

**ARUNDEL AND BRIGHTON DIOCESAN TRUST**  
**Registered Charity No. 252878**

**ANNUAL REPORT AND ACCOUNTS**

**Incorporating Thirty Connected Trusts under Charity Commission  
Uniting Directions**

**for the year ended**

**31 DECEMBER 2018**



**Bishop's House  
The Upper Drive  
Hove  
East Sussex  
BN3 6NB**



# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## REPORT OF THE CHARITY TRUSTEES

### FOR THE YEAR ENDED 31 DECEMBER 2018

| <b>CONTENTS</b>                   | <b>PAGE</b> |
|-----------------------------------|-------------|
| Report of the Charity Trustees    | 3           |
| Report of the Auditors            | 12          |
| Statement of Financial Activities | 14          |
| Balance Sheet                     | 16          |
| Statement of Cash Flows           | 18          |
| Accounting Policies               | 19          |
| Notes to Accounts                 | 23          |

### **CONNECTED TRUSTS UNDER CHARITY COMMISSION UNITING DIRECTIONS**

#### **Trusts Linked to Diocesan Trust on Charity Commission website**

|                            |             |
|----------------------------|-------------|
| Battle Ashburnham          | 252878 - 1  |
| Diocese Buckley            | 252878 - 2  |
| Slindon Leslie             | 252878 - 3  |
| Littlehampton Norfolk      | 252878 - 4  |
| Littlehampton Norfolk 1901 | 252878 - 5  |
| Diocese Education          | 252878 - 6  |
| Duncton Bedingfeld         | 252878 - 7  |
| Hérons Ghyll Hope          | 252878 - 8  |
| Crawley Scawen Blunt       | 252878 - 9  |
| Duncton Biddulph           | 252878 - 10 |
| Arundel Norfolk            | 252878 - 11 |
| Houghton Norfolk Cemetery  | 252878 - 12 |
| Arundel Norfolk Cemetery   | 252878 - 13 |
| Duncton Biddulph Education | 252878 - 14 |
| Angmering Norfolk          | 252878 - 15 |

#### **Other Trusts**

Burwash Cemetery  
Caterham Stacpole  
Dorking Norfolk  
Effingham Pauling  
Godalming Hyland  
Hastings Fairlight Shadwell Cemetery  
Horsham Norfolk  
Keymer Munster  
Oxted Lang  
St Leonards Grant  
Sutton Park Salvin  
West Byfleet Marist School  
Worthing Gaisford

#### **The following Trusts consolidated their accounts with the Diocese's by resolution of their Trustees:**

Diocese Elmer  
Haywards Heath St Joseph's School

# **ARUNDEL AND BRIGHTON DIOCESAN TRUST**

## **REPORT OF THE CHARITY TRUSTEES**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

### **LEGAL AND ADMINISTRATIVE DETAILS**

#### **TRUSTEES:**

Right Reverend Richard Moth, Bishop of Arundel and Brighton  
Reverend Father J S Martin VG  
Reverend Father J How  
Reverend Canon K J O'Brien  
Reverend Deacon M C Thoms  
E B Totman KSG (resigned 5 February 2019)  
Mrs B A Brittain (resigned 5 February 2019)  
A Campbell OBE KSG  
T W Allen  
Mrs C Walsh (resigned 12 April 2019)  
P Burgess OBE, DL, KGCHS (appointed 5 February 2019)  
K Maloney (appointed 5 February 2019)

#### **Secretary to Trustees:**

Mrs S M Kilmartin

#### **DIOCESAN OFFICE:**

Bishop's House  
The Upper Drive  
Hove  
East Sussex  
BN3 6NB

#### **FINANCE COMMITTEE:**

Reverend Father J How – Chairman  
Reverend Father C Dobson BSc  
Reverend Deacon M C Thoms BA (resigned 30 April 2019)  
Reverend Deacon P Gately FIA (appointed 30 April 2019)  
T W Allen FCA  
Mrs N Bryson MA, ACA (appointed 30 April 2019)  
W Connell FCMA  
J Cornish FRICS  
Mrs I Wragg FRICS

#### **KEY MANAGEMENT PERSONNEL:**

Chief Operating Officer: Mrs S M Kilmartin BA ACA  
Director, Education Service: Ms M Ryan BA, MA, MCIL

#### **ADVISERS**

##### **AUDITORS:**

Haysmacintyre LLP  
10 Queen Street Place  
London EC4R 1AG

##### **SOLICITORS:**

DMH Stallard  
Gainsborough House  
Pegler Way  
Crawley  
West Sussex RH11 7FZ

##### **INVESTMENT MANAGERS:**

Joh. Berenberg, Gossler & Co. KG  
60 Threadneedle Street  
London EC2R 8HP

##### **BANKERS:**

HSBC Bank plc  
69 Pall Mall  
London SW1Y 5EY

##### **INSURANCE MANAGERS:**

Catholic Insurance Service Ltd  
Oakley House  
Mill Street  
Aylesbury  
Bucks HP20 1BN

# **ARUNDEL AND BRIGHTON DIOCESAN TRUST**

## **REPORT OF THE CHARITY TRUSTEES**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

The Arundel and Brighton Diocesan Trust is a charity established by a Trust deed dated 19th May 1967 as amended 14th November 1967 and 4th December 1998. The charity is registered with the Charity Commission of England and Wales (No. 252878).

The Trustees present their report and financial statements for the year ended 31 December 2018.

### **OBJECTIVES AND ACTIVITIES**

The Diocese is a portion of the People of God, defined by its territories – in this case, the city of Brighton & Hove and the counties of East and West Sussex, and Surrey outside the London Boroughs. The Diocese serves its people through our 85 Parishes, 65 schools and the Diocesan central agencies. The aim of the Diocese is, in accordance with the objectives of the charity, the advancement of the Roman Catholic religion and education.

The Diocese gathers principally through the worship of God and through prayer. This is the foundation of its work and, built on this foundation, the Diocese brings its people together for formation in the Roman Catholic religion. This work of formation is carried out in a number of ways: in Parishes; at diocesan level through conferences and courses and Cathedral liturgies; through the provision of retreats; through the work of its schools. This formation enables the people of the Diocese to exercise the mission of the church. This is carried out in myriad ways through social outreach, especially to the poor and disadvantaged – often at Parish and local level; through provision of courses for those who may wish to explore Faith; through support of the work of the Church in other parts of the world.

In order to achieve these aims, a number of strategies are put in place by the Trustees. These include the provision of primary, secondary and special schools, supported by the Diocesan Education Service; chaplaincy provision for universities, hospitals, hospices and prisons and the St. Philip Howard Centre in Crawley. This Centre provides formation to Parishes and those who are expert in particular areas of pastoral concern, as well as support for the liturgical life of the Diocese. The Curial Offices, based in Hove, provide the Chancery, Financial, Canonical and Safeguarding services for the Diocese. The Bishop's Residence contains offices for the secretarial staff that supports the Bishop's ministry to the whole Diocese.

The achievement of these aims fulfils the legal purposes of the charity and impacts on the society at a number of levels. The young are enabled to take a responsible place in society, enriching it through their way of life; care is provided to those who are in hospital, elderly or housebound; to those in prison and to those who live with disability. Family life is fostered and supported. The outreach of the Diocese enables many others to avail themselves of the social support offered by the Church. The effect of the Diocese's work beyond its boundaries has a deep impact on those living in the poorer parts of the world.

Success is measured in a number of ways. The Bishop has oversight of the whole Diocese, achieved through visitations of Parishes, schools and the various operations of the Diocese referred to above. He is aided in this through the work of a number of consultative bodies and by Deans who have pastoral oversight of groupings of Parishes.

The schools of the Diocese are subject to both OFSTED and Section 48 inspections and are very well supported by the Diocesan Education Service.

# **ARUNDEL AND BRIGHTON DIOCESAN TRUST**

## **REPORT OF THE CHARITY TRUSTEES**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **Use of Volunteers**

Special mention should be made of the considerable number of volunteers who help in all aspects of the work of the Diocesan Trust. Without their assistance our Parishes, in particular, could not function. The Diocesan Trustees, Parish clergy and our employees are most grateful to our volunteers for giving us so much time and effort. A typical Parish has between 10% and 20% of its Parishioners actively helping in all manner of voluntary roles from altar servers to financial accountants. Parishes do not only look inwardly to their own needs. Many Parish volunteers give help to the sick, elderly, homeless and disadvantaged in their local areas through their Parish organisations.

#### **Grant making policy**

The Diocesan Trust is not primarily a grant making charity. Most grants are of modest size. But sometimes large grants, duly authorised by the Trustees, are made to schools to assist with capital projects.

#### **Public benefit**

The Trustees confirm that they have complied with the duty in the Charities Act 2011 section 17 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity. The public benefit provided by the Charity includes the provision of religious ceremonies (such as baptisms, weddings and funerals), maintaining religious burial grounds, celebrating public Masses, and providing and maintaining places of worship. There is also a benefit to the general public as churches can be accessed by people of all faiths and none, for personal spiritual contemplation. Parishes themselves are communities which contribute to the moral and spiritual wellbeing of those who attend, and from these centres educational, social and pastoral work is carried out as a practical expression of faith. All of these contribute to the wellbeing of civic society in our country.

## **ACHIEVEMENTS AND PERFORMANCE**

The previous Annual Report and Accounts contained information about the development of a Diocesan Pastoral Plan, entitled "The Word Who is Life." This was published in 2018 and, through a series of meetings across the Diocese, presented to more than 2,500 parishioners.

In the wake of the report, the Diocesan Formation Team has done much preparatory work on new programmes of Adult Formation and Weeks of Prayer across the Diocese. Work with young people has also developed and in accordance with the Pastoral Plan a formal relationship has been established between the Diocese and the Ascent Programme for Young People being offered at Worth Abbey, thereby developing future lay leadership in the life of the Diocese. All of these initiatives will ensure the continuing fulfilment of the purposes of the Charity.

St. Cuthman's Retreat Centre was closed during the course of the year (reference being made to this plan in the previous Trustees Report).

The development and growth of Multi-Academy Trusts has continued through the year. More schools are seeking to join the two MATs established in the Diocese and a process of due diligence is being undertaken in order to facilitate this growth.

# **ARUNDEL AND BRIGHTON DIOCESAN TRUST**

## **REPORT OF THE CHARITY TRUSTEES**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

A significant number of faithful from the Diocese took part in the Eucharistic Congress in Liverpool in 2018 and the Diocese was also well represented at the World Meeting of Families in Dublin. The Diocesan Pilgrimage to Lourdes, carried out as a direct part of the Mission of the Diocese following the changes to its structure, enabled some 740 people to travel to Lourdes.

### **FINANCIAL REVIEW**

Diocesan income was steady at £28.2 million (2017 £28.1 million). Increases in legacies and property sales were offset by a reduction in income from Schools resulting from the transfer of St Joseph's Special School & College to a separate independent charitable trust. Expenditure remained steady at £27.8 million (2017 £27.3 million). The net deficit was £1.6 million (2017 £2.7 million income). This was largely a result of investment losses of £1.8 million compared with gains in 2017 of £1.9 million. There was a cash inflow of £0.8 million (2017 outflow of £0.2 million). Overall Diocesan funds reduced to £89.4 million (2017 £91.0 million). Before taking into account the investment loss, there was a surplus of £0.3 million.

The income and expenditure of the Diocesan Trust is set out in three principal components: Parishes, Central Diocese and Schools. The basis of charitable expenditure is made by reference to the objectives of the charity: the advancement of the Roman Catholic religion and education. The thirty connected Trusts are incorporated into the results for the area of the Diocese to which they relate. Twenty-eight of the connected Trusts provide the land and church buildings for Parishes who maintain the properties and two are linked to activities of the Central Diocese (care for retired priests).

The financial statements comply with the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard which is applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), and are in accordance with the accounting policies of the Diocese.

The majority of funds in the charity are raised and expended within each individual Parish or centre activity in support of its work. In addition to financing their own activities, Parishes also support the Diocese through the transfer of funds to cover both general and specific activities of the Diocese.

### **Parishes**

The net surplus in funds before transfers was £5.9 million (2017 £3.4 million). Income was £17.5 million compared with last year's £14.0 million due to an increase in land sales. Land and property sales were completed in the parishes of Egham, Southwick, East Grinstead, Slindon and East Brighton. Expenditure reduced to £11.0 million (2017 £11.3 million).

Most of the costs incurred in the Parishes were attributed to the primary activity of the Diocese: advancement of the Roman Catholic faith. Direct grants from Parishes to schools of £0.1 million (2017 £0.1 million) were the only cost attributed to the activity of education.

Transfers to the Diocese were £1.7 million (2017 £1.6 million). Parish net assets suffered from a negative year end valuation of investments, which decreased in value by £0.6 million (2017 increase of £0.7 million). The overall surplus at year end was £4.1 million (2017 £1.6 million). Parish funds increased to £67.1 million (2017 £62.9 million). Tangible fixed assets at cost less depreciation were £41.5 million at year end, an increase of £0.6 million on last year's £40.9 million.

# **ARUNDEL AND BRIGHTON DIOCESAN TRUST**

## **REPORT OF THE CHARITY TRUSTEES**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **Central Diocese**

Income and expenditure in the Central Diocese were broadly consistent with the prior year, with income of £2.6 million (2017 £2.1 million) and expenditure of £4.6 million (2017 £4.3 million). Income transferred in from Parishes at £1.7 million was also the same as last year's. Investments suffered at the year end with a loss in value of £1.2 million (2017 gain £1.2 million). The largest cost in the Central Diocese was staffing. This reduced in the year as a result of structure changes to £1.9 million from £2.0 million in 2017. The overall funds of the Central Diocese decreased to £21.5 million (2017 £23.1 million) with £2.2 million in unrestricted funds excluding designated reserves. Tangible assets accounted for £10.7 million of Central Diocese funds.

#### **Schools**

During the year the Trustees of the Diocese agreed to transfer the Specialist School and College in Cranleigh to a new charity, St Joseph's Specialist Trust. The net assets transferred were £4.0 million. At the year end the six parish-run pre-schools continued, although two are due to close in July 2019. The Diocese continues to own and run Sacred Heart Preparatory School in Wadhurst, and Parish pre-schools are set to continue in Thames Ditton, Chichester, Crawley and Haywards Heath. Total unrestricted funds were negative £0.7 million due to overdrafts at Wadhurst, Crawley and Bexhill (2017 £1.4 million). Tangible assets account for £1.4 million (2017 £3.4 million).

#### **Risk Assessment and Risk Management**

During 2018 the Diocesan Trustees continued their oversight of the major risks to which the Trust is exposed. These risks have not changed during the course of the year, but the measures that have been put in place by Trustees and through the work of the Bishop and Episcopal Council maintain a careful watch on areas of risk.

The Safeguarding team continues training and monitoring activities to address the risk of safeguarding failures in relation to children and vulnerable adults. Their work is overseen by Trustees through the Safeguarding sub-committee. Health and Safety risks are overseen by a Health and Safety sub-committee.

The Trustees have focused particular attention on the key strategic risks facing the Diocese. These relate to the increasing burden on priests and Deans due to their greater responsibilities, and the increased average age of clergy. Further strategic risks are presented by the declining engagement of the lay faithful in the life and mission of the church. Strategic risk is also recognised in relation to major issues that could cause failure in our Multi-Academy Trusts, and by the risk of abuse. The Pastoral Plan launched in 2018 is a direct response to the risks arising from the increasing demands on clergy and from reduced engagement from lay people. The ongoing oversight of the Education Service and Safeguarding team addresses the risks relating to schools and the risk of abuse.

#### **Investment Policy and Performance**

The Trust deed authorises the Trustees to make and hold investments using the general funds of the Diocese. The investment objective is that the real value of the Trust's assets should be maintained and enhanced over the long term to service the needs of the Trust. The overall risk is assessed to be medium, when viewed with the property and cash assets of the Trust.

The investment managers (Berenberg) manage the day to day management of the various Trust funds on a discretionary basis in line with the Diocesan Statement of Investment Principles (SIP).



# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## REPORT OF THE CHARITY TRUSTEES

### FOR THE YEAR ENDED 31 DECEMBER 2018

The SIP was revised by the Investment Committee during 2017. The SIP outlines the features of the Trust's two investment portfolios, the Multi Asset Investment Fund 1 (MAIF 1) and the Multi Asset Investment Fund 2 (MAIF 2). These differ in risk profile, with the first MAIF taking a medium/high approach to risk, balancing income and capital growth. MAIF 2 takes a low/medium approach to risk, with a focus on capital preservation. Target investment returns have been set at CPI+ 3.0% per annum for MAIF 1 and CPI+ 1.5% per annum for MAIF 2.

The ethical policy expressed in the SIP stipulates that investments will not be purchased in companies where arms, tobacco, contraception, pornography or gambling make up more than 10% of turnover. This restriction ensures that the Diocese will not be invested in companies dedicated to these products and services but allows investment in sectors such as retail, where a low percentage of trading may relate to these items. The SIP requires that no investments can be held in companies that perform abortion service, and that the investment managers will only invest in companies with responsible lending policies. In 2019 the SIP was updated to add a restriction that the value of holdings invested in companies engaged with the extraction, refining, or sale of Fossil Fuels should be restricted to 10% of the overall portfolio.

The investment objectives for the connected Trusts are the same as those for the Diocese, and their portfolios are managed by Berenberg according to the risk approach of individual Trustees, with some preferring the low/medium risk profile of MAIF 2.

During the year an investment loss of £1.8 million arose (2017 gain of £1.9 million). This was in line with the market.

#### **Reserves Policy**

The total funds are £89.4 million, of which £12.4 million relate to the connected Trusts.

Restricted funds total £6.8 million (Diocese £3.8 million and connected Trusts £3.0 million), particulars of which are set out in Notes 18 and 19 to the accounts. Permanent Endowment funds total £10.6 million (Diocese £1.3 million and connected Trusts £9.3 million), with particulars also set out in Notes 18 and 19 to the accounts.

Designated funds, wholly held by the Diocese, are £70.5 million and comprise the general unrestricted funds of the individual Parishes, £52.3 million and other designated funds totalling £18.2 million, of which the most substantial is the fixed asset fund of £10.2 million, followed by the retired priests' fund of £4.8 million.

In Canon Law the Parishes have the right to acquire, retain, administer and alienate temporal goods. While the unrestricted funds of the individual Parishes could therefore be regarded as restricted at the Diocesan level, this might not be consistent with the civil law status of the Diocese as a single entity. In order to respect the special nature of these funds, the Trustees have designated these funds as relating to the individual Parishes from which they are derived.

The funds held by each of the 85 Parishes need to be held in order to provide working funds, to meet future expenditure (particularly on property maintenance) that will not be met by future income and, in some cases, to accumulate funds for a building programme. The properties held by Parishes comprise the Parish church or churches and, in most cases, a hall and presbytery. The maintenance

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## REPORT OF THE CHARITY TRUSTEES

### FOR THE YEAR ENDED 31 DECEMBER 2018

costs of these properties can be substantial and frequently unpredictable. Excluding tangible fixed assets, the average amount of unrestricted funds held by Parishes is £208k (2017 £169k). The actual amounts held vary significantly above and below this average, but Parishes with funds surplus to immediate foreseeable requirements are able to provide support to Parishes in need of assistance, either directly or through the Diocese.

The unrestricted funds of the Trust are also utilised to provide land and buildings for both Central Diocese and the Schools. These funds are held in designated Fixed Asset funds of £10.2 million and £1.5 million respectively.

As stated in note 21, the Trustees consider that there is a constructive obligation to support priests in their retirement, but the provision required cannot be measured with sufficient reliability. The Trustees consider, however, that it is necessary to designate funds based on their best estimate of the possible future requirement. The designated fund for retired priests (£4.8 million at the year-end) is intended to provide (i) a fund to meet the cost of support of already retired priests and (ii) a fund that, with future transfers to the fund, will meet the cost of support in retirement for all currently serving priests, in both cases allowing for future inflation and interest. With further replenishment, the fund is projected to be expended over the lifespan of currently serving and retired priests.

The fund designated for Ecclesiastical Education is largely derived from donations from Parishes for the express purpose of ecclesiastical education. As these are intra-Trust donations they cannot be treated as restricted but, in order to respect the special nature of these funds, the Trustees have designated them accordingly. The fund was £0.7 million at year-end and is adequate, at present levels of expenditure, to cover the relevant costs for approximately five years.

Trustees transferred £0.5 million from the fund designated for Education to the general fund, as they considered that ongoing costs of the Diocesan Education Service will be met from general funds, along with any grants provided to schools as the need arises.

The total of funds that can be realised only by disposing of tangible fixed assets is £53.7 million. These amounts are reflected in restricted, endowment and designated funds (i) as part of the overall funds of Parishes that are designated at Diocesan level and (ii) by a designated fund of the Central Diocese.

The reserves held after making allowance for any restricted funds, and the amount of designations, commitments (not provided for as a liability in the accounts) or the carrying amount of functional assets totalled £1.5 million. Although capable of utilisation across the relevant entities, these reserves were held as to (£0.7 million) by the Schools and £2.2 million by the Central Diocese.

The total representing school reserves was greatly reduced following the transfer out of St Joseph's. The parish pre-schools reserves are not adequate to ensure their ongoing financial stability, and the four parishes that will continue to run pre-schools throughout 2019 will underwrite the liabilities of the preschool with parish reserves. The overdraft at Sacred Heart School has been incurred in relation to property projects approved by the Diocesan Finance Committee, with a repayment schedule agreed.

The net costs of the Central Diocese are met in part by levies on parishes. Reserves are required to meet shortfalls in the income needed to meet current levels of expenditure. They are also needed to

# **ARUNDEL AND BRIGHTON DIOCESAN TRUST**

## **REPORT OF THE CHARITY TRUSTEES**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

provide funding, by way of loans and/or grants to parishes and schools, principally for building and other development projects. During 2018 legacies of £1.3 million were received with gratitude, greatly reducing the need to draw on reserves.

The Trustees have not determined a fixed amount of general reserves that are needed but consider that the reserves need to be maintained at least at the present level in order to meet possible shortfalls in income. The reserves need to be increased in order to be able to respond to requests from schools and Parishes for building and development funding, which is at present constrained by the level of reserves.

### **FUTURE PLANS**

The Pastoral Plan referred to above expresses the need for effective School Chaplaincy in every School in the Diocese. The Bishop will work with members of the Education Service and a small team of chaplains to deliver formation for potential School Chaplains.

The Pastoral Plan also calls for some changes to parish and deanery structures, that the Mission of the Church and the purposes of the Charity can be fulfilled more effectively in the future. These changes will be implemented during the course of the coming years.

In the wake of the Eucharistic Congress in 2018, it is anticipated that the Diocese will be represented at the International Congress in Budapest in 2020. The Lourdes Pilgrimage continues to be a very effective aspect of the work of the Diocese, with increasing numbers taking part in the coming year. This is an especially significant opportunity for many young people in the Diocese to spend time in the service of others.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The fixed assets and investments of the charity are vested in a Trust corporation as nominee for the charity with the Diocesan Trustees as the managing Trustees. There are ten managing Trustees. The Trust Corporation is the Arundel & Brighton Roman Catholic Diocesan Corporation Limited incorporated on 20th January 1969. The corporation is registered under the Companies Acts (No. 0946255) as limited by guarantee and not having share capital; the Diocesan Trustees are its members and directors.

**Trustees** The Bishop is empowered to appoint and remove all Trustees. The Trustee body comprises five clergy and five laity of the faithful. The clergy Trustees are appointed for their expertise in parochial, spiritual and pastoral matters. Lay Trustees are selected for specialisms in business and education. Further lay Trustees would be chosen to match any perceived skill requirement and would be recruited on the recommendation of, inter alia, Trustees, the Finance Committee and Parish priests. New Trustees are provided with terms of reference and a pack of information relating to the constitution, governance and operation of the Trust. Trustees are expected to visit all central departments as well as being familiar with the work of Parishes. All decisions affecting the Trusts are made by the board of Trustees. The board has established various committees to advise it on aspects of the Trust's activities.

Trustees receive training in charity governance and receive updates from the Charity Commission periodically.

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## REPORT OF THE CHARITY TRUSTEES

### FOR THE YEAR ENDED 31 DECEMBER 2018

**Finance Committee** The committee comprises two Trustees and six others who have expertise in financial, property and management matters. The committee meets eight times a year. The role of the committee is advisory to the Trustees on financial governance and asset management. The committee also acts as the Trustees' audit committee.

**Education Committee** The committee comprises the Bishop and ten others who have expertise in school education provided through the maintained and independent sectors. Members comprise governors, headteachers, clergy and a Trustee of the Diocese. The committee advises the Trustees on education policy issues. The committee meets three times a year.

**Council of Priests and College of Consultors** The priests in these two bodies advise the Bishop on strategic issues affecting the Parishes and Diocese.

**Episcopal Council** The Council comprises three Episcopal Vicars and the Vicar General, and meets with the Bishop monthly.

**Pastoral Commissions** There are several committees advising the Trustees on the wide range of pastoral activities undertaken by the Trust. These committees meet between one and four times a year.

**Parishes** The day to day administration of our Parishes is carried out by Parish clergy who are advised by their Parish finance committees. Significant matters are authorised by the Trustees, for example, employment of pastoral staff and major property or capital expenditure.

The voluntary aided (maintained) schools and Academies of the Diocese are exempt charities that co-operate with the Trust in providing education in partnership with the UK Government.

#### **Remuneration Policy**

Annual pay changes are approved by the Trustees, and job roles and remuneration are reviewed periodically. Benchmarking against market rates is employed when new roles are created. Remuneration for key management roles is benchmarked against market rates when appointments are made.

#### **Fundraising approach**

The Diocese does not engage in fundraising telephone or email campaigns. Funds are raised through collections at services and events, or through donations received via post, bank transfer or online giving. No complaints about fundraising were received in the year.

#### **Subsidiary Companies**

The Diocese has two wholly owned dependent companies: -

1) Diocese of Arundel & Brighton (Building Services) Ltd. The company was established to facilitate the management of building contracts for the Diocese. Its sales are only to the Diocese. The company provides its services approximately at cost, and therefore makes a minimal profit or loss. For the year ended 31 December 2018, the turnover of the company was £Nil (2017 £15,000) and there was a loss of £1,000. (2017 (£1,000)).

# **ARUNDEL AND BRIGHTON DIOCESAN TRUST**

## **REPORT OF THE CHARITY TRUSTEES**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

2) Arundel and Brighton Lourdes Pilgrimage Ltd The company manages the annual pilgrimage to Lourdes each year solely for Diocese parishioners and their helpers. The Diocese is the ultimate controlling party of the company. For the year ended 31 December 2018 the turnover of the company was £456k and there was a profit of £4k.

### **STATEMENT OF THE TRUSTEES' RESPONSIBILITIES**

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the net movement in funds of the charity for that period. In preparing these financial statements, the Trustees are required to:

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

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 financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust deed dated 19th May 1967. 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.

Approved by the Diocesan Trustees on 9 July 2019 and signed as authorised on their behalf by:

The Right Reverend Richard Moth  
Bishop of Arundel & Brighton  
Chairman of Diocesan Trustees

## Independent auditor's report to the trustees of Arundel and Brighton Diocesan Trust

### Opinion

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

In our opinion, the financial statements:

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

### Basis for opinion

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

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement **set out on page 11**, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

## **Independent auditor's report to the trustees of Arundel and Brighton Diocesan Trust (continued)**

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

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

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

### **Other information**

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

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

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

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

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

### **Use of our report**

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

Haysmacintyre LLP  
Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

9 July 2019

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

**ARUNDEL AND BRIGHTON DIOCESAN TRUST  
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018**

|  | Note | Parishes              |                     | Total<br>£'000 | Central Diocese    |                       | Total<br>£'000 | Schools             |                       | Total<br>£'000 | 2017<br>Total<br>£'000 |                     |
|--|------|-----------------------|---------------------|----------------|--------------------|-----------------------|----------------|---------------------|-----------------------|----------------|------------------------|---------------------|
|  |      | Unrestricted<br>£'000 | Restricted<br>£'000 |                | Endowment<br>£'000 | Unrestricted<br>£'000 |                | Restricted<br>£'000 | Unrestricted<br>£'000 |                |                        | Restricted<br>£'000 |
| <b>INCOME AND ENDOWMENTS FROM</b>        |      |                       |                     |                |                    |                       |                |                     |                       |                |                        |                     |
| <b>Donations and legacies</b>            |      |                       |                     |                |                    |                       |                |                     |                       |                |                        |                     |
| 2  |      |                       |                     | 9,002          |                    |                       | 214            |                     |                       | 6              | 9,222                  | 9,893               |
|  |      | 7,793                 | 1,209               | -              | 12                 | 202                   | -              | 6                   | -                     | -              | 922                    | 987                 |
|  |      | 807                   | 448                 | 1,255          | 384                | 904                   | 1,288          | -                   | -                     | -              | 2,543                  | 364                 |
| 3  |      | 185                   | -                   | 185            | 50                 | 245                   | 295            | -                   | -                     | -              | 480                    |                     |
| <b>Charitable Activities</b>             |      |                       |                     |                |                    |                       |                |                     |                       |                |                        |                     |
| 4  |      | 532                   | -                   | 532            | 328                | -                     | 328            | -                   | -                     | -              | 860                    | 808                 |
| 5  |      | -                     | -                   | -              | -                  | -                     | -              | -                   | -                     | -              | 8,051                  | 11,975              |
| 6  |      | 1,946                 | 120                 | 2,066          | 49                 | -                     | 49             | 38                  | -                     | 38             | 2,153                  | 2,342               |
| 7  |      | 120                   | 80                  | 200            | 350                | 39                    | 389            | -                   | -                     | -              | 589                    | 792                 |
|  |      | 4,012                 | -                   | 4,253          | 11                 | -                     | 11             | -                   | -                     | -              | 4,264                  | 909                 |
| <b>TOTAL</b>                             |      | <b>15,395</b>         | <b>1,857</b>        | <b>17,493</b>  | <b>1,184</b>       | <b>1,390</b>          | <b>2,574</b>   | <b>8,095</b>        | <b>-</b>              | <b>8,095</b>   | <b>28,162</b>          | <b>28,070</b>       |
| <b>EXPENDITURE ON</b>                    |      |                       |                     |                |                    |                       |                |                     |                       |                |                        |                     |
| <b>Raising funds</b>                     |      |                       |                     |                |                    |                       |                |                     |                       |                |                        |                     |
| 8  |      | 214                   | 43                  | 257            | 270                | -                     | 270            | -                   | -                     | -              | 527                    | 545                 |
| <b>Charitable activities</b>             |      |                       |                     |                |                    |                       |                |                     |                       |                |                        |                     |
| 8  |      | 9,121                 | 1,552               | 10,673         | 2,776              | 1,022                 | 3,798          | -                   | -                     | -              | 14,471                 | 14,320              |
| 8  |      | 108                   | -                   | 108            | 35                 | 535                   | 570            | 7                   | 8,191                 | 7              | 8,869                  | 12,480              |
|  |      | 9,443                 | 1,595               | 11,038         | 3,081              | 1,557                 | 4,638          | 125                 | 8,191                 | 125            | 4,026                  | -                   |
| <b>TOTAL</b>                             |      | <b>(320)</b>          | <b>(57)</b>         | <b>(587)</b>   | <b>(1,061)</b>     | <b>(146)</b>          | <b>(1,241)</b> | <b>132</b>          | <b>-</b>              | <b>-</b>       | <b>(1,828)</b>         | <b>1,937</b>        |
| <b>Net gains/(losses) on investments</b> |      |                       |                     |                |                    |                       |                |                     |                       |                |                        |                     |
|  |      | 5,632                 | 205                 | 5,868          | (2,958)            | (313)                 | (3,305)        | (3,990)             | (132)                 | (4,122)        | (1,559)                | 2,662               |
| <b>NET INCOME</b>                        |      |                       |                     |                |                    |                       |                |                     |                       |                |                        |                     |
| <b>TRANSFERS BETWEEN FUNDS</b>           |      |                       |                     |                |                    |                       |                |                     |                       |                |                        |                     |
|  |      | (1,718)               | -                   | (1,718)        | 1,696              | -                     | 1,696          | 22                  | -                     | 22             | -                      | -                   |
|  |      | 3                     | (3)                 | -              | -                  | -                     | -              | -                   | -                     | -              | -                      | -                   |
|  |      | (1,715)               | (3)                 | (1,718)        | 1,696              | -                     | 1,696          | 22                  | -                     | 22             | -                      | -                   |
| <b>NET MOVEMENT IN FUNDS</b>             |      | <b>3,917</b>          | <b>202</b>          | <b>4,150</b>   | <b>(1,262)</b>     | <b>(313)</b>          | <b>(1,609)</b> | <b>(3,968)</b>      | <b>(132)</b>          | <b>(4,100)</b> | <b>(1,559)</b>         | <b>2,662</b>        |
| <b>RECONCILIATION OF FUNDS</b>           |      |                       |                     |                |                    |                       |                |                     |                       |                |                        |                     |
|  |      | 48,437                | 4,670               | 62,916         | 20,147             | 2,183                 | 23,101         | 4,776               | 184                   | 4,960          | 90,977                 | 88,315              |
| <b>FUNDS CARRIED FORWARD</b>             |      |                       |                     |                |                    |                       |                |                     |                       |                |                        |                     |
|  |      | 52,354                | 4,872               | 67,066         | 18,885             | 1,870                 | 21,492         | 808                 | 52                    | 860            | 89,418                 | 90,977              |



**ARUNDEL AND BRIGHTON DIOCESAN TRUST  
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017**

|  | Note | Parishes              |                     | Central Diocese    |                | Schools               |                     | 2016<br>Total<br>£'000 |
|--|------|-----------------------|---------------------|--------------------|----------------|-----------------------|---------------------|------------------------|
|  |      | Unrestricted<br>£'000 | Restricted<br>£'000 | Endowment<br>£'000 | Total<br>£'000 | Unrestricted<br>£'000 | Restricted<br>£'000 |                        |
| <b>INCOME AND ENDOWMENTS FROM</b>        |      |                       |                     |                    |                |                       |                     |                        |
| <b>Donations and legacies</b>            |      |                       |                     |                    |                |                       |                     |                        |
| Collections and donations                | 2    | 7,959                 | 1,303               | -                  | 613            | 18                    | 9,893               | 9,277                  |
| Legacies                                 |      | 921                   | 19                  | -                  | 47             | -                     | 987                 | 793                    |
| Grants                                   | 3    | 175                   | 33                  | -                  | 156            | -                     | 364                 | 287                    |
| <b>Charitable Activities</b>             |      |                       |                     |                    |                |                       |                     |                        |
| Advancement of Roman Catholic Faith      | 4    | 394                   | -                   | -                  | 414            | -                     | 808                 | 841                    |
| Education                                | 5    | -                     | -                   | -                  | -              | -                     | -                   | -                      |
| <b>Other trading activities</b>          | 6    | 2,032                 | 175                 | -                  | 82             | 53                    | 2,342               | 2,252                  |
| <b>Investment income</b>                 | 7    | 150                   | 154                 | 60                 | 485            | 3                     | 792                 | 809                    |
| <b>Net gain on disposal of assets</b>    |      | 652                   | -                   | 52                 | 257            | -                     | 909                 | 4                      |
| <b>TOTAL</b>                             |      | 12,283                | 1,684               | 52                 | 2,054          | 12,016                | 28,070              | 25,559                 |
| <b>EXPENDITURE ON</b>                    |      |                       |                     |                    |                |                       |                     |                        |
| <b>Raising funds</b>                     |      |                       |                     |                    |                |                       |                     |                        |
| Charitable activities                    | 8    | 215                   | 75                  | -                  | 255            | -                     | 545                 | 498                    |
| Advancement of Roman Catholic Faith      | 8    | 9,461                 | 1,467               | 423                | 3,392          | -                     | 14,320              | 14,517                 |
| Education                                | 8    | 86                    | 1                   | 22                 | 609            | 11,775                | 12,480              | 12,142                 |
| <b>TOTAL</b>                             |      | 9,762                 | 1,543               | -                  | 4,256          | 11,775                | 27,345              | 27,157                 |
| <b>Net gains/(losses) on investments</b> |      | 321                   | 43                  | 25                 | 1,234          | -                     | 1,937               | 2,853                  |
| <b>NET INCOME</b>                        |      | 2,842                 | 184                 | 77                 | (968)          | 241                   | 2,662               | 1,255                  |
| <b>TRANSFERS BETWEEN FUNDS</b>           |      |                       |                     |                    |                |                       |                     |                        |
| Charges to parishes                      |      | (1,686)               | -                   | -                  | 1,686          | -                     | -                   | -                      |
| Donations from parishes                  |      | (60)                  | 60                  | -                  | -              | (60)                  | -                   | -                      |
| Inter fund transfers                     |      | (210)                 | 200                 | -                  | -              | (60)                  | -                   | -                      |
| <b>TOTAL</b>                             |      | (1,956)               | 200                 | -                  | 1,746          | (60)                  | -                   | -                      |
| <b>NET MOVEMENT IN FUNDS</b>             |      | 886                   | 384                 | 77                 | 778            | 181                   | 2,662               | 1,255                  |
| <b>RECONCILIATION OF FUNDS</b>           |      |                       |                     |                    |                |                       |                     |                        |
| Funds brought forward                    |      | 47,551                | 4,286               | 694                | 22,323         | 4,595                 | 88,315              | 87,060                 |
| <b>FUNDS CARRIED FORWARD</b>             |      | 48,437                | 4,670               | 771                | 23,101         | 4,776                 | 90,977              | 88,315                 |

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## BALANCE SHEET

AS AT 31 DECEMBER 2018

|   | Note  | Parishes<br>£'000 | Central Diocese<br>£'000 | Schools<br>£'000 | Total<br>£'000       | 2017<br>Total<br>£'000 |
|---|-------|-------------------|--------------------------|------------------|----------------------|------------------------|
| <b>FIXED ASSETS</b>                             |       |                   |                          |                  |                      |                        |
| Tangible assets                                 | 13    | 41,525            | 10,724                   | 1,467            | <b>53,716</b>        | 53,207                 |
| Investments                                     | 14    | 10,438            | 17,952                   | -                | <b>28,390</b>        | 30,250                 |
|   |       | <u>51,963</u>     | <u>28,676</u>            | <u>1,467</u>     | <u><b>82,106</b></u> | <u>83,457</u>          |
| <b>CURRENT ASSETS</b>                           |       |                   |                          |                  |                      |                        |
| Debtors and prepayments                         | 15    | 165               | 1,626                    | 46               | <b>1,837</b>         | 3,836                  |
| Cash at bank and on deposit                     |       | 9,742             | (2,917)                  | (498)            | <b>6,327</b>         | 5,487                  |
|   |       | <u>9,907</u>      | <u>(1,291)</u>           | <u>(452)</u>     | <u><b>8,164</b></u>  | <u>9,323</u>           |
| <b>LESS LIABILITIES</b>                         |       |                   |                          |                  |                      |                        |
| Creditors - amounts falling due within one year | 16    | (431)             | (266)                    | (155)            | <b>(852)</b>         | (1,803)                |
| <b>PARISH LOAN ACCOUNTS</b>                     |       |                   |                          |                  |                      |                        |
| Due to Parishes                                 |       | 5,627             | (5,627)                  | -                | -                    | -                      |
| <b>NET CURRENT ASSETS</b>                       |       | <u>15,103</u>     | <u>(7,184)</u>           | <u>(607)</u>     | <u><b>7,312</b></u>  | <u>7,520</u>           |
| <b>TOTAL NET ASSETS</b>                         |       | <u>67,066</u>     | <u>21,492</u>            | <u>860</u>       | <u><b>89,418</b></u> | <u>90,977</u>          |
| <b>FUNDS OF THE CHARITY</b>                     |       |                   |                          |                  |                      |                        |
| Unrestricted funds                              |       |                   |                          |                  |                      |                        |
| General funds                                   | 17/18 | -                 | 2,203                    | (659)            | <b>1,544</b>         | 5,889                  |
| Designated funds                                | 17/18 | 52,354            | 16,682                   | 1,467            | <b>70,503</b>        | 67,471                 |
|   | 17/18 | <b>52,354</b>     | <b>18,885</b>            | <b>808</b>       | <b>72,047</b>        | 73,360                 |
| Restricted funds                                | 17/18 | 4,872             | 1,870                    | 52               | <b>6,794</b>         | 7,037                  |
| Permanent endowment                             | 17/18 | 9,840             | 737                      | -                | <b>10,577</b>        | 10,580                 |
| <b>TOTAL CHARITY FUNDS</b>                      |       | <u>67,066</u>     | <u>21,492</u>            | <u>860</u>       | <u><b>89,418</b></u> | <u>90,977</u>          |

Approved by the Trustees on 9 July 2019 and signed as authorised on their behalf by:

The Right Reverend Richard Moth  
Bishop of Arundel and Brighton  
Chairman of Trustees

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## BALANCE SHEET

AS AT 31 DECEMBER 2017

|   | Note  | Parishes<br>£'000 | Central Diocese<br>£'000 | Schools<br>£'000 | Total<br>£'000       | 2016<br>Total<br>£'000 |
|---|-------|-------------------|--------------------------|------------------|----------------------|------------------------|
| <b>FIXED ASSETS</b>                             |       |                   |                          |                  |                      |                        |
| Tangible assets                                 | 13    | 40,855            | 8,933                    | 3,419            | <b>53,207</b>        | 52,280                 |
| Investments                                     | 14    | 10,961            | 19,289                   | -                | <b>30,250</b>        | 28,347                 |
|   |       | <u>51,816</u>     | <u>28,222</u>            | <u>3,419</u>     | <u><b>83,457</b></u> | <u>80,627</u>          |
| <b>CURRENT ASSETS</b>                           |       |                   |                          |                  |                      |                        |
| Debtors and prepayments                         | 15    | 277               | 1,745                    | 1,814            | <b>3,836</b>         | 3,264                  |
| Cash at bank and on deposit                     |       | 11,648            | (6,661)                  | 500              | <b>5,487</b>         | 5,684                  |
|   |       | <u>11,925</u>     | <u>(4,916)</u>           | <u>2,314</u>     | <u><b>9,323</b></u>  | <u>8,948</u>           |
| <b>LESS LIABILITIES</b>                         |       |                   |                          |                  |                      |                        |
| Creditors - amounts falling due within one year | 16    | (760)             | (270)                    | (773)            | <b>(1,803)</b>       | (1,260)                |
| <b>PARISH LOAN ACCOUNTS</b>                     |       |                   |                          |                  |                      |                        |
| Due from Parishes                               |       | (258)             | 258                      |                  |                      |                        |
| Due to Parishes                                 |       | 193               | (193)                    |                  |                      |                        |
|   |       | <u>11,100</u>     | <u>(5,121)</u>           | <u>1,541</u>     | <u><b>7,520</b></u>  | <u>7,688</u>           |
| <b>NET CURRENT ASSETS</b>                       |       |                   |                          |                  |                      |                        |
|   |       | <u>62,916</u>     | <u>23,101</u>            | <u>4,960</u>     | <u><b>90,977</b></u> | <u>88,315</u>          |
| <b>FUNDS OF THE CHARITY</b>                     |       |                   |                          |                  |                      |                        |
| Unrestricted funds                              |       |                   |                          |                  |                      |                        |
| General funds                                   | 17/18 |                   | 4,532                    | 1,357            | <b>5,889</b>         | 6,045                  |
| Designated funds                                | 17/18 | 48,437            | 15,615                   | 3,419            | <b>67,471</b>        | 65,884                 |
|   | 17/18 | <b>48,437</b>     | <b>20,147</b>            | <b>4,776</b>     | <b>73,360</b>        | 71,929                 |
| Restricted funds                                | 17/18 | 4,670             | 2,183                    | 184              | <b>7,037</b>         | 6,232                  |
| Permanent endowment                             | 17/18 | 9,809             | 771                      | -                | <b>10,580</b>        | 10,154                 |
|   |       | <u>62,916</u>     | <u>23,101</u>            | <u>4,960</u>     | <u><b>90,977</b></u> | <u>88,315</u>          |
| <b>TOTAL CHARITY FUNDS</b>                      |       |                   |                          |                  |                      |                        |

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

|  | 2018           | 2017         |
|--|----------------|--------------|
|  | £'000          | £'000        |
| <b>Cash flows from operating activities:</b>   |                |              |
| <b>Net cash used in operating activities</b>   | (3,465)        | (844)        |
| <b>Cash flows from investing activities</b>  |                |              |
| Dividends, interest and rents from investments   | 589            | 792          |
| Purchase of property, plant and equipment  | (2,932)        | (1,432)      |
| Proceeds from sale of property, plant and equipment                                    | 6,616          | 1,253        |
| Purchase of investments  | (7,483)        | (19,226)     |
| Proceeds from sale of investments  | 7,515          | 19,260       |
| <b>Net cash provided by investing activities</b>                                       | 4,305          | 647          |
| <b>Net cash provided by financing activities</b>                                       | 0              | 0            |
| Change in cash & cash equivalents in reporting period:                                 | 840            | (197)        |
| Cash & cash equivalents at beginning of reporting period:                              | 5,487          | 5,684        |
| <b>Cash &amp; cash equivalents at end of reporting period:</b>                         | <b>6,327</b>   | <b>5,487</b> |
| <b>Reconciliation of net incoming resources to cash flow from operating activities</b> |                |              |
| Net income for reporting period (as in SOFA)   | (1,559)        | 2,662        |
| <b>Adjustments for:</b>  |                |              |
| Depreciation   | 71             | 161          |
| Loss or (Surplus) retained in Investment Portfolio                                     | 1,828          | (1,937)      |
| Dividends  | (589)          | (792)        |
| Net (Gain)/Loss on Disposal of Fixed Assets  | (4,264)        | (909)        |
| (Increase)/Decrease in Debtors   | 1,999          | (572)        |
| Increase/(Decrease) in Creditors   | (951)          | 543          |
| <b>Net cash used in operating activities</b>   | <b>(3,465)</b> | <b>(844)</b> |

### ANALYSIS OF CHANGES IN CASH AT BANK AND IN HAND

|                          | 2018  | Cash flow | 2017  |
|--------------------------|-------|-----------|-------|
|                          | £'000 | £'000     | £'000 |
| Cash at Bank and in Hand | 6,327 | 840       | 5,487 |

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Arundel and Brighton Diocesan Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

##### 1.2 Preparation of the accounts on a going concern basis

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

##### 1.3 Subsidiary companies

All the turnover of the Diocese's wholly owned dependent company, the Diocese of Arundel & Brighton (Building Services) Limited, represents sales of building construction to the Diocese. The subsidiary has no material net assets or liabilities. Arundel & Brighton Lourdes Pilgrimage Limited arranges an annual pilgrimage to Lourdes for Diocesan faithful and has no material net assets or liabilities at the year end. There is no significant difference between the Statement of Financial Activities and the Balance Sheet of the charity by itself and those of the group comprising the charity and its subsidiaries. The charity and its subsidiaries are not consolidated.

##### 1.4 Income

All income is included in the SOFA once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following specific policies apply to categories of income:

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period. Collections and fundraising income is recognised upon receipt.

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

- notification has been received from the executor that probate has been granted and the Charity is expected to receive a distribution; or
- a distribution has been received from the estate.

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

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 DECEMBER 2018

Income from charitable activities is recognised as earned as the related services are provided. Investment income is credited to income when it is receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Details of trading activities that the Diocese undertakes in the furtherance of its charitable objectives are set out in the notes. Fees receivable and sales of goods are accounted for in the period in which the relevant services or goods are provided or supplied.

#### **1.5 Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

Charitable activities are advancement of the Roman Catholic Faith and education.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the Board, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

Support costs are certain Finance Office costs which cannot be directly apportioned and are allocated on the basis of Trustees' estimates of time spent on relevant functions. Irrecoverable VAT is included with the category of expense to which it relates.

Governance activities comprise organisational administration and compliance with constitutional and statutory requirements. Costs include direct costs of external audit, legal fees and other professional advice.

#### **1.6 Tangible Fixed Assets**

Buildings held for use by the charity are included in the financial statements at original cost, where known, or at an estimate of original cost where actual figures are unavailable (see note 13). All new functional buildings, improvements and major renovations are capitalised where the cost of construction is greater than £50,000. Certain school properties owned by the Diocese are occupied and run by independent charities in the form of voluntary aided (maintained) schools. There are significant legal restrictions on the disposal of these properties under education legislation. The Trustees consider their ownership to be in the nature of custodianship of the assets and these are therefore not capitalised in the financial statements. The estimated original costs of furniture, equipment and motor vehicles are included in the financial statements.

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 DECEMBER 2018

An impairment review of buildings is performed annually to confirm whether a charge for depreciation should be recognised.

Realised gains/(losses) on disposal of fixed assets for charity use are included in the Statement of Financial Activities as income/expenditure. Unrealised gains and losses on fixed assets for charity use are included in the Statement of Financial Activities under gains and losses on revaluations and investment asset disposals.

#### **1.7 Investments**

Investments are a form of basic financial instrument. They are initially recognised at their transaction value and subsequently valued at their fair value at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

#### **1.8 Voluntary Aided (Maintained) Schools Building Programme**

The Diocese administers some projects on behalf of the Governors of voluntary aided schools which are exempt charities. The financial responsibility remains with the Governors. The income and expenditure is conduit funding and as such is excluded from the Financial Statements of the Trust. Any contributions from the Diocese or its Parishes are recorded as grants to the Governors.

#### **1.9 Fund Accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

For the purpose of the civil administration of the charity, Parishes are not distinct legal entities but branches forming part of the administrative machinery of the main Diocesan charity, albeit that they have a degree of independence (see page 7). Parish funds and assets, unless held under distinct and express special Trusts evidenced in law, will be part of the Diocesan charity and will be the responsibility of the Diocesan Trustees. The Trustees may under normal legal principles delegate their management to Parish priests with limited authority. Such Parish funds are designated funds within the unrestricted funds.

In Canon Law the Parish is firmly set within the context of the Diocese C515(1) and the Parish priest exercises his ministry under the authority of the Bishop C519. A Parish erected in accordance with the law possesses public juridical personality by the law itself C515(3). In canon law the Parish has the right to acquire, retain, administer and alienate temporal goods C1255 which as ecclesiastical goods are subject to the norms of Canon Law C1257(1).

Restricted funds are funds that are used in accordance with specific restrictions imposed by donors or that have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 DECEMBER 2018

The capital of permanent endowment funds (see Notes 18 and 19) must be maintained intact with any income arising being available for restricted or general charitable purposes of the Diocese, according to the terms of the original gift.

Income from commercial activities is included in the period that the charity is entitled to receipt.

#### **1.10 Collections for Third Parties**

Where the charity does not have any discretion in collection and distribution of donations, and has no entitlement to the donation, then these amounts are conduit funding. Amounts and balances relating to conduit funding are not included in the accounts and balances of the charity.

#### **1.11 Recognised gains or losses**

All recognised gains or losses for year ended 31 December 2018 and 2017 are derived from continuing activities and are included in the Statement of Financial Activities.

#### **1.12 Debtors**

Debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### **1.13 Cash at bank and in hand**

Cash at bank and in hand includes bank accounts, cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### **1.14 Creditors and provisions**

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

#### **1.15 Estimation uncertainty**

In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year. No depreciation charge was recognised in relation to Diocesan properties during the year. By comparing recent market valuations on a number of properties to their holding value, the Trustees formed the judgement that the book value of properties was recoverable, and that it was not necessary to recognise any impairment.

#### **1.16 Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.



# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### 2. COLLECTIONS AND DONATIONS

|   | <b>2018</b>  | <b>2017</b>  |
|---|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> |
| Parish offertory collections                        | 6,001        | 6,056        |
| Donations   | 1,805        | 2,566        |
| Gift Aid tax recovered on collections and donations | 1,416        | 1,271        |
|   | <hr/>        | <hr/>        |
|   | 9,222        | 9,893        |
|   | <hr/> <hr/>  | <hr/> <hr/>  |

### 3. GRANTS

|                              | <b>2018</b>  | <b>2017</b>  |
|------------------------------|--------------|--------------|
|                              | <b>£'000</b> | <b>£'000</b> |
| Friends of Arundel Cathedral | 200          | 49           |
| Parishes various             | 185          | 175          |
| Other                        | 95           | 140          |
|                              | <hr/>        | <hr/>        |
|                              | 480          | 364          |
|                              | <hr/> <hr/>  | <hr/> <hr/>  |

### 4. ADVANCEMENT OF THE ROMAN CATHOLIC FAITH (INCOME)

|                                    | <b>2018</b>  | <b>2017</b>  |
|------------------------------------|--------------|--------------|
|                                    | <b>£'000</b> | <b>£'000</b> |
| Retreat income (St Cuthman's)      | 192          | 275          |
| Publications and repository sales  | 229          | 259          |
| Other including courses and events | 439          | 274          |
|                                    | <hr/>        | <hr/>        |
|                                    | 860          | 808          |
|                                    | <hr/> <hr/>  | <hr/> <hr/>  |

### 5. EDUCATION (INCOME)

|  | <b>2018</b>  | <b>2017</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| Special education school (St Joseph's)                 | 6,429        | 10,397       |
| Independent preparatory school (Sacred Heart Wadhurst) | 911          | 843          |
| Parish preschools                                      | 711          | 735          |
|  | <hr/>        | <hr/>        |
|  | 8,051        | 11,975       |
|  | <hr/> <hr/>  | <hr/> <hr/>  |

**ARUNDEL AND BRIGHTON DIOCESAN TRUST**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**6. OTHER TRADING ACTIVITIES**

|                     | <b>2018</b>  | <b>2017</b>  |
|---------------------|--------------|--------------|
|                     | <b>£'000</b> | <b>£'000</b> |
| Fund raising events | 669          | 792          |
| Lettings            | 1,484        | 1,550        |
|                     | <hr/>        | <hr/>        |
|                     | 2,153        | 2,342        |
|                     | <hr/> <hr/>  | <hr/> <hr/>  |

**7. INVESTMENT INCOME**

|                    | <b>2018</b>  | <b>2017</b>  |
|--------------------|--------------|--------------|
|                    | <b>£'000</b> | <b>£'000</b> |
| Listed investments | 584          | 760          |
| Bank interest      | 5            | 32           |
|                    | <hr/>        | <hr/>        |
|                    | 589          | 792          |
|                    | <hr/> <hr/>  | <hr/> <hr/>  |

**8. CHARITABLE ACTIVITIES (EXPENDITURE) 2018**

|                                     | Direct<br>personnel | Direct other<br>expenditure | Direct grants | Allocated<br>support | 2018<br>Total |
|-------------------------------------|---------------------|-----------------------------|---------------|----------------------|---------------|
|                                     | £'000               | £'000                       | £'000         | £'000                | £'000         |
| Fund raising                        | 72                  | 446                         | -             | 9                    | 527           |
| Advancement of Roman Catholic Faith | 5,797               | 7,840                       | 477           | 357                  | 14,471        |
| Education                           | 7,176               | 1,511                       | 4,128         | 80                   | 12,895        |
|                                     | <hr/>               | <hr/>                       | <hr/>         | <hr/>                | <hr/>         |
|                                     | 13,045              | 9,797                       | 4,605         | 446                  | 27,893        |
|                                     | <hr/> <hr/>         | <hr/> <hr/>                 | <hr/> <hr/>   | <hr/> <hr/>          | <hr/> <hr/>   |

**CHARITABLE ACTIVITIES (EXPENDITURE) 2017**

|                                     | Direct<br>personnel | Direct other<br>expenditure | Direct grants | Allcated<br>support | 2017<br>Total |
|-------------------------------------|---------------------|-----------------------------|---------------|---------------------|---------------|
|                                     | £'000               | £'000                       | £'000         | £'000               | £'000         |
| Fund raising                        | 47                  | 491                         | -             | 7                   | 545           |
| Advancement of Roman Catholic Faith | 6,038               | 7,643                       | 348           | 291                 | 14,320        |
| Education                           | 10,323              | 1,956                       | 136           | 65                  | 12,480        |
|                                     | <hr/>               | <hr/>                       | <hr/>         | <hr/>               | <hr/>         |
|                                     | 16,408              | 10,090                      | 484           | 363                 | 27,345        |
|                                     | <hr/> <hr/>         | <hr/> <hr/>                 | <hr/> <hr/>   | <hr/> <hr/>         | <hr/> <hr/>   |

**ARUNDEL AND BRIGHTON DIOCESAN TRUST**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**9. CHARITABLE GRANTS**

|                                       | <b>2018</b>  | <b>2017</b>  |
|---------------------------------------|--------------|--------------|
|                                       | <b>£'000</b> | <b>£'000</b> |
| Schools                               | 102          | 136          |
| Retired priests and housekeepers      | 25           | 23           |
| UK Poor and sick                      | 78           | 85           |
| Overseas missions                     | 13           | 52           |
| Youth and pilgrimages                 | 11           | 22           |
| Ecumenical                            | -            | 11           |
| Bishop's conference                   | 163          | 146          |
| St John's Seminary Womersley          | 150          | -            |
| Grant to St Joseph's Specialist Trust | 4,026        | -            |
| Other                                 | 37           | 9            |
|                                       | <u>4,605</u> | <u>484</u>   |

Net assets of £4.0 million comprising land and buildings of £2.3 million and current assets of £1.7 million were transferred to St Joseph's Specialist Trust on 1 September 2018.

**10. SUPPORT COSTS**

|                | <b>Fund raising</b> | <b>Advancement<br/>of RC Faith</b> | <b>Education</b> | <b>Total</b>      | <b>2017</b>       |
|----------------|---------------------|------------------------------------|------------------|-------------------|-------------------|
|                | <b>£'000</b>        | <b>£'000</b>                       | <b>£'000</b>     | <b>£'000</b>      | <b>£'000</b>      |
| Governance     | 9                   | 96                                 | 15               | 120               | 98                |
| Finance Office | -                   | 261                                | 65               | 326               | 265               |
| <b>TOTAL</b>   | <u><b>9</b></u>     | <u><b>357</b></u>                  | <u><b>80</b></u> | <u><b>446</b></u> | <u><b>363</b></u> |

**SUPPORT COSTS 2017**

|                | <b>Fund raising</b> | <b>Advancement<br/>of RC Faith</b> | <b>Education</b> | <b>Total</b>      | <b>2016</b>       |
|----------------|---------------------|------------------------------------|------------------|-------------------|-------------------|
|                | <b>£'000</b>        | <b>£'000</b>                       | <b>£'000</b>     | <b>£'000</b>      | <b>£'000</b>      |
| Governance     | 7                   | 79                                 | 12               | 98                | 92                |
| Finance Office | -                   | 212                                | 53               | 265               | 244               |
| <b>TOTAL</b>   | <u><b>7</b></u>     | <u><b>291</b></u>                  | <u><b>65</b></u> | <u><b>363</b></u> | <u><b>336</b></u> |

The Finance Office provides advice and help to Parishes, departments within Central Diocese and Schools. Services include accounting, banking, payroll, investment management, property, legal compliance, HR support and Health and Safety support. Costs have been allocated to activities based on the Trustees' estimate of staff time spent on these activities. Governance costs included fees paid to auditors as follows: audit fees: £39,000 (2017 £37,000), fees for other services £5,000 (2017 £7,000).

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### 11. STAFF INFORMATION

#### 11.1 Staff costs

|                          | Parish<br>£'000 | Central<br>Diocese<br>£'000 | Schools<br>£'000 | TOTAL<br>£'000 | 2017<br>£'000 |
|--------------------------|-----------------|-----------------------------|------------------|----------------|---------------|
| Employee Salaries        | 1,285           | 1,588                       | 6,046            | 8,919          | 11,728        |
| Social Security          | 62              | 131                         | 435              | 628            | 904           |
| Pension Costs            | 136             | 166                         | 318              | 620            | 706           |
| Total Employee Costs     | 1,483           | 1,885                       | 6,799            | 10,167         | 13,338        |
| Clergy & Religious Costs | 1,258           | 230                         |                  | 1,488          | 1,314         |
| Travel & Office Costs    | 633             | 380                         | 377              | 1,390          | 1,756         |
| <b>TOTAL</b>             | <b>3,374</b>    | <b>2,495</b>                | <b>7,176</b>     | <b>13,045</b>  | <b>16,408</b> |

Key management personnel received salary and pension contributions of £201k (2017 £303k). Included in the staff costs above were redundancy costs of £73k (2017 nil).

#### 11.2 Pension payments

The Diocese operates two pension schemes, a closed scheme where it contributes 15% of gross salary to a group personal pension scheme for staff members in the Parishes and Central Diocese and the auto-enrolment scheme whereby the employer contributes 5% and the employee contributes 4%. The scheme is a defined contributions scheme for which the Diocese is neither liable to finance any funding shortfall nor entitled to benefit from any over-funding. There were contributions outstanding at the year-end of £14k (2017 nil).

The Diocese participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £248k (2017 £340k) and there were no contributions outstanding at the year-end (2017 nil).

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015.

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2018

Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

#### 11.3 Staff numbers

|                                    | Parish | Central Diocese | Schools | TOTAL | 2017 |
|------------------------------------|--------|-----------------|---------|-------|------|
| Clergy & Religious                 | 135    | 3               |         | 138   | 141  |
| Employees - average weekly numbers | 245    | 52              | 232     | 529   | 615  |
|                                    | 380    | 55              | 232     | 667   | 756  |

#### 11.4 Employee emoluments

|                               | Parish | Central Diocese | Schools | TOTAL | 2017 |
|-------------------------------|--------|-----------------|---------|-------|------|
| Between £60,001 and £70,000   |        | 2               |         | 2     | 3    |
| Between £70,001 and £80,000   |        | 1               |         | 1     | 5    |
| Between £80,001 and £90,000   |        | 2               |         | 2     |      |
| Between £90,001 and £100,000  |        |                 |         |       | 1    |
| Between £100,001 and £110,000 |        |                 |         |       | 1    |

## 12. TRUSTEES INFORMATION

The Trustees comprise four priests, one deacon of the Diocese and four lay people as shown on page 1 of the Report. The priests receive income for their office together with living accommodation, living expenses and reimbursement of costs incurred on the same basis as other Diocesan priests. No Trustee receives any remuneration or benefits from his/her Trusteeship other than cover under the indemnity insurance purchased by the charity. No Trustee received reimbursement for any expenses in the year (2017 nil).

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 13. TANGIBLE FIXED ASSETS

|                          | Freehold | Contents | Total   | 2017<br>Total |
|--------------------------|----------|----------|---------|---------------|
|                          | £'000    | £'000    | £'000   | £'000         |
| <b>COST OR VALUATION</b> |          |          |         |               |
| At 1 January             | 71,905   | 3,882    | 75,787  | 74,819        |
| Additions                | 2,932    | -        | 2,932   | 1,432         |
| Disposals                | (3,617)  | (2,819)  | (6,436) | (464)         |
| At 31 December           | 71,220   | 1,063    | 72,283  | 75,787        |
| <b>DEPRECIATION</b>      |          |          |         |               |
| At 1 January             | 18,698   | 3,882    | 22,580  | 22,539        |
| Charge for year          | 71       | -        | 71      | 161           |
| Disposals                | (1,265)  | (2,819)  | (4,084) | (120)         |
| At 31 December           | 17,504   | 1,063    | 18,567  | 22,580        |
| <b>NET BOOK VALUE</b>    |          |          |         |               |
| At 31 December 2018      | 53,716   | -        | 53,716  | 53,207        |
| At 1 January 2018        | 53,207   | -        | 53,207  | 52,280        |

The Diocese has 50 maintained (voluntary aided) schools constituted as separate charities. In addition two Multi-Academy Trusts have been established as separate charities. A total of 14 Academies have joined the Trusts. The school properties (land and buildings) are vested in the Diocesan Trustees or the Trustees of three connected charities. These Trustees cannot take a unilateral decision to dispose of these properties. Disposal can only occur if the school governors and the Secretary of State for Education decide that all or part of a school site is no longer required for education. In most circumstances, where a disposal occurs, the Secretary of State or the local authority may be entitled to recoup grant. Although no rights of ownership vest in the school governing body, most other rights and obligations, such as for the maintenance and repair of the school and its facilities, are passed to the governors. The Trustees consider that, for the purposes of these Financial Statements, the nature of their ownership is that of a custodianship and therefore these properties have not been capitalised. In addition, the Diocese leases two maintained schools from Religious Orders. A further school is a joint Anglican/Roman Catholic foundation. The Diocesan Directory lists all 65 maintained schools and Academies owned, leased or jointly administered by the Diocese. Apart from a small proportion used for management and administration, all fixed assets are used in direct furtherance of the charity's objects. Assets of Trusts are consolidated with the Diocesan accounts under Charity Commission uniting directions.

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### 14. INVESTMENTS

|                          | <b>2018</b>   | 2017          |
|--------------------------|---------------|---------------|
|                          | <b>£'000</b>  | £'000         |
| Listed Investments       | 26,232        | 29,462        |
| Cash Deposits            | 2,158         | 788           |
| <b>TOTAL INVESTMENTS</b> | <b>28,390</b> | <b>30,250</b> |

### Summary of investments

|   | <b>2018</b>   |
|---|---------------|
|   | <b>£'000</b>  |
| OPENING VALUATION 1 Jan 2018                | 30,250        |
| Acquisitions at Cost                        | 7,483         |
| Proceeds of Sales less fund management fees | (7,515)       |
| Gains/(Losses) during the year              | (1,828)       |
| <b>CLOSING VALUATION 31 Dec 2018</b>        | <b>28,390</b> |

### 15. DEBTORS

|  | <b>2018</b>  | 2017         |
|--|--------------|--------------|
|  | <b>£'000</b> | £'000        |
| Advances to schools (£878k due after one year)   | 1,024        | 1,165        |
| School Fee debtors                               | 14           | 1,791        |
| Legacies receivable                              | 544          | 175          |
| Gift Aid Small Donations Scheme grant            | 190          | 200          |
| Lourdes Pilgrimage Trust donation to be received | 0            | 242          |
| Other Debtors and Prepayments                    | 65           | 263          |
|  | <b>1,837</b> | <b>3,836</b> |

### 16. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

|   | <b>2018</b>  | 2017         |
|---|--------------|--------------|
|   | <b>£'000</b> | £'000        |
| Parish Collections, Supplies and Accruals | 431          | 760          |
| Fees Paid in Advance                      | 91           | 360          |
| Other Creditors                           | 330          | 683          |
|   | <b>852</b>   | <b>1,803</b> |

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 17. FUNDS NET ASSET ANALYSIS 2018

|                     | Tangible<br>assets<br>£'000 | Investments<br>£'000 | Net current<br>assets<br>£'000 | 2018 Total<br>£'000 |
|---------------------|-----------------------------|----------------------|--------------------------------|---------------------|
| <b>UNRESTRICTED</b> |                             |                      |                                |                     |
| Parishes            | 34,708                      | 4,849                | 12,797                         | 52,354              |
| Central Diocese     | 10,192                      | 15,831               | (7,138)                        | 18,885              |
| Schools             | 1,467                       |                      | (659)                          | 808                 |
|                     | <b>46,367</b>               | <b>20,680</b>        | <b>5,000</b>                   | <b>72,047</b>       |
| <b>RESTRICTED</b>   |                             |                      |                                |                     |
| Parishes            | 1,926                       | 985                  | 1,961                          | 4,872               |
| Central Diocese     | 211                         | 1,705                | (46)                           | 1,870               |
| Schools             |                             |                      | 52                             | 52                  |
|                     | <b>2,137</b>                | <b>2,690</b>         | <b>1,967</b>                   | <b>6,794</b>        |
| <b>ENDOWMENT</b>    |                             |                      |                                |                     |
| Parishes            | 4,891                       | 4,604                | 345                            | 9,840               |
| Central Diocese     | 321                         | 416                  |                                | 737                 |
|                     | <b>5,212</b>                | <b>5,020</b>         | <b>345</b>                     | <b>10,577</b>       |
| <b>TOTAL FUNDS</b>  | <b>53,716</b>               | <b>28,390</b>        | <b>7,312</b>                   | <b>89,418</b>       |

#### FUNDS NET ASSET ANALYSIS 2017

|                     | Tangible<br>assets<br>£000s | Investments<br>£000s | Net current<br>assets<br>£000s | 2017 Total<br>£'000 |
|---------------------|-----------------------------|----------------------|--------------------------------|---------------------|
| <b>UNRESTRICTED</b> |                             |                      |                                |                     |
| Parishes            | 34,014                      | 5,112                | 9,311                          | 48,437              |
| Central Diocese     | 8,401                       | 17,003               | (5,257)                        | 20,147              |
| Schools             | 3,419                       |                      | 1,357                          | 4,776               |
|                     | <b>45,834</b>               | <b>22,115</b>        | <b>5,411</b>                   | <b>73,360</b>       |
| <b>RESTRICTED</b>   |                             |                      |                                |                     |
| Parishes            | 1,926                       | 1,041                | 1,703                          | 4,670               |
| Central Diocese     | 211                         | 1,836                | 136                            | 2,183               |
| Schools             |                             |                      | 184                            | 184                 |
|                     | <b>2,137</b>                | <b>2,877</b>         | <b>2,023</b>                   | <b>7,037</b>        |
| <b>ENDOWMENT</b>    |                             |                      |                                |                     |
| Parishes            | 4,915                       | 4,808                | 86                             | 9,809               |
| Central Diocese     | 321                         | 450                  |                                | 771                 |
|                     | <b>5,236</b>                | <b>5,258</b>         | <b>86</b>                      | <b>10,580</b>       |
| <b>TOTAL FUNDS</b>  | <b>53,207</b>               | <b>30,250</b>        | <b>7,520</b>                   | <b>90,977</b>       |



# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 18. FUNDS ANALYSIS 2018

|                                      | Opening<br>balance<br>£000s | Income<br>£000s | Expenditure<br>£000s | Investment<br>gains /<br>(losses)<br>£000s | Transfers<br>£000s | Closing<br>balance<br>£000s |
|--------------------------------------|-----------------------------|-----------------|----------------------|--|--------------------|-----------------------------|
| <b>UNRESTRICTED GENERAL FUNDS</b>    |                             |                 |                      |  |                    |                             |
| Parishes (see note)                  |                             |                 |                      |  |                    |                             |
| Central                              | 4,532                       | 1,184           | (2,964)              | (1,061)                                    | 512                | 2,203                       |
| Schools                              | 1,357                       | 8,095           | (12,085)             |  | 1,974              | (659)                       |
|                                      | 5,889                       | 9,279           | (15,049)             | (1,061)                                    | 2,486              | 1,544                       |
| <b>UNRESTRICTED DESIGNATED FUNDS</b> |                             |                 |                      |  |                    |                             |
| Parishes (see note)                  | 48,437                      | 15,395          | (9,443)              | (320)                                      | (1,715)            | 52,354                      |
| Central                              |                             |                 |                      |  |                    | -                           |
| Retired priests                      | 4,886                       | -               | (82)                 | -  | (13)               | 4,791                       |
| Ecclesiastical education             | 675                         | -               | -                    | -  | -                  | 675                         |
| Education                            | 488                         | -               | (35)                 | -  | (453)              | -                           |
| Fixed Assets                         | 8,401                       | -               | -                    | -  | 1,791              | 10,192                      |
| Advances                             | 1,165                       | -               | -                    | -  | (141)              | 1,024                       |
| Schools                              |                             |                 |                      |  |                    | -                           |
| Fixed Assets                         | 3,419                       | -               | -                    | -  | (1,952)            | 1,467                       |
|                                      | 67,471                      | 15,395          | (9,560)              | (320)                                      | (2,483)            | 70,503                      |
| <b>TOTAL UNRESTRICTED FUNDS</b>      | <b>73,360</b>               | <b>24,674</b>   | <b>(24,609)</b>      | <b>(1,381)</b>                             | <b>3</b>           | <b>72,047</b>               |
| <b>RESTRICTED FUNDS</b>              |                             |                 |                      |  |                    |                             |
| Parishes                             |                             |                 |                      |  |                    |                             |
| Parishes within Diocesan Trust       | 1,682                       | 1,769           | (1,457)              | (11)                                       | 5                  | 1,988                       |
| Trusts connected with Parishes       | 2,367                       | 8               | (18)                 | (31)                                       | (2)                | 2,324                       |
| Endowment trusts restricted income   | 621                         | 81              | (120)                | (15)                                       | (7)                | 560                         |
|                                      | 4,670                       | 1,858           | (1,595)              | (57)                                       | (4)                | 4,872                       |
| Central                              |                             |                 |                      |  |                    |                             |
| Poor                                 | 499                         | 16              | (10)                 | (55)                                       | -                  | 450                         |
| Lourdes Pilgrimage                   | 242                         | 357             | (26)                 | -  | -                  | 573                         |
| Foundation Masses                    | 474                         | 15              | -                    | (44)                                       | -                  | 445                         |
| Ecclesiastical Education             | -                           | 432             | (377)                | -  | -                  | 55                          |
| Education                            | 568                         | 13              | (534)                | (47)                                       | -                  | -                           |
| UBS Chaplaincies                     | 135                         | 2               | (10)                 | -  | -                  | 127                         |
| Others                               | 54                          | 555             | (600)                | -  | -                  | 9                           |
| Trusts connected with Central        | 211                         | -               | -                    | -  | -                  | 211                         |
|                                      | 2,183                       | 1,390           | (1,557)              | (146)                                      | -                  | 1,870                       |
| Schools                              |                             |                 |                      |  |                    |                             |
| Catholic Education promotion         | 184                         | -               | (132)                |  |                    | 52                          |
| <b>TOTAL RESTRICTED FUNDS</b>        | <b>7,037</b>                | <b>3,248</b>    | <b>(3,284)</b>       | <b>(203)</b>                               | <b>(4)</b>         | <b>6,794</b>                |
| <b>ENDOWMENT FUNDS</b>               |                             |                 |                      |  |                    |                             |
| Parishes                             |                             |                 |                      |  |                    |                             |
| Parishes within Diocesan Trust       | 962                         | -               | -                    | (78)                                       | (8)                | 876                         |
| Trusts connected with Parishes       | 8,847                       | 240             | -                    | (132)                                      | 9                  | 8,964                       |
|                                      | 9,809                       | 240             | -                    | (210)                                      | 1                  | 9,840                       |
| Central                              |                             |                 |                      |  |                    |                             |
| Episcopal administration             | 350                         | -               | -                    | (27)                                       | -                  | 323                         |
| Ecclesiastical education             | 99                          | -               | -                    | (7)  | -                  | 92                          |
| Trusts connected with Central        | 322                         | -               | -                    | -  | -                  | 322                         |
|                                      | 771                         | -               | -                    | (34)                                       | -                  | 737                         |
| <b>TOTAL ENDOWMENT FUNDS</b>         | <b>10,580</b>               | <b>240</b>      | <b>-</b>             | <b>(244)</b>                               | <b>1</b>           | <b>10,577</b>               |
| <b>TOTAL ALL FUNDS</b>               | <b>90,977</b>               | <b>28,162</b>   | <b>(27,893)</b>      | <b>(1,828)</b>                             | <b>-</b>           | <b>89,418</b>               |

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### **Unrestricted designated funds**

The Trustees have set aside designated funds out of unrestricted funds to ensure that certain activities or responsibilities of the Trust are adequately financed.

Parishes - in Canon Law each parish has a distinct legal personality and is administered by the parish priest under the authority of the Bishop. In Canon Law a parish can acquire and dispose of assets in its own right. The Trustees regard parish unrestricted funds as designated funds. Parishes transferred £1.7 million to the Central Diocese to support Central activities.

Retired Priests - to support priests in retirement with accommodation and nursing needs.

Ecclesiastical Education - for the education of students to the priesthood and continuing formation.

Fixed Assets – for the provision of land and buildings for use in the activities of the Diocese. A separate fund is designated for fixed assets used by Schools.

Advances – to provide long-term loans to schools to finance development programmes.

#### **Restricted funds**

In the Parishes these mainly relate to funds raised for specific parish building projects.

In the Central Diocese funds are restricted for the following purposes:

Poor - Aid to poor religious orders and laity

Foundation Masses - Clergy stipends for Masses celebrated on the anniversary of the deceased

Education - created by single donation to support Education within the Diocese. The fund was expended during the year and used to fund the Diocesan Education Service, the Religious Education Adviser to Schools and to make a discretionary Grant to School Governors in relation to a building project.

Ecclesiastical Education - created from legacies for training priests and promoting vocations to the priesthood

Universities of Brighton & Sussex Chaplaincies - created from donation from Trust to maintain Chaplaincy building and facilities

Lourdes Pilgrimage – for promoting and organising pilgrimages to Lourdes

#### **Permanent endowment funds**

Eight parishes have connected permanent endowment trusts for their support. See note 19.

In the Central Diocese permanent endowment trusts exist for Episcopal Administration – the support of the Bishop's establishment and office and Ecclesiastical Education – the training of students to the priesthood. The Buckley Trust provides support for retired priests.

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 18. FUNDS ANALYSIS 2017

|                                      | Opening<br>balance<br>£000s | Income<br>£000s | Expenditure<br>£000s | Investment<br>gains /<br>(losses)<br>£000s | Transfers<br>£000s | Closing<br>balance 2017<br>£000s |
|--------------------------------------|-----------------------------|-----------------|----------------------|--|--------------------|----------------------------------|
| <b>UNRESTRICTED GENERAL FUNDS</b>    |                             |                 |                      |  |                    |                                  |
| Parishes (see note)                  |                             |                 |                      |  |                    |                                  |
| Central                              | 4,235                       | 1,351           | (3,476)              | 1,078                                      | 1,344              | 4,532                            |
| Schools                              | 1,810                       | 12,016          | (11,775)             |  | (694)              | 1,357                            |
|                                      | 6,045                       | 13,367          | (15,251)             | 1,078                                      | 650                | 5,889                            |
| <b>UNRESTRICTED DESIGNATED FUNDS</b> |                             |                 |                      |  |                    |                                  |
| Parishes (see note)                  | 47,551                      | 12,283          | (9,762)              | 321  | (1,956)            | 48,437                           |
| Central                              |                             |                 |                      |  |                    |                                  |
| Retired priests                      | 4,852                       |                 | (206)                |  | 240                | 4,886                            |
| Ecclesiastical education             | 776                         |                 | (121)                |  | 20                 | 675                              |
| Education                            | 496                         |                 | (8)                  |  |                    | 488                              |
| Fixed Assets                         | 8,143                       |                 |                      |  | 258                | 8,401                            |
| Advances                             | 1,281                       |                 |                      |  | (116)              | 1,165                            |
| Schools                              |                             |                 |                      |  |                    |                                  |
| Fixed Assets                         | 2,785                       |                 |                      |  | 634                | 3,419                            |
|                                      | 65,884                      | 12,283          | (10,097)             | 321  | (920)              | 67,471                           |
| <b>TOTAL UNRESTRICTED FUNDS</b>      | <b>71,929</b>               | <b>25,650</b>   | <b>(25,348)</b>      | <b>1,399</b>                               | <b>(270)</b>       | <b>73,360</b>                    |
| <b>RESTRICTED FUNDS</b>              |                             |                 |                      |  |                    |                                  |
| Parishes                             |                             |                 |                      |  |                    |                                  |
| Parishes within Diocesan Trust       | 1,357                       | 1,582           | (1,495)              | 10   | 228                | 1,682                            |
| Trusts connected with Parishes       | 2,361                       | 9               | (2)                  | 17   | (18)               | 2,367                            |
| Endowment trusts restricted income   | 568                         | 93              | (46)                 | 16   | (10)               | 621                              |
|                                      | 4,286                       | 1,684           | (1,543)              | 43   | 200                | 4,670                            |
| Central                              |                             |                 |                      |  |                    |                                  |
| Poor                                 | 439                         | 34              | (42)                 | 68   |                    | 499                              |
| Foundation Masses                    |                             | 242             |                      |  |                    | 242                              |
| Education                            | 438                         | 8               |                      | 28   |                    | 474                              |
| Ecclesiastical education             | 530                         | 21              | (18)                 | 35   |                    | 568                              |
| UBS Chaplaincies                     | 157                         |                 | (22)                 |  |                    | 135                              |
| Others                               | 71                          | 346             | (363)                |  |                    | 54                               |
| Trusts connected with Central        | 211                         |                 |                      |  |                    | 211                              |
|                                      | 1,846                       | 651             | (445)                | 131  | 0                  | 2,183                            |
| Schools                              |                             |                 |                      |  |                    |                                  |
| Catholic Education promotion         | 100                         | 33              | (9)                  |  | 60                 | 184                              |
| <b>TOTAL RESTRICTED FUNDS</b>        | <b>6,232</b>                | <b>2,368</b>    | <b>(1,997)</b>       | <b>174</b>                                 | <b>260</b>         | <b>7,037</b>                     |
| <b>ENDOWMENT FUNDS</b>               |                             |                 |                      |  |                    |                                  |
| Parishes                             |                             |                 |                      |  |                    |                                  |
| Parishes within Diocesan Trust       | 901                         |                 |                      | 60   | 1                  | 962                              |
| Trusts connected with Parishes       | 8,559                       |                 |                      | 279  | 9                  | 8,847                            |
|                                      | 9,460                       | 0               | 0                    | 339  | 10                 | 9,809                            |
| Central                              |                             |                 |                      |  |                    |                                  |
| Episcopal administration             | 331                         |                 |                      | 19   |                    | 350                              |
| Ecclesiastical education             | 93                          |                 |                      | 6  |                    | 99                               |
| Trusts connected with Central        | 270                         | 52              |                      |  |                    | 322                              |
|                                      | 694                         | 52              | 0                    | 25   | 0                  | 771                              |
| <b>TOTAL ENDOWMENT FUNDS</b>         | <b>10,154</b>               | <b>52</b>       | <b>0</b>             | <b>364</b>                                 | <b>10</b>          | <b>10,580</b>                    |
| <b>TOTAL ALL FUNDS</b>               | <b>88,315</b>               | <b>28,070</b>   | <b>(27,345)</b>      | <b>1,937</b>                               | <b>0</b>           | <b>90,977</b>                    |

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 19. CONNECTED TRUSTS

| Trust  | Beneficiary     | Nature               | Opening<br>balance<br>£'000 | Income<br>£'000 | Expenditure<br>£'000 | Investment<br>gains /<br>(losses)<br>£'000 | Transfers<br>£'000 | Closing<br>balance<br>2018<br>£'000 |
|--|-----------------|----------------------|-----------------------------|-----------------|----------------------|--|--------------------|-------------------------------------|
| <b>RESTRICTED</b>                            |                 |                      |                             |                 |                      |  |                    |                                     |
| Ashburnham                                   | Battle          | Land and investments | 679                         | 8               | (18)                 | (31)                                       | -                  | 638                                 |
| Elmer  | Retired priests | Land                 | 211                         |                 |                      |  |                    | 211                                 |
| Gaisford                                     | Worthing        | Land                 | 10                          |                 |                      |  |                    | 10                                  |
| Grant  | St Leonard's    | Land                 | 135                         |                 |                      |  |                    | 135                                 |
| Hyland                                       | Godalming       | Land                 | 58                          |                 |                      |  |                    | 58                                  |
| Munster                                      | Keymer          | Land                 | 38                          |                 |                      |  |                    | 38                                  |
| Norfolk                                      | Dorking         | Land                 | 2                           |                 |                      |  |                    | 2                                   |
| Norfolk                                      | Horsham         | Land                 | 934                         |                 |                      |  |                    | 934                                 |
| Salvin                                       | Sutton Park     | Land                 | 246                         |                 |                      |  |                    | 246                                 |
| Stacpole                                     | Caterham        | Land                 | 265                         |                 |                      |  |                    | 265                                 |
|  |                 |                      | 2,578                       | 8               | (18)                 | (31)                                       | -                  | 2,537                               |
| <b>PERMANENT ENDOWMENT RESTRICTED INCOME</b> |                 |                      |                             |                 |                      |  |                    |                                     |
| Beddingfield                                 | Dunton          | Investments          | 20                          | 8               | (3)                  |  |                    | 25                                  |
| Biddulph Education                           | Dunton          | Investments          | 31                          | 20              | (10)                 |  |                    | 41                                  |
| Buckley                                      | Retired priests | Land and investments | -                           |                 |                      |  |                    | -                                   |
| Cemetery                                     | Burwash         | Land and investments | -                           |                 |                      |  |                    | -                                   |
| Hope   | Hérons Ghyll    | Land and investments | 29                          | 7               |                      | -  |                    | 36                                  |
| Lang   | Oxted           | Land and investments | -                           |                 |                      |  |                    | -                                   |
| Leslie                                       | Slindon         | Land and investments | 25                          | 31              | (51)                 |  |                    | 5                                   |
| Norfolk                                      | Angmering       | Land and investments | 446                         | 5               | (16)                 | (15)                                       |                    | 420                                 |
| Norfolk 1901                                 | Littlehampton   | Investments          | 1                           | 1               |                      |  | (2)                | -                                   |
| Norfolk Cemetery                             | Arundel         | Land and investments | -                           |                 |                      |  |                    | -                                   |
| Norfolk Cemetery                             | Houghton        | Land and investments | 25                          |                 |                      |  |                    | 25                                  |
| Scawen Blunt                                 | Crawley         | Land and investments | 44                          | 9               | (40)                 |  | (7)                | 6                                   |
|  |                 |                      | 621                         | 81              | (120)                | (15)                                       | (9)                | 558                                 |
| <b>PERMANENT ENDOWMENT</b>                   |                 |                      |                             |                 |                      |  |                    |                                     |
| Beddingfield                                 | Dunton          | Investments          | 235                         |                 |                      | (19)                                       |                    | 216                                 |
| Biddulph                                     | Dunton          | Land                 | 1                           |                 |                      |  |                    | 1                                   |
| Biddulph Education                           | Dunton          | Investments          | 629                         |                 |                      | (50)                                       |                    | 579                                 |
| Buckley                                      | Retired priests | Land                 | 322                         |                 |                      |  |                    | 322                                 |
| Cemetery                                     | Burwash         | Land and investments | 6                           |                 |                      |  |                    | 6                                   |
| Hope   | Hérons Ghyll    | Land and investments | 339                         |                 |                      | (25)                                       |                    | 314                                 |
| Lang   | Oxted           | Land and investments | 1,161                       |                 |                      |  |                    | 1,161                               |
| Leslie                                       | Slindon         | Land and investments | 281                         | 240             |                      | (6)  |                    | 515                                 |
| Norfolk                                      | Arundel         | Land                 | 799                         |                 |                      |  |                    | 799                                 |
| Norfolk                                      | Littlehampton   | Land                 | 168                         |                 |                      |  |                    | 168                                 |
| Norfolk 1901                                 | Littlehampton   | Investments          | 264                         |                 |                      | (2)  | 2                  | 264                                 |
| Norfolk Cemetery                             | Arundel         | Land and investments | 875                         |                 |                      | (3)  |                    | 872                                 |
| Norfolk Cemetery                             | Houghton        | Land and investments | 5                           |                 |                      |  |                    | 5                                   |
| Pauling                                      | Effingham       | Land                 | 647                         |                 |                      |  |                    | 647                                 |
| Scawen Blunt                                 | Crawley         | Land and investments | 3,437                       |                 |                      | (27)                                       | 7                  | 3,417                               |
|  |                 |                      | 9,169                       | 240             | -                    | (132)                                      | 9                  | 9,286                               |
| <b>TOTAL CONNECTED TRUSTS</b>                |                 |                      | 12,368                      | 329             | (138)                | (178)                                      | -                  | 12,381                              |

In addition, the following trusts comprise land holdings only for schools and/or cemeteries:

St Joseph's primary school trust in Haywards Heath  
 Fairlight cemetery trust near Hastings (permanent endowment)  
 Marist primary school trust in West Byfleet  
 Education trust for Diocese  
 Norfolk trust for school and cemetery in Angmering

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### 20. FINANCIAL INSTRUMENTS

|  | <b>2018</b>  | 2017   |
|--|--------------|--------|
|  | <b>£'000</b> | £'000  |
| Financial assets measured at fair value          | 28,390       | 30,250 |
| Financial assets measured by amortised cost      | 79           | 2,054  |
| Financial liabilities measured by amortised cost | 421          | 683    |

Financial assets measured at fair value includes investments.

Financial assets include fee debtors, and other debtors.

Financial liabilities include loans and other creditors.

### 21. COMMITMENTS GUARANTEES AND CONTINGENCIES

**Capital commitments:** At 31 December 2018 there were no capital commitments on Parish properties, maintained or independent schools (2017 nil).

**Contingent Liability:** The Diocese has continued to recognise a guarantee related to St Joseph's Supported Living programme for adults with learning difficulties. The Diocese is potentially liable up to an aggregate maximum of £250,000 for any rental shortfall through voids in occupation of the accommodation. The guarantee runs for a 25 year period commencing in 2014.

The Diocese provides support to its retired priests, in line with established Diocesan practice and in accordance with Canon Law requirements. In the opinion of the Trustees, this constitutes a constructive obligation, as defined by the Charities SORP (FRS 102). The amount of this obligation cannot be measured with sufficient reliability as the support required by individual priests will vary considerably, particularly depending on whether any third-party care is needed.

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### 22. SUBSIDIARY COMPANIES

#### DIOCESE OF ARUNDEL & BRIGHTON (BUILDING SERVICES) LIMITED

The wholly owned trading subsidiary was incorporated in the United Kingdom in 1991 (Reg No 2576444). The company manages building contracts on behalf of the Diocese. The Diocese owns all the issued share capital of two ordinary shares. A summary of the trading results is shown below.

All the turnover of the Diocese's wholly owned subsidiary, the Diocese of Arundel & Brighton (Building Services) Limited, represents sales of building construction to the Diocese. The subsidiary has no material net assets or liabilities and there is therefore no significant difference between the Statement of Financial Activities and the Balance Sheet of the charity by itself and those of the group comprising the charity and its subsidiary. The charity and its subsidiary are not consolidated.

### SUMMARY ACCOUNTS

|  | <b>2018</b><br>£'000 | 2017<br>£'000 |
|--|----------------------|---------------|
| Turnover   | -                    | 15            |
| Less: Cost of Sales and Administrative Expenses    | (1)                  | (16)          |
| Retained Profit/(Loss) for the Year                | (1)                  | (1)           |
| The assets and liabilities of the subsidiary were: |                      |               |
| Tangible Assets                                    |                      |               |
| Current assets                                     | -                    | 3             |
| Creditors - amounts falling due within one year    | (6)                  | (8)           |
| Total Net Assets                                   | (6)                  | (5)           |
| Aggregate share capital and reserves               | (6)                  | (5)           |

# ARUNDEL AND BRIGHTON DIOCESAN TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### ARUNDEL AND BRIGHTON LOURDES PILGRIMAGE LTD

The wholly owned trading subsidiary was incorporated in the United Kingdom (Reg No 2998831). The company manages the annual pilgrimage to Lourdes each year solely for Diocese parishioners and their helpers. The Diocese is the ultimate controlling party of the company. A summary of the trading results is shown below.

All the turnover of the Diocese's wholly owned subsidiary, the Arundel and Brighton Lourdes Pilgrimage Ltd, represents income from the pilgrimage to Lourdes including accommodation, flights and nursing care for the pilgrims. The subsidiary has no material net assets or liabilities and there is therefore no significant difference between the Statement of Financial Activities and the Balance Sheet of the charity by itself and those of the group comprising the charity and its subsidiary. The charity and its subsidiary are not consolidated.

### SUMMARY ACCOUNTS

|  | <b>2018</b><br><b>£'000</b> |
|--|-----------------------------|
| Turnover   | 456                         |
| Less: Cost of Sales and Administrative Expenses    | (452)                       |
| Retained Profit/(Loss) for the Year                | <b>4</b>                    |
| The assets and liabilities of the subsidiary were: |                             |
| Tangible Assets                                    | 3                           |
| Current assets                                     | 82                          |
| Creditors - amounts falling due within one year    | (79)                        |
| Total Net Assets                                   | <b>6</b>                    |
| Aggregate share capital and reserves               | <b>6</b>                    |