

Company registration number: 4771775

Charity registration number: 1101439

Salford Diocese Schools Building Project

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2019

The Moffatts Partnership LLP
Chartered Accountants
Progress House
396 Wilmslow Road
Withington
Manchester
M20 3BN



Salford Diocese Schools Building Project

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 4
Statement of Responsibilities	5
Independent Auditors' Report	6 to 8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 to 15

Salford Diocese Schools Building Project

Reference and Administrative Details

Trustees	<ul style="list-style-type: none">B RedmanPA LocheryH SullivanM Cooke (appointed 28 September 2018)D Deane (appointed 28 September 2018)L Ormsby (appointed 28 September 2018)S Smith (appointed 28 September 2018)L Tommony (appointed 28 September 2018)MJ Lochery (appointed 5 April 2019)A Murray (Resigned 5 April 2019)
Principal Office	The Cathedral Centre 3 Ford Street Salford Manchester M3 6DP
Registered Office	The Cathedral Centre 3 Ford Street Salford Manchester M3 6DP
Company Registration Number	The charity is incorporated in England. 4771775
Charity Registration Number	1101439
Solicitors	Sleigh, Son and Booth 1 Market Street Denton Manchester M34 2BN
Bankers	Royal Bank of Scotland St Ann Street Office St Ann Street Manchester M60 2SS
Auditor	The Moffatts Partnership LLP Chartered Accountants Progress House 396 Wilmslow Road Withington Manchester M20 3BN

Salford Diocese Schools Building Project

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2019.

Trustees

B Redman

PA Lochery

H Sullivan

M Cooke (appointed 28 September 2018)

D Deane (appointed 28 September 2018)

L Ormsby (appointed 28 September 2018)

S Smith (appointed 28 September 2018)

L Tommony (appointed 28 September 2018)

MJ Lochery (appointed 5 April 2019)

A Murray (Resigned 5 April 2019)

Objectives and activities

Objects and aims

The Charity's object and its principle activity is the collection of annual subscriptions from schools within the Salford Roman Catholic Diocese which have agreed to participate in the Building Project Scheme.

The funds collected are to be used to finance the governor's proportion of any approved building project undertaken by a participating school. Funds collected and distributed are repayable to and by schools who participate in the Building Project Scheme.

Public benefit

Although the charity is not directly involved in the provision of education, the trustees consider that it fulfils the public benefit requirements by the provision of services to participating schools which enable them to upgrade and improve their facilities.

As indicated in the objectives, the charity brings together schools to both the benefit of the schools and ultimately their pupils and the population as a whole.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Salford Diocese Schools Building Project

Trustees' Report

Achievements and performance

The charity has continued to collect subscriptions to fund the liabilities attached to approved building schemes. During the year payments totalling £813,536 (2018 - £847,359) were made on behalf of participating schools.

The function of the charity allows schools to fund the governors proportion of projects.

The Project has yet again supported the schools contributing with significant amounts of capital spend. The 2018/19 financial year has seen a further 94 projects supported securing a capital sum of some £8,135,359 in 100% terms, this has further been supported by schools DFC and budget contributions and HPCF and LA monies amounting to £2,800,000. As set by the Schools Committee the priorities for funding have been consistent with previous years as follows:-

- Safeguarding
- Health and Safety
- Accessibility
- Condition (Roofing, Windows, Boilers, Electrical repairs etc)
- Suitability

School contributions to the scheme have totalled £852,110 enabling Diocesan Building officers to secure LCVAP funds available in each of the 13 Local Authorities within the Diocese.

Over the life of the project since 2003/04 financial year almost £126,500,000 has been accessed in support of schools within the project, largely obviating the need for Diocesan resources to support schools capital projects. Over 90% of schools are now supporting the scheme and reaping the benefits of membership.

Academisation to date has had little impact – with only two schools leaving the project due to their change in status, with agreements in place between the Project Trustees and the MAT board to resolve debit and credit balances. Academisation will have to be kept under review to monitor potential impact on scheme funding.

Contributions to the scheme for the 2017/18 year were set at £16.00 per pupil and that has been maintained into the 2018/19 financial year. With the support of Diocesan Officers, the Trustees are much more adept these days at setting balances that match the likely profile of available funding. Moving forward into another government Capital Spending Review for the 2021/22 – 2023/24 period and with proposed changes to funding allocation methodology the Project should see further successes in supporting capital projects across the Diocesan School Estate.

Financial review

Income arises from bank interest received. Total income for the year amounted to £2,874 (2018 - £2,620). Expenditure relates to governance costs which total £3,518 (2018 - £3,714).

The net expenditure for the year is £644 (2018 - £1,094). Total funds carried forward are £139,135 (2018 - £139,779)

Policy on reserves

The trustees of the charity do not consider that the accumulation of reserves is necessary. The contributions collected each year will be adjusted to meet the anticipated requirements of approved building projects.

Investment policy and objectives

Under the memorandum and articles of association, the charity has the power to make any investments which the trustees see fit. The trustees have considered the most appropriate policy for investing funds and have found that deposit accounts with a joint stock bank to be the most appropriate for the charity's needs.

Salford Diocese Schools Building Project

Trustees' Report

Structure, governance and management

Nature of governing document

The charity is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association.

Recruitment and appointment of trustees

All directors of the company are also trustees of the charity. Appointments to the board are by persons holding special employments as defined by the articles of association.

Organisational structure

The charity is organised so that the trustees meet regularly to manage the affairs. The day to day administration of the charity is undertaken by staff employed in the schools and buildings departments of the Salford Roman Catholic Diocesan Trust Registered.

Major risks and management of those risks

General risks

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems will provide sufficient resources. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 4 December 2019 and signed on its behalf by:



PA Lochery
Trustee

Salford Diocese Schools Building Project

Statement of Responsibilities


The trustees (who are also the directors of Salford Diocese Schools Building Project for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 4 December 2019 and signed on its behalf by:



PA Lochery
Trustee

Salford Diocese Schools Building Project

Independent Auditor's Report to the Members of Salford Diocese Schools Building Project

Opinion

We have audited the financial statements of Salford Diocese Schools Building Project (the 'charity') for the year ended 31 March 2019, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 and of its results 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

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 annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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.

Salford Diocese Schools Building Project

Independent Auditor's Report to the Members of Salford Diocese Schools Building Project

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Responsibilities [set out on page], 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Salford Diocese Schools Building Project

Independent Auditor's Report to the Members of Salford Diocese Schools Building Project

- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Mr John Saxon (Senior Statutory Auditor)

For and on behalf of The Moffatts Partnership LLP, Statutory Auditor

Chartered Accountants
Progress House
396 Wilmslow Road
Withington
Manchester
M20 3BN

Date: 4.12.2019

Salford Diocese Schools Building Project

Statement of Financial Activities for the Year Ended 31 March 2019 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2019 £
Income and Endowments from:			
Investment income	3	2,874	2,874
Total Income		<u>2,874</u>	<u>2,874</u>
Expenditure on:			
Charitable activities	4	(3,518)	(3,518)
Total Expenditure		<u>(3,518)</u>	<u>(3,518)</u>
Net expenditure		<u>(644)</u>	<u>(644)</u>
Net movement in funds		(644)	(644)
Reconciliation of funds			
Total funds brought forward		<u>139,779</u>	<u>139,779</u>
Total funds carried forward	14	<u><u>139,135</u></u>	<u><u>139,135</u></u>

	Note	Unrestricted funds £	Total 2018 £
Income and Endowments from:			
Investment income	3	2,620	2,620
Total Income		<u>2,620</u>	<u>2,620</u>
Expenditure on:			
Charitable activities	4	(3,714)	(3,714)
Total Expenditure		<u>(3,714)</u>	<u>(3,714)</u>
Net expenditure		<u>(1,094)</u>	<u>(1,094)</u>
Net movement in funds		(1,094)	(1,094)
Reconciliation of funds			
Total funds brought forward		<u>140,873</u>	<u>140,873</u>
Total funds carried forward	14	<u><u>139,779</u></u>	<u><u>139,779</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

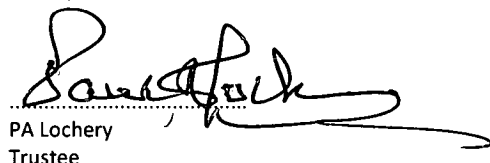
The funds breakdown for 2018 is shown in note 14.

Salford Diocese Schools Building Project

(Registration number: 4771775)
Balance Sheet as at 31 March 2019

	Note	2019 £	2018 £
Debtors	10		
- due within one year		2,290	2,290
- due after one year		2,951,712	2,856,655
Cash at bank and in hand	11	<u>1,266,471</u>	<u>886,273</u>
		4,220,473	3,745,218
Creditors: Amounts falling due within one year	12	<u>(382,090)</u>	<u>(9,815)</u>
Total assets less current liabilities		3,838,383	3,735,403
Creditors: Amounts falling due after more than one year	13	<u>(3,699,248)</u>	<u>(3,595,624)</u>
Net assets		<u>139,135</u>	<u>139,779</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>139,135</u>	<u>139,779</u>
Total funds	14	<u>139,135</u>	<u>139,779</u>

The financial statements on pages 9 to 15 were approved by the trustees, and authorised for issue on 4 December 2019 and signed on their behalf by:


PA Lochery
Trustee

Salford Diocese Schools Building Project

Notes to the Financial Statements for the Year Ended 31 March 2019

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Salford Diocese Schools Building Project 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 notes.

Going concern

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

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Judgements

There are no judgements that have a significant effect on amounts recognised in the financial statements.

Key sources of estimation uncertainty

The accounts do not include any estimation uncertainty that has a significant effect on amounts recognised in the financial statements.

Income and endowments

Investment income

Investment income is recognised on a receivable basis.

Salford Diocese Schools Building Project

Notes to the Financial Statements for the Year Ended 31 March 2019

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Governance costs

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements, including the audit fee.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Cash and cash equivalents

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

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

3 Investment income

	Unrestricted funds	Total 2019	Total 2018
	General £	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	2,874	2,874	2,620

Salford Diocese Schools Building Project

Notes to the Financial Statements for the Year Ended 31 March 2019

4 Expenditure on charitable activities

		Unrestricted funds		
	Note	General £	Total 2019 £	Total 2018 £
Governance costs	5	<u>3,518</u>	<u>3,518</u>	<u>3,714</u>

£3,518 (2018 - £3,714) of the above expenditure was attributable to unrestricted funds and £Nil (2018 - £Nil) to restricted funds.

5 Analysis of governance and support costs

Governance costs

	Unrestricted funds		
	General £	Total 2019 £	Total 2018 £
Audit fees			
Audit of the financial statements	3,400	3,400	3,600
Other governance costs	<u>118</u>	<u>118</u>	<u>114</u>
	<u>3,518</u>	<u>3,518</u>	<u>3,714</u>

6 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2019 £	2018 £
Audit fees	<u>3,400</u>	<u>3,600</u>

7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

8 Auditors' remuneration

	2019 £	2018 £
Audit of the financial statements	<u>3,400</u>	<u>3,600</u>

Salford Diocese Schools Building Project

Notes to the Financial Statements for the Year Ended 31 March 2019

9 Taxation

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

10 Debtors

	2019 £	2018 £
Other debtors	<u>2,954,002</u>	<u>2,858,945</u>

Debtors includes £2,951,712 (2018: £2,856,655) receivable after more than one year.

	2019 £	2018 £
Other debtors	<u>2,951,712</u>	<u>2,856,655</u>

11 Cash and cash equivalents

	2019 £	2018 £
Cash at bank	<u>1,266,471</u>	<u>886,273</u>

12 Creditors: amounts falling due within one year

	2019 £	2018 £
Other creditors	378,690	6,515
Accruals	<u>3,400</u>	<u>3,300</u>
	<u>382,090</u>	<u>9,815</u>

13 Creditors: amounts falling due after one year

	2019 £	2018 £
Other creditors	<u>3,699,248</u>	<u>3,595,624</u>

Salford Diocese Schools Building Project

Notes to the Financial Statements for the Year Ended 31 March 2019

14 Funds

	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Balance at 31 March 2019 £
Unrestricted funds				
Unrestricted general funds	139,779	2,874	(3,518)	139,135
	139,779	2,874	(3,518)	139,135
	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Balance at 31 March 2018 £
Unrestricted funds				
Unrestricted general funds	140,873	2,620	(3,714)	139,779
	140,873	2,620	(3,714)	139,779

15 Analysis of net assets between funds

	Unrestricted funds General £	Total funds £
Current assets	4,220,473	4,220,473
Current liabilities	(382,090)	(382,090)
Creditors over 1 year	(3,699,248)	(3,699,248)
Total net assets	139,135	139,135

16 Related party transactions

There were no related party transactions in the year.