



BIRMINGHAM DIOCESAN TRUST

ANNUAL REPORT & FINANCIAL STATEMENTS

2022 Finance Report Overview



INTRODUCTION

from His Grace, Archbishop Bernard Longley, Chair of Trustees

In 2021 and 2022 we used the Synodal process of Walking Together to hear your thoughts on the themes we considered as part of our Vision, what you think we should all be doing to help make our parishes better, and what you feel our focus should be, as part of the wider Catholic Church.

Over 90% of our parishes replied, as well as over 100 individual school responses, 29 groups and 271 individuals. This all fed into the Diocesan Synthesis which was produced and submitted to the Catholic Bishops' Conference of England and Wales in April 2022. Various documents from around the world have since been produced as part of the continuing Synod journey, with the first General Assembly taking place in Rome in October 2023.

From 2022 and into 2023 we worked with our Deaneries to review their practices and to identify how we can develop more vibrant communities of faith. A Deanery is a group of parishes which enables the sharing of resources amongst parishes in those areas and a strengthening of fraternal support among the priests and people in those areas. We now have 11 Deaneries in the Archdiocese, rather than the former 18.

One of the most significant events of 2022 was the participation of the Archdiocese in the national tour of the Relics of St Bernadette. This was a great blessing to us.

Three of our parishes hosted the relics and thousands visited them for a moment to experience the special gifts and charisms of Lourdes in our own Archdiocese.

In 2022 we thanked God for the ordinations to our Diocesan family of two men to the priesthood: Steven Fleming and Toby Duckworth, and two to the permanent diaconate: Andrew Lansberry and Martin Casey.

This report provides an opportunity to reflect on the resources we have to progress our Mission and Vision for the Archdiocese over the coming years. I hope you will find it informative and useful.

Thank you for your continued prayers and support.

With every blessing

Archbishop Bernard



OUR VISION

We have a mandate given to us by Our Lord to spread the good news and serve and grow the faith for the coming decade and beyond.

Our vision is to be a Catholic diocese which is faithful to the mission entrusted to us by Jesus Christ, full of missionary disciples who work together co-responsibly in vibrant communities of faith, joyful in their service of God and neighbour.

The Vision of the Archdiocese revolves around four main priorities:

Evangelisation

Encouraging others to know God's love for them by inviting them to church, to pray and to encounter Christ – inviting them to parish groups where they can learn about Our Lord – helping to form missionary disciples and missionary parishes.

Formation

Nurturing future Catholic leaders in our churches and schools by providing both spiritual and pastoral formation and support –

helping us to play an active role in the parish community – helping us to understand more about our faith so as to deepen our personal relationship with God.

Liturgy and Worship

Inigorating and deepening our worship and sacramental celebrations so that we share in and reflect the divine life of the Trinity - encouraging others to join us in praying to our Heavenly Father.

Charity and Social Outreach (caritas)

Building up the common good through our charitable outreach – offering our time, our resources and our love to those who need them most – inviting others to join us in our charitable work.

These priorities also have three key areas of focus:

Co-Responsibility

Co-responsibility calls for new modes of participation in diocesan decision-forming

and decision-making which support those with responsibility for decision-taking.

Priests, deacons, Religious and the lay faithful will be supported to work together, so that we can share responsibility for the mission of the Church and deepen our relationship with God.

Young People and Families

Young people and families are at the centre of our diocesan planning. Working with and through our wonderful Catholic schools, we will listen to them and actively encourage and support them to use their talents in the life of the Church and thus build even stronger relationships between our schools and parishes.

Care for Creation

Adhering to the goals of Laudato Si' we are reviewing and reducing carbon emissions across the Archdiocese, supporting people to respond to the climate crisis and to celebrate and protect our common home.

ARCHDIOCESE OF BIRMINGHAM FINANCIAL STATEMENT 2022

The Archdiocese of Birmingham's Financial Statement for the year ending 31 December 2022 is now available on the Charity Commission website and the Archdiocese of Birmingham website:
www.birminghamdiocese.org.uk

The name of the charity is Birmingham Diocesan Trust, registration number 234216. The charity, in its day-to-day dealings, is also known as the Archdiocese of Birmingham.

This financial summary is intended to provide clarity as to where our income comes from and how it is spent in support of our vision. Our aim is to increase transparency regarding the financial situation of parishes and the Archdiocese.

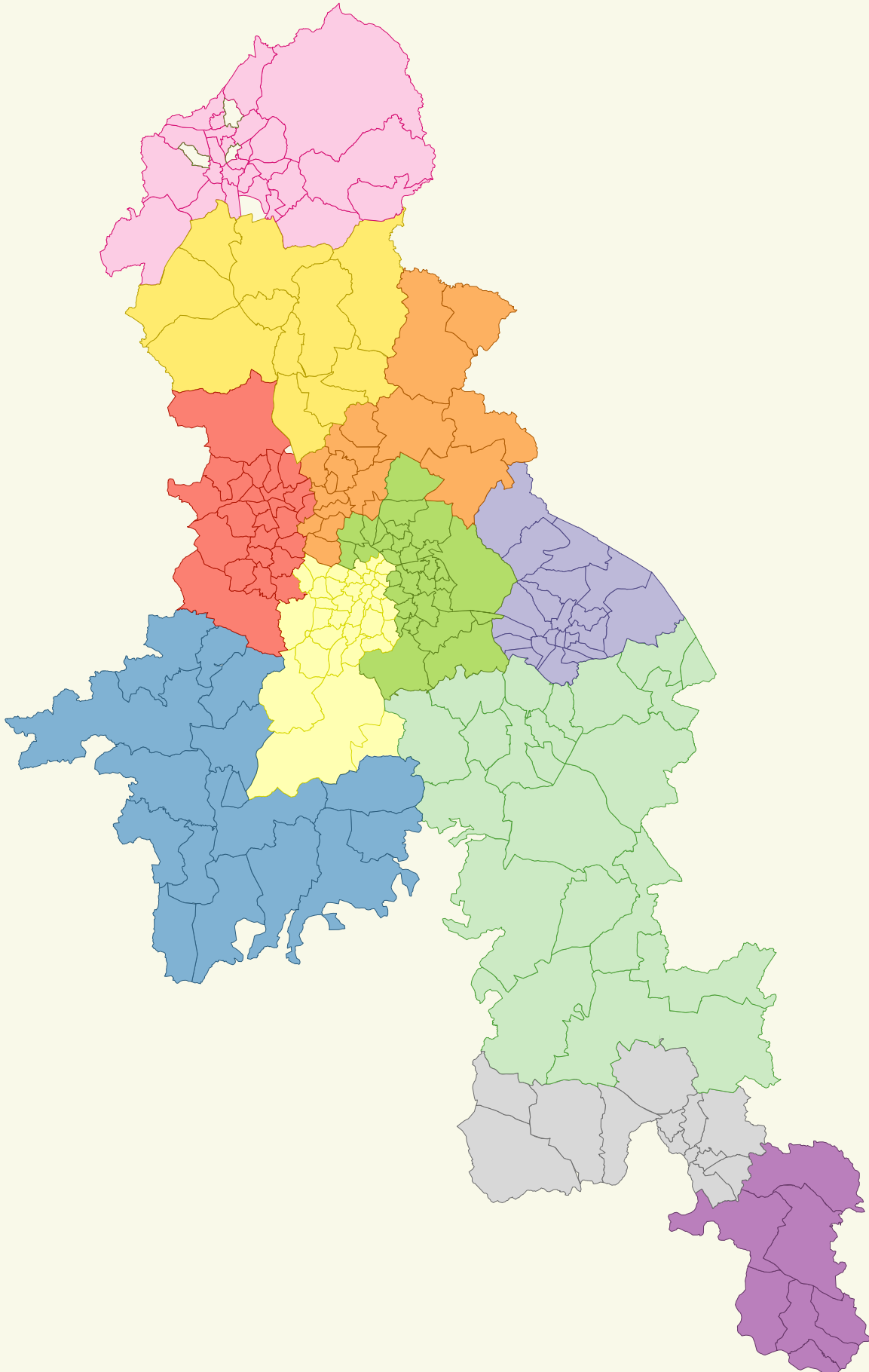
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THE ARCHDIOCESE IN NUMBERS - 2022

The Archdiocese of Birmingham serves a Catholic population of c. 450,000 through a network of 217 parishes and some 240 maintained schools in addition to a number of chaplaincies in hospitals, prisons, universities and other chaplaincies catering for specific communities and groups.

Geographically it is the largest Archdiocese in England and Wales, covering seven cities within five counties, from Staffordshire in the north down to Oxfordshire in the south.



In 2022 we had:

217 registered parishes in **11** deaneries

Over **1,000** diocesan properties



£224k funding received for **13** parishes
via **33** successful grant applications.*

*excluding school funding grants and Covid-19 funding.

Clergy

TWO new PRIESTS ORDAINED

TWO new DEACONS ORDAINED

150 ACTIVE priests

60 RETIRED priests

80 permanent DEACONS

7 priests in FORMATION

14 PERMANENT DEACONS in formation



Schools

240 maintained Catholic schools in the Archdiocese

82,000 students

1,700 volunteer governors or directors

£6.5 million allocated for capital works in our schools, from the grant assisted capital programme:

48 different projects

3 projects cost over **£1m**



237 schools operate under the charity's trust deed.

Of which: **203** schools for children aged four-11.

34 schools for those aged 11-16/19.

149 Academy schools, operating under

16 Multi Academy Companies (MACs)

NEARLY **100%** of schools registered for CAFOD's LiveSimply award

42 School Heat Decarbonisation Plans created for schools through grants received.



People and Parishes



Weekly average Mass attendance was approximately

37,000 (2021: 30,065)

During the year there were:

4,435

baptisms and receptions (2021: 2067)



578

marriages (2021: 204)

3,029

funerals (2021: 3641)



Parish offertories and other collections (excluding tax returns) increased to:

£7m (from £6.4m in 2021)

The average offertory giving amount per head (including children) decreased by

£0.46p to **£3.64** per week (2021: £4.09)

12 TRUSTEES

7,700 VOLUNTEERS

(2021: 4,500) contributed approximately

643,000 hours (2021: 607,500).

If valued at £11 per hour, this contribution

amounts to some **£7.07m** (2021: £6.68m)*

*This figure is not included in the financial statements



FINANCIAL SUMMARY

Income and Expenditure

Thanks to the generosity of parishioners, we saw a very welcome increase in income after two years of impact from the Coronavirus pandemic.

High inflation in 2022/23 has had the effect of reducing our income in real terms by approximately 15% since pre-covid 2019 levels.

Improved oversight and control of costs in parishes and diocese enabled us to reduce the operating loss from £3.99m to £2.01m between 2019 and 2022 despite energy costs increasing by £0.85m in 2022 and income declining by over £2m over the same period.

The Archdiocese of Birmingham is the overall charity, encompassing all parishes and non-parish entities. On this page we talk about parishes, being all of our parishes, and the diocese, which is the curia and non-parish entities.

Income and Expenditure – Archdiocese (£'000)

This table refers to the overall diocesan charity, including parishes

| | 2022 | 2021 | 2020 | 2019 |
|---------------------------------|--------|--------|--------|--------|
| Income | 20,135 | 18,295 | 19,486 | 22,230 |
| Expenditure | 22,148 | 22,867 | 23,853 | 26,126 |
| Operating Surplus/(Loss) | -2,013 | -4,572 | -4,367 | -3,986 |
| Investment Gain/(Losses) | -3,131 | 7,434 | 2,546 | 8,209 |
| Total Surplus/(Loss) | -5,144 | 2,862 | -1,821 | 4,313 |

Notes

Achieving a positive operating result remains a clear priority for trustees.

A loss means negative cashflow and impacts on our ability to support day-to-day activities.

Depreciation and Investment returns fluctuate from year to year reflecting global and national economies with 2022 being a very poor year for investments.

Investments which provide for long-term security have in recent years had to be sold to support the shortfall created by the operating loss.

Overall Income and Expenditure between Parish and Diocese (£'000)

(curia and all chaplaincies)

| | Parish | | | | | Diocese | | | |
|---------------------------------|--------|--------|--------|--------|--|---------|--------|--------|--------|
| | 2022 | 2021 | 2020 | 2019 | | 2022 | 2021 | 2020 | 2019 |
| Income | 17,279 | 15,852 | 14,860 | 19,138 | | 2,856 | 2,443 | 4,626 | 3,092 |
| Expenditure | 14,513 | 13,615 | 14,165 | 16,806 | | 7,635 | 9,252 | 9,688 | 9,320 |
| Operating Surplus/(Loss) | 2,766 | 2,237 | 695 | 2,332 | | -4,779 | -6,809 | -5,062 | -6,228 |
| Investment Gain/(Losses) | -1,231 | 5,872 | 2,089 | 5,640 | | -1,900 | 1,562 | 457 | 2,569 |
| Total Surplus/(Loss) | 1,535 | 8,109 | 2,784 | 7,972 | | -6,679 | -5,247 | -4,605 | -3,659 |

Notes

Income overall rose by 10% and expenditure fell by 3% to reduce the operating deficit by £2.55m.

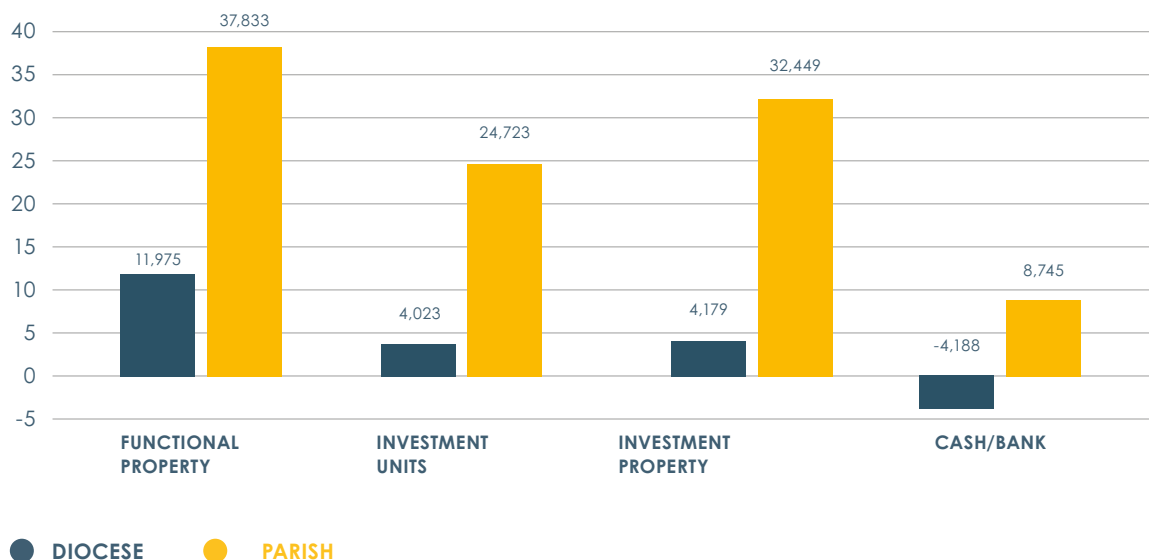
The majority of the increase in income (77%) came from the parishes.

Expenditure in parishes rose by 6.6% with almost all due to increased energy costs.

Expenditure in the diocese fell by £1.67m (17%) due to a reduction in spending of restricted funds on school projects and the reduction in staffing numbers within the curia.

Whilst the Archdiocese overall has a positive cash balance, the curia is significantly overdrawn (£14.37m at the end of 2022) after many years of expenditure exceeding income.

Summary of Assets by Parish and Diocese (£'000)



Asset Totals

(excluding debtors and creditors)

| | | |
|----------------------|--------------|---------------|
| Parish | £104m | (87%) |
| Diocese | £16m | (13%) |
| Overall total | £120m | (100%) |

Notes

Functional property includes churches, presbyteries, parish halls and office space for curia, Diocesan Education Service and Maryvale Institute.

Investment units represent investments made into the stock and bond markets to provide annual income and long-term growth.

Investment properties are buildings let or rented to generate annual income and long-term growth. 87% of the assets are held within the parishes with just 13% in the diocese.

At the end of 2022, parishes in total had a cash balance of £8.7M. The total positive cash balances in parishes of £18.9M is offset by a number of parishes with overdrafts accumulated over a number of years, of which there are 16 with overdrafts of between £100k-£800k, and one, the Cathedral parish with £3.3M. Within the overall diocesan negative cash balance of £4.19m is the curial overdraft of £14.37M.

Distribution of Assets by Parishes (£'000)

(excluding functional property)

| | Cash | Investment Units | Investment properties |
|--|--------------|------------------|-----------------------|
| 20% of parishes with highest asset value | 8,334 | 15,886 | 20,892 |
| 60% of parishes with 'average' asset value | 8,910 | 8,646 | 10,880 |
| 20% of parishes with lowest asset value | -8,500 | 190 | 760 |
| Totals | 8,745 | 24,722 | 32,532 |

Asset Totals

(excluding debtors and creditors)

| | | |
|-----------------------|---------------|---------------|
| Cash | £8.7m | (13.3%) |
| Investment units | £24.7m | (37.4%) |
| Investment properties | £32.5m | (49.3%) |
| Overall total | £66.0m | (100%) |

Notes

Assets are unevenly distributed across the parishes with 20% of the parishes holding 68% of the total parish assets.

The majority (80%) of parishes have a positive asset value.

A small number (20%) of parishes have a very high negative asset balance in excess of £7,550k, of which £8,500k is in the form of overdraft.

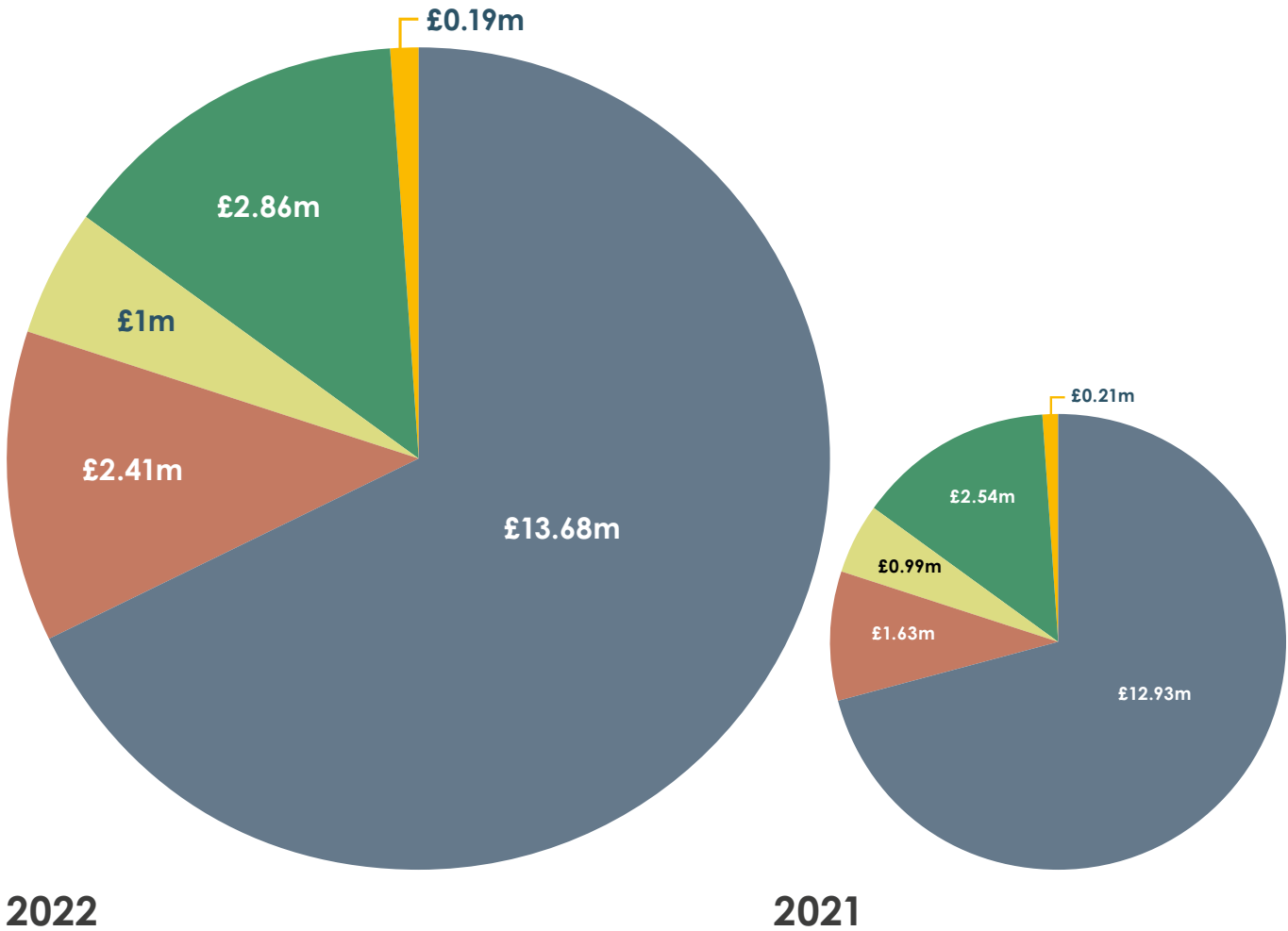
Investment properties account for almost 50% of the total asset value.

WHERE OUR MONEY COMES FROM

Income and Expenditure – Archdiocese

(the whole charity, including parishes)

Income



- **DONATIONS & LEGACIES** (Offertories, donations, legacies, Gift Aid etc.)
- **INCOME FROM CHARITABLE ACTIVITIES** (Votive candles, repository and fees etc.)
- **INCOME FROM OTHER ACTIVITIES** (Bazaars, raffles etc.)
- **INVESTMENT INCOME** Including interest.
- **OTHER INCOME**

Totals

| | |
|------|---------|
| 2022 | £20.14m |
| 2021 | £18.3m |

Notes

Offertory collections, Gift Aid and legacies account for more than 67% of our income.

Offertory collections have increased in 2022, but giving per head decreased to £3.64 based on Mass attendance figures.

An increase of just £1 per person per week to the weekly offertory collection would generate enough income to close the current operating loss to zero.

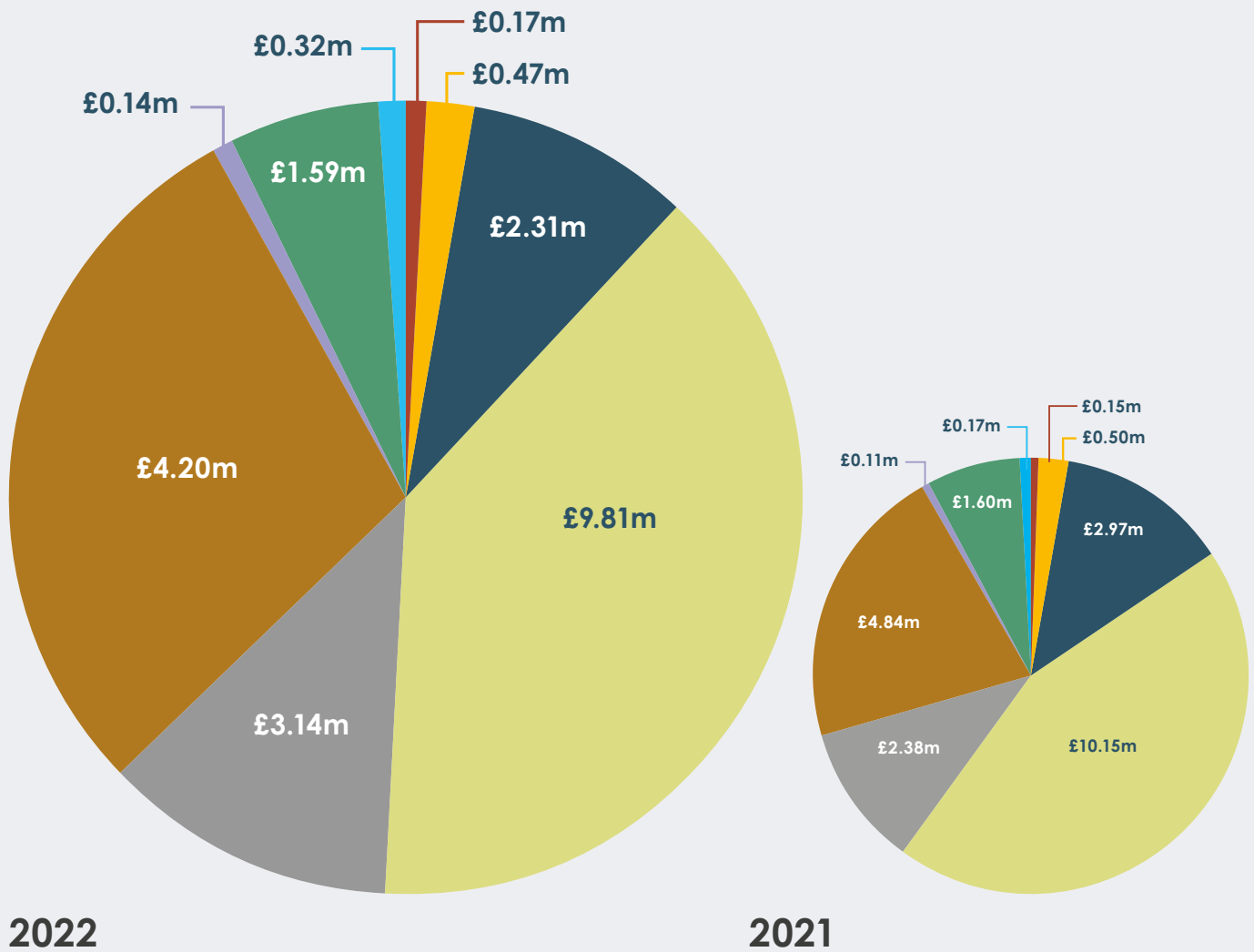
Fundraising and other parish activities have recovered but are still below pre-covid levels.

The diocese received 74% of its income from the parishes in 2022 by way of the parish levy.

Parishes pay a levy to the diocese based on 26% of their primary income sources.

The levy is paid quarterly and two years in arrears (that is, the levy for 2022 is based on 2020 parish income).

Expenditure



EXPENDITURE ON RAISING FUNDS:

- FUNDRAISING OPERATIONS
- INVESTMENT MANAGEMENT COSTS

CHARITABLE ACTIVITIES:

- LITURGICAL (Chaplaincies, grants made etc).
- CURIAL, PARISH & CHAPLAINCIES* ETC. General and Administrative costs.
- CLERGY COSTS
- PROPERTY (Inc. depreciation costs and net losses on disposals of tangible assets & investments).
- VOTIVE CANDLES, NEWSPAPERS & REPOSITORIES COSTS
- SCHOOLS COSTS
- LEGAL & PROFESSIONAL FEES

Totals

| | |
|------|---------|
| 2022 | £22.15m |
| 2021 | £22.87m |

*Chaplaincy etc. general costs include Diocesan activities relating to university, hospital and other chaplaincies catering for specific communities and groups within the Archdiocese.

THE PARISH LEVY

Each parish pays a levy to contribute towards the work of the Archdiocese. The curia is the central administrative office for the Archdiocese and is there to serve and support clergy and parishes fulfil the Church's mission.

I want to provide you with greater transparency on how money raised through the parish levy is spent across the Archdiocese.

For most of us, the parish is our primary experience of the Catholic church.

We think of the parish as the church buildings, its faith communities and the area it covers.

The parish is a part of the greater body of the Archdiocese, a part through which the Archdiocese can fulfil the Church's mission.

How is the levy spent?

The Diocesan Curia is responsible for the administration of the Archdiocese in accordance with civil, charity and canon law. It is held to account by the trustees via sub committees for Finance, Safeguarding, Property, Education, Remuneration and Communications. In 2024, new sub committees will be created for Governance, Risk and Compliance and Care for Creation.

The Archdiocese is geographically large with over 1000 properties, 217 parishes, 11 deaneries and 237 schools under the charities trust deed. This mix is complex

and challenging but also a wonderful opportunity for evangelisation and social outreach.

As well as the departments above, the curia also includes the Matrimonial Tribunal Office, Gift Aid, Communications, HR, IT and Archives. Other offices include those of the Archbishop and Vicar General, Chaplaincies (University, Hospital, Prison and Ethnic) and Office for Ongoing Formation and Vocations.

Young people and Social Outreach are two main focus points of the Vision. The Diocesan Education Service provides oversight of our

Catholic schools and receives its funding from both the diocese and the schools.

The Kenelm Youth Trust is a related charity providing youth services to parishes and schools across the Archdiocese. We also provide funds to support chaplaincy services to universities, hospitals and prisons.

Father Hudson's Care receives funding for its work and for projects such as Fatima House and Tabor House. Smaller grants are distributed to other causes and all grants are subject to approval by the Finance Sub Committee.

27% (£1.57m) Clergy and Clerical

Our active clergy, retired clergy, senior clergy, training and support. This also includes other liturgical and pastoral costs as with all national diocesan levies.



21.2% (£1.2m) Internal grants

To the Diocesan Education Service, Clergy Training Fund, Maryvale Institute, chaplaincies and other internal grants.



4.7% (£0.27m) Property maintenance

Including curial offices, parish churches and other functional buildings.

10.8% (£0.63m) Other essential costs

These include costs for IT equipment and maintenance and software licenses. The diocese also incurs the cost of the annual audit fees for the Archdiocese and parishes, as well as other professional fees.

To see the full breakdown of expenditure on the levy you can refer to the table overleaf.

The curia has, and continues to have, expenses well in excess of the total income and the levy received from the parishes.

30% (£1.73m) Curia

For services including safeguarding, property, marriage offices, vocations, evangelisation and formation, finance, grant applications, HR, communications, general admin, legal and compliance and the Archbishop's office.



6.3% (£0.37m) External grants

To the Kenelm Youth Trust, Fr Hudson's Care, CaTEW (the Catholic Trust for England and Wales – also known as the Bishops' Conference) and other charitable grants.



Reducing expenditure

A programme of restructuring and rationalisation across the whole diocese charity has reduced costs by £3,985 (16%) and the number of employees by 59 (Full Time Equivalent of 20) since 2019.

Safeguarding workload and compliance requirements continue to increase.

The property departments of parish and schools have been merged to reduce costs and improve service levels and will be

subject to further review later this year (2023) and into Spring 2024.

The vocations, formation and evangelisation office have been re-organised to reduce costs by around £110k and provide greater focus on core services.

The Diocesan Education Service (DES) has been restructured to enable the grant from the diocese to be reduced from £1.35m to £950k, with a further reduction in 2024.

The grant to the Kenelm Youth Trust (KYT) has been reduced from £457k to £304k.

Aston Hall has now been closed and we will see savings of over £200k per annum once the sale of the property is completed.

We will continue to review costs and aim for the 'lightest touch' curia whilst providing the appropriate level of professional support and guidance for parishes and trustees.

Curial Income and Expenditure 2022 (£'000)

Income (£'000)

| | |
|---------------------|--------------|
| Income from Levy | 2,525 |
| Other Income | 841 |
| Total Income | 3,366 |

| Expenditure | £'000 | % Total |
|---|-------|---------|
| Clergy and clerical costs | | |
| Active Clergy | 548 | 9.5% |
| Retired Clergy | 204 | 3.5% |
| Other clergy costs | 1 | 0.0% |
| Clergy Training Fund | 396 | 6.8% |
| National Diocesan Levies | 187 | 3.2% |
| Other Liturgical and Pastoral Costs | 238 | 4.1% |
| Curia staffing, welfare and training costs | | |
| Safeguarding | 182 | 3.1% |
| Property and Grant applications | 479 | 8.3% |
| Finance and IT | 454 | 7.8% |
| Planning and Comms | 131 | 2.3% |
| Marriage Tribunal | 99 | 1.7% |
| Ongoing Formation & Evangelisation | 103 | 1.8% |
| General Admin, Legal and Compliance | 285 | 4.9% |
| Internal and external grants | | |
| Internal grants (see page 10 for details) | 1,228 | 21.2% |
| Kenelm Youth Trust | 304 | 5.2% |
| Archbishop's small grants | 2 | 0.2% |
| Other grants to external charities | 58 | 0.8% |
| Other essential costs | | |
| IT, Equipment, Maintenance, Software Licenses | 262 | 4.5% |
| Professional Fees | 307 | 5.3% |
| Office and administration, printing, publications | 23 | 0.4% |
| DBS checks | 9 | 0.2% |
| Interest | 28 | 0.5% |
| Property and buildings costs | | |
| Functional property costs | 251 | 4.3% |
| Investment property costs | 19 | 0.3% |

Expenditure Totals (£'000)

| | | |
|--|--------------|-------------|
| Clergy and clerical costs | 1,574 | 27.1% |
| Curia staffing, welfare and training costs | 1,733 | 29.9% |
| Internal and external grants | 1,592 | 27.5% |
| Other essential costs | 629 | 10.8% |
| Property and buildings costs | 270 | 4.7% |
| TOTAL COSTS | 5,798 | 100% |
| TOTAL DEFICIT | 2,432 | |

These summarised financial results for the year ended 31 December 2022 have been extracted from the complete set of annual financial statements on which the auditors have expressed an unqualified audit opinion.

The full financial statements are available on the Diocesan website, www.birminghamdiocese.org.uk, and on the Charity Commission website under our charity reference number 234216.



BIRMINGHAM DIOCESAN TRUST

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