

Diocese of Hexham and Newcastle

Diocese of Hexham and Newcastle

A Company Limited by Guarantee: Registered No. 7732977

Group Report and Financial Statements

31 March 2025

Trustees' Report

Diocese of Hexham and Newcastle

Trustees' Report for the year ended 31 March 2025

Trustees

Bishop Stephen Wright
Reverend Peter Leighton (resigned January 2025)
Catherine Patricia Dyer
Sister Helen Bernadette Costigane (appointed November 2022. Resigned October 2025)
Lyn Murray
Reverend Mark Millward
Reverend Martin Stempczyk
Reverend James O'Keefe
Eamonn Michael Donnelly
Kathleen McCourt (appointed September 2024)
Michael Shorten (appointed October 2024)
Reverend Jeffrey John Dodds (resigned May 2023. Re-appointed January 2025)

Chief Operating Officer

Fiona Standfield

Registered Office

St Cuthbert's House
West Road
Newcastle upon Tyne
NE15 7PY

Solicitors

Collingwood Legal
Muckle LLP
Winkworth Sherwood
Womble Bond Dickinson

Bankers

HSBC plc
Newcastle upon Tyne

Investment Managers

CCLA Investment Management

Land Agents

Avison Young
Savills UK Ltd
BNP Paribas
GF White

Auditors

HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

Trustees' Report

1. Trustees' Report.

1.1 Introduction.

This report provides an update on areas of responsibility of the Trustees, together with brief comments on some of the main activities and achievements across the Diocese in the year from 1 April 2024 until 31 March 2025. Where relevant for a fuller view, some information from the Financial Year 2025/26 is referred to.

The Trustees, who are also Directors for the purposes of Company Law, present their report and the financial statements of the Group for the year ended 31 March 2025 which comprises the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The consolidated financial statements of the Diocese of Hexham and Newcastle include the results of the Diocese of Hexham and Newcastle (charity registration number 1143450 and company registration number 07732977) and the Youth Ministry Trust (charity registration number 1146158 and company registration number 07937704). The registered and principal office of the Youth Ministry Trust is Emmaus Village, Pemberton Road, Allensford, Consett, County Durham, England, DH8 9BA.

1.2 Governance, Structure and Decision Making

The Diocese of Hexham and Newcastle is both a canonical and civil entity. As a canonical entity, it is a Roman Catholic Diocese, governed by Canon Law and accountable to the Holy See. As a civil entity, it is a registered charity and company limited by guarantee, accountable to both the Charity Commission and Companies House and subject to the Acts of Parliament and case law that apply in England and Wales.

On 1 April 2012 the assets and operations of the Diocese transferred to this Charitable Company Limited by Guarantee, called Diocese of Hexham and Newcastle. The Company number is 7732977 and the Charity Number is 1143450. The Directors of the Charitable Company are the Trustees. This Charitable Company delivers the activities of the Diocese.

In collaboration with the Diocesan Bishop who, as Chair, exercises the leadership function within the Diocese as a canonical entity, the Board agrees the strategic direction for the Diocese, including how to deliver the Diocesan Vision while ensuring the most efficient and effective stewardship of the organisation's financial and Human Resources; to provide the continuing care, oversight and development of its clergy, laity and staff.

The Board is responsible for ensuring that the Diocese fulfils its Charitable Objects as stated in the Articles of Association:

Trustees' Report

- I. The Advancement of the Roman Catholic Religion in the Diocese or elsewhere by such means as the Bishop and the Directors think fit, and the provision of charitable support or services (whether in the Diocese or elsewhere) in furtherance of that object.
- II. The Advancement of the education of the public in accordance with the principles and doctrines of the Roman Catholic Religion particularly by the provision and support of schools and other educational establishments (whether in the Diocese or elsewhere) and the provision of facilities for the education of the public as the Bishop and the Directors shall from time to time think fit.
- III. Such other incidental, ancillary or associated charitable purposes for the benefit of the public as the Bishop and the Directors from time to time decide.

The Diocese of Hexham and Newcastle is the sixth largest Diocese in England and Wales and is situated in the North-East of England. With an area of 3,195 square miles, the boundaries are the border with Scotland in the north and the River Tees in the south. The total population of the area is 2,368,000, with an estimated Catholic population of 214,257.

The Diocese is under the leadership of Bishop Stephen who was installed as the fifteenth Bishop of Hexham and Newcastle on 19 July 2023.

The Diocese consists of 135 Parishes, grouped into 18 Partnerships, within five geographical Deanery areas.

62 Diocesan Priests are in active ministry throughout the 135 Parishes of the Diocese. They are supported by a number of Priests who have retired from office as well as 35 visiting Priests, 8 of whom are from an overseas Diocese and 27 of whom are from a Religious Order, some of whom are from overseas. There are four Diocesan Priests in ministry outside of the Diocese.

There were three Seminarians in formation in the year ended 31 March 2025 with one at St Mary's College, Oscott, and one at the Allen Hall, London. There was one Priest ordained in the Diocese in July 2024 and one Deacon ordained in July 2025.

All matters concerning the care and development of the clergy and the pastoral care of the people of the Diocese are led by the Bishop in consultation with his Bishop's Council. The Bishop's Council consists of the two Vicars General, one for the north and one for the south of the Diocese, and the Bishop. They meet very frequently through the year and also meet regularly with the five Deans.

The Vicars General are:

Reverend Jeff Dodds, Vicar General North

Reverend Mark Millward, Vicar General South

The Deans are:

Reverend Shaun O'Neill, Northumberland

Reverend Christopher Hughes, Newcastle and North Tyneside

Reverend Canon Martin Stempczyk, South Tyneside and Gateshead

Reverend Andrew Downie, Sunderland and Durham

Reverend Anthony Currer, Cleveland

Trustees' Report

The Episcopal Vicars are:

Reverend Adrian Tuckwell, Episcopal Vicar for Caritas

Reverend Canon Simon Lerche, Episcopal Vicar for Education

Father Ian Jackson, Episcopal Vicar for Religious

Each Parish provides for the religious needs of its people through Church services and education in the Roman Catholic faith, and is responsible for the spiritual growth of people of all ages, with particular emphasis on meeting the needs of the sick and the poor and encouraging charitable work. Active participation with the Catholic faith helps to engender understanding of the need to care for others in our parish communities, with local development projects existing throughout the Diocese.

The Diocese works in harmony with other Christian denominations, people of other faiths and none, with myriad charities and support organisations across all of our local communities. The most significant outreach work is undertaken by the many thousands of volunteers based in our Parishes. Our volunteers and Parish Priests run a variety of successful local activities including those for children and young people, mothers and toddlers, and dementia friendly groups, as well as delivering services such as homelessness support, assistance for those who are victims of domestic abuse, bereavement care and support for refugees. Priests and volunteers visit people who are housebound or isolated, including those in Care Homes, and those in Prison.

There are further specific examples of some of our outreach work set out in the paragraph on Caritas at 1.7 below.

Extraordinary Ministers of the Eucharist assist Priests in taking Holy Communion to those members of a Parish who are too infirm to attend Mass. Parish volunteers are often also involved with other local charities. The ethos engendered in our Parishes encourages people to give so much of themselves freely to others in their communities.

Parishes are not only aware of the needs of others in their local communities but are also very conscious of the needs of those who are suffering elsewhere around the world as a result of poverty, poor health care, discrimination, persecution and violence; and many have particular projects that they support. Parishes also continue to directly support Mission work worldwide, including contributing to CAFOD's development work and disaster relief.

Governance: The Board of Trustees governs the Charitable Company, and in carrying out this responsibility supports and reviews the clergy and pastoral initiatives of the Bishop which affect the operational wellbeing and sustainability of the Charitable Company. The Articles of Association were amended by written resolution in July 2024 and further amended by written resolution in May 2025.

As at October 2025, the Board comprises the Bishop as Chair, with four Priests and five Lay Faithful, who give of their time on a voluntary basis. All are selected by the Bishop for their relevant skills and expertise. The Board Committee and sub-Committee structure was reviewed in spring 2025 and is in the process of being updated whilst various time limited working parties, established to look at specific matters, are in place. Each of the Board Committees has a Director/Trustee as Chair and members appointed by the Bishop. They may be assisted by professional experts who are co-opted if particular additional specialist skills are needed.

Trustees' Report

While the Board is responsible for all of the assets of the Charitable Company, in practice the Parish Priest acts as the local representative of the Diocese in many Parish matters. Parish Priests are obliged by Canon law to be assisted in their duties by a Parish Finance Committee and many also have Pastoral Councils. Given the impact on Diocesan assets and resources, and the need to ensure that all current employment and health and safety legislation, as well as safeguarding requirements, are complied with, the permission of the Board is required for all significant Parish projects.

The Parishes pay an annual levy towards the running of the Diocese, including for services such as Safeguarding, Health & Safety, Property, HR and Finance. The calculation of the levy is based equitably on income earned in the year. The levy was discounted for the years 2021 – 2023 reflecting the impact of the pandemic on attendance and income levels within Parishes. The year to 31st March 2024 saw the levy revert back to the level pre-pandemic.

To assist the Board in providing what is required for the Diocese to continue to flourish and for delivery of the Diocesan Vision, the operations of the Diocesan Curia are organised into formal Departments and Vicariates that report through the Chief Operating Officer and Episcopal Vicars to the Board.

The Chief Operating Officer and senior managers form a Senior Leadership Team that supervises execution of the central operational functions for the Charitable Company, providing professional expertise, administrative support, dissemination of information, leadership and guidance on everything that is required to contribute to the safety and success of the mission throughout the entire Charitable Company.

Diocesan employees carry out the Board's directions and refer matters arising for the Board's attention. The titles of the Departments reflect the work carried out: Care for Clergy; Communications; Data Protection; Education; Finance; Formation & Mission; Fundraising; Health & Safety; Human Resources; Property; Safeguarding; Technology Services.

1.3 Trustees' Recruitment and Appointment

Under the Articles of Association, the power of appointing new or additional Trustees rests solely with the Bishop. Trustees are recruited based upon the skills mix identified by the Bishop and existing Trustees as being required for Diocesan Governance. The recruitment process for Lay Trustees includes the completion of application paperwork, the submission of three references and the completion of declaration of interests and non-disqualification forms. The recruitment process for Priest Trustees is based both upon role (the Vicars General are the Vice Chairs of the Board) and skills and includes the completion of declaration of interests and non-disqualification forms. Trustees complete a DBS check through the Diocesan Safeguarding Department.

The induction process for any newly appointed Trustee involves an initial meeting with the Bishop, access to relevant paperwork such as a copy of the Charitable Company's Memorandum and Articles, a copy of the most recent statutory accounts and Board papers as well as meetings with key members of the Curia, all to better understand the work, roles and responsibilities involved. All Trustees are provided with opportunities to attend relevant training and receive regular circulars from the Charity Commission, as well as receiving updates at Board meetings and Committees from the Catholic Safeguarding Standards Agency (CSSA).

Trustees' Report

1.4 Going concern

The Charitable Company's activities, together with the factors likely to affect its future development, performance and assessment of current strength of position and its exposures to credit risk are set out below. For the year to 31st March 2025 Group and Company accounts have been prepared. Although a separate legal entity, the Youth Ministry Trust has been included in the consolidated Group Accounts because of the relationship between the Youth Ministry Trust and the Diocese in that the Diocesan Bishop appoints its Trustees, and the Diocese is its sole Member.

The Group meets its day to day working financial commitments from both cash and investment reserves. At 31 March 2025 the Group held total reserves of £105.4 million, consisting of Restricted Funds of £17.1 million and Unrestricted Funds of £88.3 million. The Group, as at 31 March 2025, had cash at bank and in hand of £13.9m and has maintained similar cash levels up to the date of authorisation of the financial statement.

The going concern assessment period that needs to be addressed by Trustees is the period to 31 December 2026. In performing this assessment, the Charitable Company's income and expenditure has been forecasted and projections show that it will be able to operate within the level of its current arrangements.

Using the Diocesan Risk Register, Trustees have reviewed significant risks, including the potential for any strategic changes forthcoming from Rome, failure to comply with safeguarding arrangements, employment and health & safety legislation, meeting continually rising costs such as the increase in employer national insurance contributions, insurance of buildings and support for sick and retired Priests. Trustees have considered the possible mitigating actions and consequent costs, and are of the view that even in the unlikely circumstances of being unable to operate at all for a full year the Charitable Company could still meet its liabilities over the coming year as they fall due.

On the basis of their assessment of the Charitable Company's financial position and resources the Trustees have a reasonable expectation that it will be able to continue in operational existence throughout the going concern assessment period. They therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.5 Trustees' insurance

The Charitable Company maintains insurance for Trustees in respect of their duties as Trustees of the Charitable Company and to meet any claim against the Diocese including at Parish level. The Insurance Broker for 1 April 2024 to 31 March 2025 has been the Catholic Insurance Service (CIS).

1.6 Trustees' responsibilities for audit information

Insofar as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's auditors are unaware; and
- The Trustees 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

Trustees' Report

Strategic Report

Chief Operating Officer's Report on behalf of Trustees

During the period under review, the Charitable Company has experienced a period of stability and continued positive change. Following Bishop Stephen's installation as the Bishop of Hexham and Newcastle in July 2023, his leadership continues to enable the Diocese to develop both pastorally and operationally.

The CSSA undertook an Audit of the Diocese in November 2024, with the report being published in early 2025 on both the CSSA and Diocesan websites. The overall outcome of this Audit was a grading, against the eight CSSA Standards, of "Results Being Achieved", with "Comprehensive Assurance" in Standards One (Effective safeguarding is embedded in the Church body's leadership, governance, ministry, and culture) and Three (Engage with and care for those who report having been harmed). Achievement of these gradings demonstrates the on-going Diocesan commitment to safeguarding and the associated work undertaken in response to the Safeguarding Action Plan, prepared during the summer of 2023, reviewed quarterly by the Safeguarding Committee and the Diocesan Board, and published on the Diocesan website. The Safeguarding Action Plan is now being developed into a Safeguarding Improvement Plan.

The Listening Exercises for Clergy, Staff and Laity commissioned by Archbishop McMahon have continued under the leadership of Bishop Stephen. The response to the Lay Listening Exercises continues at Parish level. The response to the Clergy Listening Exercises has been supported by Priests, Deacons and the Department for Formation and Mission, whilst the response to the Staff feedback has now become important work on continued culture development supported by the Senior Leadership Team.

The Diocese continues to work in partnership with the Centre for Catholic Studies at Durham University. The Bede Chair of Catholic Theology has provided ongoing active support to parishes and the wider Diocese.

Work to identify the optimum governance approach was chaired by the Bishop and has identified the appropriate structure and resource to deliver the Bishop's Diocesan Vision. This structure is in the process of being implemented.

The Board continues with its focus on developing an Equity, Diversity and Inclusion Strategy with involvement from Clergy, the Lay Faithful and employees.

With delegated authority from the Board, Trustee members of the Diocesan HR Committee work with the Chief Operating Officer, Head of Finance and Head of HR to prepare a paper for the March meeting of the Bishop and Trustees which sets out a proposal for the pay and remuneration of all employees. This proposal takes into account local and national benchmarks and ensures that the Living Wage is paid. If approved, the recommendations take effect on 1 April and are also applied to the remuneration of Priests.

The Care for Clergy Team continues to support Deacons and Priests in various aspects of Diocesan life, from vocation enquiries to caring for sick and retired Priests. The Team focuses on encouraging Deacons and Priests to reflect on how they can better support one another and collaborate more closely, as well as on strengthening relationships with Curia Staff. An example of this is the development of a Care for Priests Policy to enhance support for retired Diocesan Priests and which is funded by the Diocese. Additionally, equipping clergy, through an ongoing formation programme to help them

Trustees' Report

maintain good mental health and well-being, along with creating a support team accessible to clergy, remain priorities. Currently, a full-time Social Worker is dedicated to clergy support.

The Vicariate for Caritas encompasses a wide range of outreach, inclusion and developmental projects and continues to ensure they all provide the desired positive impact on the wider community within the Diocesan area. Key amongst the work of the Vicariate are the:

- Justice and Peace Co-ordinating Council, including the Diocesan Refugee Project - the latter continues to support 500 individuals each month providing essentials such as food, toiletries and clothing for those whose claims for asylum are not yet decided and who are not therefore entitled to work or claim benefits
- Anti-Racism Working Group - championing Equity, Diversity and Inclusion and helping to challenge and prevent discrimination on grounds of race
- Proud Catholics - championing Equity, Diversity and Inclusion and helping to challenge and prevent discrimination experienced by members of the LGBT+ community
- Mary's Place – which continues to grow in the number of people attending St Mary's Cathedral for support and continues to provide food to those on the streets
- Joe's Place - which is a drop-in centre for those seeking food and homelessness support
- Tyne and Wear Citizens – the Diocese of Hexham and Newcastle is a Founding Member of Tyne and Wear Citizens (TWC). TWC is a local alliance of civic organisations in the fields of education, faith and community, and part of the national charity Citizens UK which trains and develops leaders for public life to work together for the common good. Community organising at its heart, TWC seeks to transform unjust structures of society, rooted in the participation of communities and civic institutions, acting in solidarity for the dignity of all and the common good.
- Green Pastures and Outreach Housing - residents are provided with access to initial accommodation leased by the Diocese and supported by a Diocesan team of volunteers with the aim of moving them into more permanent accommodation
- Co-Ordination with national agencies such as the Catholic Agency for Overseas Development (CAFOD), the St Vincent de Paul Society (SVP) and the Caritas Social Action Network (CSAN).

The Caritas Fund, launched in 2022, continues to award grants to projects delivering charitable support to those in need in communities across the Diocese.

The Education Department oversees provision for our children and young people through 156 schools of which there are 130 primary, 2 infant, 2 junior, 1 first, 1 middle and 20 secondary schools. 151 of these schools are academies within four large Catholic Education Trusts (CETs) and five are voluntary aided primary schools.

Trustees' Report

Work is ongoing to develop strong working relationships with the Directors from the Boards of the four CETs. A yearly meeting has been established to enable Directors of each Trust to inform the Bishop and other Members (the Vicars General, Episcopal Vicar for Education, the Chief Operating Officer, Lay Trustee Chair of the Diocesan Education Committee and the Diocesan Director of Education) how they hold their CET Executive Teams to account. Half termly meetings and 1:1s held by the Diocesan Director of Education with the Chief Executive Officers of the CETs, as well as half termly meetings with members of the CET Executive Teams, have facilitated good working relationships. Key documentation, policies and procedures are known and understood by all. This shared expertise ensures the very best education is provided for all children attending Catholic schools within our Diocese.

The Diocesan Department for Education also facilitates life-long learning throughout the Diocese by running CCRS (Catholic Certificate in Religious Studies) and the National Catholic Leadership Programmes. There are currently 89 members of school staff undertaking the CCRS. Last year 13 completed the programme and were presented with their certificates at a Mass celebrated by the Priest lead on Liturgy. The certificate provides the opportunity for school staff to increase their subject knowledge in relation to the Catholic faith and therefore enhance teaching and learning opportunities for our pupils. In addition, there are 24 delegates on the National Catholic Leadership Programme and 25 delegates on the Aspiring Deputy Headteacher programme which will help with the future succession planning of school leadership.

At the time of writing there are 52,071 pupils in our Diocesan schools. Census data 2024 shows there are 51.60% of pupils that are Catholic. Within the schools there are 3,234 teachers of whom 49.2% are Catholic (the national average is 55.2%). It is clear that academisation is having an overall positive impact on our schools with 96.15% of schools achieving good or better Ofsted grades (the most recent national outcomes are 84% of secondary and 92% of primary achieving good or better). 98.72% of all schools achieve good or better in Catholic Schools Inspections.

The Department for Formation & Mission continues to provide formation and ministry development opportunities for parishioners across the Diocese. Over the past year, its work has focused on shaping the emerging Diocesan Vision and supporting the journey towards becoming a more synodal Church, rooted in listening, participation, and mission.

Collaboration across diocesan teams and with the Department for Caritas has strengthened parish outreach, with new initiatives such as foodbanks, warm hubs, and support for asylum seekers complementing traditional ecumenical partnerships.

The Department is also leading the development of a new Diocesan Pastoral Strategy and Plan, ensuring that all have access to high-quality formation and that volunteers receive appropriate training and support. These efforts continue to nurture leadership, deepen faith, and build confident communities committed to living the Gospel through service and growth.

The Finance Department: including Financial Review, Reserves Policy and Expenditure during the year.

The Charitable Company's accounting policies delivering Financial Review are described in Note 1 to the Financial Statements.

Trustees' Report

Income and Expenditure during the year

The principal funding sources are as described in the Statement of Financial Activities (SOFA, seen on page 18). Charitable activities are funded primarily through donations such as collections at Mass in Parishes and including unrestricted donations and those given for a specific purpose. In 2025 total donations stand at £6,628k (2024: £6,511k). Donation income represents 51% of total income (2024: 52%). Investment income generated in the year formed a significant part of the Diocese's incoming resources, at £2,357k in the year (2024: £2,197k). Any annual deficits of income and expenditure incurred reduce cash and investments, which impairs the Diocese's ability to earn income. Income is earned from funds invested through CCLA, the Diocese's investment managers, of £978k (2024: £1,040k), investment property of £903k (2024: £860k) and cash in high interest earning deposit accounts of £476k (2024: £297k). Other income is earned from, for example, contributions from voluntary aided schools and the Catholic Education Service's (CET) as a contribution towards the work of the Department for Education. Fundraising, including Legacy Income, continues as a key focus, given the increasing cost challenges.

A detailed analysis of expenditure is given in note 3. Outlined below is how the expenditure of £16,000k in the year needed to deliver the key activities has been sourced.

Charitable Activity	Funded by general income	Funded from specific income	Total Expenditure 2025	Total Expenditure 2024
	£000	£000	£000	£000
Clergy Support	2,292	91	2,383	2,382
Pastoral Work	5,909	843	6,752	6,266
Education	1,665	439	2,104	1,055
Youth Ministry Trust	-	1,093	1,093	1,077
Property	3,147	82	3,229	2,818
Cost of Generating Funds	389	50	439	406
Cost of charitable activities	13,402	2,598	16,000	14,004

Net Assets for the Group stand at £105.4m at 31st March 2025 (2024: £103.3m). The Diocese incurred unrealised losses returns on investment in the year of £72k (2024: unrealised gains of £4,579k). Net assets comprise property, buildings and other fixed assets of £32,914k (2024: £32,948k) and investments of £51,744k (2024: £50,551k). Fixed assets, such as churches and presbyteries, are not easily realised into cash, and are excluded from any calculations on funds available to deliver day-to-day charitable expenditure. Cash held by the Diocese, including all Parish current accounts, stood at £14,102k in the year (2024: £17,482k). Simply, the amount of cash held would support 11 months of expenditure as incurred in the year (2024: 1.3 years).

Trustees' Report

Reserves Policy

At 31 March 2025 the Group held total reserves of £105.4m (2024: £103.3m), consisting of Restricted Funds of £17.1m (2024: £15.0m) and Unrestricted Funds of £88.3m (2024: 88.4m). Trustees decide the level of free reserves to be held by the Charitable Company. Free reserves are those available to spend on any or all of the Charitable Company's purposes, being unrestricted reserves excluding those invested in fixed assets such as our church buildings, investment properties, or through our investment managers, those otherwise committed such as funds for the use of specific projects and reserves related to the Youth Ministry Trust which are restricted by way of their charitable objects. Fixed assets are excluded because these assets cannot be realised without undermining the fundamental work of the Charitable Company.

In calculating the level of reserves to be retained by the Charitable Company, the Trustees give due regard to the need for the Charitable Company to fulfil all of its obligations and commitments and to finance the activities that it currently undertakes, as well as the rising costs of future requirements including clergy retirement, and maintenance of Parish properties including special projects such as the Lourdes Pilgrimage and development of the Emmaus Youth Village at Consett.

At 31st March 2025 free reserves stood at £14.4m (2024: £16.2m). The aim is to have retained free reserves sufficient to cover twelve months of unrestricted charitable expenditure: at 31 March 2025 thirty months' cover was held. The Diocese considers the reserves position on a regular basis. The thirty months' cover includes reserves held in cash and investments on which an income is earned. The additional reserves and income are deemed necessary to fund operational decisions in the next few years, including the Care for Priests Policy, implemented on 1st January 2025, which fulfils the Diocesan obligation to meet the financial needs of Priests. Further to this, the Diocese considers the reserves necessary to meet the current deficit position of the Central Budget, and to guard against the large fluctuations in investment gains and losses upon which the reserves are predominantly built.

Investment Policy and performance

The Articles of Association authorise the Trustees to make and hold investments using the funds of the Charitable Company without any restrictions. The Trustees recognise that the investment portfolio is held to provide for the future needs of the Charitable Company whilst supporting the ongoing costs. Therefore, the investment objective for the Diocese is to produce the optimum total return using income or capital, whichever is the most effective in the prevailing conditions. In setting an optimal total returns policy we identify, through a budgeting procedure, a level of cash return required from the main investment portfolio, whilst paying due regard to the need to protect the real value of the capital to ensure sustainability of Diocesan and Parish work over future generations. In the current conditions the aim is to withdraw not more than 3.5% of portfolio valuation per annum: the amount actually withdrawn during the year equated to 2.5% of the portfolio valuation.

The investment strategy is set on an annual basis with performance monitored by the Diocesan Investment Committee and reviewed quarterly with both the Fund Managers CCLA (appointed following a tender process in 2021) and a charity investment specialist

Trustees' Report

advisor, Stanhope Consulting. Members of the Diocesan Investment Committee, chaired by a Trustee and comprising Clergy, Staff and Lay Experts, provide advice and support to the full Board on investment matters. The Fund Managers are required to adhere to a strict ethical policy which is published on the Diocesan website. During the year the market value of the portfolios moved in line with the general market conditions. At 31 March 2025 the valuation of the main portfolio was 92% of the March 2024 valuation, reflecting instability in world markets as a result of economic and social challenges.

As at 31 March 2025 the accumulated unrealised losses, incurred from the decrease in value of our investments in the combined portfolio amounted to £1.4m (2024: gains of £3.7m). The Trustees recognise the challenging economic markets and believe the investment performance, including the losses incurred, to be reasonable.

Risk Management, including financial risk management and grants policy

The Charitable Company has a formal risk review process in place under which a Risk Register is maintained. The Risk Register is supported by Objectives and Key Performance Indicators, and all are reviewed by the relevant Board Committees and at every quarterly meeting of the Board. Changes to the scores of identified risks are monitored by the Chief Operating Officer with the relevant members of the Senior Leadership Team, and they implement further processes to mitigate risk whenever possible. The top risks identified where:

1. Declining numbers of active Clergy leading to increased Parish responsibilities impacting on Canon, Criminal and Civil Law requirements and impacting on sacramental life and mission
2. Inability to care for Sick and Retired Priests because of insufficient funds

Financial risk management objectives

As described above, the Charitable Company has established a risk and financial management framework, the primary objectives of which are to protect the Charitable Company from events that hinder the achievement of the Charitable Company's objectives. The Charitable Company has no operations outside the UK and is not exposed to movements in exchange rates, and therefore does not enter into transactions with derivative instruments. Cash flow and liquidity risk is covered by forecasting and management of cash. The Charitable Company has no significant individual debtors and therefore limited credit risk. Investments are diversified between those with guaranteed income but no capital growth, and those with potential capital growth but also the risk of capital losses. All investments are under the care of an external professional Fund Manager and with additional oversight provided to the Diocese by Stanhope Consulting which is a separate organisation.

Fundraising

The Diocese of Hexham and Newcastle follows the Institute of Fundraising's Code of Fundraising Practice and is registered with the Fundraising Regulator.

Trustees' Report

No complaints about fundraising activities were received by the Diocese over the reporting period and therefore there was no requirement for escalation to the Regulator. The Diocese has its own procedures in place for dealing with complaints and concerning vulnerable persons.

Grants Policy

Each year the Bishop, assisted by guidance from the Catholic Bishops' Conference of England and Wales, decides which organisations will benefit from special collections to be taken in the Parishes. At a local level, Parish Priests and their Finance Committees decide which additional causes they will support to further the work of the Church, by means of special appeals. The amounts raised from such appeals and paid over to charities are sometimes supplemented from general offertory income, where this is approved by the Parish Priest and the Parish Finance Committee.

Property

An ongoing focus of the Property Department is bringing up to date the Parish Quinquennial Inspections which also incorporates investigations to determine the presence of any Reinforced Autoclaved Aerated Concrete (RAAC). The Department supported the retendering of the various Diocesan insurance policies and the subsequent transition to the CIS. The Department has managed several property disposals and the relocation of the Bishop's Office and residence. In addition, the Department has supported the Education Department in property related matters involving Diocesan property and land including the statutory transfer of Local Authority land, where necessary, as a result of the move to Academisation.

During the year the majority of building work has been of essential works of maintenance.

A total of £1.6million (2023/24 £1.7m) was spent in Parishes on building work ranging from repairs and minor projects totalling £666k (2023/24 £1.1m), to major works £936k (2023/24 £572k).

The remaining Voluntary Aided School projects continue to be handled by Curia colleagues, including approval, negotiation with the Education and Skills Funding Agency, administration of the grant, payments to contractors, and collection of the Governors' contributions.

School buildings expenditure amounted to £363k (2023/24 £149k), with the Government contributing 90% funding towards Voluntary Aided School work. The Diocese acts as an agent for School Governors in these matters, so the building expenditure is not recorded in Diocesan fixed assets.

Safeguarding

In the year under review safeguarding across the Diocese, which operates a policy of zero tolerance to abuse, has benefited from the proactive leadership of Bishop Stephen. The Safeguarding Committee welcomed a new Chair, Professor Kath McCourt CBE, who is the Diocesan Safeguarding Lead Trustee. Committee membership is constituted by senior members of the Clergy, individuals with professional expertise in safeguarding work, as well as an experienced Parish Safeguarding Representative (PSR).

Trustees' Report

An annual report, offering an overview of work undertaken by the Safeguarding Department over the previous and upcoming twelve months, is prepared by the Chair of the Safeguarding Committee and presented to the June meeting of the Diocesan Board.

The Bishop regularly attends the quarterly meetings of the Safeguarding Committee to observe the work it undertakes. A meeting is held between the Bishop and the Diocesan Head of Safeguarding after each Safeguarding Committee meeting so that the Bishop is updated on matters discussed and receives any recommendations from the Committee. Departmental activity is independently inspected by the CSSA. The CSSA has created eight Standards against which Dioceses are measured. The Safeguarding Committee oversees the work of the Safeguarding Department with the aim of achieving continuous improved performance against the eight Standards. At Parish level, the PSRs support the work of the Safeguarding Department.

The Safeguarding Department continues to embed safeguarding in churches and parishes throughout the Diocese and is supported in this work through the use of Parish Safeguarding Dashboards which continue to be rolled out. With the full support of the Bishop, use of the Parish Safeguarding Dashboards will be mandatory from 2026. Safeguarding training continues to be delivered to all Clergy, Curia employees and Trustees. For those who require a Disclosure and Barring Service (DBS) check, a wider rollout of national safeguarding training will commence in early 2026.

The Safeguarding Department responds to support victims and survivors of abuse who approach the Diocese, as well as appropriately supporting those who are subject to allegations and complaints. Where necessary, signposting is undertaken to ensure appropriate professional support is provided.

The Safeguarding Department continues to be involved in the planning of and preparation for Diocesan Pilgrimages as well as for other Diocese-wide group activities and projects.

Challenges and how they are being addressed

Although vocations to religious life are reducing, the Diocese continues to have some vocations for the Priesthood and Diaconate and to be assisted by Priests joining from overseas and Religious Orders.

The Care for Priests Policy, which has been developed to support Diocesan Priests in retirement and ill health, is in its first year of implementation. Trustees continue to develop an associated fundraising strategy.

Church attendance remains reduced, and this is impacting upon the number of volunteers assisting in Parishes. The rollout of Diocesan-wide technical solutions, coupled with ongoing support from Diocesan Departments such as Property, Safeguarding, Health & Safety, HR and Finance, these are assisting Parishes with many functions.

As in many areas of daily life, there are increasing demands upon a reducing income, with the impact of inflation affecting all essential goods and services purchased. These financial pressures are being addressed by a focus on income generation, including through fund raising, as well as a continued focus on making sure expenditure is designed to be as impactful as possible with the funds available.

Trustees' Report

In approving this Trustees Annual Report, the Trustees are also approving the Strategic Report included here in their capacity as Company Directors.

Approved by the Board of Trustees and signed on its behalf by:



Bishop Stephen Wright

Bishop of Hexham and Newcastle

Trustee

Date:

18/12/25

Trustees' Report

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of Diocese of Hexham and Newcastle for the purpose of company law) are responsible for preparing the Trustees' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company Law requires the Trustees to prepare financial statements for each financial year. Under that Law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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, the Group and of the income and expenditure of the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent;
- 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 proper 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. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Bishop Stephen Wright

Bishop of Hexham and Newcastle

Trustee

Date:

18/12/25

Consolidated Statement of Financial Activities

at 31 March 2025

		<i>Unrestricted funds</i>		<i>Restricted Funds</i>	<i>2025 Total</i>	<i>2024 Total</i>
	<i>Notes</i>	<i>Parish £000</i>	<i>Central £000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Income						
Income from donations		5,656	144	828	6,628	6,511
Legacies		182	43	44	269	1,057
Income from charitable activities		328	-	95	423	379
Grant Income		128	23	317	468	90
Investment income	2	806	1,225	327	2,358	2,197
Other income		973	242	515	1,730	1,579
Youth Ministry Trust trading income		-	-	1,049	1,049	823
Total income		8,073	1,677	3,175	12,925	12,636
Expenditure						
Expenditure on charitable activities:						
Clergy support	3	1,091	1,201	91	2,383	2,382
Pastoral	3	4,584	1,325	843	6,752	6,266
Education	3	-	1,665	439	2,104	1,055
Property	3	2,327	820	82	3,229	2,818
Youth Ministry Trust expenditure	3	-	-	1,093	1,093	1,077
Total expenditure on charitable activities		8,002	5,011	2,548	15,561	13,598
Expenditure on raising funds	6(b)	99	290	50	439	406
Total expenditure		8,101	5,301	2,598	16,000	14,004
Net Income/(expenditure)		(28)	(3,624)	577	(3,075)	(1,368)
Gains/(losses) on investment assets:						
Realised		(11)	(432)	-	(443)	(349)
Unrealised		-	(566)	(603)	(1,169)	4,579
Gains on revaluation of investment properties		3,542	898	-	4,440	76
Revaluation of fixed assets held for disposal		199	-	-	199	732
Net movement in funds		3,702	(3,724)	(26)	(48)	3,666
Fund balances at 1 April	21	64,760	23,594	14,959	103,313	99,647
Fund balances at 31 March	21	68,462	19,870	14,933	103,265	103,313

The notes on pages 21 to 48 form part of these financial statements.

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

The entity has taken the exemption available under s408 of the Companies Act 2006 and no separate Statement of Financial Activities is prepared for the Diocese of Hexham and Newcastle. The charity made a surplus for the year of £3.7 million (2024: a surplus of £4 million).

These financial statements were approved and authorised for issue by the Board of Trustees, and signed on its behalf by:

+ S. Wright

Bishop Stephen Wright

Bishop of Hexham and Newcastle

Trustee

Date:

18/12/25

Group and Charity Balance Sheet

at 31 March 2025

		2025	2025	2024	2024
		Group	Charity	Group	Charity
	Notes	£000	£000	£000	£000
Fixed assets					
Tangible assets	8	32,914	32,871	32,948	32,881
Investments	9	43,950	43,950	46,983	46,983
Investment properties	10	7,794	7,794	3,568	3,568
		<u>84,658</u>	<u>84,615</u>	<u>83,499</u>	<u>83,432</u>
Current assets					
Debtors	16	4,854	3,412	4,216	2,793
Debtors – Schools projects	16	220	220	154	154
Short term deposits	17	2,385	2,385	1,262	1,262
Short term deposits – Schools projects		-	-	-	-
Unsecured short term loans	18	74	74	121	121
Cash at bank and in hand		13,940	13,710	17,482	17,215
Cash at bank – Schools projects		744	744	1,493	1,493
		<u>22,217</u>	<u>20,545</u>	<u>24,728</u>	<u>23,038</u>
Creditors: amounts falling due within one year	19	3,610	3,329	4,914	4,614
Net current assets		<u>18,607</u>	<u>17,216</u>	<u>19,814</u>	<u>18,424</u>
Total assets less current liabilities		<u>103,265</u>	<u>101,831</u>	<u>103,313</u>	<u>101,856</u>
Net assets		<u>103,265</u>	<u>101,831</u>	<u>103,313</u>	<u>101,856</u>
Represented by:					
Restricted fund		13,499	13,499	13,481	13,481
Restricted fund – Youth Ministry Trust		1,434	-	1,478	-
Unrestricted parish funds		68,462	68,462	64,760	64,760
Unrestricted central funds		19,870	19,870	23,594	23,615
Total funds	21	<u>103,265</u>	<u>101,831</u>	<u>103,313</u>	<u>101,856</u>

The notes on pages 21 to 48 form part of these financial statements.

The entity has taken the exemption available under s408 of the Companies Act 2006 and no separate Statement of Financial Activities is prepared for the Diocese of Hexham and Newcastle. The charity made a surplus for the year of £2.2 million (2024: a surplus of £4 million)

These financial statements were approved and authorised for issue by the Board of Trustees, and signed on its behalf by:

Bishop Stephen Wright

Bishop of Hexham and Newcastle

Trustee

Date:

18/12/25

+ S. Wright

Consolidated Statement of Cash Flows

for the year ended 31 March 2025

	Notes	2025 £000	2024 £000
Net cash (outflow) from operating activities	20	(4,645)	(2,747)
Investing activities			
Income from investments		1,454	1,337
Payments to acquire tangible fixed assets		(1,598)	(721)
Receipts from the sales of tangible fixed assets		-	-
Payments to acquire investments		(9,663)	(9,019)
Receipts from sales of investments		11,160	8,280
Receipts from direct lending investments		78	202
Payments to acquire investment properties		-	-
Unsecured short term loans repaid		46	30
		1,477	109
(Decrease)/Increase in cash and cash equivalents	20	(3,168)	(2,638)
Cash and cash equivalents at 1 April	20	20,237	22,875
Cash and cash equivalents at 31 March	20	17,069	20,237

The notes on pages 21 to 48 form part of these financial statements.

Notes to the financial statements

at 31 March 2025

1. Accounting policies

General Information

The Diocese of Hexham and Newcastle is a company limited by guarantee (registration number 07732977 and a registered charity (registration number 1143450) incorporated in England and Wales. The registered office is St Cuthbert's House, West Road, Newcastle Upon Tyne, NE15 7PY.

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Companies Act 2006 and the Statement of Recommended Practice for Charities (SORP) (Second Edition, effective 1 January 2019).

The accounts have been prepared in GBP on the grounds that this is the functional currency of the Group. The accounts are rounded to the nearest thousand.

The Diocese of Hexham and Newcastle 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.

The financial statements incorporate the following funds:

- Diocesan Central Fund
- Parishes' Fund
- Clergy Training Fund
- Managed Fund

Consolidation

The financial statements consolidate the results, assets and liabilities of The Diocese of Hexham and Newcastle and its subsidiary, Youth Ministry Trust (charity registration number: 1146158 and company registration number 07937704) on a line-by-line basis. Intergroup transactions and balances are eliminated on consolidation.

The financial statements do not consolidate the results of Sursum Corda Limited (company registration number 03986521) as not material to group.

Going Concern

The Charitable Company's activities, together with the factors likely to affect its future development, performance and position and its exposures to credit risk are set out below.

The Charitable Company meets its day to day working capital requirements through cash reserves. At 31 March 2025 the Charitable Company held total reserves of £105.4 million, consisting of Restricted Funds of £17.1 million and Unrestricted Funds of £88.3 million. The Charitable Company, as at 31 March 2025, had cash at bank and in hand of £14.1m and has maintained similar cash levels up to the date of authorisation of the financial statements.

The going concern assessment period considered by the Trustees is the period to 31 December 2026. In performing this assessment the Charitable Company's income and expenditure has been forecasted and projections show that it should be able to operate within the level of its current arrangements.

On the basis of their assessment of the Charitable Company's financial position and resources the Trustees have a reasonable expectation that it will be able to continue in operational existence throughout the going concern assessment period. They therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes to the financial statements

at 31 March 2025

1. Accounting policies (continued)

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the determination of judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure. Specific consideration is given to matters including the recoverability of debtors, the carrying value of fixed assets and the carrying value of investments, including investment properties. However, the nature of estimation means that actual outcomes could differ from those estimates.

Income and expenditure

Offertories, donations and legacies

Offertories are accounted for on a cash received basis. Donations and legacies are recognised when the Diocese becomes legally entitled to them and they can reasonably be measured in financial terms. Tax credits relating to Gift Aid are accounted for on an accruals basis linked to the income received.

Investment income

This is recognised on an accruals basis when dividends and interest from stocks and shares have been declared.

Ancillary income earned from granting short term use of functional assets to other parties is recognised on an accruals basis and presented within investment income.

Grant income (other than for schools' building work)

Grant income is included, in full, in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Income resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Grants for schools' building work

The Charitable Company acts as an agent for the School Governors in the recovery of grants and the payment of contractors for voluntary aided schools. Those grants and payments are not included in the financial statements, other than the amounts held by the Diocese on behalf of schools as grants received but not yet expended are included in the balance sheets as cash at bank and as creditors.

During the year the cost of schools' building works undertaken was £363k, being financed primarily by Government grants of 90% and by School Governors' contributions.

Income from charitable activities

This is accounted for on a cash receivable basis.

Expenditure

Expenditure is charged to the income and expenditure account on an accruals basis. Irrecoverable VAT is charged to the category of expenditure for which it was incurred.

Charitable Activities expenditure includes the costs identified as wholly or mainly attributable to achieving the charitable objectives of the Charitable Company, including direct staff costs, other direct costs, and apportioned support costs.

Governance Costs relate to the general running of the Charitable Company, and include such items as external audit, legal advice for Trustees, and the costs of meeting constitutional and statutory requirements.

Costs of Generating Funds include the costs incurred in generating voluntary income, fundraising trading costs, and investment management costs.

Grants paid/payable

Grants payable are recognised when payment is authorised.

Notes to the financial statements

at 31 March 2025

1. Accounting policies (continued)

Fixed asset investments

Quoted investments are shown in the financial statements at their market value at the balance sheet date. The resulting unrealised surplus or deficit is credited or debited to the fund account through the movement of funds in the Statement of Financial Activities.

Direct lending investments are initially recognised at cost. They are reviewed with the assistance of external investment managers, and provision is made against the value if recoverability of the full loan is in doubt. The movement in any such provision is credited or debited to the fund account through the movement of funds in the Statement of Financial Activities.

Current assets

Cash at bank in hand in the balance sheet consists of cash balances and short term deposits with an original maturity date of three months or less. Short term deposits with a maturity of over three months are separately disclosed within fixed asset investments.

All current assets are stated at the lower of cost and net realisable value.

Liabilities

Liabilities are recognised at the point where a legal or constructive obligation exists as a result of a past event. Provisions are liabilities where the timing and quantum of the economic outflows are significantly uncertain. The Charitable Company recognises provisions on an undiscounted basis.

Interest free loans

Occasionally the Charitable Company makes small interest free loans to priests. These are repayable over three to five years.

Deposits and loans

The Charitable Company operates a mutual system. Where parishes have money surplus to their immediate needs it is deposited centrally with the Diocese and interest may be paid. Where parishes are in need, interest free loans may be made at the discretion of the Trustees.

Notes to the financial statements

at 31 March 2025

1. Accounting policies (continued)

Fund accounting

- **Unrestricted funds**

These are expendable at the discretion of the Trustees in furtherance of the objectives of the Charitable Company. For management purposes these funds have been accounted for as:

- Diocesan Central Fund
- Parish Fund (designated for use as such by the Trustees).

- **Restricted funds**

Included under this heading are funds which have been formed as a result of donor implied intentions for the money. These include:

- Parishes Special Collection Fund to gather and distribute special donations collected for specific charities.
- Clergy Training Fund to support training of priests, deacons, and seminarians.
- Diocesan Special Reserve Fund to benefit a sick and retired clergy project.
- The Managed Fund – this comprises a large series of mass funds and special deposits, subject to specific trusts under Canon Law that have been donated in the past with the intention of supporting a specific purpose within the Charitable Company. These are not considered permanent endowments. Administratively this is managed and accounted for as one fund but it comprises several separate funds that can be further classified as:
 - Historical Masses Fund – Legacies and donations given to the Charitable Company, where the income must be used to meet Mass obligations.
 - Diocesan Designated – Income is to be used for Diocesan purpose.
 - Parishes Designated – Income is to be used for a Parish purpose.
 - Other Restricted – Income to be applied for a named purpose.
 - Clergy Training Fund – Income is to be applied for the purpose of training clergy and related costs, so that the underlying capital of the fund remains intact.

Monies collected and accumulated in the parishes are shown as designated as a whole but they are specific to each individual parish. Parishes are encouraged to participate fully in the local and universal church and contribute to the running of the Diocesan wide activities through the annual levy.

Notes to the financial statements

at 31 March 2025

1. Accounting policies (continued)

Pensions

The Charitable Company contributes to three defined contribution pension schemes. Contributions are charged in the SOFA as they become payable in accordance with the rules of the schemes.

Accounting policy for tangible fixed assets and depreciation

i. Land and buildings

A Functional land and buildings

1. Churches, presbyteries, halls and other buildings

i. Freehold land

Functional land (i.e. land used for the prime purpose of the Charitable Company) which is still in use by the Charitable Company is included in the financial statements at original cost or where this is not available at an estimate of its historic cost (or in the case of donated land, at its fair value at the date of receipt).

Freehold land is not depreciated because it has an indefinitely long useful life.

ii. Freehold Buildings

Functional buildings (i.e. buildings used for the prime purpose of the Charitable Company) which are still in use by the Charitable Company are included in the financial statements at original cost or where this is not available at an estimate of their historic cost (or in the case of donated buildings, at an estimate of their fair value at the date of receipt). All new functional buildings, improvements and major renovations are capitalised at the cost of construction.

Buildings are depreciated at rates calculated to write off their estimated historic cost (less the estimated residual value) evenly over the whole of their useful life.

The estimate of the useful life of a building varies depending on the condition and future use of the building, however, in general it is expected that a building in a reasonable state of repair will continue in use without major renovations or improvements for the following period:

a) Unlisted churches	100 years
b) Cathedral and listed churches	200 years
c) Presbyteries	50 years
d) Other buildings including care homes	50 years

Depreciation rates are calculated using the age of the building and its expected useful life.

iii. Leasehold land and buildings

Leasehold land and buildings (if held) are depreciated over the life of the lease on a straight-line basis.

Fixed assets are reviewed for impairment if events of changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared against its carrying amount. Where the estimated recoverable amount is lower, an impairment loss is recognised immediately in the Statement of Financial Activities.

Notes to the financial statements

at 31 March 2025

1. Accounting policies (continued)

Accounting policy for tangible fixed assets (continued)

i. Freehold and lease land and buildings (continued)

A Functional land and buildings (continued)

Details and addresses of the Diocesan churches and other buildings (both freehold and leasehold) can be found in the Northern Catholic Calendar and on the Diocesan website.

2. Voluntary aided schools

i. Land

The Charitable Company owns the land on which its voluntary schools are built. The nature of the occupation of the land by these exempt charities means that the Diocesan Trustees do not have the power to dispose of the land, until the school ceases its occupation, which in turn would require the approval of the Secretary of State. Consequently, for the purposes of these financial statements the land is not capitalised. The cost of any land acquired for the purposes of a voluntary aided school is charged to the statement of financial activities in the year of acquisition.

Land agreed as surplus to a school's requirements by the Local Education Authority may be disposed of by the Trustees who own the land.

ii. Buildings

The school buildings are occupied, improved, extended and repaired by the school governors. The nature of the occupation of these buildings by these exempt charities means that the Diocesan Trustees do not have control over the buildings, until the school ceases its occupation, which in turn would require the approval of the Secretary of State. Consequently, for the purposes of these financial statements any cost of new building is written off to the statement of financial activities in the year it is incurred.

The Diocese, as agent for School Governors, pays school improvement and repair costs and reclaims the related grants. Parishes and/or Governors are billed for their contributions.

Details of the Diocesan Voluntary Aided Schools (both freehold and leasehold) are given in the Northern Catholic Calendar.

B Investment properties

1. Investment property

Investment properties are shown at the Trustees' best and prudent estimate of market value. Any material changes in value during the year are reported in the 'gains and losses on revaluation and investment asset disposals' section of the statement of financial activities. Details of the date and basis of the valuations and of the valuer are given in note 11 to these financial statements. The historical cost of these assets is disclosed in note 10. As these assets are recorded at current market value no charge for depreciation is made in the financial statements.

Notes to the financial statements

at 31 March 2025

1. Accounting policies (continued)

Accounting policy for tangible fixed assets (continued)

B Investment property and former functional land and buildings (continued)

2. Former functional land and buildings

Properties which were previously occupied for Charitable Company use but are now no longer in use fall into two categories:

- i. Those which can now be sold or are awaiting sale.

Properties awaiting sale are shown at the Trustees' best estimate of their ultimate net sale proceeds. If it is expected to realise the asset within 12 months then it is shown under current assets. All changes in value during the year are reported in the 'gains and losses on revaluation and investment asset disposals' section of the statement of financial activities. Details of the date and basis of the valuations and of the valuer are given in note 11 to these financial statements. The estimated historical cost of these assets is disclosed in note 10. As these assets are no longer used by the Charitable Company, no charge for depreciation is made in the financial statements.

- ii. Those which have restrictions on them which make sale difficult or detrimental to the Charitable Company.

Land

Former functional land is included in the financial statements at an estimate of its historic cost (or in the case of donated land, at its fair value at the date of receipt).

Freehold land is not depreciated because it has an indefinitely long useful life. Leasehold land and buildings are depreciated over the life of the lease on a straight-line basis.

Buildings

Former functional buildings are included in the financial statements at original cost or where this is not available at an estimate of their historic cost (or in the case of donated buildings, at an estimate of their fair value at the date of receipt). However as the buildings no longer have any use they are fully depreciated and have no net book value.

ii. Fixtures, fittings and equipment

Fixtures, fittings and equipment which have a current replacement cost exceeding £5,000 are capitalised and included in the financial statements at an estimate of their historical cost (or in the case of donated assets, at an estimate of value at the date of acquisition). They are depreciated at rates calculated to write off the cost of valuation, less the estimated residual value, of each asset evenly over its expected useful life as follows:

Church furniture	50 years
Presbytery and hall contents, and equipment	5 to 10 years
Sound systems and special lighting	5 to 10 years
Other fixtures and equipment	5 to 10 years

Notes to the financial statements

at 31 March 2025

1. Accounting policies (continued)

Accounting policy for tangible fixed assets *(continued)*

iii. Motor vehicles

Motor vehicles have been capitalised and included in the financial statements at their historical cost (or in the case of donated assets, at an estimate of value at the date of acquisition) and are depreciated at rates calculated to write off the cost or valuation, less the estimated residual value, of each asset evenly over expected useful life as follows:

Motor cars	5 years
Mini buses	5 years

Accounting policy for tangible fixed assets – heritage assets

Works of art and historic treasures

The Charitable Company owns several works of art and historic treasures. The items have extraordinary long lives and are worth preserving perpetually. The collection is not recognised in the Balance Sheet because details of the costs of these items are not available and the cost to the Charitable Company of obtaining valuations would exceed the benefit arising from doing so. The vast majority of the collection was acquired over 100 years ago.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement costs and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distributing.

Taxation

As a charity, the company is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

Debtors and Creditors

Trade debtors are recognised at the settlement amount due after any trade discount is offered.

Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

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

Basis of allocation and apportionment of Central Support Costs

As shown in Note 4(a) to the financial statements, the costs of the Episcopal office and of the central Diocesan departments have, as far as possible, been allocated directly to the relevant charitable activity. The remaining unallocated costs have been apportioned equally to charitable activities, as the Trustees are of the opinion that no single activity is of more importance than any other, and the interaction and close links between different activities makes this the most reasonable basis of apportionment.

Notes to the financial statements

at 31 March 2025

3. Expenditure on charitable activities

			Unrestricted funds	Restricted	2025
	Notes	Parish	Central	Funds	Total
		£000	£000	£000	£000
Clergy support					
Clergy costs		1,091	3	7	1,101
Support of retired clergy		-	784	-	784
Clergy Training Fund		-	-	88	88
Grants and donations	5	-	-	(4)	(4)
Share of central support costs	4(a)	-	414	-	414
		1,091	1,201	91	2,383
Church running costs					
Church running costs		4,472	-	103	4,575
Other parish costs		85	136	627	848
Grants and donations	5	27	-	6	33
Vicariate for Faith and Mission		-	189	-	189
Youth Service		-	177	-	177
Vocations commission		-	64	-	64
Safeguarding commission		-	323	-	323
University Chaplaincy work		-	-	-	-
Vicariate for Caritas		-	8	-	8
Diocesan Tribunal		-	14	-	14
Marriage care		-	-	-	-
Diocesan events		-	-	-	-
Northern Catholic Calendar		-	-	-	-
Newcastle City Centre Ministry		-	-	-	-
Lourdes Pilgrimage		-	-	21	21
Family Life		-	-	71	71
Other Costs		-	-	15	15
Share of central support costs	4(a)	-	414	-	414
		4,584	1,325	843	6,752
Education					
Education service		-	340	422	762
Schools chaplaincy		-	118	-	118
Grants		-	10	-	10
School Fund		-	783	-	783
CES grant	5	-	-	17	17
Share of central support costs	4(a)	-	414	-	414
		-	1,665	439	2,104
Property					
Repair of parish property		1,520	-	82	1,602
Diocesan property office		-	314	-	314
Diocesan resource centre		-	-	-	-
School building costs		3	-	-	3
Depreciation charges		804	92	-	896
Share of central support costs	4(a)	-	414	-	414
		2,327	820	82	3,229
Youth Ministry Trust					
Youth Services		-	-	1,093	1,093
Total cost of charitable activities					
	4(b)	8,002	5,011	2,548	15,561

Notes to the financial statements

at 31 March 2025

3. Expenditure on charitable activities (cont'd)

			Unrestricted funds	Restricted	2024
	Notes	Parish	Central	Funds	Total
		£000	£000	£000	£000
Clergy support					
Clergy costs		1,105	3	8	1,116
Support of retired clergy		-	693	-	693
Clergy Training Fund		-	-	134	134
Grants and donations	5	1	-	43	44
Share of central support costs	4(a)	-	395	-	395
		1,106	1,091	185	2,382
Church running costs		4,339	-	66	4,405
Other parish costs		(10)	-	10	-
Grants and donations	5	48	110	560	718
Vicariate for Faith and Mission		-	170	-	170
Youth Service		-	-	-	-
Vocations commission		-	145	-	145
Safeguarding commission		-	297	-	297
University Chaplaincy work		-	-	-	-
Vicariate for Caritas		-	15	-	15
Diocesan Tribunal		-	12	-	12
Marriage care		-	-	-	-
Diocesan events		-	-	-	-
Northern Catholic Calendar		-	-	-	-
Newcastle City Centre Ministry		-	-	-	-
Lourdes Pilgrimage		-	-	25	25
Family Life		-	-	84	84
Share of central support costs	4(a)	-	395	-	395
		4,377	1,144	745	6,266
Education					
Education service		-	161	371	532
Schools chaplaincy		-	110	-	110
CES grant	5	-	-	18	18
Share of central support costs	4(a)	-	395	-	395
		-	666	389	1,055
Property					
Repair of parish property		1,370	-	100	1,470
Diocesan property office		-	228	-	228
Diocesan resource centre		-	-	-	-
School building costs		35	-	-	35
Depreciation charges		578	112	-	690
Share of central support costs	4(a)	-	395	-	395
		1,983	735	100	2,818
Youth Ministry Trust					
Youth Services		-	-	1,077	1,077
Total cost of charitable activities	4(b)	7,466	3,636	2,496	13,598

Notes to the financial statements

at 31 March 2025

4(a). Central support costs in Unrestricted funds

2025	<i>Staff costs £000</i>	<i>Other costs £000</i>	<i>2025 Total £000</i>
Episcopal office	165	22	187
Finance, HR, Data Protection, Communications	578	354	932
Governance costs, note 6(a)	4	393	397
Diocesan office overheads	23	116	139
	<u>770</u>	<u>885</u>	<u>1,655</u>
Apportioned to charitable activities:			
Clergy support (25%)	193	221	414
Pastoral (25%)	193	221	414
Education (25%)	193	221	414
Property (25%)	193	221	414
	<u>770</u>	<u>885</u>	<u>1,655</u>
 2024	 <i>Staff costs £000</i>	 <i>Other costs £000</i>	 <i>2024 Total £000</i>
Episcopal office	158	27	185
Finance, HR, Data Protection, Communications	457	338	795
Governance costs, note 6(a)	4	405	409
Diocesan office overheads	21	170	191
	<u>640</u>	<u>940</u>	<u>1,580</u>
Apportioned to charitable activities:			
Clergy support (25%)	160	235	395
Pastoral (25%)	160	235	395
Education (25%)	160	235	395
Property (25%)	160	235	395
	<u>640</u>	<u>940</u>	<u>1,580</u>

Basis of allocation and apportionment

The costs of the Episcopal office and of the central Diocesan departments have, as far as possible, been allocated directly to the relevant charitable activity. The remaining unallocated costs have been apportioned equally to charitable activities, as the Trustees are of the opinion that no single activity is of more importance than any other, and the interaction and close links between different activities makes this the most reasonable basis of apportionment.

Notes to the financial statements

at 31 March 2025

5. Grants and donations

During the year the Charitable Company made a large number of donations, as described below:

	2025 £000	2024 £000
Bishop's charities	-	-
Clergy Training Fund	-4	4
Little Sisters of the Poor	33	28
National Catholic Fund	77	77
Domestic grants	10	1
Lay Training Fund	10	8
Caritas Vicariate	23	8
Catholic Education	27	18
Marriage Care	-	10
Apostleship of the Sea	23	24
Holy Places	15	66
Peter's Pence	36	25
Racial Justice	8	9
Sick and Retired Priests NBF	30	40
World Communications	24	19
Day for Life	23	20
Home Mission	82	22
World Mission	-	21
Other Mission Charities	8	46
CAFOD Development and emergency aid	88	87
Other smaller grants	359	248
Total group charitable grants and donations	872	781

These are included in charitable activities (note 3) as follows:

Clergy support	-4	44
Pastoral	849	719
Education	27	18
	872	781

Parishes occasionally allow fundraisers from other charities to collect outside of Mass or through collection boxes in parishioners' homes. These funds are usually counted and recorded by the receiving Charitable Company and do not pass through parish funds.

at 31 March 2025

Unrestricted funds

Restricted funds

2024

Audit fees

*Included in audit fees is £2,880 (2024: £3,420) related to other assurance services provided. Not included above, but included in Youth Ministry Trust restricted costs on the SOFA and Note 3 are audit and accountancy fees of £24,739 (2024 £19,900)

Notes to the financial statements

at 31 March 2025

6(b).Expenditure on raising funds

2025

	Unrestricted funds			Restricted funds		
	Parish £000	Central £000	Total £000	Parish £000	Managed Fund £000	2025 Total £000
Fundraising and publicity costs	99	89	188	50	-	238
Stockbroker fees	-	201	201	-	-	201
Gift Aid office costs	-	-	-	-	-	-
	99	290	389	50	50	439

2024

	Unrestricted funds			Restricted funds		
	Parish £000	Central £000	Total £000	Parish £000	Managed Fund £000	2024 Total £000
Fundraising and publicity costs	68	40	108	28	-	136
Stockbroker fees	-	221	221	-	20	241
Gift Aid office costs	-	29	29	-	-	29
	68	290	358	28	20	406

Notes to the financial statements

at 31 March 2025

7. Wages and Staff costs

Included in expenditure are the following staff costs:

	2025 £000	2024 £000
Wages and salaries	2,823	2,521
Social security costs	217	184
Other pension costs	185	172
Total remuneration	3,225	2,877

All pension costs are paid out of unrestricted funds.

	2025 Number of employees	2025 £000	2024 Number of employees	2024 £000
Central Diocesan services	54	2,125	52	1,861
Parishes	113	751	116	743
Youth Ministry Trust	16	349	16	273
	183	3,225	184	2,877

No trustee received any remuneration during the year or previous year. Certain trustees received allowances as serving Clergy but not in their capacity as trustee. Pension contributions paid for Trustees as members of the Clergy scheme amounted to £7k (2024: £5.7k).

Seven trustees received expenses to the value of £4.4 (2024: £3.6k) in respect of travel and subsistence costs.

Higher paid employees received remuneration of:

between £80k and £90k	2 employees	(2024: 1)
between £70k and £80k	1 employee	(2024: 0)
between £60k and £70k	1 employee	(2024: 3)

No other employee received more than £60k.

Total remuneration of key management personnel (Chief Operating Officer and 6 Heads of Departments) was £568k (2024: £576k).

Clergy are not included in the above staff details as they are Office Holders and not employees of the Charitable Company. Payments to clergy during the year amounted to £766k (2024: £862k).

The Charitable Company is very grateful for the help of the army of volunteers who support the work of every member of the group. It is estimated that some 8,000 people support the parishes, and without their help the parishes could not function. It is however not possible to value the service provided by volunteers.

Notes to the financial statements

at 31 March 2025

8(a).Tangible fixed assets

Group	<i>Freehold property £000</i>	<i>Motor vehicles £000</i>	<i>Fixtures, fittings and equipment £000</i>	<i>Total £000</i>
Cost:				
At 1 April 2024	47,981	27	3,966	51,974
Additions	1,562	-	36	1,598
Disposals	-	-	-	-
Transfer to Investment Property	(789)	-	-	(789)
At 31 March 2025	48,754	27	4,002	52,783
Accumulated depreciation:				
At 1 April 2024	15,544	24	3,458	19,026
Charge for the year	821	1	126	948
Disposals	(100)	-	-	(100)
Transfer to Investment Property	(5)	-	-	(5)
At 31 March 2025	16,260	25	3,584	19,869
Net book value:				
At 31 March 2025	32,494	2	418	32,914
At 31 March 2024	32,437	3	508	32,948

Notes to the financial statements

at 31 March 2025

Company	Freehold property £000	Motor vehicles £000	Fixtures, fittings and equipment £000	Total £000
Cost:				
At 1 April 2024	47,981	27	3,812	51,820
Additions	1,561	-	29	1,590
Disposals	-	-	-	-
Transfer to Investment Property	(789)	-	-	(789)
At 31 March 2025	48,753	27	3,841	52,621
Accumulated depreciation:				
At 1 April 2024	15,544	24	3,371	18,939
Charge for the year	820	1	95	916
Disposals	(100)	-	-	(100)
Transfer to Investment Property	(5)	-	-	(5)
At 31 March 2025	16,259	25	3,466	19,750
Net book value:				
At 31 March 2025	32,494	2	375	32,871
At 31 March 2024	32,437	3	441	32,881

8(b). Tangible fixed assets – Heritage assets

There have been no transactions in works of art and historic treasures during the past five years. Where acquisitions were made, these were by donation. In the Trustees' view the value of these donations is not material and obtaining a current valuation would involve disproportionate cost.

Management policy

The works of art and historic treasures owned by the Charitable Company comprise several hundred items, acquired throughout many years. The items were acquired mostly through direct donation and occasionally by purchase.

Notes to the financial statements

at 31 March 2025

9. Fixed asset investments

The Diocese is the sole member of the Youth Ministry Trust, a company registered in England and Wales (07937704), and as such have been consolidated into the group financial statements for the year ending 31st March 2024.

For the year ended 31st March 2025, the Youth Ministry Trust had income of £1,049k (2024: £823k), expenditure of £1,073k (2024: £1,077k) and made a deficit of £44k (2024: deficit of £254k). At the Balance Sheet date the Youth Ministry Trust had net assets of £1,440k (2024: £1,478k)

	Notes	£000 2025	£000 2024
Quoted investments:			
Investment fund	12	29,340	31,825
Managed fund	13	10,677	11,281
Total quoted investments		40,017	43,106
Investment in Sursum Corda Limited	14	250	250
Fixed investment deposits		3,675	3,619
Direct lending investments		8	8
		43,950	46,983
		£000	£000
Investment categories (quoted investments):			
<i>Main Fund:</i>			
Conventional gilts		0	264
UK fixed interest		3,164	3,082
UK equities		5,466	4,870
Overseas equities		20,388	23,148
Property		322	462
<i>Managed Fund:</i>			
Catholic Investment Fund		10,677	11,280
		40,017	43,106

Notes to the financial statements

at 31 March 2025

10. Investment properties

Group and Company	<i>Diocesan Central fund £000</i>	<i>Parishes unrestricted fund £000</i>	<i>2025 Total £000</i>	<i>2024 Total £000</i>
Market value:				
At 1 April 2024	499	3,069	3,568	3,316
Assets Transferred from Fixed Assets	-	(214)	(214)	24
Assets Transferred to Assets Held for Sale	-	-	-	-
Unrealised gains on revaluation	898	3,542	4,440	228
At 31 March 2025	1,397	6,397	7,794	3,568
Book cost of investment property:				
At 31 March 2025	243	1,910	2,153	2,117

11. Valuation of investment properties

Properties have been included at Trustees' valuation.

Investment properties have been valued at fair value in accordance with the Charities SORP (FRS 102), paragraph 10.47–10.48. Valuations were derived from publicly available market data and verified using local knowledge.

Occasionally a peppercorn rent agreement has been arranged if the church will benefit from the occupation of the property. For example:

- safeguarding a nearby church where there is no resident priest
- tenant has agreed to substantially renovate the premises
- used by similar charities such as convents or religious orders and seen as furthering the outreach work of the church.

Notes to the financial statements

at 31 March 2025

12. Investment fund

	2025	2024
	£000	£000
At 1 April 2024	31,825	27,308
Additions	9,663	9,019
Disposals	(11,337)	(7,906)
Net unrealised investment (losses)/gains	(811)	3,404
Market value of quoted investments at 31 March 2025	29,340	31,825
Book cost of quoted investments as at 31 March 2024	26,464	27,364
Comprising at 31 March:		
	2025	2024
	<i>Total</i>	<i>Total</i>
	£000	£000
CCLA	29,340	31,825

13. Managed fund

	2025	2024
	£000	£000
At 1 April 2024	11,281	10,260
Additions	-	-
Disposals	-	-
Net unrealised investment /gains	(604)	1,021
Market value of quoted investments as at 31 March 2025	10,677	11,281
Book cost of quoted investments as at 31 March 2025	11,178	10,251
Comprising at 31 March:		
	2025	2024
	<i>Total</i>	<i>Total</i>
	£000	£000
CCLA	10,677	11,281

See note 15 for further details of the Managed Fund.

Notes to the financial statements

at 31 March 2025

14. Other investments

The Diocese holds 100% of the ordinary share capital of Sursum Corda Limited.

Financial information relating to these companies is as follows:

	Net movement in funds	Reserves
	£000	£000
Sursum Corda Limited		
31 March 2025	(15)	(249)
31 March 2024	(15)	(249)

15. The Managed Fund

The Managed Investment Fund was derived initially from legacies and bequests and money held on trust under the protection of Charitable Company Trustees. Each donation is redefined as a number of units, determined by a rate based on the market value of the fund at the date of subscription.

The capital is then invested in the Managed Fund. Its many individual subscriptions can be broadly categorised into:

- church funds deposited for investment
- special donations deposited for investment

The Managed Fund comprises quoted investments and cash awaiting investment held by CCLA Investment Management at HSBC.

At 31 March 2025 the fund comprised:

	Note	Initial cost plus reinvested gains £000	Market value £000
Quoted investments	13	11,178	10,677
Value of investment at 31 March 2025		11,178	10,677

Notes to the financial statements

at 31 March 2025

15. The Managed Fund (continued)

This fund is apportioned as follows:

	<i>Initial cost 31/3/25 £000</i>	<i>Market value 31/3/25 £000</i>	<i>Number of Units 31/3/25</i>
Special donation balances:			
Historical Mass Fund	208	890	91,074
Diocesan Designated Fund	103	415	42,476
Parishes Designated Fund	572	4,022	411,601
Restricted Fund	120	756	77,340
Clergy Training Fund	1,810	4,197	429,486
Lay Training Fund	138	240	24,595
	2,951	10,520	1,076,572
Church funds balances:			
Historical Mass Fund	61	140	14,346
Diocesan Designated Fund	35	104	10,639
Parishes Designated Fund	26	44	4,539
Restricted Fund	130	370	37,842
	252	658	67,366
Total Managed Fund	3,203	11,178	1,143,938

16. Debtors

	<i>2025 Group £000</i>	<i>2025 Company £000</i>	<i>2024 Group £000</i>	<i>2024 Company £000</i>
Trade debtors	226	154	345	280
Gift Aid Debtor	862	862	1,052	1,052
Accrued investment income	24	24	139	139
Accrued income	79	-	-	-
Accrued grant from Significance	1,164	-	1,164	-
Other debtors	321	321	216	135
Prepayments	616	593	709	692
Assets held for disposal	1,458	1,458	495	495
Assets held for construction	104	-	96	-
Schools Devolved Formula Capital	220	220	154	154
Total debtors at 31 March	5,074	3,632	4,370	2,947

Amounts falling due after more than one year included in the above are £250k (2024: £225k).

Notes to the financial statements

at 31 March 2025

17. Short term deposits

This includes cash held awaiting investment.

Group and Company	2025 £000	2024 £000
Diocesan Central Fund: HSBC, managed by CCLA	2,385	1,262
Total short term deposits at 31 March	2,385	1,262

18. Short term loans

Group and Company	2024 £000	2024 £000
Loans to Priests	14	17
Other loans	60	104
Total short term loans at 31 March	74	121

Amounts falling due after more than one year included in the above are £40k (2024: £71k).

19. Creditors: amounts falling due within one year

	2025 Group £000	2025 Company £000	2024 Group £000	2024 Company £000
Trade Creditors	534	316	104	89
Sundry Creditors	109	104	106	80
Accruals	760	702	922	663
Schools Devolved Formula Capital	1,676	1,676	2,358	2,358
Schools Capital Allowance	488	488	1,325	1,325
Deposits repayable on demand	43	43	99	99
	3,610	3,329	4,914	4,614

Notes to the financial statements

at 31 March 2025

20. Note to statement of cash flows

a) Reconciliation of net (expenditure) to net cash (outflow) from operating activities

	2025 £000	2024 £000
Net (expenditure)	(3,078)	(1,368)
Depreciation and assets written off	947	712
(Decrease) infixed asset impairment		250
Decrease/(Increase) in debtors	258	(473)
(Decrease) in creditors	(1,318)	(531)
Investment income	(1,454)	(1,337)
Net cash (outflow) from operating activities	(4,645)	(2,747)

b) Movement in net debt

	1 April 2024 £000	Cash flows £000	31 March 2025 £000
Cash at bank and in hand	18,975	(4,291)	14,684
Short term deposits	1,262	1,123	2,385
Cash and cash equivalents	20,237	(3,168)	17,069

Notes to the financial statements

at 31 March 2025

21. Reserves summary 2025

	Note	At April 2024 £000	Statement of financial activities			Transfers between funds (c) £000	Balance at 31 March 2025 £000	
			Income £000	Expenditure £000	Investment Property £000			
Restricted reserves								
Clergy Training Fund	(a)	(225)	-	88	-	-	(313)	To meet the costs of training clergy (a)
Managed Capital Funds	(b)	12,460	327	15	(603)	-	12,169	Income used for various specified purposes (b)
Parishes Special Collections and Grants	(c)	113	649	573	-	-	189	Donated to missions, special appeals, etc. (c)
Parishes Restricted Fundraising	(d)	651	589	248	-	-	992	Fundraising for specified projects (d)
Main Fund Restricted Funds	(e)	139	560	583	-	-	116	Various specified purposes (e)
National Schools Singing Programme		25	-	-	-	-	25	To support and promote music in the Diocese
Main Fund Special Reserve		300	-	-	-	-	300	For a project to benefit sick and retired clergy
Other (Grants and Legacies)		16	3	-	-	-	19	To meet the costs of specified purposes
YMT – Significance Fund	(f)	1,215	1,049	1,093	-	-	1,171	Grant income for capital building works (f)
YMT – Other		265	-	-	-	-	265	Various specified purposes
Total restricted reserves		14,959	3,177	2,600	(603)	-	14,933	
Unrestricted reserves								
Diocesan Central Funds		23,594	1,677	5,301	(100)		19,870	
Unrestricted designated reserves								
Parishes' Funds		64,760	8,074	8,102	3,730	-	68,462	
Total unrestricted reserves		88,354	9,751	13,403	3,630	-	88,332	
Total charity reserves		103,313	12,928	16,003	3,027	-	103,265	

Notes

- (a) The consolidated figures for Clergy Training Fund, above, do not show the aggregated income received into the fund from the Managed Investments Including these brings the reserves up to £236k
- (b) Income invested on behalf of Parishes, where income is primarily used for Mass Intentions. Where income to the Managed Fund is subsequently distributed to other funds that income is shown in the financial statements only as income of the ultimate recipient fund. The 'Incoming resources' to the Managed Fund shown above represents income of that fund re-invested into that same fund.
- (c) Special Collections are collected in Parishes in addition to Offertory Income, for specific purposes, where the income is paid over to the relevant causes such as missions, Education and Care for Priests
- (d) Parishes fundraise for a variety of projects, from charitable causes to capital building works.
- (e) The Main Fund Restricted Funds received during the year included Schools' Contributions to the Department which was fully expended during the year.
- (f) Grant from the Significance Trust for the purposes of capital building works.

Notes to the financial statements

at 31 March 2025

21. Reserves summary (cont'd) 2024

	Note	At April 2023 £000	Statement of financial activities			Transfers between funds (c) £000	Balance at 31 March 2024 £000
			Income £000	Expenditure £000	Fixed asset gains £000		
Restricted reserves							
Clergy Training Fund	(a)	(140)	49	134	-	-	(225)
Managed Capital Funds	(b)	11,116	344	20	1,020	-	12,460
Parishes Special Collections and Grants	(c)	53	606	546	-	-	113
Parishes Restricted Fundraising	(d)	566	298	213	-	-	651
Main Fund Restricted Funds	(e)	125	570	556	-	-	139
National Schools Singing Programme		25	-	-	-	-	25
Main Fund Special Reserve		300	-	-	-	-	300
Other (Grants and Legacies)		16	-	-	-	-	16
YMT – Significance Fund	(f)	1,475	-	260	-	-	1,215
YMT – Other		255	823	815	-	-	265
Total restricted reserves		13,791	2,690	2,544	1,020	-	14,959
Unrestricted reserves							
Diocesan Central Funds		22,788	1,539	3,926	3,193	-	23,594
Unrestricted designated reserves							
Parishes' Funds		63,068	8,405	7,534	821	-	64,760
Total unrestricted reserves		85,856	9,944	11,460	4,014	-	88,354
Total charity reserves		99,647	12,636	14,004	5,034	-	103,313

To meet the costs of training clergy (a)
Income used for various specified purposes (b)
Donated to missions, special appeals, etc. (c)
Fundraising for specified projects (d)
Various specified purposes (e)
To support and promote music in the Diocese
For a project to benefit sick and retired clergy
To meet the costs of specified purposes
Grant income for capital building works (f)
Various specified purposes

Notes to the financial statements

at 31 March 2025

22. Analysis of Net Assets by Fund

2025	Note	Designated £000	Unrestricted £000	Diocesan Restricted £000	Diocese Total £000	YMT Restricted £000	2025 £000
Tangible Assets	8	30,163	2,708	-	32,871	43	32,914
Current Assets		38,299	17,162	13,499	68,960	1,391	70,351
		68,462	19,870	13,499	101,831	1,434	103,265

2024	Note	Designated £000	Unrestricted £000	Diocesan Restricted £000	Diocese Total £000	YMT Restricted £000	2024 £000
Tangible Assets	8	29,164	3,717	-	32,881	67	32,948
Current Assets		35,596	19,877	13,481	68,954	1,411	70,365
		64,760	23,594	13,481	101,835	1,478	103,313

Notes to the financial statements

at 31 March 2025

23. Capital commitments

Amounts contracted for at the year end but not provided in the financial statements amounted to £460k (2024: £50k) for parish building work.

23. Contingent liability

In the opinion of the Trustees there were no contingent liabilities in existence other than in the normal course of the activities of the Charitable Company as at 31 March 2025.

24. Pension commitments

A Group Personal Pension Scheme administered by Standard Life is operated for Diocesan Clergy. There is a Stakeholder Pension Scheme administered by Standard Life available for all employees. One member of staff is a member of a defined contribution pension scheme administered by Prudential (no new members are admitted to this scheme). The Charitable Company is also a member of the Teachers' Pension Scheme, continuing the contributions (on a defined contribution basis) of senior staff who are qualified teachers. The assets of all of these pension schemes are held separately from those of the Charitable Company in independently administered funds.

25. Liability

The Charitable Company is a private company limited by guarantee. The liability of the members is limited and every member undertakes to contribute to the assets of the company, in the event of the Charitable Company being wound up while he or she is a member, or within one year after he or she ceases to be a member, for the debts and liabilities of the company contracted before he or she ceased to be a member and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding one pound.