

**NOTTINGHAM ROMAN CATHOLIC DIOCESAN
TRUSTEES**

Company Limited by Guarantee Number
7151646 Registered Charity Number
1134449

ANNUAL REPORT AND ACCOUNTS

for the year ended

31ST MARCH 2023

St Hugh's House, 1 Castle Quay, Castle Boulevard, Nottingham NG7 1FW

Telephone: 0115 953 9800

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Directors' Report for the year ended 31st March 2023

The Directors present their report and the consolidated accounts for the year ended 31 March 2023 which were approved by them on 14th December 2023. These comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and 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) with effect from 1st January 2015. The report is both a trustees' annual report and a directors' report under company law. The Directors who served during the year and up to the date of this report are set out on page 9.

The charity is referred to as "the Diocese" in this Annual Report and Accounts.

OBJECTIVES AND ACTIVITIES

The objects of the Diocese are:

(1) The advancement of the Roman Catholic religion in the area of the Roman Catholic Diocese of Nottingham as determined under the laws of the Roman Catholic Church and in accordance with them.

(2) The advancement of any charitable purpose supported by the Roman Catholic Church in any part of the world.

- The Diocese of Nottingham comprises the major part of the East Midlands. It extends to the north from Marple Bridge on the outskirts of Manchester and south to Lutterworth, east to the Lincolnshire coast, and west to Burton-on-Trent. It includes the following civil administrative areas which reflect in some cases the county boundaries as they were in 1850 when the Diocese of Nottingham was erected by the Apostolic Letter "Universalis Ecclesiae" rather than as they are today:
- Counties - Nottinghamshire (other than the district of Bassetlaw), Derbyshire (other than the areas of Bamford, Chesterfield, Clowne, Dronfield, Eckington, Hathersage and Staveley), Leicestershire (other than the area of Market Harborough which is south of the River Welland), Lincolnshire (including the City of Lincoln and excluding the area east of the River Nene and the area of Stamford which is south of the River Welland), Staffordshire (the area of Burton on Trent north of the River Trent)
- Unitary Area Authorities - North Lincolnshire, Northeast Lincolnshire and Rutland
- Cities - Nottingham, Derby and Leicester
- Metropolitan Boroughs – Part of Stockport (Marple Bridge, east of the Rivers Etherow and Goyt).

The main activities of the Diocese consist of worship, evangelisation and faith education in its parishes and chaplaincies, and charitable support and assistance to all who live within their boundaries and externally.

The second commandment of all is to love thy neighbour as thyself." (Mark XII: 31, referring to Leviticus XIX:18). "So faith by itself, if it has no works, is dead." (James II: 17). The mere believing of the truths of faith without any effect on our lives is valueless for eternal salvation.

In relation to "Public Benefit" the Directors, who have had regard to the Charity Commission guidance on public benefit, report on some of the activities of the Diocese as follows:

Encounter with Jesus Christ

To facilitate individual and collective encounter with our Saviour.

Provision of places of worship:

- Provision and maintenance of buildings used for religious practice, including churches and meeting rooms used for related activities e.g., religious instruction for children and adults,
- Conducting of religious ceremonies e.g., the celebration of Masses as well as marriages, funerals and the provision of the sacraments generally,
- Maintenance of public churchyards and cemeteries,
- Provision and maintenance of religious or devotional artefacts and items used in religious services, rituals or practices, religious stained-glass windows, other religious works of art in places of worship,
- 'passive advancement' (leaving religious buildings open for people to enter and benefit from personal spiritual contemplation).

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Discipleship – Promoting and facilitating a person's advancement as a disciple of Christ:

- Advancing religious doctrine and tenets of the Catholic faith,
- producing and promoting religious books, information for the public, including providing religious resource centres and libraries,
- promoting the study of religious teachings and practices and scriptures,
- promoting religious narratives and/or doctrines through producing and performing musical liturgy,
- providing religious instruction and supervision,
- providing and supporting schools and educational establishments which provide education in accordance with the principles and practices of the Catholic Faith,
- support of religious office holders for acting as such,
- promoting prayer, praise and study.

Religious devotional acts:

Visiting the sick and administering sacraments to the sick and dying.

Missionary Discipleship:

- The provision of prison, hospital and university chaplaincy, prison and hospital visiting,
- pastoral work,
- cultural and community activities provided either in the place of worship in the buildings attached, or in the wider community,
- gifts to schools, hospitals and relief of poverty in areas of need,
- developing understanding regarding peace and human rights
- engaging with other faiths to foster mutual respect and understanding, and to seek shared action.

Evangelisation:

Sermons and religious seminars, talks, meetings and conferences, street and door-to-door communications.

Retreat and pilgrimage:

- Provision of property for retreats,
- organising the holding of long or short stay retreats,
- organising open pilgrimages where the pilgrimage is part of the public worship.

Advancing religion generally:

Ecumenical meetings and conferences.

Social Investment Properties:

The Diocese owns property at Mackworth in Derby and Crich in Derbyshire, in furtherance of its objectives, occupied by the Diocesan Education Service and the Diocesan Youth Service respectively. The land and buildings occupied by the Catholic schools of the Diocese that are state-funded Academies are generally owned by it.

Grants:

Although the Diocese is not primarily a grant making charity, grants may be made by the Diocese to other charities in furtherance of its objectives. The chief of these are to the Nottingham Roman Catholic Diocesan Education Service and the Diocesan Youth Service. Other grants may be made on application to the Board of Directors or by parishes subject to a monetary limit above which approval by the Board of Directors is also required.

Other:

Reference is made to the use of Parish Halls by the public, family retreats, support of multi faith centres, direct support of schools and hospitals in Africa and funding by the Mission Fund, e.g., of young people (not limited to Catholics) to go to Africa to work in schools and hospitals and to support CAFOD's activities in South America.

Volunteers:

The Diocese makes considerable use of volunteers in its work, particularly in parishes. It is not practicable to place a financial value on the time spent by volunteers.

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ACHIEVEMENTS AND PERFORMANCE

The Diocese has continued to provide spiritual support through its clergy, services from its churches, education through its schools and contributes to the life of the parish by activities in its church halls. Additional information about the life of the Diocese is available in the Diocesan Yearbook. The following statistics illustrate the situation of the Diocese:

Year to 31st December	2022	2021	2020	2019	2018	2017	2016
Baptisms	1,675	1,499	787	1852	2,112	2,014	2,033
Receptions	83	41	58	126	109	114	119
First Holy Communions	2,278	1,695	1062	2319	2,443	2,339	2,035
Confirmations	848	648	162	833	864	740	979
Marriages	200	168	88	189	266	298	313
Deaths	1451	1,466	1,600	1,349	1,541	1,521	1,464
Mass Attendance	23,226	17,475	10,330	28,866	30,460	30,233	28,989

As at 10th October	2022	2021	2020	2019	2018	2017	2016
Diocesan Priests							
On active work in the Diocese	55	65	71	68	70	77	75
On active work outside Diocese in UK	5	4	2	4	4	6	4
On active work abroad	2	2	3	3	3	2	3
Chaplains to the Forces	0	1	1	1	1	1	1
Temporarily on sick leave	2	1	1	1	5	1	1
Retired	43	37	38	41	39	35	37
Other Priests							
Other Dioceses/ Ordinariate	18	18	16	19	20	18	17
Foreign Chaplains	9	8	11	11	11	13	10
Regular Priests	31	37	30	35	34	32	35
Total Priests	165	173	173	183	187	185	183
Permanent Deacons							
On active work in the Diocese	28	32	37	40	44	43	40
On active work outside the Diocese	4	4	5	6	5	6	5
Retired	16	13	9	5	8	5	6
Deacons of other dioceses	1	1	2	2	1	2	2
Total Deacons	49	50	53	53	58	56	53
Places of Worship							
Parishes	102	105	107	107	107	107	107
Other Public Churches and Chapels	27	27	32	38	34	13	32
Mass Centres other than Chapels	11	3	17	10	9	13	12
Religious Houses (not parishes)	37	43	25	42	25	27	27
Total Places of Worship	177	178	181	197	175	160	177

As at 10th October	2022	2021	2020	2019	2018	2017	2016
Catholic Academies							
Primary	69	69	69	69	69	69	69
Secondary	15	15	15	15	15	15	15
Independent (all)	2	2	2	3	3	3	4
Total Catholic Schools	86	86	86	87	87	87	88

Since the ultimate objective of the charity is the salvation of souls, it is not possible to measure its eventual effectiveness.

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FINANCIAL REVIEW

The accounts of the Diocese distinguish between the parishes of the Diocese, and the Curia, which performs its central administration. The income of the Parishes is mainly from collections, donations, legacies, grants and specific fundraising activities. The Curia is funded chiefly from the Diocesan Quota, a levy on the income of Parishes authorised by canon law. Other income includes investment income, interest and rents both from its own assets and those shared with the parishes.

Reserves

The Directors are of the opinion that the assets of the Diocese are available and adequate to fulfil its obligations and to provide prudently for future expenditure. Given that there are requirements for capital, especially for example for the provision of accommodation for retired priests, it was the policy of the Directors that the unrestricted liquid reserves of the Diocese should amount to between one and three years of its normal expenditure. As a separate juridical person under canon law each parish is responsible for determining its own reserves policy under the general responsibility of the Board. The Diocese is regarded as being financially resilient and the accounts have been prepared accordingly.

At 31 March 2023 the reserves of the Diocese were £69.8m (2022: £72.7m). Of these, Parishes' Funds were £45.6m (2022: £46.1m).

The £2.95m decrease in the net assets of the Diocese are substantially due to realised and unrealised investment losses £2.3m (2022: Gain £1.1m). Whilst there was a 4.9% recovery in diocesan income following the Covid years, costs rose by 9.5%, leading to an increased net deficit of £0.7m. (excluding investment losses and asset revaluations). Of this, after the usual regular internal transfers, £0.5m arose in Parishes and £0.2m in the central Diocesan Curia.

During the 2022 financial year, the Board approved the donation of the assets of the separate subsidiary charity, Nottingham Diocesan Sick and Retired Priests Fund (NDSRPF), to a Restricted Fund of the Diocese named the Sick and Retired Priests Fund (SRPF). The assets thus transferred comprised £8.5m investments and cash. This transfer had minimal impact on the total funds of the Diocese, as these already included the funds of the separate charity NDSRPF as well as all of the restricted funds of the Diocese. The transfer is, however, reflected in changes in the structure of the funds reported in the accounts of the Diocese.

In addition, in the same year the Trustees of the Nottingham Diocese Housekeepers Retirement Fund (NDHRF), together with the Diocesan Board of Directors, agreed to a transfer of all of the assets of the NDHRF to a Restricted Fund of the Diocese, to be known as the Housekeepers Retirement Fund. The transfer was completed in March 2022 through a donation from the NDHRF of £191 thousand to the Diocese.

These donations/transfers resulted in changes over the full 2022 financial year for Curial funds. Thus, as at 31 March 2023, restricted funds totalled £17.1m (down from £18.2m in 2022 but up from £9.0m in 2021), whereas for the separate charities, reserves were reduced to £1 thousand in 2023, (down from £154 thousand in 2022 and from £8.3m in 2021).

Other Curial Funds comprise Designated Funds, which were £1.2m as at 31st March 2023 (2022: £1.1m) and Endowment Funds, which were £127 thousand (2021: £138 thousand).

The COVID-19 pandemic has led to persistent lower church attendance and donations. The ongoing 'Cost-of-Living Crisis' is likely also to be affecting income and continuing inflation is leading to increased costs. These influences introduce greater uncertainty to the financial outlook. Measures to address both income and expenditure over the coming years are being developed and implemented.

Grants received.

Grateful thanks are made to the Trustees of the Sir Harold Hood Charitable Trust and the Johnson Fund for grants to individual clergy and to the Master of the Guild of Our Lady of Ransom for grants to needy parishes.

Many other individuals and organisations have made grants and donations to parishes which have not been specially brought to the attention of the Directors and are therefore not formally mentioned here. Both these and generous legacies have been very gratefully received and the thanks of the Directors are recorded for them.

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Interest rates

During the financial year, in response to rising inflation, the Bank of England increased its official bank rate from 0.75% at the start of the year to 4.25% at the end. Interest rates continued to rise during the current year, reaching 5.25% in August 2023. Directors are monitoring the risks and returns available but continue to believe their policy of preferring to hold funds as listed investments remains the right one for the medium -to-long term.

Listed Investments

The listed investments are managed by the Investment Managers, in accordance with an investment policy determined by the Directors. This policy is generally to maximise the total return from the investments on a balanced-medium risk basis. These listed investments are held in the name of the Investment Manager's nominee company, on behalf of the Diocese. The investment policy adopted by the Diocese provides for divestment to be required if it considers that a particular investment is not an appropriate holding for a Catholic diocese. The Diocese is a member of the Churches Investors Group, which is a group of religious charities which encourages high ethical standards of public companies.

Total listed and unlisted investments showed an overall loss in value of £2.5m (9%) during the financial year, from £28.9m to £26.4m. Diocesan investments continue to experience some volatility, along with those of markets globally, as economies struggle with rising prices, upward wage pressures and political uncertainties. As of 30 September 2023, Diocesan investments (including the investment assets of the NDSRPF and NDHRF) had suffered a further 1.5% fall in value.

Details of the movements in investments and their performance are included in Note 7 of these accounts.

PLANS FOR FUTURE PERIODS

Parish Accounting

Internal financial management and control systems continue to be developed in order to improve the financial information available to parishes and the Board. The Online Parish Administration System (OPAS), which is already used by around half of UK dioceses, continues to be implemented in the parishes of the Diocese for this purpose.

One of the Bishop's priorities is support for our clergy, and relieving priests of administrative burdens. Continuing attention is therefore being given to how the Curia can better support its parishes as they amalgamate to form larger Parishes and are increasingly grouped under one or more priests. The Deanery Service Hub project has been established to develop ways of bringing about greater efficiency and service provision through shared administration of multiple parishes and parish community groupings, whilst also maintaining the authority and responsibility of parish priests.

Quinquennial Property Inspections

The rolling 5-year programme of building inspections continues to ensure that building maintenance issues are addressed in a planned way. Where urgent work is identified, this is being carried out as a priority.

Health and Safety

The Health and Safety Committee of the Board is continually striving to improve its systems and practices in the Diocese in conjunction with the Diocesan Health and Safety consultants, and other external professional consultants and service providers as required.

A revised Health & Safety Policy and Guidance document was approved by the Board in February 2023 and is now being implemented. To assist with this, a property management system has been rolled out across the diocese, maintaining a database of information about the Diocesan estate and its condition.

A programme of fire safety assessments is being undertaken for all diocesan buildings.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

The Diocese as a charitable company, limited by guarantee, is governed under its Memorandum and Articles of Association. The Directors are the members of the company who also appoint new directors. The Chief Operating Officer has been appointed Charity Secretary. Major decisions are made by the Directors. Other decisions may be delegated to committees or to individuals. Under the Articles, the Bishop is ex officio Chairman. He, or if there is no Bishop, the person on whom the governance of the Diocese falls, may require that decisions with which he disagrees be not put into effect.

The affairs of the Diocese are conducted in accordance both with the national law of the United Kingdom and with the canon law of the Catholic Church. The canon law of the Catholic Church provides the internal rules under which it operates and specifically requires that the civil law is generally observed.

The Directors are responsible for the management of the charity under the national law. They also act as the Finance Council of the Diocese under canon law. Under canon law the College of Consultors of the Diocese must be consulted before any major acts of administration and before any substantial alienation of property. The Chief Operating Officer has been appointed Oeconomus (finance officer) of the Diocese under canon law.

Senior Staff pay

The pay of senior staff is determined by a committee of the Directors considering the work carried out for the previous year, proposed for future years, published remuneration surveys and the need to pay a sufficient amount to attract senior staff to replace those leaving the employment of the Diocese.

Training of New Directors

New Directors are provided with key documents for the Diocese, including the Memorandum and Articles of Association, the latest Annual Report and Accounts and other financial papers and the minutes of previous meetings. Unless already aware of their responsibilities as a charity trustee they are also provided with copies of relevant Charity Commission guidance. The Chief Operating Officer is responsible for this and will also meet new appointees to provide further training on an individual basis.

Cooperation with other Bodies

The Diocese co-operates with other dioceses. It contributes, with other Catholic dioceses, to a number of national organisations set up by the Catholic Bishops' Conference of England and Wales, principally, the Catholic Trust of England and Wales.

Sick and Retired Priests Fund

The accounts of the NDSRPF (registered charity number 510119), of which the Diocese is Trustee, are consolidated with the accounts of the Diocese. Most of the assets of the NDSRPF were donated to the restricted SRPF fund of the Diocese during the 2021/22 financial year. The separate NDSRPF charity has been retained for the time being to accept donations and gift-aid receipts, all of which are then donated to the Diocesan SRPF.

Payments to or on behalf of the sick and retired priests of the Diocese are made on the basis of need by the Diocese from the SRPF, usually according to the recommendations of the Diocesan Clergy Health & Wellbeing and Finance Committees.

Fundraising

Fundraising generally takes place in parishes by volunteers.

The Diocese maintains its overall responsibility over fundraising activities. Generally, these are associated with social events. The Diocese did not employ a professional fundraiser during the 2022/23 financial year. However, given the income decline following the pandemic and our ambitions to become a more missionary Church in the diocese, the potential for a major fundraising initiative in the 2023/24 financial year and beyond is being explored. Following consultation of clergy and laity across the diocese, plans for a fundraising pilot, commencing towards the end of the 2023/24 financial year, are currently being developed.

No complaints have been received about fundraising activities. In undertaking these activities, concern is taken to avoid unreasonable intrusion on a person's privacy, unreasonably persistent approaches are avoided, and undue pressure is not placed on people to give money or other property.

The Diocese is not required to register with the Fundraising Regulator and has not done so but seeks,

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nonetheless, to maintain high standards.

PRINCIPAL RISKS AND UNCERTAINTIES

Major risks have been reviewed and systems or procedures have been established to manage those risks. The main risks likely to affect the Diocese together with ways for ameliorating these are as follows:

Governance

Over the last 5 years, six new trustee appointments have been made to the Board to replace six resignations and to strengthen the professional expertise available to the Diocese for monitoring its operations effectively. During the 2022/23 financial year, there were two appointments and three resignations. An additional appointment was made in the current year.

The structure of the Diocese gives its parishes some independence from it notwithstanding that their activities remain the responsibility of the Board of Directors. Information systems monitor these activities where necessary and internal support resources aim to assist parishes and improve internal control.

Financial

The income of the Diocese is mostly achieved by voluntary contributions supplemented by income from investments and cash balances held, with some additional miscellaneous income. Over the years this has not generally kept pace with inflation. During the pandemic, church closures and other Covid restrictions caused significant falls in both Mass attendance and parish income. Although attendance has now recovered somewhat, it remains down about 11% from pre-pandemic levels. Parish income has also grown but is still £3m (27%) below 2018/19 results.

Overall, parishes across the diocese recorded an increased total net deficit in the financial year of £565k, well below the £1-1.5 million pre-pandemic surpluses. (If property revaluations and unrealised investment fluctuations are excluded, the 2022/23 deficit was £499k.)

The return on cash balances held by parishes, limited by the low interest rate environment during most of the last decade, have begun to increase. Further increases can be expected in future years, whilst interest rates remain at higher levels.

Quinquennial inspections reveal any matters requiring urgent attention in the properties occupied by parishes. Where a parish is unable to afford these works, a diocesan loan may be sought, or the Poor and Needy Parishes Fund approached to assist through a loan or a grant.

The cost of the regulatory duties of the Diocese, for example over Data Protection, continues to increase.

Operational

Dealing with a large amount of cash requires the setting up of special control procedures so that, as far as possible, there is always more than one independent person present at any time when cash is being handled. A review of parish administrative procedures is currently underway. This is considering internal control procedures and, in particular, if cash handling can be reduced.

By operating over a larger area, it can be difficult to communicate with the parishes of the Diocese. Greater use of electronic communications is alleviating this.

The Health & Safety Committee of the Board receives reports from parishes, makes recommendations and sets out requirements as appropriate to improve health and safety within the Diocese. External health & safety professionals are advising and assisting the Diocese in this work.

External

In common with other religious charities, reputational risk may arise, especially from historical abuse cases. The Diocesan Communications team assists with the coordination of responses to press interest in these or similar matters.

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REFERENCE AND ADMINISTRATIVE DETAILS

Name: Nottingham Roman Catholic Diocesan Trustees (referred to as the Diocese)

Company number 7151646 *Charity number* 1134449

Registered Office St Hugh's House
1 Castle Quay, Castle Boulevard
Nottingham NG7 1FW

Diocesan Office St Hugh's House
& Postal address 1 Castle Quay, Castle Boulevard
Nottingham NG7 1FW

Directors Right Reverend P.J. McKinney STL (Chairman of the Board of Directors ex officio)
Reverend Canon E. Jarosz
Reverend Canon P. Chipchase
Reverend Canon J. Kyne (appointed 23 February 2023)
Reverend Canon J Wheat (resigned 23 February 2023)
Miss M. Casey KC
Miss K. Cohoon LIB
Reverend Deacon David Kerry (appointed 11 May 2023)
Mrs J. McCarthy (resigned 23 February 2023)
Mrs M. Middleton
Mrs A. Morton (appointed 14 July 2022)
Mr C. S. Sowman FCA
HH M. Stokes KC DL
Mr E. Whittaker (resigned 14 July 2022)

Episcopal Vicar for Finance and Administration: Reverend Canon P. Chipchase.

Chief Operating Officer of the Diocese,
Company/Charity Secretary and Oeconomus Mr David Lawes

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Professional advisers:

*Indicates organisations set up in co-operation with other Catholic Dioceses in England and Wales.

<i>Main Bankers</i>	Lloyds Bank plc 125 Colmore Row Birmingham B3 3SD
<i>Solicitors</i>	Massers 15 Victoria Street Nottingham NG2 6BT
<i>Solicitors (Academies)</i>	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ
<i>Auditors</i>	Higson & Co (<i>until June 2022</i>) White House Wollaton Street Nottingham NG1 5GF PKF Smith Cooper (<i>from July 2022</i>) 2 Lace Market Square Nottingham NG1 1PB
<i>Investment Manager</i>	Quilter Cheviot Senator House, 85 Queen Victoria Street London, EC4V 4AB
<i>Property Advisers</i>	Spencer Birch 8 Clarendon Street Nottingham NG1 5HQ
<i>Insurers</i>	*Catholic Insurance Service Suite 5, Oxford House, Oxford Road Thame OX9 2AH *Catholic National Mutual Limited (incorporated in Guernsey) Maison Trinity, Trinity Square Guernsey GY1 4LP
<i>Fuel Suppliers</i>	*Inter Diocesan Fuel Management Limited 2 Park Row South Birkenhead Wirral CH43 4UX
<i>Stationery Suppliers</i>	*Church Marketplace Limited Vaughan House 46 Francis Street London SW10 1QN
<i>Employment Law, and HR Consultants</i>	Worknest Woodhouse Church Lane Aldford Chester CH3 6JD
<i>Health & Safety Consultant</i>	*SafetyToolbox Ltd 12 Green Lane Godalming Surrey GU7 3SN

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STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Directors are aware:

- there is no relevant audit information of which the Diocese's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual report, the strategic report and the financial statements in accordance with applicable law including the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and Wales requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Diocese and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

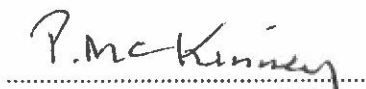
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the applicable law and provisions of the trust deeds. The Directors are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Higson and Co had acted as independent auditors for the Diocese for 14 years. In 2022 the Members of the Diocese therefore considered it appropriate to invite tenders for the provision of audit services from a range of regional and national accountancy practices with suitable audit credentials. Following a rigorous selection process, the Nottingham firm, PKF Smith Cooper, were appointed in July 2022.

A resolution proposing the reappointment of PKF Smith Cooper will be put to the Members of the Diocese.

On behalf of the Board



Right Reverend P.J. McKinney Bishop of Nottingham and Chairman of the Board of Directors

Dated 14th December 2023

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

(A company limited by guarantee)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

Opinion

We have audited the financial statements of Nottingham Roman Catholic Diocesan Trustees (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31st March 2023 which comprise the Group Statement of Financial Activities, the Consolidated and Diocese Balance Sheet, the Group Cash Flow Statement and the 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 groups and the parent charitable company's affairs as at 31st March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed; we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

We have nothing to report in this regard.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
(A company limited by guarantee)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

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 incorporating the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

- We have nothing to report in respect of the following matters where the Companies Act and the Charities Act 2011 requires us to report to you if, in our opinion:
- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 Directors' Responsibilities Statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 groups and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. Based on our understanding of the Group and industry, we identify the key laws and regulations affecting the Group. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

(A company limited by guarantee)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

We have identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- Management Bias in respect of accounting estimates and judgements made.
- Management override of control
- Posting of unusual journals or transactions

We focused on those areas that could give rise to a material misstatement in the Group's financial statements.

Our procedures included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud.
- Reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud.
- Reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company'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 the charitable company's trustees as a body, for our audit work for this report, or for the opinions we have formed.



Sarah Flear
(Senior statutory auditor) For and on behalf of
PKF Smith Cooper Audit Limited
Chartered Accountants and Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB

Date: 15/12/23

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Consolidated Statement of Financial Activities - Year ended 31st March 2023

		<u>PARISHES</u>		<u>CURIA</u>		<u>CONSOLIDATED</u>	
Income and Expenditure Account	Note	Restricted	Unrestricted including Designated	Restricted Endowment Sep Charities	Total	Total 2023	Total 2022
		£'000	£'000	£'000	£'000	£'000	As restated £'000
Income and endowments from:	2 & 3						
Donations and legacies		6,925	196	151	348	7,273	6,597
Charitable activities		200	103	26	129	329	406
Other activities		339	-	-	-	339	279
Investments		759	449	534	983	1,742	1,470
Other		108				108	617
Total		8,331	748	711	1,459	9,790	9,368
Expenditure on:	2 & 3						
Raising funds		77	66	98	164	240	240
Charitable activities		7,990	1,694	569	2,263	10,253	9,349
Other							
Total		8,067	1,760	667	2,427	10,494	9,589
Net realised gains/ (losses) on investments	7	(6)	(158)	(151)	(309)	(316)	770
Net Income/ Expenditure		258	(1,170)	(106)	(1,277)	(1,019)	549
Transfers between funds	2 & 3	(757)	782	(25)	757	-	-
Unrealised gains/(losses) on investments	7	(48)	(795)	(1,101)	(1,896)	(1,944)	284
Revaluation of Fixed Assets		(18)	30	-	30	13	616
Net Movement of Funds		(565)	(1,153)	(1,232)	(2,385)	(2,950)	1,449
Accumulated funds							
Funds brought forward		46,110	8,101	18,491	26,592	72,707	71,253
Prior year adjustment		5				5	5
Total recognised surplus/ (deficit) for the year		(565)	(1,153)	(1,232)	(2,385)	(2,950)	1,449
Total funds carried forward		45,550	6,948	17,259	24,207	69,757	72,707

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Consolidated and the Diocese Balance Sheets as at 31st March 2023

		<u>PARISHES</u>		<u>CURIA</u>		<u>CONSOLIDATED</u>	
	<u>Note</u>	<u>Restricted</u>	<u>Unrestricted including Designated</u>	<u>Restricted Endowment Sep Charities</u>	<u>Total</u>	<u>Total 2023</u>	<u>Total 2022</u>
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>As restated £'000</u>
Fixed assets							
Tangible Assets	6	24,531	2,894	772	3,666	28,197	27,350
Investments	7	5,323	12,312	15,089	27,400	32,724	35,479
Total fixed assets		29,854	15,206	15,861	31,066	60,921	62,830
Long term assets	8	-	595		595	595	700
Current assets							
Debtors and prepayments	9	466	131	17	148	614	626
Cash at bank and in hand	10	15,635	(8,857)	1,387	(7,470)	8,165	8,920
Total current assets		16,101	(8,726)	1,404	(7,322)	8,779	9,546
Liabilities							
Creditors due within 1 year	11	(405)	(115)	(6)	(121)	(526)	(354)
Net current assets/ (liabilities)		15,696	(8,841)	1,398	(7,443)	8,253	9,192
Total assets less current liabilities		45,550	6,960	17,259	24,219	69,769	72,722
Creditors due after one year	12	-	(12)	-	(12)	(12)	(15)
Intra diocesan balance		-	-	-	-	-	-
Net assets		45,550	6,948	17,259	24,207	69,757	72,707
The Funds of the Charity	138.14						
Separate charity		-	-	1	1	1	154
Endowment Funds		-	-	127	127	127	138
Restricted Funds		45,550	-	17,130	17,130	62,681	64,314
Designated Funds		-	1,230	-	1,230	1,230	1,124
General Unrestricted Funds		-	5,718	-	5,718	5,718	6,977
Total Charity Funds		45,550	6,948	17,259	24,207	69,757	72,707

P. McKinney

 Company Registration number - 715164

Right Reverend P.J. McKinney, Bishop of Nottingham
 Chairman of the Board of Directors

The notes form part of these accounts

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Consolidated Statement of cash flows for the year ended 31st March 2023

	<u>2023</u>	<u>2022</u>
	<u>£'000</u>	<u>£'000</u>
Cash flows from operating activities:		
<i>Net cash provided by/ (used in) operating activities</i>	<u>(1,311)</u>	<u>(2,484)</u>
Cash flows from investing activities:		
Dividends, interest and rent from investments	1,742	1,470
Proceeds from the sale of property, plant and equipment	86	1,922
Purchase of property, plant and equipment	(1,781)	(1,343)
Proceeds from sale of investments	4,922	2,809
Purchase of investments	(4,413)	(2,856)
<i>Net cash flow investing activities</i>	<u>556</u>	<u>2,003</u>
<i>Change in cash and cash equivalents in the reporting period</i>	(755)	(482)
Cash and cash equivalents at the beginning of the reporting period	8,920	9,402
<i>Cash and cash equivalents at the end of the reporting period</i>	<u>8,165</u>	<u>8,920</u>

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Consolidated Statement of cash flows for the year ended 31st March 2023 (continued)

	<u>2023</u> <u>£'000</u>	<u>2022</u> <u>As restated</u> <u>£'000</u>
Reconciliation of net income/ (expenditure) to net cash flow from operating activities		
<i>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</i>	(2,950)	1,449
Adjustments for:		
Depreciation charges	929	867
(Gains) / losses on investments	2,260	(1,054)
Dividends, interest and rent from investments	(1,742)	(1,470)
Revaluation of property, plant and equipment	(13)	(616)
Loss/ (profit) on sale of fixed assets	(82)	(606)
(Increase)/ decrease in debtors	118	(742)
Increase/ (decrease) in creditors	169	(314)
Net cash provided by/ (used in) operating activities	<u>(1,311)</u>	<u>(2,484)</u>
Analysis of cash and cash equivalents		
Cash at bank and in hand	8,165	8,920
Total cash and cash equivalents	<u>8,165</u>	<u>8,920</u>

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes and Accounting Policies for the year ended 31st March 2023

1. Accounting Policies

The Nottingham Roman Catholic Diocesan Trustees is a private company limited by guarantee and a charity governed by its memorandum and articles of association and incorporated in England and Wales. The members are its Directors and their liability in usual circumstances is limited to an amount not exceeding £10. The principal activity is that of a religious charity responsible for the civil affairs of the Roman Catholic Diocese of Nottingham. The address of the registered office is St Hugh's House, 1 Castle Quay, Nottingham, NG7 1FW.

The preparation of the Diocese's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in material adjustments to the carrying amount of the asset or liability.

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year, except where stated.

1.1 Basis of Accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), notwithstanding that the current Charities (Accounts and Reports) Regulations 2008 refer to the previous Charities SORP, and the Companies Act 2006.

As there are no material uncertainties about the Diocese's ability to continue, the accounts have been prepared on a going concern basis. The reporting is in pounds sterling. Nottingham Roman Catholic Diocesan Trustees 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.

1.2 Basis of Consolidation

The consolidated accounts include those of the Diocese and the Sick and Retired Priests Fund for which the Diocese acts as trustee. The separate Balance Sheet for the Diocese, excluding the balances attributable to the Sick and Retired Priests Fund, is shown on page 16 with the Consolidated Balance Sheet.

As stated in note 19 the Diocese holds a number of assets as trustee. The values of and transactions associated with those assets have been reported as stated in that note.

1.3 Funds

The accounts distinguish between those funds which are unrestricted income funds, and those which are restricted funds and special trusts. The unrestricted income funds may be used for any charitable purpose permitted under the Trust Deed. The unrestricted income funds include designated funds which have been designated by the Directors to a particular purpose; the designation may be removed by them. The restricted funds and permanent endowment funds are required to be used for a specific purpose. There are restrictions on spending the capital of the permanent endowment funds.

The accounts further distinguish between the Parishes and the Curia. Under national law all of the affairs of the Diocese, including those of the Parishes, are those of the charity and are the responsibility of its Directors. Under canon law each Parish is a "Juridical Person" and its funds are required to be held separately for each Parish. Accordingly, apart from any property occupied by Parishes as permanent endowment property and held by the Diocese as trustee, the funds described as Parishes' funds are restricted funds.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes and Accounting Policies for the year ended 31st March 2023

1.4 Incoming resources

Incoming resources are included in the Statement of Financial Activities on the basis of the amount's receivable for the year. Legacies are included when there is sufficient probability of receipt as at the end of the year.

Investment income is included when it is received. Gift Aid refunds are included for the year to which they relate. It is not practicable to value the time spent by volunteers nor donated goods, facilities or services.

1.5 Resources expended

Resources expended are recognised in the Statement of Financial Activities when a legal or constructive obligation has arisen. Irrecoverable VAT is included in the related expenditure.

1.6 Pension Schemes

The Diocese has two defined contribution pension schemes, one for priests and one for employees, the latter being used for autoenrollment. The contributions are held in separately administered funds. The Pension Scheme contributions are charged to the Income and Expenditure account as they are incurred.

1.7 Grants received

Grants receivable are taken to income in the year in which they are received.

1.8 Taxation

As a registered charity, the charity is generally exempt from taxation on its income and gains arising out of its charitable activities.

1.9 Tangible Fixed Assets (including leasehold property)

Functional land and buildings held by the Parishes at 31 March 1996 and those held by the Curia at 31 March 1999 were revalued, excluding land, using insurance values as the basis. Properties purchased since that date have been included at cost, including land. Functional tangible fixed assets otherwise acquired since those dates, including contents, have been included at valuation. The opportunity has been taken under Charities SORP FRS 102 to include the valuations at which the properties were held as deemed costs. Accordingly properties are stated in the accounts at cost or deemed cost as the case may be.

The contents of the buildings held by the parishes at 31st March 1996 were included from that date using insurance values as the basis. These have subsequently been written down to zero as at 31 March 2022.

Depreciation rates have been applied as follows in order to write off the assets concerned by equal annual instalments over their estimated useful lives:

Land	No depreciation
Buildings	2%
Contents of parish buildings	10%
Other fixed assets	10%

Amortisation has been applied to long leasehold properties as follows again in order to write off the assets concerned by equal annual instalments over their estimated useful lives:

Buildings	2%
-----------	----

Where an addition refers to expenditure on an existing building the expenditure is written off over the remaining estimated life of that building.

All new functional buildings, improvements and major renovations are capitalised at the cost of construction.

School Property

Certain school properties are owned by the Diocese and are occupied and run by independent charities in the form of Multi-Academy Trusts. There are significant legal restrictions on the disposal of these properties under education legislation. The Trustees considers the ownership of these assets to be in the nature of custodianship and they are therefore not capitalised in the Financial Statements.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes and Accounting Policies for the year ended 31st March 2023

1.10 Investments

Investments held as fixed assets, other than property investments, are revalued at mid-market value as at the balance sheet date. The unquoted investments, being companies set up in conjunction with other dioceses in the United Kingdom with their surplus income being refunded to the dioceses directly, are valued at cost.

Investment land and buildings have been revalued as at 31st March 2023 and are stated in the accounts in accordance with FRS 102.

Social investment land and buildings, held both to support the activities of the Diocese and to provide a return, are stated at cost .

Gains and losses on investments are reported in the Group Statement of Financial Affairs.

1.11 Debtors

Debtors represent amounts which the Diocese expects to receive at the balance sheet date less any reduction for amounts which are or may be unreceivable. These also include the unexpired amount of expenditure incurred before that date.

1.12 Creditors

Creditors represent amounts which the Diocese expects to pay at the balance sheet date. It includes any amount set aside to provide for expenditure where there is a reasonable expectation that it may become payable.

1.13 Activities

All the activities of the Diocese are directed toward the salvation of souls. Accordingly, further analysis of them or of supporting costs is not provided.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES**Notes & Accounting Policies for the year ended 31st March 2023 (continued)**

	<u>Total 2023</u> <u>£'000</u>	<u>Total 2022</u> <u>As restated</u> <u>£'000</u>
2. Parishes		
<u>INCOME AND ENDOWMENTS FROM:</u>		
<u>Donations and legacies</u>		
Regular collections	4,009	3,646
Special purpose collections	457	292
Donations	1,033	866
Grants received	20	265
Legacies	528	218
Gift aid refunds	686	692
Furlough monies		43
Miscellaneous	194	192
Totals	<u>6,925</u>	<u>6,215</u>
<u>Income from charitable activities</u>		
Repository Income	182	140
Chaplaincy	18	24
Totals	<u>200</u>	<u>164</u>
<u>Income from other activities</u>		
Fundraising	<u>339</u>	<u>279</u>
<u>Investments</u>		
Interest		
Rents receivable	<u>759</u>	<u>643</u>
	<u>759</u>	<u>643</u>
<u>Other income</u>		
Insurance claims	26	10
Profit on disposal of property	82	472
	<u>108</u>	<u>482</u>
<u>Total income and endowments</u>	<u>8,331</u>	<u>7,783</u>
<u>EXPENDITURE ON:</u>		
<u>Expenditure on raising funds</u>		
Fundraising costs	<u>77</u>	<u>71</u>
	<u>77</u>	<u>71</u>
<u>Expenditure on charitable activities</u>		
Special purpose collections payable	457	320
Church costs	1,676	1,335
Hall costs	506	262
Presbytery costs	875	606
Housekeeping	323	376
Major maintenance	416	1,283
Clergy payments	851	734
Staff costs	894	780
Office expenses	368	316
Pastoral expenses	141	103
Travel, conferences, retreats	149	116
Repository expenditure	89	76
Donations	180	150
Rental Property fees and Maintenance	58	61
Depreciation	842	797
Miscellaneous	165	113
Totals	<u>7,990</u>	<u>7,426</u>
<u>Total expenditure</u>	<u>8,067</u>	<u>7,498</u>
Realised surplus on investments	<u>(6)</u>	<u>36</u>
<u>Net income/ (expenditure)</u>	<u>258</u>	<u>322</u>

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2023 (continued)

<u>2. Parishes (continued)</u>	<u>Total</u> <u>2023</u> <u>£'000</u>	<u>Total</u> <u>2022</u> <u>As restated</u> <u>£'000</u>
<u>Net income/ (expenditure)</u>		
Brought forward from previous page	258	322
<u>TRANSFERS BETWEEN FUNDS</u>		
Interest received from Curia	86	67
Dividends received from Curia	12	12
Donations from Curia	39	16
Diocesan quota	(868)	(1,080)
Interest paid to Curia	(17)	(10)
Donations to Curia - Retired Priests Appeal	(8)	(8)
Donations to Curia - Other		
Totals	(757)	(1,003)
Unrealised gains/ (losses) on investments	(48)	(3)
Revaluation of investment property	(18)	404
<u>Net movement in funds</u>	(565)	(280)

3. Cynia

RESTRICTED, ENDOWMENT AND SEPARATE CHARITY

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NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2023 (continued)

3. Curia (continued)

	UNRESTRICTED					RESTRICTED, ENDOWMENT AND SEPARATE CHARITY				
	General £'000	Mission £'000	Designated £'000	Total 2023 £'000	Total 2022 £'000	Restricted £'000	Endowment £'000	Separate Charities £'000	Total 2023 £'000	Total 2022 £'000
Amounts brought forward	(807)	(376)	12	(1,170)	(407)	(179)	2	71	(106)	635
TRANSFERS BETWEEN FUNDS										
Diocesan Quota	868			868	1,080					-
Interest received from parishes	18			18	10					-
Donations received from parishes					-	8		1	8	8
Interest paid to parishes	(86)			(86)	(67)					-
Dividends paid to parishes	(12)			(12)	(12)					-
Donations paid to parishes		(10)		(10)	(15)	(29)			(29)	(2)
Legacy Fund transfer	(208)	5	136	(68)	(20)	68			68	20
Sick and Retired Priests Fund	72			72	-			(72)	(72)	-
Totals	652	(5)	136	782	976	46		(71)	(25)	27
Net income/ (expenditure) for the year	(155)	(381)	148	(388)	570	(133)	2		(131)	661
Unrealised gains/ (losses) on investments.	(753)		(42)	(795)	(96)	(1,088)	(13)		(1,101)	384
Revaluations on Investment Properties	30			30	212					-
Net movement of funds	(877)	(381)	106	(1,153)	685	(1,221)	(11)		(1,232)	1,045

Audit fees for the Diocese

The following grants, transfers and other payments have been made and are included above:

Housekeepers Retirement Fund	-	2023 £000s	2022 £000s
University chaplaincies (grants)	11	31	31
University chaplaincies (payments for non priest chaplains)	47		
Nottingham Roman Catholic Diocesan Education Service	76		
Diocesan Youth Service	95		
Travelling People Mission	10		
Catholic Trust of England and Wales	91		
Training of priests and deacons (after parishes' contributions)	95		
Sick and Retired Priests Fund (Retired Priests Appeal from parishes)	-		
Sick and Retired Priests Fund (to individuals)	321		
Sick and Retired Priests Fund (other costs)	69		

- 31 A separate charity connected with the Diocese, since absorbed into the Diocese.
6 For University chaplaincies located within the Diocese.
42 For Nottingham, Nottingham Trent, Derby, Lincoln and Loughborough Universities
79 A separate charity connected with the Diocese.
95 A separate charity connected with the Diocese.
9 Paid to an order of nuns.
92 An organ of the Catholic Bishops' Conference of England and Wales.
43 Paid mostly to seminaries & deacons in the UK and abroad.
- A separate charity connected with the Diocese of which the Diocese is trustee.
236 Grants for diocesan priests from Sick and Retired Priests Fund.
69 Other payments for Diocesan priests from Sick and Retired Priests Fund.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2023 (continued)

4. Directors' Remuneration

No Director received remuneration as a director during the year. The Bishop and Priests of the Diocese, in their capacity as such, are entitled to payments and benefits such as accommodation and living expenses from the Diocese. The taxable value of these are included in the figures reported below. Loans are also made available for the purchase of cars, repayable over an agreed period. These are all authorised by the Articles of Association. A Director who is a priest may be eligible for a grant from the Nottingham Diocesan Sick and Retired Priests Fund; this is included in the figures below if applicable. The Diocese has purchased Directors' and Officers' Liability Insurance for its directors the cost of which is not separately identified in the insurance charge made to the Diocese. The Diocese reimburses directors for expenses incurred in that capacity and the amount is estimated as being under £2,500 altogether.

	Payments	Car Loan
	2023	2023
	£'000	£'000
Right Rev P.J. McKinney	13	-
Reverend Canon E. Jarosz	18	-
Reverend P. Chipchase	15	-
Reverend J. Wheat	12	-

No other Director received payments or loans from the Diocese.

5. Staff and Clergy costs

	2023	2022
	£'000	£'000

The following amounts have been charged in the accounts:

Parishes

Staff costs:

Salaries	848	757
Employers' National Insurance contributions	29	14
Pension Contributions	17	9
Clergy payments	851	734
	1,746	1,515

Curia

Staff costs:

Salaries	707	595
Employers' National Insurance contributions	60	46
Pension contributions and Pension payment	31	26
Staff Training	2	4
	800	671

Clergy costs:

Payments to individual Priests not in parishes	47	43
Priests Pension Scheme	9	10
	56	53

The average number of staff (excluding clergy) on an average headcount in the year was as follows:

Parishes	112	112
Curia	25	23
	137	135

One employee received emoluments in excess of £60,000 per annum (2022: One). The key management personnel are considered to be the Bishop and the Episcopal Vicar for Finance and Administration who received £28 thousand (2022: £26 thousand) in total as priests of the Diocese rather than as key management personnel.

The pension contributions are paid during the year and so no amounts are outstanding as at the year end.

Priests are "Office holders" and are not employees of the Diocese and are therefore not included in the above analysis. The analysis of the numbers of Priests, excluding the Bishop, according to the work which they do is included in the Directors' Report.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2023 (continued)

6. Tangible Fixed Assets

Parishes

	Freehold Land & Buildings at Cost £'000	Contents £'000	Total 2023 £'000
Cost or deemed cost at 1st April 2022 (As restated)	38,173	94	38,267
Revaluations			
Additions	989	-	989
Disposals	(9)		(9)
Transfers		-	
Total as at 31st March 2023	39,153	94	39,247
Depreciation as at 1st April 2022 (As restated)	13,869	9	13,879
Disposals	(4)		(4)
Charge for the year	832	9	842
Transfers		-	
Total as at 31st March 2023	14,697	19	14,716
Net Book Value at 31st March 2023	24,456	75	24,531
Net Book Value at 31st March 2022 (As restated)	24,304	84	24,388

Curia

	Freehold Land & Buildings at Cost £'000	Long Leasehold £'000	Other Fixed Assets £'000	Total 2023 £'000
Cost or deemed cost at 1st April 2022	2,842	713	33	3,587
Additions	788		4	792
Disposals				
Transfers			-	
Total as at 31st March 2023	3,630	713	37	4,379
Depreciation or amortisation at 1st April 2022	549	62	14	625
Disposals				
Charge for the year	61	14	12	88
Transfers			-	
Total as at 31st March 2023	611	76	27	713
Net Book Value at 31st March 2023	3,019	637	10	3,666
Net Book Value at 31st March 2022	2,293	651	18	2,962

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2023 (continued)

7. Investments

Parishes Total Investments

Listed and Unlisted Investments

	Investments	Investment Properties	Total
Carrying value at 1st April 2022	927	4,470	5,397
Additions at cost	106	-	106
Net disposal proceeds	(108)	-	(108)
Transfers	-	-	-
Revaluation	-	(18)	(18)
Realised net gains/(losses)	(6)	-	(6)
Unrealised net gains/(losses)	(48)	-	(48)
Carrying value at 31st March 2023	871	4,453	5,323

Curia Total Investments

Listed and Unlisted Investments

	Investments	Unquoted	Social Investment Properties	Investment Properties	Total
Carrying value at 1st April 2022	27,970	8	1,090	1,015	30,082
Additions at cost	4,307	-	-	-	4,307
Net disposal proceeds	(4,574)	-	-	(240)	(4,814)
Transfers	-	-	-	-	-
Revaluation	-	-	-	30	30
Realised net gains/(losses)	(309)	-	-	-	(309)
Unrealised net gains/(losses)	(1,896)	-	-	-	(1,896)
Carrying value at 31st March 2023	25,498	8	1,090	805	27,400

	2023 £'000	2022 £'000
<u>Curia Total Investments analysed by Fund:</u>		
General Unrestricted	11,732	12,326
Designated	579	633
	<u>12,312</u>	<u>12,959</u>
Restricted	15,002	17,015
Endowment	87	108
Separate Charity	-	-
	<u>15,089</u>	<u>17,123</u>
	<u>27,400</u>	<u>30,082</u>

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2023 (continued)

	<u>Total 2023 £'000</u>	<u>Total 2022 As restated £'000</u>
8. Long Term Assets		
Curia		
Inter-Diocesan Fuel Management Ltd (see note 15)	17	33
Loans	578	667
Other long term assets	-	-
	<u>595</u>	<u>700</u>
9. Debtors and prepayments due within 1 year		
Parishes		
Listed places of worship scheme grant	338	323
Gift Aid	128	177
Prepayments	<u>466</u>	<u>500</u>
Curia		
Loans	96	81
Sundry debtors and prepayments	52	46
	<u>148</u>	<u>127</u>
10. Cash at bank and in hand		
Analysed by fund:		
Parishes		
Restricted	15,635	16,080
	<u>15,635</u>	<u>16,080</u>
Curia		
Unrestricted (including Designated)	(8,857)	(8,507)
Restricted, Endowment, Separate Charity	1,387	1,347
	<u>(7,470)</u>	<u>(7,161)</u>
Analysed by type:		
Parishes		
Funds in Investments or Money market deposits	13,243	13,666
Cash at bank and in hand	2,393	2,414
	<u>15,635</u>	<u>16,080</u>
Curia		
Money market deposits	658	482
Funds in Investments or Money market deposits	(8,128)	(7,643)
Bank overdraft	<u>(7,470)</u>	<u>(7,161)</u>

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2023 (continued)

	Total 2023 £'000	Total 2022 As restated £'000
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11. Creditors due within 1 year

Parishes

Creditors and accruals	405	251
	405	251

Curia

Creditors and accruals	121	103
	121	103

12. Long Term Liabilities - Creditors due after 1 year

Curia

Other long term liabilities	8	12
Amounts deposited with Curia	4	3
	12	15

13. Movements in Opening Funds

Parishes

Balance at 1st April 2022	46,115	46,551
Prior Year adjustment		(161)
Balance at 1st April 2022 (as restated)	46,115	46,390
Surplus/ (Deficit) for the year	(565)	(280)
Prior year adjustment (See Note 23)		5
Balance at 31st March 2023	45,550	46,115

Curia

	Unrestricted including Designated £'000	Restricted Endowment Sep Charity £'000	2023 £'000	2022 £'000
Balance at 1st April 2022	8,100	18,492	26,592	24,862
Surplus/ (Deficit) for the year	(1,153)	(1,232)	(2,385)	1,730
Balance at 31st March 2023	6,947	17,259	24,207	26,592

Analysis by Fund of Balance at 31st March 2023

Separate charities		1	1	154
Endowment Funds		127	127	138
Restricted Funds		17,130	17,130	18,199
Designated Funds	1,230		1,230	1,124
General Unrestricted Funds	5,718		5,718	6,977
	6,948	17,259	24,207	26,592

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

Notes & Accounting Policies for the year ended 31st March 2023 (continued)

14. Summary of Designated, Restricted and Permanent Endowment Fund Movements.

Curia

	1st April 2022 £'000	Income & Endowments £'000	Expended £'000	Transfers £'000	Investment Movements £'000	31st March 2023 £'000
Designated Funds						
Enabling Mission	205	29	(1)	125		359
Legacy Fund	783	20	(3)		(48)	752
Pilgrimage Administration	(6)	2		4		
Holy Ghost Housekeepers	(6)		(1)	7		(1)
Extraordinary Ministers	16	4	(3)			17
Ret'd Priests Appeal Admin	6					6
Justice & Peace	22	7	(33)	4		
Derby Deanery	23		(5)			18
Quinquennial Inspections	81		(4)			77
Total	1,124	62	(49)	140	(48)	1,230
Restricted Funds						
Housekeepers Retirement Fund	147	15	(31)		(14)	117
Schools Singing Program	47	22	(11)			58
Deceased Clergy Fund	4					4
Friends of the Cathedral	2	4	(3)			3
Clergy Formation Fund	7,642	234	(95)		(527)	7,254
Poor & Needy Parishes	1,295	48	(36)		(81)	1,226
Mission Fund	130	4	(1)		(9)	124
Lenten Station Masses	59	14	(14)			59
James Heneage	6					6
Overseas Development Fund	24					24
Lourdes Pilgrimage Fund	309	9	(24)		(22)	272
Sick & Retired Priests Fund	8,535	283	(485)	231	(583)	7,981
Total	18,200	633	(699)	231	(1,234)	17,130
Permanent Endowment						
Foundation Masses	138	11	(5)		(17)	127
Separate Charities						
Sick and Retired Priests Fund	153	67	(68)	(152)		1
Nottm. Cathedral Music Fund	1					1
Total	154	67	(68)	(152)		1
Total	19,616	773	(820)	220	(1,300)	18,489

The funds listed above are for the following purposes.

Designated Funds:

Enabling Mission Fund	To help Parishes to lead the Catholic Community into a deeper encounter with Christ
Legacy Fund	Legacies received for the Diocese to be used at the discretion of the Directors.
Pilgrimage Administration Fund	Administration of the Diocesan Pilgrimage to Lourdes.
Holy Ghost Housekeeper Fund	Support of housekeeper formerly employed by the Holy Ghost Fathers.
Extraordinary Ministers Fund	Commission for the Extraordinary Ministers for Holy Communion.
Ret'd Priests Appeal Adm. Fund	Running costs of the Retired Priests Appeal.
Justice & Peace Fund	Activities of the Justice & Peace Commission (other than the field worker's salary).
Derby Deanery Fund	Projects supported by the Derby Deanery.
Quinquennial Inspections Fund	Funded by special Diocesan Quota in 2016/7 to spread the cost fairly over parishes.

Restricted Funds:

Housekeepers Retirement Fund	For the relief of poverty amongst retired resident Housekeepers of the Nottingham Diocese
Schools Singing Program	Part of the National Schools Singing Program
Deceased Clergy Fund	To assist in dealing with Deceased Clergy's affairs
Friends of the Cathedral	To assist the Cathedral in particular areas
Clergy Formation Fund	Education of priests and deacons, their on-going formation and fostering vocations.
Poor and Needy Parishes Fund	Support of poor and needy parishes.
Mission Fund	Support and assistance of mission activities.
Lenten Station Masses Fund	Bishop's charitable purposes (within the Trust Deed).
James Heneage Fund	Maintenance of the Chapel at Hainton Hall.
Overseas Development Fund	Assist in Catholic projects overseas

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

Notes & Accounting Policies for the year ended 31st March 2023 (continued)

Lourdes Pilgrimage Fund	Assistance to those wishing to make a pilgrimage to Lourdes.
Sick & Retired Priests Fund	Sick and retired priests of the Diocese.
<u>Permanent Endowment Funds:</u>	
Foundation Masses Fund	Payment of Mass offerings out of income for the intentions of donors.
<u>Separate Charities:</u>	
Sick and Retired Priests Fund	Sick and retired priests of the Diocese.

15. Unlisted Investments and membership of other companies

a) The Diocese owns 4,000 out of 125,200 shares in the Catholic National Mutual, a mutual insurance company incorporated in Guernsey. The net assets of the company at 28th September 2022, the date of the last available accounts, were £30.2m (2021: £36.5m) and the loss for the year ended on that date was £6.27m (2021 loss: £2.22m).

b) The Diocese owns 4,000 out of 45,000 issued and fully paid ordinary shares of Inter-Diocesan Fuel Management Ltd (IDFM). The net assets of the company at 31st March 2022, the date of the last available accounts, were £137 thousand (2021: £36 thousand). The result for the year ended on that date was £2 thousand profit (2021: £3 thousand profit). IDFM was set up in conjunction with other Catholic dioceses in order to purchase electricity and gas for Diocesan properties more favourably.

c) The Diocese is the sole member of Nottingham Roman Catholic Diocesan Education Service (NRCDES) a charitable company limited by guarantee, set up to take over its Diocesan Education Service. Its directors are partly appointed by the Bishop and partly by the schools of the Diocese. As stated in note 3, a number of Directors of the Diocese are also directors of NRCDES.

The Diocesan schools have been reorganised into 3 Multi Academy Trusts which are companies limited by guarantee. The Diocese is a member of these companies but does not appoint its directors. The members also include the Bishop and the Episcopal Vicar for Education, who are directors of the Diocese and the Financial Secretary who is its Company Secretary.

Since the Diocese does not control any of these companies nor participate in any share of their profits or losses, they are not consolidated with those of the Diocese.

16. Contingent Assets

a) The estimated value of legacies, where known, to which the Diocese will be entitled but which have not been included as Incoming resources at 31st March 2023 is £248 thousand (2022: £19 thousand).

b) There are no properties agreed for sale pre year end and sold post year end.

c) The estimated amount receivable by the Sick and Retired Priests Fund for the retired priests appeal as at 31st March 2023 for standing orders taken out before the end of the year but receivable after it is £4 thousand (2022: £6 thousand).

17. Capital Commitments

Capital commitments at 31st March 2023 amounted to £218 thousand (2022: £448 thousand) arising out of building and major maintenance work in parishes and otherwise

18. Contingent Liabilities

a) The Diocese has provided indemnities to Lloyds Bank plc in order for it to accept cheques made out to a payee with a different name from that of the account in question and in relation to T PCO through which payments are made to members of staff.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

Notes & Accounting Policies for the year ended 31st March 2023 (continued)

19. Assets held as trustee

The Diocese holds the Poor Clares Convent at Bulwell, Nottingham as trustee although its beneficial ownership is uncertain between the religious order and the estate of the 8th Duke of Newcastle. The value of this property is not included in these accounts.

The Diocese is the trustee of Nottingham Roman Catholic Diocesan Trustees, the former unincorporated trust, which remains in being to receive legacies which are passed on to the Diocese. This trust owns no assets beneficially.

The Diocese owns land at Crich with the Youth Service Trustees, occupied by them, costing £437 thousand in December 2011, in the proportion 75%, the Diocese, and 25%, Youth Service Trustees, for which no rent is charged. The cost of this land is included in Curia Social Investment Properties in note 7.

The Diocese is the trustee of the Sick and Retired Priests Fund, a separately registered charity number 510119. Its results have been consolidated with those of the Diocese.

The Diocese owns the following properties, occupied by parishes, as trustee. The values of these properties are included with other parish owned property in note 6.

Permanent Endowment:	Date of governing document
Alvaston Parish Hall	10th August 1906
Earl Shilton Presbytery	7th April 1920
Ilkeston Presbytery	25th June 1906
St Philip Neri Parish Hall, Mansfield	12th March 1937
Holy Souls Presbytery and Parish Hall, Scunthorpe	7th January 1920
St Hugh's Presbytery, Broadgate Lincoln	Not Known
Eastwood Presbytery	6th August 1907
Eastwood Parish Hall	6th August 1907
Good Shepherd Presbytery, Arnold	9th July 1923
Good Shepherd Parish Hall	9th July 1923
St Philip Neri Presbytery, Mansfield	28th April 1908
Hadfield Presbytery	23rd December 1925
Marple Bridge Presbytery	23rd December 1925
Marple Bridge Parish Hall	15th September 1921
Market Harborough Presbytery	4th March 1876
Market Harborough Parish Hall	4th March 1876
Ashby de la Zouch Presbytery	19th May 1917
Whitwick Presbytery	22nd September 1902
Osgodby Mass House	3rd September 1985
Spalding Church	20th July 1876 & 24th April 2002
St Mary's Presbytery, Loughborough	3rd November 1840

20. Pension schemes

The Diocese has two defined contribution pension schemes held in separately administered funds. One is for the priests of the Diocese and one is an autoenrolment scheme for the staff of the Diocese.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2023 (continued)

21. Related Party Transactions

Insofar as the Directors are aware, there are no other matters required to be reported other than as already shown in these accounts or below.

A Loan of £650k was made to the Nottingham Diocesan Catholic Youth Service who have related Trustees of the Nottingham Roman Catholic Diocesan Trustees and joint ownership of property (Notes 8 & 9 Curia) the balance at 31.03.2023 was £582,338 (31.03.2022 was 640,500) and that there were repayments in the year of £58,162 and interest is payable at 2% above Bank of England base rate.

IDFM accrual for the provision of gas & electricity (Note 11 Parishes) for 31.03.2023 was £207,732 (31.03.2022 £130,937)

Catholic Insurance Services provide the insurance provision for the NRCDT and this amounted to £235 thousand (31.03.2022 £217 thousand).

22. Events after the Period

The substantial increases in costs, in particular energy prices, have a continuing significant impact on parish costs. Persistent inflation is also affecting diocesan employees. Diocesan policy is to pay at least the Real-Living Wage. Many members of staff, especially in our parishes, are paid at this level and work part-time.

Various measures are being implemented to increase administrative efficiencies across the parishes and curia (central services) of the Diocese. Parish amalgamations, lean management principles and new administration systems are progressively being developed and applied across the diocese. In addition, fundraising initiatives are being piloted to further the mission objectives of the Diocese and address recent significant declines in parish income.

The Diocese was delighted that in September 2022, the National Lottery Heritage Fund (NLHF) announced that a grant of £277k had been approved for the Development Stage of a Nottingham Cathedral redecoration project, entitled 'Restoring Pugin'. Permission to start this Development Stage was obtained from the NLHF in May 2023 and will continue through most of the 2024 calendar year. Upon completion of this initial planning and exploration stage, an application to the NLHF to progress to the Delivery Stage of the project will be made. Should we be successful, this will then take place through 2024 and 2025. The total cost will be around £1.3 million. Potentially 60% of the funding will come from NLHF. The project aims to recreate, so far as this is possible, the original decorative scheme of the cathedral architect, A.W. Pugin, in the chapels and ambulatory at the east-end of the cathedral. This work will raise awareness and engagement of heritage in Nottingham Cathedral in the Nottingham community and beyond, and develop valuable conservation skills. In addition to NLHF, Nottingham Trent University and Culture Syndicates, a non-profit Nottinghamshire heritage and arts consultancy, are partnering with the Diocese to bring this exciting project to fruition.

23. Prior Year Adjustments

This relates to an historic Parish freehold disposal and arose as a result of removing the incorrect property from the fixed asset register which means an amended profit on disposal. The effect on b/fwd. reserves is (£156k). (£5k 2022 and (£161k) in prior years).