodbank, monitor the data collection, processing and analysis, and ensure everything is properly recorded and accounted for. Without this network of dedicated, loyal and hardworking supporters, Borehamwood Foodbank would simply not be able to continue its essential work of helping its often vulnerable clients.

Highlights

260 Parish Safeguarding Representatives providing training and support in their parishes, each with a dedicated secure and confidential safeguarding email address.

27 New Parish Safeguarding Representatives recruited, trained and inducted.



Ending Human Trafficking: Bakhita House

In the UK during 2017 a total of 5,145 people were identified as potential victims of trafficking, a 35% increase on 2016. By year-end 2017, Bakhita House had welcomed and helped a total of 78 women, four babies born to women in its care and one toddler. During 2017, Bakhita House helped secure 6 convictions, based on evidence given by guests, that resulted in prison sentences totaling 47 years being handed to the traffickers involved.

Ending Human Trafficking: A Story

Human trafficking is the recruitment, transportation, harbouring or receipt of individuals for the purpose of exploitation, through the use of violence, force, coercion, fraud or deception, or through the abuse of power, position or trust. People may be trafficked for any of a number of exploitative activities, such as prostitution, domestic servitude, forced labour, forced begging or criminality, forced marriage, and forced organ removal.

There is no such thing as a typical victim of modern slavery, but victims are more common amongst the most vulnerable in society and within minority or socially excluded groups. In the UK last year potential victims were identified originating from over 100 different countries around the world, including the UK, which represented about 16% of all referrals to the National Referral Mechanism.

One of the most important things an ordinary civilian can do to help tackle human trafficking and modern-day slavery is to recognise the signs of a victim. This is particularly important for the faith community because the network of parishes and groups that make up this community are extremely close and locally focused, which allows for information to be shared on what to look out for in the local area.

Pope Francis described human trafficking as an 'open wound on the body of contemporary society' and called on all people of goodwill to join the fight against the evil. He entrusted the task of leading the Church's response to this scourge

to Cardinal Vincent Nichols and the Santa Marta Group. This group encourages cooperation between the Church, governments and police forces in over 30 countries in an effort to provide an organised response to eradicating the twin scourges of human trafficking and modern slavery. It was the Cardinal's wish that there should be a practical expression of this response in the Diocese of Westminster, and, in accordance with this wish, work was begun to acquire and refit premises for use as an emergency safe house for rescued female victims of human trafficking in the UK, somewhere that would provide a refuge for women rescued from any form of exploitation. The safe house accepted its first guests in June 2015.

Ending Human Trafficking: A Journey

Named after St Josephine Bakhita, patron saint of human trafficking survivors, the refitted premises can accommodate up to 12 guests at any one time. Guests must be female and must be either a victim or a suspected victim of human trafficking into, or modern slavery within, the UK.

Bakhita House cooperates closely with the Metropolitan Police Service to identify suspected victims. Since guests can arrive at any time of the day or night, staff are on duty 24 hours a day. By way of example, the police may discover a suspected victim during a late night raid, call to check whether a bed is available and then arrive at Bakhita House within the hour.

Upon arrival, the guest is given hot food and allocated a room, and within 24 hours of her arrival will meet with a support worker to assess her physical and mental health. Daily meetings between guests and their support workers help build trust, and ensure that the support given to each guest can be tailored to their individual needs and circumstances, and can evolve and adapt as these needs change throughout their recovery.

All guests receive regular, ongoing help from police investigation teams, who work with them in a supportive environment, with the aim of securing the arrest and conviction of their traffickers. At year-end 2017 a total of 45 women were either working with the police or had reported the crimes committed against them; another three prosecutions were proceeding to court. Everyone at Bakhita House is dedicated to continuing to support these women, who are showing such courage in testifying against their traffickers and abusers.

Highlights

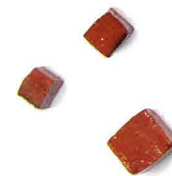
6 Development hubs (5 in 2016) helped individuals to run social action projects which met the needs of their local community, offering advice on setting up new initiatives, on sustainability, on volunteer recruitment and on general project management.

204 Individuals with intellectual disabilities attended Caritas St Joseph's (207 in 2016) to celebrate their gifts and participate fully in the life of their church and community.



In partnership with religious sisters and other care agencies, Bakhita House staff and volunteers help guests begin their recovery and reintegration into society: access is provided to healthcare and counselling services, pastoral and spiritual care, therapeutic psychological treatments, free legal advice, English lessons, skills development, arts, crafts and wellbeing activities, access to local community services, educational and employment opportunities, and to translators as needed.

Bakhita House is a community, with guests able to interact in communal spaces as they wish, to prepare food together, to talk about their hopes, to find accompaniment and develop friendships, and to take part in social and cultural outings. The ultimate aim is to help guests take the next step in their lives, whether that is a return to their country of origin or the start of a new life in the UK.



Ending Human Trafficking: Testimony

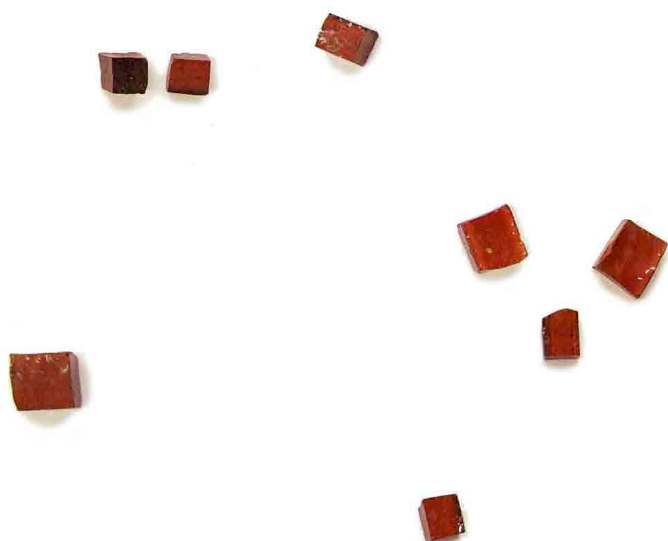
One guest, who went to work for a family in Qatar as a house cleaner/child minder was trafficked to London, where she was locked in the bathroom and forced to sleep in the bathtub. One day, when workmen came to the house, she managed to escape and was referred to Bakhita House by a church in South London.

'Upon my arrival at Bakhita House I was deeply traumatized. The support workers helped me to receive medical help and counselling, and supported me during asylum interviews, which I found really distressing. Having my support worker by my side, believing in me, made a huge difference to my self-confidence. My English lessons began immediately, which greatly reduced my sense of isolation. During house meetings for staff and guests everyone listened to my opinion; I started to feel like I had control over my life. I became human again, not an object.'

Another guest who arrived at Bakhita House in 2017, said:

'When I first arrived ... I felt shy, it was hard for me to talk with other guests and staff, but then I got used to it. I began to enjoy the company of the guests and the staff and I was happy. I feel very excited when it's my turn to cook and I feel very satisfied when everybody enjoys my meals.'

'As well as all these happy things, there's also sadness in my life. Sometimes I feel I want to scream and cry but then I'm happy and grateful to be in this house. Thank you so much to all the staff for supporting me. After living in this house I feel much calmer than before. I feel I have a family in London. When I first came here I felt like a little girl, I felt powerless. Now I feel like a mature confident woman.'



Ending Human Trafficking: A Mosaic

Bakhita House exists thanks to a unique working relationship between the Diocese of Westminster, the Metropolitan Police, and a number of congregations of women religious. It provides its guests with holistic care and support, including emotional, physical, mental, pastoral, spiritual and legal assistance, provided by its professional staff, and a wide range of volunteers and organisations linked to the Catholic Church network, and referral partners.

The quality of its relationships, and its positive engagement with the wider Catholic community, allows Bakhita House to deliver an experience for its guests which optimises their rehabilitation, and is a firm foundation for lasting hope in their lives.

Furthermore, the global network of the Catholic Church has allowed Bakhita House to serve as a model of best practice for replication. Five international embassies and several other Catholic dioceses across the UK have visited Bakhita House to learn how the model works in reality. We hope to motivate other countries, dioceses and organisations to set up similar safe houses to help victims on a truly global scale.

Before Sleeping

*You feel bad, angry, upset
Don't worry better days will come again
Maybe those days will never come again
But don't forget to hope
Hope. What is it?
The only way to believe
It's maybe a lie
But it's better than to feel nothing
And maybe that hope that you feel ...
is the only way to believe
Do I believe? I forgot to believe, to love and to be loved.
But we can be reborn, feel, be bad
Be angry, be upset, love, breathe
To feel everything or nothing
But anyway it's Your Life, My Life
Keep it, love it, don't hurt it
And if the others push you, hit you, destroy you
Get up and be reborn, rebuild
Don't let anyone be your shadow
Make Your Own Shadow
And never forget to HOPE.*



Highlights

£161,000 Grants awarded by the St John Southworth Caritas Fund to tackle poverty and social exclusion throughout the diocese.

252 People signed up to the Caritas Volunteer Service, launched during the year.

24 Students trained in beginner British Sign Language (BSL) with the Caritas Deaf Service.

Inspiring Achievement and Excellence



Bishop Challoner Catholic School

During the 2016/17 academic year, Nasir was a Year 13 student at Bishop Challoner Catholic Federation of Schools Sixth Form, Tower Hamlets, preparing for his A-level examinations and planning his further education. He is currently a freshman at Princeton University, USA, on a full scholarship.

Nasir's Story

Nasir is one of four siblings raised by a single mother. He is a first-generation university student and entirely reliant on financial assistance to be able to access higher education. A combination of financial and pastoral support offered by both the local Catholic school and the local council enabled Nasir to start attending Bishop Challoner in Year 7.

When he started at Bishop Challoner, Nasir was able to study a broad range of subjects (including mathematics, sciences, ICT and modern languages) and showed a particular interest in complex contemporary issues, such as cloning and stem cell research, where science and ethics meet.

The school's Catholic ethos exposed Nasir to a wide variety of academic, pastoral and social opportunities, such as learning about business through local corporate partnerships. The inclusive nature of the school, its students being of many faiths and from diverse ethnic backgrounds, encouraged Nasir to follow and deepen his Muslim faith, and he observed Ramadan through fasting, even during his exams.

The continued commitment of the school and the council to provide financial and pastoral assistance to Nasir allowed him to continue his education right through to Year 13, giving him the opportunity to fully realise his potential.

Highlights

32% of diocesan primary schools and **46%** of diocesan secondary schools were rated by Ofsted as 'Outstanding', compared to 28% and 39% respectively of peer group schools in London.

0 diocesan schools, either primary or secondary, were rated by Ofsted as 'Inadequate' in either 2017 or 2016.

£59 million of capital investment in **118** projects completed within the year at diocesan schools.

Nasir's Journey

While studying for his GCSEs, Nasir was inspired by his English teacher to go to the best university possible:

'From a young age, he instilled in us the importance of going to university and getting a good job, and he always pushed us to be the best we could be; he gave us the confidence to succeed.'

This encouragement to aspire to excel, together with a desire to help give back to others in need, led Nasir to choose to spend time helping fellow students at the school to improve their ICT skills, and in parallel with his studies he volunteered and engaged in extensive fundraising activities for the nearby St Francis Children's Centre, in Poplar.

Transitioning to the Sixth Form brought new challenges for Nasir, but his family, friends and teachers continued to help him throughout:

'I think the main thing my family did was give me space to study and learn. Sixth Form is an extremely stressful time in a student's life as it is the culmination of over a dozen years of education and my family made sure not to pile pressure on me, and to let me make my own choices.'

One of Nasir's teachers was particularly influential at this time:

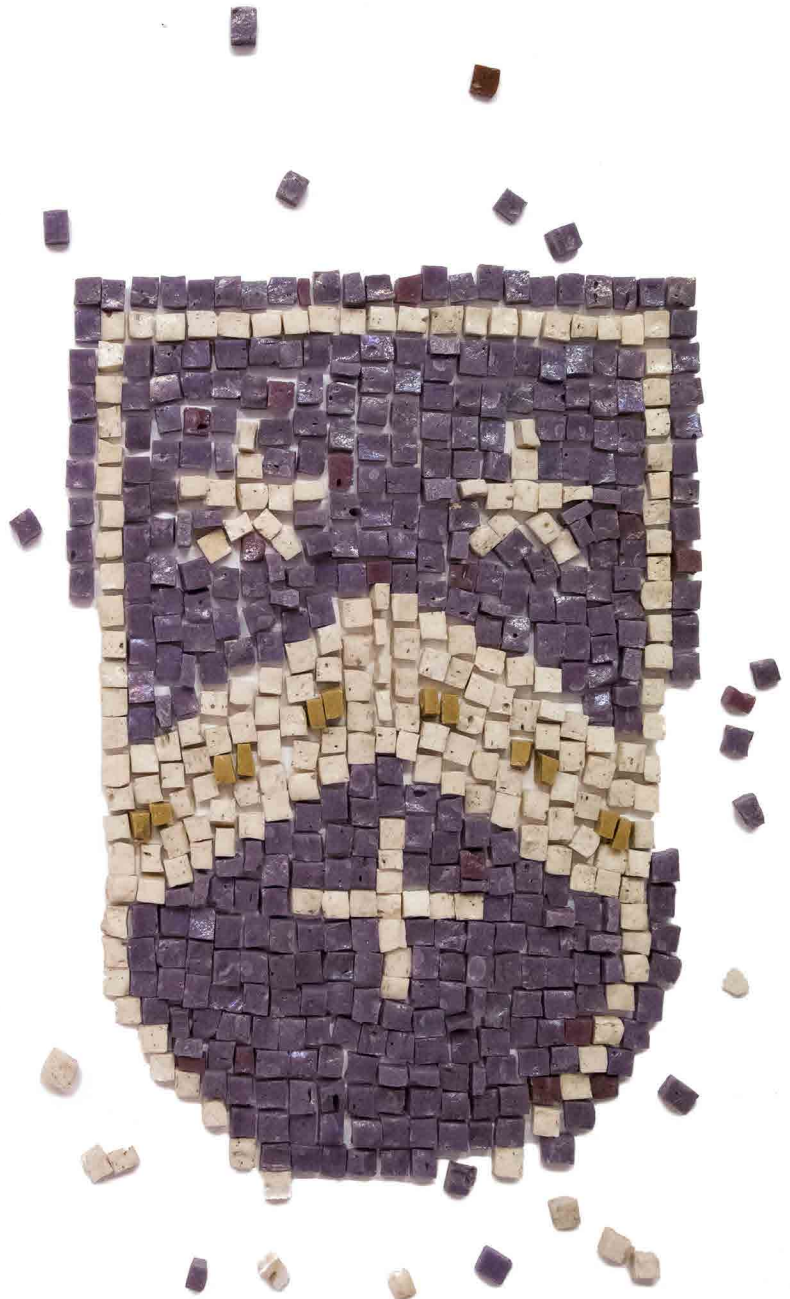
'When I entered the Sixth Form, the one teacher who helped me the most was Mr Barnsdale, our Careers and IAG Lead Learner. It is his job to prepare students for life after school and he truly does go above and beyond for his students. He was always there for me, no matter what I needed. Without his dedication and commitment I might not even be at university. His moral support guided me through the two hardest years of my life and I owe everything to him.'

During Sixth Form, Nasir benefitted from the Brilliant Club, an award-winning charitable organisation that works with over 500 schools and colleges across England, Wales and Scotland to make highly-selective universities more accessible to outstanding students from non-selective state schools. Despite this support and encouragement, by his own admission Nasir found planning for his life beyond Bishop Challoner challenging:

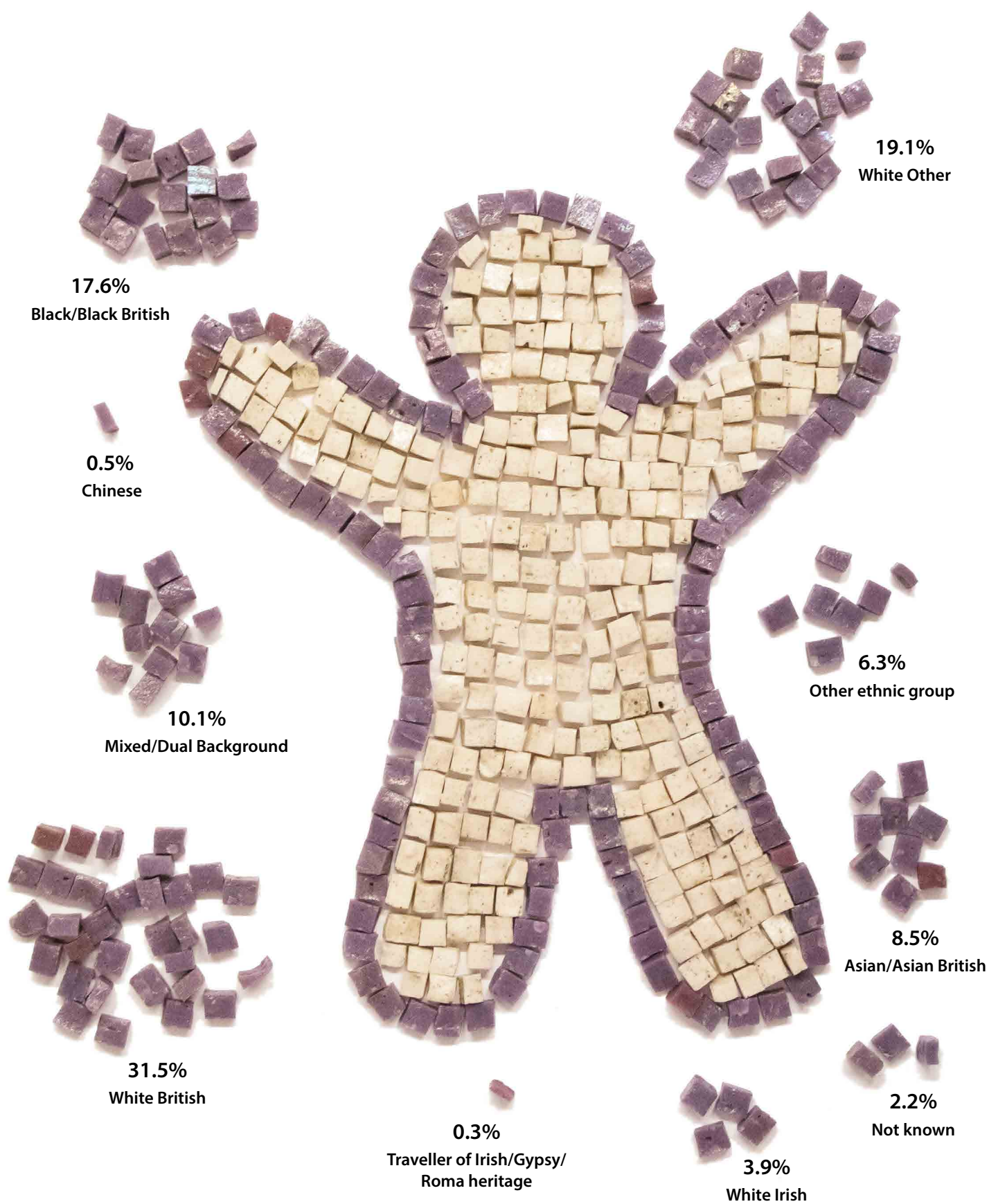
'University was something I did not like to think about as I had no idea what I wanted to study, nor whether it would be an affordable option for my family and me. When I was 17, I started doing research and came across a few American universities that appealed to me. In America, the course lasts four years and you do not specialise until your third year so you can spend the first two years exploring different academic fields.'

Nasir felt drawn towards applying to Ivy League universities which would allow him to continue studying such a broad range of subjects via a liberal arts programme. He also wanted to study in the US to inspire others from a similar background to transcend their socio-economic background and strive for greater achievements.

Last year he applied successfully to participate in the Sutton Trust's US Summer School, which led this year to him becoming one of just 62 students to be awarded scholarships to US universities through the Sutton Trust US Programme run in conjunction with the US-UK Fulbright Commission.



'I am the first person in my family to study outside of London, let alone in the United States. When I first told my family, they were rather shocked and I don't think my mum talked to me for about a week!'



Nasir's Testimony

As he approaches the end of his freshman year, Nasir reflects on his time at Bishop Challoner and the people who supported him while he was there:

'The teachers and members of staff at Bishop Challoner are truly amazing. From the Head all the way down, everyone is very supportive and willing to take the time to have a chat with you. There are teachers who I didn't even know who were willing to give up what they were doing to support me. They foster a culture of support and guidance that trickles down into the student body.

'I am extremely proud to come from Bishop Challoner and Tower Hamlets and I will never forget the people who made my dream possible. The Bishop Challoner ethos is instilled within me and it forms how I approach my life. We are taught to work hard for everything and take nothing for granted: that hard work is what will determine our success in life, a mentality that is especially important in a Borough like Tower Hamlets where we must work twice as hard.'

Nasir's Mosaic

Bishop Challoner Catholic Federation of Schools is Britain's first federated school, with a campus that comprises a Boys' School, a Girls' School and a Sixth Form. Although the school's origins trace back to 1933, its current site and buildings were established following the launch in 2007 of a £46 million restoration and expansion project.

To facilitate such a significant investment, and to provide the school (and all diocesan schools) with a comprehensive range of direct and indirect support, advice, expertise and guidance, the diocese has a unified infrastructure of oversight and support that can be tailored to the individual needs and circumstances of each school. This oversight and support is delivered primarily through its Education Service and Property Services, and complemented as required by the other diocesan departments, such as Fundraising, Finance and Human Resources.

The Trustees, the Charity's department heads, employees and volunteers coordinate with local parish priests, diocesan chaplaincies, feeder schools and the Charity's numerous donors to ensure that the school, its teachers, staff and governors can focus on instilling in students both the desire to excel and the belief that they can.

Nasir's testimony undoubtedly demonstrates that this unified approach to educating and forming our youth generates truly stunning results.

'There are teachers who I didn't even know who were willing to give up what they were doing to support me.'

Highlights

5.3 Score on the Attainment 8 performance measure across all diocesan secondary schools, compared to a national average of 4.5. Grades run from 9 (highest) to 1 (lowest).

+0.40 Score on the Progress 8 performance measure across all diocesan secondary schools, compared to a national average of 0.

36 Headteachers and **18** deputy headteachers appointed at diocesan schools (2016 – 29 and 21 respectively).

Forming our Youth

SPEC, derived from the Latin 'speculum vitae' meaning 'mirror to life' and standing for Spiritual and Personal Encounter with Christ, was founded in 1993 as a retreat centre for young people. Based initially at All Saints Pastoral Centre, London Colney, and at St Raphael's, as demand grew SPEC expanded into more buildings and to a wider age range, with The Loft opening in 1998 to minister to children and young people aged seven to 14 years. In early 2014, new premises were acquired at Waxwell Farm, Pinner, which would allow over 120,000 retreat hours to be offered to retreatants aged five to 18 years in the form of residential retreats, more than doubling the provision.

Forming our Youth: A Story

A retreat is an opportunity to step back from our daily routines and to evaluate our relationship with God. But it is not just about disconnecting from our everyday activities and patterns of thought; it is also about re-connecting to something more meaningful and sustaining. Going on retreat means, ideally, entering an environment where we are challenged to reflect on the bigger questions in our hearts, to bring those questions to God and each other, and to be invited to meet the Lord.

Each year the staff and volunteer missionaries at SPEC enter into a process of prayer and discernment to help decide the themes for the next academic year's retreats, of which there are three, each one targeted at a different age group: Year 5-6, Year 7-8 and Year 9-13. All three retreats share the same essential elements: faith, fellowship and fun.

Every retreat participant is invited to encounter Christ through group activities, such as talks, testimony and prayer exercises, through individual prayer, reconciliation and Eucharistic Adoration, and to share their faith journey, identifying what makes each of our lives unique: our families, our friends, our likes, our dislikes and our struggles. The hope is that by the end of a retreat all participants are able to see the image of God reflected in their relationships with each other.

For some, a retreat can be an experience that transforms their lives and the way they relate to others and to society at large. In their own words, for example: 'SPEC is life-changing'; 'this experience has given me such a refreshing perspective and motivates me to put myself out there without the fear of being

judged'; and 'jump in with all your heart and trust in others around you; one of the best experiences of my life'. For others, it can be just a small step on the road. Either way, 'it is not what you expect at all'.

Forming our Youth: A Journey

SPEC is dedicated to providing a space for children and young people to retreat from the rush of daily life in order to reflect on their faith and, hopefully, contribute to meeting the spiritual needs in their lives. It is also a place that provides spiritual formation to those who work there, who join SPEC to share in the life and work of the community, as well as an opportunity for discernment. These people are on their own journey of faith and personal development, and are thus well-placed to accompany the children and young people when on retreat at SPEC.

'I think the retreat was very beneficial to the group. They leave with a deeper sense of how to develop their faith.'

Going on a retreat is an ancient Church tradition that often combined a literal journey to a shrine or other holy place with an interior journey of reflection. SPEC offers a modern take on the same experience: retreatants travel to a new place that connects them to this rich tradition of retreat and Catholic sacramental worship. The fusion of historical and modern architectural features and the timeless natural beauty of the grounds, as well as the novelty and variety of activities available through the programme, give participants space to reflect upon and discover things about themselves that might remain hidden in the routine of their daily lives.

SPEC is located on a beautiful plot in the village of Pinner. The area, historically called Waxwell Farm, comprises seven acres of gardens and grounds in which sit the SPEC community house and chapel, which date back to the late 16th century, the Rotunda, built in 1963 and completely renovated and modernised in 2017, and the brand new Residential Complex.

Highlights

1951 was the year that Waxwell Farmhouse, which dates back to the late 16th century, became Grade II listed

3 retreat themes: 'Called by Name', which reminds us we have each been chosen for a purpose; 'Come to the Father', which enables us to understand and choose a life with Christ; and 'Dry Bones', which aims to ignite a passion for life in Christ.

85 The maximum capacity in our accommodation block for residential retreats

The primary objective of the design of the new residential facilities was to offer retreatants a high quality and comfort of accommodation combined with opportunities to focus on their own formation through lecture style 'breakout' group sessions. The extensive site renovation and building programme now completed has achieved precisely such a balance, as well as introducing flexibility for the Rotunda to be used for conference purposes.

So impressed was the London Borough of Harrow with the design and the finished building that it entered the project as the Best Education Building in the Local Authority Building Control (LABC) Building Excellence Awards 2018 (London).

Above all, however, SPEC offers tranquillity and peace, with the landscape setting of the site proving conducive and complementary to faith and spiritual development. It is not uncommon to hear from retreatants that 'it really was a fantastic weekend, probably the best Confirmation retreat I have ever experienced, and I think they [those who participated] will all have gone home tired, but having enjoyed their time immensely'.

Forming our Youth: Testimony

Since the official opening of the new Residential Complex by Cardinal Nichols on 3 October 2017, the feedback received from young people who have attended retreats has been overwhelmingly positive and has given the Trustees great confidence that the mission they set out to accomplish when they undertook this development is being achieved:

'I liked learning new things, especially that we time travel during Mass [to the foot of the cross at Calvary].'

'Please pray for us, and thank you for helping us understand the Eucharist more.'

Additionally, from the perspective of the teachers and catechists who bring the children and young people on the retreats:

'The retreat went beyond my expectations, and I found it very useful in seeing how the readers delivered meditation and the use of drama for the parables. The children genuinely felt it was the best school trip they had been on and lots of the children said they felt closer to God and now had a much better understanding of prayer.'

'The testimonies brought reality to discipleship and the personal relationship that we have with God.'

'I think the retreat was very beneficial to the group. They leave with a deeper sense of how to develop their faith.'

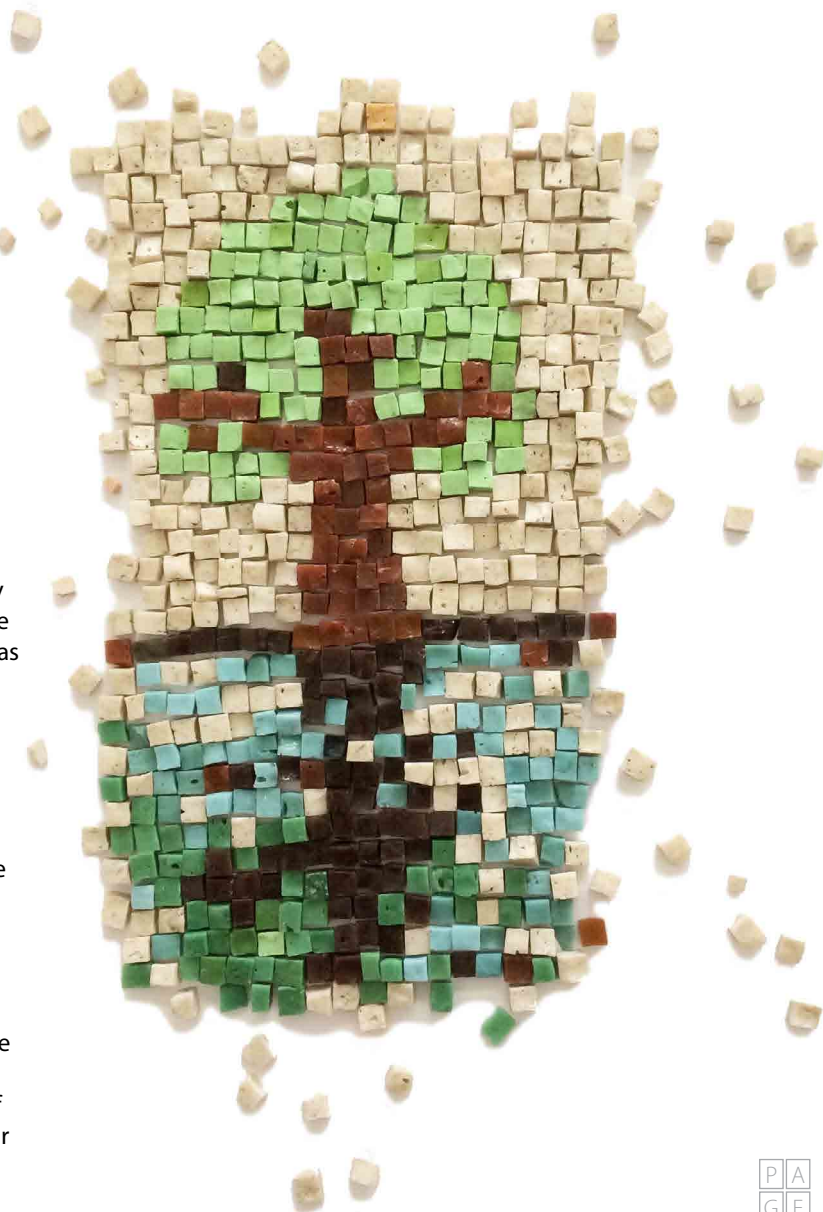
Forming our Youth: A Mosaic

SPEC is the culmination of the vision of the Trustees to provide our youth with a space that offers opportunities both for contemplation and for discovery, which are the foundation of the Church's retreat tradition. This vital ministry empowers our

children and young people for participation in the life, mission and work of the Catholic faith community, broadening and elevating the work of their teachers and catechists in diocesan schools and parishes.

To realise this ambition was only possible through the extraordinary generosity of the countless private donors, volunteers and missionaries, who supported, and who continue to support, SPEC at every stage. The execution of the transformation of Waxwell Farm into what is now SPEC was achieved through the collaborative efforts of numerous diocesan departments, led by Property Services, Fundraising, Finance and Human Resources.

All these departments continue to provide SPEC with a range of direct and indirect support, advice, expertise and guidance to ensure it remains at the forefront of the diocesan mission. The testimony of the retreatants and their catechists shows precisely the value of SPEC's contribution to this mission, of forming the youth of the diocese.



Supporting the Vision for our Diocese

£34.8 million

Total funds pledged

£29,497,323

Total cash received as
of 31 December 2017

19,345

Total number of gifts
and pledges received

£5.4 million

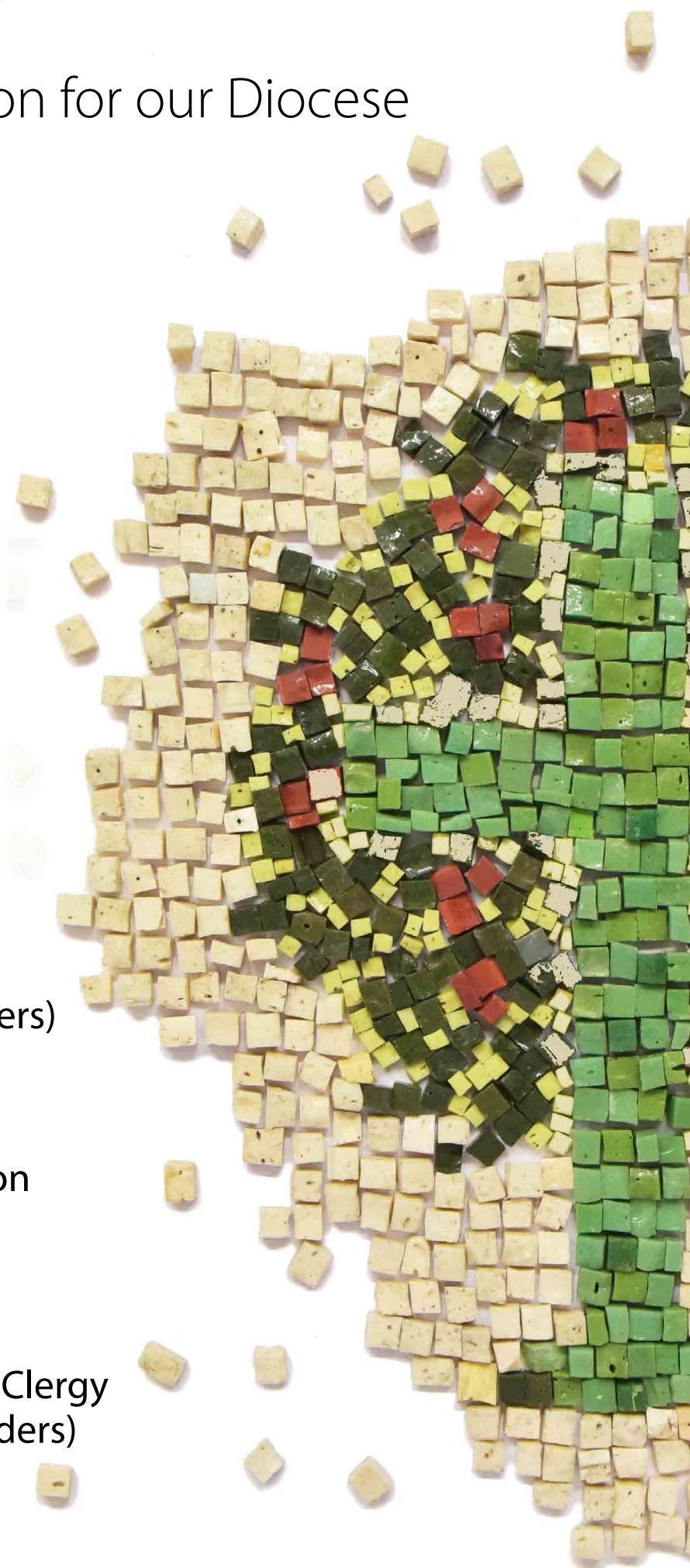
Intended for Priest Training
(£5.0m Diocese, £0.4m Orders)

£0.5 million

Intended for Post-Ordination
Training (Diocese)

£11.5 million

Intended for Sick & Retired Clergy
(£10.0m Diocese, £1.5m Orders)





£11.0 million

Intended for Parish Projects

£0.4 million

Intended for Trinity Fund

281

Parish Projects
applied for grants

£6.0 million

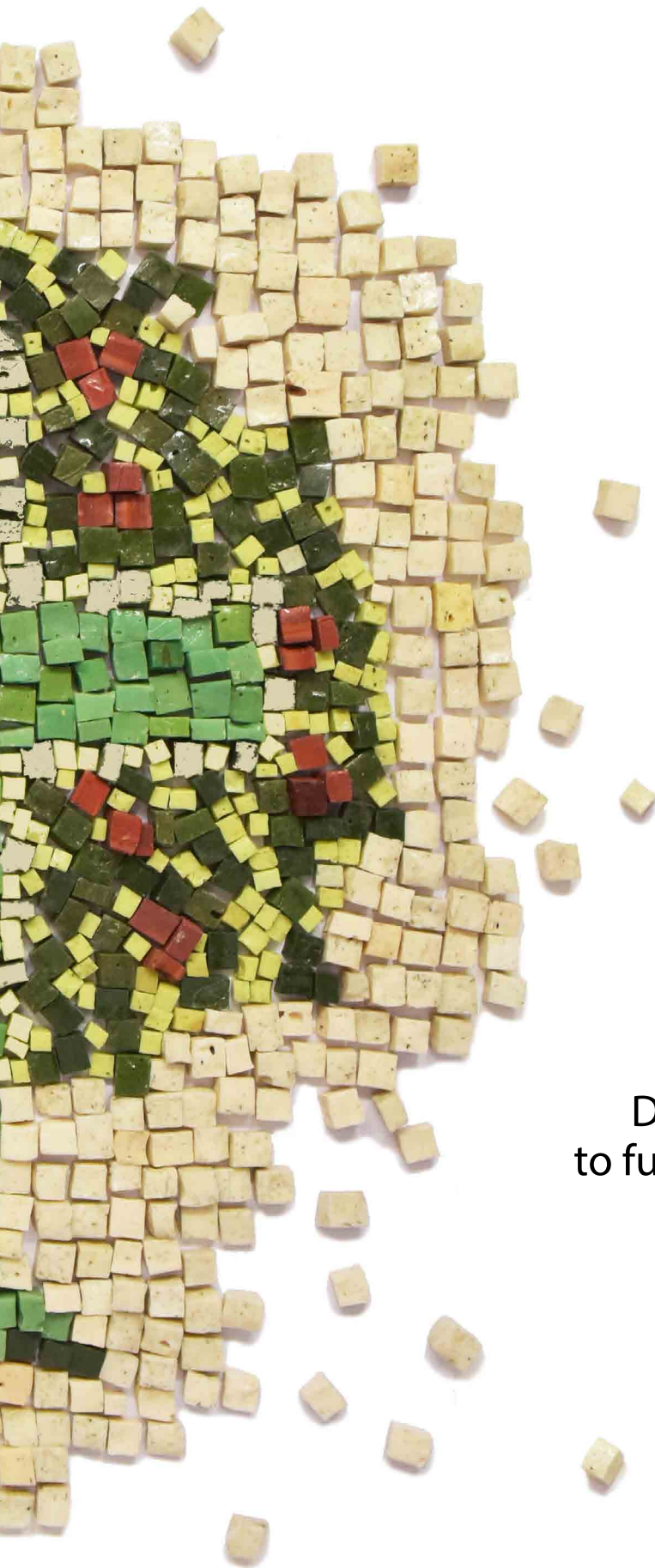
Intended to be used
by Caritas Westminster

£1.5 million

Distributed to Caritas Westminster
to fund its activities and programmes

81%

of Caritas Projects funded
by Growing in Faith grants



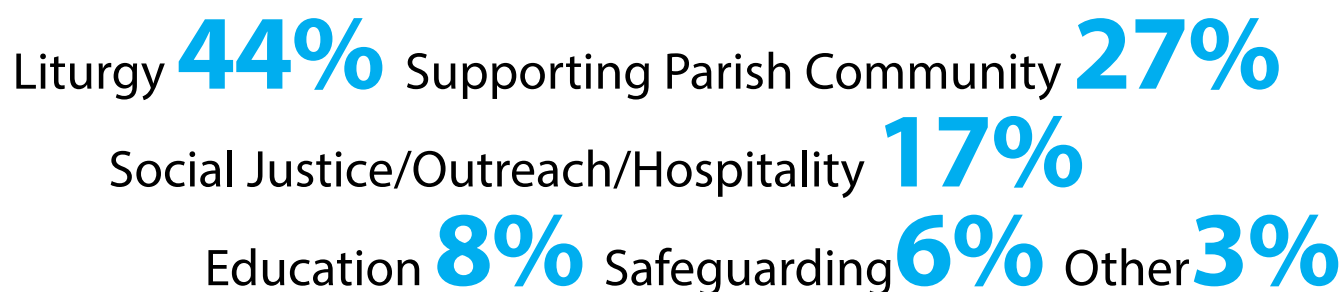
Volunteers

One individual who has strived continually to use her gifts, talents and abilities for the benefit of others is Mrs Teresa Aylott, who received a Papal award (Benemerenti medal) for her long and faithful service to the Church, the local community and charities.

Throughout her 44 year career as a health professional and continuing well into her retirement, Teresa has sought constantly to provide support to anyone marginalised or in need of help: founding first Twilight Services to provide nursing care between 7 and 11pm, followed by the district nursing night schedule; fundraising to purchase essential equipment not funded by the NHS; working with HIV/AIDS patients at a time when the topic was taboo; working with the terminally ill; visiting patients when off duty; attending patients' funerals; advising and being a trustee of Age Concern; setting up The Nightingale Community Hospice Trust to provide counselling, support and advice to anyone affected by cancer, and all while raising three children, maintaining an active social life, visiting the elderly, and contributing to her local parish community by, for example, transporting parishioners to Church, helping to arrange the flowers, and washing and ironing vestments.



How volunteers contributed in 2017

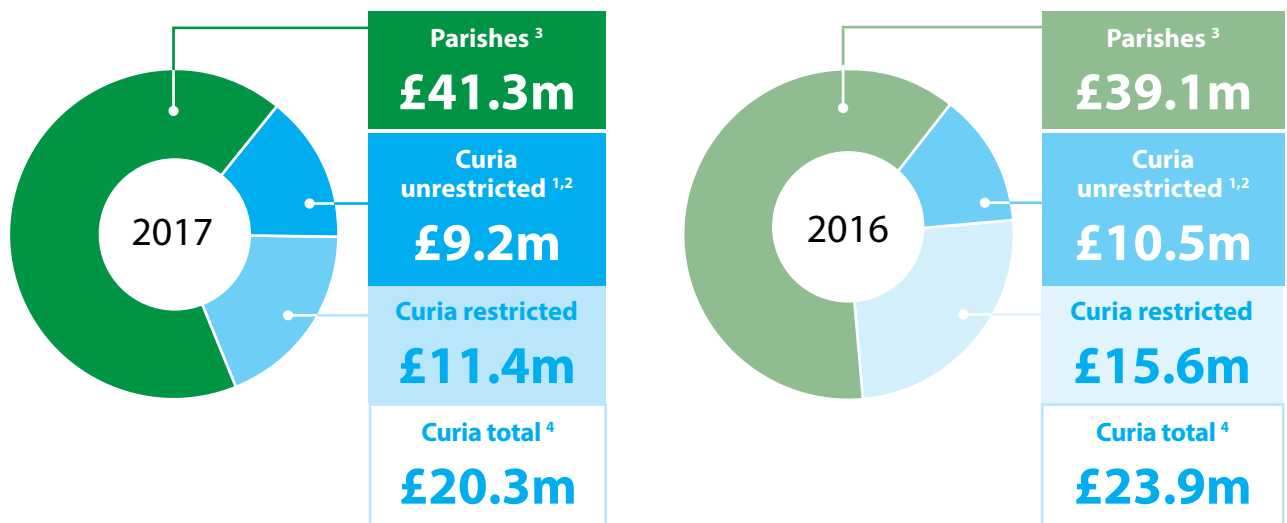


A highly respected member of her local community, 'Teresa is quietly a mover of mountains' in the words of Bishop Arnold, Bishop of Salford and former Auxiliary Bishop of Westminster. But perhaps Teresa says it best herself: 'My greatest love in life was nursing, raising my children and now it is walking my daughter's dog and spending time with my three grandchildren. People don't ever need to be lonely, there's always someone who needs help – giving your time is the greatest gift.'

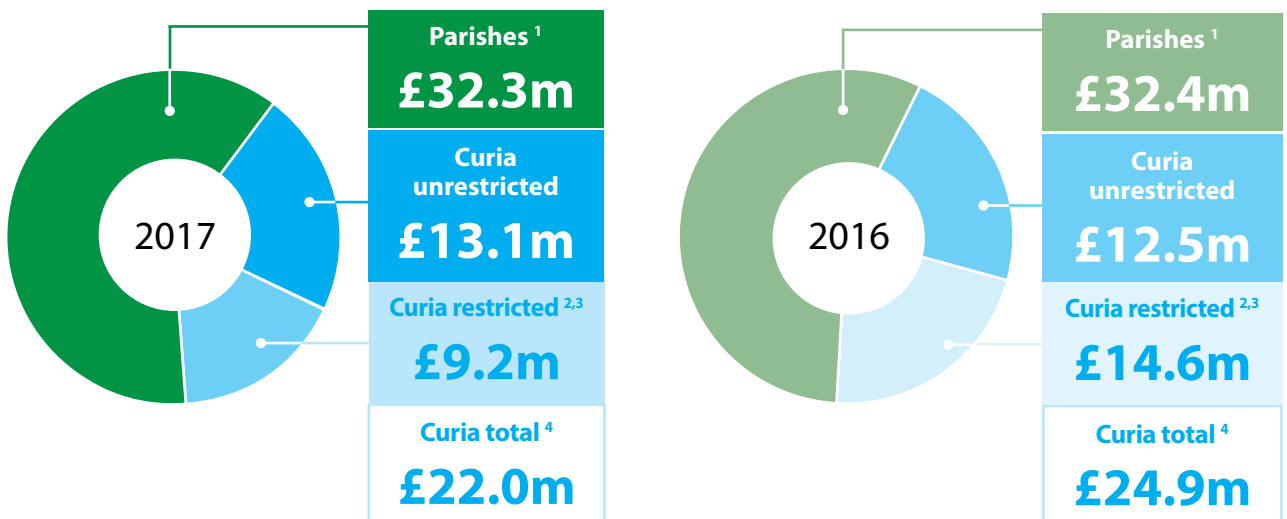
'There's always someone who needs help. Giving your time is the greatest gift.'

Consolidated income and expenditure

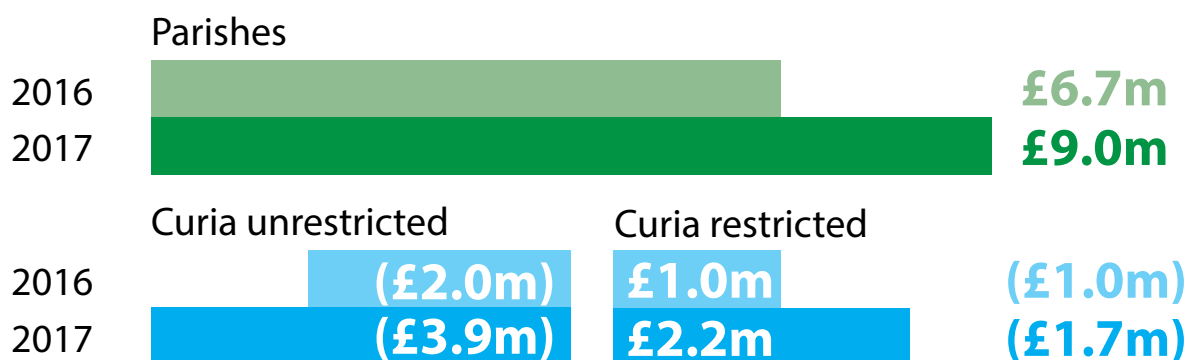
Income



Expenditure



Net income before investment gains



1) Includes assessment transferred from parishes to curia (£5.5m in 2017 and £5.3m in 2016)

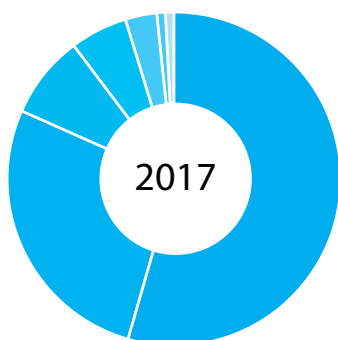
2) Includes other transfers from curia restricted to curia unrestricted (£0.3m in 2017 and £2.2m in 2016)

3) Includes Growing in Faith and other transfers from curia to parishes (£1.5m in 2017 and £1.8m in 2016)

4) After eliminating inter-curia transfers (£0.3m in 2017 and £2.2m in 2016)

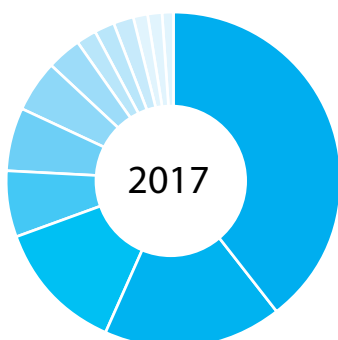
Curia income and expenditure

Income



Income by type (£'000)	2017	2016	% 2017
Donations and legacies	11,085	15,294	54.7
Diocesan assessment	5,531	5,276	27.3
Income from charitable activities	1,600	1,556	7.9
Investment income	1,124	961	5.5
Rents from functional property	645	575	3.2
Assessment for non-consolidated parishes	149	121	0.7
Trading activities	141	134	0.7
Total	20,275	23,917	100.0

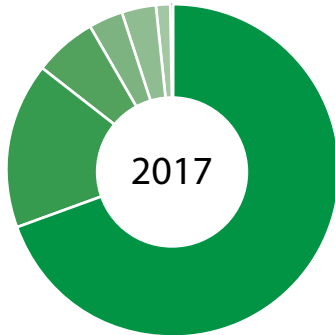
Expenditure



Expenditure by type (£'000)	2017	2016	% 2017
School projects	8,349	7,645	38.0
Pastoral and related work	3,873	4,365	17.6
Administration	2,939	2,839	13.4
Transfers to parishes	1,461	1,815	6.6
Education and formation	1,302	1,253	5.9
Clergy and consecrated life	1,124	1,277	5.1
Auxiliaries and vicar general	792	789	3.6
Growing in Faith projects	448	3,034	2.0
National bodies	425	389	1.9
Fundraising trading and other	400	704	1.8
Archbishop's office and house	370	339	1.7
Communication and safeguarding	303	341	1.4
Bank loan interest	203	147	1.0
Total	21,989	24,937	100.0

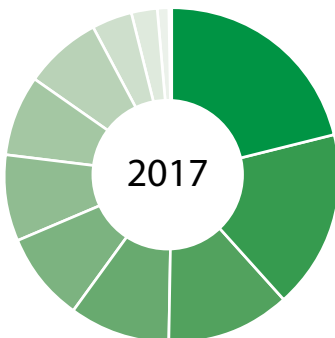
Parish income and expenditure

Income



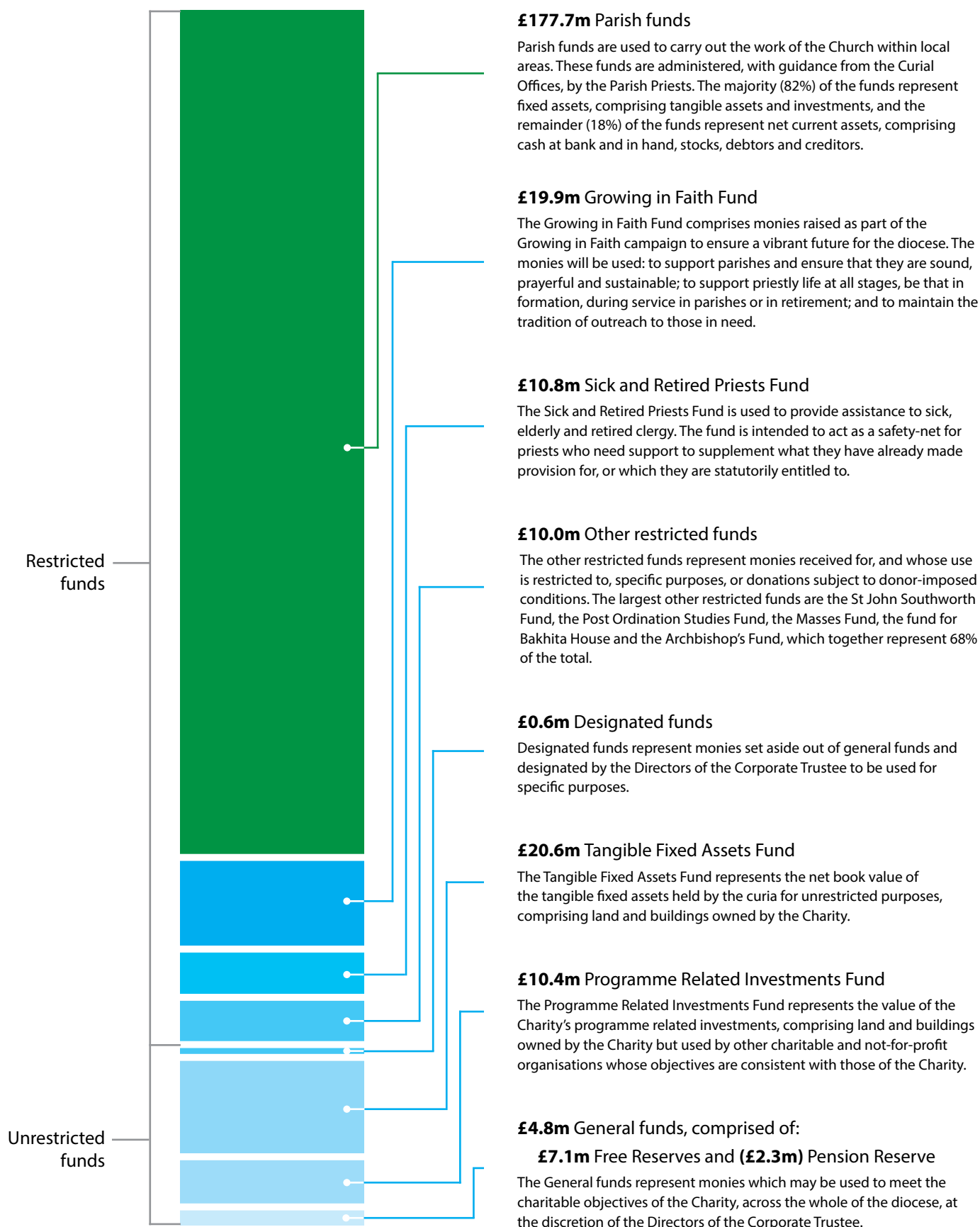
Income by type (£'000)	2017	2016	% 2017
Donations and legacies	28,678	26,827	69.4
Parish activities	6,612	6,376	16.0
Investment income	2,586	2,003	6.3
Transfers from curia	1,461	1,815	3.5
Rents from functional property	1,407	1,426	3.4
Trading activities	600	620	1.4
Disposal of assets	3	1	0.0
Total	41,347	39,068	100.0

Expenditure



Expenditure by type (£'000)	2017	2016	% 2017
Non-clergy salaries and housekeeping	6,888	6,537	21.3
Diocesan assessment	5,531	5,276	17.1
Property repairs and renewals	3,922	3,885	12.1
Other	3,076	2,987	9.5
Liturgical, candles and repository	2,833	2,740	8.8
Council tax and utilities	2,695	2,945	8.4
Depreciation	2,508	2,663	7.8
Clergy stipends	2,330	2,303	7.2
Parish activities	1,303	1,325	4.0
Donations and grants	786	1,215	2.5
Costs of generating trading activities	464	481	1.3
Total	32,336	32,357	100.0

Reserves





Westminster Roman Catholic Diocesan Trust

Annual Accounts **2017**

Report of the Directors of the Corporate Trustee – Year to 31 December 2017

Introduction

The Directors of the Corporate Trustee (i.e. the Trustees) present their statutory report together with the consolidated accounts of Westminster Roman Catholic Diocesan Trust (the Charity) for the year ended 31 December 2017.

The accounts have been prepared in accordance with the accounting policies on pages 61 to 65 of the attached accounts and comply with the Charity's Trust Deed, with applicable laws and applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and with the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Purpose and Activities

The Purpose of the Charity

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

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

The Catholic religion is a practical faith that reaches out to care for those in need. Through its schools, it forms children into responsible citizens to take an active role in society and to work for the common good. It builds community cohesion and brings about peace and reconciliation where they are needed, all the while respecting every human person's intrinsic human dignity. Its advancement is achieved most effectively when Catholics, fully living their faith, reflect the love of God to all around them: to their families and friends, to their local communities, and to the stranger in their midst.

The Charity therefore fulfils its purpose by offering religious and pastoral services and educational programmes both to the approximately 430,000 self-identifying Catholics and to the roughly 4.2 million other residents within its borders, of other faiths or of none, principally through its parishes and chaplaincies, through its schools, and through its social outreach agencies coordinated by Caritas Westminster.

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

Religious and Pastoral Services provided through Parishes and Chaplaincies

Parishes are communities whose daily activities contribute, both directly and indirectly, to the moral and spiritual wellbeing of everyone living and working within them. They are hugely diverse, in their culture, in their resident population (one particular parish has nearly 100 nationalities), and also in their individual needs. Where they do not differ, however, is in having a place of worship where parishioners can gather to pray, attend Mass each week and conduct sacramental ceremonies (such as baptisms, weddings and funerals), and which provides a solid foundation for carrying out important and necessary social and pastoral work as a practical expression of the Catholic faith.

All places of worship are open to the general public for prayer, for quiet and peaceful reflection, for access to burial grounds, and to experience the rich history and beauty of their architecture and the numerous devotional artefacts, stained glass windows and other religious works of art located in them.

Parish-led Activities

One of the principal activities within each parish is the celebration of Mass by the parish priest. Approximately 146,000 people across the diocese attended this sacred liturgy each Sunday last year. But parish priests do far more than just celebrate Mass. They are active leaders within their communities. They are teachers of the faith. They are responsible for preparing eligible candidates to receive, and then for conferring upon them, the sacraments.

With the assistance of nearly 4,850 lay catechists and roughly 600 pastoral assistants, parish priests prepared approximately 8,700 catechumens for Baptism/Reception into the Church. They presided at around 9,000 First Holy Communion, celebrated approximately 850 marriages, and conducted approximately 3,500 funerals. During the year, diocesan Bishops also conferred about 5,750 Confirmations.

Reflecting on these statistics for a moment, the number of Baptisms/Receptions into the Church demonstrates the vibrancy of the Catholic Church in the modern world. Baptisms in infancy (up to 1 year) and childhood (between 1 and 7 years), in which parents present their children for baptism, of which there were about 7,750 in 2017, show the importance parents place on transmitting the Catholic faith to their children, integrating them fully into the sacramental life of the Church, and bringing them into the welcoming Catholic community.

The fact that a significant number of Baptisms/Receptions into the Church (about 950 in 2017) take place for people over the age of 7 years, people who actively choose to

Report of the Directors of the Corporate Trustee – Year to 31 December 2017

present themselves for the sacrament, demonstrates compellingly the attraction of the Catholic religion to those raised either with a different faith or with no faith at all.

Furthermore, the statistics indicate that the overwhelming majority of those baptised in infancy and childhood go on to become full members of the Catholic Church, through receiving First Holy Communion (95% of all those receiving this sacrament were in full-time education) and Confirmation.

While it is often written that marriage is on the decline, within the diocese it would appear that a fairly consistent number of couples seek marriage each year, but in many instances couples are choosing to travel overseas, typically to their family parish, illustrating both the cultural and ethnic diversity of the couples resident within our parishes.

The combination of factors highlighted above bear witness to the continuing relevance of the Catholic Church, and the Catholic religion, to everyone in contemporary society.

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

Many parish activities that fulfil the Charity's purpose rely on purpose-built buildings, and the Trustees direct significant resources and time towards ensuring that parish buildings are fit for their intended purpose. Parish projects include everything from minor repairs, renewals and redecorations, through the reordering, conversion and extension of existing buildings, all the way up to large-scale refurbishment, roof repairs or wholesale replacements, and the construction of brand new buildings. Some of the biggest schemes completed in 2017 were:

Mary Immaculate and St Gregory the Great, Barnet, where the church building has been extended at the front to incorporate a new glazed narthex and additional seating space in both the nave and the gallery above, and where the church has been re-ordered.

The glazed frontage incorporates etched glass windows with designs by Sally Scott, while the church includes a new altar, font and ambo designed in-house by an employee in the diocesan Property department, constructed in stone and placed on a new marble-floored sanctuary. Additionally, a new lighting scheme has been installed throughout the church, the seating areas for the choir have been improved and underfloor heating has been installed.

The work, undertaken by highly-skilled builders and artisans, has created a lovely internal space for worship that blends modern and traditional styles and is greatly admired by the

local community and visitors alike. The re-ordered church building and the new altar were consecrated by His Eminence Cardinal Nichols in September 2017.

Sacred Heart and Mary Immaculate, Mill Hill, where the front entrance to the church building has been enhanced to provide a better assembly space and the rear entrance to the church building has been completely re-designed to provide a more dignified entry for those approaching the church from the car park, which is also used as the drop-off and assembly area for many of the sacramental services, such as weddings and funerals.

Alongside this work to the church itself, a brand new meeting room has been constructed, underfloor heating has been installed in a newly-refurbished hall, and the kitchen has been enlarged and refitted to provide significantly better facilities with serveries into both the refurbished hall and the new meeting area.

St Thomas More, Swiss Cottage, where the church entrance has been fully refurbished and the parish hall has been demolished and replaced with an attractive, modern two-storey building designed to provide the parish with greater space and improved amenities and functionality for its numerous catechetical activities.

The refurbished church entrance offers parishioners and visitors alike a larger gathering space, and has allowed the parish to extend wheelchair access throughout the entire church building. The new building incorporates a stained glass window on the principal elevation depicting the parish's patron saint: St Thomas More.

The former parish hall, which started life as artist Philip de László's studio before being converted to form part of the first parish church on the site, has been underpinned and completely restored, and is currently serving the local Jewish community as a meeting place whilst their synagogue is being rebuilt.

Equally, the Trustees commit significant time and energy to ensuring that parishes are able to offer a comprehensive range of pastoral and educational programmes, and also to ensuring that the programmes offered are appropriately resourced.

Parishioners are called to share in the Church's catechetical mission from a wide variety of backgrounds and with divergent experiences, bringing a broad range of talents and abilities to their task. Parish priests are responsible for ensuring that all the programmes they offer are provided by suitably qualified catechists: individuals with sufficient knowledge and background to bring others to a fuller understanding of the challenge of the Gospel message and the Church's living out of this message.

Catechesis (instruction in the faith) is something that happens throughout the whole life of a Catholic. Parents are understood to be the first teachers of the faith to their

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children, but each parish also provides specific formation for its young parishioners before they make their first confession, receive First Holy Communion, and receive the sacrament of Confirmation. Many parishes complement this targeted catechesis with weekly or monthly children's liturgy programs, which provide age-appropriate activities, biblical readings, and lessons to young children during the Mass, apart from the general congregation.

In adulthood, couples wishing to be married in the Church are offered marriage preparation that aims not only to increase their knowledge and understanding of the sacrament of Holy Matrimony, but to equip them to live out their marriage vows faithfully; parents, before they welcome their children into the Church through the waters of baptism, are offered baptismal preparation courses to assist them in their role as first formators of their children in the faith; and those not brought up in the Church who wish to convert are typically instructed through RCIA (Rite of Christian Initiation for Adults).

In addition to these specific catechetical programmes, those who are not in sacramental preparation may find their faith strengthened through a variety of seasonal prayer and catechesis, during Lent or Advent, for example, or through sessions aimed at expanding adult Catholics' knowledge of the faith. All of these catechetical programmes require great knowledge and dedication from both the parish priest and the lay persons who assist him, in order to be effectively sustained to the benefit of the faithful and the mission of the Church.

The principal objective of evangelisation is to proclaim Christ's message, which was brought to the fore with the successful launch in 2015 of Proclaim '15, an initiative of the Bishops' Conference of England and Wales intended to affirm the good work already being done by the Catholic community and to provide support, encouragement and inspiration for new expressions of Catholic joy and missionary outreach. The Proclaim initiative includes five broad themes:

- Faith Formation, Catechesis, Discipleship and Vocation
Christ calls all of us to be disciples, both collectively as a Church and individually through our specific vocations. Faith formation and catechesis help each of us to deepen our relationship with God, to be prepared to proclaim the Word of God, and to understand the particular vocation to which God calls us.
- Prayer, Worship and Liturgy
The Mass is the centre of Catholic practice, and each Catholic must learn to fully participate in the sacred liturgy. But our mission as disciples is also supported and formed through individual habits of prayer and through shared prayer within the parish community.

- Family, Fellowship and Community

Everyone has a need for fellowship. For many the parish community can be a source of friendship and support, and it is in this community, whatever its shape or size, that we live out the Good News, a reflection of the Community of Love, which is the Holy Trinity itself.

- Caritas, Ministry and Service

Catholic parishes are encouraged to use their gifts and passions to help the needy, the suffering and the isolated in their local communities, for as the Holy Father said most eloquently, 'the measure of the greatness of a society is found in the way it treats those most in need, those who have nothing apart from their poverty'.

- Outreach, Evangelisation and Welcoming

Sharing the Good News of the Gospel, both by telling people about Jesus and by the way we live, and by inviting others to get to know Our Lord, Jesus Christ is a mission to which every Christian is called.

A sample survey of just 32 parishes identified 218 separate evangelising initiatives and activities, demonstrating that Proclaim continues to bear fruit right across the diocese, with parishes continuing to support, develop and implement projects within all five themes.

Looking ahead to 2018, two themes provide a particular focus: Family, Fellowship and Community, for which there is the World Congress of Families, to be held in Dublin in August, and Prayer, Worship and Liturgy, for which the National Eucharistic Pilgrimage and Congress, to be held in Liverpool in September, is eagerly anticipated.

Eucharistic Congresses are gatherings of clergy, religious and laity which promote an awareness of the central place of the Eucharist in the life and mission of the Church, and which aim to rejuvenate adoration of the Blessed Sacrament in our parishes as the source of strength for our lives and for our mission: that of making present the love and compassion of Jesus in our society.

Everyone is encouraged to make pilgrimage to the Eucharistic Congress in 2018, which will bring people together from across the dioceses to further the service of the poor and marginalised in our midst, and provide practical resources to develop the mission of the Church in prayer, contemplation and adoration of the Blessed Sacrament.

Through the provision of such a broad, diverse range of religious and pastoral services, parishes offer an inclusive and accessible ministry to everyone, residents and visitors alike, living and working within their geographical boundaries. Another, complementary, way in which the diocese strives to be inclusive in its ministry, and to engage more widely with society, is through its chaplaincies.

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Chaplaincy-led Activities

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

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

Most commonly, chaplaincies are connected with institutions, such as hospitals, prisons, universities and schools. In addition to providing such institution-based chaplaincies, the diocese offers a diverse range of other chaplaincies ministering to those who are not affiliated with any secular institution.

For example, there are chaplaincies to provide sacramental and pastoral care and support to people from 34 different ethnic communities, from Albanian-Kosovan to Zimbabwean, from Brazilian to Vietnamese. People engaging with these chaplaincies may simply face a language barrier, or at the other end of the spectrum may have fled their home nation to escape persecution for their beliefs and have been granted asylum. Each chaplaincy offers the newly-arrived immigrant a safe and welcoming environment in which to engage with their local community, helping them in turn to integrate with society.

The vast majority of our ethnic chaplaincies celebrate Mass at least once a month in their native languages, helping to preserve and nourish the diversity of distinct cultural expressions of faith and community present within and across the diocese; others cater for communities, such as Travellers, who are not typically integrated into a particular parish. Yet further chaplaincies support those engaged in specific activities, such as our Sports Chaplaincy, or those at certain stages of life, such as the Youth and University Chaplaincies.

Youth chaplaincy across the diocese is coordinated by the Westminster Youth Ministry (WYM), who are responsible for nurturing the character of tomorrow's adults, forming them into active, capable citizens with the confidence required to thrive in modern society. This responsibility grows in importance each and every year and requires constant vigilance and focus, together with increased provision of facilities and staff, to ensure that it can be successfully satisfied.

WYM works closely and collaboratively with parishes as well as other, non-diocesan Catholic agencies, to help build strong, active and sustainable youth and young adult communities, which in turn provide each young person with support and formation that they require to fulfil their innate human potential and become a positive role model in society.

During 2017, WYM visited almost twice the number of parishes and schools it visited last year, and it either led or helped support over 80 separate events, seminars, training courses and workshops (an increase of 30 over 2016), resulting in roughly a 16% increase in the total number of attendees across the year. One of the biggest events of the year was Flame 2017, held at Wembley Arena, which was attended by nearly 10,000 young people, including 1,100 from the diocese.

University chaplaincy is coordinated by Newman House, the location of the Catholic Chaplaincy Centre in central London, which is responsible for organising and providing religious and pastoral services to the 300,000 students and staff at universities and colleges located within the diocese. At year end, a total of 20 universities and colleges (2016 - 17) were benefitting from active pastoral engagement, including 17 that had at least one formally appointed chaplain (2016 - 13). To support this increased engagement, during the year three new chaplains were welcomed to the Newman House team.

Besides welcoming all those seeking to grow closer to Christ and his Church, and providing a place where young adults can explore their faith, meet other young people from a great range of backgrounds and get involved in the chaplaincy community and social outreach, Newman House also offers residential accommodation to 63 full-time Catholic students originating from 20 countries around the world, studying at various levels at many of the institutions of higher learning in London, who have all chosen to live in community for one academic year in order to deepen their faith within a happy and relaxed environment.

During the summer of 2017, Newman House was proud to host a special exhibition in honour of its patron namesake, Blessed John Henry Newman, evoking in word and image both his life and his faith. The summer also heralded the start of the Catholic Chaplaincy Centre's semi-centennial festivities. To celebrate reaching this remarkable milestone, a number of events were organised, including a series of six Public Anniversary Lectures focusing on the dialogue between faith and various contemporary issues. Occurring throughout the academic year, the lectures were extremely well-attended and succeeded in opening up Newman House to a wider audience.

Newman House was also delighted that two of its interns, in collaboration with CAFOD, Caritas Social Action Network (CSAN) and the Jesuit Refugee Service (JRS), organised the magnificent Share the Journey exhibition in Parliament showcasing the response of the Catholic community in England and Wales in welcoming and supporting refugees, both at home and overseas.

The richness and diversity of the diocese's growing multi-national, multi-cultural constituency presents many challenges for those wishing to practice or to share their faith outside the parish framework.

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This is one reason why diocesan chaplaincies, as described above, are found in many different environments, but each aims to offer exactly the same thing: personally-tailored spiritual and emotional support whenever and wherever it is needed, and in a way that accommodates each individual's particular circumstances, in a manner and to an extent that could not, practically, occur within a parish setting.

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

The success of all the front line activities offered by our parishes and chaplaincies in fulfilling the Church's purpose is facilitated with support from the central administration of the diocese. This support takes many practical forms, encompassing the provision of training, the production and dissemination of printed materials, the organisation and promotion of programmes and events, and the hosting of pilgrimages.

Central Administration

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

Indeed, unless a catechist is adequately prepared, their ministry will be of little effect, and in limited cases may even be harmful to the development of the Catholic faith in those they are teaching.

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

During 2017, to support the formation of parish catechists in the delivery of sacramental and other programmes, the agency offered 40 different training events and courses covering a wide range of themes, supplemented by two diocesan conferences: one specifically targeted at Confirmation catechists and the other covering more general formation. More than 600 catechists from about half the parishes in the diocese attended these events and conferences.

The mission of the **Westminster Safeguarding Service** is to protect children and vulnerable adults in the diocesan Catholic community from experiencing harm by:

- putting their needs at the centre of everything we do;
- putting in place all necessary measures and mechanisms through the implementation of the Catholic Church's national safeguarding policies and procedures; and
- creating a safe environment in which to worship and to be involved in church activities.

At a central level, safeguarding is undertaken by a team comprising a Safeguarding Co-ordinator and a Safeguarding Support Officer, both of whom have a legal background in family law, supported by a Disclosure and Barring Service (DBS) administrator with a wealth of experience of Catholic charity work and disclosure and barring matters, a team administrator and the Episcopal Vicar for Safeguarding.

This team reports to the **Westminster Safeguarding Commission**, which has members with expertise spanning a number of safeguarding agencies, including the police, social care, education, nursing and the law. The Commission meets every three months to set the strategic agenda for Safeguarding within the diocese.

During 2017 the team focused on strengthening safeguarding provision within the parishes: 27 new Parish Safeguarding Representatives were recruited and inducted to the diocesan volunteer safeguarding workforce; dedicated safeguarding email addresses were rolled-out across all diocesan parishes to increase security and confidentiality of the service provided; and the DBS checking process migrated to a fully automated web-based model, making it easier and quicker for all applicants and parishes.

There are now 260 Safeguarding Parish Representatives leading safeguarding within the parishes, creating safe environments within parish communities and ensuring that all volunteers are recruited in accordance with safer recruitment practices, including carrying out the necessary DBS checks.

An online resource centre provides accessible support to all safeguarding personnel within our parishes, through which they have access to all the latest safeguarding information, including the national safeguarding policy and procedures, as well as relevant legislation, DBS matters and training. The amount of safeguarding training offered in 2017 was twice that of the prior year.

The department of **Marriage and Family Life** serves marriage, family and the Gospel of Life, endeavouring to extend the research, policy, educational and pastoral activities that the Diocese of Westminster undertakes in these areas.

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In supporting married couples and those that are preparing for marriage, and in educating young people about the vocation to marriage, attention is given to all aspects of married life: deepening the understanding of how marriage differs from other forms of relationship; marriage enrichment; and pre-marriage relationships. A number of targeted programmes are offered for each of these groups, including:

- *Explore*: where married couples talk with small groups of secondary school students about the realities of married life and lasting relationships, and answer any questions they may have;
- *SmartLoving Engaged*: a comprehensive marriage preparation course;
- *Loving4Life*: marriage enrichment weekends offered to married couples to help them rediscover the joy of being a man and woman in love, drawing on authentic Catholic teaching on the Theology of the Body; and
- *Retrouvaille*: a programme designed to help heal and renew troubled marriages, by offering participants the chance to rediscover themselves, their partner, and a loving relationship in their marriage.

The department also handles the logistics for the Annual Mass for Matrimony held at Westminster Cathedral, that brought together 700 couples, from 200 parishes, to celebrate their 10th, 25th, 40th, 50th or 60th+ wedding anniversary, and it organises various talks, seminars, retreats and conferences.

In its work of supporting family life, the departmental focus is placed upon parenting, as well as the emotional effects and consequences of divorce and separation and the best interests of children. We look forward to the World Congress of Families, to be hosted in Dublin in 2018, a triennial event started by Pope John Paul II in 1994 and whose closing event of the 2015 programme was attended by over a million people. The aim of the World Congress is to strengthen the bonds between families and bear witness to the crucial importance of marriage and the family to all of society.

Westminster Youth Ministry (WYM) is, as previously noted, responsible for nurturing the character of tomorrow's adults, forming them into active, capable citizens with the confidence required to thrive in modern society.

We believe that nurturing the positive role models of tomorrow requires a holistic approach, and so to complement its youth chaplaincy provision, WYM also runs a residential youth retreat centre based in Pinner, called SPEC, that is dedicated to providing an opportunity for children and young people to step back from their daily routines in order to reflect on, and hopefully experience, the presence of God in their lives.

Following the Trustees' decision to invest in the retreat centre's facilities in order to double the number of retreats

that could be offered, building works commenced in good order with a scheduled completion date of July 2017.

The retreat centre offers a variety of retreat programmes tailored to different age groups and sacraments, each focused on a different theme. Therefore those who wish to reflect on the positive ways in which they can lead their lives as they mature and progress through their education and faith formation can always discover new ways to encounter God, deepen their faith and act as missionary disciples.

Supplementing the retreat centre is a comprehensive support structure for ongoing formation, including a dedicated section on the WYM website called 'Discover' that contains articles and discussions covering many of the topics addressed and common questions asked during retreats. It provides retreatants with an opportunity to continue to evaluate their relationship with God and to reflect on the bigger questions in their hearts even after their retreat has concluded.

The **Justice and Peace Commission** helps individuals who share a vision of a world in which people live in peace and harmony, where our common humanity is respected and all are able to contribute freely to the common good, to respond to God's call and work together for the benefit of us all.

The Commission's aim is for Justice and Peace activity to be part of the core of the Church's work throughout the Diocese of Westminster, and for it to be perceived to be so by Catholics and non-Catholics alike. Specifically, the commission supports the laity, as well as priests and bishops of the diocese, in developing awareness of, and ensuring positive engagement with and commitment to, Justice and Peace as an integral part of the life of the Church and its living out of Gospel values.

During 2017, one of the clearest and most heartfelt demonstrations of our shared humanity was the response of the central administration, parishes, schools and individuals within the diocese to the Grenfell Tower tragedy. For example, St Francis of Assisi Church, Notting Hill, set up an emergency respite centre the morning after the fire, to help manage the overflow from centres closer to the tower, providing meals, cups of tea and water, a listening ear and accompaniment for people in the locality needing somewhere to be. The team of volunteers also helped manage, distribute and store the huge quantity of donations-in-kind that people in the local community and elsewhere brought to the centre.

To continue to support those who had been affected, Caritas, together with Caritas Social Action Network (CSAN) and the Catholic Children's Society (CCS), launched an appeal to fundraise for the victims of the disaster. The collection of the funds was administered centrally and the proceeds of the appeal have been distributed to Catholic charities to support their work in offering immediate relief and ongoing emotional, financial, psychological and practical support

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to all those affected by the Grenfell Tower fire. A significant number of parishes and schools had a special collection and/or engaged in fundraising activities for the Catholic Children's Society (Westminster), which set up an emergency relief fund for the children, families and communities affected by the tragedy.

Education provided through Diocesan Catholic Schools

Education is traditionally regarded as the process of conveying knowledge to others, typically the younger generations. On a deeper level, however, the Catholic Church believes education is about enlightening everyone about the ultimate realities of life, and about helping everyone to fulfil his or her innate human potential.

As set out in canon law, education must attend to the formation of the whole person, so that all may attain their eternal destiny, unity with Christ, and at the same time promote the common good of society. Children and young people must therefore be cared for in such a way that their physical, moral and intellectual talents develop in a harmonious manner, so that they attain a greater sense of responsibility, develop an understanding of the right use of freedom, and are formed to take an active part in public life.

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

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

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

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

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

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

Are collaborative: Catholic schools actively promote strong and positive links with the wider community, including

the diocese, deaneries, parishes, local authorities, families, and other schools. Given that parents, or those who act in their place, are the primary educators of their children, links between the home, the school and the parish are especially significant.

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

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

The expansion and development of Catholic Academy Trusts (CATs) across the diocese via the introduction of clusters of local schools continued throughout the year. These clusters are in the spirit of 'families of local schools' within the wider diocesan education family, and seek to ensure that every school and college sits within a network of collaboration such that each institution both gives and receives support. The programme is expected to take another three to four years to implement fully.

While nationally there are divergent opinions about the future path of education policy, it appears that most schools will move towards academy status. This is because:

- The direct funding of academies has reduced the capacity of local authorities to provide adequate resources to support schools;
- There are increased powers of intervention in struggling schools that receive a warning notice about their performance; and
- Financing schools and educational services is increasingly demanding, with budget management and changes to national funding formulae causing significant challenges for many schools.

At a basic level, isolation and fragmentation compromise the Church's mission in education. Establishing a network of CATs in the diocese therefore seeks to ensure that Catholic schools and colleges within the diocese will be better able to work together to proactively address rapidly changing educational needs, to protect vulnerable schools and help them flourish, and to operate with slimmer services and generate economies of scale.

The academisation process itself allows clear working relationships to be established between local Catholic schools, in order to assist with school improvement, leadership recruitment and formation, governance, and co-operation

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so as to strengthen Catholic mission. It allows schools to move beyond existing partnerships to achieve a new spirit of collaboration, so that the present success of Catholic schools and colleges in our diocese may be harnessed more effectively.

The Charity has oversight of 209 Catholic schools in the Diocese of Westminster, including 194 diocesan schools comprising 153 primary, 39 secondary and 2 Sixth Form colleges, and 15 independent schools, some of which are in the trusteeship of religious congregations. These schools are attended by around 92,000 boys and girls from the ages of 4 to 18. As of 1 May 2018, there were nine academy trusts, comprising both primary and secondary schools, responsible for 21 schools.

Both the land and the buildings through which all diocesan schools and academies operate are provided by the Charity, together with advice and guidance for both headteachers and governors on general, school-related employment matters. Furthermore, the Charity appoints all Foundation Governors and Directors of Academy Trusts, and through its Education Service is represented at the appointment of all headteachers, deputy headteachers, heads of Religious Education, and chaplains.

Widening and deepening the potential applicant pool in these ways demonstrates clearly the Charity's unswerving commitment to recruiting the most talented and capable leadership, teaching and support staff for all its schools, and the value it places on the quality of the education they provide. During 2017, a total of 36 headteachers and 18 deputy headteachers were appointed at diocesan schools.

As faith leaders within diocesan schools, many headteachers provide retreats for their staff. But it is vitally important that they also have the opportunity to be spiritually nourished. In September 2017, the Education Service organised the inaugural Headteacher Retreat, a day which was designed to give headteachers the opportunity for space, reflection and contemplation at the start of the new academic year.

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

As of December 2017, 32% of diocesan primary schools were rated by Ofsted as 'Outstanding' (2016 – 33%), while just 3% were rated as 'Requires Improvement' (2016 – 4%). Amongst diocesan secondary schools, as of December 2017 Ofsted had assessed 46% as 'Outstanding' (2016 – 42%) and none as 'Requires Improvement' (2016 – none). No diocesan schools, either primary or secondary, were rated 'Inadequate' in either 2017 or 2016.

This consistency of inspection rating is to be applauded, and it affirms the sterling efforts made by diocesan schools and the Education Service to ensure that a universal, high-quality education is available to all pupils. Equally noteworthy is the fact that diocesan schools achieved on average better ratings than their peers: as of December 2017, 28% of primary schools in London were rated by Ofsted as 'Outstanding' (diocese: 32%) and 5% as 'Requires Improvement' (diocese: 3%); for secondary schools in London Ofsted rated 39% as 'Outstanding' (diocese: 46%) and 9% as 'Requires Improvement' (diocese: 0%).

2016 saw the national introduction of a range of new GCSE performance measures based on a new grading system that will replace the long-standing A*-G grades with grades running instead from 9 (highest) down to 1 (lowest). 2017 was the first year that all students sat reformed GCSEs in English language, English literature and maths, with reformed GCSEs in other subjects being phased in and fully introduced for first teaching no later than September 2018. During the phase-in, the unreformed GCSE grades A*-G will be converted to the new grading system as follows: A* = 8.5, A = 7, B = 5.5, C = 4, D = 3, E = 2, F = 1.5 and G = 1.

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

Progress 8 is intended to measure student progress between primary school and GCSE. A score of 0 is, by definition, the national average, while scores above 0 mean students have performed better than the national average and scores below 0 mean performance has been below the national average. In 2017, students in diocesan secondary schools achieved a Progress 8 score of +0.40.

Attainment 8 is intended to measure average student achievement with an emphasis on the importance of both English and maths. In 2017, students in diocesan secondary schools achieved an Attainment 8 score of 5.3, significantly above the national average (4.5).

Diocesan secondary schools also outperformed their peers academically on other performance measures: for example, 55% of students achieved a grade 5 or above in both English and maths (nationally: 43%), and 34% of students achieved the English Baccalaureate (EBacc) at grade 5 or above in English and maths and at grade C or above in unreformed qualifications (nationally: 21%).

This impressive overall academic performance was even more remarkable for Religious Studies: the 5,667 students who sat the exam attained an average grade of 5.5, significantly above the national average (4.8), and 81% of them were awarded a grade 4 or above (the equivalent of unreformed A*-C grades), once again significantly above

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the national average (70%). Furthermore, the 5,274 students for whom a progress score could be calculated achieved an average progress score of +0.62, again significantly above the national average (which is by definition 0). It is of particular note that the percentage of students progressing to the very highest grades (grade 7 or above) is 11%, significantly higher than the national average (0%).

Many of our schools also gained recognition, national and international, for their exceptional academic performance and social achievements in 2017, including the following:

St Mary's Primary School, Isleworth, was one of just 104 schools in the country to receive the Special Games Platinum Award within the government-led Schools Games Mark awards scheme, in recognition of their commitment to developing competition across their school and into their local community.

St Anne's High School for Girls, Enfield, received a letter from the Secretary of State for Education, the Rt Hon Nick Gibb MP, confirming that they had been placed in the top 5% of all schools nationwide according to the Progress 8 score.

The Douay Martyrs School, Hillingdon, was awarded the prestigious Cardinal Hume Award for 'Outstanding Contribution to Catholic Social Teaching', which recognises young people who have helped others turn lives around.

St Cuthbert Mayne Primary School, Hemel Hempstead, was awarded the NACE Challenge Award in recognition of the high quality engagement at the school in challenging all students, in particular the more able learners, to achieve their best.

St Benedict's School, Ealing, saw three of its pupils accepted into the National Youth Boys' Choir, following auditions attended by hundreds of young singers from all over the United Kingdom.

The Convent of Jesus and Mary Language College, Willesden, has been awarded the British Council's prestigious International School Award in recognition of its work to bring the world into the classroom. The school's international work includes exchanges and joint projects with overseas schools, themed workshops celebrating key events and a focus on global issues aimed at raising students' awareness.

2017 also brought particular challenges for diocesan schools. Seven of our schools were directly affected by the Grenfell Tower disaster, including St Francis of Assisi School, Notting Hill, which had to be relocated to Sion Manning Catholic School for Girls, Ladbroke Grove, as it was within the initial exclusion cordon. Many other diocesan schools were indirectly affected by the disaster and a significant number engaged in fundraising activities for the Catholic Children's Society (Westminster), which set up an emergency relief fund for the children, families and communities affected by the tragedy.

Popular fundraising efforts included non-uniform days and cake sales, as well as a girls vs. boys netball match and a sponsored circuit session designed by Team GB triple jumper Nathan Fox.

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

The Education Service is eager to promote good practice throughout diocesan schools, so during 2017 they created and launched a new diocesan-wide resource sharing platform specifically for RE at primary schools. This platform includes links to different RE schemes, provides assistance in planning school worship, and has numerous examples of creativity and excellence within RE lessons. It is available to all teachers across the diocese to assist in planning RE lessons, and teachers are strongly encouraged to upload resources to the platform to be shared with their fellow educators.

In addition to achieving academic excellence and providing sound moral formation to all their students, Catholic schools strive to care for the whole person: mind, body and soul. Many have formal 'Healthy Schools' policies which aim to help children and young people to lead a healthy lifestyle so that they grow up healthily, safely and responsibly, and with the motivation and self-respect to make healthy choices.

Many of our schools have also joined with the diocese in promoting our mission of social justice through initiatives like Fairtrade, which aims to help producers of commodities, such as coffee, cocoa, sugar, fresh fruit, chocolate, flowers and gold in developing countries, to achieve better trading conditions, and to promote sustainable farming.

In coordination with the government, local authorities, school governors and parents, the diocese continues to improve and expand its schools' buildings.

At the start of the most recent financial year, a total of 216 school development projects were being overseen by the Trustees, of which 98 projects were still active at the end of the year. The 118 projects that were completed within the year represent a capital investment of about £59.0 million. During the financial year, a total of 75 new projects were initiated, increasing the total number of projects open at the end of the year to 173, representing an estimated total capital investment of £87.6 million. Funding for each project is sourced from a combination of the Department for Education, the relevant Local Education Authority and the school itself. Each school generates its own funding contribution from a mixture of sources, such as fundraising activities, parents and the diocese. School governors are responsible for claiming funds for which they are eligible, with the diocese acting as an agent on their behalf, allowing it to handle the day-to-day administration of the funds received and to pay the suppliers, such as contractors and consultants, appointed by the school.

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The Implementation of Catholic Social Teaching through Caritas

The fundamental principle of all Catholic social teaching is that each and every human person is created in the image and likeness of God, and therefore possesses an innate dignity, irrespective of his or her personal circumstances.

Through a series of papal encyclicals published over the past 115 years, the Church has developed this concept of human dignity to articulate essential truths about what constitutes a just society, one which:

- is oriented towards human flourishing;
- supports the natural human community of the family, and the integration of people into broader communities of the Church and society;
- recognises the dignity and worth of human labour;
- guarantees the fundamental human rights of all;
- offers everyone the freedom to fulfil his or her responsibilities; and
- cares appropriately for God's creation.

The unifying, underlying principle required to realise the Church's vision of a just society is solidarity, the real and determined commitment of each person to the welfare of all.

These truths guide us on how to respond to our faith as individuals and to respond to God's call to work towards a common good. Volunteering is at the very heart of Catholic social teaching: it is a form of the universal Christian vocation, or calling, to use our gifts for the benefit of others, be they in our local community or in the wider world.

To enable people living within the diocese to fulfil this vocation more easily, in March 2017 **Caritas Westminster** launched the Caritas Volunteer Service, creating a one-stop shop for volunteering across London and Hertfordshire. The service, which is open to members of all faiths and of none, and which is free for individuals and organisations alike, brings together volunteers and volunteering opportunities from parishes, schools and organisations across the diocese.

As of 31 December 2017, 252 individuals had signed up to the service, 34 parishes and other organisations had registered with the service and 66 volunteering applications had been received through the service. This encouraging start to the Caritas Volunteer Service has already been built upon in 2018: at the time of writing 355 individuals had signed up, 43 parishes and other organisations had registered, and 98 applications had been received. Currently there are 78 volunteering opportunities being offered by 20 different parishes and other organisations.

In tandem with developing this new service, throughout 2017 Caritas Westminster promoted awareness of Love in Action, its engagement programme that helps parishes, schools, youth groups and faith-sharing groups to explore the key principles of Catholic social teaching. The seven-week programme challenges participants to consider how they can incorporate these key principles into their everyday lives. It provides a range of resources that form the foundation for programme participants to identify social needs within their parish, school youth group or local community, and to plan effective social actions to address them.

Guiding the strategy for all of Caritas Westminster's activities are the following seven focus areas identified by the Trustees:

1. Supporting people who find themselves in food poverty and debt

Debt problems can affect anyone at any time, but they can be particularly debilitating for the most vulnerable in our society.

To ensure that everyone lives a life of dignity and worth, it is essential that anyone struggling with their finances knows that help is available, that there is a way forward, that there is no shame attached to seeking debt advice, and that someone is there to accompany them on their journey, just as God accompanies us throughout our daily lives, even though we may at times forget him.

This is why, in January 2017, Caritas Westminster committed itself to ensuring that as many people as possible in the Diocese of Westminster are aware that they can seek free, impartial and confidential debt advice tailored to their individual situation, from the debt charity StepChange.

Complementing this important new initiative, the **St John Southworth Caritas Fund**, an amalgamation of a number of separate funds and legacies dedicated to the alleviation of poverty and hardship, continued to provide a comprehensive range of grants to tackle poverty and social exclusion throughout the diocese. During the year, the fund more than doubled both the number of grants and the value of the financial assistance provided to those in the greatest need, making a total of 66 grants to the value of £161,000 (2016 – 32 grants, £80,000) in line with its key priority areas.

The fund awarded 30 crisis grants (2016 – 18) to individuals and families in need, where a small sum of money can make a significant difference (for example, paying rent, fuel bills or children's expenses in order to avoid eviction and homelessness during a period of crisis; giving money for school lunches; providing for the basic needs of those without recourse to public funds).

In addition to this support for individuals and families in crisis, the fund made 14 project grants (2016 – 14) to parishes and local organisations working together with parishes, to help either seed-fund or develop local social action initiatives

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(such as food banks, school breakfast clubs, and apprenticeship placement schemes).

A new priority area for the fund this year was the growing problem of funeral poverty, for which it awarded 22 grants towards funeral costs in cases of hardship, using a specific fund set up for the purpose.

With so many needy and deserving people in London and its environs, financial demand on the St John Southworth Caritas Fund is expected to increase substantially in 2018. In order to maintain, and in the longer-term expand, its ability to tackle and alleviate poverty and deprivation right across the diocese, the fund is increasingly dependent on the generosity of its donors.

2. Supporting lonely, isolated and vulnerable people

Following its launch in October 2016, the vital partnership with the Religious of Mary Immaculate Sisters bore its first fruit. This collaboration helps marginalised women gain employment in both a safe and legal manner, thereby enabling them to support themselves and their families, and to live a dignified family life. A total of three women have now successfully gained sufficient skills, confidence and knowledge of English to secure and retain employment.

Besides helping these women to integrate into society, the employment they have secured provides them with both financial independence and an independent network of support and friendship that recognises and rewards their hard work and dedication to improve their lives and the lives of those around them.

In May 2017, Waltham Cross parish identified a segment of its community suffering or threatened by loneliness whose needs were not addressed by other social inclusion programmes, such as the 'Contact the Elderly' charity: those between the ages of 60 and 75 living alone. They therefore started their own social programme, hosting afternoon teas at their parish hall on alternate months. After the first three events, the parish chose to make them monthly and the number of people attending each event has since doubled. Word of mouth helped significantly to spread the invitation throughout the community, and parish volunteers offering to transport elderly residents to events have helped improve access.

A growing number of parishes and faith groups within the diocese are seeking approval to sponsor refugee families via the Community Sponsorship Scheme, launched by the government in July 2016 to enable community groups including charities, faith groups, churches and businesses to take on the role of supporting resettled refugees in the UK.

The translation of Catholic social teaching into concrete action by parishes and faith groups exemplifies the diocese's determination to improve the circumstances of the most vulnerable in society, and demonstrates the vibrancy and urgency of the Catholic response to injustices wherever they may be encountered.

3. Supporting the Catholic Deaf community

At least once a month throughout the year, four parishes distributed geographically around the diocese provided signing at a regular weekly Mass, as well as a dedicated prayer corner with candles and holy water for those members of the Deaf community who wished either just to pray or to attend the sacrament of Reconciliation before Mass started.

Besides this essential liturgical provision, and in addition to the annual pilgrimage to the National Shrine of Our Lady at Walsingham, the **Caritas Deaf Service** joined the annual Diocese of Westminster pilgrimage to Lourdes at the end of July, and organised its own pilgrimage to Fatima, in September, to celebrate the centenary of the first of Our Lady's appearances to three young children there, in which she gave the children a mission and message of prayer and penance to bring peace to the world.

During the pilgrimage to Fatima, not only were all daily Masses communicated in sign language, but all talks were interpreted too, at every location visited.

We are blessed that one of our Auxiliary Bishops can sign, raising Deaf awareness right across the diocese. Bishop Paul McAleenan, who learnt to sign when he was a parish priest and had a Deaf family in his parish, demonstrates the kind of practical love and understanding that is the very foundation of everything Caritas Westminster does.

Other important aspects of the Caritas Deaf Service are the counselling it provides for those at risk of suicide or self-harm, or who have been victims of domestic violence (something which happens within the Deaf community at twice the national average rate) and the training courses it runs for those wishing to learn British Sign Language.

One of the beneficiaries of these courses in 2017 was a diocesan priest, who is now able to celebrate Mass and the sacraments in word and in sign, and in particular to offer the Deaf community the sacrament of Reconciliation.

4. Supporting people with intellectual disabilities and their families

Some people, unfortunately, find too little love and safety in the world. Places that ought to accept everyone as they are, as God has made them, may not always offer the same welcome to all. Many with intellectual disabilities do not find acceptance in traditional environments of learning or worship that others rely on for comfort and familiarity.

Caritas St Joseph's is one place, however, that offers unconditional love and welcome to all, putting every individual's gifts and needs first and creating a receptive home for each individual person where they know without a shadow of a doubt they are safe and loved. It promotes a coherent, comprehensive approach to faith development and learning appropriate for children with special needs.

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By offering a broad mix of courses tailored to a variety of ability levels, skills and desires for learning and life experience, the centre provides lifelong learning opportunities and a celebration of the God-given gifts of all people. Each week, more than 200 students with intellectual disabilities are able to develop their potential, progressing further along the path to finding their place in the community, all in a safe and loving environment.

The three different types of courses offered, vocational, leisure and therapeutic, are supplemented by a range of supporting facilities such as massage therapy, reflexology, aromatherapy and a multi-sensory room, and are complemented by additional courses and activities at the hub site, Connect @ Hounslow.

The number of students registered at Connect @ Hounslow grew by 9% year-on-year after nearly doubling in 2016, a phenomenal rate of growth over the past two years. This increase in demand led Caritas St Joseph's to develop a second hub site, Connect @ Feltham, which opened in January 2018 and will hopefully prove to be just as successful as Hounslow has been.

In addition to the panoply of formal and informal classes and therapy sessions offered by Caritas St Joseph's, there are a host of regular social events throughout the year, such as barbecues, discos, movie nights, jazz evenings, concerts and sponsored walks, all geared towards providing students with hope for the future, hope that they may never have had before.

The month of May 2017 heralded the onset of Caritas St Joseph's quadragennial (40th anniversary) festivities: 40 years of faith and vocational development that have enabled people with learning difficulties to grow and flourish. To mark this milestone, Mass was celebrated in the grounds, a special blessing was conferred on all volunteers, without whom the centre's work would not be possible, and a 'Bring and Share' lunch was organised and extremely well-attended.

5. Supporting young people at risk of social exclusion

It has been more than 18 months since the dismantling of the 'Jungle' migrant camp in the port of Calais, and although the camp has disappeared from public consciousness and newspaper headlines, the young migrants remain. And their circumstances are now worse than ever.

Both before and since the destruction of the camp, Caritas Westminster, together with Justice and Peace, Capital Mass and other London community groups, has supported the work of Maria Skobtsova House and Secours Catholique (Caritas France) in Calais.

Following a visit to observe the work being done by Maria Skobtsova House, Bishop Paul McAleenan, Lead Bishop for Asylum and Migration, Catholic Bishops' Conference of England and Wales, and Bishop William Nolan, President of the Commission for Justice and Peace, Bishops' Conference of

Scotland, issued a joint statement calling on the UK and French governments to recognise the intrinsic human dignity of all those living in such desperate circumstances, regardless of their status, and in particular to acknowledge and affirm the rights of unaccompanied minors.

They also asked that Catholics in the UK and France continue to support the work of Secours Catholique and Maria Skobtsova House, which Caritas Westminster will continue to do both directly and indirectly.

Closer to home, in September 2017, Caritas Westminster formed a new partnership with Our Lady's Catholic High School in Hackney to run a pilot of a new outreach initiative called Caritas Ambassadors. The pilot programme included sessions on Love in Action, helping the students to identify their gifts and talents and put them into action, volunteering and communications, sessions with Caritas Westminster's direct services, and a visit to Caritas St Joseph's to learn more about the important work done there to create an inclusive Catholic community.

These Caritas Ambassadors sessions have led to the students working with the parish of St Francis de Sales, Tottenham, to support their night shelter and to thinking further about how they can use their skills to have a long-term impact in their community. The school hopes to build on the pilot by creating a core Caritas student group at the school which will use the Love in Action programme to develop social action projects for the whole school to be involved in.

Caritas Westminster aims to roll out Caritas Ambassadors across the diocese in 2018, to embed within young people an awareness of the kinds of social exclusion and deprivation that may exist within their communities, and to equip them with the skills, knowledge and passion to take positive action to address it.

6. Supporting victims of human trafficking

Caritas Bakhita House is the diocese's dedicated accommodation (emergency safe house) for rescued female victims of human trafficking in the UK. It exists thanks to a unique working relationship between the Diocese of Westminster, the Metropolitan Police and a number of congregations of women religious.

We don't want simply to address the symptoms of modern slavery, but to eradicate it entirely from society. Therefore we are proud that during 2017 a total of 6 convictions were secured based on the evidence given by guests of Caritas Bakhita House, resulting in prison sentences totalling 47 years being handed to the traffickers involved.

A total of 45 women are either working with the police or have reported the crimes committed against them, and another three cases are proceeding to court. Our professional staff, women religious and volunteers are dedicated to continuing to support these women, who are showing such courage in testifying against their traffickers and abusers.

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At year end 2017, Bakhita House had welcomed and helped a total of 78 women, four babies born to women in its care and one toddler, providing each and every guest with all the holistic care and assistance they needed to start restoring their lives. The quality of the relationships formed by each guest with our professional staff, women religious, volunteers and organisations linked to our Catholic network, delivers an experience that optimises their recovery and rehabilitation, and which provides a foundation for lasting hope in their lives. The values and principles of action from which all guests benefit are:

Love expressed in compassionate support and long-term commitment

Respect for the gift and dignity of each individual

Community that welcomes and creates friendship and belonging

Spirituality nurtured by that joy in creative activity which lifts the spirit

In October 2017, Caritas Bakhita House won the award for 'Outstanding Contribution to the Fight against Modern Slavery' at the UK Anti-Slavery Day Awards, a prestigious annual awards ceremony run by the Human Trafficking Foundation and supported by the Marsh Christian Trust. This acknowledgment reflects the continued, widespread appreciation for the extraordinary, life-changing work taking place at Bakhita House. As a measure of the regard in which these awards are held, this year's ceremony was hosted by the Speaker of the House of Commons at Speaker's House in the Palace of Westminster and was also attended by the Home Secretary and the Minister responsible for tackling modern slavery.

7. Supporting people who are homeless

In partnership with Housing Justice, the national voice of Christian action in the field of housing and homelessness, Caritas Westminster has produced a booklet for clergy and parish teams in the Diocese of Westminster entitled 'Helping Homeless Callers'. This new resource contains essential information on the support that is available to homeless people seeking help, and what can be done for those threatened with homelessness.

There are many different reasons behind the growing problem of homelessness, each unique to the circumstances in which individuals find themselves, but among the most common are low wages and unemployment. These are felt particularly acutely in London, where over the past 20 years average salaries have risen by about 68% but average house prices have risen by 259%, making affordable accommodation increasingly scarce.

Keen to help address this need, six diocesan parishes have partnered with seven other churches, a synagogue and a mosque to form the Westminster Winter Night Shelter, one of over 100 similar schemes across the country in which faith

groups coordinate to help the homeless in their community. Operating between October and May, the shelter provides dinner, a comfortable bed and breakfast to a number of homeless people every night of the week.

Last winter, a total of 54 homeless people used the service, of which 25 were moved into accommodation, 10 began paid employment and six were reconnected with relatives in their country of origin (2016 - 63 homeless people, of which 39, 11 and six respectively).

As a sign of the transformative impact that the Westminster Winter Night Shelter can have on the lives of the many individuals it assists, one of its guests who had been helped onto a trainee placement at a local hotel excelled in customer service to such an extent that, after having progressed to a full-time role, he was this year awarded Employee of the Year at the hotel.

Several other parishes within the diocese are involved in hosting the Glass Door Night Shelter, the largest homeless shelter network in the UK. Over the last year, a total of 420 guests stayed in the shelters, with 160 of those guests moving into housing and 98 being supported into employment.

Conclusion

The services, programmes, events, initiatives, projects, resources and courses described above are just a sample of the plethora of activities undertaken by the Charity in achieving its purpose and ministering to as many people as possible. The vast majority of the Charity's engagement with its beneficiaries happens face-to-face, but as the years go by the ways in which people first encounter the Charity or experience its work are constantly evolving.

For many, that first point of contact is the critical determinant of how effectively we can help to address an individual's needs. The Charity's door is always open, and every effort is made to ensure this first point of contact is a positive one and forms the basis for an ongoing relationship. The Charity continues to embrace new methods of communication and data sharing as opportunities for it to engage more widely, more deeply and with a greater number of individuals.

In order to serve as many beneficiaries as possible, the Charity must remain vigilant to new trends, evolving needs, changing demographics, social aspirations and societal norms. This requires the Charity to challenge itself constantly to offer activities that best suit the demands of individuals in need, and to do so in ways that are relevant and easily accessible to them, as well as to use and distribute scarce resources and infrastructure fairly and efficiently, so as to magnify the societal benefit it creates and to maximise the impact it has on the lives of its beneficiaries.

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The Charity is proactive in offering new programmes of engagement to combat the needs it identifies, many of which subsequently become part of the mainstream business environment, such as encouraging responsible employment practices, seeking an end to human trafficking in the supply chain and engaging with companies on a variety of environmental, social and governance topics.

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

In order to ensure the Charity is able to continue improving the lives and circumstances of all within society, the Trustees periodically review internal governance arrangements and operating models to identify potential inefficiencies or deficiencies that need to be eliminated, and to determine those additional services that must be provided to ensure that the Charity offers a comprehensive suite of accessible and appropriate activities for their needs.

The review started during 2017 focused on streamlining the administration of the Charity for both the Trustees and the key management personnel, in order to reduce the time burden of the day-to-day operation of the Charity and thereby enable them to devote greater attention to addressing front-line demands. One of the tangible results of this review was the decision to apply to the Charity Commission for a uniting direction, subsequently granted, in respect of three previously separate charities: The Moorfields Charity, Westminster Cathedral Trust and Hare Street House (see also note 24).

The Trustees are confident that the Charity and the services, programmes, events, initiatives, projects, resources and courses it offers are more relevant to society today than ever, and are unwavering in their commitment to improving the welfare of all within society according to the principles of the Church's teachings and its beliefs.

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

To help finance and support the Charity's activities, and in order to provide for future needs, the Trustees led a fundraising programme called Growing in Faith which ran from January 2012 to December 2014, and which conveyed to each and every parishioner the Charity's key

future priorities: a) vibrant and sustainable parishes; b) a sustainable priesthood; and c) providing help to the poor and the marginalised. The campaign received about £34.8 million in gifts and pledges from around 19,500 households, of which about £29.5 million had been received by year end 2017. We are immensely grateful to all donors for their continuing generosity towards this programme. The cost of the campaign was £3.8 million, which was met by the curia from its existing reserves.

More recently, the Charity launched the Cardinal's Appeal fundraising initiative to support the innovative work of Catholic parishes, schools, charities and other similar organisations within the Diocese of Westminster in contributing to three fundamental aspects of the Church's mission: strengthening marriages and families; deepening the faith life of our young people; increasing our social outreach presence in civil society. The appeal has an evangelical focus, stressing the value of strong families grounded in God's sacred plan for us, forming the next generation of Catholics to lead the Church and society, and offering an important Catholic perspective on the modern world by bearing witness to our faith and putting into practice Catholic teaching in an increasingly secular society.

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

During the next year the Charity will continue to build on these concrete achievements in an effort to demonstrate further both its resolve to effect meaningful societal change and its commitment to its stated purpose.

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Financial Review

Scope of the Consolidated Accounts

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

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

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

Diocese of Westminster Sick and Retired Priests Fund: an independently registered charity (Charity Registration No 278136) integral to the Charity that provides assistance to sick, elderly and retired clergy.

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

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

In 2017, the Charity applied to the Charity Commission for a uniting direction in respect of The Moorfields Charity, Westminster Cathedral Trust and Hare Street House (the Linked Charities). The effect of the uniting direction is to allow the Charity to prepare a single set of accounts that incorporates the Linked Charities as restricted funds. Consequently the consolidated accounts also include the assets, liabilities and transactions of the following:

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

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

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

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

Over the past three years, the Charity has spent significant sums of its own funds on two particular property assets for occupation by Catholic schools: St Richard Reynolds School, a voluntary aided primary and secondary school, in Twickenham, and the Friary, an independent pre-prep school that forms part of the Westminster Cathedral Choir School. During the year, the Charity signed a lease agreement with the Choir School and the rental income from the lease will be used to finance repayments due on the £10 million, thirty-year loan granted by HSBC Bank plc in order to purchase and refurbish the property.

In accordance with the principal accounting policies which form part of the accounts attached to this report, voluntary aided schools and academies which are publicly funded are valued at £nil in the Charity's accounts. Consequently, the total amount spent by the Charity on St Richard Reynolds School in the past three years (£15.7 million, of which £8.4 million was spent in 2017) has been recognised in the accounts as expenditure. Further expenditure on St Richard Reynolds School will be incurred in 2018.

As of 31 December 2017, the total amount invested in the Friary (£10.4 million) has been recognised in the accounts as a programme related investment.

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Financial Results

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

	2017 £m	2016 £m
Parishes		
Income	39.8	37.3
Expenditure	(26.8)	(27.1)
Surplus before assessment and transfers	13.0	10.2
Diocesan assessment	(5.5)	(5.3)
Transfers from Curia to Parishes	1.5	1.8
Surplus after assessment and transfers	9.0	6.7
Investment gains	12.5	5.5
Added to reserves	21.5	12.2
Curia		
Diocesan assessment	5.5	5.3
Other income	14.8	18.6
Total income after assessment	20.3	23.9
Expenditure	(20.5)	(23.1)
Transfers from Curia to Parishes	(1.5)	(1.8)
Deficit	(1.7)	(1.0)
Investment and actuarial gains	4.9	2.0
Funds introduced	0.7	–
Added to reserves	3.9	1.0

Parishes

Parishes are central to fulfilling the Charity's mission. They are communities whose daily activities contribute, both directly and indirectly, to the moral and spiritual wellbeing of everyone living and working within them. They are the places where local communities come together each Sunday to worship, where sacraments are administered, where children are educated in faith and where social outreach programmes are developed, allowing communities to support individuals of all faiths and none in their local area, caring for those in need, and working together for the common good of society.

Parish income (excluding transfers from curia) increased by £2.5 million to stand at £39.8 million for the year (2016 - £37.3 million), including donations and legacies totalling £28.1 million (2016 - £26.8 million), income from parish and similar activities of £6.6 million (2016 - £6.4 million) and investment income and interest receivable of £2.6 million (2016 - £2.0 million).

Parish expenditure for 2017 decreased by £0.3 million to stand at £26.8 million (2016 - £27.1 million), resulting in a surplus before assessment and transfers of £13.0 million (2016 - £10.2 million).

The diocesan assessment, being monies transferred from parishes to the curia to fund diocesan-wide programmes, amounted to £5.5 million (2016 - £5.3 million).

Transfers from Curia to Parishes relate to transactions between the curia and the parishes, mostly Growing in Faith grants, which are eliminated upon consolidation, and amounted to £1.5 million for the year (2016 - £1.8 million).

Parish investment gains were considerably higher this year than last, amounting to £12.5 million (2016 - £5.5 million), resulting almost entirely from an increase in the value of investment properties held by the parishes of £11.7 million, as well as from an increase in the value of listed investments held by the parishes of £0.8 million.

Parish reserves increased by £21.5 million in the current year (2016 - £12.2 million). All parish activities and funds are restricted and can only be used for the benefit of parishes.

Curia

The curia is responsible for the central organisation necessary for the Charity to achieve its stated purpose and assists the Archbishop and Bishops in supporting more than 200 schools and more than 200 parishes across the diocese as well as in providing diocesan-wide programmes that enhance the Charity's mission.

Total curial income after assessment in 2017 stood at £20.3 million (2016 - £23.9 million).

As mentioned previously, the diocesan assessment amounted to £5.5 million (2016 - £5.3 million).

Other curial income stood at £14.8 million (2016 - £18.6 million), a decrease of £3.8 million versus the prior year. This income relates to both restricted and unrestricted activities. In 2017, the main components of other curial income are income from Growing in Faith of £4.3 million (2016 - £8.0 million), grant income in respect of St Richard Reynolds School of £4.4 million (2016 - £5.0 million) and other donations and legacies of £2.4 million (2016 - £2.2 million).

The material decrease in curial income is mainly due to the £3.7 million reduction in the funds received from the Growing in Faith campaign during the year. This adverse impact on curial income will continue in the coming years until all funds pledged have been received. The Growing in Faith campaign supports the vision for the future of the diocese and the restricted funds obtained are intended to fund priests' training, the care of sick and retired clergy, Caritas Westminster and parish projects. The programme resulted in an amount pledged of £34.8 million over five years.

Curial expenditure for 2017 decreased by £2.6 million to £20.5 million (2016 - £23.1 million). The principal reason for the decrease is the £2.6 million reduction in Growing in Faith grants to non-consolidated entities, in particular to Westminster Ecclesiastical Education Fund (WEEF), a connected charity of the diocese whose objective is the

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training of students for the priesthood. After eliminating grants to parishes and Caritas, Growing in Faith grants in 2017 amounted to £0.4 million (2016 - £3.0 million).

Expenditure recognised in respect of building works at St Richard Reynolds School, Twickenham increased by £1.1 million in the year, from £7.3 million in 2016 to £8.4 million in 2017. As of 31 December 2017, the total spend on St Richard Reynolds School was £15.7 million, of which £6.3 million relates to unrestricted expenditure that has been funded by the Charity from its free reserves.

Investment and actuarial gains amounted to £4.9 million (2016 - £2.0 million). Gains on investments (both listed investments and investment properties) were £4.8 million in the year, compared to £3.6 million in 2016, and the actuarial gain for the year was £0.1 million, compared to an actuarial loss of £1.6 million in 2016.

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

Total curial unrestricted income after diocesan assessment stood at £8.9 million in 2017 (2016 - £8.3 million). Total curial unrestricted expenditure amounted to £13.1 million (2016 - £12.5 million), including £4.0 million non-recurrent expenditure in respect of building works at St Richard Reynolds School, Twickenham. Total curial unrestricted expenditure excluding St Richard Reynolds School was £9.1 million, a figure very close to the total unrestricted income after assessment recorded in the period.

Unrestricted investment and actuarial gains amounted to £3.5 million (2016 - £0.8 million) leading to a reduction in the curial unrestricted reserves in the period of £0.4 million (2016 - £1.2 million reduction).

Total curial restricted income after net transfers was £11.4 million in 2017 (2016 - £15.6 million). Curial restricted income largely results from grant income in respect of St Richard Reynolds School (£4.4 million), from income received under

the Growing in Faith campaign (£4.3 million) and from income received from the restricted activities managed centrally, in particular Caritas and the Diocese of Westminster Sick and Retired Priests Fund. Restricted expenditure was £7.4 million for the year (2016 - £10.6 million) comprising expenditure on St Richard Reynolds School and on the restricted activities developed centrally, in particular Caritas and the Diocese of Westminster Sick and Retired Priests Fund.

Gains from listed restricted investments amounted to £1.4 million (2016 - £1.2 million) whilst transfers from curial restricted funds amounted to £1.8 million (2016 - £4.0 million) and funds introduced as a result of linking the previously connected charity, Hare Street House, amounted to £0.7 million (2016 - £nil), leading to an increase in curial restricted reserves of £4.3 million (2016 - £2.2 million).

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

Reserves Policy

A healthy level of free reserves is essential to ensuring that the Charity can sustainably continue to develop its mission. The Trustees aim to maintain the Charity's free reserves at an equivalent of 12 months' expenditure on unrestricted funds, although they also acknowledge the need for some flexibility in order to accommodate changes in future investment values, exceptional expenditure or opportunities to enhance the mission. The Trustees do not believe in accumulating funds unnecessarily; they believe that the Charity's funds should be used to enable the diocesan mission instead and therefore expenditure and investments should be prioritised accordingly.

Even with a proactive approach to risk, the Trustees cannot foresee all financial risks nor can they anticipate all the effects on the Charity of a prolonged period of economic stagnation. When establishing their guideline on the free reserves, the Trustees have considered the effects of an eventual financial shock.

Curia

	Unrestricted funds		Restricted funds		Total funds	
	2017 £m	2016 £m	2017 £m	2016 £m	2017 £m	2016 £m
Diocesan assessment	5.5	5.3	–	–	5.5	5.3
Other income	3.4	3.0	11.4	15.6	14.8	18.6
Total income after assessment	8.9	8.3	11.4	15.6	20.3	23.9
Expenditure	(13.1)	(12.5)	(7.4)	(10.6)	(20.5)	(23.1)
Transfers	0.3	2.2	(1.8)	(4.0)	(1.5)	(1.8)
(Deficit) / Surplus	(3.9)	(2.0)	2.2	1.0	(1.7)	(1.0)
Investment and actuarial gains	3.5	0.8	1.4	1.2	4.9	2.0
Funds introduced	–	–	0.7	–	0.7	–
(Deducted from) / Added to reserves	(0.4)	(1.2)	4.3	2.2	3.9	1.0

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When making decisions on major investments or capital projects, the 12-month goal of unrestricted expenditure is a key consideration. At the same time, the financial vulnerability of the Charity should also be assessed. This can act as a warning signal to make a concerted effort to grow the Charity's reserves.

The Trustees monitor the Charity's reserves on a periodic basis in order to take action should these fall below the preferred levels. The Trustees forecast that, in two years' time, the Charity's free reserves may continue to be the equivalent of between six and nine months' worth of unrestricted expenditure, depending on prevailing market conditions. This is because, in recent years, the Diocese of Westminster has undertaken some large capital programmes which have been, and will continue to be, funded from the Charity's general funds. These programmes are mainly the purchase of the new primary and secondary school in Twickenham, St Richard Reynolds; the building development at the residential youth retreat centre in Pinner; and the purchase of Bakhita House to host and care for female victims of human trafficking.

The Trustees have previously predicted a decrease in free reserves as a result of the above projects being developed, and have a strategy in place to strengthen them.

Funds of the Group

General Funds and Free Reserves

The Charity's general funds, which represent monies available to the Charity for its general purposes, decreased by £3.4 million over the year to reach £4.8 million (2016 - £8.2 million), the equivalent of approximately 6 months of future unrestricted expenditure (2016 - 10 months).

The principal reason for this reduction in general funds is the unrestricted amounts spent on St Richard Reynolds School and on the continuing development of the youth retreat centre.

The Charity's general funds are subdivided between free reserves totalling £7.1 million (2016 - £11.0 million) and a pension reserve deficit which stands at £2.3 million (2016 - £2.8 million). The Charity's free reserves represent 8 months of future budgeted unrestricted expenditure (2016 - 14 months).

Other Unrestricted Funds

Also included within the balance of the unrestricted funds are tangible fixed assets funds totalling £20.6 million (2016 - £19.3 million) and programme related investments funds amounting to £10.4 million (2016 - £8.7 million), both of which represent property and other fixed assets essential to furthering the Charity's mission. By definition, they do not represent liquid assets immediately available for

expenditure. Designated funds represent monies set aside for specific purposes, totalling £0.6 million (2016 - £0.6 million).

Total curial unrestricted funds amounted to £36.5 million at 31 December 2017 (2016 - £36.8 million).

Restricted Funds

Curial restricted funds of the Charity total £40.7 million (2016 - £36.5 million) and are not available to the Charity to use for its general purposes. Included within the total is £19.9 million (2016 - £17.9 million) representing monies raised as part of the Growing in Faith campaign, which will be distributed in the coming years.

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

Parochial reserves at 31 December 2017 total £177.7 million (2016 - £156.1 million) and relate solely to the assets and activities of individual parishes. These reserves, mainly represented by fixed assets (£145.4 million) and cash at bank and in hand (£31.6 million), are not available to the Charity to use for its general purposes, nor are individual parishes able to transfer their funds to other parishes within the diocese.

The Charity's Assets

At the end of 2017, annual capital expenditure for the Charity stood at £10.6 million. Of this amount, £8.3 million relates to ongoing capital projects carried out in parishes, ranging from major projects, such as replacing church roofs or renovating parish halls, to smaller projects, such as refurbishing meeting rooms. The remaining capital expenditure for the year (£2.3 million) is mainly related to the new youth retreat centre in Pinner.

The net book value of assets disposed of in the year was £0.5 million. Further details of acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

Connected Charities

The main charity connected with the Charity is Westminster Ecclesiastical Education Fund (WEEF) (Charity Registration No 312528), a charity providing training to students to the priesthood which is the recipient of an annual, diocesan-wide collection.

Further details of connected charities are given in note 22 to the attached accounts.

These charities are the responsibility of the Corporate Trustee, but outside the scope of these accounts.

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Fundraising Policy

Introduction

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

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

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

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

Fundraising Practice

The Charity is registered with the Fundraising Regulator, whose recently revised Code of Fundraising Practice provides the framework within which all charities need to operate. We see this as the minimum standard we should uphold. For instance, we take great care when processing donations and when speaking to donors on the telephone to ensure that vulnerable adults are not exploited. Our parishes, communities in which people build friendships over many years and in which parish priests come to know almost everyone, create an environment in which any concerns about an individual's vulnerability can be discussed in strict confidence. This allows us to tailor our approach and our interaction with individuals whenever necessary.

About two thirds of the Charity's income is generated in the parishes, for the parishes. Most of this income is collected and administered by tens of thousands of volunteers, and consists of small donations made by parishioners week after week, often for many decades. However, supporters are never treated as just 'numbers in a database'. We pride ourselves on our flexible approach to communication preferences, making

it as easy as possible for individuals to control how often and in what way they hear from us.

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

Our supporter care extends to the relationships we have with the small number of third parties working on our behalf, whose policies we carefully check, and with whom we have strict contracts in place.

We have systems and processes in place to monitor and respond to any complaints we receive: thankfully these are extremely rare, totalling only 10 in 2017. During the year, no complaints were received by the Fundraising Regulator about the Charity. A reflection of how seriously we take supporters' concerns about our fundraising was seen in the 2018 Cardinal's Lenten Appeal, in which all materials featured the direct line telephone number of our Director of Development. He spoke personally to almost everyone who called, many of whom wished to make a donation there and then, but a handful who wanted to express their frustration at some aspect of the appeal. The number of complaints we received represented less than 0.02% of the total number of communications sent.

Although in most cases our fundraising simply builds upon the connection people have with the Church through their parish, we use as wide a variety of fundraising activities as necessary to fund all aspects of our mission. Thus, our fundraising activities range from cash collections and standing order donations in parishes to events focused on specific projects. In addition we successfully engage with trusts and corporate foundations, and at different times during the year we provide opportunities to support specific appeals, such as the Priests Training Fund appeal on Good Shepherd Sunday and the Sick and Retired Priests appeal in November.

These specific appeals are promoted in various ways, including via the diocesan website, the monthly diocesan newspaper (Westminster Record) and, most importantly, via posters and donation envelopes distributed to every parish in the diocese. In addition, we receive ad hoc donations throughout the year which donors wish to go towards (be restricted to) these appeals. We also have over 650 Patrons of the Sick and Retired Priests Fund, who pledge monthly gifts and who are invited to a Patrons' Mass every June.

We make it as easy as possible for supporters to leave gifts in their wills, producing leaflets and other materials to highlight the wonderful benefit of giving a legacy, of any size, to one's parish or to some other area of the Church's work. We support individual parishes in promoting

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this method of giving, and may occasionally write to supporters directly. Although we do not offer legal advice to supporters, we provide information to help them make the right decision for them, whether in writing, over the telephone, on our website or in face-to-face conversations. We also take great care in administering the legacy gifts we receive, ensuring executors and family members are treated professionally, with compassion, dignity and care.

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

Investment Policy

Introduction

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

The Charity's investments comprise units in the Mutual Investment Fund (the Fund), the investment policy of which is determined by the Investment Committee which meets on a quarterly basis to monitor the performance of the Fund. At the end of the year, the Fund was invested as follows: 18.9% in UK equities; 53.6% in other (overseas) equities; 7.3% in UK fixed interest; 1.2% in property; 6.9% in alternative investments; 12.1% in liquid assets. The overall long-term objective is to manage the portfolio on a total return basis.

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

Faith Consistent Investment

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

and precisely because it is human, it must be structured and governed in an ethical manner.'

The challenge for the Trustees is to reflect these teachings in the investment policy while also adhering to the Charity Law requirement to obtain the best possible financial return that is consistent with commercial prudence. The Trustees strive to maintain a Faith Consistent Investment (FCI) policy by making value judgements about the products, services and corporate practices of companies as well as by assessing their financial efficacy. In implementing the policy the Trustees have adopted a two-tier approach: first they believe that positive engagement with companies, while taking more effort and time, can lead to a more sustainable change for the betterment of society. Where this engagement fails to change a company's behaviour, the second approach is to disinvest from that company and exclude it from further investments.

The Trustees continually review the FCI policy, and the officers of the diocese keep up to date on the ongoing discussions about the subject, assessing how they might impact the overall investment approach. Additionally, dialogue and cooperation with other institutions ensures that the policy remains relevant and up to date. It is a complicated journey which requires continual improvements, amendments and learning from mistakes that have been unintentionally made.

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

The main engagement priorities for the Trustees during the year have been addressing modern slavery in listed companies and seeking improvements in corporate governance.

The work on modern day slavery has been led by CCLA, acting both as Secretariat to the CIG and as one of the diocese's investment managers, and had two main strands: engaging with UK companies that have been ranked as having made an inadequate response to the 'Transparency in the Supply Chain' provision of the UK Modern Slavery Act 2015, and promoting adoption of the 'Employer Pays Principle'. This principle prohibits companies from charging prospective workers inappropriate and excessive recruitment fees which can be a major source of debt

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bondage, and is fundamental to combatting exploitation, forced labour and trafficking of migrant workers in global supply chains.

The work on governance and compensation was spearheaded by Sarasin & Partners LLP. On numerous occasions during the year the firm, acting as one of the diocese's investment managers, challenged the status quo of the audit function. In this work stream it was one of the few voices that voted against the re-election of the Audit Committee Chair at Barclays plc for failing to protect the whistleblowing process. The firm was also very vigilant on the diocese's behalf about executive remuneration, voting against the remuneration report of, for example, Associated British Foods plc.

Alongside these new priorities the Trustees have maintained their longstanding focus on climate change. Consequently the diocese continues to have a below-benchmark exposure to the traditional energy sector and has instead invested in assets designed to accelerate the transition to a low-carbon economy, such as renewable energy infrastructure. Both of the diocese's principal investment managers have also continued their efforts to actively engage with carbon intensive companies, leading for example to Chevron, a US-listed diversified oil and gas company, publishing its first climate change report. Closer to home the diocese has once again supported the CIG's engagement with FTSE350 constituent companies that have received a poor CDP Climate Change Programme grade. During the year this engagement included 62 companies, of which 31% improved their score following engagement.

Additionally, both of the diocese's principal investment managers have continued to engage with companies on a variety of other environmental, social and governance topics. These include issues such as reducing childhood obesity, where they have been working with restaurant groups and other food and beverage providers to take steps to reduce their impact, promoting alcohol responsibility, improving labour standards, avoiding excessive executive remuneration and increasing tax transparency.

The secondary aspect of the current FCI policy is implemented by the Trustees through the continual review of the investments, in order to determine what should be divested from, and what negative screening should be applied to the overall investment portfolio. The circumstances in which this aspect of the policy is found to apply are constantly evolving, but at the time of writing this report they can be summarised as follows: the sanctity and dignity of human life is an essential part of the Catholic faith, thus there is absolute exclusion of companies that produce abortifacients or carry out abortions; that engage in embryonic stem cell research, foetal tissue research, or human cloning; that produce pornography; that

manufacture contraception; that produce tobacco; or that manufacture arms.

Furthermore, the diocese participates in initiatives that encourage responsible employment practices, that seek an end to human trafficking in the supply chain, and that promote respect for human rights. Companies are, therefore, excluded if they make significant income from the distribution of pornography; contraceptives; tobacco; or arms. Finally, the FCI policy often applies to investments that have a direct impact on the ecological viability of the earth. Companies with 10% turnover from the production of oil sands are excluded, and companies that score below C in the Carbon Disclosure Project are divested. The diocese proactively assesses risk and evaluates companies on their efforts to reduce the carbon footprint.

The Trustees estimate that for 2017 the implementation of the Faith Consistent Investment policy has increased the CCLA portfolio returns by 2.48% and reduced the returns on the funds invested in Sarasin & Partners LLP by 0.2% in the UK portfolio and 0.2% in the international portfolio. Thus, overall, the policy has had a positive impact on investment returns. Additionally, the Trustees periodically audit the investment portfolio to ensure that the underlying assets continue to adhere to the FCI policy; when they do not, the Trustees seek to rectify the situation when possible. The review carried out at year-end 2016 identified 0.4% of the direct holdings in the portfolio being in breach of the policy, which holdings were divested during 2017. The review conducted at year-end 2017 of the direct holdings in the portfolio did not identify any breaches of the policy.

There is a potential third aspect to the Faith Consistent Investment policy which is positive social impact investment. While the Trustees do not have a specific target, currently 1% of the portfolio assets are invested in 'wholly positive' entities, such as companies involved solely in renewable energy infrastructure, and social housing bonds. Besides the investment portfolio, the physical assets of the diocese are used for social justice initiatives such as housing and caring for female victims of human trafficking, hosting Syrian refugee families or housing social workers in economically disadvantaged communities.

Structure, Governance and Management

Constitution

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

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Trustees

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

The Trustees who served during the year ended 31 December 2017 and who were in office at the date of this report were:

	Appointed/Resigned
His Eminence Cardinal V Nichols	
Rt Rev J Sherrington (1,2,4,5)	
Rt Rev N Hudson (1)	
Rt Rev P McAleenan (1,7)	
Rt Rev J Wilson (1,6)	
Rev Mgr T Egan (1,3)	Resigned October 2017
Rev Mgr J O'Boyle	
Rev Mgr M Hayes (1,4)	
Lord Brennan QC	
Miss L Ferrar (2,4)	
Rt Hon R Kelly	
Mr C Kemball	
Mr A Ndoca (1,3,7)	

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

The Trustees met five times during the year.

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

Statement of Trustees' Responsibilities

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

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

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts

in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);

- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis, unless it is inappropriate to presume that the Charity will continue in operation.

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

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

Trustees' Expenses

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

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

Key Management Personnel

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

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

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Organisation

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

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

Audit and Risk Committee, which has delegated responsibility for ensuring that a framework of accountability exists and operates effectively within the Charity; for examining and reviewing all systems and methods of control, both financial and otherwise, including risk analysis and risk management; and for ensuring that the Charity complies with all applicable aspects of the law, relevant regulations and good practice.

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

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

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

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

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

Further details of the membership of all diocesan committees can be found on page 90.

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

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

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

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

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

Risk Management

The Westminster Roman Catholic Diocesan Trust has in place a risk review process and all risks are recorded on a Risk Register. Risks across all departments are identified and rated using a RAG score. Each department is required to reduce risk by implementing mitigating actions. The risk register is reviewed each quarter and updated accordingly. The Risk Register is also reviewed by the Audit and Risk Committee at least annually.

The three main risks facing the Charity, as identified by the Trustees, are (1) safeguarding; (2) ensuring appropriate, quality education is provided across the diocesan Catholic

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schools while maintaining the Catholic ethos; and (3) the continuing financial sustainability of the Westminster Roman Catholic Diocesan Trust.

Safeguarding

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

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

The Westminster Roman Catholic Diocesan Trust is committed to the promotion of a 'one church approach' to the safeguarding of children and adults at risk and the promotion of a culture of safeguarding throughout the Charity.

Education

The Charity contributes to the education of around 92,000 pupils of all backgrounds, of all faiths and none, through its 209 schools. The Charity's goal is to ensure that every pupil receives the best possible formation, despite the many challenges involved in achieving this.

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

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

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

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

In December 2016, the Trustees announced their policy toward the academisation of schools which proposed that schools be geographically grouped into multi academy trusts. In 2017, the Trustees approved two new groups of schools to become Catholic Academy Trusts. The officers of the Charity are currently working with five other groups of schools on conversions. The Trustees believe this model will provide more support for the challenges that the schools will face and improve the standards of education and the formation provided to pupils. In the meantime, the Charity is increasing support for schools, creating networks and ensuring vigilance in financial matters and educational standards. The Education Commission retains canonical oversight of diocesan schools in maintaining the Catholic ethos, even if they are converted to academies.

Financial Sustainability & Resilience of the Charity

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

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

The income of the Charity is susceptible to external economic shocks. For this reason, there are initiatives in place to address fundraising and asset management in a systematic

Report of the Directors of the Corporate Trustee – Year to 31 December 2017

manner. The majority of the Charity's operational income is from parishioners' contributions and the level of donations is dependent upon the general economic environment. To ensure the financial viability of parishes, the Trustees encourage each parish to save for the long-term future.

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

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

In 2017, the Trustees embarked on a review to ensure that the Charity is financially and administratively resilient. A four year plan is currently being implemented.

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

Signed on behalf of the Trustees:



Trustees

Approved by the Board on: 20 July 2018

Independent auditor's report

Independent auditor's report to the Directors of the Westminster Roman Catholic Diocese Trustee (the Trustees)

We have audited the accounts of the Westminster Roman Catholic Diocesan Trust (the 'Charity') and its subsidiaries (the 'group') for the year ended 31 December 2017, which comprise the consolidated statement of financial activities, the consolidated and Charity balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of affairs of the group and of the Charity as at 31 December 2017 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

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

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

Independent auditor's report

Auditor's responsibilities for the audit of the accounts

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

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

Use of our report

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



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

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

27 July 2018

Consolidated statement of financial activities – Year to 31 December 2017

	Notes	Curial funds			Parochial funds	Total 2017 £'000	Total 2016 £'000
		Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000		
Income:							
Donations and legacies							
. Grants receivable	1	–	4,357	4,357	564	4,921	5,045
. Growing in Faith	1	–	4,296	4,296	–	4,296	8,020
. Other donations and legacies	1	417	2,015	2,432	28,114	30,546	29,056
Assessments	2	149	–	149	–	149	121
Other trading activities							
. Commercial trading operations	3	141	–	141	600	741	754
Investment income and interest receivable	4	833	291	1,124	2,586	3,710	2,964
Charitable activities							
. Rental income from functional properties		645	–	645	1,407	2,052	2,001
. Parish and similar activities	5	1,203	397	1,600	6,612	8,212	7,932
Other income							
. Net gains on disposal of tangible fixed assets		–	–	–	3	3	1
Total income		3,388	11,356	14,744	39,886	54,630	55,894
Expenditure:							
Cost of raising funds							
. Fundraising trading: cost of goods sold and other costs	3	3	–	3	464	467	485
Charitable activities							
. Advancement of the Catholic faith primarily in the Diocese of Westminster	6	13,078	7,447	20,525	26,341	46,866	49,718
Total expenditure		13,081	7,447	20,528	26,805	47,333	50,203
Net (expenditure) income before transfers and investment gains	7	(9,693)	3,909	(5,784)	13,081	7,297	5,691
Transfers between funds							
. Growing in Faith		–	(1,281)	(1,281)	1,281	–	–
. Assessments	2	5,531	–	5,531	(5,531)	–	–
. Other		266	(446)	(180)	180	–	–
		5,797	(1,727)	4,070	(4,070)	–	–
Net (expenditure) income before investment gains		(3,896)	2,182	(1,714)	9,011	7,297	5,691
Net gains on investments		3,414	1,384	4,798	12,543	17,341	9,078
Net (expenditure) income		(482)	3,566	3,084	21,554	24,638	14,769
Actuarial gains (losses)	8	131	–	131	–	131	(1,579)
Net movement in funds before funds introduced		(351)	3,566	3,215	21,554	24,769	13,190
Funds introduced	24	–	645	645	–	645	–
Net movement in funds		(351)	4,211	3,860	21,554	25,414	13,190
Reconciliation of funds							
Total funds brought forward at 1 January		36,804	36,461	73,265	156,137	229,402	216,212
Total funds carried forward at 31 December		36,453	40,672	77,125	177,691	254,816	229,402

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

Consolidated balance sheet – 31 December 2017

	Notes	Curial £'000	Parochial £'000	Total 2017 £'000	Total 2016 £'000
Fixed assets					
Tangible assets	10	20,691	93,520	114,211	107,055
Programme related investments	11	10,425	–	10,425	8,666
Investments	12	33,975	51,831	85,806	74,320
		<u>65,091</u>	<u>145,351</u>	210,442	190,041
Current assets					
Stocks		–	87	87	74
Debtors	13	3,056	1,853	4,909	5,354
Short term deposits		13,000	–	13,000	12,000
Cash at bank and in hand		<u>16,481</u>	<u>31,630</u>	48,111	42,534
		<u>32,537</u>	<u>33,570</u>	66,107	59,962
Current liabilities					
Creditors: amounts falling due within one year	14	<u>(8,385)</u>	<u>(1,044)</u>	(9,429)	(9,548)
Net current assets before adjustment for inter-fund indebtedness		<u>24,152</u>	<u>32,526</u>	56,678	50,414
Elimination of inter-fund indebtedness		<u>186</u>	<u>(186)</u>	–	–
Net current assets		<u>24,338</u>	<u>32,340</u>	56,678	50,414
Total assets less current liabilities		<u>89,429</u>	<u>177,691</u>	267,120	240,455
Creditors: amounts falling due after one year	15	<u>(10,000)</u>	<u>–</u>	(10,000)	(8,250)
Total net assets excluding pension liability		<u>79,429</u>	<u>177,691</u>	257,120	232,205
Pension liability	8	<u>(2,304)</u>	<u>–</u>	(2,304)	(2,803)
Total net assets including pension liability		<u>77,125</u>	<u>177,691</u>	254,816	229,402
The funds of the Group					
Restricted funds					
. Growing in Faith	16	19,909	–	19,909	17,851
. Other restricted funds	16	<u>20,763</u>	<u>177,691</u>	198,454	174,747
		<u>40,672</u>	<u>177,691</u>	218,363	192,598
Unrestricted funds					
. Designated funds	17	583	–	583	610
. Tangible fixed assets fund	18	20,609	–	20,609	19,288
. Programme related investments fund	19	10,425	–	10,425	8,666
. General funds					
.. Free reserves		7,140	–	7,140	11,043
.. Pension reserve	8	<u>(2,304)</u>	<u>–</u>	(2,304)	(2,803)
		<u>4,836</u>	<u>–</u>	4,836	8,240
		<u>77,125</u>	<u>177,691</u>	254,816	229,402

Approved by the Trustees and signed on their behalf by:



Trustee

Approved on: 20 July 2018

Charity balance sheet – 31 December 2017

	Notes	Total 2017 £'000	Total 2016 £'000
Fixed assets			
Tangible assets	10	114,125	106,914
Programme related investments	11	10,425	8,666
Investments	12	83,316	71,830
		207,866	187,410
Current assets			
Debtors	13	4,934	6,242
Short term deposits		13,000	12,000
Cash at bank and in hand		47,286	40,107
		65,220	58,349
Current liabilities			
Creditors: amounts falling due within one year	14	(16,785)	(21,582)
Net current assets		48,435	36,767
Total assets less current liabilities		256,301	224,177
Creditors: amounts falling due after one year	15	(10,000)	(8,250)
Total net assets excluding pension liability		246,301	215,927
Pension liability	8	(2,304)	(2,803)
Total net assets including pension liability		243,997	213,124
The funds of the Charity			
Restricted funds			
. Growing in Faith		19,909	17,851
. Other restricted funds		187,635	158,469
	16	207,544	176,320
Unrestricted funds			
. Designated funds	17	583	610
. Tangible fixed assets fund	18	20,609	19,288
. Programme related investments fund	19	10,425	8,666
. General funds			
.. Free reserves		7,140	11,043
.. Pension reserve	8	(2,304)	(2,803)
		4,836	8,240
		243,997	213,124

Approved by the Trustees and signed on their behalf by:



Trustee

Approved on: 20 July 2018

Consolidated statement of cash flows – Year to 31 December 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	A	6,742	5,899
Cash flows from investing activities:			
Investment income and interest received		3,710	2,964
Proceeds from the disposal of tangible fixed assets		505	44
Purchase of tangible fixed assets		(10,599)	(10,821)
Expenditure on programme related investments		(1,759)	(8,666)
(Investment in) repayment by joint venture		(2)	5
Proceeds from disposals of investments		6,230	7,084
Net cash used in investing activities		(1,915)	(9,390)
Cash flows from financing activities:			
Cash inflows from new borrowing		1,750	8,250
Change in cash and cash equivalents in the year		6,577	4,759
Cash and cash equivalents at 1 January	B	54,534	49,775
Cash and cash equivalents at 31 December	B	61,111	54,534

Notes to the consolidated statement of cash flows for the year to 31 December 2017

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

	2017 £'000	2016 £'000
Net movement in funds (as per the statement of financial activities)	25,414	13,190
Adjustments for:		
Depreciation charge	2,941	3,042
Gains on investments	(17,341)	(9,078)
Investment income and interest receivable	(3,710)	(2,964)
Surplus on disposal of tangible fixed assets	(3)	(1)
Write off of programme related investment	–	2,909
Pension costs less contributions payable	(368)	38
Actuarial (gains) losses	(131)	1,579
Increase in stocks	(13)	(13)
Decrease in debtors	445	503
Decrease in creditors	(492)	(3,306)
Net cash provided by operating activities	6,742	5,899

B Analysis of cash and cash equivalents

	2017 £'000	2016 £'000
Short term deposits	13,000	12,000
Cash at bank and in hand	48,111	42,534
Total cash and cash equivalents	61,111	54,534

Principal accounting policies – 31 December 2017

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

Basis of preparation

These accounts have been prepared for the year to 31 December 2017 with comparative information provided for the year to 31 December 2016.

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

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

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

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

Critical accounting estimates and areas of judgement

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

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

- assessing the probability of the receipt of legacy income;
- estimating accrued expenditure including employees' accrued holiday pay;
- estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation charge;
- estimating the fair value of listed investments for which defined market prices were not available at the balance sheet date;
- assessing the appropriateness of the assumptions and methodology used in determining the fair value of investment properties;
- assessing the need for any provision against slow-moving and/or obsolete stock within Westminster Cathedral Limited;
- assessing the recoverability of outstanding debtors and the need for any provision for bad or doubtful debts;
- assessing the appropriateness of the assumptions and methodology used by the scheme actuary in the valuation of the defined benefit pension scheme; and

- determining the value of designated funds needed at the year end to meet specific future expenditure.

Assessment of going concern

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

The Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2018, the most significant areas that affect the carrying value of the assets held by the Charity are the level of investment return, the performance of the investment markets and property values (see the investment policy and the risk management sections of the report of the Directors of the Corporate Trustee for more information).

Basis of consolidation and scope of the accounts

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

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

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

Income recognition

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

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

Principal accounting policies – 31 December 2017

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

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

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

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

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

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

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

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

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

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

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

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

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

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

Principal accounting policies – 31 December 2017

performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

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

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

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

Functional freehold property

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

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

Properties previously classified as investment properties but, owing to a change in use, reclassified as functional properties are included within functional freehold property at their fair value immediately prior to reclassification. Such fair value will normally equate to market value as determined within the immediately preceding five year period. Original cost figures are not available for many such properties and it is deemed appropriate that the valuations be regarded as their 'deemed cost' at the point of reclassification.

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

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

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

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

Voluntary aided and grant maintained schools and academies

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

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

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

The governors are responsible for the buildings, and for the repair and refurbishment and insurance costs thereof, and for accounting for any grants received in respect of any of these costs. The Charity assists governors in managing projects and may make grants via the Curial Offices / Central Administration to assist the governors with their liability for school and academy building and repair costs. The Charity administers these monies as managing agent and makes the appropriate payments to contractors for work carried out. Any monies due to the Charity, or held by the Charity on behalf of schools and academies, as at the balance sheet date, are treated as debtors or creditors respectively on the balance sheet.

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

Furniture, fittings and equipment

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

Principal accounting policies – 31 December 2017

useful lives of the assets concerned. The depreciation rates applied are as follows:

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

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

Motor vehicles

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

Fixed asset investments

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

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

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

Properties held for investment purposes are included in these accounts at open market value. The valuation has been determined by the Trustees, with professional assistance. Details of the dates and basis of the valuations are given in note 10 to the accounts. Disposals of investment properties are accounted for on completion.

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

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

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

Programme related investments

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

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

Stocks

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Fund accounting

The Curial Funds

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

- Restricted funds: monies received for, and whose use is restricted to, a specific purpose, or donations subject to donor-imposed conditions.
- Designated funds: monies set aside out of general funds and designated by the Directors of the Corporate Trustee to be used for specific purposes.

Principal accounting policies – 31 December 2017

- The tangible fixed assets fund: the net book value of those tangible fixed assets held by the curia for unrestricted purposes.
- The programme related investments fund: the value of the Group's and Charity's programme related investments.
- General funds: monies which may be used to meet the charitable objectives of the Charity, across the whole of the diocese, at the discretion of the Directors of the Corporate Trustee.

The Parochial Funds

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

Pension costs

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

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

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

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

Notes to the accounts – 31 December 2017

1 Donations and legacies

	Curial funds			Parochial funds	Total 2017 £'000	Total 2016 £'000
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000		
Grants receivable	–	4,357	4,357	564	4,921	5,045
Growing in Faith	–	4,296	4,296	–	4,296	8,020
Other donations	246	1,472	1,718	26,909	28,627	26,719
Legacies	171	543	714	1,205	1,919	2,337
Total 2017	417	10,668	11,085	28,678	39,763	
Total 2016	282	15,012	15,294	26,827		42,121

2 Assessments

Six (2016 - six) parishes operated by specific religious congregations are not consolidated into these accounts. Income from assessments (£149,000 in 2017 and £121,000 in 2016) represents monies received by the Charity from those parishes and is unrestricted.

The diocesan assessment, being monies transferred from parishes to the curia in order to fund diocesan-wide activities, is included under 'Transfers between funds'. In 2017, £5,531,000 was transferred from parochial funds to curial funds (2016 - £5,276,000).

3 Income from other trading activities and cost of raising funds

These categories of income and expenditure comprise the income and expenditure of the Charity's trading subsidiaries. At 31 December 2017 the Charity owned the entire called up ordinary share capital of the following trading companies:

Company	Company Registration Number	Country of incorporation	Principal activity
Aedificabo Limited	07409205	England	Management of capital projects
Westminster Cathedral Limited	2784481	England	Miscellaneous trading activities

Audited accounts of the companies will be filed with the Registrar of Companies. Summaries of the trading results of Aedificabo Limited and Westminster Cathedral Limited are given below.

	Unrestricted funds		Restricted funds	
	Aedificabo Limited		Westminster Cathedral Limited	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Turnover	141	134	600	620
Cost of sales	—	—	(297)	(306)
Gross profit	141	134	303	314
Administrative expenses	(86)	(75)	(167)	(175)
Profit on ordinary activities before Gift Aid and taxation	55	59	136	139
Gift Aid	(55)	(59)	(136)	(139)
Loss for the year	—	—	—	—

Administrative expenses include amounts recharged by the Charity and eliminated on consolidation of £83,000 (2016 - £71,000).

At 31 December 2017 the called up share capital of Westminster Cathedral Limited comprised 2 ordinary £1 shares and its reserves amounted to £4,343 (2016 - £4,343).

At 31 December 2017 the called up share capital of Aedificabo Limited comprised 2 ordinary £1 shares and its reserves amounted to £nil (2016 - £ nil).

Notes to the accounts – 31 December 2017

4 Investment income and interest receivable

	Curial funds			Parochial funds	Total 2017 £'000	Total 2016 £'000
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000		
Investment income						
Income from listed investments	152	236	388	268	656	393
Income from programme related investments	203	–	203	–	203	147
Rents and similar income	178	55	233	2,317	2,550	2,195
	533	291	824	2,585	3,409	2,735
Interest receivable	300	–	300	1	301	229
Total 2017	833	291	1,124	2,586	3,710	
Total 2016	734	227	961	2,003		2,964

All rents are from properties situated in the United Kingdom.

5 Income from charitable activities

	2017 £'000	2016 £'000
Rental income from functional properties		
Curial unrestricted funds	645	575
Parochial restricted funds	1,407	1,426
	2,052	2,001

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

	2017 £'000	2016 £'000
Parish and similar activities		
Income from clubs	70	71
Chaplaincies	46	33
Catechetics	351	346
Candles, repository and newspapers	2,479	2,496
Board and lodging	85	86
Parish centres	1,602	1,578
Parish activities	1,157	1,238
Miscellaneous	822	528
Parochial restricted funds	6,612	6,376
Curial restricted funds – School contributions	397	362
Curial unrestricted funds	1,203	1,194
	8,212	7,932

School contributions

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

Notes to the accounts – 31 December 2017

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

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

Curial funds	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Cardinal's office and Archbishop's House	323	47	370	339
Communications	148	–	148	164
Safeguarding	155	–	155	177
Auxiliaries and vicar general	792	–	792	789
Clergy and consecrated life	571	553	1,124	1,277
Ecumenical and interfaith	46	–	46	47
Education and formation	905	397	1,302	1,253
Pastoral and related work	2,233	1,640	3,873	4,365
Growing in Faith projects	–	448	448	3,034
National bodies	425	–	425	389
Administration	2,939	–	2,939	2,839
Bank loan interest	203	–	203	147
School projects				
.St Richard Reynolds School	3,992	4,357	8,349	7,329
.St Anne's School	–	–	–	316
Miscellaneous	289	–	289	542
Governance costs	57	5	62	111
Total 2017	13,078	7,447	20,525	
Total 2016	12,518	10,600		23,118

Depreciation of £433,000 (2016 - £379,000) is included in the above curial fund expenditure.

School and academy building works

During the year, the Group and Charity recognised expenditure of £8,349,000 (2016 - £7,329,000) on St Richard Reynolds School, a voluntary aided school which cannot be disposed of in the open market whilst occupied by the school. This spending is included in the above table. Grants of £4,357,000 (2016 - £5,045,000) towards the cost of the building works were received, mainly from the Roman Catholic Archdiocese of Southwark (these grants are included within grants receivable in note 1). In the year ending 31 December 2018 it is anticipated that a further £1.7 million will be expended on the building works.

During the year, the Group and Charity received, as agent, Government grants of £24,267,000 (2016 - £23,870,000) in connection with major repair and capital projects at

Church schools and academies in the diocese. These monies, together with the contributions received from governors, are used to fund contractor payments also administered by the Charity acting as managing agent for the Church schools and academies concerned. During the year, the Charity made payments to contractors of £21,848,000 (2016 - £29,529,000).

The Charity receives this money in its capacity of managing agent for the governors only and, as such, these amounts are excluded from the statement of financial activities. Consequently, only the Charity's net contribution to costs after deducting the contributions from governors and government grants towards the costs of the projects concerned is included as expenditure in the statement of financial activities.

Notes to the accounts – 31 December 2017

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

Parochial restricted funds

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

	2017	2016
Parochial restricted funds	£'000	£'000
Non-clergy salaries	5,521	5,242
Property repairs and renewals	3,922	3,885
Clergy stipends	2,330	2,303
Non property asset depreciation	1,452	1,676
Liturgical expenses	1,832	1,745
Housekeeping	1,367	1,295
Candles, repository and papers	1,001	995
Office and administration	1,066	1,016
Heat, light and water	1,582	1,767
Council tax, insurance and rates	1,113	1,178
Parish activities	1,303	1,325
Parish Centre expenses	356	354
Donations/grants	786	1,215
Catechetics	396	379
Supply priests	405	405
Property asset depreciation	1,056	987
Travel expenses	247	233
Miscellaneous expenses	406	409
Bank interest	83	61
Mass stipends distributed	112	125
Governance costs	5	5
	26,341	26,600

The above are the gross costs relating to each activity/department. Many of these have related income flows which are included within total income.

Due to the number of charitable donations made out of both curial and parochial funds it is not practical to provide details of individual donations.

Notes to the accounts – 31 December 2017

7 Net (expenditure) income before transfers and investment gains

This is stated after charging:

Group	Curial funds			Parochial funds	Total 2017 £'000	Total 2016 £'000
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Restricted funds £'000		
Staff costs (note 8)	4,862	651	5,513	5,666	11,179	10,483
Auditor's remuneration						
. Audit fees current year	59	5	64	11	75	94
. Audit fees prior year	–	–	–	–	–	31
. Other services	–	–	–	1	1	2
Depreciation (note 10)	355	78	433	2,508	2,941	3,042

8 Staff costs and remuneration of key management personnel

Group	2017 £'000	2016 £'000
Staff costs during the year were as follows:		
Wages and salaries	10,126	9,509
Social security costs	756	700
Other pension costs	297	274
	11,179	10,483

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

	2017 FTE	2017 Total Employees	2016 FTE	2016 Total Employees
Charitable activities	359	683	330	665

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

Group	2017	2016
£60,001 - £70,000	4	1
£70,001 - £80,000	1	2
£90,001 - £100,000	1	2
£110,001 - £120,000	1	1
	7	6

Employer pension contributions totalling £50,726 (2016 - £42,167) were made to defined contribution schemes in respect of all those employees who earned £60,000 or more during the year (as defined above).

The key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis comprise the Directors of the Corporate Trustee, the COO/Financial Secretary and the heads of the following departments of the Curial Offices/ Central Administration: Evangelisation, Youth, Education, Caritas, Safeguarding, Human Resources, Finance, Property, Maintenance, Fundraising, Communications and ICT. The total remuneration (including taxable benefits and employer's national insurance and pension contributions) of the key management personnel for the year was £974,800 (2016 - £969,000).

A number of the Directors of the Corporate Trustee (i.e. Trustees) are clergy of the Diocese of Westminster. They are housed and remunerated by the diocese and are reimbursed expenses for carrying out their ministry in the same way as other priests of the diocese. However, none of the Trustees received any remuneration in respect of their services as a Trustee during the year (2016 - £nil), nor were they reimbursed any expenses connected with their duties as Trustees (2016 - £nil).

Notes to the accounts – 31 December 2017

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

Pension schemes

Defined benefit scheme

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

From 6 July 2005 accrual of benefits, death in service benefits and member contributions ceased. The level of funding has been reviewed on a yearly basis and for the year ended 31 December 2016, deficit recovery contributions were £25,242 per month. During the first part of 2017, deficit recovery contributions continued at the rate of £25,242 per month. From 6 July 2017 deficit recovery contributions were reduced to £22,975 per month; this change followed the finalisation of the actuarial valuation referred to below.

The most recent valuation, at 6 April 2016, showed that the market value of the scheme's assets was £7,050,000 and that the level of funding on an ongoing basis was 81%. The principal assumptions made were that the discount rate would be 4.1% per annum before retirement and 2.9% per annum after retirement, and that inflation-linked increases to deferred pensions would be 2.55% per annum and that inflation-linked pension increases in payments would be 3.05% per annum for service between 1 July 2002 and 11 February 2003, and 2.35% per annum for service from 12 February 2003. No allowance was made for possible discretionary increases in pensions beyond those prescribed in the scheme rules.

Financial Reporting Standard 102 (FRS 102) requires the surplus or deficit on the scheme as at 31 December 2017, calculated in accordance with the requirements of FRS 102, to be included on the balance sheet. For the purposes of FRS 102, the assets of the scheme have been taken at market value and the liabilities have been calculated by a qualified independent actuary.

The following information is based upon an actuarial valuation of the scheme at 31 December 2017 by a qualified independent actuary.

The major assumptions used by the actuary were:

	2017 % per annum	2016 % per annum
Inflation	3.4	3.5
Salary increases	2.4	2.5
Rate of discount	2.5	2.8
Rate of increase in pensions in payment and deferred pensions	2.4	2.5

The mortality assumptions used were:

	2017 years	2016 years
Longevity at age 65 for current pensioners		
Men	22.3	22.5
Women	24.2	24.6

The assets and liabilities in the scheme were:

	2017 £'000	2016 £'000
Equities	4,500	3,487
Corporate bonds, Government bonds and index linked bonds	971	624
Property	32	45
Alternative investments	362	131
Annuities	2,832	2,941
Cash	1,087	1,680
Total assets	9,784	8,908
Present value of scheme liabilities	(12,088)	(11,711)
Deficit in the scheme – net pension liability	(2,304)	(2,803)

The net pension liability decreased from £2,803,000 in 2016 to £2,304,000 in 2017.

Notes to the accounts – 31 December 2017

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

Pension schemes (continued)

Defined benefit scheme (continued)

The deficit decrease is largely the result of stronger asset returns than had been anticipated together with deficit contributions made during the year, although the improved financial performance was partially offset by a deterioration of general financial market conditions, in particular by reductions in the yield available on high-quality corporate bonds.

Contributions

The total contributions made by the employer in the year were £455,000 (2016 - £459,000) including an extraordinary annual contribution of £150,000 – the second of three such extraordinary annual contributions – as a result of the transfer-in of four additional members in November 2016. The contributions to be paid by the employer to the scheme for the year ending 31 December 2018 are £426,000.

Total operating charge and net interest recognised in the statement of financial activities:

	2017 £'000	2016 £'000
Administration costs	(15)	(17)
Losses on curtailments and settlements	–	(445)
Total operating charge	(15)	(462)
Interest income on scheme assets	246	291
Interest cost on scheme liabilities	(318)	(326)
Net interest on net defined benefit liability	(72)	(35)
Total amount recognised in the statement of financial activities	(87)	(497)

Actuarial net gains (losses) recognised in the statement of financial activities:

	2017 £'000	2016 £'000
Actual return on assets excluding amounts included in net interest	466	260
Actuarial losses on scheme obligations	(335)	(1,839)
Re-measurement gains (losses) recognised in the statement of financial activities	131	(1,579)

Notes to the accounts – 31 December 2017

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

Pension schemes (continued)

Defined benefit scheme (continued)

The reconciliation of the fair value of the scheme assets is as follows:

	2017 £'000	2016 £'000
Opening fair value of scheme assets	8,908	7,175
Interest income	246	291
Contributions by Westminster Roman Catholic Diocesan Trust	455	459
Actual return on assets excluding amount included in net interest	466	260
Assets distributed on settlements	–	962
Benefits paid	(291)	(239)
Closing fair value of scheme assets	9,784	8,908

The reconciliation of the scheme benefit obligation is as follows:

	2017 £'000	2016 £'000
Opening defined benefit obligation	11,711	8,361
Administration costs	15	17
Interest cost	318	326
Actuarial losses	335	1,839
Liabilities on settlements	–	1,407
Benefits paid	(291)	(239)
Closing defined benefit obligation	12,088	11,711

The actuarial value of the scheme liabilities at 31 December 2017 if different key actuarial assumptions had been used is shown below:

	2017 £'000
-0.5% change in discount rate	13,365
1 year increase in member life expectation	12,571
+0.5% change in inflation	12,447

Notes to the accounts – 31 December 2017

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

Pension schemes (continued)

Auto-enrolled pension scheme

The Charity now offers an auto-enrolled pension scheme provided by Standard Life. The total contributions made by the employer in 2017 to this scheme amounted to £267,000 (2016 – £253,000).

9 Taxation

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

Other charities which form part of the Group and whose accounts are consolidated within these accounts include Diocese of Westminster Sick and Retired Priests Fund, which is an independently registered charity, and Westminster Cathedral Trust, The Moorfields Charity and Hare Street House, all of which are charities linked to the Charity. These too are not liable to income tax, corporation tax or capital gains tax on income or gains derived from their charitable activities.

Aedificabo Limited and Westminster Cathedral Limited are commercial trading companies both of which transfer their profits, if any, to Westminster Roman Catholic Diocesan Trust each year under Gift Aid (see note 3). Neither entity, therefore, incurs a direct taxation charge.

Notes to the accounts – 31 December 2017

10 Tangible fixed assets

Group	Functional freehold property £'000	Plant, equipment, fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 1 January 2017	118,923	32,171	320	151,414
Additions	9,558	1,041	–	10,599
Disposals	(561)	–	–	(561)
At 31 December 2017	127,920	33,212	320	161,452
Original cost	100,518	33,212	320	134,050
Deemed cost – valuation (1997)	26,182	–	–	26,182
Deemed cost – valuation (2013)	1,220	–	–	1,220
	127,920	33,212	320	161,452
Depreciation and impairment				
At 1 January 2017	18,364	25,703	292	44,359
Depreciation charge for year	1,262	1,675	4	2,941
On disposals	(59)	–	–	(59)
At 31 December 2017	19,567	27,378	296	47,241
Net book values				
At 31 December 2017	108,353	5,834	24	114,211
At 31 December 2016	100,559	6,468	28	107,055
Charity				
Cost or valuation				
At 1 January 2017	118,749	32,015	320	151,084
Introduced to the Charity (note 24)	89	–	–	89
Additions	9,558	1,041	–	10,599
Disposals	(561)	–	–	(561)
At 31 December 2017	127,835	33,056	320	161,211
Original cost	100,433	33,056	320	133,809
Deemed cost – valuation (1997)	26,182	–	–	26,182
Deemed cost – valuation (2013)	1,220	–	–	1,220
	127,835	33,056	320	161,211
Depreciation and impairment				
At 1 January 2017	18,326	25,552	292	44,170
Introduced to the Charity (note 24)	38	–	–	38
Depreciation charge for year	1,259	1,674	4	2,937
On disposals	(59)	–	–	(59)
At 31 December 2017	19,564	27,226	296	47,086
Net book values				
At 31 December 2017	108,271	5,830	24	114,125
At 31 December 2016	100,423	6,463	28	106,914

Notes to the accounts – 31 December 2017

10 Tangible fixed assets (continued)

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

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

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

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

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

Land and buildings legally owned by the Charity and occupied rent free by Catholic voluntary aided schools and academies, which are separate charities and publicly funded, are valued at £nil for the purposes of these accounts. The Trustees consider that no meaningful value can be attributed to these assets since they are not used directly by the Charity, do not generate income, and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues. Any expenditure incurred on the fabric of these buildings is written off in the year it is incurred and treated in these accounts as expenditure on the advancement of the Catholic faith primarily in the Diocese of Westminster.

Capital commitments

At 31 December 2017 the Group and Charity had the following capital commitments:

Group and Charity	2017 £'000	2016 £'000
Land and buildings – functional property		
. Contracted but not provided	3,048	3,859

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

Notes to the accounts – 31 December 2017

11 Programme related investments

Programme related investments represent investments made in properties owned by the Charity but which are used by other charitable and not-for-profit organisations for purposes consistent with the Charity's objectives. In some cases rental income will be received in future years but in other cases no rental agreement will be put in place.

Group and Charity	2017 £'000	2016 £'000
At 1 January	8,666	2,909
Additions	1,759	8,666
Amount written off	–	(2,909)
At 31 December	10,425	8,666

Programme related investments comprise:

	2017 £'000	2016 £'000
Independent school:		
The Friary, Westminster	10,425	8,666

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

It is leased to the Westminster Cathedral Choir School, a charity connected to the Westminster Roman Catholic Diocesan Trust (see note 22), to house an independent preparatory school. The rental income from the lease will be used to finance repayments due on a £10 million, thirty-year loan granted by HSBC Bank plc in March 2016 in order to purchase and refurbish the property (see note 15).

Notes to the accounts – 31 December 2017

12 Investments

At 31 December 2017 investments comprised the following:

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Listed investments	31,247	33,460	31,247	33,460
Investment properties	54,502	40,805	52,012	38,315
Joint venture	57	55	57	55
	85,806	74,320	83,316	71,830

Listed investments

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

At 31 December 2017 both Group and Charity held 100% (2016 - 100%) of the units in the Mutual Investment Fund. The market value of these units at 31 December 2017 amounted to £31,083,000 (2016 - £32,736,000) and their historical cost as at that date was £24,486,000 (2016 - £27,399,000).

Investment managers' fees of £122,000 in 2017 and £98,000 in 2016 are charged indirectly through the unit holdings. Fees paid to the investment managers directly during the year amounted to £nil (2016 - £nil).

At 31 December 2017 the composition of the listed investments comprising the Mutual Investment Fund was as follows:

Group and Charity	2017 %	2016 %
Fixed income	7.3	6.0
UK equities	18.9	22.0
Global equities	53.6	55.2
Property	1.2	1.1
Alternatives	6.9	6.1
Liquid assets (money market instruments and cash)	12.1	9.6
	100.0	100.0

Notes to the accounts – 31 December 2017

12 Investments (continued)

Listed investments (continued)

At 31 December 2017, listed investments held as part of the Mutual Investment Fund included the following individual holdings deemed material when compared with the overall valuation of the Mutual Investment Fund as at that date:

Group and Charity	Percentage of fund %	Value £'000
Sarasin Equisar – Socially Responsible (Sterling Hedged) – I Inc	12.2	3,808
Sarasin Equisar – Socially Responsible – I Inc	11.1	3,457
ICS-INS Sterl Liq – Heritage ACC (Blackrock)	7.5	2,341

Listed investments held at 31 December 2017 and their movements during the year were as follows:

Group and Charity	2017 £'000
Market value	
At 1 January	33,460
Disposals	(5,771)
Net realised and unrealised gains during the year – consolidated entities	3,185
Net realised and unrealised gains during the year – non-consolidated entities	373
At 31 December	31,247

Notes to the accounts – 31 December 2017

12 Investments (continued)

Investment properties

Investment properties held at 31 December 2017 and their movements during the year were as follows:

	Group 2017 £'000	Charity 2017 £'000
Market value		
At 1 January	40,805	38,315
Additions	495	–
Disposals	(1,117)	(622)
Gains on revaluation during the year	14,319	14,319
At 31 December	54,502	52,012

In the first quarter of 2018, the Charity disposed of two curial investment properties with a market value at 31 December 2017 of £645,000. The total sale proceeds realised in respect of these two properties amounted to £645,000.

Investment properties are included in the accounts at market valuations. It is the aim of the Trustees that properties will each be revalued every five years, unless there is an indication that a valuation has changed by a material amount in which case the valuation date will be brought forward. During 2007, the Charity continued an exercise of revaluing its investment properties in accordance with United Kingdom Generally Accepted Accounting Practice. In each of 2013 and 2014 Albright Surveyors Limited revalued five investment properties. In 2015 and 2016, nine and 18 investment properties respectively were revalued by Smith and Knight Property Consultants. In 2017, two investment properties were revalued by Smith and Knight Property Consultants, and 10 investment properties were revalued by an internal property surveyor in possession of relevant qualifications and knowledge of the property market. It is not possible to ascertain with accuracy the original cost of all the investment properties, the majority of which were purchased many years ago. The Trustees are of the opinion that the costs involved in researching such information outweigh the value of disclosing it.

Joint venture

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

Westminster Roman Catholic Diocesan Trust and Birmingham Roman Catholic Diocesan Trust each own one £1 share in the company which has purchased and developed accounting software for use by parishes within Catholic dioceses. Each of the two partners to the joint venture has lent the company £72,000 to enable it to purchase and develop the software. A summary of the trading results and financial position of the company at 31 December 2017 is given below:

Summary statement of income	2017 £'000	2016 £'000
Turnover	120	113
Cost of sales	(102)	(101)
Gross profit	18	12
Administrative expenses	(14)	(15)
Gain (loss) on ordinary activities before taxation	4	(3)
Taxation	–	–
Gain (loss) for the financial period	4	(3)

Notes to the accounts – 31 December 2017

12 Investments (continued)

Joint venture (continued)

Summary statement of financial position and retained earnings	2017 £'000	2016 £'000
Fixed assets	92	105
Current assets	30	13
Current liabilities	(9)	(8)
Net current assets	21	5
Total assets less current liabilities	113	110
Creditors: amounts falling due after one year	(134)	(134)
Total net liabilities	(21)	(24)

The total net liabilities are represented by called up share capital of £2 and accumulated net losses. The accumulated net losses are shared equally by the two partners. As such, the investment by Westminster Roman Catholic Diocesan Trust as at 31 December 2017 comprises:

	2017 £'000
Loan balance at 1 January	55
Share of losses in the year	2
Loan balance at 31 December	57

Both parties to the joint venture are confident that the accumulated losses will be recouped from future trading profits.

13 Debtors

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Receivable within one year				
Sundry debtors	788	655	788	655
Prepayments and accrued income	2,124	1,172	2,017	1,812
Amounts due from subsidiaries	–	–	132	248
School expenditure recoverable from the Department for Education, Local Education Authorities and contract advances (see overleaf and note 21)	1,293	2,361	1,293	2,361
Loan to St Etheldreda Trust (see overleaf)	–	448	–	448
Other loans (see overleaf)	102	116	102	116
	4,307	4,752	4,332	5,640
Receivable after more than one year				
Amount due from the Society of Jesus	263	263	263	263
Loan to The Cardinal Hume Centre	339	339	339	339
	4,909	5,354	4,934	6,242

Notes to the accounts – 31 December 2017

13 Debtors (continued)

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

The loan to St Etheldreda Trust was made in accordance with a formal loan agreement for the refurbishment of 13 Ely Place, London EC1N 6RY. It attracted interest at the published bank base rate or 1%, whichever was higher, and was fully repaid during 2017.

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

14 Creditors: amounts falling due within one year

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
School building projects (see opposite and note 21)	2,046	837	2,046	837
Collections payable to third parties	779	1,293	779	1,293
PAYE and national insurance	296	280	296	280
Loans (see opposite)	327	230	327	230
Accruals and sundry creditors	1,115	1,774	1,108	1,727
Mutual Investment Fund creditors (see opposite)	3,757	3,981	11,120	16,062
Funds held on behalf of the Belarusian Catholic Mission	189	233	189	233
Funds held on behalf of the Congregation for the Eastern Churches	920	920	920	920
	9,429	9,548	16,785	21,582

Amounts due in respect of school building projects represent amounts due to contractors in connection with work and maintenance to school properties. The majority of the loans are interest bearing with interest rates linked to bank base rates.

Notes to the accounts – 31 December 2017

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

The Mutual Investment Fund creditors represent the amounts held within the Fund in the Charity's name but where the beneficial owner is one or more of the charitable subsidiaries or connected charities. The beneficial owners are as follows:

	2017 £'000	2016 £'000
Hare Street House	–	597
Westminster Ecclesiastical Education Fund	3,757	3,384
Group total	3,757	3,981
Diocese of Westminster Sick and Retired Priests Fund	7,363	6,632
Westminster Cathedral Trust	–	2,991
The Moorfields Charity	–	2,458
Charity total	11,120	16,062

15 Creditors: amounts falling due after more than one year

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Bank loan	10,000	8,250	10,000	8,250

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

The loan is repayable in quarterly instalments commencing three years after initial drawdown with interest payable at 2% over the base rate. Of the amounts falling due after more than one year, £1,111,000 (2016 - £917,000) is repayable within 2 to 5 years and £8,889,000 (2016 - £7,333,000) is repayable after 5 years.

Notes to the accounts – 31 December 2017

16 Restricted funds

Restricted funds comprise:

	2017 £'000	2016 £'000
Charity		
Curial	29,857	26,716
Parochial	177,687	149,604
	207,544	176,320
Group		
Subsidiary entities (curial)	10,815	9,745
Subsidiary entities (parochial)	4	6,533
	218,363	192,598

Curial restricted funds

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

	At 1 January 2017 £'000	Income £'000	Expenditure £'000	Net gains £'000	Transfers and funds introduced £'000	At 31 December 2017 £'000
Growing in Faith Fund	17,851	4,296	(448)	–	(1,790)	19,909
Masses Funds	1,028	15	(28)	77	(10)	1,082
Poor Fund	491	6	–	38	(6)	529
Ecclesiastical Education Fund	109	2	–	12	(2)	121
Trinity Fund	68	11	–	–	(48)	31
Wellesley Colley Fund	263	4	–	23	(3)	287
Harrow Education Fund	133	1	(120)	–	–	14
St Richard Reynolds	–	4,357	(4,357)	–	–	–
Archbishop's Fund	631	373	(60)	–	(236)	708
St Joseph's Pastoral Centre	385	125	(305)	–	74	279
Bakhita House	786	378	(394)	–	111	881
Property Repairs Fund	142	2	–	12	(2)	154
Post-ordination Studies Fund	1,235	21	(26)	125	(18)	1,337
Missions Fund	117	2	–	13	(40)	92
St John Southworth Fund	2,642	61	(114)	236	(52)	2,773
Filipino Chaplaincy Fund	127	2	(9)	13	(2)	131
Hare Street House	–	12	(57)	66	645	666
Other restricted funds	708	478	(971)	49	599	863
Charity total	26,716	10,146	(6,889)	664	(780)	29,857
Sick and Retired Priests Fund	9,745	1,210	(558)	720	(302)	10,815
Group total	36,461	11,356	(7,447)	1,384	(1,082)	40,672

Notes to the accounts – 31 December 2017

16 Restricted funds (continued)

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

- **Growing in Faith Fund** comprises monies raised as part of the Growing in Faith campaign to ensure a vibrant future for the diocese. The monies will be used: to support parishes and ensure that they are sound, prayerful and sustainable; to support priestly life at all stages, be that in formation, during service in parishes or in retirement; and to maintain the tradition of outreach to those in need.
- **Masses Funds** represent monies held for masses.
- **Poor Fund** is for the relief of poverty within the diocese.
- **Ecclesiastical Education Fund** is for housing costs for priests.
- **Trinity Fund** is for major projects within parishes.
- **Wellesley Colley Fund** is for general charitable purposes of the diocese and for the relief of poverty.
- **Harrow Education Fund** is for school and catechetical activities in the Harrow Deanery.
- **St Richard Reynolds** represents grants received in respect of the construction of St Richard Reynolds School, Twickenham. During 2017 the grants received were put towards the cost of the construction work.
- **Archbishop's Fund** represents a legacy which is for projects as approved by the Archbishop.
- **St Joseph's Pastoral Centre** is for a variety of specific projects agreed with individual donors.
- **Bakhita House** supports the work of Bakhita House.
- **Property Repairs Fund** is available for repairs to diocesan properties.
- **Post-ordination Studies Fund** supports priests in further studies.
- **Missions Fund** supports the work carried out by missions.
- **St John Southworth Fund** supports the work of parishes, organisations and projects across a range of issues including poverty, homelessness, old age and infirmity, and children with disabilities or who are in danger of deprivation.

- **Filipino Chaplaincy Fund** supports the work of the Filipino Chaplaincy.

- **Hare Street House** represents the net assets of the linked charity (see note 24).

- **Other restricted funds** are for specific charitable purposes of the diocese.

- **Sick and Retired Priests Fund** represents the net assets of the Charity's subsidiary charity (see note 23).

Except where they have been explicitly mentioned above, transfers from curial restricted funds principally relate to Growing in Faith grants awarded to parishes and to Caritas.

Parochial restricted funds

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

Notes to the accounts – 31 December 2017

17 Designated funds

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

Group and Charity	At 1 January 2017 £'000	New designations £'000	Utilised/ released £'000	At 31 December 2017 £'000
Designated funds	610	1	(28)	583

18 Tangible fixed assets fund

Group and Charity	2017 £'000
At 1 January	19,288
Net movement in the year	1,321
At 31 December	20,609

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

19 Programme related investments fund

The programme related investments fund represents the value of the Group's and Charity's programme related investments. As explained in note 11, these investments comprise land and buildings owned by the Charity but used by other charitable and not-for-profit organisations whose objectives are consistent with those of the Charity. It is the intention of the Trustees that such assets should continue to be used for these purposes for as long as needed, and that as such their value should not be regarded as realisable with ease in order to meet future contingencies and/or obligations.

Group and Charity	At 1 January 2017 £'000	Movement £'000	At 31 December 2017 £'000
Independent school:			
The Friary, Westminster	8,666	1,759	10,425

Notes to the accounts – 31 December 2017

20 Analysis of net assets between funds

Group	Curial funds			Parochial funds	2017 Total £'000
	Unrestricted funds	Restricted funds	Total funds	Restricted funds	
	£'000	£'000	£'000	£'000	
Fund balances at 31 December 2017 are represented by:					
Tangible fixed assets	20,609	82	20,691	93,520	114,211
Investments	17,439	16,536	33,975	51,831	85,806
Programme related investments	10,425	–	10,425	–	10,425
Net current assets	284	24,054	24,338	32,340	56,678
Non-current liabilities	(10,000)	–	(10,000)	–	(10,000)
Total net assets excluding pension liability	38,757	40,672	79,429	177,691	257,120
Pension liability	(2,304)	—	(2,304)	—	(2,304)
Total net assets	36,453	40,672	77,125	177,691	254,816

	Total unrestricted funds £'000	Total restricted funds £'000	2017 Total £'000
Charity			
Fund balances at 31 December 2017 are represented by:			
Tangible fixed assets	20,609	93,516	114,125
Investments	24,802	58,514	83,316
Programme related investments	10,425	–	10,425
Net current (liabilities) assets	(7,079)	55,514	48,435
Non-current liabilities	(10,000)	–	(10,000)
Total net assets excluding pension liability	38,757	207,544	246,301
Pension liability	(2,304)	–	(2,304)
Total net assets	36,453	207,544	243,997

Unrealised gains and revaluation reserve

It is not possible to ascertain with accuracy the original cost of the investment properties, the majority of which were purchased many years ago and for which records no longer exist recording the costs of acquisition. The Trustees are of the opinion that the costs involved in researching such information outweigh the value of disclosing the accumulated unrealised gains or revaluation reserve. In the case of listed investments, part of the unrealised gains within the Mutual Investment Fund is attributable to connected charities. Consequently, any figure relating to those gains would not be meaningful.

Notes to the accounts – 31 December 2016

21 School and academy building works

The Charity is the legal owner of properties comprising voluntary aided schools, academies and two independent schools within the diocese. As explained in the principal accounting policies these properties are valued at £nil for the purpose of these accounts. The responsibility for the improvement, extension and repair of the buildings lies with the governors. Grants towards such work are paid to the governors by the Department for Education (DfE) and the Local Education Authorities. As the governors are responsible for incurring such expenditure and receiving the associated grant income, this income and expenditure is not included in these accounts. However, the Charity is closely involved in providing practical assistance to Catholic schools and academies in the Diocese of Westminster and acts as an agent for the governing bodies in administering building contracts and recovering grants and contributions towards cost.

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

	2017	2016
	168	209
Number of projects		
	2017	2016
	£'000	£'000
Total amount spent	21,848	29,529
Less: grants received	(24,267)	(23,870)
Net governors' (asset) liability	(2,419)	5,659
Amounts owing on contracts at 31 December (note 14)	2,046	837
Amounts recoverable from Department for Education, Local Education Authorities and contract advances (note 13)	1,293	2,361

22 Connected charities and related party transactions

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

Westminster Ecclesiastical Education Fund is administered by the Central Finance Office of the Westminster Roman Catholic Diocesan Trust and both of the connected charities have charitable objectives aligned to those of the Charity.

Charity Name	Charity Registration Number	Objectives
Westminster Ecclesiastical Education Fund	312528	The training of students for the priesthood.
Westminster Cathedral Choir School	1063761	The training of children in church choral music

Westminster Ecclesiastical Education Fund pays a management fee to Westminster Roman Catholic Diocesan Trust based on the market value of its investment holdings in the Mutual Investment Fund (note 12) to cover the cost of administrative services provided by the Charity.

During the year, the Charity awarded grants of £227,000 (2016 - £2.5million) to Westminster Ecclesiastical Education Fund and received income from the Westminster Cathedral Choir School related to the Friary of £203,000 (2016 - £147,000). No amounts were outstanding as at 31 December 2017.

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

Notes to the accounts – 31 December 2017

23 Financial activities of charitable subsidiaries

The operations of the Westminster Sick and Retired Priests Fund (Charity Registration No 278136), a charity providing assistance to sick, elderly and retired clergy, is considered integral to the Charity and therefore its income, expenditure and net assets have been consolidated with those of the Charity in these accounts.

A summary of the statement of financial activities and a statement of the net assets at 31 December 2017 of the Westminster Sick and Retired Priests Fund is given in the table to the right. Audited accounts of this charity will be filed with the Charity Commission.

	2017 £'000	2016 £'000
Income	1,210	760
Expenditure	(870)	(762)
Net gains on investments	730	577
Net income and net movement in funds	1,070	575
Net assets	10,815	9,745

24 Financial activities of linked charitable subsidiaries

In 2017, the Charity successfully applied to the Charity Commission for a uniting direction in respect of The Moorfields Charity, Westminster Cathedral Trust and Hare Street House (the Linked Charities) which took effect from 1 January 2017. The effect of the uniting direction is to allow the Charity to prepare a single set of accounts that incorporates the Linked Charities as restricted funds of the Charity. Consequently, Hare Street House has been included within curial funds and both The Moorfields Charity and Westminster Cathedral Trust have been included within parochial funds.

The Moorfields Charity and Westminster Cathedral Trust were previously consolidated with the Charity. The net funds introduced in respect of Hare Street House as at 1 January 2017 were £645,000, including tangible fixed assets with a net book value at that date of £51,000 (note 10).

A summary of the statement of financial activities and a statement of the net assets at 31 December 2017 of each of the Linked Charities is given below.

	Hare Street House £'000	The Moorfields Charity £'000	Westminster Cathedral Trust £'000	Total 2017 £'000
Income	12	175	239	426
Expenditure	(57)	(79)	(718)	(854)
Net gains on investments	66	271	321	658
Net income (expenditure) and net movement in funds	21	367	(158)	230
Net assets	666	3,196	3,542	7,404

25 Contingent liability

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

Diocesan Committees – 31 December 2017

Audit and Risk Committee	Miss L Ferrar Rt Rev J Sherrington Mr K Ingram
Caritas Advisory Board	Rt Rev P McAleenan Rev M Woodruff Mr D Belloso Mr P Camoletto Mrs S Garibaldi Mrs S Macken Mr M McAteer Mr A Ndoca
Education Commission	Rt Rev J Wilson Rev M Dunne Mr J Asgian Mrs L Barton Mr P Camoletto Mr E Conway Mrs K Griffin Mrs J Jackson Mr M Rainsford Mrs P Singh OBE
Finance Board	Rt Rev J Sherrington Rt Rev N Hudson Rt Rev P McAleenan Rt Rev J Wilson Rev Mgr M Hayes Mr J Gibney Mr A Ndoca
Human Resources Committee	Rt Rev J Sherrington Rev Mgr M Hayes Miss L Ferrar Mr P Camoletto
Investment Committee	Mr P Pejacsevich Mr A Fitzalan-Howard Mr A Ndoca Mr R McAdie Mr P Camoletto
Property Committee	Rt Rev J Sherrington Mr R Costelloe Mr C Shepherd Mr E Craston Mr M Collins Mr P Camoletto

Members at time of printing.

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

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

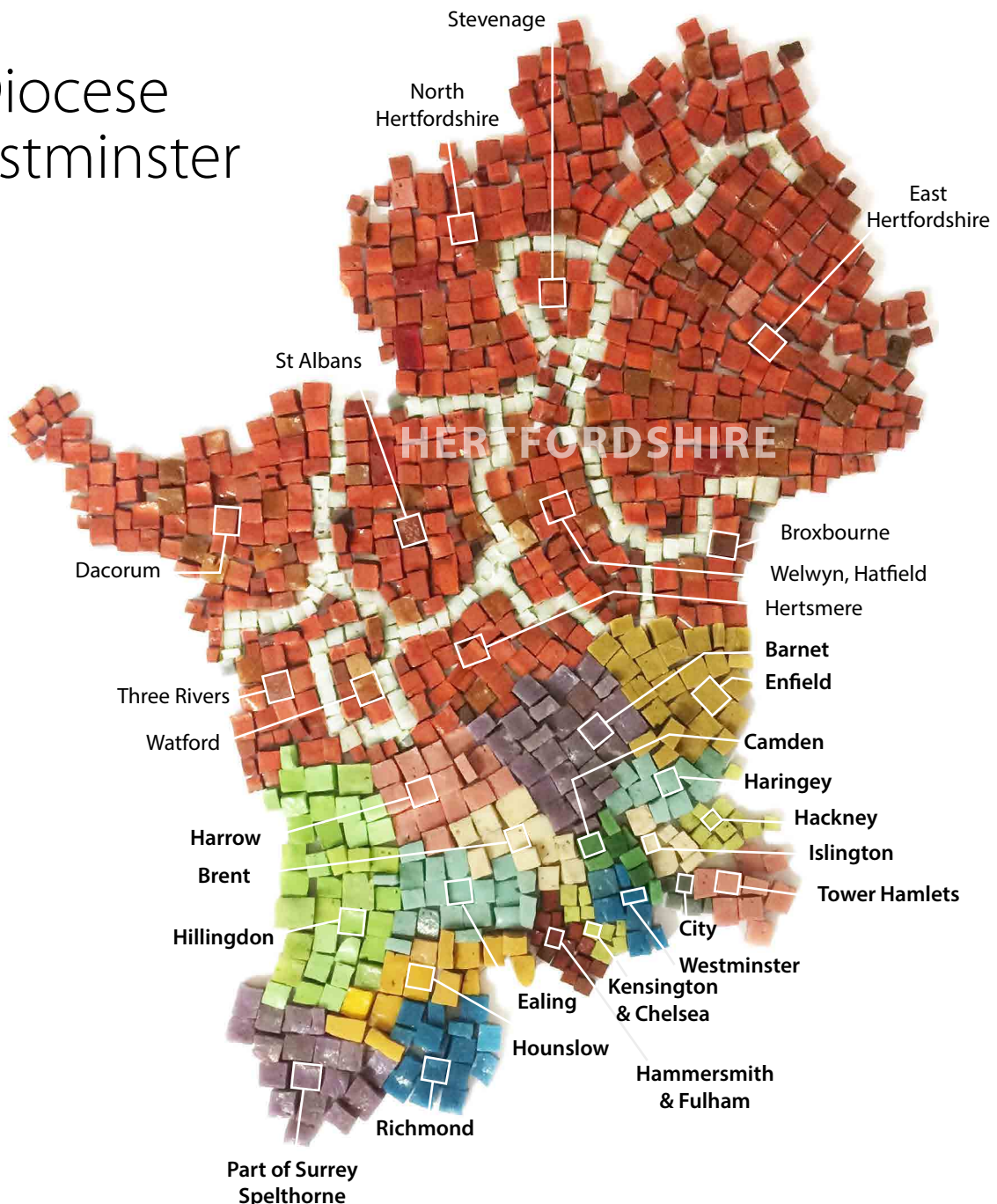
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You can also obtain further information about the different ways that you can help by contacting:

Matt Parkes
Director of Development
Diocese of Westminster
46 Francis Street
London SW1P 1QN

Email: mattparkes@rcdow.org.uk
Tel: 020 7798 9375

The Diocese of Westminster



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

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Westminster Record

Westminster Record is the newspaper for the Diocese of Westminster. Published every month, it includes news, features and photographs reflecting the mission and life of Catholic parishes, schools and people in the diocese. Westminster Record costs just 20p, and can be bought in most parishes in the diocese.

Westminster Year Book 2019

Westminster Year Book contains full listings of Catholic parishes, priests, schools and societies. To be published in November 2018, it also includes the 2019 Liturgical Calendar. To order a copy please contact wyb@rcdow.org.uk.



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