

# MIDDLESBROUGH DIOCESAN TRUST

England & Wales · Charity number 233748

## Details

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**Status** Registered

**Legal form** Trust

**Registered** 1964-04-21

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Diocese Of Middlesbrough  
50a The Avenue  
Middlesbrough  
TS5 6QT

**Phone** 01642850505

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**Website** [www.middlesbrough-diocese.org.uk](http://www.middlesbrough-diocese.org.uk)

## Activities

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**Objects:** THE ADVANCEMENT OR MAINTENANCE OF THE ROMAN CATHOLIC RELIGION IN THE ROMAN CATHOLIC DIOCESE OF MIDDLESBOROUGH

**Activities:** The aims and objectives of the Trust are the advancement or maintenance of the Roman Catholic religion in the Roman Catholic Diocese of Middlesbrough.

## Classification

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- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Religious Activities, Human Rights/religious Or Racial Harmony/equality Or Diversity
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups, The General Public/mankind

## Geography

- **Area of benefit:** ROMAN CATHOLIC DIOCESE OF MIDDLESBROUGH
- City Of York
- East Riding Of Yorkshire
- Kingston Upon Hull City
- Middlesbrough
- North Yorkshire
- Redcar And Cleveland
- Stockton-on-tees

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£6,840,076	£6,586,820	£62,854,939	25
2023-12-31	£6,170,389	£6,229,860	£57,971,682	24
2022-12-31	£6,139,014	£5,620,102	£58,780,824	25
2021-12-31	£6,611,622	£5,020,872	£57,090,865	23
2020-12-31	£4,922,141	£4,548,992	£51,364,769	23

## Trustees

Name	Role	Appointed
DIOCESE OF MIDDLESBROUGH TRUSTEE		

## Linked charities

- DIOCESE OF MIDDLESBROUGH CLERGY RETIREMENT FUND (233748-1)

**MIDDLESBROUGH DIOCESAN TRUST**

England & Wales - Charity number 233748

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# Accounts

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**DIOCESE OF MIDDLESBROUGH**

**TRUSTEE'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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**DIOCESE OF MIDDLESBROUGH**

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## DIOCESE OF MIDDLESBROUGH

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### REFERENCE AND ADMINISTRATIVE DETAILS OF THE DIOCESE, ITS TRUSTEE AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2024

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**Trustee** Diocese of Middlesbrough Trustee

**Directors And Officers of The Diocese Of Middlesbrough Trustee:**

The directors shown below have held office for the whole of the period from 1 January 2024 to the date of this report.

- Rt Rev Terence Patrick Draine, Bishop of Middlesbrough
- Very Rev Mgr Canon G Robinson, Vicar General
- Mr J C Fleming
- Rev W Massie
- Mr P G Westmacott
- Dr T A Lyth
- Mr A T McMillan
- Mrs B Hungin
- Mr C Leather

Changes in directors holding office are as follows:

- Mr N Mack (resigned 24 July 2025)

**Charity registered number**

233748

**Principal office**

Curial Offices  
50a The Avenue  
Middlesbrough  
TS5 6QT

**Financial Secretary**

Mr J Walton

**Independent auditors**

Waltons Business Advisers Limited  
Harbour Walk  
The Marina  
Hartlepool  
TS24 0UX

**Bankers**

Barclays Bank PLC  
5 St Ann's Street  
Quayside  
Newcastle upon Tyne  
NE1 3DX

**Solicitors**

Grays Solicitors  
Duncombe Place  
York  
YO1 2DX

**Key Management Personnel:**

**Chief Operating Officer:** Rev P Warren  
**Financial Secretary:** Mr J Walton  
**Director of Schools:** Mrs K Bailey

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

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The Trustee presents its report and accounts for the year ended 31 December 2024

#### **CONSTITUTION AND AIMS**

The Roman Catholic Diocese of Middlesbrough is governed by a Trust Deed dated 2 January 1928 and is registered under the Charities Act 1960 – No 233748. The sole Trustee of the Charity is a Trust Corporation, Diocese of Middlesbrough Trustee, company registration number 03482285, which was incorporated on 17 December 1997. The Charity is controlled by the Bishop who is assisted by up to ten directors of the Trust. The Bishop is empowered to appoint and dismiss all directors. Details of the Directors, acting as Trustees of the Charity, who served during the year, are given on page one.

The aims and objectives of the Trust are the “advancement or maintenance of the Roman Catholic Religion in the Roman Catholic Diocese of Middlesbrough”.

The Trustee Board directors confirm that they have complied with the duty in the Charities Act 2011 Section 17 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

#### **OBJECTIVES AND ACTIVITIES**

The aim of the Diocese is, in accordance with the objectives of the charity, the advancement of the Roman Catholic religion and education in the Diocese of Middlesbrough.

This advancement of the Roman Catholic religion is achieved, most effectively, when Catholics, inspired by faith, share the love of God with those around them, whether in their families, in the workplace, in schools or in the community.

The Diocese fulfils its purpose by offering religious and pastoral services, educational programmes and charitable support and assistance to all within its boundaries whether they be Catholics or belong to other religions or to none. This formation then enables the people of the Diocese to carry out the mission of the Church by reaching out to those in any form of need including refugees and asylum seekers and immigrants, to those who have alcohol or drug dependency, to the homeless and to the poor and by supporting food banks. Schools, too, have involvement in this outreach through the way in which they help to form responsible individuals going out into society and reflecting the love of God by putting their faith into action.

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

The Diocese comprises sixty-eight parishes, five of which are served by the Benedictine Order, two by the Oratorians who have now formed their own charity, the York Oratory Trust, one by a Syro Malabar priest, and two by the Oblates of The Virgin Mary. We also have priests from other dioceses and “Religious” priests administering in and working in fourteen parishes. In addition to this, we have University Chaplaincies in Hull and in York. We now have thirty one diocesan priests in active ministry. We also have twenty two priests who have retired from parish pastoral office. Sadly, three retired priests have died in the past year. A number of our retired priests provide supply assistance to resident priests. We now have eleven permanent deacons, boosted by four diaconal ordinations in 2025, working in various parishes of the Diocese and eight who have retired. Parishes aim to provide for the spiritual needs of people of all ages with special emphasis on the needs of the poor and disadvantaged and the sick. There is also great awareness of the plight of refugees and asylum seekers and much effort is expended on assisting those in this position.

We try to work in harmony with other Christian churches and people of all faiths as appropriate. Strongly supported by the Bishop, education in the faith is provided through our schools. There are forty five primary schools and eight secondary schools all of which are now members of multi academy trusts (MATs) and two independent schools operate in the Diocese. One of our academy schools serves jointly Catholics and Church of England pupils from the Richmond area.

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

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The operation of the Charity is overseen by the Corporate Trustee. Directors of the Trustee are appointed by the Bishop. The Trustee Board normally meets seven times in the year under the Chairmanship of the Bishop. A number of Board committees provide advice and guidance to the Trustee Board on a range of matters relevant to the Charity. These meet, normally, in advance of each Board meeting so that the Trustee body can be made aware of any matters of significance. Currently, these committees and sub committees are as follows:

**Finance Advisory Committee:** Following a recent resignation of a Trustee Board director, the committee is, currently, made up of two Trustee Board directors and a senior priest supported by officers and specialists. The committee meets seven times a year, in advance of the Trustee Board meeting, reviewing parish expenditure, and the Curia budget and, in addition, it deals with other matters of financial governance.

**The Investment Sub-committee of the Trustee Board, which incorporates the Ethical Investment Committee:** is made up of two Board directors, the Financial Secretary/COO, the newly appointed Head of Finance, a member of the Council of Priests (COP) and the Investment Manager. The sub-committee is led by one of those directors and it has a remit to review the make-up of the portfolio in order to, both, ensure that the investments are appropriate for the needs of the Diocese and satisfy the principles of the Ethical Investment Policy. The role of the member of the COP is to ensure that the diocesan ethical stance is satisfied.

**Safeguarding Sub Committee:** This Sub Committee is chaired by an independent person who has significant experience in Child Protection work. He is also a Trustee Board director. The sub committee is made up of representatives of statutory authorities, diocesan clergy and another Director of the Trustee Board. The diocesan Safeguarding Co Ordinator attends the meetings of the sub committee and reports to each Trustee Board meeting on the implementation of policies and procedures and, additionally, any matters of concern.

**Diocesan Historic Churches Commission (HCC):** The HCC is chaired by a senior priest with representatives from various heritage bodies, specialists and Diocesan representatives. The Commission is charged with the task of ensuring that regular inspections are carried out and that any required work is carried out in an appropriate manner. It also requires that any work on the twenty four listed churches and chapels in the Diocese be not undertaken without its prior approval. The Commission has also taken into its care a number of churches which experts consider should be listed.

**Sick and Retired Priests' Welfare Committee:** This committee, chaired by the Episcopal Vicar for Clergy, is responsible for supporting the sick and aged priests of the Diocese and the approval of expenditure for their welfare. The Care & welfare Consultant reports to the Committee and her reports are integral to the operation of the Committee. Membership comprises the Chair, two priests elected by the Diocesan priests, a priest retired from pastoral office, a deacon and laity appointed by the Bishop.

**The Directors of the Trust** are also the Diocesan Finance Committee required by Canon Law (Canon 492). Newly appointed Trustee Directors are briefed, initially, by the Company Secretary and receive copies of the Memorandum and Articles of Association, copies of the Charity Commission document on the responsibilities of Trustees and copies of Board minutes. There have been changes since the date of the last Trustee's Report with one director resigning for personal reasons and one new appointment.

**The Chief Operating Officer** continues to provide legal advice and act as Company Secretary in addition to having responsibility for the operations of the Curia. He has, recently, assumed the title of Financial Secretary following the impending retirement of the former Financial Secretary.

**The recently-appointed Head of Finance** with her staff, under the ultimate authority of the Bishop, is responsible for handling all financial and property matters.

**The Bishop's Council**, comprising the Vicar General, and Episcopal Vicars with responsibility across the Diocese for aspects of a pastoral nature, together with the Chancellor, continues to advise and assist the Bishop in pastoral matters.

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

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**The Diocesan Gift Aid Officer**, appointed at the start of 2025, works closely with parishes on financial matters, particularly Gift Aid, and provides support where needed. She also reviews Parish Financial Returns with outcomes from this work being critical to provision of information for audit purposes. In addition to this, she performs accounting functions in the Finance Department. In the short time that she has been with the Diocese, she has identified ways to improve the relationship between the Curia and the parishes.

**Fundraising Officer:** The Fundraising Officer meets, periodically, with representatives of parish Finance Committees. It was, previously, reported that he had introduced facilities for cashless giving in parishes and thirty-five machines are now in place in parishes. This officer has now become more involved in fundraising activities of the Diocese. More recently, he has introduced a stewardship initiative, "My Parish, My Mission" an initiative already in place in some other dioceses. The aim is to encourage more volunteer participation in parish activities and increase the number of planned giving contributions.

**Care and Welfare:** The consultant dealing with welfare needs of priests has continued her work throughout the Diocese. This is a service very much appreciated and well used by priests.

#### **Remuneration Policy**

The Trustee Board approves annual pay awards and job roles and remuneration are reviewed periodically. If, and when, significant roles change hands, benchmarking of rates is employed.

#### **Subsidiary Company**

The Diocese has a wholly owned subsidiary company, Diocesan Property Management Limited. The company was established to facilitate the management of building contracts for the Diocese and its sales are to the Diocese only. The company provides its services at cost and makes a minimal profit or loss. For the year ended 31 December 2024, the turnover of the company was £Nil (2023: £Nil) and its loss was £891 (2023: £713).

#### **Investment Powers and Policy**

The Trust Deed, in conjunction with the Trustee Investment Act 1961 and the Memorandum and Articles of Association of the Trust Corporation, authorises the Trustee to make and hold investments using the general funds of the Diocese. The investment objective of the Trustee is that the real value of the assets should be maintained and enhanced over the long term and that the fund provides income to assist in the operational costs of the Diocese.

The Investment Manager manages the portfolio on a discretionary basis, with an emphasis on medium risk, and the Diocese and the Investment Manager meet periodically to review the portfolio and its performance. In the management of the portfolio the Investment Manager takes due account of the Diocesan Ethical Investment Policy and reports to the recently formed Investment Sub-committee. Dividend income has held up well during the year.

The asset mix we have in the portfolio served us well for a number of years and we continue to believe it will again, once the interest rate cycle peaks and turns lower. In the meantime, dividend flows are expected to be maintained, providing at least some comfort whilst capital values are depressed.

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**DIOCESE OF MIDDLESBROUGH**

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**TRUSTEE'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**FINANCIAL REVIEW AND REVIEW OF THE YEAR**

The table below summarises the financial activities of the Diocese:-

	2024		2023	
	Unrestricted £k	Restricted £k	Unrestricted £k	Restricted £k
<b>PARISHES</b>				
Income (excluding profit on sale of assets)	4,465	319	3,920	299
Expenditure	(3,891)	(187)	(3,553)	(257)
Diocesan assessment and transfer	(975)	-	(731)	-
<b>Surplus/(deficit) before transfers etc</b>	<b>(401)</b>	<b>132</b>	<b>(364)</b>	<b>42</b>
Transfers	-	-	-	-
(Loss)/Profit on sale of assets	-	-	-	-
Unrealised (loss)/gain on investment property	1,225	-	(200)	-
Added to/ (deducted from) reserves	<b>824</b>	<b>132</b>	<b>-</b>	<b>564</b>
<b>CURIAL</b>				
Diocesan assessment & transfer	975	-	731	-
Other income (excluding profit on sale of assets)	1,862	194	1,623	328
Total income	<b>2,837</b>	<b>194</b>	<b>2,354</b>	<b>328</b>
Expenditure	(2,166)	(344)	(2,073)	(347)
<b>Surplus/(deficit)</b>	<b>671</b>	<b>(149)</b>	<b>281</b>	<b>(19)</b>
Other transfers	(34)	34	(96)	96
(Loss)/Profit on sale of assets	-	-	-	-
Realised/unrealised gain/ (loss) on investments	664	-	(549)	-
Added to/(deducted from) reserves	<b>1,301</b>	<b>(115)</b>	<b>(364)</b>	<b>77</b>

Full details of the income and expenditure are shown in the statement of financial activities on page 16 and in the notes to the accounts.

The Trustee Board wishes to place on record its sincere thanks to all priests, the Curia Office staff, parish volunteers and external professions for their efforts on behalf of the Trust.

**Reserves Policy**

The Trustee Board has not determined a fixed amount of general reserves that are required but consider that the reserves need to be maintained at least at the present level in order to meet possible shortfalls in income and to be able to respond to requests for funding.

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

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#### **PUBLIC BENEFIT, ACHIEVEMENTS AND PERFORMANCE**

In preparing this report, the Directors of the Corporate Trustee confirm that they have complied with their duty in the Charities Act 2011 to have full regard to the public benefit guidance published by the Charity Commission's guidance in the exercise of their powers and duties.

The provision of public benefit provided by the Charity includes the provision of religious ceremonies (such as baptisms, weddings and funerals), maintaining religious burial grounds, celebrating public Masses and providing and maintaining places of worship. There is also a benefit to the general public since churches can be accessed, by people of all faiths and none, for personal spiritual contemplation. Parishes are, themselves, communities which contribute to the moral and spiritual wellbeing of those who attend, and, from these centres, educational, social and pastoral work is carried out as a practical expression of faith.

In supporting the parish endeavour, the Diocese has a number of agencies which provide central services. Details of this provision are shown below.

#### **Youth Ministry**

Father Phil Cunnah is the Curial lead in work with young people and takes a major role in the organisation of the Youth and Liturgy work of the diocesan pilgrimage to Lourdes. In addition to this work and the running of his parish, Father Phil has a national chaplaincy role.

#### **The Vicariate for Spirituality and Worship**

The Vicariate oversees the work of the Diocesan Director of Music, The Diocesan Master of Ceremonies and the Historic churches Commission, which includes Diocesan Pilgrimages such as the annual pilgrimages to Lourdes and Walsingham.

In this work, the Vicariate encourages and supports autonomous work as necessary. Over the past year, the pace of the Vicariate in other matters has been dictated by the retirement of the Diocesan Adult Formation Director, who had assumed a significant portion of the practical work the Vicariate in various areas. The remit of the new Adult Formation Director has been reshaped. Their work will be overseen by the Episcopal Vicar for Christian Discipleship.

Much of the remaining work of the Vicariate for Spirituality and Worship is unchanged. The Council supports Extraordinary Ministers of Holy Communion and Ministers of the Word through initial and ongoing formation. Input at Deanery meetings reinforces the support provided. In October, the Diocese hosts an Inspiration Day for these ministers which is attended by approximately four hundred people from across the Diocese.

In the Jubilee Year of 2025, the Vicariate is responsible for the Jubilee Pilgrimage to Rome made by around thirty-five official pilgrims, with other making their own way to Rome at the same time. Additionally, the Jubilee Cross was repositioned from the Lady Chapel to Cathedral for the Year. The Jubilee Pilgrimage Way, from the Cathedral to the Lady Chapel, has also been used by some, with many school groups utilising the final part of the Way during their annual summer pilgrimage days.

The retirement of the Adult Formation Director has impacted the Vicariate's capacity to offer further formation and complete its regular work. Renovation of the Vicariate's structure is required in early 2026. However, the work of the Historic Churches Commission has flourished with a well-attended study day concerning the listed buildings in the Diocese and those with care of them. Oversight of these buildings is both supportive and comprehensive, thanks to a well-constituted committee working under the leadership of Mgr Hogan.

The Vicariate recognises that these initiatives, and others that are beyond our current capacity, are an essential part of the evangelisation and outreach work of the Diocese.

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

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#### Education

NPCAT academy trust, currently, has an interim CEO in post until August 2026 following the resignation of the former CEO. The Board has appointed a new Chair and all members of the board have been appointed since June 2024. The interim CEO has experience of SCRCAT in the south of the Diocese and the Board of SCRCAT is, currently, recruiting directors in order to ensure that it has a full complement of skills to govern effectively.

Throughout the Diocese, with the exception of one school, the quality of education is deemed to be good or better but all schools have strong leadership and management, behaviour and attitudes and personal development judgements. All schools, locally and nationally, face problems with SEND provision, budget constraints and recruitment and retention. The recruitment of practising Catholic leaders is an ongoing challenge that the Diocese works with the schools and Trusts to address.

#### Vocations

Recent experience has been mixed. Two potential students for Valladolid withdrew at the last minute creating frustration and embarrassment. However, we do still have one potential student for next year. In a previous report, we referred to a Nigerian student who had expressed an interest and we are still exploring possibilities.

The position with deacons is much more positive with four ordained to the diaconate this year, three permanent deacons and one transient who should be ordained to the Priesthood later this year. There are also two students for the diaconate, both of whom are doing very well.

#### Work of the Tribunal

The Ministry of the Tribunal is often a last resort when a marriage has completely broken down and has ended in a civil divorce. A declaration of nullity may be requested for a number of reasons. Most commonly, someone wants to enter into another union or is already in another union and wishes to regularise the situation in the eyes of the Catholic Church so that they may participate more fully in its life. These are difficult times and care and generosity are needed to guide them.

The Tribunal is also involved in processing cases concerning clergy in co operation with the National Tribunal Service, established under the Catholic' Bishop's Conference of England and Wales, and the Holy See, with the Dicastery for the Doctrine of the Faith (DDF) and the Dicastery for Clergy.

#### Work of the Chancery

The main work of the Chancery is the processing of marriage papers, sometimes worldwide, for couples where the Catholic party, at least, is resident within the diocesan boundary. This work includes enabling marriages to take place legally (both civilly and canonically); ensuring that the property of the Church is correctly protected and administered on behalf of the people to whom it properly belongs. Other matters dealt with by the Chancery include advice to the Bishop on matters of public good and public order; liaising with outside agencies (both outside of the Church itself and within the Church but outside of the Diocese); enquiries from people regarding the status of themselves or their parishes/churches in Canon Law. In short, the Chancery works to ensure that the Church works properly on behalf of all its members.

#### Vicariate for Christian Discipleship

This Vicariate encompasses a number of elements including Adult Formation, Caritas, Bishop's Council for Marriage and Family Life, Justice and Peace, Hospitals, Prisons, Liaison for Catholic Fellowship and LGBTQ+ Ministry and it forms a link with the wider community beyond the bounds of the liturgical and spiritual life of the Diocese. A priest, working part time, together with administrative support from the Curial Office, works with volunteers from the Diocese, upon whom much of the work depends, and encourages the various agencies.

In Marriage and Family Life, most of the volunteers who completed the Marriage Care Training Course resigned

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

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from the MFL Council due to the lack of uptake of this service by diocesan priests. They do, however, continue to offer marriage preparation through Marriage Care to any couple preparing for marriage who are directed to them by priests. A new Bishop's Council for Marriage and Family Life needs to be appointed.

One new development is the establishment of a John Paul II Fund (using resources from the sale of the former John Paul II Pastoral Centre in Middlesbrough). A small group administers this fund, making grants to support initiatives in the Middlesbrough and Redcar & Cleveland areas, for charities of any kind which are serving those in need, based on the principles of Catholic Social Teaching. The retirement of the Adult Formation Adviser means that the Diocese has to make a decision on the future of this position.

There are some good ecumenical links at local and diocesan level, though there is less interfaith contact.

Communications falls within the ambit of the Episcopal Vicariate for Stewardship and Administration. Work is performed by a part time consultant whose duties include editing the monthly Catholic Voice newspaper, which is available free in all parishes, running the social media platforms and promoting the Diocese via local and national media. The consultant also assists with crisis management and responds to press queries in co ordination with the Bishop, Chief Operating Officer and department heads.

#### **Prison Chaplaincy**

There are seven prisons within the Diocese of Middlesbrough covering the whole range of categories: local, remand, maximum security, women and young people. Each is served by a priest chaplain, or deacon or volunteer, of varying contracted hours to celebrate Mass and other sacraments and respond to the pastoral needs of prisoners as requested. Roman Catholic Chaplains also play their part as members of the multi faith chaplaincy teams in each prison and contribute to the daily round of prison life in a variety of other ways as required by the prison service.

Roman Catholic Chaplains, like all Chaplains, receive regular training and development opportunities provided by the prison service.

#### **Sick and Retired Priests**

Care of our retired priests comes within the remit of the Vicariate for the Clergy. The local Deans still have an important part to play to make our retired priests feel that they remain involved in the life of the local church by attending Deanery conferences if possible as well as other spiritual and social gatherings.

The Retired Priests' Welfare Committee meets several times a year and the practical needs of each retired priest are discussed with the aim that their needs, from housing to healthcare, are met. The Diocese supports priests who have retired from active ministry by providing accommodation and financial assistance. Retired priests also have the services of our Care and Welfare Officer.

Their independence is important to them as it is to us all. Our Care and Welfare Consultant, with her in depth knowledge of the needs of older people coming from her long professional career in nursing, visits our retired men to offer them advice and reassurance about any health issues they may have. It is clear that this is much appreciated and she has a deeper insight into these issues than might another priest.

Our active retired priests are a great help in their willingness to supply cover for holidays, illness etc.

Every year the Bishop meets with the retired priests to celebrate Mass together and then have lunch in a convivial and relaxed atmosphere. The chance to meet up and share stories and anecdotes is enjoyed although some of the stories are re told from previous years.

The annual collection for the retired priests and generous bequests are vital to maintain them in a manner which offers them security after often more than fifty years of service to the people of the Diocese. A specific appeal was made throughout parishes in order to raise additional funds.

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

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#### **Safeguarding**

The Bishop and Trustee Board of Directors are committed to safeguarding children and adults who may be at risk. Safeguarding is a standing item for every ordinary meeting of Trustee Directors, at which the Directors receive and discuss a report from the Safeguarding coordinator. The Safeguarding Sub Committee, formed in 2022 is chaired by Mr Andrew McMillan (Trustee Director) who has significant safeguarding knowledge and experience.

The Safeguarding Team consists of one part-time Safeguarding Coordinator, one full-time Deputy Safeguarding Coordinator and two part time administrators. The Safeguarding Coordinators predominately manage allegations, low level concerns and make timely referrals to statutory agencies when required. The team supports the parishes with safer recruitment which includes, but is not limited to, a Disclosure and Barring Service (DBS) check. The team arranges biennial safeguarding training for Clergy and Parish Safeguarding Representatives (PSR's). The team maintains strong relationships with the Curia, the wider Diocese, statutory agencies and other organisations in order to provide a safe environment.

In December 2023, the Catholic Safeguarding Standards Agency (CSSA) published its report following the audit which was undertaken in September of that year. The audit graded the Diocese of Middlesbrough as "having demonstrated Firm Progress toward meeting the safeguarding standards" and auditors reported that they "found evidence of a long standing commitment to safeguarding that is promoted and modelled by senior leaders". The Diocese will be audited (now called an inspection) again in March 2026.

#### **Liturgy**

We continue to place a great deal of emphasis on all our liturgies, as such we have a wonderful lay faithful who are involved in all aspects of the celebration of Mass. We have good teams of ushers, welcomers, Ministers of the Word and Ministers of Holy Communion. Every year we have training sessions and inspirational days for all our lay faithful; they are an integral part of our Church. Once again, we had a wonderful study day for Ministers of Word and Holy Communion from around our Diocese and our thanks go out to all who assist in organising this, and other events.

The annual pilgrimages to Lourdes and Walsingham continue and were, once again, led by the Bishop and provided opportunities for reflection and faith enhancement.

In each year we have some wonderful liturgies. Most notable of these continues to be the annual Chrism Mass, held at the Cathedral, which brings together the family of the Diocese. We aim to continue the high standards of liturgy throughout our Diocese for this coming year.

#### **Volunteers**

Many parishioners play an active part in parish life and they are central to fulfilling the Mission of the Church in the Diocese playing a vital role in the spiritual, pastoral and social life of their parishes. They serve as Extraordinary Ministers of the Eucharist and the Word, as catechists, welcomers, altar servers, musicians and cleaners. Volunteers also visit the sick and the housebound and raise funds for the purpose of provision of food parcels to families requiring such support. There are also those who work with the diocesan Safeguarding Team to ensure that all volunteers are DBS-checked to the appropriate level for the role that they undertake.

All of these roles provide part of the public benefit required within Charity Commission guidelines and the Trustee Board wishes to express sincere thanks for the work that they do in helping to build and maintain parish communities.

#### **FUTURE PLANS**

Since 2025 is a Jubilee Year, there is, again, the diocesan Jubilee Pilgrimage to Rome and the Diocese travelled between 6th and 11th October led by Bishop Terry.

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## DIocese OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

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Pope Francis opened the doors of St Peter's Basilica, to commence the Jubilee Year, on 24th December 2024 and the year will end with the closing of the doors on 6th January 2026. Other doors throughout Rome, St John Lateran, St Mary Major and St Paul Outside the Walls, opened at differing times and all three will close on 28th December 2025.

The ninth World Day of the Poor will be held on Sunday, 16th November 2025 with the theme, "You are my hope". This was announced by Pope Leo on 13th June 2025, the feast day of St Anthony of Padua.

Once again, the Diocese has plans for a Lourdes Pilgrimage. The next pilgrimage will take place between 23rd and 30th May 2026. This will be the Diocese's 73rd Lourdes Pilgrimage.

#### RISK ASSESSMENT

The Diocesan Trustee Board has assessed the major risks to which the Diocesan Trust is exposed, in particular, those related to the operation and finances of the Trust, and is satisfied that the systems in place to mitigate our exposure to the major risks are operating effectively. The most significant risks identified were Pastoral risks relating to parish life. The issue of the increasing burden on priests due to serving additional churches and communities was identified as significant. Other risks include declining Mass attendances, reducing numbers of priests in active ministry and the risk of failures in safeguarding matters. The Diocese addresses falling Mass attendance in a number of ways including Youth Mission. The Diocesan Vocations Director is active in seeking suitable candidates for Ordination. In terms of safeguarding, the Diocese has a policy and parishes are monitored for compliance.

#### STATEMENT OF RESERVES

Total reserves at 31 December 2024 amounted to £62,854,939 (2023: £60,713,028) and this is made up of:

Parochial reserves £38,223,335 (2023: £37,267,610) which relate, principally, to the assets and activities of individual parishes, and

Curial reserves £24,631,604 (2023: £23,445,418). Of this £4,184,188 represents the balance on restricted items which is not available for general purposes. Included in that restricted total is £1,440,927 being the amount held in the Retired Priests' Welfare Fund. Details of the restricted funds are included in Note 25 to the accounts. Unrestricted funds amount to £20,447,416 of which £1,107,072 is, in essence, a fixed asset fund. The balance of this is in excess of the £3,414,152 held on behalf of parishes and is sufficient to permit the Trustee to continue in operation and to fulfil its obligations.

This year saw an increase in the valuation of investment properties of £2,188,140 and, an unrealised reduction in the value of listed investments of £191,689.

Total reserves are £62,854,939 and of this free reserves are £2,836,196. However this does not include investments which could be sold if necessary and amount to £5,808,059. If these are included free reserves would be £8,644,255.

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**DIOCESE OF MIDDLESBROUGH**

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**TRUSTEE'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**THE STATEMENT OF TRUSTEE'S RESPONSIBILITIES**

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

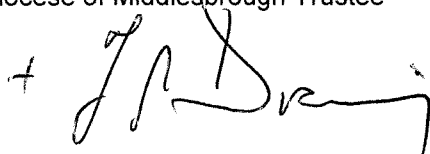
The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements the Trustee is required to:

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

In accordance with charities legislation, the Trustee is responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the Diocese and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed dated 2 January 1928. The Trustee is also responsible for safeguarding the assets of the Diocese and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of the Trustee and signed on their behalf by:

Rt Rev Bishop T P Draney  
Bishop of Middlesbrough  
Diocese of Middlesbrough Trustee

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**Diocese of Middlesbrough Trustee**

Date: 28 October 2025

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## DIOCESE OF MIDDLESBROUGH

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### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH

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#### UNQUALIFIED OPINION

We have audited the financial statements of Diocese of Middlesbrough (the 'charity') for the year ended 31 December 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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## DIOCESE OF MIDDLESBROUGH

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### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH (CONTINUED)

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#### OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustee are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the information given in the Trustee's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### RESPONSIBILITIES OF TRUSTEE

As explained more fully in the Trustees' responsibilities statement, the Trustee is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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## DIOCESE OF MIDDLESBROUGH

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### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH (CONTINUED)

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#### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- Obtained an understanding of the nature of the sector, including the legal and regularity framework that the Diocese operates in and how they are complying with the legal and regularity framework,
- Inquired of management and those charged with governance about their own identification and assessment of the risks of irregularities including any known, actual, suspected or alleged instances of fraud,
- Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements might be susceptible to fraud.

As a result of these procedures we considered the most significant laws and regulations which have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), and the Diocese' governing document. We performed audit procedures to detect non-compliance which may have a material impact on the financial statements which included reviewing the financial statements including the Trustee's report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Audit procedures performed included, but were not limited to:

- testing manual journal entries and other adjustments
- evaluating the business rationale in relation to significant or unusual transactions and transactions entered into outside the normal course of business
- challenging judgments and estimates
- reviewing income transactions around the year end to look for potential "window dressing".

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

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DIOCESE OF MIDDLESBROUGH

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH  
(CONTINUED)

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**USE OF OUR REPORT**

This report is made solely to the Charity's Trustee in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustee those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustee for our audit work, for this report, or for the opinions we have formed.



**Waltons Business Advisers Limited**

Harbour Walk  
The Marina  
Hartlepool  
TS24 0UX

Date: 29 October 2025

Waltons Business Advisers Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**DIOCESE OF MIDDLESBROUGH**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	<i>As restated</i> Total funds 2023 £
<b>INCOME FROM:</b>					
Donations and legacies	4	2,951,972	391,461	3,343,433	3,428,261
Charitable activities	5	452,005	-	452,005	390,204
Other trading activities	6	330,333	69,574	399,907	343,587
Investments	7	2,241,657	32,148	2,273,805	1,894,713
Other income	8	350,926	20,000	370,926	113,624
<b>TOTAL INCOME</b>		<b>6,326,893</b>	<b>513,183</b>	<b>6,840,076</b>	<b>6,170,389</b>
<b>EXPENDITURE ON:</b>					
Raising funds	9	45,413	87,875	133,288	119,706
Charitable activities	10	6,010,743	442,789	6,453,532	6,110,154
<b>TOTAL EXPENDITURE</b>		<b>6,056,156</b>	<b>530,664</b>	<b>6,586,820</b>	<b>6,229,860</b>
<b>NET INCOME/(EXPENDITURE) BEFORE NET GAINS/(LOSSES) ON INVESTMENTS</b>					
		270,737	(17,481)	253,256	(59,471)
Net gains/(losses) on investments		1,888,655	-	1,888,655	(749,671)
<b>NET INCOME/(EXPENDITURE)</b>		<b>2,159,392</b>	<b>(17,481)</b>	<b>2,141,911</b>	<b>(809,142)</b>
Transfers between funds	25	(33,501)	33,501	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>2,125,891</b>	<b>16,020</b>	<b>2,141,911</b>	<b>(809,142)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward as previously stated		55,924,075	4,788,953	60,713,028	58,780,824
Prior year adjustment		-	-	-	2,741,346
Total funds brought forward as restated		55,924,075	4,788,953	60,713,028	61,522,170
Net movement in funds		2,125,891	16,020	2,141,911	(809,142)
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>58,049,966</b>	<b>4,804,973</b>	<b>62,854,939</b>	<b>60,713,028</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 47 form part of these financial statements.

**DIOCESE OF MIDDLESBROUGH**

**BALANCE SHEET  
AS AT 31 DECEMBER 2024**

	Note	2024 £	As restated 2023 £
<b>FIXED ASSETS</b>			
Tangible assets	16	9,966,938	10,252,905
Investments	19	5,808,059	5,995,134
Investment property	18	39,438,773	40,233,306
		<u>55,213,770</u>	<u>56,481,345</u>
<b>CURRENT ASSETS</b>			
Debtors due after more than 1 year		689,147	687,425
Debtors due within 1 year		347,180	598,912
Investments	21	4,294,917	4,498,832
Cash at bank and in hand		16,742,468	12,730,601
		<u>22,073,712</u>	<u>18,515,770</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	22	(14,037,359)	(13,860,952)
<b>NET CURRENT ASSETS</b>		<b>8,036,353</b>	<b>4,654,818</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>63,250,123</b>	<b>61,136,163</b>
Creditors: amounts falling due after more than one year	23	(395,184)	(423,135)
<b>TOTAL NET ASSETS</b>		<b>62,854,939</b>	<b>60,713,028</b>
<b>CHARITY FUNDS</b>			
Restricted funds	25	4,804,973	4,788,953
Unrestricted funds			
Designated funds	25	1,239,411	1,261,250
General funds	25	56,810,555	54,662,825
Total unrestricted funds	25	58,049,966	55,924,075
<b>TOTAL FUNDS</b>		<b>62,854,939</b>	<b>60,713,028</b>

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DIOCESE OF MIDDLESBROUGH

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BALANCE SHEET (CONTINUED)  
AS AT 31 DECEMBER 2024

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The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:



**Rt Rev Bishop T P Draney**  
**Bishop of Middlesbrough**  
**Diocese of Middlesbrough Trustee**

Date: 28/10/2025

The notes on pages 20 to 47 form part of these financial statements.

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**DIOCESE OF MIDDLESBROUGH**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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	2024 £	2023 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net cash used in operating activities	<b>(1,797,333)</b>	<b>(1,044,890)</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends, interests and rents from investments	<b>2,273,805</b>	1,894,713
Proceeds from the sale of tangible fixed assets	<b>365,000</b>	-
Purchase of tangible fixed assets	<b>(10,020)</b>	(457,199)
Proceeds from sale of investments	<b>3,636,933</b>	323,389
Purchase of investments	<b>(562,755)</b>	(947,785)
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>5,702,963</b>	<b>813,118</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of borrowing	<b>(127,951)</b>	(227,951)
	<hr/>	<hr/>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(127,951)</b>	<b>(227,951)</b>
	<hr/>	<hr/>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>	<b>3,777,679</b>	<b>(459,723)</b>
Cash and cash equivalents at the beginning of the year	<b>6,459,947</b>	6,919,670
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>10,237,626</b>	<b>6,459,947</b>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 20 to 47 form part of these financial statements

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## DIOCESE OF MIDDLESBROUGH

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 1. GENERAL INFORMATION

The Roman Catholic Diocese of Middlesbrough is governed by a Trust Deed dated 2 January 1928 and is registered with the Charity Commission of England and Wales (No 233748). The sole Trustee of the charity is a Trust Corporation which was incorporated on 17 December 1997.

The registered office address is:

Curial Offices  
50a The Avenue  
Middlesbrough  
TS5 6QT

#### 2. ACCOUNTING POLICIES

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Diocese of Middlesbrough 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.

##### 2.2 Going concern

The financial statements are prepared on a going concern basis and the Trustee considers that there are no material uncertainties about the Diocese's ability to continue as a going concern.

##### 2.3 Subsidiary company

All of the turnover of the Diocese's wholly owned subsidiary, Diocesan Property Management Limited, represents sales of building construction to the Diocese. The subsidiary has no material net assets or liabilities. There is no significant difference between the Statement of Financial Activities and the Balance Sheet of the Diocese, as presented, and the consolidated group figures, and accordingly the subsidiary has not been consolidated within these financial statements.

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## DIOCESE OF MIDDLESBROUGH

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.4 Income

All income is recognised once the Diocese has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Diocese has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Diocese, can be reliably measured.

In the event that a donation is subject to conditions which require a level of performance before the Diocese is entitled to the funds, the income is deferred and not recognised until those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Diocese and it is probable that those conditions will be fulfilled in the reporting period. Collections and Fundraising income are recognised on receipt.

Investment income is credited to income when it is receivable and the amount can be measured reliably by the Diocese; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

##### 2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the Diocese to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Diocese's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.6 Tangible fixed assets and depreciation- Freehold land and buildings**

**Churches, Presbyteries, Halls and Offices etc**

Functional Land and Buildings (i.e. Land and buildings used for the prime purpose of the Diocese), which are still in use by the Diocese 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 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 renovation or improvements for the following period:

• Unlisted Churches	25 to 100 years
• Cathedral and Listed Churches	100 to 200 years
• Presbyteries	25 to 100 years
• Other buildings	25 to 100 years

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

Details and addresses of the Diocesan churches and other buildings can be found in the Diocesan Yearbook.

**Voluntary Aided Schools and Academies**

**Land**

The Diocese owns the land on which its Voluntary Aided Schools and Academies are built. The nature of the occupation of the land by these exempt and excepted charities means that the Diocesan Trustee does not have the power to dispose of the land, until the school ceases its occupation, which in turn would require the approval of the governors and the Secretary of State. The Diocesan Trustee considers its ownership to be in the nature of custodianship of the assets and therefore these are not capitalised in the financial statements. The cost of any land acquired for the purposes of a Voluntary Aided School or Academy is charged to the Statement of Financial Activity in the year of acquisition.

If a school is empty and subsequently the land is to be sold then it will be valued in line with expected sale proceeds as soon as a reasonable offer of purchase has been made.

**Buildings**

The School buildings are occupied, extended and repaired by the school governors. The nature of the occupation of these buildings by these exempt and excepted charities means that the Diocesan Trustee does not have the power to dispose of the buildings, until the school ceases its occupation, which in turn would require the approval of the governors and the Secretary of State. Any proceeds of sale would be subject to clawback by the Secretary of State of any related grant aid provided. The Diocesan Trustee considers its ownership to be in the nature of custodianship of the assets and therefore these are not capitalised in the financial statements. The School governors account for the building, improvement and repair costs of the schools less any grants received in respect of these costs.

Details of the Diocesan Voluntary Aided Schools and Academies (both freehold and leasehold) are given in the Diocesan Yearbook.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.7 Tangible fixed assets and depreciation - other assets**

**Fixtures, Fittings and Equipment**

Fixtures, Fittings and Equipment which were in use at 31 December 1995 and which had a current replacement cost exceeding £1,000, have been capitalised and included in the financial statements at an estimate of their Historic cost (or in the case of donated assets, at an estimate of the value at the date of acquisition). Subsequent acquisitions with a cost (or in the case of donated assets, estimated value) of over £1,000 are capitalised on the same basis. They are depreciated at rates calculated to write off the cost or valuation, less the estimated residual value, of each asset evenly over its expected useful life as follows:

- Church Furniture                      25 to 200 years
- Office Equipment                      3 to 5 years
- Parish Hall Equipment                20 years

Contents of presbyteries are not included in the financial statements.

**Works of Art and Historic Treasures**

The Diocese owns several individual Works of Art and Historic Treasures and Plate. The items have extraordinarily long lives and are worth preserving perpetually. The collection is not recognised in the Balance Sheet because details of the cost of these items are not available and the cost to the Diocese of obtaining valuations would exceed the benefit arising from doing so.

**Motor Vehicles**

Motor Vehicles have been capitalised and included in the financial statements at an estimate of their Historic cost (or in the case of donated assets, at an estimate of the 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, over its expected useful life as follows:

- Motor Cars                              25% Reducing Balance

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries and associates are valued at cost less provision for impairment.

Investment properties are shown at the Trustees' best estimate of market value which reflects the annual movement on the house price index for the Diocesan geographical location and other known circumstances. All changes in value during the year are reported in "Gains and Losses on Revaluation and Investment Asset Disposals" section of the Statement of Financial Activities.

Current asset investments are designated as such as they are highly liquid and the Diocese has specified that they be made readily available to convert to cash within a short term notice period of no longer than 6 months.

**2.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.10 Cash at bank and in hand**

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

**2.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Diocese anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**2.12 Financial instruments**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.13 Pensions**

The Diocese contributes 6% of gross salary to a group personal pension scheme for staff who elect to join. The scheme is a defined contributions scheme and the pension charge represents the amounts payable by the Diocese to the fund in respect of the year.

Eligible teachers and former teachers subscribe to the Teacher's Pension Scheme (TPS) superannuation scheme which is a defined benefits scheme. The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Diocese in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multiemployer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**2.14 Fund accounting**

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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## DIOCESE OF MIDDLESBROUGH

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Diocese makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimate and assumption that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below.

The Trustee has made the decision not to commission an external valuer to value Investment property. Instead the Investment property is revalued annually using the UK House Price Index Summary prepared by the ONS. The Diocese has properties in both the North East and York regions and therefore uses these values to inform the current year revaluation. To December 2024 the average house price increase was 6.7% in the North East and 5.9% in Yorkshire and the Humber. An annual increase of 5.9% has been applied to all investment property as the Trustee believed this to be representative of the portfolio.

Had property not been revalued it would be included at historic cost and this is disclosed in note 18.

#### 4. INCOME FROM DONATIONS AND LEGACIES

	Parochial Unrestricted Funds £	Parochial Restricted Funds £	Curial Unrestricted Funds £	Curial Restricted Funds £	Total £	Total 2023 £
Donations	2,653,499	264,809	17,013	60,436	2,995,757	2,827,950
Legacies	213,115	53,960	68,345	12,256	347,676	600,311
Total 2024	<u>2,866,614</u>	<u>318,769</u>	<u>85,358</u>	<u>72,692</u>	<u>3,343,433</u>	<u>3,428,261</u>
Total 2023	<u>2,628,214</u>	<u>298,729</u>	<u>267,732</u>	<u>233,586</u>	<u>3,428,261</u>	

**DIOCESE OF MIDDLESBROUGH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**5. INCOME FROM CHARITABLE ACTIVITIES**

	Parochial Unrestricted Funds £	Curial Unrestricted Funds £	Total £	Total 2023 £
School Service Contribution	-	264,725	264,725	226,492
Stipends	187,280	-	187,280	163,712
Total 2024	<u>187,280</u>	<u>264,725</u>	<u>452,005</u>	<u>390,204</u>
Total 2023	<u>163,712</u>	<u>226,492</u>	<u>390,204</u>	

**6. INCOME FROM FUNDRAISING ACTIVITIES**

	Parochial Unrestricted Funds £	Curial Restricted Funds £	Total £	Total 2023 £
Fundraising	221,090	69,574	290,664	245,924
Papers, candles & piety stalls	109,243	-	109,243	97,663
Total 2024	<u>330,333</u>	<u>69,574</u>	<u>399,907</u>	<u>343,587</u>
Total 2023	<u>279,645</u>	<u>63,942</u>	<u>343,587</u>	

**7. INVESTMENT INCOME**

	Parochial Unrestricted Funds £	Curial Unrestricted Funds £	Curial Restricted Funds £	Total £	Total 2023 £
Rents and hire fees	688,311	649,134	9,576	1,347,021	1,266,884
Investment income	-	540,504	348	540,852	482,734
Bank interest received	90,016	273,692	22,224	385,932	145,095
Total 2024	<u>778,327</u>	<u>1,463,330</u>	<u>32,148</u>	<u>2,273,805</u>	<u>1,894,713</u>
Total 2023	<u>781,468</u>	<u>1,082,457</u>	<u>30,788</u>	<u>1,894,713</u>	

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

8. OTHER INCOMING RESOURCES

	Parochial Unrestricted Funds £	Curial Unrestricted Funds £	Curial Restricted Funds £	Total £	Total 2023 £
Gain/ (loss) on sale of fixed assets	253,181	-	-	253,181	-
Other income	49,245	48,500	20,000	117,745	113,624
Total 2024	<u>302,426</u>	<u>48,500</u>	<u>20,000</u>	<u>370,926</u>	<u>113,624</u>
Total 2023	<u>67,447</u>	<u>46,177</u>	<u>-</u>	<u>113,624</u>	

9. RAISING FUNDS

Summary by fund type	Parochial Unrestricted Funds £	Curial Restricted Funds £	Total £	Total 2023 £
Raising funds	45,413	87,875	133,288	119,706
Total 2024	<u>45,413</u>	<u>87,875</u>	<u>133,288</u>	<u>119,706</u>
Total 2023	<u>10,650</u>	<u>109,056</u>	<u>119,706</u>	

10. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Parochial	3,845,936	186,883	4,032,819	3,799,217
Curial	2,164,807	255,906	2,420,713	2,310,937
	<u>6,010,743</u>	<u>442,789</u>	<u>6,453,532</u>	<u>6,110,154</u>
Total 2023	<u>5,615,640</u>	<u>494,514</u>	<u>6,110,154</u>	

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DIOCESE OF MIDDLESBROUGH

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

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11. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Parochial	4,032,819	-	4,032,819	3,799,217
Curial	1,905,680	515,033	2,420,713	2,310,937
	<u>5,938,499</u>	<u>515,033</u>	<u>6,453,532</u>	<u>6,110,154</u>
<i>Total 2023</i>	<u>5,667,312</u>	<u>442,842</u>	<u>6,110,154</u>	

**DIOCESE OF MIDDLESBROUGH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**11. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**ANALYSIS OF DIRECT COSTS**

	<b>Parochial 2024 £</b>	<b>Curial 2024 £</b>	<b>Total funds 2024 £</b>	<i>Total funds 2023 £</i>
Staff costs	-	612,792	612,792	742,755
Depreciation	153,242	30,926	184,168	184,488
Repairs, Maintenance & Upkeep of properties	1,041,812	355,182	1,396,994	1,261,310
Establishment costs	1,080,521	-	1,080,521	1,029,177
Administration	375,990	-	375,990	312,180
Domestic	193,656	-	193,656	153,026
Motor and travel	130,393	-	130,393	114,710
General Church expenses	245,621	-	245,621	181,863
Bishop & Clergy Support	-	208,619	208,619	199,280
Schools	-	51,040	51,040	49,753
Donations	78,616	14,569	93,185	234,187
Special collections	133,543	45,241	178,784	106,781
Sundries	11,379	-	11,379	75,059
Priest training	-	23,693	23,693	42,544
Youth Service	-	7,257	7,257	3,433
Services to Parishes & Chaplaincies	552,716	156,561	709,277	638,092
Retired Priest Welfare fund	-	226,837	226,837	161,086
Justice & Peace	-	3,000	3,000	3,000
National assessments	-	25,976	25,976	25,974
Finance charges	35,330	59,382	94,712	95,853
Governance costs	-	84,418	84,418	52,327
Diocesan events	-	187	187	434
	<b>4,032,819</b>	<b>1,905,680</b>	<b>5,938,499</b>	<b>5,667,312</b>
<i>Total 2023</i>	<i>3,799,217</i>	<i>1,868,095</i>	<i>5,667,312</i>	

**DIOCESE OF MIDDLESBROUGH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**11. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**ANALYSIS OF SUPPORT COSTS**

	Curial 2024 £	Total funds 2024 £	Total funds 2023 £
Staff costs	394,841	394,841	353,742
Establishment costs	34,583	34,583	35,609
Administration	26,196	26,196	26,317
Motor and travel	14,810	14,810	12,990
Bishop & Clergy Support	44,603	44,603	14,184
	<u>515,033</u>	<u>515,033</u>	<u>442,842</u>

**12. AUDITORS' REMUNERATION**

	2024 £	2023 £
Fees payable to the Diocese's auditor for the audit of the Diocese's annual financial statements	19,100	17,325
Fees payable to the Diocese's auditor in respect of: Accountancy and taxation advice	<u>5,200</u>	<u>5,195</u>

**13. STAFF COSTS**

	2024 £	2023 £
Wages and salaries	842,153	761,549
Social security costs	81,362	71,888
Contribution to defined contribution pension schemes	84,118	263,060
	<u>1,007,633</u>	<u>1,096,497</u>

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**DIOCESE OF MIDDLESBROUGH**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**13. STAFF COSTS (CONTINUED)**

The average number of persons employed by the Diocese during the year was as follows:

	<b>2024</b>	<i>2023</i>
	<b>No.</b>	<i>No.</i>
Curial employees	<b>25</b>	<i>24</i>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2024</b>	<i>2023</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>1</b>	<i>1</i>
In the band £70,001 - £80,000	<b>-</b>	<i>1</i>
In the band £80,001 - £90,000	<b>2</b>	<i>1</i>
In the band £100,001 - £110,000	<b>1</b>	<i>-</i>

Total remuneration to key management personnel in the year (including pension and employers NI) was £291,676 (2023 - £272,418).

**14. TRUSTEE'S REMUNERATION AND EXPENSES**

During the year, no Trustee received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 December 2024, no Trustee expenses have been incurred (2023 - £NIL).

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

15. NET GAINS/LOSSES ON INVESTMENTS

	Parochial Unrestricted Funds £	Curial Unrestricted Funds £	Total £	Total 2023 £
Realised gains	100,101	21,203	121,304	(13,141)
Unrealised gains	1,124,703	642,648	1,767,351	(736,530)
Total 2024	<u>1,224,804</u>	<u>663,851</u>	<u>1,888,655</u>	<u>(749,671)</u>
Total 2023	<u>(200,190)</u>	<u>(549,481)</u>	<u>(749,671)</u>	

16. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>					
At 1 January 2024	14,717,666	63,173	810,636	103,005	15,694,480
Additions	-	4,785	-	5,235	10,020
Disposals	(169,655)	-	-	-	(169,655)
At 31 December 2024	<u>14,548,011</u>	<u>67,958</u>	<u>810,636</u>	<u>108,240</u>	<u>15,534,845</u>
<b>Depreciation</b>					
At 1 January 2024	4,922,943	30,505	408,737	79,390	5,441,575
Charge for the year	154,044	10,128	12,766	7,230	184,168
On disposals	(57,836)	-	-	-	(57,836)
At 31 December 2024	<u>5,019,151</u>	<u>40,633</u>	<u>421,503</u>	<u>86,620</u>	<u>5,567,907</u>
<b>Net book value</b>					
At 31 December 2024	<u>9,528,860</u>	<u>27,325</u>	<u>389,133</u>	<u>21,620</u>	<u>9,966,938</u>
At 31 December 2023	<u>9,794,723</u>	<u>32,668</u>	<u>401,899</u>	<u>23,615</u>	<u>10,252,905</u>

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

17. TANGIBLE FIXED ASSET SPLIT

Curial	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office Equipment £	Total £
<b>Cost</b>					
At 1 January 2024	1,445,040	63,173	-	103,005	1,611,218
Additions	-	4,785	-	5,235	10,020
At 31 December 2024	<u>1,445,040</u>	<u>67,958</u>	<u>-</u>	<u>108,240</u>	<u>1,621,238</u>
<b>Depreciation</b>					
At 1 January 2024	372,553	30,505	-	79,390	482,448
Charge for year	13,568	10,128	-	7,230	30,926
At 31 December 2024	<u>386,121</u>	<u>40,633</u>	<u>-</u>	<u>86,620</u>	<u>513,374</u>
<b>Net book value</b>					
At 31 December 2024	<u>1,058,919</u>	<u>27,325</u>	<u>-</u>	<u>21,620</u>	<u>1,107,864</u>
At 1 January 2024	<u>1,072,487</u>	<u>32,668</u>	<u>-</u>	<u>23,615</u>	<u>1,128,770</u>
<b>Parochial</b>					
<b>Cost</b>					
At 1 January 2024	13,272,626	-	810,636	-	14,083,262
Disposals	(169,655)	-	-	-	(169,655)
At 31 December 2024	<u>13,102,971</u>	<u>-</u>	<u>810,636</u>	<u>-</u>	<u>13,913,607</u>
<b>Depreciation</b>					
At 1 January 2024	4,550,390	-	408,737	-	4,959,127
Charge for year	140,476	-	12,766	-	153,242
On disposals	(57,836)	-	-	-	(57,836)
At 31 December 2024	<u>4,633,030</u>	<u>-</u>	<u>421,503</u>	<u>-</u>	<u>5,054,533</u>
<b>Net book value</b>					
At 31 December 2024	<u>8,469,941</u>	<u>-</u>	<u>389,133</u>	<u>-</u>	<u>8,859,074</u>
At 31 December 2024	<u>8,722,236</u>	<u>-</u>	<u>401,899</u>	<u>-</u>	<u>9,124,135</u>
At 1 January 2024	<u>9,528,860</u>	<u>27,325</u>	<u>389,133</u>	<u>21,620</u>	<u>9,966,938</u>
Total 2024	<u>9,794,723</u>	<u>32,668</u>	<u>401,899</u>	<u>23,615</u>	<u>10,252,905</u>
Total 2023	<u>9,794,723</u>	<u>32,668</u>	<u>401,899</u>	<u>23,615</u>	<u>10,252,905</u>

**DIOCESE OF MIDDLESBROUGH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**18. INVESTMENT PROPERTY**

	Parochial £	Curial £	Total £
<b>Valuation</b>			
At 1 January 2024 (as restated)	19,006,947	21,226,359	40,233,306
Additions	35,330	9,072	44,402
Disposals	(149)	(3,026,927)	(3,027,076)
Revaluation	1,124,703	1,063,438	2,188,141
At 31 December 2024	<u>20,166,831</u>	<u>19,271,942</u>	<u>39,438,773</u>

As explained in the accounting policies investment properties are shown at the Trustees' best estimate of market value which reflects the annual movement on the house price index for the Diocesan geographical location and other known circumstances.

There are no restrictions on the ability to realise investment property or on the remittance of income or proceeds on disposal.

The historical cost of investment property (Curial) on 31 December 2024 was £11,932,582 (2023: £11,932,582). See also note 25.

**19. FIXED ASSET INVESTMENTS- CURIAL**

	Investments in subsidiary companies £	Investments in associates £	Listed investments £	Unlisted investments £	Total £
<b>Cost or valuation</b>					
At 1 January 2024	2	4,000	5,983,266	7,866	5,995,134
Additions	-	-	59,023	181,878	240,901
Disposals	-	-	(229,235)	-	(229,235)
Revaluations	-	-	(191,689)	-	(191,689)
Investment manager fees	-	-	-	(7,052)	(7,052)
At 31 December 2024	<u>2</u>	<u>4,000</u>	<u>5,621,365</u>	<u>182,692</u>	<u>5,808,059</u>

The Historical cost of listed investments on 31 December 2024 was £6,586,103 (2023: £6,596,234).

Included within the listed investment balance above are no balances which represent more than 5% of the total (1 January 2024 - no balances).

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**DIOCESE OF MIDDLESBROUGH**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**19. FIXED ASSET INVESTMENTS- CURIAL (CONTINUED)**

**Principal subsidiaries and associates**

The following was a subsidiary undertaking of the Diocese:

<b>Name</b>	<b>Company number</b>	<b>Principal activity</b>	<b>Holding</b>	<b>Included in consolidation</b>
Diocesan Property Management Limited	02960826	Building contractor and property developer	100%	Yes

The financial results of the subsidiary for the year were:

<b>Name</b>	<b>Expenditure £</b>	<b>(Loss) for the year £</b>	<b>Net assets/ (liabilities) £</b>
Diocesan Property Management Limited	891	(891)	(16,470)

The following was an associate of the Diocese:

<b>Name</b>	<b>Income for the year £</b>	<b>Expenditure for the year £</b>	<b>Profit / (Loss) for the year £</b>
Inter-Diocesean Fuel Management Limited	31,306,224	(30,690,324)	508

The Diocese holds 4.35% (2023: 4.35%) of the ordinary shares of Inter-Diocesean Fuel Management Limited. The principal activity of Inter-Diocesean Fuel Management Limited is that of fuel and power distribution to various Roman Catholic Dioceses throughout England.

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

20. DEBTORS

	Curial 2024 £	Total 2024 £	Total 2023 £
<b>Debtors in over 1 year:</b>			
Amounts owed by group companies	689,147	689,147	687,425
<b>Debtors within 1 year:</b>			
Trade debtors	36,455	36,455	59,713
Other debtors	85,305	85,305	115,185
Other debtors - school loans	121,524	121,524	212,153
Prepayments and accrued income	103,896	103,896	211,861
	<u>347,180</u>	<u>347,180</u>	<u>598,912</u>
<b>Total</b>	<u><u>1,036,327</u></u>	<u><u>1,036,327</u></u>	<u><u>1,286,337</u></u>

21. CURRENT ASSET INVESTMENTS- CURIAL

	2024 £	2023 £
Listed investments	4,109,814	4,493,335
Unlisted investments	185,103	5,497
	<u><u>4,294,917</u></u>	<u><u>4,498,832</u></u>

The Historical cost of listed investments on 31 December 2024 was £5,016,572 (2023: £4,603,942).

**DIOCESE OF MIDDLESBROUGH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**22. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Parochial 2024 £	Curial 2024 £	Total 2024 £	Total 2023 £
Bank overdrafts	-	6,504,842	6,504,842	6,270,654
Bank loans < 1 yr	-	27,951	27,951	27,951
Loans < 1 yr	-	5,589,040	5,589,040	5,689,040
Trade creditors	-	73,081	73,081	39,947
Other taxation and social security	-	22,808	22,808	22,247
Other creditors	-	145,837	145,837	137,690
Other creditors - school loans	-	1,325,103	1,325,103	1,325,105
Accruals	48,797	299,900	348,697	348,318
	<u>48,797</u>	<u>13,988,562</u>	<u>14,037,359</u>	<u>13,860,952</u>

**23. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	Curial 2024 £	Total 2024 £	Total 2023 £
Bank loans	395,184	395,184	423,135
	<u>395,184</u>	<u>395,184</u>	<u>423,135</u>

The bank loan is secured on property owned by the Diocese. This security is over approximately £7m of the full property portfolio. The interest rate is charged at 3.6% over LIBOR payable quarterly with the facility repayable in full at the maturity date of March 2027.

**24. PRIOR YEAR ADJUSTMENTS**

An adjustment has been made to the prior year comparatives in order to reflect the value of a plot of land sold in the current year.

The sale value of this land was known by the 31 December 2022 and therefore the value of the investment should have been adjusted at that point.

This adjustment has increased the value of investment property and the revaluation reserve brought forward by £2,741,346.

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

25. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	As restated Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2024 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
St John of Beverley Designated fund	563,882	9,568	-	(23,207)	-	550,243
John Paul Centre Designated Fund	305,156	6,369	(14,569)	-	-	296,956
Parochial Designated funds	392,212	-	-	-	-	392,212
	<u>1,261,250</u>	<u>15,937</u>	<u>(14,569)</u>	<u>(23,207)</u>	<u>-</u>	<u>1,239,411</u>
<b>General funds</b>						
Unrestricted funds Parochial	36,386,499	4,464,980	(3,891,349)	(974,596)	1,224,804	37,210,338
Unrestricted funds Curial	8,902,962	1,845,976	(2,150,238)	3,729,400	(398,250)	11,929,850
Revaluation reserve Curial	9,373,364	-	-	(2,765,098)	1,062,101	7,670,367
	<u>54,662,825</u>	<u>6,310,956</u>	<u>(6,041,587)</u>	<u>(10,294)</u>	<u>1,888,655</u>	<u>56,810,555</u>
<b>Total Unrestricted funds</b>	<u>55,924,075</u>	<u>6,326,893</u>	<u>(6,056,156)</u>	<u>(33,501)</u>	<u>1,888,655</u>	<u>58,049,966</u>

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

25. STATEMENT OF FUNDS (CONTINUED)

	As restated Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2024 £
<b>Restricted funds</b>						
Retired Priests Welfare Fund	1,542,502	43,907	(160,907)	15,425	-	1,440,927
Priests' Training Fund	1,684,438	52,413	(44,708)	-	-	1,692,143
Lacy Fund	365,715	-	47,255	-	-	412,970
Lourdes Sick Fund	206,834	74,041	(88,007)	4,895	-	197,763
Catholic Child Care	120,712	1,525	-	(1,583)	-	120,654
Cecil H Walker Memorial Fund	101,301	1,013	-	-	-	102,314
Mike McCullagh Memorial Trust Fund	68,143	1,029	-	-	-	69,172
Mathias Smyth Memorial Masses Fund	43,167	-	(6,900)	-	-	36,267
Levy Fund (Active Priests)	40,742	-	-	-	-	40,742
Common Stock	37,598	-	(376)	376	-	37,598
Mensal Fund	33,219	332	(18,031)	15,000	-	30,520
Parochial Restricted funds	488,899	318,769	(186,883)	-	-	620,785
Other Restricted funds below £25k each	55,683	20,154	(72,107)	(612)	-	3,118
	<u>4,788,953</u>	<u>513,183</u>	<u>(530,664)</u>	<u>33,501</u>	<u>-</u>	<u>4,804,973</u>
<b>Total of funds</b>	<u><u>60,713,028</u></u>	<u><u>6,840,076</u></u>	<u><u>(6,586,820)</u></u>	<u><u>-</u></u>	<u><u>1,888,655</u></u>	<u><u>62,854,939</u></u>

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

25. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>As restated Balance at 1 January 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2023 £</i>
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
St John of Beverley Designated fund	587,089	-	-	(23,207)	-	563,882
John Paul Centre Designated Fund	345,313	9,843	(50,000)	-	-	305,156
Parochial Designated funds	392,212	-	-	-	-	392,212
	<u>1,324,614</u>	<u>9,843</u>	<u>(50,000)</u>	<u>(23,207)</u>	<u>-</u>	<u>1,261,250</u>
<b>General funds</b>						
Unrestricted funds Parochial	36,950,622	3,920,486	(3,553,472)	(730,947)	(200,190)	36,386,499
Unrestricted funds Curial	9,435,118	1,613,015	(2,022,818)	278,125	(400,478)	8,902,962
Revaluation reserve Curial	9,141,936	-	-	380,431	(149,003)	9,373,364
	<u>55,527,676</u>	<u>5,533,501</u>	<u>(5,576,290)</u>	<u>(72,391)</u>	<u>(749,671)</u>	<u>54,662,825</u>
<b>Total Unrestricted funds</b>	<u>56,852,290</u>	<u>5,543,344</u>	<u>(5,626,290)</u>	<u>(95,598)</u>	<u>(749,671)</u>	<u>55,924,075</u>

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

25. STATEMENT OF FUNDS (CONTINUED)

	<i>As restated Balance at 1 January 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2023 £</i>
<b>Restricted funds</b>						
Retired Priests Welfare Fund	1,605,640	28,763	(163,457)	71,556	-	1,542,502
Priests' Training Fund	1,495,438	228,379	(39,379)	-	-	1,684,438
Lacy Fund	333,592	-	32,123	-	-	365,715
Lourdes Sick Fund	244,586	66,388	(109,140)	5,000	-	206,834
Catholic Child Care	118,558	2,054	-	100	-	120,712
Cecil H Walker Memorial Fund	100,298	1,003	-	-	-	101,301
Mike McCullagh Memorial Trust Fund	67,090	1,053	-	-	-	68,143
Mathias Smyth Memorial Masses Fund	46,867	-	(3,700)	-	-	43,167
Levy Fund (Active Priests)	40,742	-	-	-	-	40,742
Common Stock	37,598	-	(376)	376	-	37,598
Mensal Fund	35,218	352	(17,351)	15,000	-	33,219
Parochial Restricted funds	446,565	298,729	(256,395)	-	-	488,899
Other Restricted funds below £25k each	97,688	324	(45,895)	3,566	-	55,683
	<u>4,669,880</u>	<u>627,045</u>	<u>(603,570)</u>	<u>95,598</u>	<u>-</u>	<u>4,788,953</u>
<b>Total of funds</b>	<u><u>61,522,170</u></u>	<u><u>6,170,389</u></u>	<u><u>(6,229,860)</u></u>	<u><u>-</u></u>	<u><u>(749,671)</u></u>	<u><u>60,713,028</u></u>

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**DIOCESE OF MIDDLESBROUGH**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**25. STATEMENT OF FUNDS (CONTINUED)**

**Designated funds**

These represent funds set aside for the maintenance of buildings.

**Unrestricted Funds**

These include both Parish and Curial funds which are shown separately. The revaluation reserve reflects the difference between the historic cost and current fair value on the investment properties held within Curial funds. The historic cost of the Parish Investment properties is not known and therefore no revaluation reserve is provided.

**Restricted Funds**

Retired Priests Welfare Fund

A fund set up in 1996 to provide support upon retirement for incardinated Diocesan Priests.

Priests Training Fund

For training students for the priesthood of this Diocese.

Lacy Fund

To meet pension requirements of retired clergy.

Lourdes Sick Fund

For pilgrimages to Lourdes.

Catholic Child Care

Provides a fostering and adoption service.

Cecil H Walker Memorial Fund

For the support of retired priests of the Diocese; in particular those who have spent part or all of their ministry in the Southern areas of the Diocese.

Mike McCullagh Memorial Trust Fund

Supporting junior football, prison visiting and sick children in the Tees Valley.

Mathias Smyth Memorial Masses Fund

Masses for the repose of the souls of Matthias Smyth and his family.

Levy Fund (Active Priests)

To provide a pension for each active priest on their retirement.

Mensal Fund

Deals with the income and costs of the Bishop of Middlesbrough and his administration.

Church Extension Fund

To assist the new churches and Mass centres of the Diocese.

Parochial Restricted Funds

Restricted funds belong to the individual parishes.

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	9,966,938	-	9,966,938
Fixed asset investments	5,808,059	-	5,808,059
Investment property	39,438,773	-	39,438,773
Debtors due after more than one year	689,147	-	689,147
Current assets	16,579,592	4,804,973	21,384,565
Creditors due within one year	(14,037,359)	-	(14,037,359)
Creditors due in more than one year	(395,184)	-	(395,184)
<b>Total</b>	<b>58,049,966</b>	<b>4,804,973</b>	<b>62,854,939</b>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	<i>As restated</i> Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	10,252,905	-	10,252,905
Fixed asset investments	5,995,134	-	5,995,134
Investment property	40,233,306	-	40,233,306
Debtors due after more than one year	687,425	-	687,425
Current assets	13,039,392	4,788,953	17,828,345
Creditors due within one year	(13,860,952)	-	(13,860,952)
Creditors due in more than one year	(423,135)	-	(423,135)
<b>Total</b>	<b>55,924,075</b>	<b>4,788,953</b>	<b>60,713,028</b>

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

**27. AMOUNTS DUE TO & FROM PARISHES FROM CURIAL**

	Amounts due to Parishes	Amounts due from Parishes	Total
Balance at 1 January 2024	7,936,392	(4,249,238)	3,687,154
Parish Levy	-	(974,596)	(974,596)
Legacy recieved	128,356	-	128,356
Expenditure by Diocese on behalf of Parishes	(224,533)	(237,819)	(462,352)
Transfers and repayments of loans	(113,427)	184,046	70,619
Sale of property	465,250	-	465,250
Rent and interest	108,741	16,670	125,411
Parish Levy paid		374,310	374,310
	<u>8,300,779</u>	<u>(4,886,627)</u>	<u>3,414,152</u>
Balance at 31 December 2024			

**28. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2024 £	2023 £
Net income/expenditure for the period (as per Statement of Financial Activities)	<u>2,141,911</u>	<u>(809,142)</u>
<b>Adjustments for:</b>		
Depreciation charges	184,168	184,488
Gains on investments	(1,788,554)	702,730
Dividends, interests and rents from investments	(2,273,805)	(1,894,713)
Decrease/(increase) in debtors	250,010	(18,446)
Increase in creditors	42,219	743,252
Loss/(profit) on sale of investment property	(100,101)	46,941
Loss/(profit) on sale of fixed assets	(253,181)	-
<b>Net cash used in operating activities</b>	<u><u>(1,797,333)</u></u>	<u><u>(1,044,890)</u></u>

**DIOCESE OF MIDDLESBROUGH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**29. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2024 £	2023 £
Cash in hand	16,742,468	12,730,601
Overdraft facility repayable on demand	(6,504,842)	(6,270,654)
<b>Total cash and cash equivalents</b>	<b>10,237,626</b>	<b>6,459,947</b>

**30. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	12,730,601	4,011,867	16,742,468
Bank overdrafts repayable on demand	(6,270,654)	(234,188)	(6,504,842)
Debt due within 1 year	(5,716,991)	100,000	(5,616,991)
Debt due after 1 year	(423,135)	27,951	(395,184)
Liquid investments	4,498,832	(203,915)	4,294,917
	<b>4,818,653</b>	<b>3,701,715</b>	<b>8,520,368</b>

**31. PENSION COMMITMENTS**

The Diocese contributes 6% of gross salary to a group personal pension scheme for staff who elect to join. The scheme is a defined contributions scheme for which the Diocese is neither liable to finance any funding shortfall nor entitled to benefit from any over funding. At the year end pension contributions outstanding were £12,579 (2023: £4,325).

Eligible teachers and former teachers subscribe to the Teacher's Pension Scheme (TPS) superannuation scheme which is a defined benefits scheme. The employer's contribution is set by the TPS. The TPS represents a collective scheme as it is not possible to separately identify the assets and liabilities attributable to a particular employer. Hence the employer has neither a commitment to make good any actuarial deficit nor an entitlement to benefit from any over funding. Under the provisions of FRS102 the accounting treatment for the TPS scheme is as if the scheme were a defined contributions scheme. The pension charge for the year includes contributions payable to the TPS of £58,552 and at the year end £5,120 (2023: £4,325) was accrued in respect of contributions to this scheme (Included in total above).

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**DIOCESE OF MIDDLESBROUGH**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**32. RELATED PARTY TRANSACTIONS**

During the year purchases of £2,001 and sales of £181,604 were made to companies in which Directors of the Diocese of Middlesbrough Trustee are involved as either Trustee or Director. At the year end £nil (2023: £900) was included in Creditors and £nil (2023: £80) in Debtors in respect of these companies.



**MIDDLESBROUGH DIOCESAN TRUST**

England & Wales - Charity number 233748

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# Accounts

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**DIOCESE OF MIDDLESBROUGH**

**TRUSTEE'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**DIOCESE OF MIDDLESBROUGH**

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## DIOCESE OF MIDDLESBROUGH

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### REFERENCE AND ADMINISTRATIVE DETAILS OF THE DIOCESE, ITS TRUSTEE AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2023

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**Trustee** Diocese of Middlesbrough Trustee

**Directors And Officers of The Diocese Of Middlesbrough Trustee:**

The directors shown below have held office for the whole of the period from 1 January 2023 to the date of this report.

- Rt Rev Terence Patrick Drainey, Bishop of Middlesbrough
- Very Rev Mgr Canon G Robinson, Vicar General
- Mr N Mack
- Mr J C Fleming
- Rev W Massie
- Mr P G Westmacott
- Dr T A Lyth
- Mr A T McMillan
- Mrs B Hungin

Changes in directors holding office are as follows:

- Mr G Moran (resigned 21 December 2022)
- Mr C Leather (appointed 16 January 2023)
- Dr J Whiston (resigned 21 August 2023)

**Charity registered number**

233748

**Principal office**

Curial Offices  
50a The Avenue  
Middlesbrough  
TS5 6QT

**Financial Secretary**

Mr J Walton

**Independent auditors**

Waltons Business Advisers Limited  
Harbour Walk  
The Marina  
Hartlepool  
TS24 0UX

**Bankers**

Barclays Bank PLC  
5 St Ann's Street  
Quayside  
Newcastle upon Tyne  
NE1 3DX

**Solicitors**

Grays Solicitors  
Duncombe Place  
York  
YO1 2DX

**Key Management Personnel:**

**Chief Operating Officer:** Rev P Warren

**Financial Secretary:** Mr J Walton

**Director of Schools:** Mrs K Bailey

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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The Trustee presents its report and accounts for the year ended 31 December 2023

#### **CONSTITUTION AND AIMS**

The Roman Catholic Diocese of Middlesbrough is governed by a Trust Deed dated 2 January 1928, and is registered under the Charities Act 1960 – No 233748. The sole Trustee of the Charity is a Trust Corporation, Diocese of Middlesbrough Trustee, company registration number 03482285, which was incorporated on 17 December 1997. The Charity is controlled by the Bishop who is assisted by up to ten directors of the Trust. The Bishop is empowered to appoint and dismiss all directors. Details of the Directors, acting as Trustees of the Charity, who served during the year, are given on page one.

The aims and objectives of the Trust are the “advancement or maintenance of the Roman Catholic Religion in the Roman Catholic Diocese of Middlesbrough”.

The Trustee Board confirm that they have complied with the duty in the Charities Act 2011 Section 17 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

#### **OBJECTIVES AND ACTIVITIES**

The aim of the Diocese is, in accordance with the objectives of the charity, the advancement of the Roman Catholic religion and education.

This advancement of the Roman Catholic religion is achieved, most effectively, when Catholics, inspired by faith, share the love of God with those around them, whether in their families, in the workplace, in schools or in the community.

The Diocese fulfils its purpose by offering religious and pastoral services, educational programmes and charitable support and assistance to all within its boundaries whether they be Catholics or belong to other religions or to none. This formation then enables the people of the Diocese to carry out the mission of the Church by reaching out to those in any form of need including refugees and asylum seekers and immigrants, to those who have alcohol or drug dependency, to the homeless and to the poor and by supporting food banks. Schools, too, have involvement in this outreach through the way in which they help to form responsible individuals going out into society and reflecting the love of God by putting their faith into action.

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

The Diocese comprises seventy-three parishes, five of which are served by the Benedictine Order, two by the Oratorians who have now formed their own charity, the York Oratory Trust, one by a Syro Malabar priest and two by the Oblates of The Virgin Mary. In addition to this, we have University Chaplaincies in Hull and in York. We now have thirty four diocesan priests in active ministry. Following the recent deaths of two of their number, we now have twenty two priests who have retired from parish pastoral office. A number of our retired priests provide supply assistance to resident priests. There are now nine permanent deacons working in various parishes of the Diocese and seven who have retired. Parishes aim to provide for the spiritual needs of people of all ages with special emphasis on the needs of the poor and the sick. There is also great awareness of the plight of refugees and asylum seekers and much effort is expended on assisting those in this position.

We try to work in harmony with other Christian churches and people of all faiths as appropriate. We also provide education in the faith much of which is done through a network of schools. There are forty five primary schools and eight secondary schools all of which are now members of multi academy trusts (MATs). We also have two independent schools. One of our academy schools serves jointly Catholics and Church of England pupils from the Richmond area.

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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The operation of the Charity is overseen by the Corporate Trustee. Directors of the Trustee are appointed by the Bishop. The Trustee Board normally meets seven times in the year under the Chairmanship of the Bishop. A number of Board committees provide advice and guidance to the Trustee Board on a range of matters relevant to the Charity. These meet, normally, in advance of each Board meeting so that the Trustee body can be made aware of any matters of significance. Currently, these committees and sub committees are as follows:

**Finance Advisory Committee:** The committee is made up of three Trustee directors and a senior priest supported by officers and specialists. The committee meets seven times a year, in advance of the Trustee Board meeting. It reviews the Curia Budget and other matters of financial governance. It also receives and reviews parish expenditure and makes expenditure-related recommendations to the Trustee Board.

**Ethical Investment Committee:** Led by the Financial Secretary and including a member of the Diocesan Justice & Peace Commission, a member of the Council of Priests and the Investment Manager this committee reviews the Diocesan investment portfolio ensuring that the investments which make up the portfolio comply with the principles of the Ethical Investment Policy.

**Safeguarding Sub-Committee:** This Sub Committee is chaired by an independent person who has significant experience in Child Protection work. He is also a Trustee Board Director. The sub committee is made up of representatives of statutory authorities, diocesan clergy and another Director of the Trustee Board. The diocesan Safeguarding Co Ordinator attends the meetings of the sub committee and reports to each Trustee Board meeting on the implementation of policies and procedures and, additionally, any matters of concern.

**Diocesan Historic Churches Commission (HCC):** The HCC is chaired by a senior priest with representatives from various heritage bodies, specialists and Diocesan representatives. The Commission is charged with the task of ensuring that regular inspections are carried out and that any required work is carried out in an appropriate manner. It also requires that any work on the twenty four listed churches and chapels in the Diocese is not undertaken without its prior approval. The Commission has also taken into its care a number of churches which experts consider should be listed.

**Sick and Retired Priests' Welfare Committee:** This committee, chaired by the Episcopal Vicar for Clergy, is responsible for supporting the sick and aged priests of the Diocese and the approval of expenditure for their welfare. The Care & Welfare Consultant reports to the Committee and her reports are integral to the operation of the Committee. Membership comprises the Chair, two priests elected by the Diocesan priests, a priest retired from pastoral office, a deacon, the Financial Secretary and laity appointed by the Bishop.

**The Directors of the Trust** are also the Diocesan Finance Committee required by Canon Law (Canon 492). Newly appointed Trustee Directors are briefed, initially, by the Company Secretary and receive copies of the Memorandum and Articles of Association, copies of the Charity Commission document on the responsibilities of Trustees and copies of Board minutes.

**The Chief Operating Officer** continues to provide legal advice and act as Company Secretary in addition to having responsibility for the operations of the Curia.

**The Financial Secretary** and his staff, under the ultimate authority of the Bishop, are responsible for handling all financial and property matters.

**The Bishop's Council**, comprising the Vicar General, and Episcopal Vicars with responsibility across the Diocese for aspects of a pastoral nature, together with the Chancellor, advise and assist the Bishop in pastoral matters.

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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**The Diocesan Gift Aid Officer** works closely with parishes on financial matters and provides support where requested. He meets, periodically, with representatives of parish Finance Committees. It was, previously, reported that he had introduced facilities for cashless giving in parishes. These machines are now in place in thirty-one parishes. It has been recognised that more effort needs to be put into fundraising and with Board approval, it is envisaged that, commencing in early 2025, this officer's role will change to that of fundraising only. A new appointment would, therefore, arise.

**Care and Welfare:** The consultant dealing with welfare needs of priests has continued her work throughout the Diocese. This is a service very much appreciated and well used by priests.

#### **Remuneration Policy**

The Trustee Board approves annual pay awards, and job roles and remuneration are reviewed periodically. If, and when, significant roles change hands, benchmarking of rates is employed.

#### **Subsidiary Company**

The Diocese has a wholly owned subsidiary company, Diocesan Property Management Limited. The company was established to facilitate the management of building contracts for the Diocese and its sales are to the Diocese only. The company provides its services at cost and, therefore, make a minimal profit or loss. For the year ended 31 December 2023, the turnover of the company was £Nil (2022: £Nil) and its loss was £713 (2022: £698).

#### **Investment Powers and Policy**

The Trust Deed, in conjunction with the Trustee Investment Act 1961 and the Memorandum and Articles of Association of the Trust Corporation, authorises the Trustee to make and hold investments using the general funds of the Diocese. The investment objective of the Trustee is that the real value of the assets should be maintained and enhanced over the long term and that the fund provides income to assist in the operational costs of the Diocese.

The Investment Manager manages the portfolio on a discretionary basis, with an emphasis on medium risk, and the Diocese and the Investment Manager meet periodically to review the portfolio and its performance. In the management of the portfolio the Investment Manager takes due account of the Diocesan Ethical Investment Policy and reports to the Ethical Investment Committee. Dividend income has held up well during the year and, to that extent, the Trustee is satisfied with the performance of the portfolio during the year.

During 2023, asset prices were driven lower as a result of a number of factors including higher interest rates and events in the Middle East. More recently, further outbreaks of violence in the Middle East have further affected the value of the portfolio. It is hoped that, in the mid to long term we will see recovery in the value of the portfolio. A small committee made up of two Trustee Board directors, the Investment Manager and the Financial Secretary will shortly commence to meet to discuss the longer term approach to our investment portfolio.

## DIOCESE OF MIDDLESBROUGH

### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

#### FINANCIAL REVIEW AND REVIEW OF THE YEAR

The table below summarises the financial activities of the Diocese:-

	2023		2022	
	Unrestricted £k	Restricted £k	Unrestricted £k	Restricted £k
<b>PARISHES</b>				
Income (excluding profit on sale of assets)	3,920	299	3,853	228
Expenditure	(3,553)	(257)	(3,328)	(199)
Diocesan assessment and transfer	(731)	-	37	-
<b>Surplus/(deficit) before transfers etc</b>	<b>(364)</b>	<b>42</b>	<b>562</b>	<b>29</b>
Transfers	-	-	-	-
(Loss)/Profit on sale of assets	-	-	-	-
Unrealised (loss)/gain on investment property	(200)	-	1,834	-
Added to/ (deducted from) reserves	- 564	42	2,396	29
<b>CURIAL</b>				
Diocesan assessment & transfer	731	-	(37)	-
Other income (excluding profit on sale of assets)	1,623	328	1,440	618
Total income	2,354	328	1,403	618
Expenditure	(2,073)	(347)	(1,900)	(193)
<b>Surplus/(deficit)</b>	<b>281</b>	<b>(19)</b>	<b>(497)</b>	<b>425</b>
Other transfers	(96)	96	10	(10)
(Loss)/Profit on sale of assets	-	-	-	-
Realised/unrealised gain/ (loss) on investments	(549)	-	(262)	(15)
Added to/(deducted from) reserves	(364)	77	(749)	400

Full details of the income and expenditure are shown in the statement of financial activities on page 16 and in the notes to the accounts.

The Trustee Board wishes to place on record its sincere thanks to all priests, the Curia Office staff, parish volunteers and external professions for their efforts on behalf of the Trust.

#### Reserves Policy

The Trustee Board has not determined a fixed amount of general reserves that are required but consider that the reserves need to be maintained at least at the present level in order to meet possible shortfalls in income and to be able to respond to requests for funding.

#### PUBLIC BENEFIT, ACHIEVEMENTS AND PERFORMANCE

In preparing this report, the Directors of the Corporate Trustee confirm that they have complied with their duty in the Charities Act 2011 to have full regard to the public benefit guidance published by the Charity Commission's guidance in the exercise of their powers and duties.

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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The provision of public benefit provided by the Charity includes the provision of religious ceremonies (such as baptisms, weddings and funerals), maintaining religious burial grounds, celebrating public Masses and providing and maintaining places of worship. There is also a benefit to the general public since churches can be accessed, by people of all faiths and none, for personal spiritual contemplation. Parishes are, themselves, communities which contribute to the moral and spiritual wellbeing of those who attend, and, from these centres, educational, social and pastoral work is carried out as a practical expression of faith.

In supporting the parish endeavour, the Diocese has a number of agencies which provide central services. Details of this provision are shown below.

#### **Youth Ministry**

Father Philip Cunnah, our Schools Chaplaincy Co ordinator, continues to be the Curial lead in working with young people and he is heavily involved in the organisation of Youth and Liturgy work of the diocesan Pilgrimage to Lourdes and attends the pilgrimage. Father Phil also has a national chaplaincy role. Preparations are already underway for a group to attend Flame, the largest Catholic youth gathering in the UK, in 2025. The theme for 2025 is "Unstoppable". The venue will be the OVO Arena, Wembley.

#### **The Bishop's Council for Spirituality and Worship**

The council supports Catechists, Extraordinary Ministers of Holy Communion (EMHC) and Ministers of the Word (MoW) by way of initial and ongoing formation. Regular deanery meetings are held in order to reinforce the support which is provided.

In October/November of each year the Diocese holds an "Inspirational Day" and all EMHCs and MoWs are invited to attend. Generally, this is a well attended event at which there is an external speaker and which culminates with Mass before departure and returning home.

Various opportunities for formation are offered – these include, among a number of others, the Catholic Certificate in Religious Studies (CCRS). The Diocese continues to provide support to suitable students, lay leaders etc in undertaking an online course in pastoral and religious education available via the Diocese of Liverpool in conjunction with the Loyola Institute for Ministry based in Chicago, USA.

The Council recognises that these various initiatives are an essential part of evangelisation and outreach.

#### **Education**

Bishop Terry, as the chief educator of the Diocese continues to believe strongly in the value of Catholic schools and in the development of the Catholic ethos and religious education in all schools in accordance with the Diocesan Trust documents. Foundation Governors and Directors, appointed by the Bishop, form the majority on each Governing Body and they assist the Bishop in addition to carrying out the various functions of the schools as required by statute.

The two-trust structure is now fully operational with thirty-eight schools in the Nicholas Postgate Catholic Academy Trust and fifteen in the Saint Cuthbert's Roman Catholic Academy Trust (SCRCAT) and both MAT's are enjoying continued success. A new CEO took up her place at SCRCAT on 1 June 2024. She was, previously, employed by a trust in the Roman Catholic Diocese of Leeds and brings a wealth of experience to the role.

#### **Vocations**

2023 Was an interesting year to say the least. At the beginning of the year we had three men training to be permanent deacons and one man still discerning whether he had a vocation to the priesthood.

During the course of the year four others expressed an interest in permanent diaconate and our Vocations Director began to meet regularly with them either by Zoom or in person. One of these became much firmer in his

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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decision to follow the vocation and he was enrolled on the NDFP (Northern Diaconal Formation Programme). For various reasons, two did not proceed and the final man decided in September that he would like to commit and so discernment began in more earnest. Fortunately, he lives in the Vocations Director's parish so that was a much easier process.

The man discerning priesthood became firmly committed and so the process began to send him to begin initial training in Valladolid. The Visa process for sending men to seminary now is labyrinthine and took five months to complete. He received his visa the day before he was due to travel. It also involves a fair financial outlay. He completed his psychological testing and finally left to begin studying in September.

Over the year five more men came forward expressing an interest in priesthood and again a course of monthly meetings was undertaken as a group, taking them out to dinner to see how they interacted socially. They were also taken to meet some of the Sisters who live in the diocese.

They all decided they would go on a discernment weekend organised by Oscott College in November. This was offered for free by the Birmingham Archdiocese. Two came back very enthused and wishing to continue discernment with the remainder, for varying personal reasons, deciding that the priestly life was not for them.

The two who were enthusiastic committed to studying and so we began the visa process for sending them to Valladolid in 2024.

We had an enjoyable Vocations Directors' Conference in Palazzola, Rome. We visited the Beda and Venerable English College who both "set out their stalls" as places to send seminarians. Both they and Oscott College seem happy places and there were no qualms about sending our students to any of them.

Finally, in November, the Vocations Director met a Nigerian man who lives in Hull. He is convinced that he has a vocation to the priesthood. However, there will be visa problems which the Trustees will need to discuss if we can take this student forward. There have been discussions with the diocesan solicitor but will need to chat at some point to the Trustees.

In summary, we have five men committed to studying for the permanent diaconate and three for priesthood with others in the pipeline.

#### **Work of the Tribunal**

The Ministry of the Tribunal is often a last resort when a marriage has completely broken down and has ended in a civil divorce. A declaration of nullity may be requested for a number of reasons. Most commonly, someone wants to enter into another union or is already in another union and wishes to regularize the situation in the eyes of the Catholic Church so that they may participate more fully in its life.

The Tribunal is also involved in the processing of cases concerning clergy in co operation with the CDF and the and the Congregation for the Clergy.

#### **Work of the Chancery**

The main work of the Chancery is the processing of marriage papers, sometimes worldwide, for couples where the Catholic party, at least, is resident within the diocesan boundary. This work includes enabling marriages to take place legally (both civilly and canonically); ensuring that the property of the Church is correctly protected and administered on behalf of the people to whom it properly belongs. Other matters dealt with by the Chancery include advice to the Bishop on matters of public good and public order; liaising with outside agencies (both outside of the Church itself and within the Church but outside of the Diocese); enquiries from people regarding the status of themselves or their parishes/churches in Canon Law. In short, the Chancery works to ensure that the Church works properly on behalf of all its members.

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### **Vicariate for Missionary Discipleship**

This Vicariate encompasses a number of elements including Adult Formation, Caritas, Bishop's Council for Marriage and Family Life, Justice and Peace, Hospital, Prisons, Liaison for Catholic Fellowship and LGBT+ Outreach and Service and it forms a link with the wider community beyond the bounds of the liturgical and spiritual life of the Diocese. A priest, working part time, together with administrative support from the Curial Office, works with volunteers from the Diocese, upon whom much of the work depends, and encourages the various agencies.

The Marriage Preparation programme is in place to welcome couples from every part of the diocese into a marriage preparation programme for couples intending to get married in the Catholic Church. Groups and organisations such as the Justice and Peace Commission and people who support refugees and asylum seekers, in interfaith and ecumenical bodies, continue their work.

#### **Communications**

Communications falls within the ambit of the Episcopal Vicariate for Stewardship and Administration. Work is performed by a part time consultant whose duties include editing the monthly Catholic Voice newspaper, which is available free in all parishes, running the social media platforms and promoting the Diocese via local and national media. The consultant also assists with crisis management and responds to press queries in co ordination with the Bishop, Chief Operating Officer and department heads.

#### **Prison Chaplaincy**

There are seven prisons within the Diocese of Middlesbrough covering the whole range of categories: local, remand, maximum security, women and young people. Each is served by a priest chaplain, or deacon or volunteer, of varying contracted hours to celebrate Mass and other sacraments and respond to the pastoral needs of prisoners as requested. Roman Catholic Chaplains also play their part as members of the multi faith chaplaincy teams in each prison and contribute to the daily round of prison life in a variety of other ways as required by the prison service.

Roman Catholic Chaplains, like all Chaplains, receive regular training and development opportunities provided by the prison service.

#### **Sick and Retired Priests**

Care of our retired priests comes within the remit of the Vicariate for the Clergy. The local Deans still have an important part to play to make our retired priests feel that they remain involved in the life of the local church by attending Deanery conferences if possible as well as other spiritual and social gatherings.

The Retired Priests' Welfare Committee meets several times a year and the practical needs of each retired priest are discussed with the aim that their needs, from housing to healthcare, are met. The Diocese supports priests who have retired from active ministry by providing accommodation and financial assistance. Four properties were purchased during 2023 for priests entering retirement. Retired priests also have the services of our consultant Care and Welfare Officer.

Their independence is important to them as it is to us all. Mrs Audrey Kirby, our Care and Welfare Consultant, with her in depth knowledge of the needs of older people coming from her long professional career in nursing, visits our retired men to offer them advice and reassurance about any health issues they may have. It is clear that this is much appreciated and she has a deeper insight into these issues than might another priest.

Our active retired priests are a great help in their willingness to supply cover for holidays, illness etc.

Every year the Bishop meets with the retired priests to celebrate Mass together and then have lunch in a convivial and relaxed atmosphere. The chance to meet up and share stories and anecdotes is enjoyed although some of the stories are re told from previous years.

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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The annual collection for the retired priests and generous bequests are vital to maintain them in a manner which offers them security after often more than fifty years of service to the people of the Diocese. As mentioned in the Trustee Report for 2022, a specific appeal for raising funds to help in support of retired priests did take place in early-2024.

#### **Safeguarding**

The Bishop and Trustee Board of Directors are committed to safeguarding children and adults who may be at risk. Safeguarding is a standing item for every ordinary meeting of Trustee Directors, at which the Directors receive and discuss a report from the Safeguarding coordinator. The Safeguarding Sub Committee, formed in 2022 is chaired by Mr Andrew McMillan (Trustee Director) who has significant safeguarding knowledge and experience.

The Safeguarding Team consists of one Safeguarding Coordinator, one Safeguarding Support Manager and two part time administrators. The Safeguarding Team supports parishes with safer recruitment of volunteers and coordinates training for Clergy and Parish Safeguarding Representatives. The Team has developed strong relations within the Curia, the wider Diocese, Statutory Agencies and other organisations in order to provide a safe environment.

In December 2023, the Catholic Safeguarding Standards Agency (CSSA) published its report following the audit which was undertaken in September of that year. The audit report graded the Diocese of Middlesbrough as "having demonstrated Firm Progress toward meeting the safeguarding standards" and auditors reported that they "found evidence of a long-standing commitment to safeguarding that is promoted and modelled by senior leaders". The report was welcomed by Bishop Terry and the diocesan Trustee Board who recognised that the CSSA report will be a valuable aid in its journey.

#### **Liturgy**

We continue to place a great deal of emphasis on all our liturgies, as such we have a wonderful lay faithful who are involved in all aspects of the celebration of Mass. We have good teams of ushers, welcomers, Ministers of the Word and Ministers of Holy Communion. Every year we have training sessions and inspirational days for all our lay faithful; they are an integral part of our Church. Once again, we had a wonderful study day for Ministers of Word and Holy Communion from around our Diocese and our thanks go out to all who assist in organising this, and other events.

The annual pilgrimages to Lourdes and Walsingham continue and were, once again, led by the Bishop and provided opportunities for reflection and faith enhancement.

In each year we have some wonderful liturgies. Most notable of these continues to be the annual Chrism Mass, held at the Cathedral, which brings together the family of the Diocese. We aim to continue the high standards of liturgy throughout our Diocese for this coming year.

#### **Volunteers**

Volunteers play a central role in fulfilling the Mission of the Church in the Diocese. Parish volunteers are involved in all aspects of the spiritual, pastoral and social life of their parishes. They serve as Extraordinary Ministers of the Eucharist and the Word, as catechists, welcomers, altar servers, musicians and cleaners. Within the wider parish, volunteers visit the sick and the housebound and raise funds used to provide food parcels to families in need of such support.

Acting as Parish Safeguarding Representatives, volunteers work with the diocesan Safeguarding Team ensuring that all volunteers are DBS-checked to the appropriate standard for the role they are undertaking and that best practices are integral to their ministry.

Volunteers also work in other Catholic charities and agencies throughout the Diocese, often engaging with

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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Government and other national agencies.

All of these activities are very much a part of the public benefit requirement in accordance with Charity Commission guidance.

#### **FUTURE PLANS**

The diocesan Lourdes Pilgrimage remains very popular and continues into 2025. The next pilgrimage will take place between 24 and 30 May 2025 and will be the Diocese's 72nd Lourdes Pilgrimage.

Pope Francis has chosen as his motto for the Eighth World Day of the Poor "The Prayer of the poor rises up to God". Dedicated to prayer, as the beginning of the Ordinary Jubilee 2025 approaches, this expression, taken from the ancient scribe, Ben Sira is easily understood. This day of prayer will take place on 17 November 2024.

#### **RISK ASSESSMENT**

The Diocesan Trustee Board has assessed the major risks to which the Diocesan Trust is exposed, in particular, those related to the operation and finances of the Trust, and is satisfied that the systems in place to mitigate our exposure to the major risks are operating effectively. The most significant risks identified were Pastoral risks relating to parish life. The issue of the increasing burden on priests due to serving additional churches and communities was identified as significant. Other risks include declining Mass attendances, reducing numbers of priests in active ministry and the risk of failures in safeguarding matters. The Diocese addresses falling Mass attendance in a number of ways including Youth Mission. The Diocesan Vocations Director is active in seeking suitable candidates for Ordination. In terms of safeguarding, the Diocese has a policy and parishes are monitored for compliance.

#### **STATEMENT OF RESERVES**

Total reserves at 31 December 2023 amounted to £57,971,682 (2022: £58,780,824) and this is made up of:

Parochial reserves £37,267,610 (2022: £37,752,069) which relate, principally, to the assets and activities of individual parishes.

Curial reserves £20,704,072 (2022: £20,028,755). Of this £4,300,054 represents the balance on restricted items which is not available for general purposes. Included in that restricted total is £1,542,502 being the amount held in the Retired Priests' Welfare Fund. Details of the restricted funds are included in Note 25 to the accounts. Unrestricted funds amount to £15,534,980.

This year saw a decrease in the valuation of investment properties of £302,252 and, an unrealised reduction in the value of listed investments of £434,278.

Total reserves are £57,951,682 and of this free reserves are in deficit by £4,788,943. However this does not include investments which could be sold if necessary and amount to £5,995,134. If these are included free reserves would be £1,206,181.

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### THE STATEMENT OF TRUSTEE'S RESPONSIBILITIES

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

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements the Trustee is required to:

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

In accordance with charities legislation, the Trustee is responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the Diocese and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed dated 2 January 1928. The Trustee is also responsible for safeguarding the assets of the Diocese and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of the Trustee and signed on their behalf by:



Rt Rev Bishop T P Draine  
Bishop of Middlesbrough  
Diocese of Middlesbrough Trustee

Date: 25 October 2024

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## DIOCESE OF MIDDLESBROUGH

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### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH

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#### UNQUALIFIED OPINION

We have audited the financial statements of Diocese of Middlesbrough (the 'charity') for the year ended 31 December 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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## DIOCESE OF MIDDLESBROUGH

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### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH (CONTINUED)

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#### OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustee is responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the information given in the Trustee's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### RESPONSIBILITIES OF TRUSTEE

As explained more fully in the Trustees' responsibilities statement, the Trustee is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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## DIOCESE OF MIDDLESBROUGH

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### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH (CONTINUED)

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#### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- Obtained an understanding of the nature of the sector, including the legal and regularity framework that the Diocese operates in and how they are complying with the legal and regularity framework,
- Inquired of management and those charged with governance about their own identification and assessment of the risks of irregularities including any known, actual, suspected or alleged instances of fraud,
- Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements might be susceptible to fraud.

As a result of these procedures we considered the most significant laws and regulations which have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), and the Diocese' governing document. We performed audit procedures to detect non-compliance which may have a material impact on the financial statements which included reviewing the financial statements including the Trustee's report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Audit procedures performed included, but were not limited to:

- testing manual journal entries and other adjustments
- evaluating the business rationale in relation to significant or unusual transactions and transactions entered into outside the normal course of business
- challenging judgments and estimates
- reviewing income transactions around the year end to look for potential "window dressing".

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

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**DIOCESE OF MIDDLESBROUGH**

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**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH  
(CONTINUED)**

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**USE OF OUR REPORT**

This report is made solely to the Charity's Trustee in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustee those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustee for our audit work, for this report, or for the opinions we have formed.

*Waltons Business Advisers Limited*

**Waltons Business Advisers Limited**

Harbour Walk  
The Marina  
Hartlepool  
TS24 0UX

28 October 2024

Waltons Business Advisers Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**DIOCESE OF MIDDLESBROUGH**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>INCOME FROM:</b>					
Donations and legacies	4	2,895,946	532,315	3,428,261	3,652,696
Charitable activities	5	390,204	-	390,204	400,751
Other trading activities	6	279,645	63,942	343,587	259,050
Investments	7	1,863,925	30,788	1,894,713	1,703,756
Other income	8	113,624	-	113,624	122,761
<b>TOTAL INCOME</b>		<b>5,543,344</b>	<b>627,045</b>	<b>6,170,389</b>	<b>6,139,014</b>
<b>EXPENDITURE ON:</b>					
Raising funds	9	10,650	109,056	119,706	50,750
Charitable activities	10	5,615,640	494,514	6,110,154	5,569,352
<b>TOTAL EXPENDITURE</b>		<b>5,626,290</b>	<b>603,570</b>	<b>6,229,860</b>	<b>5,620,102</b>
<b>NET (EXPENDITURE)/INCOME BEFORE NET (LOSSES)/GAINS ON INVESTMENTS</b>					
		(82,946)	23,475	(59,471)	518,912
Net (losses)/gains on investments	15	(749,671)	-	(749,671)	1,556,691
<b>NET (EXPENDITURE)/INCOME</b>		<b>(832,617)</b>	<b>23,475</b>	<b>(809,142)</b>	<b>2,075,603</b>
Transfers between funds	24	(95,598)	95,598	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(928,215)</b>	<b>119,073</b>	<b>(809,142)</b>	<b>2,075,603</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward as previously stated		54,110,944	4,669,880	58,780,824	57,090,865
Prior year adjustment		-	-	-	(385,644)
Total funds brought forward as restated		54,110,944	4,669,880	58,780,824	56,705,221
Net movement in funds		(928,215)	119,073	(809,142)	2,075,603
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>53,182,729</b>	<b>4,788,953</b>	<b>57,971,682</b>	<b>58,780,824</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 46 form part of these financial statements.

**DIOCESE OF MIDDLESBROUGH**

**BALANCE SHEET  
AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	16	10,252,905	9,980,194
Investments	19	5,995,134	6,299,412
Investment property	18	37,491,960	37,207,847
		<u>53,739,999</u>	<u>53,487,453</u>
<b>CURRENT ASSETS</b>			
Debtors due after more than 1 year	20	687,425	686,952
Debtors due within 1 year	20	598,912	580,939
Investments	21	4,498,832	4,603,942
Cash at bank and in hand		12,730,601	13,592,181
		<u>18,515,770</u>	<u>19,464,014</u>
Creditors: amounts falling due within one year	22	(13,860,952)	(13,719,557)
<b>NET CURRENT ASSETS</b>		<u>4,654,818</u>	<u>5,744,457</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>58,394,817</u>	<u>59,231,910</u>
Creditors: amounts falling due after more than one year	23	(423,135)	(451,086)
<b>TOTAL NET ASSETS</b>		<u><u>57,971,682</u></u>	<u><u>58,780,824</u></u>
<b>CHARITY FUNDS</b>			
Restricted funds	24	4,788,953	4,669,880
Unrestricted funds			
Designated funds	24	1,261,250	1,324,614
General funds	24	51,921,479	52,786,330
Total unrestricted funds	24	<u>53,182,729</u>	<u>54,110,944</u>
<b>TOTAL FUNDS</b>		<u><u>57,971,682</u></u>	<u><u>58,780,824</u></u>

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:

Date: 25 October 2024

The notes on pages 19 to 46 form part of these financial statements.

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**DIOCESE OF MIDDLESBROUGH**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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	2023 £	2022 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net cash used in operating activities	<b>(1,044,890)</b>	<b>(330,601)</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends, interests and rents from investments	<b>1,894,713</b>	<b>1,703,756</b>
Proceeds from the sale of tangible fixed assets	<b>-</b>	<b>1,000</b>
Purchase of tangible fixed assets	<b>(457,199)</b>	<b>(208,364)</b>
Proceeds from sale of investments	<b>323,389</b>	<b>982,509</b>
Purchase of investments	<b>(947,785)</b>	<b>(1,229,138)</b>
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>813,118</b>	<b>1,249,763</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash inflows from new borrowing	<b>-</b>	<b>500,000</b>
Repayments of borrowing	<b>(227,951)</b>	<b>(623,963)</b>
	<hr/>	<hr/>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(227,951)</b>	<b>(123,963)</b>
	<hr/>	<hr/>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>	<b>(459,723)</b>	<b>795,199</b>
Cash and cash equivalents at the beginning of the year	<b>6,919,670</b>	<b>6,124,471</b>
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>6,459,947</b>	<b>6,919,670</b>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 19 to 46 form part of these financial statements

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## DIOCESE OF MIDDLESBROUGH

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1. GENERAL INFORMATION

The Roman Catholic Diocese of Middlesbrough is governed by a Trust Deed dated 2 January 1928 and is registered with the Charity Commission of England and Wales (No 233748). The sole Trustee of the charity is a Trust Corporation which was incorporated on 17 December 1997.

The registered office address is:

Curial Offices  
50a The Avenue  
Middlesbrough  
TS5 6QT

#### 2. ACCOUNTING POLICIES

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Diocese of Middlesbrough 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.

##### 2.2 Going concern

The financial statements are prepared on a going concern basis and the Trustee considers that there are no material uncertainties about the Diocese's ability to continue as a going concern.

##### 2.3 Subsidiary company

All of the turnover of the Diocese's wholly owned subsidiary, Diocesan Property Management Limited, represents sales of building construction to the Diocese. The subsidiary has no material net assets or liabilities. There is no significant difference between the Statement of Financial Activities and the Balance Sheet of the Diocese, as presented, and the consolidated group figures, and accordingly the subsidiary has not been consolidated within these financial statements.

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## DIOCESE OF MIDDLESBROUGH

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.4 Income

All income is recognised once the Diocese has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Diocese has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Diocese, can be reliably measured.

In the event that a donation is subject to conditions which require a level of performance before the Diocese is entitled to the funds, the income is deferred and not recognised until those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Diocese and it is probable that those conditions will be fulfilled in the reporting period. Collections and Fundraising income are recognised on receipt.

Investment income is credited to income when it is receivable and the amount can be measured reliably by the Diocese; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

### 2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the Diocese to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Diocese's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

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## DIOCESE OF MIDDLESBROUGH

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.6 Tangible fixed assets and depreciation- Freehold land and buildings

#### Churches, Presbyteries, Halls and Offices etc

Functional Land and Buildings (i.e. Land and buildings used for the prime purpose of the Diocese), which are still in use by the Diocese 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 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 renovation or improvements for the following period:

• Unlisted Churches	25 to 100 years
• Cathedral and Listed Churches	100 to 200 years
• Presbyteries	25 to 100 years
• Other buildings	25 to 100 years

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

Details and addresses of the Diocesan churches and other buildings can be found in the Diocesan Yearbook.

#### Voluntary Aided Schools and Academies

##### Land

The Diocese owns the land on which its Voluntary Aided Schools and Academies are built. The nature of the occupation of the land by these exempt and excepted charities means that the Diocesan Trustee does not have the power to dispose of the land, until the school ceases its occupation, which in turn would require the approval of the governors and the Secretary of State. The Diocesan Trustee considers its ownership to be in the nature of custodianship of the assets and therefore these are not capitalised in the financial statements. The cost of any land acquired for the purposes of a Voluntary Aided School or Academy is charged to the Statement of Financial Activity in the year of acquisition.

##### Buildings

The School buildings are occupied, extended and repaired by the school governors. The nature of the occupation of these buildings by these exempt and excepted charities means that the Diocesan Trustee does not have the power to dispose of the buildings, until the school ceases its occupation, which in turn would require the approval of the governors and the Secretary of State. Any proceeds of sale would be subject to clawback by the Secretary of State of any related grant aid provided. The Diocesan Trustee considers its ownership to be in the nature of custodianship of the assets and therefore these are not capitalised in the financial statements. The School governors account for the building, improvement and repair costs of the schools less any grants received in respect of these costs.

Details of the Diocesan Voluntary Aided Schools and Academies (both freehold and leasehold) are given in the Diocesan Yearbook.

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## DIOCESE OF MIDDLESBROUGH

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.7 Tangible fixed assets and depreciation - other assets

###### Fixtures, Fittings and Equipment

Fixtures, Fittings and Equipment which were in use at 31 December 1995 and which had a current replacement cost exceeding £1,000, have been capitalised and included in the financial statements at an estimate of their Historic cost (or in the case of donated assets, at an estimate of the value at the date of acquisition). Subsequent acquisitions with a cost (or in the case of donated assets, estimated value) of over £1,000 are capitalised on the same basis. They are depreciated at rates calculated to write off the cost or valuation, less the estimated residual value, of each asset evenly over its expected useful life as follows:

- Church Furniture 25 to 200 years
- Office Equipment 3 to 5 years
- Parish Hall Equipment 20 years

Contents of presbyteries are not included in the financial statements.

###### Works of Art and Historic Treasures

The Diocese owns several individual Works of Art and Historic Treasures and Plate. The items have extraordinarily long lives and are worth preserving perpetually. The collection is not recognised in the Balance Sheet because details of the cost of these items are not available and the cost to the Diocese of obtaining valuations would exceed the benefit arising from doing so.

###### Motor Vehicles

Motor Vehicles have been capitalised and included in the financial statements at an estimate of their Historic cost (or in the case of donated assets, at an estimate of the 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, over its expected useful life as follows:

- Motor Cars 25% Reducing Balance

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## DIOCESE OF MIDDLESBROUGH

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries and associates are valued at cost less provision for impairment.

Investment properties are shown at the Trustees' best estimate of market value which reflects the annual movement on the house price index for the Diocesan geographical location and other known circumstances. All changes in value during the year are reported in "Gains and Losses on Revaluation and Investment Asset Disposals" section of the Statement of Financial Activities.

Current asset investments are designated as such as they are highly liquid and the Diocese has specified that they be made readily available to convert to cash within a short term notice period of no longer than 6 months.

##### 2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### 2.10 Cash at bank and in hand

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

##### 2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Diocese anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

##### 2.12 Financial instruments

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.13 Pensions**

The Diocese contributes 6% of gross salary to a group personal pension scheme for staff who elect to join. The scheme is a defined contributions scheme and the pension charge represents the amounts payable by the Diocese to the fund in respect of the year.

Eligible teachers and former teachers subscribe to the Teacher's Pension Scheme (TPS) superannuation scheme which is a defined benefits scheme. The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Diocese in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multiemployer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**2.14 Fund accounting**

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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## DIOCESE OF MIDDLESBROUGH

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Diocese makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimate and assumption that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below.

The Trustee has made the decision not to commission an external valuer to value Investment property. Instead the Investment property is revalued annually using the UK House Price Index Summary prepared by the ONS. The Diocese has properties in both the North East and York regions and therefore uses these values to inform the current year revaluation. To December 2023 the average house price decrease was 0.8% in the North East and 1.2% in Yorkshire and the Humber. An annual decrease of 0.8% has been applied to all investment property as the Trustee believed this to be representative of the portfolio.

Had property not been revalued it would be included at historic cost and this is disclosed in note 18.

#### 4. INCOME FROM DONATIONS AND LEGACIES

	<b>Parochial Unrestricted Funds £</b>	<b>Parochial Restricted Funds £</b>	<b>Curial Unrestricted Funds £</b>	<b>Curial Restricted Funds £</b>	<b>Total £</b>	<b>Total 2022 £</b>
Donations	<b>2,569,303</b>	<b>219,784</b>	<b>15,041</b>	<b>23,822</b>	<b>2,827,950</b>	2,853,398
Legacies	<b>58,911</b>	<b>78,945</b>	<b>252,691</b>	<b>209,764</b>	<b>600,311</b>	799,298
Total 2023	<b>2,628,214</b>	<b>298,729</b>	<b>267,732</b>	<b>233,586</b>	<b>3,428,261</b>	3,652,696
Total 2022	<b>2,764,394</b>	<b>228,283</b>	<b>86,484</b>	<b>573,535</b>	<b>3,652,696</b>	

**DIOCESE OF MIDDLESBROUGH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**5. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Parochial Unrestricted Funds £</b>	<b>Curial Unrestricted Funds £</b>	<b>Total £</b>	<b>Total 2022 £</b>
School Service Contribution	-	<b>226,492</b>	<b>226,492</b>	210,395
Stipends	<b>163,712</b>	-	<b>163,712</b>	190,356
Total 2023	<b>163,712</b>	<b>226,492</b>	<b>390,204</b>	400,751
Total 2022	190,356	210,395	400,751	

**6. INCOME FROM FUNDRAISING ACTIVITIES**

	<b>Parochial Unrestricted Funds £</b>	<b>Curial Restricted Funds £</b>	<b>Total £</b>	<b>Total 2022 £</b>
Fundraising	<b>181,982</b>	<b>63,942</b>	<b>245,924</b>	169,312
Papers, candles & piety stalls	<b>97,663</b>	-	<b>97,663</b>	89,738
Total 2023	<b>279,645</b>	<b>63,942</b>	<b>343,587</b>	259,050
Total 2022	240,655	18,395	259,050	

**7. INVESTMENT INCOME**

	<b>Parochial Unrestricted Funds £</b>	<b>Curial Unrestricted Funds £</b>	<b>Curial Restricted Funds £</b>	<b>Total £</b>	<b>Total 2022 £</b>
Rents and hire fees	<b>673,019</b>	<b>584,325</b>	<b>9,540</b>	<b>1,266,884</b>	1,169,645
Investment income	-	<b>482,352</b>	<b>382</b>	<b>482,734</b>	514,446
Bank interest received	<b>108,449</b>	<b>15,780</b>	<b>20,866</b>	<b>145,095</b>	19,665
Total 2023	<b>781,468</b>	<b>1,082,457</b>	<b>30,788</b>	<b>1,894,713</b>	1,703,756
Total 2022	647,777	1,030,751	25,228	1,703,756	

**DIOCESE OF MIDDLESBROUGH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**8. OTHER INCOMING RESOURCES**

	Parochial Unrestricted Funds £	Curial Unrestricted Funds £	Curial Restricted Funds £	Total £	Total 2022 £
Gain/ (loss) on sale of fixed assets	-	-	-	-	(2,080)
Other income	67,447	46,177	-	113,624	124,841
Total 2023	<u>67,447</u>	<u>46,177</u>	<u>-</u>	<u>113,624</u>	<u>122,761</u>
Total 2022	<u>9,667</u>	<u>112,544</u>	<u>550</u>	<u>122,761</u>	

**9. RAISING FUNDS**

Summary by fund type	Parochial Unrestricted Funds £	Curial Restricted Funds £	Total £	Total 2022 £
Raising funds	10,650	109,056	119,706	50,750
Total 2023	<u>10,650</u>	<u>109,056</u>	<u>119,706</u>	<u>50,750</u>
Total 2022	<u>12,635</u>	<u>38,115</u>	<u>50,750</u>	

**10. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

**Summary by fund type**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Parochial	3,542,822	256,395	3,799,217	3,514,727
Curial	2,072,818	238,119	2,310,937	2,054,625
	<u>5,615,640</u>	<u>494,514</u>	<u>6,110,154</u>	<u>5,569,352</u>
Total 2022	<u>5,215,522</u>	<u>353,830</u>	<u>5,569,352</u>	

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**DIOCESE OF MIDDLESBROUGH**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**11. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	<b>Activities undertaken directly 2023 £</b>	<b>Support costs 2023 £</b>	<b>Total funds 2023 £</b>	<i>Total funds 2022 £</i>
Parochial	<b>3,799,217</b>	-	<b>3,799,217</b>	3,514,727
Curial	<b>1,868,095</b>	<b>442,842</b>	<b>2,310,937</b>	2,054,625
	<b>5,667,312</b>	<b>442,842</b>	<b>6,110,154</b>	5,569,352
<i>Total 2022</i>	<i>5,151,789</i>	<i>417,563</i>	<i>5,569,352</i>	

**DIOCESE OF MIDDLESBROUGH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**11. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**ANALYSIS OF DIRECT COSTS**

	Parochial 2023 £	Curial 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	-	742,755	742,755	580,372
Depreciation	153,912	30,576	184,488	171,840
Repairs, Maintenance & Upkeep of properties	934,492	326,818	1,261,310	1,441,292
Establishment costs	1,029,177	-	1,029,177	815,913
Administration	312,180	-	312,180	288,329
Domestic	153,026	-	153,026	155,395
Motor and travel	114,710	-	114,710	92,072
General Church expenses	181,863	-	181,863	157,970
Bishop & Clergy Support	-	199,280	199,280	170,637
Schools	600	49,153	49,753	84,066
Donations	184,187	50,000	234,187	83,172
Special collections	106,781	-	106,781	155,686
Sundries	75,059	-	75,059	12,671
Priest training	-	42,544	42,544	44,006
Youth Service	-	3,433	3,433	(711)
Services to Parishes & Chaplaincies	518,100	119,992	638,092	605,851
Retired Priest Welfare fund	-	161,086	161,086	136,185
Justice & Peace	-	3,000	3,000	3,000
National assessments	-	25,974	25,974	25,975
Finance charges	35,130	60,723	95,853	55,527
Governance costs	-	52,327	52,327	71,384
Diocesan events	-	434	434	556
Lourdes	-	-	-	601
	<b>3,799,217</b>	<b>1,868,095</b>	<b>5,667,312</b>	<b>5,151,789</b>
<i>Total 2022</i>	<i>3,514,727</i>	<i>1,637,062</i>	<i>5,151,789</i>	

**DIOCESE OF MIDDLESBROUGH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**11. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**ANALYSIS OF SUPPORT COSTS**

	<b>Curial 2023 £</b>	<b>Total funds 2023 £</b>	<i>Total funds 2022 £</i>
Staff costs	353,742	353,742	335,787
Establishment costs	35,609	35,609	24,341
Administration	26,317	26,317	25,400
Motor and travel	12,990	12,990	11,564
Bishop & Clergy Support	14,184	14,184	20,471
	<u>442,842</u>	<u>442,842</u>	<u>417,563</u>

**12. AUDITORS' REMUNERATION**

	<b>2023 £</b>	<i>2022 £</i>
Fees payable to the Diocese's auditor for the audit of the Diocese's annual financial statements	17,325	16,500
Fees payable to the Diocese's auditor in respect of: Accountancy and taxation advice	<u>5,195</u>	<u>5,300</u>

**13. STAFF COSTS**

	<b>2023 £</b>	<i>2022 £</i>
Wages and salaries	761,549	771,460
Social security costs	71,888	76,155
Contribution to defined contribution pension schemes	263,060	68,544
	<u>1,096,497</u>	<u>916,159</u>

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**DIOCESE OF MIDDLESBROUGH**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**13. STAFF COSTS (CONTINUED)**

The average number of persons employed by the Diocese during the year was as follows:

	<b>2023</b>	<i>2022</i>
	<b>No.</b>	<i>No.</i>
Curial employees	<b>24</b>	<i>25</i>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2023</b>	<i>2022</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>1</b>	<i>-</i>
In the band £70,001 - £80,000	<b>1</b>	<i>1</i>
In the band £80,001 - £90,000	<b>1</b>	<i>-</i>

Total remuneration to key management personnel in the year (including pension and employers NI) was £272,418 (2022- £238,247).

**14. TRUSTEE'S REMUNERATION AND EXPENSES**

During the year, no Trustee received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 December 2023, no Trustee expenses have been incurred (2022 - £NIL).

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

**15. NET GAINS/LOSSES ON INVESTMENTS**

	Parochial Unrestricted Funds £	Curial Unrestricted Funds £	Curial Restricted Funds £	Total £	Total 2022 £
Realised gains	(46,941)	33,800	-	(13,141)	29,062
Unrealised gains	(153,249)	(583,281)	-	(736,530)	1,527,629
Total 2023	<u>(200,190)</u>	<u>(549,481)</u>	<u>-</u>	<u>(749,671)</u>	<u>1,556,691</u>
Total 2022	<u>1,833,799</u>	<u>(262,451)</u>	<u>(14,657)</u>	<u>1,556,691</u>	

**16. TANGIBLE FIXED ASSETS**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>					
At 1 January 2023	14,292,781	63,173	802,008	79,319	15,237,281
Additions	424,885	-	8,628	23,686	457,199
At 31 December 2023	<u>14,717,666</u>	<u>63,173</u>	<u>810,636</u>	<u>103,005</u>	<u>15,694,480</u>
<b>Depreciation</b>					
At 1 January 2023	4,767,391	19,612	395,301	74,783	5,257,087
Charge for the year	155,552	10,893	13,436	4,607	184,488
At 31 December 2023	<u>4,922,943</u>	<u>30,505</u>	<u>408,737</u>	<u>79,390</u>	<u>5,441,575</u>
<b>Net book value</b>					
At 31 December 2023	<u>9,794,723</u>	<u>32,668</u>	<u>401,899</u>	<u>23,615</u>	<u>10,252,905</u>
At 31 December 2022	<u>9,525,390</u>	<u>43,561</u>	<u>406,707</u>	<u>4,536</u>	<u>9,980,194</u>

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

17. TANGIBLE FIXED ASSET SPLIT

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office Equipment £	Total £
<b>Curial</b>					
<b>Cost</b>					
At 1 January 2023	1,020,155	63,173	-	79,319	1,162,647
Additions	424,885	-	-	23,686	448,571
At 31 December 2023	<u>1,445,040</u>	<u>63,173</u>	<u>-</u>	<u>103,005</u>	<u>1,611,218</u>
<b>Depreciation</b>					
At 1 January 2023	357,477	19,612	-	74,783	451,872
Charge for year	15,076	10,893	-	4,607	30,576
At 31 December 2023	<u>372,553</u>	<u>30,505</u>	<u>-</u>	<u>79,390</u>	<u>482,448</u>
<b>Net book value</b>					
At 31 December 2023	<u>1,072,487</u>	<u>32,668</u>	<u>-</u>	<u>23,615</u>	<u>1,128,770</u>
At 1 January 2023	<u>662,678</u>	<u>43,561</u>	<u>-</u>	<u>4,536</u>	<u>710,775</u>
<b>Parochial</b>					
<b>Cost</b>					
At 1 January 2023	13,272,626	-	802,008	-	14,074,634
Additions	-	-	8,628	-	8,628
At 31 December 2023	<u>13,272,626</u>	<u>-</u>	<u>810,636</u>	<u>-</u>	<u>14,083,262</u>
<b>Depreciation</b>					
At 1 January 2023	4,409,914	-	395,301	-	4,805,215
Charge for year	140,476	-	13,436	-	153,912
At 31 December 2023	<u>4,550,390</u>	<u>-</u>	<u>408,737</u>	<u>-</u>	<u>4,959,127</u>
<b>Net book value</b>					
At 31 December 2023	<u>8,722,236</u>	<u>-</u>	<u>401,899</u>	<u>-</u>	<u>9,124,135</u>
At 1 January 2023	<u>8,862,712</u>	<u>-</u>	<u>406,707</u>	<u>-</u>	<u>9,269,419</u>
Total 2023	<u>9,794,723</u>	<u>32,668</u>	<u>401,899</u>	<u>23,615</u>	<u>10,252,905</u>
Total 2022	<u>9,525,390</u>	<u>43,561</u>	<u>406,707</u>	<u>4,536</u>	<u>9,980,194</u>

**DIOCESE OF MIDDLESBROUGH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**18. INVESTMENT PROPERTY**

	Parochial £	Curial £	Total £
<b>Valuation</b>			
At 1 January 2023	19,264,959	17,942,888	37,207,847
Additions	60,378	691,128	751,506
Disposals	(165,141)	-	(165,141)
Revaluation	(153,249)	(149,003)	(302,252)
At 31 December 2023	19,006,947	18,485,013	37,491,960

As explained in the accounting policies investment properties are shown at the Trustees' best estimate of market value which reflects the annual movement on the house price index for the Diocesan geographical location and other known circumstances.

There are no restrictions on the ability to realise investment property or on the remittance of income or proceeds on disposal.

The historical cost of investment property (Curial) on 31 December 2023 was £11,932,582 (2022: £11,542,298). See also note 25.

**19. FIXED ASSET INVESTMENTS- CURIAL**

	Investments in subsidiary companies £	Investments in associates £	Listed investments £	Unlisted investments £	Total £
<b>Cost or valuation</b>					
At 1 January 2023	2	4,000	6,276,598	18,812	6,299,412
Additions	-	-	815	4,489	5,304
Disposals	-	-	-	(815)	(815)
Revaluations	-	-	(294,147)	-	(294,147)
Investment manager fees	-	-	-	(14,620)	(14,620)
At 31 December 2023	2	4,000	5,983,266	7,866	5,995,134

The Historical cost of listed investments on 31 December 2023 was £6,596,234 (2022: £6,498,071).

Included within the listed investment balance above are no balances which represent more than 5% of the total (1 January 2023 2 balances: £817,700).

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**DIOCESE OF MIDDLESBROUGH**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**19. FIXED ASSET INVESTMENTS- CURIAL (CONTINUED)**

**Principal subsidiaries and associates**

The following was a subsidiary undertaking of the Diocese:

<b>Name</b>	<b>Company number</b>	<b>Principal activity</b>	<b>Holding</b>	<b>Included in consolidation</b>
Diocesan Property Management Limited	02960826	Building contractor and property developer	100%	Yes

The financial results of the subsidiary for the year were:

<b>Name</b>	<b>Expenditure £</b>	<b>(Loss) for the year £</b>	<b>Net assets/ (liabilities) £</b>
Diocesan Property Management Limited	<b>698</b>	<b>(698)</b>	<b>(14,864)</b>

The following was an associate of the Diocese:

<b>Name</b>	<b>Income for the year £</b>	<b>Expenditure for the year £</b>	<b>Profit / (Loss) for the year £</b>
Inter-Diocesean Fuel Management Limited	<b>30,864,811</b>	<b>(30,201,390)</b>	<b>8,801</b>

The Diocese holds 4.35% (2022: 4.5%) of the ordinary shares of Inter-Diocesean Fuel Management Limited. The principal activity of Inter-Diocesean Fuel Management Limited is that of fuel and power distribution to various Roman Catholic Dioceses throughout England.

**DIOCESE OF MIDDLESBROUGH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**20. DEBTORS**

	<b>Curial 2023 £</b>	<b>Total 2023 £</b>	<i>Total 2022 £</i>
<b>Debtors in over 1 year:</b>			
Amounts owed by group companies	687,425	687,425	686,952
<b>Debtors within 1 year:</b>			
Trade debtors	59,713	59,713	48,325
Other debtors	115,185	115,185	133,785
Other debtors - school loans	212,153	212,153	374,061
Prepayments and accrued income	211,861	211,861	24,768
Due within 1 year	598,912	598,912	580,939
<b>Total 2023</b>	<b>1,286,337</b>	<b>1,286,337</b>	<i>1,267,891</i>

**21. CURRENT ASSET INVESTMENTS- CURIAL**

	<b>2023 £</b>	<i>2022 £</i>
Listed investments	4,493,335	4,567,875
Unlisted investments	5,497	36,067
	<b>4,498,832</b>	<i>4,603,942</i>

The Historical cost of listed investments on 31 December 2023 was £4,603,942 (2022: £5,130,370).

**DIOCESE OF MIDDLESBROUGH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**22. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Parochial 2023 £</b>	<b>Curial 2023 £</b>	<b>Total 2023 £</b>	<i>Total 2022 £</i>
Bank overdrafts	-	<b>6,270,654</b>	<b>6,270,654</b>	6,672,511
Bank loans < 1 yr	-	<b>27,951</b>	<b>27,951</b>	27,951
Loans < 1 yr	-	<b>5,689,040</b>	<b>5,689,040</b>	5,889,040
Trade creditors	-	<b>39,947</b>	<b>39,947</b>	178,029
Other taxation and social security	-	<b>22,247</b>	<b>22,247</b>	19,488
Other creditors	-	<b>137,690</b>	<b>137,690</b>	213,943
Other creditors - school loans	-	<b>1,325,105</b>	<b>1,325,105</b>	616,158
Accruals	<b>48,797</b>	<b>299,521</b>	<b>348,318</b>	102,437
	<b>48,797</b>	<b>13,812,155</b>	<b>13,860,952</b>	<i>13,719,557</i>

**23. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	<b>Curial 2023 £</b>	<b>Total 2023 £</b>	<i>Total 2022 £</i>
Bank loans	<b>423,135</b>	<b>423,135</b>	451,086
	<b>423,135</b>	<b>423,135</b>	451,086

The bank loan is secured on property owned by the Diocese. This security is over approximately £7m of the full property portfolio. The interest rate is charged at 3.6% over LIBOR payable quarterly with the facility repayable in full at the maturity date of March 2027.

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

24. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
St John of Beverley Designated fund	587,089	-	-	(23,207)	-	563,882
John Paul Centre Designated Fund	345,313	9,843	(50,000)	-	-	305,156
Parochial Designated funds	392,212	-	-	-	-	392,212
	<u>1,324,614</u>	<u>9,843</u>	<u>(50,000)</u>	<u>(23,207)</u>	<u>-</u>	<u>1,261,250</u>
<b>General funds</b>						
Unrestricted funds Parochial	36,950,622	3,920,486	(3,553,472)	(730,947)	(200,190)	36,386,499
Unrestricted funds Curial	9,435,118	1,613,015	(2,022,818)	278,125	(400,478)	8,902,962
Revaluation reserve Curial	6,400,590	-	-	380,431	(149,003)	6,632,018
	<u>52,786,330</u>	<u>5,533,501</u>	<u>(5,576,290)</u>	<u>(72,391)</u>	<u>(749,671)</u>	<u>51,921,479</u>
<b>Total Unrestricted funds</b>	<u>54,110,944</u>	<u>5,543,344</u>	<u>(5,626,290)</u>	<u>(95,598)</u>	<u>(749,671)</u>	<u>53,182,729</u>

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

24. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
<b>Restricted funds</b>						
Retired Priests Welfare Fund	1,605,640	28,763	(163,457)	71,556	-	1,542,502
Priests' Training Fund	1,495,438	228,379	(39,379)	-	-	1,684,438
Lacy Fund	333,592	-	32,123	-	-	365,715
Lourdes Sick Fund	244,586	66,388	(109,140)	5,000	-	206,834
Catholic Child Care	118,558	2,054	-	100	-	120,712
Cecil H Walker Memorial Fund	100,298	1,003	-	-	-	101,301
Mike McCullagh Memorial Trust Fund	67,090	1,053	-	-	-	68,143
Mathias Smyth Memorial Masses Fund	46,867	-	(3,700)	-	-	43,167
Levy Fund (Active Priests)	40,742	-	-	-	-	40,742
Common Stock	37,598	-	(376)	376	-	37,598
Mensal Fund	35,218	352	(17,351)	15,000	-	33,219
Parochial Restricted funds	446,565	298,729	(256,395)	-	-	488,899
Other Restricted funds below £25k each	97,688	324	(45,895)	3,566	-	55,683
	<u>4,669,880</u>	<u>627,045</u>	<u>(603,570)</u>	<u>95,598</u>	<u>-</u>	<u>4,788,953</u>
<b>Total of funds</b>	<u><u>58,780,824</u></u>	<u><u>6,170,389</u></u>	<u><u>(6,229,860)</u></u>	<u><u>-</u></u>	<u><u>(749,671)</u></u>	<u><u>57,971,682</u></u>

**DIOCESE OF MIDDLESBROUGH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**24. STATEMENT OF FUNDS (CONTINUED)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>As restated Balance at 1 January 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2022 £</i>
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
St John of Beverley Designated fund	587,089	-	-	-	-	587,089
John Paul Centre Designated Fund	440,768	14,947	-	-	(110,402)	345,313
Parochial Designated funds	392,212	-	-	-	-	392,212
	<u>1,420,069</u>	<u>14,947</u>	<u>-</u>	<u>-</u>	<u>(110,402)</u>	<u>1,324,614</u>
<b>General funds</b>						
Unrestricted funds Parochial	34,555,278	3,852,969	(3,328,745)	37,321	1,833,799	36,950,622
Unrestricted funds Curial	11,945,616	1,425,107	(1,899,412)	(27,150)	(2,009,043)	9,435,118
Revaluation reserve Curial	4,543,596	-	-	-	1,856,994	6,400,590
	<u>51,044,490</u>	<u>5,278,076</u>	<u>(5,228,157)</u>	<u>10,171</u>	<u>1,681,750</u>	<u>52,786,330</u>
<b>Total Unrestricted funds</b>	<u>52,464,559</u>	<u>5,293,023</u>	<u>(5,228,157)</u>	<u>10,171</u>	<u>1,571,348</u>	<u>54,110,944</u>

**DIOCESE OF MIDDLESBROUGH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**24. STATEMENT OF FUNDS (CONTINUED)**

	<i>As restated Balance at 1 January 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2022 £</i>
<b>Restricted funds</b>						
Retired Priests Welfare Fund	1,585,597	90,569	(86,382)	15,856	-	1,605,640
Priests' Training Fund	1,061,369	500,199	(36,591)	(12,465)	(17,074)	1,495,438
Lacy Fund	300,379	-	33,213	-	-	333,592
Lourdes Sick Fund	252,885	22,224	(35,523)	5,000	-	244,586
Catholic Child Care	119,608	1,707	(2,857)	100	-	118,558
Cecil H Walker Memorial Fund	99,305	993	-	-	-	100,298
Mike McCullagh Memorial Trust Fund	63,812	861	-	-	2,417	67,090
Mathias Smyth Memorial Masses Fund	50,467	-	(3,600)	-	-	46,867
Levy Fund (Active Priests)	40,742	-	-	-	-	40,742
Common Stock	37,598	-	(376)	376	-	37,598
Mensal Fund	30,400	304	4,514	-	-	35,218
Church Extension Fund	44,360	-	-	(44,360)	-	-
Parochial Restricted funds	416,892	228,283	(198,610)	-	-	446,565
Other Restricted funds below £25k each	137,248	851	(65,733)	25,322	-	97,688
	<u>4,240,662</u>	<u>845,991</u>	<u>(391,945)</u>	<u>(10,171)</u>	<u>(14,657)</u>	<u>4,669,880</u>
<b>Total of funds</b>	<u><u>56,705,221</u></u>	<u><u>6,139,014</u></u>	<u><u>(5,620,102)</u></u>	<u><u>-</u></u>	<u><u>1,556,691</u></u>	<u><u>58,780,824</u></u>

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## DIOCESE OF MIDDLESBROUGH

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 24. STATEMENT OF FUNDS (CONTINUED)

##### **Designated funds**

These represent funds set aside for the maintenance of buildings.

##### **Unrestricted Funds**

These include both Parish and Curial funds which are shown separately. The revaluation reserve reflects the difference between the historic cost and current fair value on the investment properties held within Curial funds. The historic cost of the Parish Investment properties is not known and therefore no revaluation reserve is provided.

##### **Restricted Funds**

###### Retired Priests Welfare Fund

A fund set up in 1996 to provide support upon retirement for incardinated Diocesan Priests.

###### Priests Training Fund

For training students for the priesthood of this Diocese.

###### Lacy Fund

To meet pension requirements of retired clergy.

###### Lourdes Sick Fund

For pilgrimages to Lourdes.

###### Catholic Child Care

Provides a fostering and adoption service.

###### Cecil H Walker Memorial Fund

For the support of retired priests of the Diocese; in particular those who have spent part or all of their ministry in the Southern areas of the Diocese.

###### Mike McCullagh Memorial Trust Fund

Supporting junior football, prison visiting and sick children in the Tees Valley.

###### Mathias Smyth Memorial Masses Fund

Masses for the repose of the souls of Matthias Smyth and his family.

###### Levy Fund (Active Priests)

To provide a pension for each active priest on their retirement.

###### Mensal Fund

Deals with the income and costs of the Bishop of Middlesbrough and his administration.

###### Church Extension Fund

To assist the new churches and Mass centres of the Diocese.

###### Parochial Restricted Funds

Restricted funds belong to the individual parishes.

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**DIOCESE OF MIDDLESBROUGH**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**25. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	<b>Unrestricted funds 2023 £</b>	<b>Restricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Tangible fixed assets	10,252,905	-	10,252,905
Fixed asset investments	5,995,134	-	5,995,134
Investment property	37,491,960	-	37,491,960
Debtors due after more than one year	687,425	-	687,425
Current assets	13,039,392	4,788,953	17,828,345
Creditors due within one year	(13,860,952)	-	(13,860,952)
Creditors due in more than one year	(423,135)	-	(423,135)
<b>Total</b>	<b>53,182,729</b>	<b>4,788,953</b>	<b>57,971,682</b>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	9,980,194	-	9,980,194
Fixed asset investments	6,299,412	-	6,299,412
Investment property	37,207,847	-	37,207,847
Debtors due after more than one year	686,952	-	686,952
Current assets	14,107,182	4,669,880	18,777,062
Creditors due within one year	(13,719,557)	-	(13,719,557)
Creditors due in more than one year	(451,086)	-	(451,086)
<b>Total</b>	<b>54,110,944</b>	<b>4,669,880</b>	<b>58,780,824</b>

**DIOCESE OF MIDDLESBROUGH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**26. AMOUNTS DUE TO & FROM PARISHES FROM CURIAL**

	Amounts due to Parishes	Amounts due from Parishes	Total
Balance at 1 January 2023	7,693,871	(3,753,578)	3,940,293
Parish Levy	-	(730,947)	(730,947)
Legacy recieved	31,000	-	31,000
Expenditure by Diocese on behalf of Parishes	(92,190)	(16,830)	(109,020)
Transfers and repayments of loans	39,750	242,547	282,297
Sale of property	118,200	-	118,200
Rent and interest	145,761	9,570	155,331
	<u>7,936,392</u>	<u>(4,249,238)</u>	<u>3,687,154</u>
Balance at 31 December 2023			

**27. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(809,142)	2,075,603
<b>Adjustments for:</b>		
Depreciation charges	184,488	171,840
Gains on investments	702,730	(1,727,742)
Dividends, interests and rents from investments	(1,894,713)	(1,703,756)
Loss on the sale of fixed assets	-	3,880
Decrease/(increase) in debtors	(18,446)	116,993
Increase in creditors	743,252	732,581
Loss on sale of investment property	46,941	-
<b>Net cash used in operating activities</b>	<u>(1,044,890)</u>	<u>(330,601)</u>

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**DIOCESE OF MIDDLESBROUGH**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**28. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2023 £	2022 £
Cash in hand	12,730,601	13,592,181
Overdraft facility repayable on demand	(6,270,654)	(6,672,511)
<b>Total cash and cash equivalents</b>	<b>6,459,947</b>	<b>6,919,670</b>

**29. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	13,592,181	(861,580)	12,730,601
Bank overdrafts repayable on demand	(6,672,511)	401,857	(6,270,654)
Debt due within 1 year	(5,916,991)	200,000	(5,716,991)
Debt due after 1 year	(451,086)	27,951	(423,135)
Liquid investments	4,603,942	(105,110)	4,498,832
	<b>5,155,535</b>	<b>(336,882)</b>	<b>4,818,653</b>

**30. PENSION COMMITMENTS**

The Diocese contributes 6% of gross salary to a group personal pension scheme for staff who elect to join. The scheme is a defined contributions scheme for which the Diocese is neither liable to finance any funding shortfall nor entitled to benefit from any over funding. At the year end pension contributions outstanding were £4,325 (2022: £3,091).

Eligible teachers and former teachers subscribe to the Teacher's Pension Scheme (TPS) superannuation scheme which is a defined benefits scheme. The employer's contribution is set by the TPS. The TPS represents a collective scheme as it is not possible to separately identify the assets and liabilities attributable to a particular employer. Hence the employer has neither a commitment to make good any actuarial deficit nor an entitlement to benefit from any over funding. Under the provisions of FRS102 the accounting treatment for the TPS scheme is as if the scheme were a defined contributions scheme. The pension charge for the year includes contributions payable to the TPS of £36,071 and at the year end £4,325 (2022: £3,091) was accrued in respect of contributions to this scheme (Included in total above).

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**DIOCESE OF MIDDLESBROUGH**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**31. RELATED PARTY TRANSACTIONS**

During the year purchases of £2,500 and sales of £11,213 were made to companies in which Directors of the Diocese of Middlesbrough Trustee are involved as either Trustee or Director. At the year end £900 (2022: £9,000) was included in Creditors and £80 (2022: £nil) in Debtors in respect of these companies.

**MIDDLESBROUGH DIOCESAN TRUST**

England & Wales - Charity number 233748

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# Accounts

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**DIOCESE OF MIDDLESBROUGH**

**TRUSTEE'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**DIOCESE OF MIDDLESBROUGH**

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## DIOCESE OF MIDDLESBROUGH

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### REFERENCE AND ADMINISTRATIVE DETAILS OF THE DIOCESE, ITS TRUSTEE AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2022

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**Trustee** Diocese of Middlesbrough Trustee

#### **Directors And Officers of The Diocese Of Middlesbrough Trustee:**

The directors shown below have held office for the whole of the period from 1 January 2022 to the date of this report.

- Rt Rev Terence Patrick Drainey, Bishop of Middlesbrough
- Very Rev Mgr Canon G Robinson, Vicar General
- Mr N Mack
- Mr J C Fleming
- Rev W Massie
- Mr P G Westmacott
- Dr T A Lyth
- Mr A T McMillan
- Mrs B Hungin

Changes in directors holding office are as follows:

- Mr G Moran (resigned 21 December 2022)
- Mr C Leather (appointed 16 January 2023)
- Dr J Whiston (resigned 21 August 2023)

**Charity registered  
number**

233748

**Principal office**

Curial Offices  
50a The Avenue  
Middlesbrough  
TS5 6QT

**Financial Secretary**

Mr J A Walton

**Independent auditors**

Waltons Business Advisers Limited  
Harbour Walk  
The Marina  
Hartlepool  
TS24 0UX

**Bankers**

Barclays Bank PLC  
5 St Ann's Street  
Quayside  
Newcastle upon Tyne  
NE1 3DX

**Solicitors**

Grays Solicitors  
Duncombe Place  
York  
YO1 2DX

**Key Management Personnel:**

**Chief Operating Officer:**

Rev P Warren

**Financial Secretary:**

Mr J Walton

**Director of Schools:**

Mr K Duffy (retired 31 March 2022)

Mrs K Bailey (appointed 1 July 2022)

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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The Trustee presents its report and accounts for the year ended 31 December 2022.

#### CONSTITUTION AND AIMS

The Roman Catholic Diocese of Middlesbrough is governed by a Trust Deed dated 2 January 1928, and is registered under the Charities Act 1960 – No 233748. The sole Trustee of the Charity is a Trust Corporation, Diocese of Middlesbrough Trustee, company registration number 03482285, which was incorporated on 17 December 1997. The Charity is controlled by the Bishop who is assisted by up to ten directors of the Trust. The Bishop is empowered to appoint and dismiss all directors. Details of the Directors, acting as Trustees of the Charity, who served during the year, are given on page one.

The aims and objectives of the Trust are the "advancement or maintenance of the Roman Catholic Religion in the Roman Catholic Diocese of Middlesbrough".

The Trustee Board confirm that they have complied with the duty in the Charities Act 2011 Section 17 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

#### OBJECTIVES AND ACTIVITIES

The aim of the Diocese is, in accordance with the objectives of the charity, the advancement of the Roman Catholic religion and education.

This advancement of the Roman Catholic religion is achieved, most effectively, when Catholics, inspired by faith, share the love of God with those around them, whether in their families, in the workplace, in schools or in the community.

The Diocese fulfils its purpose by offering religious and pastoral services, educational programmes and charitable support and assistance to all within its boundaries whether they be Catholics or belong to other religions or to none. This formation then enables the people of the Diocese to carry out the mission of the Church by reaching out to those in any form of need including refugees and asylum-seekers and immigrants, to those who have alcohol or drug dependency, to the homeless and to the poor and by supporting food banks. Schools, too, have involvement in this outreach through the way in which they help to form responsible individuals going out into society and reflecting the love of God by putting their faith into action.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

The Diocese comprises seventy parishes, five of which are served by the Benedictine Order, two by the Oratorians who have now formed their own charity, the York Oratory Trust, one by a Syro Malabar priest, one by the Norbertines and two by the Oblates of The Virgin Mary. In addition to this, we have University Chaplaincies in Hull and in York. We now have thirty-four diocesan priests in active ministry. We also have twenty-four priests who have retired from parish pastoral office and, sadly, one retired priest has died in the past year. A number of our retired priests provide supply assistance to resident priests. We now have twelve permanent deacons working in various parishes of the Diocese and six who have retired. Parishes aim to provide for the spiritual needs of people of all ages with special emphasis on the needs of the poor and the sick. There is also great awareness of the plight of refugees and asylum-seekers and much effort is expended on assisting those in this position.

We try to work in harmony with other Christian churches and people of all faiths as appropriate. We also provide education in the faith much of which is done through a network of schools. There are forty-five primary schools and eight secondary schools all of which are now members of multi-academy trusts (MATs). We also have two independent schools. One of our academy schools serves jointly Catholics and Church of England pupils from the Richmond area.

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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The operation of the Charity is overseen by the Corporate Trustee. Directors of the Trustee are appointed by the Bishop. The Trustee Board normally meets seven times in the year under the Chairmanship of the Bishop. A number of Board committees provide advice and guidance to the Trustee Board on a range of matters relevant to the Charity. These meet, normally, in advance of each Board meeting so that the Trustee body can be made aware of any matters of significance. Currently, these committees and sub-committees are as follows:

**Finance Advisory Committee:** The committee is made up of three Trustee directors and a senior priest supported by officers and specialists. The committee meets seven times a year, in advance of the Trustee Board meeting. It reviews parish expenditure, in addition to the Curia budget and deals with other matters of financial governance.

**Ethical Investment Committee:** Led by the Financial Secretary and including a member of the Diocesan Justice & Peace Commission, a member of the Council of Priests and the Investment Manager this committee reviews the Diocesan investment portfolio ensuring that the investments which make up the portfolio comply with the principles of the Ethical Investment Policy.

**Safeguarding Sub-Committee:** This Sub-Committee is chaired by an independent person who has significant experience in Child Protection work. He is also a Trustee Board Director. The sub-committee is made up of representatives of statutory authorities, diocesan clergy and another Director of the Trustee Board. The diocesan Safeguarding Co-Ordinator attends the meetings of the sub-committee and reports to each Trustee Board meeting on the implementation of policies and procedures and, additionally, any matters of concern.

**Diocesan Historic Churches Commission (HCC):** The HCC is chaired by a senior priest with representatives from various heritage bodies, specialists and Diocesan representatives. The Commission is charged with the task of ensuring that regular inspections are carried out and that any required work is carried out in an appropriate manner. It also requires that any work on the twenty-four listed churches and chapels in the Diocese is not undertaken without its prior approval. The Commission has also taken into its care a number of churches which experts consider should be listed.

**Sick and Retired Priests' Welfare Committee:** This committee, chaired by the Episcopal Vicar for Clergy, is responsible for supporting the sick and aged priests of the Diocese and the approval of expenditure for their welfare. The Care & welfare Consultant reports to the Committee and her reports are integral to the operation of the Committee. Membership comprises the Chair, two priests elected by the Diocesan priests, a priest retired from pastoral office, a deacon and laity appointed by the Bishop.

**The Directors of the Trust** are also the Diocesan Finance Committee required by Canon Law (Canon 492). Newly-appointed Trustee Directors are briefed, initially, by the Company Secretary and receive copies of the Memorandum and Articles of Association, copies of the Charity Commission document on the responsibilities of Trustees and copies of Board minutes. There have been a number of changes since the date of the last Trustee's Report with one Director resigning for personal reasons, the sad death of one longstanding Director and one new appointment.

**The Chief Operating Officer** continues to provide legal advice and act as Company Secretary in addition to having responsibility for the operations of the Curia.

**The Financial Secretary** and his staff, under the ultimate authority of the Bishop, are responsible for handling all financial and property matters.

**The Bishop's Council**, comprising the Vicar General, and Episcopal Vicars with responsibility across the Diocese for aspects of a pastoral nature, together with the Chancellor, advising and assisting the Bishop in pastoral matters.

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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**The Diocesan Gift Aid Officer** works closely with parishes on financial matters and provides support where requested. He meets, periodically, with representatives of parish Finance Committees. It was, previously, reported that he had introduced facilities for cashless giving in parishes. This has moved on apace and these machines are now in place in twenty-eight parishes. This officer has now become more involved in fundraising activities of the Diocese.

**Care and Welfare:** The consultant dealing with welfare needs of priests has continued her work throughout the Diocese. This is a service very much appreciated and well-used by priests.

#### **Remuneration Policy**

The Trustee Board approves annual pay awards and job roles and remuneration are reviewed periodically. If, and when, significant roles change hands, benchmarking of rates is employed.

#### **Subsidiary Company**

The Diocese has a wholly-owned subsidiary company, Diocesan Property Management Limited. The company was established to facilitate the management of building contracts for the Diocese and its sales are to the Diocese only. The company provides its services at cost and, therefore, make a minimal profit or loss. For the year ended 31 December 2022, the turnover of the company was £Nil (2021: £Nil) and its loss was £698 (2021: £848).

#### **Investment Powers and Policy**

The Trust Deed, in conjunction with the Trustee Investment Act 1961 and the Memorandum and Articles of Association of the Trust Corporation, authorises the Trustee to make and hold investments using the general funds of the Diocese. The investment objective of the Trustee is that the real value of the assets should be maintained and enhanced over the long term and that the fund provides income to assist in the operational costs of the Diocese.

The Investment Manager manages the portfolio on a discretionary basis, with an emphasis on medium risk, and the Diocese and the Investment Manager meet periodically to review the portfolio and its performance. In the management of the portfolio the Investment Manager takes due account of the Diocesan Ethical Investment Policy and reports to the Ethical Investment Committee. Dividend income has held up well during the year and, to that extent, the Trustee is satisfied with the performance of the portfolio during the year.

However, during 2022, and up to the date of writing this report, this has proved to be less comfortable. Our Investment Manager has commented "2023 has been another tough year for investors across asset classes. The reason for the weakness has been the impact of higher than anticipated interest rates and the realisation that rates are likely to have to stay high for longer than previously expected. Negative sentiment has been increased in recent weeks by events in the Middle East and the potential impact these could have on energy prices, and therefore inflation, should the conflict spread.

The asset mix we have in the portfolio served us well for a number of years and we continue to believe it will again, once the interest rate cycle peaks and turns lower. In the short term, fear and uncertainty are making investors nervous. This has driven asset prices lower and they may stay low until there is greater certainty on the above factors. In the meantime, dividend flows are expected to be maintained, providing at least some comfort whilst capital values are depressed."

## DIOCESE OF MIDDLESBROUGH

### FINANCIAL REVIEW AND REVIEW OF THE YEAR

The table below summarises the financial activities of the Diocese:-

	2022		2021	
	Unrestricted £k	Restricted £k	<i>Unrestricted</i> £k	<i>Restricted</i> £k
<b>PARISHES</b>				
Income (excluding profit on sale of assets)	3,853	228	3,999	341
Expenditure	(3,328)	(199)	(2,919)	(92)
Diocesan assessment and transfer	37	-	(241)	-
<b>Surplus/(deficit) before transfers etc</b>	<b>562</b>	<b>29</b>	<b>839</b>	<b>249</b>
Transfers	-	-	72	(30)
(Loss)/Profit on sale of assets	-	-	177	-
Unrealised (loss)/gain on investment property	1,834	-	1,892	-
Added to/ (deducted from) reserves	<u>2,396</u>	<u>29</u>	<u>2,980</u>	<u>(219)</u>
<b>CURIAL</b>				
Diocesan assessment & transfer	(37)	-	241	-
Other income (excluding profit on sale of assets)	1,440	618	1,618	496
Total income	<u>1,403</u>	<u>618</u>	<u>1,859</u>	<u>496</u>
Expenditure	<u>(1,900)</u>	<u>(193)</u>	<u>(1,820)</u>	<u>(190)</u>
<b>Surplus/(deficit)</b>	<b>(497)</b>	<b>425</b>	<b>39</b>	<b>306</b>
Other transfers	10	(10)	(155)	114
(Loss)/Profit on sale of assets	-	-	(20)	-
Realised/unrealised gain/ (loss) on investments	(262)	(15)	2,226	17
Added to/(deducted from) reserves	<u>(749)</u>	<u>400</u>	<u>2,090</u>	<u>437</u>

Full details of the income and expenditure are shown in the statement of financial activities on page 16 and in the notes to the accounts.

The Trustee Board wishes to place on record its sincere thanks to all priests, the Curia Office staff, parish volunteers and external professions for their efforts on behalf of the Trust.

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### **Reserves Policy**

The Trustee Board has not determined a fixed amount of general reserves that are required but consider that the reserves need to be maintained at least at the present level in order to meet possible shortfalls in income and to be able to respond to requests for funding.

#### **FUTURE PLANS**

Once again, the Diocese has plans for a Lourdes Pilgrimage. The next pilgrimage will take place between 26th May and 1st June 2024. This will be the Diocese's 71st Lourdes Pilgrimage.

The seventh World Day of the Poor will be held on Sunday, 19th November 2023 with the theme, using words from the Book of Tobit, "Do not turn your face away from anyone who is poor". It is anticipated that there will be events taking place in the Pope's Diocese of Rome, in the week prior to the day which will highlight the many forms of poverty in that Diocese.

At the close of the 2023 World Youth Day (WYD), on 6th August 2023, Pope Francis announced the venue for the next WYD but, before doing that, he invited young people from all over the world to participate in the jubilee of youth which will take place in Rome in 2025 saying "I count on your presence in 2025 to celebrate together the jubilee of young people". He, then, announced that the next WYD will take place in Seoul, South Korea in 2027.

The first part of the XVI Ordinary General Assembly of the Synod of bishops took place between 4th and 29th October 2023 and this will culminate, with the second part, in October 2024.

#### **PUBLIC BENEFIT, ACHIEVEMENTS AND PERFORMANCE**

In preparing this report, the Directors of the Corporate Trustee confirm that they have complied with their duty in the Charities Act 2011 to have full regard to the public benefit guidance published by the Charity Commission's guidance in the exercise of their powers and duties.

The provision of public benefit provided by the Charity includes the provision of religious ceremonies (such as baptisms, weddings and funerals), maintaining religious burial grounds, celebrating public Masses and providing and maintaining places of worship. There is also a benefit to the general public since churches can be accessed, by people of all faiths and none, for personal spiritual contemplation. Parishes are, themselves, communities which contribute to the moral and spiritual wellbeing of those who attend, and, from these centres, educational, social and pastoral work is carried out as a practical expression of faith.

In supporting the parish endeavour, the Diocese has a number of agencies which provide central services. Details of this provision are shown below.

#### **Youth Ministry**

Father Phil Cunnah, our Schools Chaplaincy Co-ordinator, continues to be the Curial lead in working with young people and he is heavily involved in the organisation of Youth and Liturgy work of the diocesan Pilgrimage to Lourdes. Father Phil also has a national chaplaincy role.

#### **The Bishop's Council for Spirituality and Worship**

The council supports Catechists, Extraordinary Ministers of Holy Communion (EMHC) and Ministers of the Word (MoW) by way of initial and ongoing formation. Regular deanery meetings are held in order to reinforce the support which is provided.

In October/November of each year the Diocese holds an "Inspirational Day" and all EMHCs and MoWs are invited to attend. Generally, this is a well-attended event at which there is an external speaker and which

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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culminates with Mass before departure and returning home.

Various opportunities for formation are offered – these include, among a number of others, the Catholic Certificate in Religious Studies (CCRS). The Diocese continues to provide support to suitable students, lay leaders etc in undertaking an online course in pastoral and religious education available via the Diocese of Liverpool in conjunction with the Loyola Institute for Ministry based in Chicago, USA.

The Council recognises that these various initiatives are an essential part of evangelisation and outreach.

#### **Education**

Bishop Terry, as the chief educator of the Diocese continues to believe strongly in the value of Catholic schools and in the development of the Catholic ethos and religious education in all schools in accordance with the Diocesan Trust documents. Foundation Governors and Directors, appointed by the Bishop, form the majority on each Governing Body and they assist the Bishop in addition to carrying out the various functions of the schools as required by statute.

We celebrated the two-trust structure which came into effect from 1st September 2022. This has been a long-awaited event and all schools are now fully academized with the last school, All Saints York, joining the Nicholas Postgate academy trust in May 2023. The Diocese implemented the new national framework for inspection in September 2022.

In August 2023, the CEO of one of the academy trusts retired and that trust is, currently, seeking a new, permanent, appointment after securing an interim CEO for two terms.

Currently, 94% of schools are judged good or better by Ofsted and 96% of schools are judged good or better on Section 48 inspections.

#### **Vocations**

Throughout 2022 contact was maintained with a student who was interested in the priesthood. He is now in the propaedeutic year in Valladolid – hopefully a precursor to major seminary next year. One former student for the priesthood began re-discernment of his vocation. He has been on Pastoral placement for a number of months in 2023 and should be ordained Deacon in December with a view to being ordained a priest in 2024.

Three deacons-to-be continued their course of studies at Hinsley Hall and Wetherby and were mentored in their parishes. They were admitted to candidacy for the diaconate in October 2023 and hope to be ordained as deacons in 2025. They have been joined by another aspiring deacon in studies in 2023. Another is discerning whether he has the call or not.

Since early 2023 another five young men have begun discerning whether, or not, they have the vocation to diocesan priesthood. They are all going on a discerners weekend at Oscott Seminary in November 2023.

#### **Work of the Tribunal**

The Ministry of the Tribunal is often a last resort when a marriage has completely broken down and has ended in a civil divorce. A declaration of nullity may be requested for a number of reasons. Most commonly, someone wants to enter into another union or is already in another union and wishes to regularize the situation in the eyes of the Catholic Church so that they may participate more fully in its life. These are difficult times and care and generosity are needed to guide them.

The Tribunal is also involved in the processing of cases concerning clergy in co-operation with the CDF and the Congregation for Clergy.

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### **Work of the Chancery**

The main work of the Chancery is the processing of marriage papers, sometimes worldwide, for couples where the Catholic party, at least, is resident within the diocesan boundary. This work includes enabling marriages to take place legally (both civilly and canonically); ensuring that the property of the Church is correctly protected and administered on behalf of the people to whom it properly belongs. Other matters dealt with by the Chancery include advice to the Bishop on matters of public good and public order; liaising with outside agencies (both outside of the Church itself and within the Church but outside of the Diocese); enquiries from people regarding the status of themselves or their parishes/churches in Canon Law. In short, the Chancery works to ensure that the Church works properly on behalf of all its members.

#### **Vicariate for Missionary Discipleship**

This Vicariate encompasses a number of elements including Adult Formation, Caritas, Bishop's Council for Marriage and Family Life, Justice and Peace, Hospital, Prisons, Liaison for Catholic Fellowship and LGBT+ Outreach and Service and it forms a link with the wider community beyond the bounds of the liturgical and spiritual life of the Diocese. A priest, working part time, together with administrative support from the Curial Office, works with volunteers from the Diocese, upon whom much of the work depends, and encourages the various agencies.

The Marriage Preparation programme is in place to welcome couples from every part of the diocese into a marriage preparation programme for couples intending to get married in the Catholic Church. Groups and organisations such as the Justice and Peace Commission and people who support refugees and asylum seekers, in interfaith and ecumenical bodies, continue their work.

#### **Communications**

Communications falls within the ambit of the Episcopal Vicariate for Stewardship and Administration. Work is performed by a part-time consultant whose duties include editing the monthly Catholic Voice newspaper, which is available free in all parishes, running the social media platforms and promoting the Diocese via local and national media. The consultant also assists with crisis management and responds to press queries in co-ordination with the Bishop, Chief Operating Officer and department heads.

#### **Prison Chaplaincy**

There are seven prisons within the Diocese of Middlesbrough covering the whole range of categories: local, remand, maximum security, women and young people. Each is served by a priest chaplain, or deacon or volunteer, of varying contracted hours to celebrate Mass and other sacraments and respond to the pastoral needs of prisoners as requested. Roman Catholic Chaplains also play their part as members of the multi-faith chaplaincy teams in each prison and contribute to the daily round of prison life in a variety of other ways as required by the prison service.

Roman Catholic Chaplains, like all Chaplains, receive regular training and development opportunities provided by the prison service.

#### **Sick and Retired Priests**

Care of our retired priests comes within the remit of the Vicariate for the Clergy. The local Deans still have an important part to play to make our retired priests feel that they remain involved in the life of the local church by attending Deanery conferences if possible as well as other spiritual and social gatherings.

The Retired Priests' Welfare Committee meets several times a year and the practical needs of each retired priest are discussed with the aim that their needs, from housing to healthcare, are met. The Diocese supports priests who have retired from active ministry by providing accommodation and financial assistance. Retired priests also have the services of our consultant Care and Welfare Officer.

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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Their independence is important to them as it is to us all. Mrs Audrey Kirby, our Care and Welfare Consultant, with her in-depth knowledge of the needs of older people coming from her long professional career in nursing, visits our retired men to offer them advice and reassurance about any health issues they may have. It is clear that this is much appreciated and she has a deeper insight into these issues than might another priest.

Our active retired priests are a great help in their willingness to supply cover for holidays, illness etc.

Every year the Bishop meets with the retired priests to celebrate Mass together and then have lunch in a convivial and relaxed atmosphere. The chance to meet up and share stories and anecdotes is enjoyed although some of the stories are re-told from previous years.

The annual collection for the retired priests and generous bequests are vital to maintain them in a manner which offers them security after often more than fifty years of service to the people of the Diocese. A plan is in process to make a specific appeal through parishes in early-2024.

Following a successful meeting, "Transitions" which discussed activities in retirement, accommodation, Wills and LPAs etc, with priests approaching retirement, a further similar meeting is planned to be held in early-2024.

#### **Safeguarding**

The Bishop and Trustee Board of Directors are committed to safeguarding children and adults who may be at risk. Safeguarding is a standing item for every ordinary meeting of Trustee Directors, at which the Directors receive and discuss a report from the Safeguarding coordinator. The Safeguarding Sub Committee, formed in 2022 is chaired by Mr Andrew McMillan (Trustee Director) who has significant safeguarding knowledge and experience.

The Safeguarding Team consists of one Safeguarding Coordinator, one Safeguarding Support Manager and two part-time administrators. The Safeguarding Team supports parishes with safer recruitment of volunteers and co-ordinates training for Clergy and Parish Safeguarding Representatives. The Team has developed strong relations within the Curia, the wider Diocese, Statutory Agencies and other organisations in order to provide a safe environment.

The Catholic Safeguarding Standards Agency (CSSA) completed a baseline audit of the safeguarding arrangements for the Diocese of Middlesbrough in September 2023. The CSSA will publish a full report which will be made available online, however, within the summary of findings, CSSA reports that Middlesbrough Diocese has a suitably skilled and experienced safeguarding team and that there is evidence of a long-standing commitment to safeguarding that is promoted and modelled by senior leaders.

#### **Liturgy**

We continue to place a great deal of emphasis on all our liturgies, as such we have a wonderful lay faithful who are involved in all aspects of the celebration of Mass. We have good teams of ushers, welcomers, Ministers of the Word and Ministers of Holy Communion. Every year we have training sessions and inspirational days for all our lay faithful; they are an integral part of our Church. Once again, we had a wonderful study day for Ministers of Word and Holy Communion from around our Diocese and our thanks go out to all who assist in organising this, and other events.

The annual pilgrimages to Lourdes and Walsingham continue and were, once again, led by the Bishop and provided opportunities for reflection and faith enhancement.

In each year we have some wonderful liturgies. Most notable of these continues to be the annual Chrism Mass, held at the Cathedral, which brings together the family of the Diocese. We aim to continue the high standards of liturgy throughout our Diocese for this coming year.

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## DIOCESE OF MIDDLESBROUGH

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### TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### RISK ASSESSMENT

The Diocesan Trustee Board has assessed the major risks to which the Diocesan Trust is exposed, in particular, those related to the operation and finances of the Trust, and is satisfied that the systems in place to mitigate our exposure to the major risks are operating effectively. The most significant risks identified were Pastoral risks relating to parish life. The issue of the increasing burden on priests due to serving additional churches and communities was identified as significant. Other risks include declining Mass attendances, reducing numbers of priests in active ministry and the risk of failures in safeguarding matters. The Diocese addresses falling Mass attendance in a number of ways including Youth Mission. The Diocesan Vocations Director is active in seeking suitable candidates for Ordination. In terms of safeguarding, the Diocese has a policy and parishes are monitored for compliance.

#### STATEMENT OF RESERVES

Total reserves at 31 December 2022 amounted to £58,780,824 (2021: £56,705,221) and this is made up of:

Parochial reserves £37,979,356 (2021: £35,364,382) which relate, principally, to the assets and activities of individual parishes, and

Curial reserves £20,800,223 (2021: £21,340,841). Of this £5,155,717 represents the balance on restricted items which is not available for general purposes. Included in that restricted total is £1,605,640 being the amount held in the Retired Priests' Welfare Fund. Details of the restricted funds are included in Note 25 to the accounts. Unrestricted funds amount to £15,644,506 of which £710,775 is, in essence, a fixed asset fund. The balance of this is in excess of the £3,209,347 held on behalf of parishes and is sufficient to permit the Trustee to continue in operation and to fulfil its obligations.

This year saw an increase in the valuation of investment properties of £3,925,870 and, an unrealised reduction in the value of listed investments of £1,386,757.

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**DIOCESE OF MIDDLESBROUGH**

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**TRUSTEE'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**THE STATEMENT OF TRUSTEE'S RESPONSIBILITIES**

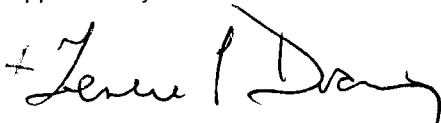
The Trustee Board is responsible for preparing the Trustee's Report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements the Trustee is required to:

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

In accordance with charities legislation, the Trustee is responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the Diocese and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed dated 2 January 1928. The Trustee is also responsible for safeguarding the assets of the Diocese and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of the Trustee and signed on their behalf by:



Rt Rev Bishop T P Drainey  
Bishop of Middlesbrough  
Diocese of Middlesbrough Trustee

Date: 31 October 2023

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## DIOCESE OF MIDDLESBROUGH

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### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH

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#### UNQUALIFIED OPINION

We have audited the financial statements of Diocese of Middlesbrough (the 'charity') for the year ended 31 December 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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## DIOCESE OF MIDDLESBROUGH

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### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH (CONTINUED)

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#### OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustee is responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the information given in the Trustee's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### RESPONSIBILITIES OF TRUSTEE

As explained more fully in the Trustees' responsibilities statement, the Trustee is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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## DIOCESE OF MIDDLESBROUGH

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### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH (CONTINUED)

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#### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- Obtained an understanding of the nature of the sector, including the legal and regularity framework that the Diocese operates in and how they are complying with the legal and regularity framework,
- Inquired of management and those charged with governance about their own identification and assessment of the risks of irregularities including any known, actual, suspected or alleged instances of fraud,
- Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements might be susceptible to fraud.

As a result of these procedures we considered the most significant laws and regulations which have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), and the Diocese' governing document. We performed audit procedures to detect non-compliance which may have a material impact on the financial statements which included reviewing the financial statements including the Trustee's report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Audit procedures performed included, but were not limited to:

- testing manual journal entries and other adjustments
- evaluating the business rationale in relation to significant or unusual transactions and transactions entered into outside the normal course of business
- challenging judgments and estimates
- reviewing income transactions around the year end to look for potential "window dressing".

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

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**DIOCESE OF MIDDLESBROUGH**

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**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH  
(CONTINUED)**

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**OTHER MATTERS**

The prior year financial statements were not audited by Waltons Business Advisers Limited. Our own work has included some testing which gives assurance over the prior period and we have not identified any material misstatement of the prior period values. Some immaterial adjustments and reclassifications have been made and these are explained in note 24.

The 2021 financial statements were audited by another firm and an unqualified audit opinion was issued.

**USE OF OUR REPORT**

This report is made solely to the Charity's Trustee in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustee those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustee for our audit work, for this report, or for the opinions we have formed.

*Waltons Business Advisers Limited*

**Waltons Business Advisers Limited**

Harbour Walk  
The Marina  
Hartlepool  
TS24 0UX

31 October 2023

Waltons Business Advisers Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

DIOCESE OF MIDDLESBROUGH

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>As restated Total funds 2021 £</i>
<b>INCOME FROM:</b>					
Donations and legacies	4	2,850,878	801,818	3,652,696	4,159,240
Charitable activities	5	400,751	-	400,751	390,771
Other trading activities	6	240,655	18,395	259,050	130,344
Investments	7	1,678,528	25,228	1,703,756	1,507,377
Other income	8	122,211	550	122,761	423,890
<b>TOTAL INCOME</b>		<b>5,293,023</b>	<b>845,991</b>	<b>6,139,014</b>	<b>6,611,622</b>
<b>EXPENDITURE ON:</b>					
Raising funds	9	12,635	38,115	50,750	7,831
Charitable activities	10	5,215,522	353,830	5,569,352	5,013,041
<b>TOTAL EXPENDITURE</b>		<b>5,228,157</b>	<b>391,945</b>	<b>5,620,102</b>	<b>5,020,872</b>
<b>NET INCOME BEFORE NET GAINS/(LOSSES) ON INVESTMENTS</b>					
		<b>64,866</b>	<b>454,046</b>	<b>518,912</b>	<b>1,590,750</b>
Net gains/(losses) on investments	15	1,571,348	(14,657)	1,556,691	4,135,346
<b>NET INCOME</b>		<b>1,636,214</b>	<b>439,389</b>	<b>2,075,603</b>	<b>5,726,096</b>
Transfers between funds	25	10,171	(10,171)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>1,646,385</b>	<b>429,218</b>	<b>2,075,603</b>	<b>5,726,096</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward as previously stated		52,850,203	4,240,662	57,090,865	50,979,125
Prior year adjustment		(385,644)	-	(385,644)	-
Total funds brought forward as restated		52,464,559	4,240,662	56,705,221	50,979,125
Net movement in funds		1,646,385	429,218	2,075,603	5,726,096
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>54,110,944</b>	<b>4,669,880</b>	<b>58,780,824</b>	<b>56,705,221</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 46 form part of these financial statements.

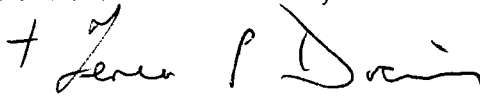
DIOCESE OF MIDDLESBROUGH

**BALANCE SHEET  
AS AT 31 DECEMBER 2022**

	Note	2022 £	Restated 2021 £
<b>FIXED ASSETS</b>			
Tangible assets	16	9,980,194	9,948,550
Investments	19	6,299,412	7,508,399
Investment property	18	37,207,847	33,356,417
		<b>53,487,453</b>	<b>50,813,366</b>
<b>CURRENT ASSETS</b>			
Debtors due after more than 1 year	20	686,952	684,986
Debtors due within 1 year	20	580,939	699,898
Investments	21	4,603,942	5,272,014
Cash at bank and in hand		13,592,181	12,796,982
		<b>19,464,014</b>	<b>19,453,880</b>
Creditors: amounts falling due within one year	22	(13,719,557)	(13,562,025)
		<b>5,744,457</b>	<b>5,891,855</b>
<b>NET CURRENT ASSETS</b>		<b>5,744,457</b>	<b>5,891,855</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>59,231,910</b>	<b>56,705,221</b>
Creditors: amounts falling due after more than one year	23	(451,086)	-
<b>TOTAL NET ASSETS</b>		<b>58,780,824</b>	<b>56,705,221</b>
<b>CHARITY FUNDS</b>			
Restricted funds	25	4,669,880	4,240,662
Unrestricted funds			
Designated funds	25	1,324,614	1,420,069
General funds	25	52,786,330	51,044,490
Total unrestricted funds	25	<b>54,110,944</b>	<b>52,464,559</b>
<b>TOTAL FUNDS</b>		<b>58,780,824</b>	<b>56,705,221</b>

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:

**Rt Rev Bishop T P Draney**  
Bishop of Middlesbrough  
Diocese of Middlesbrough Trustee



Date: 31 October 2023

The notes on pages 19 to 46 form part of these financial statements.

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**DIOCESE OF MIDDLESBROUGH**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	<b>2022</b>	<i>As restated</i>
	<b>£</b>	<b>2021</b>
		<b>£</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net cash used in operating activities	<b>(330,601)</b>	355,535
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends, interests and rents from investments	<b>1,703,756</b>	1,507,377
Proceeds from the sale of tangible fixed assets	<b>1,000</b>	7,500
Purchase of tangible fixed assets	<b>(208,364)</b>	(109,840)
Proceeds from sale of investments	<b>982,509</b>	1,303,259
Purchase of investments	<b>(1,229,138)</b>	(1,519,008)
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>1,249,763</b>	1,189,288
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash inflows from new borrowing	<b>500,000</b>	-
Repayments of borrowing	<b>(623,963)</b>	-
	<hr/>	<hr/>
<b>NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES</b>	<b>(123,963)</b>	-
	<hr/>	<hr/>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>	<b>795,199</b>	1,544,823
Cash and cash equivalents at the beginning of the year	<b>12,796,982</b>	11,252,159
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>13,592,181</b>	12,796,982
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 19 to 46 form part of these financial statements

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## DIOCESE OF MIDDLESBROUGH

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1. GENERAL INFORMATION

The Roman Catholic Diocese of Middlesbrough is governed by a Trust Deed dated 2 January 1928 and is registered with the Charity Commission of England and Wales (No 233748). The sole Trustee of the charity is a Trust Corporation which was incorporated on 17 December 1997.

The registered office address is:

Curial Offices  
50a The Avenue  
Middlesbrough  
TS5 6QT

#### 2. ACCOUNTING POLICIES

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Diocese of Middlesbrough 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.

##### 2.2 Going concern

The financial statements are prepared on a going concern basis and the Trustee considers that there are no material uncertainties about the Diocese's ability to continue as a going concern.

##### 2.3 Subsidiary company

All of the turnover of the Diocese's wholly owned subsidiary, Diocesan Property Management Limited, represents sales of building construction to the Diocese. The subsidiary has no material net assets or liabilities. There is no significant difference between the Statement of Financial Activities and the Balance Sheet of the Diocese, as presented, and the consolidated group figures, and accordingly the subsidiary has not been consolidated within these financial statements.

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## DIOCESE OF MIDDLESBROUGH

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.4 Income

All income is recognised once the Diocese has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Diocese has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Diocese, can be reliably measured.

In the event that a donation is subject to conditions which require a level of performance before the Diocese is entitled to the funds, the income is deferred and not recognised until those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Diocese and it is probable that those conditions will be fulfilled in the reporting period. Collections and Fundraising income are recognised on receipt.

Investment income is credited to income when it is receivable and the amount can be measured reliably by the Diocese; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

### 2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the Diocese to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Diocese's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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2. ACCOUNTING POLICIES (CONTINUED)

2.6 Tangible fixed assets and depreciation- Freehold land and buildings

**Churches, Presbyteries, Halls and Offices etc**

Functional Land and Buildings (i.e. Land and buildings used for the prime purpose of the Diocese), which are still in use by the Diocese 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 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 renovation or improvements for the following period:

• Unlisted Churches	25 to 100 years
• Cathedral and Listed Churches	100 to 200 years
• Presbyteries	25 to 100 years
• Other buildings	25 to 100 years

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

Details and addresses of the Diocesan churches and other buildings can be found in the Diocesan Yearbook.

**Voluntary Aided Schools and Academies**

**Land**

The Diocese owns the land on which its Voluntary Aided Schools and Academies are built. The nature of the occupation of the land by these exempt and excepted charities means that the Diocesan Trustee does not have the power to dispose of the land, until the school ceases its occupation, which in turn would require the approval of the governors and the Secretary of State. The Diocesan Trustee considers its ownership to be in the nature of custodianship of the assets and therefore these are not capitalised in the financial statements. The cost of any land acquired for the purposes of a Voluntary Aided School or Academy is charged to the Statement of Financial Activity in the year of acquisition.

**Buildings**

The School buildings are occupied, extended and repaired by the school governors. The nature of the occupation of these buildings by these exempt and excepted charities means that the Diocesan Trustee does not have the power to dispose of the buildings, until the school ceases its occupation, which in turn would require the approval of the governors and the Secretary of State. Any proceeds of sale would be subject to clawback by the Secretary of State of any related grant aid provided. The Diocesan Trustee considers its ownership to be in the nature of custodianship of the assets and therefore these are not capitalised in the financial statements. The School governors account for the building, improvement and repair costs of the schools less any grants received in respect of these costs.

Details of the Diocesan Voluntary Aided Schools and Academies (both freehold and leasehold) are given in the Diocesan Yearbook.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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2. ACCOUNTING POLICIES (CONTINUED)

2.7 Tangible fixed assets and depreciation - other assets

**Fixtures, Fittings and Equipment**

Fixtures, Fittings and Equipment which were in use at 31 December 1995 and which had a current replacement cost exceeding £1,000, have been capitalised and included in the financial statements at an estimate of their Historic cost (or in the case of donated assets, at an estimate of the value at the date of acquisition). Subsequent acquisitions with a cost (or in the case of donated assets, estimated value) of over £1,000 are capitalised on the same basis. They are depreciated at rates calculated to write off the cost or valuation, less the estimated residual value, of each asset evenly over its expected useful life as follows:

- Church Furniture                      25 to 200 years
- Office Equipment                      3 to 5 years
- Parish Hall Equipment                20 years

Contents of presbyteries are not included in the financial statements.

**Works of Art and Historic Treasures**

The Diocese owns several individual Works of Art and Historic Treasures and Plate. The items have extraordinarily long lives and are worth preserving perpetually. The collection is not recognised in the Balance Sheet because details of the cost of these items are not available and the cost to the Diocese of obtaining valuations would exceed the benefit arising from doing so.

**Motor Vehicles**

Motor Vehicles have been capitalised and included in the financial statements at an estimate of their Historic cost (or in the case of donated assets, at an estimate of the 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, over its expected useful life as follows:

- Motor Cars                              25% Reducing Balance

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries and associates are valued at cost less provision for impairment.

Investment properties are shown at the Trustees' best estimate of market value which reflects the annual movement on the house price index for the Diocesan geographical location and other known circumstances. All changes in value during the year are reported in "Gains and Losses on Revaluation and Investment Asset Disposals" section of the Statement of Financial Activities.

Current asset investments are designated as such as they are highly liquid and the Diocese has specified that they be made readily available to convert to cash within a short term notice period of no longer than 6 months.

**2.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.10 Cash at bank and in hand**

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

**2.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Diocese anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**2.12 Financial instruments**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.13 Pensions**

The Diocese contributes 6% of gross salary to a group personal pension scheme for staff who elect to join. The scheme is a defined contributions scheme and the pension charge represents the amounts payable by the Diocese to the fund in respect of the year.

Eligible teachers and former teachers subscribe to the Teacher's Pension Scheme (TPS) superannuation scheme which is a defined benefits scheme. The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Diocese in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multiemployer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**2.14 Fund accounting**

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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## DIOCESE OF MIDDLESBROUGH

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Diocese makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimate and assumption that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below.

The Trustee has made the decision not to commission an external valuer to value Investment property. Instead the Investment property is revalued annually using the UK House Price Index Summary prepared by the ONS. The Diocese has properties in both the North East and York regions and therefore uses these values to inform the current year revaluation. To December 2022 the average house price was 11.7% in the North East and 11.8% in Yorkshire and the Humber. An annual increase of 11.7% has been applied to all investment property as the Trustee believed the lower value to be the prudent approach.

Had property not been revalued it would be included at historic cost and this is disclosed in note 18.

#### 4. INCOME FROM DONATIONS AND LEGACIES

	Parochial Unrestricted Funds £	Parochial Restricted Funds £	Curial Unrestricted Funds £	Curial Restricted Funds £	Total £	Total 2021 £
Donations	2,472,532	225,983	66,451	88,432	2,853,398	2,714,611
Legacies	291,862	2,300	20,033	485,103	799,298	1,444,629
Total 2022	<u>2,764,394</u>	<u>228,283</u>	<u>86,484</u>	<u>573,535</u>	<u>3,652,696</u>	<u>4,159,240</u>
Total 2021	<u>3,140,176</u>	<u>341,325</u>	<u>235,423</u>	<u>442,316</u>	<u>4,159,240</u>	

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

**5. INCOME FROM CHARITABLE ACTIVITIES**

	Parochial Unrestricted Funds £	Curial Unrestricted Funds £	Total £	Total 2021 £
School Service Contribution	-	210,395	210,395	236,344
Stipends	190,356	-	190,356	154,427
Total 2022	<u>190,356</u>	<u>210,395</u>	<u>400,751</u>	<u>390,771</u>
Total 2021	<u>154,427</u>	<u>236,344</u>	<u>390,771</u>	

**6. INCOME FROM FUNDRAISING ACTIVITIES**

	Parochial Unrestricted Funds £	Curial Restricted Funds £	Total £	Total 2021 £
Fundraising	150,917	18,395	169,312	80,277
Papers, candles & piety stalls	89,738	-	89,738	50,067
Total 2022	<u>240,655</u>	<u>18,395</u>	<u>259,050</u>	<u>130,344</u>
Total 2021	<u>127,475</u>	<u>2,869</u>	<u>130,344</u>	

**7. INVESTMENT INCOME**

	Parochial Unrestricted Funds £	Curial Unrestricted Funds £	Curial Restricted Funds £	Total £	Total 2021 £
Rents and hire fees	647,777	516,433	5,435	1,169,645	1,030,087
Investment income	-	511,178	3,268	514,446	474,043
Bank interest received	-	3,140	16,525	19,665	3,247
Total 2022	<u>647,777</u>	<u>1,030,751</u>	<u>25,228</u>	<u>1,703,756</u>	<u>1,507,377</u>
Total 2021	<u>555,027</u>	<u>941,100</u>	<u>11,250</u>	<u>1,507,377</u>	

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

8. OTHER INCOMING RESOURCES

	Parochial Unrestricted Funds £	Curial Unrestricted Funds £	Curial Restricted Funds £	Total £	As restated Total 2021 £
Government grants	-	-	-	-	61,538
Gain/ (loss) on sale of fixed assets	900	(2,980)	-	(2,080)	157,361
Other income	8,767	115,524	550	124,841	204,991
Total 2022	<u>9,667</u>	<u>112,544</u>	<u>550</u>	<u>122,761</u>	<u>423,890</u>
As restated Total 2021	<u>198,791</u>	<u>185,099</u>	<u>40,000</u>	<u>423,890</u>	

9. RAISING FUNDS

	Parochial Unrestricted Funds £	Curial Restricted Funds £	Total £	Total 2021 £
Raising funds	12,635	38,115	50,750	7,831
Total 2022	<u>12,635</u>	<u>38,115</u>	<u>50,750</u>	<u>7,831</u>
Total 2021	<u>7,831</u>	<u>-</u>	<u>7,831</u>	

10. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Parochial	3,316,110	198,617	3,514,727	3,003,049
Curial	1,899,412	155,213	2,054,625	2,009,992
	<u>5,215,522</u>	<u>353,830</u>	<u>5,569,352</u>	<u>5,013,041</u>
Total 2021	<u>4,921,443</u>	<u>91,598</u>	<u>5,013,041</u>	

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DIOCESE OF MIDDLESBROUGH

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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11. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Parochial	3,514,727	-	3,514,727	3,003,049
Curial	1,637,062	417,563	2,054,625	2,009,992
	<u>5,151,789</u>	<u>417,563</u>	<u>5,569,352</u>	<u>5,013,041</u>
<i>Total 2021</i>	<u>4,688,397</u>	<u>324,644</u>	<u>5,013,041</u>	

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Parochial 2022 £	Curial 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	-	580,372	580,372	630,719
Depreciation	150,626	21,214	171,840	179,235
Repairs, Maintenance & Upkeep of properties	1,103,344	337,948	1,441,292	1,195,281
Establishment costs	815,913	-	815,913	705,725
Administration	288,329	-	288,329	236,275
Domestic	155,395	-	155,395	129,693
Motor and travel	92,072	-	92,072	62,927
General Church expenses	157,970	-	157,970	123,744
Bishop & Clergy Support	-	170,637	170,637	132,969
Schools	-	84,066	84,066	44,796
Donations	83,172	-	83,172	20,681
Special collections	136,949	18,737	155,686	110,651
Sundries	12,671	-	12,671	6,413
Priest training	-	44,006	44,006	23,757
Academy formation & school costs	-	-	-	200,000
Youth Service	-	(711)	(711)	4,185
Services to Parishes & Chaplaincies	494,980	110,871	605,851	572,043
Retired Priest Welfare fund	-	136,185	136,185	132,400
Justice & Peace	-	3,000	3,000	3,000
National assessments	-	25,975	25,975	27,572
Finance charges	23,306	32,221	55,527	23,709
Governance costs	-	71,384	71,384	116,162
Diocesan events	-	556	556	1,273
Lourdes	-	601	601	5,187
	<u>3,514,727</u>	<u>1,637,062</u>	<u>5,151,789</u>	<u>4,688,397</u>
<i>Total 2021</i>	<u>3,003,049</u>	<u>1,685,348</u>	<u>4,688,397</u>	

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Curial 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	335,787	335,787	278,585
Establishment costs	24,341	24,341	25,811
Administration	25,400	25,400	15,935
Motor and travel	11,564	11,564	10,842
Bishop & Clergy Support	20,471	20,471	(6,529)
	<u>417,563</u>	<u>417,563</u>	<u>324,644</u>

12. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the Diocese's auditor for the audit of the Diocese's annual financial statements	16,500	16,000
Fees payable to the Diocese's auditor in respect of: Accountancy and taxation advice	<u>5,300</u>	<u>16,012</u>

13. STAFF COSTS

	2022 £	2021 £
Wages and salaries	771,460	763,459
Social security costs	76,155	74,643
Contribution to defined contribution pension schemes	68,544	71,202
	<u>916,159</u>	<u>909,304</u>

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**DIOCESE OF MIDDLESBROUGH**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**13. STAFF COSTS (CONTINUED)**

The average number of persons employed by the Diocese during the year was as follows:

	<b>2022</b>	2021
	<b>No.</b>	No.
Curial employees	<b>25</b>	23

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2022</b>	2021
	<b>No.</b>	No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	<b>1</b>	-
In the band £80,001 - £90,000	-	1

Total remuneration to key management personnel in the year (including pension and employers NI) was £238,247 (2021- £229,443).

**14. TRUSTEE'S REMUNERATION AND EXPENSES**

During the year, no Trustee received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

**15. NET GAINS/LOSSES ON INVESTMENTS**

	Parochial Unrestricted Funds £	Curial Unrestricted Funds £	Curial Restricted Funds £	Total £	Total 2021 £
Realised gains	-	29,062	-	29,062	14,165
Unrealised gains	1,833,799	(291,513)	(14,657)	1,527,629	4,121,181
Total 2022	<u>1,833,799</u>	<u>(262,451)</u>	<u>(14,657)</u>	<u>1,556,691</u>	<u>4,135,346</u>
Total 2021	<u>1,892,342</u>	<u>2,225,722</u>	<u>17,282</u>	<u>4,135,346</u>	

**16. TANGIBLE FIXED ASSETS**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>					
At 1 January 2022	14,133,542	35,276	790,894	74,085	15,033,797
Additions	159,239	32,777	11,114	5,234	208,364
Disposals	-	(4,880)	-	-	(4,880)
At 31 December 2022	<u>14,292,781</u>	<u>63,173</u>	<u>802,008</u>	<u>79,319</u>	<u>15,237,281</u>
<b>Depreciation</b>					
At 1 January 2022	4,616,099	12,618	383,014	73,516	5,085,247
Charge for the year	151,292	6,994	12,287	1,267	171,840
At 31 December 2022	<u>4,767,391</u>	<u>19,612</u>	<u>395,301</u>	<u>74,783</u>	<u>5,257,087</u>
<b>Net book value</b>					
At 31 December 2022	<u>9,525,390</u>	<u>43,561</u>	<u>406,707</u>	<u>4,536</u>	<u>9,980,194</u>
At 31 December 2021	<u>9,517,443</u>	<u>22,658</u>	<u>407,880</u>	<u>569</u>	<u>9,948,550</u>

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

17. TANGIBLE FIXED ASSET SPLIT

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office Equipment £	Total £
<b>Curial</b>					
<b>Cost</b>					
At 1 January 2022	1,017,534	35,276	-	74,085	1,126,895
Additions	2,621	32,777	-	5,234	40,632
Disposals	-	(4,880)	-	-	(4,880)
	<u>1,020,155</u>	<u>63,173</u>	<u>-</u>	<u>79,319</u>	<u>1,162,647</u>
At 31 December 2022	1,020,155	63,173	-	79,319	1,162,647
<b>Depreciation</b>					
At 1 January 2022	344,524	12,618	-	73,516	430,658
Charge for year	12,953	6,994	-	1,267	21,214
	<u>357,477</u>	<u>19,612</u>	<u>-</u>	<u>74,783</u>	<u>451,872</u>
At 31 December 2022	357,477	19,612	-	74,783	451,872
<b>Net book value</b>					
At 31 December 2022	<u>662,678</u>	<u>43,561</u>	<u>-</u>	<u>4,536</u>	<u>710,775</u>
At 1 January 2022	<u>673,010</u>	<u>22,658</u>	<u>-</u>	<u>569</u>	<u>696,237</u>
<b>Parochial</b>					
<b>Cost</b>					
At 1 January 2022	13,116,008	-	790,894	-	13,906,902
Additions	156,618	-	11,114	-	167,732
	<u>13,272,626</u>	<u>-</u>	<u>802,008</u>	<u>-</u>	<u>14,074,634</u>
At 31 December 2022	13,272,626	-	802,008	-	14,074,634
<b>Depreciation</b>					
At 1 January 2022	4,271,575	-	383,014	-	4,654,589
Charge for year	138,339	-	12,287	-	150,626
	<u>4,409,914</u>	<u>-</u>	<u>395,301</u>	<u>-</u>	<u>4,805,215</u>
At 31 December 2022	4,409,914	-	395,301	-	4,805,215
<b>Net book value</b>					
At 31 December 2022	<u>8,862,712</u>	<u>-</u>	<u>406,707</u>	<u>-</u>	<u>9,269,419</u>
At 31 December 2022	<u>8,862,712</u>	<u>-</u>	<u>406,707</u>	<u>-</u>	<u>9,269,419</u>
At 1 January 2022	<u>8,844,433</u>	<u>-</u>	<u>407,880</u>	<u>-</u>	<u>9,252,313</u>
At 1 January 2022	<u>8,844,433</u>	<u>-</u>	<u>407,880</u>	<u>-</u>	<u>9,252,313</u>
	<u>9,525,390</u>	<u>43,561</u>	<u>406,707</u>	<u>4,536</u>	<u>9,980,194</u>
Total 2022	<u>9,525,390</u>	<u>43,561</u>	<u>406,707</u>	<u>4,536</u>	<u>9,980,194</u>
Total 2021	<u>9,517,443</u>	<u>22,658</u>	<u>407,880</u>	<u>569</u>	<u>9,948,550</u>

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

**18. INVESTMENT PROPERTY**

	Parochial £	Curial £	Total £
<b>Valuation</b>			
At 1 January 2022	17,691,160	15,665,257	33,356,417
Additions	-	160,637	160,637
Revaluation	2,023,756	1,856,994	3,880,750
Transfer	(260,000)	260,000	-
Impairment	(189,957)	-	(189,957)
At 31 December 2022	<u>19,264,959</u>	<u>17,942,888</u>	<u>37,207,847</u>

As explained in the accounting policies Investment properties are shown at the Trustees' best estimate of market value which reflects the annual movement on the house price index for the Diocesan geographical location and other known circumstances.

There are no restrictions on the ability to realise Investment property or on the remittance of income or proceeds on disposal.

The Historical cost of Investment property (Curial) on 31 December 2022 was £11,542,298 (2021: £11,121,661). See also note 25.

**19. FIXED ASSET INVESTMENTS- CURIAL**

	Investments in subsidiary companies £	Investments in associates £	Listed investments £	Total £
<b>Cost or valuation</b>				
At 1 January 2022	2	1	7,508,395	7,508,398
Additions	-	3,999	643,668	647,667
Disposals	-	-	(386,347)	(386,347)
Revaluations	-	-	(1,386,757)	(1,386,757)
Transfers between classes	-	-	(83,549)	(83,549)
At 31 December 2022	<u>2</u>	<u>4,000</u>	<u>6,295,410</u>	<u>6,299,412</u>

The Historical cost of listed investments on 31 December 2022 was £6,498,071 (2021: £6,329,518).

Included within the listed investment balance above are 2 balances which represent more than 5% of the total. At 31 December 2022 they stand at £817,700 (1 January 2022: £Nil).

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**DIOCESE OF MIDDLESBROUGH**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**19. FIXED ASSET INVESTMENTS- CURIAL (CONTINUED)**

**Principal subsidiaries and associates**

The following was a subsidiary undertaking of the Diocese:

<b>Name</b>	<b>Company number</b>	<b>Principal activity</b>	<b>Holding</b>	<b>Included in consolidation</b>
Diocesan Property Management Limited	02960826	Building contractor and property developer	100%	Yes

The financial results of the subsidiary for the year were:

<b>Name</b>	<b>Expenditure £</b>	<b>(Loss) for the year £</b>	<b>Net assets/ (liabilities) £</b>
Diocesan Property Management Limited	698	(698)	(14,864)

The following was an associate of the Diocese:

<b>Name</b>	<b>Income for the year £</b>	<b>Expenditure for the year £</b>	<b>Profit / (Loss) for the year £</b>
Inter-Diocoesan Fuel Management Limited	13,008,144	(12,994,961)	13,251

The Diocese holds 4.5% (2021: 11.1%) of the ordinary shares of Inter-Diocoesan Fuel Management Limited. The principal activity of Inter-Diocoesan Fuel Management Limited is that of fuel and power distribution to various Roman Catholic Dioceses throughout England.

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DIOCESE OF MIDDLESBROUGH

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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20. DEBTORS

	Curial 2022 £	Total 2022 £	Total 2021 £
<b>Debtors in over 1 year:</b>			
Amounts owed by group companies	686,952	686,952	684,986
<b>Debtors within one year:</b>			
Trade debtors	48,325	48,325	18,267
Other debtors	133,785	133,785	332,469
Other debtors - school loans	374,061	374,061	334,682
Prepayments and accrued income	24,768	24,768	14,480
	<u>1,267,891</u>	<u>1,267,891</u>	<u>1,384,884</u>

21. CURRENT ASSET INVESTMENTS- CURIAL

	2022 £	2021 £
Listed investments	<u>4,603,942</u>	<u>5,272,014</u>

The Historical cost of listed investments on 31 December 2022 was £5,130,370 (2021: £5,027,737).

**DIOCESE OF MIDDLESBROUGH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**22. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Parochial 2022 £</b>	<b>Curial 2022 £</b>	<b>Total 2022 £</b>	<i>Total 2021 £</i>
Bank overdrafts	-	6,672,511	6,672,511	6,280,156
Bank loans < 1 yr	-	27,951	27,951	603,000
Loans < 1 yr	-	5,889,040	5,889,040	5,989,040
Trade creditors	-	178,029	178,029	64,549
Other taxation and social security	-	19,488	19,488	19,972
Other creditors	-	213,943	213,943	165,098
Other creditors - school loans	-	616,158	616,158	305,678
Accruals	48,797	53,640	102,437	134,532
	<u>48,797</u>	<u>13,670,760</u>	<u>13,719,557</u>	<u>13,562,025</u>

**23. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	<b>Curial 2022 £</b>	<b>Total 2022 £</b>	<i>Total 2021 £</i>
Bank loans	451,086	451,086	-
	<u>451,086</u>	<u>451,086</u>	<u>-</u>

The bank loan is secured on property owned by the Diocese. This security is over approximately £7m of the full property portfolio. The interest rate is charged at 3.6% over LIBOR payable quarterly with the facility repayable in full at the maturity date of March 2027.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**24. PRIOR YEAR ADJUSTMENTS**

A number of adjustments have been made to the prior year comparatives.

Bank balances included in creditors last year have been reclassified to current assets as there is no right of set off and therefore this better reflects the position and split between assets and liabilities.

Gains and losses on investments have been shown in other income rather than within their own line in expenditure in accordance with the Charity SORP.

Neither of these adjustments has had any impact on the net assets or total movement in funds shown in the 2021 financial statements.

Upon review of the Investment Property register it came to light that two of the properties included had previously been sold and these have therefore been removed from investments. This has reduced the value of total assets brought forward by £385,644.

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

25. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	As restated Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
St John of Beverley Designated fund	587,089	-	-	-	-	587,089
John Paul Centre Designated Fund	440,768	14,947	-	-	(110,402)	345,313
Parochial Designated funds	392,212	-	-	-	-	392,212
	<u>1,420,069</u>	<u>14,947</u>	<u>-</u>	<u>-</u>	<u>(110,402)</u>	<u>1,324,614</u>
<b>General funds</b>						
Unrestricted funds Parochial	34,555,278	3,852,969	(3,328,745)	37,321	1,833,799	36,950,622
Unrestricted funds Curial	11,945,616	1,425,107	(1,899,412)	(27,150)	(2,009,043)	9,435,118
Revaluation reserve Curial	4,543,596	-	-	-	1,856,994	6,400,590
	<u>51,044,490</u>	<u>5,278,076</u>	<u>(5,228,157)</u>	<u>10,171</u>	<u>1,681,750</u>	<u>52,786,330</u>
<b>Total Unrestricted funds</b>	<u>52,464,559</u>	<u>5,293,023</u>	<u>(5,228,157)</u>	<u>10,171</u>	<u>1,571,348</u>	<u>54,110,944</u>

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

25. STATEMENT OF FUNDS (CONTINUED)

	As restated Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
<b>Restricted funds</b>						
Retired Priests Welfare Fund	1,585,597	90,569	(86,382)	15,856	-	1,605,640
Priests' Training Fund	1,061,369	500,199	(36,591)	(12,465)	(17,074)	1,495,438
Lacy Fund	300,379	-	33,213	-	-	333,592
Lourdes Sick Fund	252,885	22,224	(35,523)	5,000	-	244,586
Catholic Child Care	119,608	1,707	(2,857)	100	-	118,558
Cecil H Walker Memorial Fund	99,305	993	-	-	-	100,298
Mike McCullagh Memorial Trust Fund	63,812	861	-	-	2,417	67,090
Mathias Smyth Memorial Masses Fund	50,467	-	(3,600)	-	-	46,867
Levy Fund (Active Priests)	40,742	-	-	-	-	40,742
Common Stock	37,598	-	(376)	376	-	37,598
Mensal Fund	30,400	304	4,514	-	-	35,218
Church Extension Fund	44,360	-	-	(44,360)	-	-
Parochial Restricted funds	416,892	228,283	(198,610)	-	-	446,565
Other Restricted funds below £25k each	137,248	851	(65,733)	25,322	-	97,688
	<u>4,240,662</u>	<u>845,991</u>	<u>(391,945)</u>	<u>(10,171)</u>	<u>(14,657)</u>	<u>4,669,880</u>
<b>Total of funds</b>	<u><u>56,705,221</u></u>	<u><u>6,139,014</u></u>	<u><u>(5,620,102)</u></u>	<u><u>-</u></u>	<u><u>1,556,691</u></u>	<u><u>58,780,824</u></u>

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

25. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>As restated Balance at 31 December 2021 £</i>
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
St John of Beverley Designated fund	550,000	37,089	-	-	-	587,089
John Paul Centre Designated Fund	-	462,157	(21,390)	-	-	440,767
Parochial Designated funds	392,212	-	-	-	-	392,212
	<u>942,212</u>	<u>499,246</u>	<u>(21,390)</u>	<u>-</u>	<u>-</u>	<u>1,420,068</u>
<b>General funds</b>						
Unrestricted funds Parochial	31,575,361	3,998,957	(2,742,343)	(169,039)	1,892,342	34,555,278
Unrestricted funds Curial	11,886,774	1,118,298	(1,817,722)	85,560	672,707	11,945,617
Revaluation reserve Curial	2,990,581	-	-	-	1,553,015	4,543,596
	<u>46,452,716</u>	<u>5,117,255</u>	<u>(4,560,065)</u>	<u>(83,479)</u>	<u>4,118,064</u>	<u>51,044,491</u>
<b>Total Unrestricted funds</b>	<u>47,394,928</u>	<u>5,616,501</u>	<u>(4,581,455)</u>	<u>(83,479)</u>	<u>4,118,064</u>	<u>52,464,559</u>

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

25. STATEMENT OF FUNDS (CONTINUED)

	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>As restated Balance at 31 December 2021 £</i>
<b>Restricted funds</b>						
Retired Priests Welfare Fund	1,623,745	52,944	(132,400)	41,308	-	1,585,597
Priests' Training Fund	668,293	381,785	(3,657)	14,948	-	1,061,369
Lacy Fund	289,926	-	-	10,453	-	300,379
Lourdes Sick Fund	221,122	34,738	(5,187)	2,211	-	252,884
Catholic Child Care	117,859	470	-	1,279	-	119,608
Cecil H Walker Memorial Fund	98,321	-	-	983	-	99,304
Mike McCullagh Memorial Trust Fund	60,154	3,057	-	602	-	63,813
Mathias Smyth Memorial Masses Fund	55,917	-	(5,450)	-	-	50,467
Levy Fund (Active Priests)	32,443	2	-	8,297	-	40,742
Common Stock	37,222	-	-	376	-	37,598
Mensal Fund	26,872	-	(16,741)	20,269	-	30,400
Church Extension Fund	44,360	-	-	-	-	44,360
Parochial Restricted funds	197,626	341,325	(91,598)	(30,463)	-	416,890
Other Restricted funds below £25k each	110,336	40,721	(27,022)	13,216	-	137,251
	<u>3,584,196</u>	<u>855,042</u>	<u>(282,055)</u>	<u>83,479</u>	<u>-</u>	<u>4,240,662</u>
<b>Total of funds</b>	<u><u>50,979,124</u></u>	<u><u>6,471,543</u></u>	<u><u>(4,863,510)</u></u>	<u><u>-</u></u>	<u><u>4,118,064</u></u>	<u><u>56,705,221</u></u>

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**DIOCESE OF MIDDLESBROUGH**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**25. STATEMENT OF FUNDS (CONTINUED)**

**Designated funds**

These represent funds set aside for the maintenance of buildings.

**Unrestricted Funds**

These include both Parish and Curial funds which are shown separately. The revaluation reserve reflects the difference between the historic cost and current fair value on the investment properties held within Curial funds. The historic cost of the Parish Investment properties is not known and therefore no revaluation reserve is provided.

**Restricted Funds**

Retired Priests Welfare Fund

A fund set up in 1996 to provide support upon retirement for incardinated Diocesan Priests

Priests Training Fund

For training students for the priesthood of this Diocese

Lacy Fund

To meet pension requirements of retired clergy.

Lourdes Sick Fund

For pilgrimages to Lourdes.

Catholic Child Care

Provides a fostering and adoption service.

Cecil H Walker Memorial Fund

For the support of retired priests of the Diocese; in particular those who have spent part or all of their ministry in the Southern areas of the Diocese.

Mike McCullagh Memorial Trust Fund

Supporting junior football, prison visiting and sick children in the Tees Valley.

Mathias Smyth Memorial Masses Fund

Masses for the repose of the souls of Matthias Smyth and his family.

Levy Fund (Active Priests)

To provide a pension for each active priest on their retirement.

Mensal Fund

Deals with the income and costs of the Bishop of Middlesbrough and his administration.

Church Extension Fund

To assist the new churches and Mass centres of the Diocese.

Parochial Restricted Funds

Restricted funds belong to the individual parishes.

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	9,980,194	-	9,980,194
Fixed asset investments	6,299,412	-	6,299,412
Investment property	37,207,847	-	37,207,847
Debtors due after more than one year	686,952	-	686,952
Current assets	14,107,182	4,669,880	18,777,062
Creditors due within one year	(13,719,557)	-	(13,719,557)
Creditors due in more than one year	(451,086)	-	(451,086)
<b>Total</b>	<b>54,110,944</b>	<b>4,669,880</b>	<b>58,780,824</b>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>As restated</i> Unrestricted funds 2021 £	<i>As restated</i> Restricted funds 2021 £	<i>As restated</i> Total funds 2021 £
Tangible fixed assets	9,948,550	-	9,948,550
Fixed asset investments	7,508,399	-	7,508,399
Investment property	32,796,804	559,613	33,356,417
Debtors due after more than one year	684,986	-	684,986
Current assets	15,087,845	3,681,049	18,768,894
Creditors due within one year	(13,562,025)	-	(13,562,025)
<b>Total As restated</b>	<b>52,464,559</b>	<b>4,240,662</b>	<b>56,705,221</b>

DIOCESE OF MIDDLESBROUGH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

**27. AMOUNTS DUE TO & FROM PARISHES**

	Amounts due to Parishes	Amounts due from Parishes	Total
Balance at 1 January	7,344,121	(4,172,094)	3,172,027
Parish Levy	-	(730,947)	(730,947)
Legacy recieved	50,000	-	50,000
Expenditure by Diocese on behalf of Parishes	-	(107,816)	(107,816)
Transfers and repayments of loans	39,750	526,333	566,083
Investment Property transferred	260,000	-	260,000
	<u>7,693,871</u>	<u>(4,484,524)</u>	<u>3,209,347</u>
Balance at 31 December			

**28. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	<u>2,075,603</u>	<u>5,726,096</u>
<b>Adjustments for:</b>		
Depreciation charges	171,840	179,235
Gains on investments	(1,727,742)	(4,135,360)
Dividends, interests and rents from investments	(1,703,756)	(1,507,377)
Loss/(profit) on the sale of fixed assets	3,880	(157,347)
Decrease in debtors	116,993	112,627
Increase in creditors	732,581	137,661
<b>Net cash provided by/(used in) operating activities</b>	<u>(330,601)</u>	<u>355,535</u>

**29. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2022 £	2021 £
Cash in hand	13,592,181	12,796,982
<b>Total cash and cash equivalents</b>	<u>13,592,181</u>	<u>12,796,982</u>

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**DIOCESE OF MIDDLESBROUGH**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**30. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	12,796,982	795,199	13,592,181
Bank overdrafts repayable on demand	(6,280,156)	(392,355)	(6,672,511)
Debt due within 1 year	(6,592,040)	675,049	(5,916,991)
Debt due after 1 year	-	(451,086)	(451,086)
Liquid investments	5,272,014	(668,072)	4,603,942
	<u>5,196,800</u>	<u>(41,265)</u>	<u>5,155,535</u>

**31. PENSION COMMITMENTS**

The Diocese contributes 6% of gross salary to a group personal pension scheme for staff who elect to join. The scheme is a defined contributions scheme for which the Diocese is neither liable to finance any funding shortfall nor entitled to benefit from any over funding. At the year end pension contributions outstanding were £3,091 (2021: £4,179).

Eligible teachers and former teachers subscribe to the Teacher's Pension Scheme (TPS) superannuation scheme which is a defined benefits scheme. The employer's contribution is set by the TPS. The TPS represents a collective scheme as it is not possible to separately identify the assets and liabilities attributable to a particular employer. Hence the employer has neither a commitment to make good any actuarial deficit nor an entitlement to benefit from any over funding. Under the provisions of FRS102 the accounting treatment for the TPS scheme is as if the scheme were a defined contributions scheme. The pension charge for the year includes contributions payable to the TPS of £24,826 and at the year end £3,091 (2021: £1,767) was accrued in respect of contributions to this scheme (Included in total above).

**32. RELATED PARTY TRANSACTIONS**

During the year purchases of £36,689 and sales of £9,152 were made to companies in which Directors of the Diocese of Middlesbrough Trustee are involved as either Trustee or Director. At the year end £9,000 (2021: £nil) was included in Creditors in respect of one of these companies.

**MIDDLESBROUGH DIOCESAN TRUST**

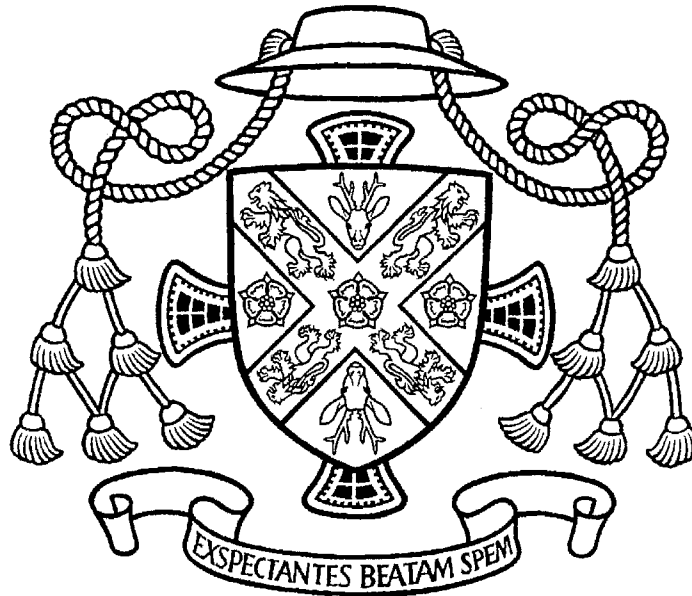
England & Wales - Charity number 233748

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# Accounts

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# **DIOCESE OF MIDDLESBROUGH**



## **TRUSTEE'S REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2021**

**Diocese of Middlesbrough**

**Contents of the Financial Statements  
for the Year ended 31 December 2021**

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**Diocese of Middlesbrough**  
**Charity Information**  
**for the Year Ended 31 December 2021**

**TRUSTEE:** Diocese of Middlesbrough Trustee

**DIRECTORS AND OFFICERS OF THE DIOCESE OF MIDDLESBROUGH TRUSTEE:**

The directors shown below have held office for the whole of the period from 1 January 2021 to the date of this report.

Rt Rev Terence Patrick Drainey, Bishop of Middlesbrough  
Very Rev Mgr Canon G Robinson, Vicar General  
Dr J Whiston  
Mr N Mack  
Mr J C Fleming  
Rev W Massie  
Mr P G Westmacott  
Mr G Moran

Changes in directors holding office are as follows:

Very Rev Canon A Sheridan (resigned 16/03/21)  
Mrs A Barham (resigned 16/03/21)  
Mrs M T Clark (appointed 21/01/21 / died 22/11/21)  
Dr T A Lyth (appointed 18/02/21)  
Mr A T McMillan (appointed 05/03/21)  
Mrs B Hungin (appointed 08/12/21)

**FINANCIAL SECRETARY:** Mr J A Walton

**CHARITY NUMBER:** 233748

**CHARITY OFFICES:** Curial Offices  
50a The Avenue  
Middlesbrough  
TS5 6QT

**AUDITORS:** Anderson Barrowcliff LLP  
3 Kingfisher Court  
Bowesfield Park  
Stockton on Tees  
TS18 3EX

**BANKERS:** Barclays Bank Plc  
Unit 1  
Central Mall  
The Mall  
Middlesbrough  
TS1 2NR

**SOLICITORS:** Grays  
Solicitors  
Duncombe Place  
York  
YO1 2DX

**KEY MANAGEMENT PERSONNEL:**

**Chief Operating Officer:** Rev P Warren  
**Financial Secretary:** Mr J Walton  
**Director of Schools:** Mr K Duffy (retired 31/03/22)

## Diocese of Middlesbrough

### Trustee's Report for the Year Ended 31 December 2021

The Trustee presents its report and accounts for the year ended 31 December 2021.

#### **CONSTITUTION AND AIMS**

The Roman Catholic Diocese of Middlesbrough is governed by a Trust Deed dated 2 January 1928, and is registered under the Charities Act 1960 – No 233748. The sole Trustee of the Charity is a Trust Corporation, Diocese of Middlesbrough Trustee, company registration number 03482285, which was incorporated on 17 December 1997. The Charity is controlled by the Bishop who is assisted by ten directors of the Trust. The Bishop is empowered to appoint and dismiss all directors. Details of the Directors, acting as Trustees of the Charity, who served during the year, are given on page two.

The aims and objectives of the Trust are the “advancement or maintenance of the Roman Catholic Religion in the Roman Catholic Diocese of Middlesbrough”.

The Trustee Board confirm that they have complied with the duty in the Charities Act 2011 Section 17 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

#### **OBJECTIVES AND ACTIVITIES**

The aim of the Diocese is, in accordance with the objectives of the charity, the advancement of the Roman Catholic religion and education.

This advancement of the Roman Catholic religion is achieved, most effectively, when Catholics, inspired by faith, share the love of God with those around them, whether in their families, in the workplace, in schools or in the community.

During the year, the Government's Coronavirus Regulations were amended from time to time. This created a lack of confidence among the parishioners and resulted in reduced numbers attending Mass and other liturgies and attendance numbers were, and continue to be, quite significantly reduced. Consequent upon this reluctance to attend, the Bishops of England and Wales delayed the re-introduction of the obligation to attend Mass on Sundays and on Holy Days until Pentecost Day, 5 June 2022. During the various lockdowns, many parishes began to livestream Mass and many continue to do so to date and, currently, the Middlesbrough Cathedral livestreams every day.

The Diocese fulfils its purpose by offering religious and pastoral services, educational programmes and charitable support and assistance to all within its boundaries whether they be Catholics or belong to other religions or to none. This formation then enables the people of the Diocese to carry out the mission of the Church by reaching out to those in any form of need including refugees and asylum-seekers and immigrants, to those who have alcohol or drug dependency, to the homeless and to the poor and by supporting food banks. Schools, too, have involvement in this outreach through the way in which they help to form responsible individuals going out into society and reflecting the love of God by putting their faith into action.

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

The Diocese comprises 70 parishes, five of which are served by the Benedictine Order, two by the Oratorians who have now formed their own charity, the York Oratory Trust, one by a Syro Malabar priest and one by the Norbertines. We also have Carmelite priests in York. In addition to this, we have University Chaplaincies in Hull and in York. We now have 42 diocesan priests in active ministry and one studying Canon Law in Canada. We also have 15 priests who have retired from parish pastoral office and, sadly, 2 priests have died in the past year. A number of our retired priests provide supply assistance to resident priests. We now have 12 permanent deacons working in various parishes of the Diocese and 6 who have retired. Parishes aim to provide for the spiritual needs of people of all ages with special emphasis on the needs of the poor and the sick. There is also great awareness of the plight of refugees and asylum-seekers and much effort is expended on providing assistance to those in this position.

We try to work in harmony with other Christian churches and people of all faiths as appropriate. We also provide education in the faith much of which is done through a network of schools. There are forty-five primary schools and eight secondary schools. The majority of our schools are members of multi-academy trusts (MATs) with only one school outside of these MATs. We also have two independent schools. One of our academy schools serves jointly Catholics and Church of England pupils from the Richmond area.

Trustee's Report for the Year Ended 31 December 2021

The operation of the Charity is overseen by the Corporate Trustee. Directors of the Trustee are appointed by the Bishop. The Trustee Board normally meets seven times in the year under the Chairmanship of the Bishop. A number of Board committees provide advice and guidance to the Trustee Board on a range of matters relevant to the Charity. These meet, normally, in advance of each Board meeting so that the Trustee body can be made aware of any matters of significance. Currently, these committees and sub-committees are as follows:

**Finance Advisory Committee:** The committee is made up of three Trustee directors and a senior priest supported by officers and specialists. The committee meets seven times a year, in advance of the Trustee Board meeting. It reviews parish and school expenditure, in addition to the Curia budget and deals with other matters of financial governance.

**Ethical Investment Committee:** Led by the Financial Secretary and including a member of the Diocesan Justice & Peace Commission, a member of the Council of Priests and the Investment Manager this committee reviews the Diocesan investment portfolio ensuring that the investments which make up the portfolio comply with the principles of the Ethical Investment Policy. Meetings of the Committee have been restricted due to the pandemic and it is hoped that we can, soon, return to a full programme of meetings.

**Safeguarding Sub-Committee:** The Diocesan Safeguarding Sub-Committee (which has replaced the Safeguarding Commission) is chaired by an independent person with significant experience in Child Protection work, who is also a Trustee Board director. It includes representatives from the statutory authorities, Diocesan clergy and another member of the Trustee Board. The Diocesan Safeguarding Co-ordinator attends meetings of the sub-committee and reports to each Trustee Board meeting on the implementation of policies and procedures in addition to any matters of concern.

**Diocesan Historic Churches Commission (HCC):** The HCC is chaired by a senior priest with representatives from various heritage bodies, specialists and Diocesan representatives. The Chair has, recently, retired from active ministry but will continue his work on the Commission. The Commission is charged with the task of ensuring that regular inspections are carried out and that any required work is carried out in an appropriate manner. It also requires that any work on the twenty-four listed churches and chapels in the Diocese is not undertaken without its prior approval. The Commission has also taken into its care a number of churches which experts consider should be listed.

**Sick and Retired Priests' Welfare Committee:** This committee, chaired by the Episcopal Vicar for Clergy, is responsible for supporting the sick and aged priests of the Diocese and the approval of expenditure for their welfare. Membership comprises the Chair, two priests elected by the Diocesan priests, a priest retired from pastoral office, a deacon and laity appointed by the Bishop.

**The Directors of the Trust** are also the Diocesan Finance Committee required by Canon Law (Canon 492). Newly-appointed Trustee Directors are briefed, initially, by the Company Secretary and receive copies of the Memorandum and Articles of Association, copies of the Charity Commission document on the responsibilities of Trustees and copies of Board minutes. There have been a number of changes since the date of the last Trustee's Report with two Directors resigning for personal reasons, the sad death of one other and three new appointments.

**The Chief Operating Officer** continues to provide legal advice and act as Company Secretary in addition to having responsibility for the operations of the Curia.

**The Financial Secretary** and his staff, under the ultimate authority of the Bishop, are responsible for handling all financial and property matters.

**The Bishop's Council**, comprising the Vicar General, four Episcopal Vicars with responsibility across the Diocese for aspects of a pastoral nature, together with the Chancellor, advises and assists the Bishop in pastoral matters.

**The Diocesan Gift Aid Officer** works closely with parishes on financial matters and provides support where requested. He meets, periodically, with representatives of parish Finance Committees. Recently, he has undertaken the task of introducing facilities for cashless giving in parishes and he now has these machines in a number of churches.

**Care and Welfare:** The consultant dealing with welfare needs of priests has continued her work throughout the Diocese. This is a service very much welcomed by priests.

Diocese of Middlesbrough

Trustee's Report for the Year Ended 31 December 2020

**Remuneration Policy**

The Trustee Board approves annual pay awards and job roles and remuneration are reviewed periodically. If, and when, significant roles change hands, benchmarking of rates is employed.

**Subsidiary Company**

The Diocese has a wholly-owned subsidiary company, Diocesan Property Management Limited. The company was established to facilitate the management of building contracts for the Diocese and its sales are to the Diocese only. The company provides its services at cost and, therefore, make a minimal profit or loss. For the year ended 31 December 2021, the turnover of the company was £Nil (2020: £Nil) and its loss was £848 (2020: £803).

**FINANCIAL REVIEW AND REVIEW OF THE YEAR**

The table below summarises the financial activities of the Diocese:-

	2021		2020	
	Unrestricted £k	Restricted £k	Unrestricted £k	Restricted £k
<b>PARISHES</b>				
Income (excluding profit on sale of assets)	3,999	341	3,187	108
Expenditure	(2,919)	(92)	(2,668)	(96)
Diocesan assessment and transfer	(241)	-	(487)	-
	<u>839</u>	<u>249</u>	<u>32</u>	<u>12</u>
<b>Surplus/(deficit) before transfers etc</b>				
Transfers	72	(30)	188	(18)
(Loss)/Profit on sale of assets	177	-	126	-
Unrealised (loss)/gain on investment property	1,892	-	752	-
	<u>2,980</u>	<u>(219)</u>	<u>1,098</u>	<u>(6)</u>
<b>Added to/ (deducted from) reserves</b>				
	<u><u>2,980</u></u>	<u><u>(219)</u></u>	<u><u>1,098</u></u>	<u><u>(6)</u></u>
<b>CURIAL</b>				
Diocesan assessment & transfer	241	-	487	-
Other income (excluding profit on sale of assets)	1,618	496	1,450	52
	<u>1,859</u>	<u>496</u>	<u>1,937</u>	<u>52</u>
Total income				
Expenditure	(1,820)	(190)	(1,621)	(163)
	<u>39</u>	<u>306</u>	<u>316</u>	<u>(111)</u>
<b>Surplus/(deficit)</b>				
Other transfers	(155)	114	(308)	138
(Loss)/Profit on sale of assets	(20)	-	-	-
Realised/unrealised gain/ (loss) on investments	2,226	17	555	(11)
	<u>2,090</u>	<u>437</u>	<u>563</u>	<u>16</u>
<b>Added to/(deducted from) to reserves</b>				
	<u><u>2,090</u></u>	<u><u>437</u></u>	<u><u>563</u></u>	<u><u>16</u></u>

Full details of the income and expenditure are shown in the statement of financial activities on page 14 and in the notes to the accounts.

The Trustee Board wishes to place on record its sincere thanks to all priests, the Curia Office staff, parish volunteers and external professions for their efforts on behalf of the Trust.

**Investment Powers and Policy**

The Trust Deed, in conjunction with the Trustee Investment Act 1961 and the Memorandum and Articles of Association of the Trust Corporation, authorises the Trustee to make and hold investments using the general funds of the Diocese. The investment objective of the Trustee is that the real value of the assets should be maintained and enhanced over the long term and that the fund provides income to assist in the operational costs of the Diocese.

## Diocese of Middlesbrough

### Trustee's Report for the Year Ended 31 December 2021

The Investment Manager manages the portfolio on a discretionary basis, with an emphasis on medium risk, and the Diocese and the Investment Manager meet periodically to review the portfolio and its performance. In the management of the portfolio the Investment Manager takes due account of the Diocesan Ethical Investment Policy and reports to the Ethical Investment Committee. The Trustee is satisfied with the performance of the portfolio during the year.

However, 2022 up to the date of writing this report, has proved to be less comfortable. At the turn of the year, the market experienced a downturn due to interest rate movements which had not been, fully, anticipated. Then, in February, the Russian invasion of Ukraine, now in its ninth month, brought about a further market fall. By the third quarter of the year, the market had begun to regain some stability. Then, on 23<sup>rd</sup> September, the Government unveiled its mini budget and the fallout from that is continuing. The Diocese holds its share portfolio for the purpose of income generation and, so far there are no indications that this is anticipated to fall. Our Investment Manager believes that, once the issues around the mini budget have subsided, a good part of the portfolio will recover quite quickly and that, by the end of next year, we are likely to see close to a full recovery.

#### **Reserves Policy**

The Trustee Board has not determined a fixed amount of general reserves that are required but consider that the reserves need to be maintained at least at the present level in order to meet possible shortfalls in income and to be able to respond to requests for funding.

#### **FUTURE PLANS**

As was envisaged in the Trustee Report for 2020, the Diocese did, indeed, stage a successful Pilgrimage to Lourdes in 2022 and, heartened by the success of this, plans are already underway in the organising of a Pilgrimage to Lourdes in 2023. This will be the Diocese's 70<sup>th</sup> such Pilgrimage and will commence on 26<sup>th</sup> May 2023 and return on 2<sup>nd</sup> June 2023.

After years of expectation prolonged by the Coronavirus pandemic, the next celebration of World Youth Day will be held, in Lisbon, between 1<sup>st</sup> and 6<sup>th</sup> August 2023. It is expected that the celebration will commence with an opening ceremony and Mass on 1<sup>st</sup> August and will conclude with a Papal Mass on Sunday, 6<sup>th</sup> August. We hope that we will have a number of young people from the Diocese attending the celebrations.

The date for the Seventh World Day of the Poor will be 19 November 2023 with the theme yet to be announced. Pope Francis did celebrate Mass for the sixth World Day of the Poor on Sunday, 13<sup>th</sup> November 2022 with the theme "Jesus Christ ... for your sakes became poor." (2Cor: 8-9). This was the first time since 2019, as a result of restrictions due to the Covid pandemic, that this Mass was attended by a large congregation. In addition, there were several initiatives during the previous week reaching out to the many forms of poverty in his Diocese of Rome.

In our report for 2020, we referred to the Synod of Bishops and this will culminate, in Rome in October 2023 with the XVI Ordinary General Assembly of the Synod of Bishops.

#### **PUBLIC BENEFIT, ACHIEVEMENTS AND PERFORMANCE**

In preparing this report, the Directors of the Corporate Trustee confirm that they have complied with their duty in the Charities Act 2011 to have full regard to the public benefit guidance published by the Charity Commission's guidance in the exercise of their powers and duties.

The provision of public benefit provided by the Charity includes the provision of religious ceremonies (such as baptisms, weddings and funerals), maintaining religious burial grounds, celebrating public Masses and providing and maintaining places of worship. There is also a benefit to the general public since churches can be accessed, by people of all faiths and none, for personal spiritual contemplation. Parishes are, themselves, communities which contribute to the moral and spiritual wellbeing of those who attend, and, from these centres, educational, social and pastoral work is carried out as a practical expression of faith.

In supporting the parish endeavour, the Diocese has a number of agencies which provide central services. Details of this provision are shown below.

## Diocese of Middlesbrough

### Trustee's Report for the Year Ended 31 December 2021

#### **Youth Ministry**

Father Phil Cunnah, our Schools Chaplaincy Co-ordinator, continues to be the Curial lead in working with young people and he is heavily involved in the organisation of Youth and Liturgy work of the diocesan Pilgrimage to Lourdes.

We are looking forward to Flame in March 2023 and to World Youth Day which take place in August 2023. We hope that we will have a number of young people accompanying Bishop Terry to WYD which will be held in Lisbon.

#### **The Bishop's Council for Spirituality and Worship**

The council supports Catechists, Extraordinary Ministers of Holy Communion (EMHC) and Ministers of the Word (MoW) by way of initial and ongoing formation. Regular deanery meetings are held in order to reinforce the support which is provided.

In October/November of each year the Diocese holds an "Inspirational Day" and all such ministers are invited to attend. Generally, this is a well-attended event at which there is an external speaker and which culminates with Mass before departure and returning home.

Various opportunities for formation are offered – these include, among a number of others, the Catholic Certificate in Religious Studies (CCRS). More recently, the Diocese has provided support to suitable students, lay leaders etc in undertaking an online course in pastoral and religious education available via the Diocese of Liverpool in conjunction with the Loyola Institute for Ministry based in Chicago, USA. A number of parishioners are now enrolled in this course.

The Council recognises that these various initiatives are an essential part of evangelisation and outreach.

#### **Education**

Bishop Terry, as the chief educator of the Diocese continues to believe strongly in the value of Catholic schools and in the development of the Catholic ethos and religious education in all schools in accordance with the Diocesan Trust documents. Foundation Governors and Directors, appointed by the Bishop, form the majority on each Governing Body and they assist the Bishop in addition to carrying out the various functions of the schools as required by statute.

The Coronavirus pandemic continued to have a significant impact on school life into the third quarter of 2021 and efforts continued to ensure that pupils and staff were protected. Due to this continuing issue, examinations at all levels were badly affected with Teacher Assessed Grades forming much of the indicators of attainment.

The fifty-three schools and academies within the Diocese are held mainly in academy trusts with only one school being outside such a trust. There are also two independent schools within the diocesan boundaries.

An independent review of our three Multi-Academy Trusts (MATs) was undertaken in an effort to identify the best way forward with our Trusts' structure and it was well into 2022 that, not without its difficulties, the final structure was settled upon. The result of this was that Saint Margaret Clitherow Catholic Academy Trust would be closed and that the academies formerly within that Trust would move into Nicholas Postgate Catholic Academy Trust (NPCAT) and Saint Cuthbert Roman Catholic Academy Trust (SCRCAT). This has now been finalized and we are left in the position that we have the one remaining secondary school still outside of a MAT. This position is being addressed and it is hoped that this school will move into NPCAT early in 2023. We will, then, have NPCAT with 36 schools and SCRCAT with 17 schools.

At the end of the 2020-2021 academic year, 85% of our schools were judged by Ofsted to be good or outstanding which falls within the national average. The remaining schools were already making rapid progress in anticipation of further Ofsted inspections. For their diocesan inspections which look at RE, Collective Worship and Catholic Life, 92% were judged to be good or better at their latest inspection report.

#### **Vocations**

Canon Alan Sheridan was appointed Vocations Director in 2020. He has been active in seeking candidates for the priesthood and the diaconate and he now has three candidates for the diaconate.

Trustee's Report for the Year Ended 31 December 2021

### **Work of the Tribunal**

The Ministry of the Tribunal is often a last resort when a marriage has completely broken down and has ended in a civil divorce. A declaration of nullity may be requested for a number of reasons. Most commonly, someone wants to enter into another union or is already in another union and wishes to regularize the situation in the eyes of the Catholic Church so that they may participate more fully in its life. These are difficult times and care and generosity are needed to guide them.

The Tribunal is also involved in the processing of cases concerning clergy in co-operation with the CDF and the Congregation for Clergy.

### **Work of the Chancery**

The main work of the Chancery is the processing of marriage papers, sometimes worldwide, for couples where the Catholic party, at least, is resident within the diocesan boundary. This work includes enabling marriages to take place legally (both civilly and canonically); ensuring that the property of the Church is correctly protected and administered on behalf of the people to whom it properly belongs. Other matters dealt with by the Chancery include advice to the Bishop on matters of public good and public order; liaising with outside agencies (both outside of the Church itself and within the Church but outside of the Diocese); enquiries from people regarding the status of themselves or their parishes/churches in Canon Law. In short, the Chancery works to ensure that the Church *works* properly on behalf of all its members.

### **Vicariate for Missionary Discipleship**

This Vicariate encompasses a number of elements including Adult Formation, Caritas, Bishop's Council for Marriage and Family Life, Justice and Peace, Hospital, Prisons, Liaison for Catholic Fellowship and LGBT+ Outreach and Service and it forms a link with the wider community beyond the bounds of the liturgical and spiritual life of the Diocese. A priest, working part time, together with administrative support from the Curial Office, works with volunteers from the Diocese, upon whom much of the work depends, and encourages the various agencies.

The Marriage Preparation programme is in place to welcome couples from every part of the diocese into a marriage preparation programme for couples intending to get married in the Catholic Church. Groups and organisations such as the Justice and Peace Commission and people who support refugees and asylum seekers, in interfaith and ecumenical bodies, continue their work.

### **Communications**

Communications falls within the ambit of the Vicariate for Missionary Communities and is coordinated by an Episcopal Vicar. Work of Communications is performed by a part-time consultant who deals with a number of matters including editing of the Catholic Voice newspaper, working with social media and promoting the Diocese via various local and national media. The Catholic Voice is now, fully, up and running and has, since the third quarter of 2021, been available monthly.

Within this area of activity, the EV deals, as required, with crisis management within the Diocese, acting with the part-time consultant and a specialist external agency in conjunction with our Safeguarding Department.

### **Prison Chaplaincy**

There are seven prisons within the Diocese of Middlesbrough covering the whole range of categories: local, remand, maximum security, women and young people. Each is served by a priest chaplain, or deacon or volunteer, of varying contracted hours to celebrate Mass and other sacraments and respond to the pastoral needs of prisoners as requested. Roman Catholic Chaplains also play their part as members of the multi-faith chaplaincy teams in each prison and contribute to the daily round of prison life in a variety of other ways as required by the prison service.

Roman Catholic Chaplains, like all Chaplains, receive regular training and development opportunities provided by the prison service.

## Diocese of Middlesbrough

### Trustee's Report for the Year Ended 31 December 2021

#### **Sick and Retired Priests**

Care of our retired priests comes within the remit of the Vicariate for the Clergy. The local Deans still have an important part to play to make our retired priests feel that they remain involved in the life of the local church by attending Deanery conferences if possible as well as other spiritual and social gatherings.

The Retired Priests' Welfare Committee meets several times a year and the practical needs of each retired priest are discussed with the aim that their needs, from housing to healthcare, are met. The Diocese supports priests who have retired from active ministry by providing accommodation and financial assistance. Retired priests also have the services of our consultant Care and Welfare Officer.

Their independence is important to them as it is to us all. Mrs Audrey Kirby, our Care and Welfare Consultant, with her in-depth knowledge of the needs of older people coming from her long professional career in nursing, visits our retired men to offer them advice and reassurance about any health issues they may have. It is clear that this is much appreciated and she has a deeper insight into these issues than might another priest.

Our active retired priests are a great help in their willingness to supply cover for holidays, illness etc.

Every year the Bishop meets with the retired priests to celebrate Mass together and then have lunch in a convivial and relaxed atmosphere. The chance to meet up and share stories and anecdotes is enjoyed although some of the stories are re-told from previous years.

The annual collection for the retired priests and generous bequests are vital to maintain them in a manner which offers them security after often more than fifty years of service to the people of the Diocese.

Recently, a seminar "Transitions" was held for priests who may be considering retirement within the next year or two. There was discussion around how priests might like to become involved in other activities such as U3A which offers a number of opportunities in various locations. Pensions, RPWF, accommodation in retirement, Wills and LPAs were also discussed. A lunch was also offered and the event was well attended and greatly appreciated.

#### **Safeguarding**

The Bishop and Trustee Board Directors are committed to safeguarding children, young people and adults who may be at risk or vulnerable and two of the Trustee Directors provide support to the Safeguarding Co-ordinator. In October 2021 our Safeguarding Co-ordinator left the employment of the Diocese to take up a post in the recently-formed CSSA and was replaced, in January 2022. The CSSA provided us with cover in the interim period. The CSSA (Catholic Safeguarding Standards Agency), chaired by Mr Nazir Afzal OBE, began operation in June 2021.

The Safeguarding Office works closely with parishes and provides training for Clergy and Parish Safeguarding Representatives.

As reported in our 2020 Accounts, the Chair of the independent Safeguarding Commission changed hands in 2021 when Mr Andrew McMillan replaced Dr Dianne Swiers. The last meeting of the Safeguarding Commission and the first of the Trustee's Safeguarding Sub-Committee were held on 16 March 2022. Mrs Jacqui Drysdale was appointed as Safeguarding Co-ordinator on 4 January 2022. Prior to employment with the Diocese, Mrs Drysdale had significant previous experience in the Scouting Association and in the Police Service in Cleveland and North Yorkshire.

#### **Liturgy**

We continue to place a great deal of emphasis on all our liturgies, as such we have a wonderful lay faithful who are involved in all aspects of the celebration of Mass. We have good teams of ushers, welcomers, Ministers of the Word and Ministers of Holy Communion. Every year we have training sessions and inspirational days for all our lay faithful; they are an integral part of our Church. Once again, we had a wonderful study day for Ministers of Word and Holy Communion from around our Diocese and our thanks go out to all who assist in organising this, and other events.

The annual pilgrimages to Lourdes and Walsingham continue and were, once again, led by the Bishop and provided opportunities for reflection and faith enhancement.

In each year we have some wonderful liturgies. Most notable of these continues to be the annual Chrism Mass, held at the Cathedral, which brings together the family of the Diocese. We aim to continue the high standards of liturgy throughout our Diocese for this coming year.

Trustee's Report for the Year Ended 31 December 2021

**RISK ASSESSMENT**

The Diocesan Trustee Board has assessed the major risks to which the Diocesan Trust is exposed, in particular, those related to the operation and finances of the Trust, and is satisfied that the systems in place to mitigate our exposure to the major risks are operating effectively. The most significant risks identified were Pastoral risks relating to parish life. The issue of the increasing burden on priests due to serving additional churches and communities was identified as significant. Other risks include declining Mass attendances, reducing numbers of priests in active ministry and the risk of failures in safeguarding matters. The Diocese addresses falling Mass attendance in a number of ways including Youth Mission. The Diocesan Vocations Director is active in seeking suitable candidates for Ordination. In terms of safeguarding, the Diocese has a policy and parishes are monitored for compliance.

**STATEMENT OF RESERVES**

**Total** reserves at 31 December 2021 amounted to £57,090,865 (2020: £51,364,769) and this is made up of:

**Parochial** reserves £35,750,024 (2020: £32,550,843) which relate, principally, to the assets and activities of individual parishes, and

**Curial** reserves £21,340,841 (2020: £18,813,926). Of this £3,823,772 represents the balance on restricted items which is not available for general purposes. Included in that restricted total is £1,585,597 being the amount held in the Retired Priests' Welfare Fund. Details of the restricted funds are included in Note 12 to the accounts. Unrestricted funds amount to £17,517,069 of which £696,237 is, in essence, a fixed asset fund. The balance of this is in excess of the £3,172,027 held on behalf of parishes and is sufficient to permit the Trustee to continue in operation and to fulfil its obligations.

**This year** saw an increase in the valuation of investment properties of £3,127,045 and an unrealised increase in listed investments of £855,550.

**THE STATEMENT OF TRUSTEE'S RESPONSIBILITIES**

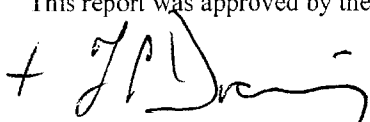
The Trustee Board is responsible for preparing the Trustee's Report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements the Trustee is required to:

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

In accordance with charities legislation, the Trustee is responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the Diocese and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed dated 2 January 1928. The Trustee is also responsible for safeguarding the assets of the Diocese and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustee on 13 December 2022 and signed on its behalf by:



Rt Rev Bishop T P Draine  
Bishop of Middlesbrough  
Diocese of Middlesbrough Trustee

**Diocese of Middlesbrough**  
**Independent Auditors' Report**  
**to the Trustee of the Roman Catholic Diocese of Middlesbrough**

**Opinion**

We have audited the financial statements of the Roman Catholic Diocese of Middlesbrough (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021, and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The trustee is responsible for the other information. The other information comprises the information included in the trustee's annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

## Diocese of Middlesbrough

### Independent Auditors' Report to the Trustee of the Roman Catholic Diocese of Middlesbrough

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

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

- the information given in the financial statements is inconsistent in any material respect with the trustee's report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the trustee's responsibilities statement set out on page 10, the trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:-

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Challenging estimates and judgements made by management in their significant accounting estimates.
- Revenue recognition; agreeing a sample of revenue transactions to gain assurance over the occurrence and accuracy of revenue and also to ensure revenue has been recognised in the correct period.

**Diocese of Middlesbrough**

**Independent Auditors' Report**  
**to the Trustee of the Roman Catholic Diocese of Middlesbrough**

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

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

**Use of our report**

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.



ANDERSON BARROWCLIFF LLP  
Statutory Auditor  
Chartered Accountants  
3 Kingfisher Court  
Bowesfield Park  
Stockton on Tees  
TS18 3EX

Date: 13 December 2022

**Diocese of Middlesbrough**  
**Statement of Financial Activities for the Year Ended 31 December 2021**

	Notes	Parochial		Curtial		Total Funds 2021	Total Funds 2020
		Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds		
		£	£	£	£	£	£
<b>INCOME FROM</b>							
Donations, offertory & Gift Aid		2,442,495	115,849	111,245	45,022	2,714,611	2,262,780
Legacies		697,681	225,476	124,178	397,294	1,444,629	359,361
<b>Donations and legacies</b>		3,140,176	341,325	235,423	442,316	4,159,240	2,622,141
<b>Other trading activities</b>							
Fundraising		77,408	-	-	2,869	80,277	101,688
Papers, candles & piety stalls		50,067	-	-	-	50,067	52,920
<b>Investment Income</b>							
Investment income		-	-	475,040	2,250	477,290	496,367
Rents & hire fees	4	555,027	-	466,060	9,000	1,030,087	941,656
<b>Charitable activities</b>							
School Service Contribution		-	-	236,344	-	236,344	221,917
Stipends		154,427	-	-	-	154,427	134,249
<b>Other Incoming Resources</b>							
Government grants		-	-	61,538	-	61,538	116,932
Other		21,852	-	143,139	40,000	204,991	107,905
<b>TOTAL INCOME</b>		3,998,957	341,325	1,617,544	496,435	6,454,261	4,795,775
<b>EXPENDITURE ON</b>							
Charitable activities		2,911,451	91,598	1,819,534	190,458	5,013,041	4,542,353
Raising funds	2	7,831	-	-	-	7,831	6,639
Net (gain)/loss on disposal of assets		(176,939)	-	19,578	-	(157,361)	(126,366)
<b>TOTAL EXPENDITURE</b>		2,742,343	91,598	1,839,112	190,458	4,863,511	4,422,626
Net gains/(losses) on investments - Realised		(14)	-	13,885	294	14,165	(781,575)
- Unrealised		1,892,356	-	2,211,837	16,988	4,121,181	2,078,643
<b>Net Income/(Expenditure)</b>		3,148,956	249,727	2,004,154	323,259	5,726,096	1,670,217
<b>Transfers between funds</b>	5	(169,039)	(30,463)	85,560	113,942	-	-
<b>Net Movement in Funds</b>		2,979,917	219,264	2,089,714	437,201	5,726,096	1,670,217
<b>Reconciliation of Funds</b>							
Fund balances brought forward at 1 January 2021		32,353,217	197,626	15,427,355	3,386,571	51,364,769	49,694,552
<b>FUND BALANCES CARRIED FORWARD AT 31 December 2021</b>		35,333,134	416,890	17,517,069	3,823,772	57,090,865	51,364,769

There were no recognised gains or losses for the year other than those included in the Statement of Financial Activities  
The notes on pages 18 to 31 form part of these accounts

**Diocese of Middlesbrough**  
**Statement of Financial Activities for the Year Ended 31 December 2020**

	Notes	Parochial		Curial		Total Funds 2020	Total Funds 2019
		Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds		
		£	£	£	£	£	£
<b>INCOME FROM</b>							
Donations, offertory & Gift Aid		2,148,101	108,048	541	6,090	2,262,780	3,118,597
Legacies		254,222	-	105,139	-	359,361	2,029,836
<b>Donations and legacies</b>		<b>2,402,323</b>	<b>108,048</b>	<b>105,680</b>	<b>6,090</b>	<b>2,622,141</b>	<b>5,148,433</b>
<b>Other trading activities</b>							
Fundraising		67,850	-	-	33,838	101,688	246,382
Papers, candles & piety stalls		52,920	-	-	-	52,920	167,587
<b>Investment Income</b>							
Investment income	4	25	-	493,039	3,303	496,367	405,252
Rents & hire fees		508,078	-	425,283	8,295	941,656	1,032,923
<b>Charitable activities</b>							
School Service Contribution		-	-	221,917	-	221,917	165,112
Stipends		134,249	-	-	-	134,249	202,519
<b>Other Incoming Resources</b>							
Government grants		-	-	116,932	-	116,932	-
Other		21,226	-	86,679	-	107,905	372,503
<b>TOTAL INCOME</b>		<b>3,186,671</b>	<b>108,048</b>	<b>1,449,530</b>	<b>51,526</b>	<b>4,795,775</b>	<b>7,740,711</b>
<b>EXPENDITURE ON</b>							
Charitable activities		2,661,900	96,276	1,621,285	162,892	4,542,353	6,226,540
Raising funds	2	6,459	-	180	-	6,639	26,738
Net loss on disposal of assets		(126,366)	-	-	-	(126,366)	(6,500)
<b>TOTAL EXPENDITURE</b>		<b>2,541,993</b>	<b>96,276</b>	<b>1,621,465</b>	<b>162,892</b>	<b>4,422,626</b>	<b>6,246,778</b>
Net gains/(losses) on investments		(621,983)	-	(157,577)	(2,015)	(781,575)	58,164
- Realised		1,374,391	-	713,165	(8,913)	2,078,643	1,468,065
- Unrealised							
<b>Net Income/(Expenditure)</b>		<b>1,397,086</b>	<b>11,772</b>	<b>383,653</b>	<b>(122,294)</b>	<b>1,670,217</b>	<b>3,020,162</b>
<b>Transfers between funds</b>	5	<b>(299,412)</b>	<b>(18,130)</b>	<b>179,322</b>	<b>138,220</b>	<b>-</b>	<b>-</b>
<b>Net Movement in Funds</b>		<b>1,097,674</b>	<b>(6,358)</b>	<b>562,975</b>	<b>15,926</b>	<b>1,670,217</b>	<b>3,020,162</b>
<b>Reconciliation of Funds</b>							
Fund balances brought forward at 1 January 2020		31,255,543	203,984	14,864,380	3,370,645	49,694,552	46,674,390
<b>FUND BALANCES CARRIED FORWARD AT 31 December 2020</b>		<b>32,353,217</b>	<b>197,626</b>	<b>15,427,355</b>	<b>3,386,571</b>	<b>51,364,769</b>	<b>49,694,552</b>

There were no recognised gains or losses for the year other than those included in the Statement of Financial Activities

**Diocese of Middlesbrough**

**Balance Sheet as at 31 December 2021**

		<b>2021</b>			<i>2020</i>
	Notes	<u>Parochial</u>	<u>Curial</u>	<u>Total</u>	<u>Total</u>
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	6	9,252,313	696,237	<b>9,948,550</b>	<i>10,034,768</i>
Investments	7	18,076,804	23,173,656	<b>41,250,460</b>	<i>36,971,493</i>
		<u>27,329,117</u>	<u>23,869,893</u>	<u><b>51,199,010</b></u>	<u><i>47,006,261</i></u>
<b>CURRENT ASSETS</b>					
Investments	8	-	5,272,014	<b>5,272,014</b>	<i>5,033,201</i>
Debtors	9	-	1,384,884	<b>1,384,884</b>	<i>1,497,511</i>
Cash at bank & in hand		5,297,677	5,370,186	<b>10,667,863</b>	<i>7,942,713</i>
		<u>5,297,677</u>	<u>12,027,084</u>	<u><b>17,324,761</b></u>	<u><i>14,473,425</i></u>
<b>CREDITORS : Amounts Falling Due Within One Year</b>	10	(48,797)	(11,384,109)	<b>(11,432,906)</b>	<i>(10,114,917)</i>
<b>NET CURRENT ASSETS</b>		<u>5,248,880</u>	<u>642,975</u>	<u><b>5,891,855</b></u>	<u><i>4,358,508</i></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>32,577,997</u>	<u>24,512,868</u>	<u><b>57,090,865</b></u>	<u><i>51,364,769</i></u>
<b>CREDITORS: Amounts Falling Due After One Year</b>	11	-	-	-	-
		<u>32,577,997</u>	<u>24,512,868</u>	<u><b>57,090,865</b></u>	<u><i>51,364,769</i></u>
<b>PARISH LOAN ACCOUNTS</b>					
Due to Parishes		7,344,121	(7,344,121)	-	-
Due from Parishes		(4,172,094)	4,172,094	-	-
<b>NET ASSETS</b>		<u>35,750,024</u>	<u>21,340,841</u>	<u><b>57,090,865</b></u>	<u><i>51,364,769</i></u>
<b>Financed By:</b>					
Unrestricted funds - unrestricted		34,940,922	16,489,212	<b>51,430,134</b>	<i>46,719,051</i>
- designated		392,212	1,027,857	<b>1,420,069</b>	<i>1,061,521</i>
		<u>35,333,134</u>	<u>17,517,069</u>	<u><b>52,850,203</b></u>	<u><i>47,780,572</i></u>
Restricted funds	12	416,890	3,823,772	<b>4,240,662</b>	<i>3,584,197</i>
	13	<u>35,750,024</u>	<u>21,340,841</u>	<u><b>57,090,865</b></u>	<u><i>51,364,769</i></u>

Approved by the Trustee on 13 December 2022 and signed on its behalf.

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Rt Rev Bishop T P Drainey

Bishop of Middlesbrough  
Diocese of Middlesbrough Trustee

The notes on pages 18 to 31 form part of these accounts.

Diocese of Middlesbrough

Statement of Cash Flows  
for the Year Ended 31 December 2021

	<u>2021</u>	<u>2020</u>
	£	£
<b>Cash flows from operating activities:</b>		
Net cash provided by (used in) operating activities	<u>355,535</u>	<u>(719,535)</u>
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	1,507,377	1,438,023
Proceeds from the sale of property, plant and equipment	7,500	182,297
Purchase of tangible fixed assets	(109,840)	(335,474)
Proceeds from sale of investments	1,303,259	1,019,844
Purchase of investments	<u>(1,519,008)</u>	<u>(742,548)</u>
Net cash provided by (used in) investing activities	<u>1,189,288</u>	<u>1,562,142</u>
<b>Cashflows from financing activities</b>		
Repayments of borrowings	<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period	1,544,823	842,607
Cash and cash equivalents at the beginning of the reporting period	<u>4,972,004</u>	<u>4,129,397</u>
Cash and cash equivalents at the end of the reporting period	<u>6,516,827</u>	<u>4,972,004</u>
<b>Reconciliation of net incoming resources to cash flow from operating activities</b>		
Net income for the reporting period (as in SOFA)	5,726,096	1,670,218
<b>Adjustments for:</b>		
Depreciation	179,235	176,308
Non cash legacy received	-	(91,933)
(Gains)/losses on investments	(4,135,360)	(1,297,068)
Dividends, interest and rent from investments	(1,507,377)	(1,438,023)
(Decrease)/increase in creditors	137,661	(471,899)
Decrease/(increase) in debtors	112,627	859,228
Loss/(profit) on the sale of fixed assets	<u>(157,347)</u>	<u>(126,366)</u>
Net cash provided by/(used in) operating activities	<u>355,535</u>	<u>(719,535)</u>

## **1 ACCOUNTING POLICIES**

### **1.1 General information and basis of preparation**

The Roman Catholic Diocese of Middlesbrough is governed by a Trust Deed dated 2 January 1928 and is registered with the Charity Commission of England and Wales. (No. 233748) The sole Trustee of the charity is a Trust Corporation which was incorporated on 17 December 1997. The address of the registered office is given in the Report of the Trustees on page 1.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to the accounts. The Trustees consider that there are no material uncertainties about the entity's ability to continue as a going concern. The financial statements are prepared in sterling which is the functional currency of the entity and rounded to the nearest £.

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

### **1.2 Subsidiary company**

All of the turnover of the Diocese's wholly owned subsidiary, Diocesan Property Management Limited, represents sales of building construction to the Diocese. The subsidiary has no material net assets or liabilities. There is no significant difference between the Statement of Financial Activities and the Balance Sheet of the Charity and its subsidiary, and accordingly the subsidiary has not been consolidated within these accounts.

### **1.3 Tangible Fixed Assets and Investment Properties**

#### **A Freehold Land and Buildings (Functional)**

##### **Churches, Presbyteries, Halls and Offices etc**

Functional Land and Buildings, (i.e. land and buildings used for the prime purpose of the Charity), which are still in use by the Charity 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	25 to 100 Years
(b)	Cathedral and Listed Churches	100 to 200 Years
(c)	Presbyteries	25 to 100 Years
(d)	Other Buildings	25 to 100 Years

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

**1 ACCOUNTING POLICIES (continued)**

**1.3 Tangible Fixed Assets and Investment Properties (continued)**

**A Freehold Land and Buildings (Functional) (continued)**

**Churches, Presbyteries, Halls and Offices etc**

Details and addresses of the Diocesan churches and other buildings, can be found in the Diocesan Year Book.

**Voluntary Aided Schools and Academies**

**(i) Land**

The Charity owns the land on which its Voluntary Aided Schools and Academies are built. The nature of the occupation of the land by these exempt and excepted charities means that the Diocesan Trustee does not have the power to dispose of the land, until the school ceases its occupation, which in turn would require the approval of the governors and the Secretary of State. The Diocesan Trustee considers its ownership to be in the nature of custodianship of the assets and these are therefore not capitalised in the financial statements. The cost of any land acquired for the purposes of a Voluntary Aided School or Academy is charged to the Statement of Financial Activities in the year of acquisition.

**(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 and excepted charities means that the Diocesan Trustee does not have the power to dispose of the buildings, until the school ceases its occupation, which in turn would require the approval of the governors and the Secretary of State. Any proceeds of sale would be subject to clawback by the Secretary of State of related grant aid provided. The Diocesan Trustee considers its ownership to be in the nature of custodianship of the assets and these are therefore not capitalised in the financial statements. The school governors account for the building, improvement and repair costs of the schools less any grants received in respect of these costs.

Details of the Diocesan Voluntary Aided Schools and Academies, (both freehold and leasehold) are given in the Diocesan Year Book. The insured value of these school buildings is given in note 8 to these financial statements.

**B Freehold Land and Buildings (Investment Properties)**

Investment properties are shown at the Trustee's best estimate of market value which reflects the annual movement on the house price index for the Diocesan geographical location and other known circumstances. 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. The Historical Cost of these assets is separately disclosed in note 7. As these assets are recorded at current market value no charge for depreciation is made in the financial statements.

**C Fixtures, Fittings & Equipment**

Fixtures, Fittings and Equipment which were in use at 31 December 1995 and which had a current replacement cost exceeding £1,000, have been 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). Subsequent acquisitions with a cost, (or in the case of donated assets, estimated value), of over £1,000, are capitalised on the same basis. They are depreciated at rates calculated to write off the cost or valuation, less the estimated residual value, of each asset evenly over its expected useful life as follows:-

Church Furniture	25 to 200 Years
Office Equipment	3 to 5 Years
Parish Hall Equipment	20 Years

Contents of presbyteries are not included in the accounts.

**1 ACCOUNTING POLICIES (continued)**

**1.3 Tangible Fixed Assets and Investment Properties (continued)**

**D Works of Art & Historic Treasures**

The Charity owns several individual Works of Art, Historic Treasures and Plate. The items have extraordinarily 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 Charity of obtaining valuations would exceed the benefit arising from doing so.

**E 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 over its expected useful life as follows:

Motor Cars      25% on Reducing Balance

**1.4 Income Recognition**

Donations, legacies and other voluntary income are recognised in the Statement of Financial Activities (SOFA) when the Diocese becomes legally entitled to them and they can be reasonably measured in financial terms. Where the income has been donated for a specific purpose then this has been disclosed separately within the restricted fund income.

The income from fundraising ventures is shown gross, with the associated costs included within fundraising costs.

**Income**

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

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

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

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

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

Income from charitable activities is recognised as earned as the related services are provided.

Investment income is credited to income when it is receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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

**Notes to the Accounts for the Year Ended 31 December 2021 - continued**

**1 ACCOUNTING POLICIES - continued**

**1.5 Investments**

Investments are stated at fair value. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities. Investment income is credited to income on an accruals basis, using dates of payment for dividends, and daily accrual for interest.

Investment properties are valued by the trustee at the best estimate fair value.

Current investments are designated as such as they are highly liquid and the Charity has specified that they be made readily available to convert to cash within a short term notice period.

**1.6 Grants Payable**

Grants payable are recognised as expenditure when the commitment is entered into.

**1.7 Government Grants**

The charity received government grants in respect of the Coronavirus Job Retention Scheme. These grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the charity will comply with conditions attached to them. The grants were recognised using the accrual model.

**1.8 Expenditure**

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

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

Expenditure is categorised under the following headings:-

- Costs of raising funds includes all costs relating to attracting voluntary income, the cost of goods sold in fundraising and other related costs. They have been allocated to activities on a basis consistent with the use of resources.
- Expenditure on charitable activities (note 2)
- Other expenditure represents those items not falling into the categories above.

**(i) Curial Office**

Charitable activities, costs of generating funds and governance costs have been apportioned between restricted and unrestricted payments, and have been allocated to the specific funds and projects to which they relate.

The Charity operates a defined contribution pension scheme for its Curial Office lay staff. Contributions payable for the year are charged in the Statement of Financial Activities.

**(ii) Parochial**

Expenditure costs for each parish have been allocated to their respective overhead category, with the exception of the parish assessment charge from the Curial Office, which has been treated as a transfer between parochial and curial in the Statement of Financial Activities.

**1.9 Value Added Tax**

Value added tax is not recoverable by the Charity, and as such is included in the relevant cost, in the Statement of Financial Activities.

**Notes to the Accounts for the Year Ended 31 December 2021 - continued**

**1 ACCOUNTING POLICIES - continued**

**1.10 Funds Structure**

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

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

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

**1.11 Debtors**

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

**1.12 Creditors and Provisions**

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

**1.13 Financial Instruments**

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

**Diocese of Middlesbrough**

**Notes to the Accounts for the Year Ended 31 December 2021 - continued**

**2 CHARITABLE ACTIVITIES EXPENDITURE**

**Curial**

	Unrestricted	Restricted	Total	Total
	£	£	2021	2020
	£	£	£	£
Schools Service	323,691	-	323,691	283,496
Academy formation & school costs	200,000	-	200,000	100,000
Youth Service	15,442	7,579	23,021	34,817
Bishop's & Clergy Support	207,441	22,582	230,023	286,815
Services to Parishes & Chaplaincies	316,660	-	316,660	310,342
Upkeep of properties	222,639	-	222,639	104,942
Justice & Peace	3,000	-	3,000	3,000
National assessments	27,572	-	27,572	36,795
Finance charges	23,709	-	23,709	35,421
Support costs	324,645	-	324,645	358,811
Governance costs				
- Legal & professional	84,150	-	84,150	29,764
- Accountancy & taxation advice	16,012	-	16,012	20,000
- Audit Fee	16,000	-	16,000	16,000
Retired Priests Welfare Fund	-	132,400	132,400	106,248
Priest training	-	3,657	3,657	5,409
Special collections	-	19,053	19,053	19,900
Lourdes Pilgrimage	-	5,187	5,187	1,232
Diocesan Events	1,273	-	1,273	300
Depreciation	17,241	-	17,241	16,636
Other	20,059	-	20,059	14,249
	<u>1,819,534</u>	<u>190,458</u>	<u>2,009,992</u>	<u>1,784,177</u>

Support costs are those costs (such as staff and office costs) that are incurred in running the Curial Office. These costs are an integral part of the furtherance of the Charity's objects.

**Parochial**

	Unrestricted	Restricted	Total	Total
	£	£	2021	2020
	£	£	£	£
Repairs & maintenance	972,642	-	972,642	936,970
Establishment costs	705,725	-	705,725	505,507
Administration	236,275	-	236,275	242,012
Domestic	129,693	-	129,693	140,998
Motor & travel	62,927	-	62,927	56,765
General church expenses	123,744	-	123,744	138,067
Clergy support	488,253	-	488,253	427,628
Schools	3,104	-	3,104	2,994
Donations	20,681	-	20,681	10,155
Special collections	-	91,598	91,598	96,276
Depreciation	161,994	-	161,994	159,672
Other	6,413	-	6,413	41,132
	<u>2,911,451</u>	<u>91,598</u>	<u>3,003,049</u>	<u>2,758,176</u>

**Diocese of Middlesbrough**

**Notes to the Accounts for the Year Ended 31 December 2021 - continued**

**3 STAFF INFORMATION**

**Staff costs**

	<u>2021</u>	<u>2020</u>
	£	£
Wages & salaries	763,459	736,369
Social Security costs	74,094	71,406
Pension contributions	71,202	64,488
	<u>908,755</u>	<u>872,263</u>

The average number of curial employees was 23 (2020: 23)

There was 1 employee (2020: nil) who earned between £60,000 and £70,000 in the year.

There was 1 employee (2020: 1) who earned between £80,000 and £90,000 in the year.

Key management personnel received salary and pension contributions of £229,443 (2020: £232,051).

None of the directors received any remuneration in the year in respect of their duties as directors. Certain directors received allowances as serving Clergy but not in their capacity as Director. Expenses of £nil (2020: £475) were reimbursed in the year to directors in respect of their duties as directors of the Corporate Trustee.

**Pension payments**

The Diocese contributes 6% of gross salary to a group personal pension scheme for staff who elect to join. The scheme is a defined contributions scheme for which the Diocese is neither liable to finance any funding shortfall nor entitled to benefit from any over funding. At the year end pension contributions outstanding were £4,179 (2020: £4,113).

Eligible teachers and former teachers subscribe to the Teachers' Pension Scheme (TPS) superannuation scheme which is a defined benefits scheme. The employer's contribution is set by the TPS. The TPS represents a collective scheme as it is not possible to separately identify the assets and liabilities attributable to a particular employer. Hence the employer has neither a commitment to make good any actuarial deficit nor an entitlement to benefit from any over funding. Under the provisions of Financial Reporting Standard 102 the accounting treatment for the TPS scheme is as if the scheme were a defined contributions scheme. The pension charge for the year includes contributions payable to the TPS of £20,879 and at the year end £1,767 was accrued in respect of contributions to this scheme.

**4 INVESTMENT INCOME**

	<b>Parochial</b>		<b>Curial</b>		<b>2021</b>	<b>2020</b>
	Unrestricted	Restricted	Unrestricted	Restricted	<b>Total</b>	<b>Total</b>
	£	£	£	£	£	£
UK listed investments	-	-	471,796	2,248	474,044	484,725
Bank interest	-	-	3,244	2	3,246	11,642
	<u>-</u>	<u>-</u>	<u>475,040</u>	<u>2,250</u>	<u>477,290</u>	<u>496,367</u>

Diocese of Middlesbrough

Notes to the Accounts for the Year Ended 31 December 2021 – continued

5 TRANSFERS

	Parochial		Curial		Total £
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	
Parish levy	(221,678)	-	221,678	-	-
Levy pension fund	(18,750)	-	-	18,750	-
Capital invested in the Diocese	67,478	-	(67,478)	-	-
Interest credited to restricted funds	-	-	(28,784)	28,784	-
Contributions to/from restricted funds	-	-	(35,945)	35,945	-
Second collections	-	(37,963)	-	37,963	-
Transfers to parishes	3,911	7,500	(3,911)	(7,500)	-
	<u>(169,039)</u>	<u>(30,463)</u>	<u>85,560</u>	<u>113,942</u>	<u>-</u>

**Parish Levy:** The Bishop is empowered to charge parishes a levy in proportion to their income. The main parish levy is a contribution towards the general running costs of the Diocese.

**Levy Pension Fund:** the transfer of the Parish Levy to the restricted pension fund for active priests.

**Contributions to Restricted Funds:** payments made by parishes or Curia to support various restricted funds (see note 12 also).

**Second Collections:** collections taken at Parish level with funds transferred to the Diocese before onward submission to the relevant cause.

Diocese of Middlesbrough

Notes to the Accounts for the Year Ended 31 December 2021 - continued

6 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

(a) Curial

	Freehold Land & Buildings £	Computer & Office Equipment £	Motor Vehicles £	Total £
<b>COST OR VALUATION</b>				
At 1 January 2021	1,017,534	74,085	32,194	1,123,813
Additions	-	-	22,281	22,281
Disposals	-	-	(19,199)	(19,199)
<b>At 31 December 2021</b>	<b>1,017,534</b>	<b>74,085</b>	<b>35,276</b>	<b>1,126,895</b>
<b>ACCUMULATED DEPRECIATION</b>				
At 1 January 2021	331,668	73,230	22,584	427,482
Charge for the year	12,856	286	4,099	17,241
Eliminated on disposal	-	-	(14,065)	(14,065)
<b>At 31 December 2021</b>	<b>344,524</b>	<b>73,516</b>	<b>12,618</b>	<b>430,658</b>
<b>NET BOOK VALUES</b>				
<b>At 31 December 2021</b>	<b>673,010</b>	<b>569</b>	<b>22,658</b>	<b>696,237</b>
At 31 December 2020	685,866	855	9,610	696,331

(b) Parochial

	Freehold Land & Buildings £	Fixtures & Fittings £	Total £
<b>COST OR VALUATION</b>			
At 1 January 2021	13,089,703	769,640	13,859,343
Additions	66,305	21,254	87,559
Disposals	-	-	-
Transfer to Investment Property	(40,000)	-	(40,000)
<b>At 31 December 2021</b>	<b>13,116,008</b>	<b>790,894</b>	<b>13,906,902</b>
<b>ACCUMULATED DEPRECIATION</b>			
At 1 January 2021	4,147,528	373,378	4,520,906
Charge for the year	152,358	9,636	161,994
Eliminated on Disposal	-	-	-
Transfer to Investment Property	(28,311)	-	(28,311)
<b>At 31 December 2021</b>	<b>4,271,575</b>	<b>383,014</b>	<b>4,654,589</b>
<b>NET BOOK VALUES</b>			
<b>At 31 December 2021</b>	<b>8,844,433</b>	<b>407,880</b>	<b>9,252,313</b>
At 31 December 2020	8,942,175	396,262	9,338,437

Voluntary aided schools and academies are not included within the accounts due to their inalienable nature.

As at 31 December 2021, these school buildings were insured for up to £45million any one loss.

Included within land and buildings are assets with a net book value of £342,524 which have been pledged as security for the bank loan.

**Diocese of Middlesbrough**

**Notes to the Accounts for the Year Ended 31 December 2021 - continued**

<b>7</b>	<b>FIXED ASSET INVESTMENTS</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Curial	<b>23,173,656</b>	20,620,345
	Parochial	<b>18,076,804</b>	16,351,148
		<b><u>41,250,460</u></b>	<b><u>36,971,493</u></b>

There were no holdings that represented more than 5% of the total value of investments.

Investment properties with a value of £6,495,270 have been pledged as security for the bank loan.

**Fixed Asset Investments - Curial**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Investment properties	<b>15,665,257</b>	14,587,242
Listed investments : at market value	<b>7,508,396</b>	6,033,100
Investment in subsidiary company	<b>2</b>	2
Investment in associated company	<b>1</b>	1
	<b><u>23,173,656</u></b>	<b><u>20,620,345</u></b>

The Historical Cost of listed investments on 31 December 2021 was £11,308,514 (2020: £10,543,900).

<b>Summary of investments</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Opening valuation 1 January 2021	<b>20,620,345</b>	19,738,446
Additions	<b>1,475,627</b>	707,310
Disposals	<b>(913,470)</b>	(219,517)
Impairment	<b>-</b>	3,539
Net gains/(losses) during the year	<b>1,991,974</b>	541,121
Cash transferred to/from Diocese net of broker fees and dividends		
Received	<b>-</b>	(270,262)
Included within current asset investments	<b>-</b>	119,708
	<b><u>23,174,476</u></b>	<b><u>20,620,345</u></b>

**Subsidiary Company**

The Diocese has one wholly owned trading subsidiary, Diocesan Property Management Limited, a company incorporated in the United Kingdom (Reg No: 02960826). Diocesan Property Management Limited's principal activity is that of building contractors and developers of Diocesan properties. Annual accounts of the subsidiary are filed with the Registrar of Companies.

A summary of the trading results of Diocesan Property Management Limited is given below:-

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>-</b>	-
<b>Cost of sales</b>	<b>-</b>	-
	<b><u>-</u></b>	<b><u>-</u></b>
<b>Gross profit</b>	<b>-</b>	-
Administrative expenses	<b>848</b>	803
	<b><u>(848)</u></b>	<b><u>(803)</u></b>

At 31 December 2021 the called-up share capital of Diocesan Property Management Limited comprised 2 ordinary £1 shares and its liabilities exceeded its assets by £14,166

**Diocese of Middlesbrough**

**Notes to the Accounts for the Year Ended 31 December 2021- continued**

**7 FIXED ASSET INVESTMENTS (continued)**

**Associated Company**

The Diocese holds 11.1% of the ordinary shares of Inter-Diocesan Fuel Management Limited, a company incorporated on the United Kingdom. The principal activity of Inter-Diocesan Fuel Management Limited is that of fuel and power distribution to various Roman Catholic Dioceses throughout England.

A summary of the trading results of Inter-Diocesan Fuel Management Limited for the year ended 31 March 2021 is given below:-

	<b>£'000</b>
- Capital & reserves	<b>36</b>
- Turnover	<b>11,813</b>
- Net profit	<b>2</b>
	<b>=====</b>

**Fixed Assets Investments - Parochial**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<i>£</i>
Investment properties	<b>18,076,804</b>	<i>16,337,345</i>
Listed investments	<b>-</b>	<i>13,803</i>
	<b>=====</b>	<i>=====</i>
	<b>18,076,804</b>	<i>16,351,148</i>
	<b>=====</b>	<i>=====</i>

The Historical Cost of listed investments on 31 December 2021 was £nil (2020: £12,620)

**8 CURRENT ASSET INVESTMENTS**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<i>£</i>
Listed investments	<b>5,272,014</b>	<i>5,033,201</i>
	<b>=====</b>	<i>=====</i>

**9 DEBTORS**

	Parochial	Curial	Total	Total
	2021	2021	2021	2020
	£	£	£	£
Amounts due from subsidiary				
Undertakings	-	684,986	<b>684,986</b>	<i>683,591</i>
School loans	-	334,682	<b>334,682</b>	<i>413,820</i>
Trade debtors	-	18,267	<b>18,267</b>	<i>27,654</i>
Prepayments & accrued income	-	14,480	<b>14,480</b>	<i>67,466</i>
Other debtors	-	332,469	<b>332,469</b>	<i>304,980</i>
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<i>=====</i>
	<b>-</b>	<b>1,384,884</b>	<b>1,384,884</b>	<i>1,497,511</i>
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<i>=====</i>

The amount due from the wholly owned subsidiary, Diocesan Property Management Limited, is an interest free loan utilised for the building of new churches within the Diocese. The amount is repayable upon the completion of each church which in turn will be sold to the Diocese.

**Diocese of Middlesbrough**

**Notes to the Accounts for the Year Ended 31 December 2021 - continued**

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Parochial 2021 £	Curial 2021 £	Total 2021 £	Total 2020 £
Bank loans and overdrafts	-	4,754,037	4,754,037	3,573,559
Trade creditors	-	64,549	64,549	59,930
Accruals & deferred income	48,797	85,735	134,532	70,402
Other creditors	-	394,290	394,290	277,203
DFC School Accounts	-	76,486	76,486	51,611
Other loans	-	5,989,040	5,989,040	6,061,849
Taxation and Social Security	-	19,972	19,972	20,363
	<u>48,797</u>	<u>11,384,109</u>	<u>11,432,906</u>	<u>10,114,917</u>

**11 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	Parochial 2021 £	Curial 2021 £	Total 2021 £	Total 2020 £
Bank loans	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The bank loan is secured on property owned by the Diocese. The interest rate is charged at 2.65% over LIBOR payable quarterly with the facility repayable in full at the maturity date of March 2022.

**Diocese of Middlesbrough**

**Notes to the Accounts for the Year Ended 31 December 2021 - continued**

**12 RESTRICTED FUNDS**

The income funds of the Diocese include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:-

**Curial**

	<b>Movement in Funds</b>				<b>Balance 31.12.2021 £</b>
	<b>Balance 31.12.2020 £</b>	<b>Incoming Resources £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	
Priests' Training Fund	668,293	381,785	(3,657)	14,948	1,061,369
Church Extension Fund	44,360	-	-	-	44,360
Mensal Fund	26,872	-	(16,741)	20,269	30,400
Pickering Roman Catholic War Orphanage Fund	20,677	-	-	207	20,884
Lourdes Sick Fund	221,122	34,738	(5,187)	2,211	252,885
Lourdes Youth Pilgrimage	(11,848)	-	-	-	(11,848)
Catholic Child Care	117,859	470	-	1,279	119,608
Youth Sunday	17,889	-	-	2,962	20,851
Retired Priests' Welfare Fund	1,623,745	52,944	(132,400)	41,308	1,585,597
Common Stock	37,222	-	-	376	37,598
Lacy Fund	289,926	-	-	10,453	300,379
Vestment Guild	(1,927)	-	-	-	(1,927)
Nicholas Postgate	3,713	50	-	37	3,800
Mike McCullagh Memorial Trust Fund	60,154	3,057	-	602	63,812
Matthias Smyth Memorial Masses Fund	55,917	-	(5,450)	-	50,467
Youth Ministry – Expansion and Outreach	2,525	170	-	-	2,695
Levy Fund (Active Priests)	32,443	2	-	8,297	40,742
Cecil Walker Memorial Fund	98,321	-	-	983	99,305
Hedon New Church Fund	7,475	-	-	-	7,475
Papal Blessings/Papal Awards	(1,908)	-	-	-	(1,908)
Mass Stipends	2,460	500	(240)	-	2,720
Year of Faith	1,435	-	-	-	1,435
Education Resource Needs	6,760	-	-	-	6,760
Peter's Pence	694	-	(3,700)	3,373	367
Holy Places	632	-	(5,286)	5,142	488
Lenten Alms	6,368	-	-	1,212	7,580
Other Restricted Income	5,190	-	-	-	5,190
Home Mission Sunday	502	-	(3,890)	3,919	530
Day for Life	228	-	(3,604)	3,709	333
John Hinman Fund	391	-	-	-	391
Nicholas Postgate Relics	1,053	-	-	-	1,053
CES Collection	356	-	-	-	356
Ukraine Appeal	(0)	-	(311)	311	(0)
Walsingham Shrine Appeal	0	-	(265)	265	0
Wycliffe Children's Holiday Fund	2,000	-	-	39	2,039
Bishop's Annual Charity	5,462	-	(150)	-	5,312
Bishop's Foundation Masses	(9)	-	-	-	(9)
Young Musicians Fund	22,047	-	(2,630)	(2,600)	16,817
St Williams Community Home	428	-	-	4	432
Marriage Preparation Consultant	9,525	-	-	-	9,525
Memorial Masses – Fr M Murray	2,000	-	-	-	2,000
Catholic Education Council	824	-	-	-	824
World Communications	247	-	(1,896)	1,936	287
Poor Parishes	9,000	15,000	-	(7,500)	16,500
Missionary Work in Hull	323	-	-	-	323
Cathedral Silver Jubilee	744	-	-	-	744
Catholic Primary Schools Cup	5,178	-	-	-	5,178
Sundry Restricted Funds	626	-	-	-	626
World Youth Day	(4,804)	-	-	-	(4,804)
Racial Justice Sunday	0	-	(100)	155	55
Year of Consecrated Life	(7,097)	-	-	-	(7,097)
Women's Commission – now "National Board of Catholic Women Middlesbrough"	1,175	-	-	45	1,220
National Schools Singing Programme	0	25,000	(4,949)	-	20,051
	<u>3,386,570</u>	<u>513,717</u>	<u>(190,457)</u>	<u>113,942</u>	<u>3,823,771</u>

**Diocese of Middlesbrough**

**Notes to the Accounts for the Year Ended 31 December 2021 - continued**

**12 RESTRICTED FUNDS - continued**

The specific purposes for which the major funds are to be applied are as follows:-

**Priests' Training Fund** - for training students for the priesthood for this Diocese.

**Church Extension Fund** - to assist the new churches and Mass centres of the Diocese.

**Poor Parishes Fund** - to assist those parishes which, because of their low level of income, are unable to support either the parish priest or the necessary repair work to the parish church or presbytery.

**Mensal Fund** - deals with the income and costs of the Bishop of Middlesbrough and his administration.

**Lourdes Sick Fund** - for pilgrimages to Lourdes.

**Catholic Child Care** - provides a fostering and adoption service.

**Special Collections** - collections taken throughout the year for charitable purposes within the United Kingdom and overseas and for specific parish projects.

**Retired Priests' Welfare Fund** - a fund set up in 1996 to provide support upon retirement for incardinated Diocesan priests.

**Lacy Fund** - to meet pension requirements of retired clergy.

**Vestment Guild** - provision of vestments within the Diocese.

**Nicholas Postgate** - the Canonisation cause of Blessed Nicholas Postgate.

**Common Stock** - to meet payments on behalf of retired clergy.

**Mike McCullagh Memorial Trust Fund** - supporting junior football, prison visiting and sick children in the Tees Valley

**Matthias Smyth Memorial Masses Fund** - masses for the repose of the souls of Matthias Smyth and his family.

**Youth Ministry Expansion and Outreach** - to provide funds to extend the work in Youth Ministry and to outreach to young people beyond school age.

**Levy Fund (Active Priests)** - to provide a pension for each active priest on their retirement.

**Cecil Walker Memorial Fund** - for the Support of retired Priests of the Diocese; in particular those who have spent part or all of their ministry in the Southern areas of the Diocese.

**13 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted Funds £	Funds 2021 £
Tangible fixed assets	9,948,550	-	9,948,550
Investments	40,690,847	559,613	41,250,460
Net current assets	2,210,806	3,681,049	5,891,855
Creditors: amounts falling due after one year	-	-	-
	<u>52,850,203</u>	<u>4,240,662</u>	<u>57,090,865</u>

Net current assets include designated funds of £1,420,069 which are classified within unrestricted funds. These represent funds set aside at both Parish and Curia level of which Parish level is for building repairs.

**14 RELATED PARTY TRANSACTIONS**

No related party transactions occurred during the current or previous year.

**MIDDLESBROUGH DIOCESAN TRUST**

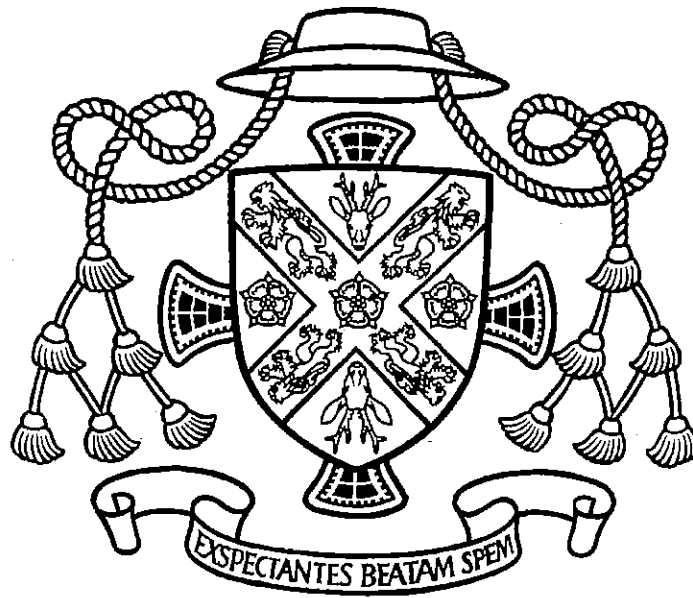
England & Wales - Charity number 233748

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# Accounts

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# **DIOCESE OF MIDDLESBROUGH**



## **TRUSTEE'S REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2020**

**Diocese of Middlesbrough**

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for the Year ended 31 December 2020**

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**Diocese of Middlesbrough**  
**Charity Information**  
**for the Year Ended 31 December 2020**

**TRUSTEE:** Diocese of Middlesbrough Trustee

**DIRECTORS AND OFFICERS OF THE DIOCESE OF MIDDLESBROUGH TRUSTEE:**

The directors shown below have held office for the whole of the period from 1 January 2020 to the date of this report.

Rt Rev Terence Patrick Drainey, Bishop of Middlesbrough  
Very Rev Mgr Canon G Robinson, Vicar General  
Dr J Whiston  
Mr N Mack  
Mr J C Fleming  
Rev W Massie  
Mr P G Westmacott

Changes in directors holding office are as follows:

Rt Rev Mgr Canon G Dasey (resigned 19/11/20)  
Very Rev Canon A Sheridan (resigned 16/03/21)  
Mrs A Barham (resigned 16/03/21)  
Mr G Moran (appointed 19/11/20)  
Mrs M T Clark (appointed 21/01/21)  
Dr T A Lythe (appointed 18/02/21)  
Mr A T McMillan (appointed 05/03/21)

**FINANCIAL SECRETARY:** Mr J A Walton

**CHARITY NUMBER:** 233748

**CHARITY OFFICES:** Curial Offices  
50a The Avenue  
Middlesbrough  
TS5 6QT

**AUDITORS:** Anderson Barrowcliff LLP  
3 Kingfisher Court  
Bowesfield Park  
Stockton on Tees  
TS18 3EX

**BANKERS:** Barclays Bank Plc  
Unit 1  
Central Mall  
The Mall  
Middlesbrough  
TS1 2NR

**SOLICITORS:** Grays  
Solicitors  
Duncombe Place  
York  
YO1 2DX

**KEY MANAGEMENT PERSONNEL:**

**Chief Operating Officer:** Rev P Warren  
**Financial Secretary:** Mr J Walton  
**Director of Schools:** Mr K Duffy

## Diocese of Middlesbrough

### Trustee's Report for the Year Ended 31 December 2020

The Trustee presents its report and accounts for the year ended 31 December 2020.

#### **CONSTITUTION AND AIMS**

The Roman Catholic Diocese of Middlesbrough is governed by a Trust Deed dated 2 January 1928 and is registered under the Charities Act 1960 – No 233748. The sole Trustee of the Charity is a Trust Corporation, Diocese of Middlesbrough Trustee, company registration number 03482285, which was incorporated on 17 December 1997. The Charity is controlled by the Bishop who is assisted by ten directors of the Trust. The Bishop is empowered to appoint and dismiss all directors. Details of the Directors, acting as Trustees of the Charity, who served during the year, are given on page two.

The aims and objectives of the Trust are the “advancement or maintenance of the Roman Catholic Religion in the Roman Catholic Diocese of Middlesbrough”.

The Trustee Board confirm that they have complied with the duty in the Charities Act 2011 Section 17 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

#### **OBJECTIVES AND ACTIVITIES**

The aim of the Diocese is, in accordance with the objectives of the charity, the advancement of the Roman Catholic religion and education. This advancement of the Roman Catholic religion is achieved, most effectively, when Catholics, inspired by faith, share the love of God with those around them, whether in their families, in the workplace, in schools or in the community.

The Diocese fulfils its purpose by offering religious and pastoral services educational programmes and charitable support and assistance to all within its boundaries whether they be Catholics or belong to other religions or to none. This formation then enables the people of the Diocese to carry out the mission of the Church by reaching out to those in any form of need including refugees and asylum-seekers and immigrants, to those who have alcohol or drug dependency, to the homeless and to the poor. Schools, too, are involved in this outreach through the way in which they help to form responsible individuals going out into society and reflecting the love of God by putting their faith into action.

The Diocese also provides chaplaincy services for hospitals, universities and prisons. Services which are outlined below.

People of the Diocese gather together in worship of God and through prayer. This is carried out in parishes, through conferences and courses, through retreats and through the work of its schools.

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

The Diocese comprises 71 parishes, five of which are served by the Benedictine Order, and two by the Oratorians. Until the recent sad death of the priest, one was served by the Norbertines. Carmelite priests, previously, served in one parish in York and in the York University Chaplaincy. However, the priest in York is now incardinated into the Diocese of Middlesbrough and the priest in the Chaplaincy recently returned to the Priory in Aylesford.

In the period between presentation of 2019 accounts and this time, we have had priests retiring and being incardinated into the Diocese so that we, currently, have 43 priests in active ministry. A number of permanent deacons have retired in the past year so that we now have 10 permanent deacons working in various parishes of the Diocese. In terms of retired priests, their numbers were swelled by two retirees but, sadly for us, five priests were called to the Lord and retired priests now number 14. Many of those retired priests continue to provide pastoral assistance to resident priests.

Parishes aim to provide for the spiritual needs of people of all ages with special emphasis on the needs of the poor and the sick. There is also great awareness of the plight of refugees and asylum-seekers and much effort is put into helping those in this position.

We try to work in harmony with other Christian churches and people of all faiths as appropriate. We also provide education in the faith much of which is done through a network of voluntary aided schools. There are forty-six primary schools and eight secondary schools. All save one of our schools are members of multi-academy trusts (MATs) with only that one school outside of a MAT. There also two independent schools and one of our schools serves jointly Catholic and Church of England pupils from the Richmond area.

## Diocese of Middlesbrough

### Trustee's Report for the year ended 31 December 2020

The Trustee Board normally meets seven times in the year under the Chairmanship of the Bishop. A number of Board committees provide advice and guidance to the Trustee Board on a range of matters relevant to the Charity. These meet, normally, in advance of each Board meeting so that the Trustee body can be made aware of any matters of significance. Currently, these committees are as follows:

**Finance Advisory Committee:** This is, currently, made up of three Trustee directors supported by officers and specialists. The committee meets seven times a year, in advance of the Trustee Board meeting. It reviews parish and school expenditure, in addition to the Curia budget and deals with other matters of financial governance.

**Ethical Investment Committee:** Led by the Financial Secretary and including a member of the Diocesan Justice & Peace Commission, a member of the Council of Priests, a Permanent Deacon with a business background and the Investment Manager, this committee reviews the Diocesan investment portfolio ensuring that the investments which make up the portfolio are held in compliance with the principles of the Ethical Investment Committee.

**Safeguarding Commission:** The Diocesan Safeguarding Commission is chaired by an independent person with significant experience in Child Protection work and it includes representatives from the statutory authority, Diocesan clergy and a member of the Trustee Board. Since reporting on the 2019 accounts, the Chair has retired and was, earlier in this year, replaced. The new Safeguarding Commission Chair is also a member of the diocesan Trustee Board. The Diocesan Safeguarding Co-ordinator reports to each Trustee Board meeting on the implementation of policies and procedures in addition to any matters of concern.

**Diocesan Historic Churches Commission (HCC):** The HCC is chaired by a senior priest supported by representatives from various heritage bodies, specialists and Diocesan representatives. The Commission is charged with the task of ensuring that regular inspections are carried out and that any required work is carried out in an appropriate manner. It also requires that any work on the twenty-four listed churches and chapels in the Diocese is not undertaken without its prior approval. The Commission has also taken into its care a number of churches which experts consider should be listed.

**Sick and Retired Priests' Welfare Committee:** This committee, chaired by the Episcopal Vicar for Clergy, is responsible for supporting the sick and aged priests of the Diocese and the approval of expenditure for their welfare. Membership comprises two priests elected by the Diocesan priests, a priest retired from pastoral office, one deacon and other priests and laity appointed by the Bishop.

**The Directors of the Trust** are also the Diocesan Finance Committee required by Canon Law (Canon 492). Newly-appointed Trustee Directors are briefed, initially, by the Company Secretary and receive copies of the Memorandum and Articles of Association and copies of the Charity Commission document on the responsibilities of Trustees and copies of Board minutes.

**The Chief Operating Officer** continues to provide legal advice and act as Company Secretary in addition to having responsibility for the operation of the Curia.

**The Financial Secretary** and his staff, under the ultimate authority of the Bishop, are responsible for handling all financial and property matters.

**The Bishop's Council**, comprising the Vicar General, four Episcopal Vicars with responsibility across the Diocese for aspects of a pastoral nature, and the Chancellor, advises and assists the Bishop in pastoral matters.

**The Diocesan Gift Aid Manager** is assisted by a group of volunteers who work closely with him in parishes on financial matters and provide support where requested. He meets, periodically, with representatives of parish Finance Committees.

**Care and Welfare:** The consultant dealing with welfare needs of priests has continued her work throughout the Diocese.

#### **Remuneration Policy**

The Trustee Board approves annual pay awards and job roles and remuneration are reviewed periodically. If, and when, significant roles change hands, benchmarking of rates is employed.

Diocese of Middlesbrough

Trustee's Report for the year ended 31 December 2020

**Subsidiary Company**

The Diocese has a wholly-owned subsidiary company, Diocesan Property Management Limited. The company was established to facilitate the management of building contracts for the Diocese and its sales are to the Diocese only. The company provides its services at cost and, therefore, make a minimal profit or loss. For the year ended 31 December 2020, the turnover of the company was £Nil (2020: £Nil) and its loss was £803 (2019: £1,258).

**FINANCIAL REVIEW AND REVIEW OF THE YEAR**

The table below summarises the financial activities of the Diocese:-

	2020		2019	
	Unrestricted £k	Restricted £k	Unrestricted £k	Restricted £k
<b>PARISHES</b>				
Income (excluding profit on sale of assets)	3,187	108	4,562	318
Expenditure	(2,668)	(96)	(3,421)	(196)
Diocesan assessment and transfer	(487)	-	(968)	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Surplus/(deficit) before transfers etc</b>	<b>32</b>	<b>12</b>	<b>173</b>	<b>122</b>
Transfers	188	(18)	66	(70)
(Loss)/Profit on sale of assets	126	-	7	-
Realised/Unrealised (loss)/gain on investments	752	-	586	-
	<hr/>	<hr/>	<hr/>	<hr/>
Added to/ (deducted from) reserves	<b>1,098</b>	<b>(6)</b>	<b>832</b>	<b>52</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>CURIAL</b>				
Diocesan assessment & transfer	487	-	968	-
Other income (excluding profit on sale of assets)	1,450	52	2,425	436
	<hr/>	<hr/>	<hr/>	<hr/>
Total income	1,937	52	3,393	436
Expenditure	(1,621)	(163)	(2,222)	(415)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Surplus/(deficit)</b>	<b>316</b>	<b>(111)</b>	<b>1,171</b>	<b>21</b>
Other transfers	(308)	138	(263)	267
(Loss)/Profit on sale of assets	-	-	-	-
Realised/unrealised gain/ (loss) on investments	555	(11)	929	11
	<hr/>	<hr/>	<hr/>	<hr/>
Added to/(deducted from) to reserves	<b>563</b>	<b>16</b>	<b>1,837</b>	<b>299</b>
	<hr/>	<hr/>	<hr/>	<hr/>

Full details of the income and expenditure are shown in the statement of financial activities on page 16 and in the notes to the accounts.

The Trustee Board wishes to place on record its sincere thanks to all priests, the Curia Office staff, parish volunteers and external professions for their efforts on behalf of the Trust.

**Investment Powers and Policy**

The Trust Deed, in conjunction with the Trustee Investment Act 1961 and the Memorandum and Articles of Association of the Trust Corporation, authorises the Trustee to make and hold investments using the general funds of the Diocese. The investment objective of the Trustee is that the real value of the assets should be maintained and enhanced over the long term and that the fund provides income to assist in the operational costs of the Diocese.

The Investment Manager manages the portfolio on a discretionary basis, with an emphasis on medium risk, and the Diocese and the Investment Manager meet periodically to review the portfolio and its performance. In the management of the portfolio the Investment Manager takes due account of the Diocesan Ethical Investment Policy and reports to the Ethical Investment Committee on a regular basis. The Trustee is satisfied with the performance of the portfolio.

## Diocese of Middlesbrough

### Trustee's Report for the year ended 31 December 2020

#### **Reserves Policy**

The Trustee Board has not determined a fixed amount of general reserves that are required but consider that the reserves need to be maintained at least at the present level in order to meet possible shortfalls in income and to be able to respond to requests for funding.

#### **FUTURE PLANS**

Naturally, we are hoping for a return to being able to carry out our regular programme of events and pilgrimages including the diocesan Pilgrimage to Lourdes which is planned, subject to any future pandemic restrictions, to be held in May 2022. Pilgrims are excited and very hopeful.

In October 2015, on the 50<sup>th</sup> anniversary of the establishment of the Synod of Bishops by St Paul VI, Pope Francis said, "From the beginning of my ministry as the Bishop of Rome, I sought to enhance the Synod, which is one of the most precious legacies of the Second Vatican Council ... it is, precisely, this path of synodality which God expects of the church in the third millennium". Now, on 7 March 2020, Cardinal Lorenzo Baldisseri, the Secretary General of the Synod of Bishops, announced that Pope Francis will convene the XVI Ordinary General Assembly of the Synod of Bishops in October 2022. The theme will be "For a synodal Church: communion, participation and mission". Preparations have now begun throughout the world and in our Diocese a small committee has been meeting in order to define how best to implement Pope Francis's request to persuade dioceses around the world to become involved - how do we engage the whole Church in pondering how the Holy Spirit is working in us and what is He prompting us to do. How can we become synodal - walking or journeying together along the way of Jesus?

In Middlesbrough, we have already held a day for discussion of clergy involvement and we will, shortly, hold a day for parish representatives to discuss the same theme. There is a relatively short period for developing the response and, following that discussion and involvement, parishes and Bishops around the world will submit a report to Pope Francis. The Synod will conclude in October 2023.

The Diocese was awarded a grant by the Hamish Ogden Foundation and will participate in the National Schools Singing Programme (NSSP). A Choral Director has been appointed and he will commence employment with the Diocese on 1<sup>st</sup> November. He will be very much involved with our northern MAT, the Nicholas Postgate Catholic Academy Trust.

The fifth World Day of the Poor will be celebrated on Sunday, 14 November 2021. Echoing the words of Saint Mark, the theme for this year's World Day of the Poor will be "for the poor you will always have with you". On Friday, 12 November Pope Francis will travel to the basilica of Santa Maria Degli Angeli in Assisi and will meet, privately, with 500 people from different parts of Europe to spend a moment of listening and prayer with them.

Pope Francis has also announced the theme for the 2022 World Meeting of Families (WMOF) which will be "Family Love, a vocation and a path to holiness". This WMOF will reflect on the spirituality of the family in light of the call to holiness expressed in Gaudete et Exsultate. The WMOF is held every three years and each begins with a Congress which invites married couples, families, pastors, theologians and professionals with expertise on a variety of issues affecting family life. After the Congress there will be a prayerful and joyful celebration of family life.

#### **PUBLIC BENEFIT**

In preparing this report, the Directors of the Corporate Trustee confirm that they have complied with their duty in the Charities Act 2011 to have full regard to the public benefit guidance published by the Charity Commission's guidance in the exercise of their powers and duties.

The provision of public benefit provided by the Charity includes the provision of religious ceremonies (such as baptisms, weddings and funerals), maintaining religious burial grounds, celebrating public Masses and providing and maintaining places of worship. There is also a benefit to the general public since churches can be accessed, by people of all faiths and none, for personal spiritual contemplation. Parishes are, themselves, communities which contribute to the moral and spiritual wellbeing of those who attend, and, from these centres, educational, social and pastoral work is carried out as a practical expression of faith.

In supporting the parish endeavour, the Diocese has a number of agencies which provide central services. Details of this provision are shown below.

## Diocese of Middlesbrough

### Trustee's Report for the year ended 31 December 2020

#### **ACHIEVEMENTS AND PERFORMANCE**

This past year has been affected, in so many ways, by the Covid-19 pandemic and a number of our regular annual activities had to be curtailed. Included in this was the annual pilgrimage to Lourdes which has not taken place for the past two years. We do, however, have plans to recommence the pilgrimage in May 2022.

A number of parishes have made provision for livestreaming of Mass and the Diocese has also been one of the leaders in providing Mass by telephone. More recently, Benediction has begun to be livestreamed. Parishes have worked hard to ensure that activities and venues have been Covid-secure. All of this has, of course, come at significant cost and, at the same time, income throughout the Diocese has been badly affected. Much of this would not have been possible were it not for the assistance of the many volunteer stewards who have worked diligently to ensure the safety of those parishioners who have been able to be physically present at Mass.

Some members of staff were, initially, fully furloughed and supported, in part, by the Government's job retention scheme (CJRS). More recently, the Diocese was able to return staff to work on a part-time basis. Again, with support from the CJRS scheme. All staff have now returned to five-day working in the Curial Office.

#### **Youth Ministry**

The Diocese of Middlesbrough's youth outreach, MYMission, envisages parishes that encourage and stimulate faith development in their young people and in turn are fed by the irreplaceable energy and creativity that our young people have to offer.

The period of the pandemic has been a difficult time for our young people whether in school or in other youth activities. Many of the activities have been carried out by Zoom.

Physical activity, in all senses, included a half marathon organised by a team of willing volunteers including Father Phil Cunnah. The aim was to raise funds to assist young people to go on the Lourdes Pilgrimage and it took place on 13 September 2020, which was also Education Sunday.

MYMission's patron, John Henry Newman, was canonized, in Rome, on 13 October 2020. The event was attended by thousands of pilgrims including Prince Charles.

#### **The Bishop's Council for Spirituality and Worship**

As in almost every activity of the Diocese, this has, to some extent, been affected by the pandemic.

The council supports Catechists, Extraordinary Ministers of Holy Communion (EMHC) and Ministers of the Word (MoW) by way of initial and ongoing formation. Regular deanery meetings are held in order to reinforce the support which is provided.

In October/November of each year the Diocese holds an "Inspirational Day", and all such ministers are invited to attend. Typically, five hundred people do attend this event, at which there is an external speaker, and which culminates with Mass before departure and returning home.

Various opportunities for formation are offered – these include, among a number of others, the Catholic Certificate in Religious Studies (CCRS). The Diocese has continued to provide support to suitable students, lay leaders etc in undertaking an online course in pastoral and religious education available via the Diocese of Liverpool in conjunction with the Loyola Institute for Ministry based in Chicago, USA.

The Council recognises that these various initiatives are an essential part of evangelisation and outreach.

#### **Education**

The Diocese of Middlesbrough, in accordance with the Education Act (1944) and subsequent Acts of Parliament, is a Commissioning Authority for Voluntary Aided Schools with a Religious Character and as such is a statutory partner with the seven Local Authorities located within the diocesan boundaries that are the maintaining authority. In addition, the Diocese, under the Academies Act, maintains Academies with a Religious Character who operate under the auspices of the Bishop of Middlesbrough.

## Diocese of Middlesbrough

### Trustee's Report for the year ended 31 December 2020

The primary responsibility of the Bishop as the chief educator of the Diocese lies in maintaining and developing the Catholic ethos and religious education in each school in accordance with the Diocesan Trust documents. The Bishop fulfils much of his responsibility through the Foundation Governors and Directors he appoints to each school on nomination by the local parish priest and Dean. The Foundation Governors and Directors, who form the majority on each Governing Body, assist the Bishop in addition to carrying out the functions of the school required by statute.

The Diocesan Schools' Service Team, currently, consists of a Director of Schools, a Deputy Director of Schools whose principal tasks are to support the delivery of outstanding religious education, co-ordinate the delivery and moderation of curriculum RE throughout the Diocese and further develop the strong Catholic ethos and Catholic Life in all our schools and trusts, a Director of Standards and Catholic Leadership Development and an administrator all of whom are full time appointments assisted by contracted external religious advisers for the provision of training support and guidance to schools. The Diocesan Schools' Service carries out and co-ordinates work for the Diocese in relation to school academic standards and performance, good governance, administration, professional development, Catholic ethos, succession planning and formal religious inspection.

The school buildings are vested under Trust Deeds in the Diocesan Trustee Board. In respect of the one school sitting outside a MAT, the Trustee Board is also responsible for administering a proportion of the construction and maintenance costs, currently ten per cent of the total.

The Diocese, in partnership with its schools, administers significant sums of public and charitable money in the furtherance of its educational responsibilities.

The Diocese provides Catholic education at 53 Catholic schools and academies across seven local authority areas. Of the 53 schools, 52 are in academies with only one, All Saints RC School, York remaining as a Voluntary Aided school. In addition, there are two independent schools located within the diocesan boundary.

In March 2021, due to high levels of surplus places and a lack of applications from Catholic children, one diocesan school, St Hilda's RC Primary School, Whitby, permanently closed reducing the number of diocesan schools to the current 53.

Since September 2019, the 52 diocesan academy schools have located in one of three geographical Catholic Multi Academy Trusts. Nicholas Postgate Catholic Academy Trust (NPCAT) is home to 27 Catholic Academies in the Middlesbrough, Stockton on Tees and Redcar & Cleveland area. In addition, NPCAT also includes 2 small rural North Yorkshire schools within its number.

St Margaret Clitherow Catholic Academy Trust (SMCCAT) is home to 17 diocesan academy schools in the York, North Yorkshire and East Riding local authority areas. It is anticipated that All Saints RC School, York will, at a future date, join SMCCAT. Finally, St Cuthbert's Catholic Academy Trust is home to the Diocese's 8 schools in Hull.

At 31 October 2021, 12 (23%) of diocesan schools were judged to be "Outstanding" on their last inspection by Ofsted. A further 34 (64%) were judged to be "Good" with 6 (11%) said to "Require Improvement". One diocesan school is, currently, in a category of "Special Measures".

Also, at 31 October 2021, in their latest diocesan inspection, 94% of schools were judged to be "Good or better" with 3 "Requiring Improvement".

The significant impact of the pandemic has meant that no formal national testing or examination results are available for the past academic year.

#### **Vocations**

Canon Alan Sheridan has now taken on the mantle of Diocesan Vocations Director and Diocesan Permanent Diaconate Director. He has been conscientious in seeking new candidates for the priesthood and the diaconate and has already held a number of Zoom meetings.

## Diocese of Middlesbrough

### Trustee's Report for the year ended 31 December 2020

#### **Work of the Tribunal**

The Tribunal is primarily designed to help people who have found themselves in marital difficulties and who cannot reconcile with their former partner. After what is often a painful divorce people feel the need for the Church to recognise that there was something "not right" about their marriage. The motivations for seeking this reassurance are manifold. For some it is to achieve closure and a sense of peace. For others it is more pragmatic – they seek to re-marry in the Catholic Church and can only do so if their former marriage is declared null by the Church. The Tribunal seeks to ease the path for these people while always staying faithful to the teaching of the Church. The Tribunal processes 15-20 applications for a declaration of nullity each year from the applications it receives and does so, whilst safeguarding justice, within the time frames set out in the Code of Canon Law. We, in the Middlesbrough Diocese, have embraced fully the reforms of Pope Francis introduced towards the end of 2015. The 'shorter' process for a declaration of nullity has been used several times – successfully and to the huge pastoral benefit of those concerned.

The Tribunal is also involved in the processing of cases concerning clergy in co-operation with the CDF and the Congregation for Clergy.

#### **Work of the Chancery**

Much of the work of the Chancery is administrative and designed to help the smooth running of all elements of the Diocese. In this, like the Tribunal, it is guided by the Code of Canon Law.

*It is law which gives to the ecclesial community the basic texture of those relationships which produces the vigorous flowering of the Christian life throughout the whole range of its powers until it attains "to the measure of the stature of the fullness of Christ (Eph. 4, 13)" [Paul VI, 1968].*

The work is varied and includes enabling marriages to take place legally (both civilly and canonically); ensuring that the property of the Church is correctly protected and administered on behalf of the people to whom it properly belongs; advice to the Bishop on matters of public good and public order; liaising with outside agencies (both outside of the Church itself and within the Church but outside of the Diocese); enquiries from people regarding the status of themselves or their parishes/churches in Canon Law. In short, the Chancery works to ensure that the Church *works* properly on behalf of all its members.

#### **Vicariate for Christian Discipleship**

This Vicariate was established by the Bishop of Middlesbrough to contribute to the Diocese of Middlesbrough's engagement with the wider community beyond the bounds of the liturgical and spiritual life of the Diocese. The Vicariate, supported by a priest working part time, acts as a conduit and point of communication for the developing response in the Diocese to the practical implications of Catholic Social Teaching in particular the 2012 Apostolic Letter of Pope Benedict XVI 'On the Service of Charity'. The financial constraints experienced throughout the whole existence of the Diocese since 1878 mean that the Vicariate for Christian Discipleship must carry out its work almost exclusively through encouraging and developing the ongoing contribution of volunteers from amongst the parishioners of the Diocese. The Vicariate, facilitated by the one priest and supported by administrative staff in the Curial Office, encourages the work of Prison and Hospital Chaplains, the activities of the Diocesan Justice and Peace Commission, the Diocesan Women's Commission, Liaison with Deaf People and people with other physical and mental challenges, Missionary Societies and Ecumenical and Interfaith Relations.

We now have in place a number of officially recognised Marriage Preparation couples (trained through Marriage Care UK) who are available to offer marriage preparation courses for couples intending to get married in the Catholic Church. We have appointed a representative on the national Catholic Association for Racial Justice. Attendance at various symposia and events – on Racial Justice, and at national Caritas meetings in London and Rome, continues, strengthening links with the national Caritas Social Action Network. Groups and organisations such as the Justice and Peace Commission and people who support refugees and asylum seekers, in interfaith and ecumenical bodies, have continued to grow. We now have in place a diocesan environmental policy. In December 2017 we inaugurated a monthly gathering for LGBT+ Catholics, their family and friends, as well as diocesan presence at York Pride.

## Diocese of Middlesbrough

### Trustee's Report for the year ended 31 December 2020

#### **Communications**

Communications is part of the Vicariate for Christian Discipleship and is coordinated by an Episcopal Vicar (EV). We have a consultant acting as part-time Diocesan Communications Officer (DCO), and his duties include editing the Catholic Voice free paper. After a long hiatus, this newspaper is now back in circulation. The DCO also maintains our website and social media channels and promotes the Diocese through local and national media. From fairly early in the period of the pandemic, the DCO also set up the diocesan "Dial-a-Mass", a service which is well-used, and which is funded by the Knights of St Columbo, both locally and nationally.

A communications team, which includes the EV, DCO, volunteers providing liaison with the three BBC local radio stations in our area and volunteer photographers, meets during the year. Its aims are to communicate information about the policies, projects, and activities of the Diocese and its parishes to members of the diocese and the general community.

The EV has a role in crisis management within the diocese, assisted by the DCO. Media relations regarding safeguarding issues are dealt with by an external specialist communications agency, in conjunction with our Safeguarding Department.

#### **Prison Chaplaincy**

There are seven prisons within the Diocese of Middlesbrough covering the whole range of categories: local, remand, maximum security, women and young people. Each is served by a priest chaplain of varying contracted hours to celebrate Mass and other sacraments and respond to the pastoral needs of prisoners as requested. Roman Catholic Chaplains also play their part as members of the multi-faith chaplaincy teams in each prison and contribute to the daily round of prison life in a variety of other ways as required by the prison service.

There are also a number of members of religious communities and lay people contracted to work as Roman Catholic Chaplains together with volunteers from local parishes. Roman Catholic Chaplains, like all Chaplains, receive regular training and development opportunities provided by the prison service. There is an annual meeting of prison chaplains each autumn to discuss their work and share good practice with each other.

#### **Sick and Retired Priests**

A Catholic priest is ordained for life but illness or infirmity often requires priests to give up pastoral office – these are our Retired Priests. Sadly, some of these retired priests have been called to the Lord during the past year and we now have fourteen retired priests in the diocese, some, in reasonable health, assisting priests within parishes. Our Sick and Retired Priests' Welfare Committee, led by the Episcopal Vicar for Clergy, cares for these priests, ensuring they have sufficient financial and pastoral support to help them in their later years. The Committee meets three times a year and, where required, provides accommodation for our retired priests. We fund the healthcare scheme for all retired priests if they wish to participate. The annual reunion, hosted by the Bishop, is very well supported and we plan to continue to run it in the future, pandemic permitting. The Bishop's aim is to enable this group of priests to participate in as many diocesan events – retreats, days of recollection etc. - as their health allows.

#### **Safeguarding**

2020 was a challenging time for the Safeguarding department as we entered, and endured, the Covid-19 pandemic. Clerical staff were placed on furlough and parishes were, temporarily, closed. However, with reduced numbers of two, the Diocese still maintained a Safeguarding service developing new ways of working which are now the norm. For example, we now conduct DBS verification online which has the benefit of reducing the time to complete a DBS application. Although online verification has been a benefit, there have been disadvantages. For example, training existing and new parish Safeguarding reps has become more of a challenge.

During this year, there has been a change in the governance of Safeguarding as the Chair of the independent Safeguarding Commission, Dr Dianne Swiers retired and was replaced by Mr Andrew McMillan who is now also a director of the diocesan Trustee Board.

## Diocese of Middlesbrough

### Trustee's Report for the year ended 31 December 2020

#### **Liturgy**

We continue to place a great deal of emphasis on all our liturgies, as such we have a wonderful lay faithful who are involved in all aspects of the celebration of Mass. We have good teams of ushers, welcomers, Ministers of the Word and Ministers of Holy Communion. Every year we have training sessions and inspirational days for all our lay faithful; they are an integral part of our Church. Once again, we had a wonderful study day for Ministers of Word and Holy Communion from around our Diocese and our thanks go out to all who assist in organising this, and other events.

When churches were allowed to re-open we had to consider how best to protect parishioners in the face of the ongoing pandemic. In this, we recognise the invaluable help provided by the teams of stewards who have played a significant role in enabling this re-opening. They have helped to ensure that our churches are Covid-safe and continue to offer their services for the benefit of our parishioners.

Our annual pilgrimages to Lourdes and Walsingham were badly hit by the pandemic but, only a few weeks ago, we were able to restart the Walsingham Pilgrimage and we are, currently, in the planning stages of the Lourdes Pilgrimage. Pandemic permitting, this will take place in May of 2022.

The Bishop's Council for Liturgy is an active body that meets four times a year to assess and plan forward all aspects of liturgical work, ranging from art and architecture to music to the implementation of the new edition of the Missal.

In each year we have some wonderful liturgies. Most notable of these continues to be the annual Chrism Mass, held at the Cathedral, which brings together the family of the Diocese. In 2021, this was celebrated with a limited congregation and was zoomed. We look forward to being able to celebrate this more fully. We aim to continue the high standards of liturgy throughout our Diocese for this coming year.

#### **RISK ASSESSMENT**

The Diocesan Trustee Board has assessed the major risks to which the Diocesan Trust is exposed, in particular, those related to the operation and finances of the Trust and is satisfied that the systems in place to mitigate our exposure to the major risks are operating effectively. The most significant risks identified were Pastoral risks relating to parish life. The issue of the increasing burden on priests due to serving additional churches and communities was identified as significant. Other risks include declining Mass attendances, the more so since the pandemic has so badly affected our normal parish life. These risks also include the reducing numbers of priests in active ministry and the risk of failures in safeguarding matters. The Diocese addresses falling Mass attendance in a number of ways. The Diocesan Vocations Director is active in seeking suitable candidates for Ordination. In terms of safeguarding, the Diocese has a policy and parishes are monitored for compliance.

#### **STATEMENT OF RESERVES**

Total reserves at 31 December 2020 amounted to £51,364,769 (2019: £49,694,552) and this is made up of:

**Parochial** reserves £32,550,843 (2019: £31,459,527) which relate, principally, to the assets and activities of individual parishes, and

**Curial** reserves £18,813,926 (2019: £18,235,025). Of this £3,386,571 represents the balance on restricted items which is not available for general purposes. Included in that restricted total is £1,623,745 being the amount held in the Retired Priests' Welfare Fund. Details of the restricted funds are included in Note 12 to the accounts. Unrestricted funds amount to £15,427,355 of which £696,331 is, in essence, a fixed asset fund. The balance of this is in excess of the £2,213,081 held on behalf of parishes and is sufficient to permit the Trustee to continue in operation and to fulfil its obligations.

**This year** saw an increase in the valuation of investment properties of £2,589,600 and an unrealised decrease in the value of listed investments of £512,140.

Diocese of Middlesbrough

Trustee's Report for the year ended 31 December 2020

**STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES**

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

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements the Trustee is required to:

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

In accordance with charities legislation, the Trustee is responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the Diocese and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed dated 2 January 1928. The Trustee is also responsible for safeguarding the assets of the Diocese and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustee on 26 October 2021 and signed on its behalf by:



Rt Rev Bishop T P Drainey  
Bishop of Middlesbrough  
Diocese of Middlesbrough Trustee

**Diocese of Middlesbrough**  
**Independent Auditors' Report**  
**to the Trustee of the Roman Catholic Diocese of Middlesbrough**

**Opinion**

We have audited the financial statements of the Roman Catholic Diocese of Middlesbrough (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The trustee is responsible for the other information. The other information comprises the information included in the trustee's annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

**Diocese of Middlesbrough**  
**Independent Auditors' Report**  
**to the Trustee of the Roman Catholic Diocese of Middlesbrough**

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

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

- the information given in the financial statements is inconsistent in any material respect with the trustee's report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the trustee's responsibilities statement set out on page 12, the trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

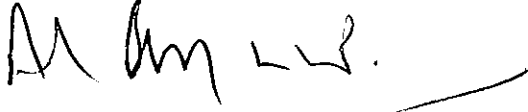
- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting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

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

**Diocese of Middlesbrough**  
**Independent Auditors' Report**  
**to the Trustee of the Roman Catholic Diocese of Middlesbrough**

**Use of our report**

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.



ANDERSON BARROWCLIFF LLP  
Statutory Auditor  
Chartered Accountants  
3 Kingfisher Court  
Bowesfield Park  
Stockton on Tees  
TS18 3EX

Date: 26 October 2021

**Diocese of Middlesbrough  
Statement of Financial Activities for the Year Ended 31 December 2020**

	Notes	Parochial		Curial		Total Funds 2020	Total Funds 2019
		Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds	£	£
<b>INCOME FROM</b>							
Donations, offertory & Gift Aid		2,148,101	108,048	541	6,090	2,262,780	3,118,597
Legacies		254,222	-	105,139	-	359,361	2,029,836
<b>Donations and legacies</b>		<b>2,402,323</b>	<b>108,048</b>	<b>105,680</b>	<b>6,090</b>	<b>2,622,141</b>	<b>5,148,433</b>
<b>Other trading activities</b>							
Assessment - Non-Parochial		-	-	-	-	-	-
Fundraising		67,850	-	-	33,838	101,688	246,382
Papers, candles & piety stalls		52,920	-	-	-	52,920	167,587
<b>Investment Income</b>							
Investment income	4	25	-	493,039	3,303	496,367	405,252
Rents & hire fees		508,078	-	425,283	8,295	941,656	1,032,923
<b>Charitable activities</b>							
School Service Contribution		-	-	221,917	-	221,917	165,112
Stipends		134,249	-	-	-	134,249	202,519
<b>Other Incoming Resources</b>							
Land, buildings and other funds transferred from schools and third parties		-	-	-	-	-	-
Government grants		21,226	-	116,932	-	116,932	-
Other		-	-	86,679	-	107,905	372,503
<b>TOTAL INCOME</b>		<b>3,186,671</b>	<b>108,048</b>	<b>1,449,530</b>	<b>51,526</b>	<b>4,795,775</b>	<b>7,740,711</b>
<b>EXPENDITURE ON</b>							
Charitable activities	2	2,661,900	96,276	1,621,285	162,892	4,542,353	6,226,540
Raising funds		6,459	-	180	-	6,639	26,738
Net gain on disposal of assets		(126,366)	-	-	-	(126,366)	(6,500)
<b>TOTAL EXPENDITURE</b>		<b>2,541,993</b>	<b>96,276</b>	<b>1,621,465</b>	<b>162,892</b>	<b>4,422,626</b>	<b>6,246,778</b>
Net gains/(losses) on investments - Realised		(621,983)	-	(157,577)	(2,015)	(781,575)	58,164
- Unrealised		1,374,391	-	713,165	(8,913)	2,078,643	1,468,065
<b>Net Income/(Expenditure)</b>		<b>1,397,086</b>	<b>11,772</b>	<b>383,653</b>	<b>(122,294)</b>	<b>1,670,217</b>	<b>3,020,162</b>
<b>Transfers between funds</b>	5	(299,412)	(18,130)	179,322	138,220	-	-
<b>Net Movement in Funds</b>		<b>1,097,674</b>	<b>(6,358)</b>	<b>562,975</b>	<b>15,926</b>	<b>1,670,217</b>	<b>3,020,162</b>
<b>Reconciliation of Funds</b>							
Fund balances brought forward at 1 January 2020		31,255,543	203,984	14,864,380	3,370,645	49,694,552	46,674,390
<b>FUND BALANCES CARRIED FORWARD AT 31 December 2020</b>		<b>32,353,217</b>	<b>197,626</b>	<b>15,427,355</b>	<b>3,386,571</b>	<b>51,364,769</b>	<b>49,694,552</b>

There were no recognised gains or losses for the year other than those included in the Statement of Financial Activities

**Diocese of Middlesbrough**  
**Statement of Financial Activities for the Year Ended 31 December 2019**

	Notes	Parochial		Cural		Total Funds 2019	Total Funds 2018
		Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds		
<b>INCOME FROM</b>		£	£	£	£	£	£
Donations, offertory & Gift Aid Legacies		2,744,638	317,928	155	55,876	3,118,597	3,323,680
		511,892	-	1,290,770	227,174	2,029,836	931,347
<b>Donations and legacies</b>		3,256,530	317,928	1,290,925	283,050	5,148,433	4,255,027
<b>Other trading activities</b>		-	-	-	-	-	12,340
Assessment - Non-Parochial Fundraising		187,228	-	-	59,154	246,382	274,878
Papers, candles & piety stalls		167,587	-	-	-	167,587	159,408
<b>Investment Income</b>		-	-	-	-	-	-
Investment income		-	-	401,136	4,116	405,252	390,336
Rents & hire fees		587,528	-	441,645	3,750	1,032,923	986,832
<b>Charitable activities</b>	4	-	-	165,112	-	165,112	170,272
School Service Contribution		202,519	-	-	-	202,519	237,931
Stipends		-	-	-	-	-	-
<b>Other Incoming Resources</b>		160,250	-	126,150	86,103	372,503	88,443
Land, buildings and other funds transferred from schools and third parties		-	-	-	-	-	287,388
Other		4,561,642	317,928	2,424,968	436,173	7,740,711	6,862,855
<b>TOTAL INCOME</b>		3,393,146	195,989	2,222,352	415,053	6,226,540	6,174,718
<b>EXPENDITURE ON</b>	2	26,738	-	-	-	26,738	34,757
Charitable activities		(6,500)	-	-	-	(6,500)	32,197
Raising funds		3,413,384	195,989	2,222,352	415,053	6,246,778	6,241,672
Net loss on disposal of assets		-	-	-	-	-	-
<b>TOTAL EXPENDITURE</b>		585,756	-	62,563	(4,399)	58,164	19,320
Net gains/(losses) on investments - Realised		1,734,014	121,939	1,132,113	15,375	1,468,065	(78,362)
- Unrealised		(902,271)	(69,518)	704,839	266,950	-	-
<b>Net Income/(Expenditure)</b>	5	831,743	52,421	1,836,952	299,046	3,020,162	562,141
<b>Transfers between funds</b>		-	-	-	-	-	-
<b>Net Movement in Funds</b>		30,423,800	151,563	13,027,428	3,071,599	46,674,390	46,112,249
<b>Reconciliation of Funds</b>		31,255,543	203,984	14,864,380	3,370,645	49,694,552	46,674,390
Fund balances brought forward at 1 January 2019		-	-	-	-	-	-
<b>FUND BALANCES CARRIED FORWARD AT 31 December 2019</b>		-	-	-	-	-	-

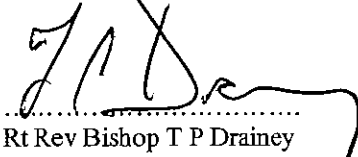
There were no recognised gains or losses for the year other than those included in the Statement of Financial Activities

**Diocese of Middlesbrough**

**Balance Sheet as at 31 December 2020**

	Notes	2020			2019
		<u>Parochial</u> £	<u>Curial</u> £	<u>Total</u> £	<u>Total</u> £
<b>FIXED ASSETS</b>					
Tangible fixed assets	6	9,338,437	696,331	10,034,768	9,934,226
Investments	7	16,351,148	20,620,345	36,971,493	35,737,387
		<u>25,689,585</u>	<u>21,316,676</u>	<u>47,006,261</u>	<u>45,671,613</u>
<b>CURRENT ASSETS</b>					
Investments	8	-	5,033,201	5,033,201	5,152,909
Debtors	9	25,425	1,472,086	1,497,511	2,356,739
Cash at bank & in hand		4,700,561	3,242,152	7,942,713	5,824,291
		<u>4,725,986</u>	<u>9,747,439</u>	<u>14,473,425</u>	<u>13,333,939</u>
<b>CREDITORS : Amounts Falling Due Within One Year</b>	10	(77,809)	(10,037,108)	(10,114,917)	(8,708,000)
<b>NET CURRENT ASSETS</b>		<u>4,648,177</u>	<u>(289,669)</u>	<u>4,358,508</u>	<u>4,625,939</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>30,337,762</u>	<u>21,027,007</u>	<u>51,364,769</u>	<u>50,297,552</u>
<b>CREDITORS: Amounts Falling Due After One Year</b>	11	-	-	-	(603,000)
		<u>30,337,762</u>	<u>21,027,007</u>	<u>51,364,769</u>	<u>49,694,552</u>
<b>PARISH LOAN ACCOUNTS</b>					
Due to Parishes		6,754,390	(6,754,390)	-	-
Due from Parishes		(4,541,309)	4,541,309	-	-
<b>NET ASSETS</b>		<u>32,550,843</u>	<u>18,813,926</u>	<u>51,364,769</u>	<u>49,694,552</u>
<b>Financed By:</b>					
Unrestricted funds - unrestricted		31,841,696	14,877,355	46,719,051	45,212,381
- designated		511,521	550,000	1,061,521	907,542
		<u>32,353,217</u>	<u>15,427,355</u>	<u>47,780,572</u>	<u>46,119,923</u>
Restricted funds	12	197,626	3,386,571	3,584,197	3,574,629
	13	<u>32,550,843</u>	<u>18,813,926</u>	<u>51,364,769</u>	<u>49,694,552</u>

Approved by the Trustee on 26 October 2021 and signed on its behalf.

  
 Rt Rev Bishop T P Drainey

Bishop of Middlesbrough  
 Diocese of Middlesbrough Trustee

**Diocese of Middlesbrough**  
**Statement of Cash Flows**  
**for the Year Ended 31 December 2020**

	<u>2020</u>	<u>2019</u>
	£	£
<b>Cash flows from operating activities:</b>		
<b>Net cash provided by (used in) operating activities</b>	<b>(719,535)</b>	<b>(602,620)</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	1,438,023	1,465,850
Proceeds from the sale of property, plant and equipment	182,297	-
Purchase of tangible fixed assets	(335,474)	(128,445)
Proceeds from sale of investments	1,019,844	1,352,070
Purchase of investments	(742,548)	(6,184,034)
	<hr/>	<hr/>
<b>Net cash provided by (used in) investing activities</b>	<b>1,562,142</b>	<b>(3,494,559)</b>
	<hr/>	<hr/>
<b>Cashflows from financing activities</b>		
Repayments of borrowings	-	-
	<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period	842,607	(4,097,179)
Cash and cash equivalents at the beginning of the reporting period	4,129,397	8,226,576
	<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period	4,972,004	4,129,397
	<hr/>	<hr/>
<b>Reconciliation of net incoming resources to cash flow from operating activities</b>		
Net income for the reporting period (as in SOFA)	1,670,218	3,020,162
<b>Adjustments for:</b>		
Depreciation	176,308	180,612
Non cash legacy received	(91,933)	-
(Gains)/losses on investments	(1,297,068)	(1,526,229)
Dividends, interest and rent from investments	(1,438,023)	(1,465,850)
(Decrease)/increase in creditors	(471,899)	(411,795)
Decrease/(increase) in debtors	859,228	(393,020)
Loss/(profit) on the sale of fixed assets	(126,366)	(6,500)
	<hr/>	<hr/>
<b>Net cash provided by/ (used in) operating activities</b>	<b>(719,535)</b>	<b>(602,620)</b>
	<hr/>	<hr/>

## Diocese of Middlesbrough

### Notes to the Accounts for the Year Ended 31 December 2020

#### 1 ACCOUNTING POLICIES

##### 1.1 General information and basis of preparation

The Roman Catholic Diocese of Middlesbrough is governed by a Trust Deed dated 2 January 1928, and is registered with the Charity Commission of England and Wales. (No. 233748) The sole Trustee of the charity is a Trust Corporation which was incorporated on 17 December 1997. The address of the registered office is given in the Report of the Trustees on page 1.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to the accounts. The Trustees consider that there are no material uncertainties about the entity's ability to continue as a going concern. The financial statements are prepared in sterling which is the functional currency of the entity and rounded to the nearest £.

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

##### 1.2 Subsidiary company

All of the turnover of the Diocese's wholly owned subsidiary, Diocesan Property Management Limited, represents sales of building construction to the Diocese. The subsidiary has no material net assets or liabilities. There is no significant difference between the Statement of Financial Activities and the Balance Sheet of the Charity and its subsidiary, and accordingly the subsidiary has not been consolidated within these accounts.

##### 1.3 Tangible Fixed Assets and Investment Properties

###### A Freehold Land and Buildings (Functional)

###### Churches, Presbyteries, Halls and Offices etc

Functional Land and Buildings, (i.e. land and buildings used for the prime purpose of the Charity), which are still in use by the Charity 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	25 to 100 Years
(b)	Cathedral and Listed Churches	100 to 200 Years
(c)	Presbyteries	25 to 100 Years
(d)	Other Buildings	25 to 100 Years

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

**Diocese of Middlesbrough**

**Notes to the Accounts for the Year Ended 31 December 2020 - continued**

**1 ACCOUNTING POLICIES (continued)**

**1.3 Tangible Fixed Assets and Investment Properties (continued)**

**A Freehold Land and Buildings (Functional) (continued)**

**Churches, Presbyteries, Halls and Offices etc**

Details and addresses of the Diocesan churches and other buildings, can be found in the Diocesan Year Book.

**Voluntary Aided Schools and Academies**

**(i) Land**

The Charity owns the land on which its Voluntary Aided Schools and Academies are built. The nature of the occupation of the land by these exempt and excepted charities means that the Diocesan Trustee does not have the power to dispose of the land, until the school ceases its occupation, which in turn would require the approval of the governors and the Secretary of State. The Diocesan Trustee considers its ownership to be in the nature of custodianship of the assets and these are therefore not capitalised in the financial statements. The cost of any land acquired for the purposes of a Voluntary Aided School or Academy is charged to the Statement of Financial Activities in the year of acquisition.

**(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 and excepted charities means that the Diocesan Trustee does not have the power to dispose of the buildings, until the school ceases its occupation, which in turn would require the approval of the governors and the Secretary of State. Any proceeds of sale would be subject to clawback by the Secretary of State of related grant aid provided. The Diocesan Trustee considers its ownership to be in the nature of custodianship of the assets and these are therefore not capitalised in the financial statements. The school governors account for the building, improvement and repair costs of the schools less any grants received in respect of these costs.

Details of the Diocesan Voluntary Aided Schools and Academies, (both freehold and leasehold) are given in the Diocesan Year Book. The insured value of these school buildings is given in note 8 to these financial statements.

**B Freehold Land and Buildings (Investment Properties)**

Investment properties are shown at the Trustee's best estimate of market value which reflects the annual movement on the house price index for the Diocesan geographical location and other known circumstances. 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. The Historical Cost of these assets is separately disclosed in note 7. As these assets are recorded at current market value no charge for depreciation is made in the financial statements.

**C Fixtures, Fittings & Equipment**

Fixtures, Fittings and Equipment which were in use at 31 December 1995 and which had a current replacement cost exceeding £1,000, have been 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). Subsequent acquisitions with a cost, (or in the case of donated assets, estimated value), of over £1,000, are capitalised on the same basis. They are depreciated at rates calculated to write off the cost or valuation, less the estimated residual value, of each asset evenly over its expected useful life as follows:-

Church Furniture	25 to 200 Years
Office Equipment	3 to 5 Years
Parish Hall Equipment	20 Years

Contents of presbyteries are not included in the accounts.

**Diocese of Middlesbrough**

**Notes to the Accounts for the Year Ended 31 December 2020 - continued**

**1 ACCOUNTING POLICIES (continued)**

**1.3 Tangible Fixed Assets and Investment Properties (continued)**

**D Works of Art & Historic Treasures**

The Charity owns several individual Works of Art, Historic Treasures and Plate. The items have extraordinarily 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 Charity of obtaining valuations would exceed the benefit arising from doing so.

**E 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 over its expected useful life as follows:

Motor Cars      25% on Reducing Balance

**1.4 Income Recognition**

Donations, legacies and other voluntary income are recognised in the Statement of Financial Activities (SOFA) when the Diocese becomes legally entitled to them and they can be reasonably measured in financial terms. Where the income has been donated for a specific purpose then this has been disclosed separately within the restricted fund income.

The income from fundraising ventures is shown gross, with the associated costs included within fundraising costs.

**Income**

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

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

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

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

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

Income from charitable activities is recognised as earned as the related services are provided.

Investment income is credited to income when it is receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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

**1 ACCOUNTING POLICIES - continued**

**1.5 Investments**

Investments are stated at fair value. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities. Investment income is credited to income on an accruals basis, using dates of payment for dividends, and daily accrual for interest.

Investment properties are valued by the trustee at the best estimate fair value.

Current investments are designated as such as they are highly liquid and the Charity has specified that they be made readily available to convert to cash within a short term notice period.

**1.6 Grants Payable**

Grants payable are recognised as expenditure when the commitment is entered into.

**1.7 Government Grants**

The charity received government grants in respect of the Coronavirus Job Retention Scheme. These grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the charity will comply with conditions attached to them. The grants were recognised using the accrual model.

**1.8 Expenditure**

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

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

Expenditure is categorised under the following headings:-

- Costs of raising funds includes all costs relating to attracting voluntary income, the cost of goods sold in fundraising and other related costs. They have been allocated to activities on a basis consistent with the use of resources.
- Expenditure on charitable activities (note 2)
- Other expenditure represents those items not falling into the categories above.

**(i) Curial Office**

Charitable activities, costs of generating funds and governance costs have been apportioned between restricted and unrestricted payments, and have been allocated to the specific funds and projects to which they relate.

The Charity operates a defined contribution pension scheme for its Curial Office lay staff. Contributions payable for the year are charged in the Statement of Financial Activities.

**(ii) Parochial**

Expenditure costs for each parish have been allocated to their respective overhead category, with the exception of the parish assessment charge from the Curial Office, which has been treated as a transfer between parochial and curial in the Statement of Financial Activities.

**1.9 Value Added Tax**

Value added tax is not recoverable by the Charity, and as such is included in the relevant cost, in the Statement of Financial Activities.

**Notes to the Accounts for the Year Ended 31 December 2020 - continued**

**1 ACCOUNTING POLICIES - continued**

**1.10 Funds Structure**

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

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

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

**1.11 Debtors**

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

**1.12 Creditors and Provisions**

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

**1.13 Financial Instruments**

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

**Diocese of Middlesbrough**

**Notes to the Accounts for the Year Ended 31 December 2020 - continued**

**2 CHARITABLE ACTIVITIES EXPENDITURE**

**Curial**

	Unrestricted	Restricted	Total	Total
	£	£	2020	2019
	£	£	£	£
Schools Service	283,496	-	283,496	259,695
Youth Service	34,817	-	34,817	22,653
Academy formation & school costs	100,000	-	100,000	557,438
Bishop's & Clergy Support	256,756	30,059	286,815	353,496
Services to Parishes & Chaplaincies	310,342	-	310,342	332,576
Upkeep of properties	104,942	-	104,942	184,690
Justice & Peace	3,000	-	3,000	3,000
National assessments	36,795	-	36,795	39,041
Finance charges	35,421	-	35,421	29,186
Support costs	358,811	-	358,811	327,193
Governance costs				
- Legal & professional	29,764	-	29,764	65,097
- Accountancy & taxation advice	20,000	-	20,000	20,000
- Audit Fee	16,000	-	16,000	16,000
Retired Priests Welfare Fund	-	106,248	106,248	137,424
Priest training	-	5,409	5,409	6,562
Special collections	-	19,900	19,900	45,332
Lourdes Pilgrimage	-	1,232	1,232	165,670
Youth Ministry	-	-	-	8,170
Diocesan Events	300	-	300	13,992
Depreciation	16,636	-	16,636	22,005
Other	14,205	44	14,249	28,185
	<u>1,621,285</u>	<u>162,892</u>	<u>1,784,177</u>	<u>2,637,405</u>

Support costs are those costs (such as staff and office costs) that are incurred in running the Curial Office. These costs are an integral part of the furtherance of the Charity's objects.

**Parochial**

	Unrestricted	Restricted	Total	Total
	£	£	2020	2019
	£	£	£	£
Repairs & maintenance	936,970	-	936,970	904,233
Establishment costs	505,507	-	505,507	867,978
Administration	242,012	-	242,012	338,983
Domestic	140,998	-	140,998	167,835
Motor & travel	56,765	-	56,765	117,130
General church expenses	138,067	-	138,067	268,562
Clergy support	427,628	-	427,628	489,167
Schools	2,994	-	2,994	412
Donations	10,155	-	10,155	13,165
Special collections	-	96,276	96,276	195,989
Depreciation	159,672	-	159,672	158,607
Other	41,132	-	41,132	67,074
	<u>2,661,900</u>	<u>96,276</u>	<u>2,758,176</u>	<u>3,589,135</u>

**Diocese of Middlesbrough**

**Notes to the Accounts for the Year Ended 31 December 2020 - continued**

**3 STAFF INFORMATION**

**Staff costs**

	<u>2020</u>	<u>2019</u>
	£	£
Wages & salaries	736,369	656,425
Social Security costs	71,406	63,632
Pension contributions	64,488	52,129
	<u>872,263</u>	<u>772,186</u>

The average number of curial employees was 23 (2019: 18)

There were no employees (2019: nil) who earned between £70,000 and £80,000 in the year.  
There was 1 employee (2019: 1) who earned between £80,000 and £90,000 in the year.

Key management personnel received salary and pension contributions of £256,884 (2019: £259,781).

None of the directors received any remuneration in the year in respect of their duties as directors. Certain directors received allowances as serving Clergy but not in their capacity as Director. Expenses of £475 (2019: £2,725) were reimbursed in the year to directors in respect of their duties as directors of the Corporate Trustee.

**Pension payments**

The Diocese contributes 6% of gross salary to a group personal pension scheme for staff who elect to join. The scheme is a defined contributions scheme for which the Diocese is neither liable to finance any funding shortfall nor entitled to benefit from any over funding. At the year end pension contributions outstanding were £4,113 (2019: £2,159).

Eligible teachers and former teachers subscribe to the Teachers' Pension Scheme (TPS) superannuation scheme which is a defined benefits scheme. The employer's contribution is set by the TPS. The TPS represents a collective scheme as it is not possible to separately identify the assets and liabilities attributable to a particular employer. Hence the employer has neither a commitment to make good any actuarial deficit nor an entitlement to benefit from any over funding. Under the provisions of Financial Reporting Standard 102 the accounting treatment for the TPS scheme is as if the scheme were a defined contributions scheme. The pension charge for the year includes contributions payable to the TPS of £27,066 and at the year end £nil was accrued in respect of contributions to this scheme.

**4 INVESTMENT INCOME**

	<b>Parochial</b>		<b>Curial</b>		<b>2020 Total</b>	<b>2019 Total</b>
	Unrestricted	Restricted	Unrestricted	Restricted		
	£	£	£	£	£	£
UK listed investments	-	-	482,144	2,581	<b>484,725</b>	387,478
Bank interest	25	-	10,895	722	<b>11,642</b>	17,774
	<u>25</u>	<u>-</u>	<u>493,039</u>	<u>3,303</u>	<u><b>496,367</b></u>	<u>405,252</u>

**Diocese of Middlesbrough**

**Notes to the Accounts for the Year Ended 31 December 2020 – continued**

**5 TRANSFERS**

	<b>Parochial</b>		<b>Curial</b>		<b>Total £</b>
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	
Parish levy	(449,795)	-	449,795		-
Levy pension fund	(37,500)	-	-	37,500	-
Capital invested in the Diocese	66,215	-	(66,215)	-	-
Interest credited to restricted funds	-	-	(28,769)	28,769	-
Contributions to/from restricted funds	-	-	(59,600)	59,600	-
Second collections	-	(18,130)	-	18,130	-
Transfers to parishes	121,668	-	(115,889)	(5,779)	-
	<u>(299,412)</u>	<u>(18,130)</u>	<u>179,322</u>	<u>138,220</u>	<u>-</u>

**Parish Levy:** The Bishop is empowered to charge parishes a levy in proportion to their income. The main parish levy is a contribution towards the general running costs of the Diocese.

**Levy Pension Fund:** the transfer of the Parish Levy to the restricted pension fund for active priests.

**Contributions to Restricted Funds:** payments made by parishes or Curia to support various restricted funds (see note 12 also).

**Second Collections:** collections taken at Parish level with funds transferred to the Diocese before onward submission to the relevant cause.

Diocese of Middlesbrough

Notes to the Accounts for the Year Ended 31 December 2020 - continued

6 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

(a) Curial

	Freehold Land & Buildings £	Computer & Office Equipment £	Motor Vehicles £	Total £
<b>COST OR VALUATION</b>				
At 1 January 2020	1,017,534	72,946	32,194	1,122,674
Additions	-	1,139	-	1,139
<b>At 31 December 2020</b>	<b>1,017,534</b>	<b>74,085</b>	<b>32,194</b>	<b>1,123,813</b>
<b>ACCUMULATED DEPRECIATION</b>				
At 1 January 2020	318,809	72,656	19,381	410,846
Charge for the year	12,859	574	3,203	16,636
<b>At 31 December 2020</b>	<b>331,668</b>	<b>73,230</b>	<b>22,584</b>	<b>427,482</b>
<b>NET BOOK VALUES</b>				
<b>At 31 December 2020</b>	<b>685,866</b>	<b>855</b>	<b>9,610</b>	<b>696,331</b>
At 31 December 2019	698,725	290	12,813	711,828

(b) Parochial

	Freehold Land & Buildings £	Fixtures & Fittings £	Total £
<b>COST OR VALUATION</b>			
At 1 January 2020	12,849,080	759,034	13,608,114
Additions	323,729	10,606	334,335
Disposals	(73,776)	-	(73,776)
Transfer to Investment Property	(9,330)	-	(9,330)
<b>At 31 December 2020</b>	<b>13,089,703</b>	<b>769,640</b>	<b>13,859,343</b>
<b>ACCUMULATED DEPRECIATION</b>			
At 1 January 2020	4,022,375	363,341	4,385,716
Charge for the year	149,635	10,037	159,672
Eliminated on Disposal	(17,845)	-	(17,845)
Transfer to Investment Property	(6,637)	-	(6,637)
<b>At 31 December 2020</b>	<b>4,147,528</b>	<b>373,378</b>	<b>4,520,906</b>
<b>NET BOOK VALUES</b>			
<b>At 31 December 2020</b>	<b>8,942,175</b>	<b>396,262</b>	<b>9,338,437</b>
At 31 December 2019	8,826,705	395,693	9,222,398

Voluntary aided schools and academies are not included within the accounts due to their inalienable nature.

As at 31 December 2020, these school buildings were insured for up to £45million any one loss.

Included within land and buildings are assets with a net book value of £343,089 which have been pledged as security for the bank loan.

**Diocese of Middlesbrough**

**Notes to the Accounts for the Year Ended 31 December 2020 - continued**

7

**FIXED ASSET INVESTMENTS**

	2020	2019
	£	£
Curial	20,620,345	19,738,446
Parochial	16,351,148	15,998,941
	<u>36,971,493</u>	<u>35,737,387</u>

There were no holdings that represented more than 5% of the total value of investments.

Investment properties with a value of £5,992,947 have been pledged as security for the bank loan.

**Fixed Asset Investments - Curial**

	2020	2019
	£	£
Investment properties	14,587,242	13,183,173
Listed investments : at market value	6,033,100	6,555,270
Investment in subsidiary company	2	2
Investment in associated company	1	1
	<u>20,620,345</u>	<u>19,738,446</u>

The Historical Cost of listed investments on 31 December 2020 was £10,543,900 (2019: £10,689,132).

**Summary of investments**

	2020	2019
	£	£
Opening valuation 1 January 2020	19,738,446	19,086,165
Additions	707,310	5,894,386
Disposals	(219,517)	(1,345,570)
Transfer from tangible fixed assets	-	26,253
Impairment	3,539	(430,306)
Net gains/(losses) during the year	541,121	1,370,779
Cash transferred to/from Diocese net of broker fees and dividends		
Received	(270,262)	289,648
Included within current asset investments	119,708	(5,152,909)
	<u>20,620,345</u>	<u>19,738,446</u>

**Subsidiary Company**

The Diocese has one wholly owned trading subsidiary, Diocesan Property Management Limited, a company incorporated in the United Kingdom (Reg No: 02960826). Diocesan Property Management Limited's principal activity is that of building contractors and developers of Diocesan properties. Annual accounts of the subsidiary are filed with the Registrar of Companies.

A summary of the trading results of Diocesan Property Management Limited is given below:-

	2020	2019
	£	£
Turnover	-	-
Cost of sales	-	-
	<u>-</u>	<u>-</u>
Gross profit	-	-
Administrative expenses	803	1,258
	<u>-</u>	<u>-</u>
Operating (loss)/profit	<u>(803)</u>	<u>(1,258)</u>

At 31 December 2020 the called-up share capital of Diocesan Property Management Limited comprised 2 ordinary £1 shares and its liabilities exceeded its assets by £13,318.

**Diocese of Middlesbrough**

**Notes to the Accounts for the Year Ended 31 December 2020 - continued**

**7 FIXED ASSET INVESTMENTS (continued)**

**Associated Company**

The Diocese holds 11.1% of the ordinary shares of Inter-Diocesan Fuel Management Limited, a company incorporated on the United Kingdom. The principal activity of Inter-Diocesan Fuel Management Limited is that of fuel and power distribution to various Roman Catholic Dioceses throughout England.

A summary of the trading results of Inter-Diocesan Fuel Management Limited for the year ended 31 March 2020 is given below: -

	£'000
- Capital & reserves	34
- Turnover	15,110
- Net profit	2
	<u>2</u>

**Fixed Assets Investments - Parochial**

	2020	2019
	£	£
Investment properties	16,337,345	15,998,941
Listed investments	13,803	-
	<u>16,351,148</u>	<u>15,998,941</u>

The Historical Cost of listed investments on 31 December 2020 was £12,620.

**8 CURRENT ASSET INVESTMENTS**

	2020	2019
	£	£
Listed investments	5,033,201	5,152,909
	<u>5,033,201</u>	<u>5,152,909</u>

**9 DEBTORS**

	Parochial	Curial	Total	Total
	2020	2020	2020	2019
	£	£	£	£
Amounts due from subsidiary				
Undertakings	-	683,591	683,591	682,393
School loans	-	413,820	413,820	476,282
Trade debtors	-	27,654	27,654	20,256
Prepayments & accrued income	-	67,466	67,466	1,017,776
Other debtors	25,425	279,555	304,980	160,032
	<u>25,425</u>	<u>1,472,086</u>	<u>1,497,511</u>	<u>2,356,739</u>

The amount due from the wholly owned subsidiary, Diocesan Property Management Limited, is an interest free loan utilised for the building of new churches within the Diocese. The amount is repayable upon the completion of each church which in turn will be sold to the Diocese.

**Diocese of Middlesbrough**

**Notes to the Accounts for the Year Ended 31 December 2020 - continued**

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Parochial 2020 £	Curial 2020 £	Total 2020 £	Total 2019 £
Bank loans and overdrafts	-	3,573,559	3,573,559	1,694,894
Trade creditors	-	59,930	59,930	85,051
Accruals & deferred income	5,000	65,402	70,402	198,212
Other creditors	-	277,203	277,203	316,102
DFC School Accounts	-	51,611	51,611	304,813
Other loans	72,809	5,989,040	6,061,849	6,089,040
Taxation and Social Security	-	20,363	20,363	19,888
	<u>77,809</u>	<u>10,037,108</u>	<u>10,114,917</u>	<u>8,708,000</u>

**11 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	Parochial 2020 £	Curial 2020 £	Total 2020 £	Total 2019 £
Bank loans	-	-	-	603,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>603,000</u>

The bank loan is secured on property owned by the Diocese. The interest rate is charged at 2.65% over LIBOR payable quarterly with the facility repayable in full at the maturity date of March 2021.

**Diocese of Middlesbrough**

**Notes to the Accounts for the Year Ended 31 December 2020 - continued**

**12 RESTRICTED FUNDS**

The income funds of the Diocese include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:-

**Curial**

	Movement in Funds				Balance 31.12.2020 £
	Balance 31.12.2019 £	Incoming Resources £	Expenditure £	Transfers £	
Priests' Training Fund	667,638	6,413	(14,431)	8,944	668,294
Church Extension Fund	44,360	-	-	-	44,360
Mensal Fund	26,471	-	(19,863)	20,265	26,873
Pickering Roman Catholic War Orphanage Fund	20,473	-	-	205	20,678
Lourdes Sick Fund	186,649	33,837	(1,232)	1,866	221,120
Lourdes Youth Pilgrimage	(11,848)	-	-	-	(11,848)
Catholic Child Care	116,000	700	-	1,160	117,860
Youth Sunday	16,639	-	-	1,250	17,889
Retired Priests' Welfare Fund	1,659,594	10,375	(106,248)	60,024	1,623,745
Common Stock	37,598	-	(376)	-	37,222
Lacy Fund	289,926	-	-	-	289,926
Vestment Guild	(1,927)	-	-	-	(1,927)
Nicholas Postgate	3,607	70	-	36	3,713
Mike McCullagh Memorial Trust Fund	61,235	213	(1,906)	612	60,154
Matthias Smyth Memorial Masses Fund	59,817	-	(3,900)	-	55,917
Youth Ministry – Expansion and Outreach	2,355	170	-	-	2,525
Levy Fund (Active Priests)	(5,073)	16	-	37,500	32,443
Cecil Walker Memorial Fund	97,348	-	-	973	98,321
Hedon New Church Fund	9,167	2	-	(1,694)	7,475
Hedon Charity Fund	4,085	-	-	(4,085)	-
Papal Blessings/Papal Awards	(1,908)	-	-	-	(1,908)
Mass Stipends	2,710	-	(250)	-	2,460
Year of Faith	1,435	-	-	-	1,435
Education Resource Needs	6,760	-	-	-	6,760
Peter's Pence	993	-	(2,014)	1,716	695
Holy Places	1,705	-	(2,745)	1,672	632
Lenten Alms	6,252	-	-	116	6,368
Other Restricted Income	5,190	-	-	-	5,190
Home Mission Sunday	1,789	-	(4,033)	2,746	502
Day for Life	1,242	-	(2,211)	1,197	228
John Hinman Fund	391	-	-	-	391
Nicholas Postgate Relics	1,053	-	-	-	1,053
CES Collection	356	-	-	-	356
Wycliffe Children's Holiday Fund	2,000	-	-	-	2,000
Bishop's Annual Charity	5,312	-	(2,450)	2,600	5,462
Bishop's Foundation Masses	-	-	(9)	-	(9)
Young Musicians Fund	22,047	-	-	-	22,047
St Williams Community Home	424	-	-	4	428
Marriage Preparation Consultant	9,525	-	-	-	9,525
Memorial Masses – Fr M Murray	3,000	-	(1,000)	-	2,000
Catholic Education Council	824	-	-	-	824
World Communications	741	-	(1,268)	774	247
Poor Parishes	18,500	-	(9,500)	-	9,000
Missionary Work in Hull	323	-	-	-	323
Cathedral Silver Jubilee	744	-	-	-	744
Catholic Primary Schools Cup	5,178	-	-	-	5,178
Sundry Restricted Funds	626	-	-	-	626
World Youth Day	(4,804)	-	-	-	(4,804)
Year of Consecrated Life	(7,097)	-	-	-	(7,097)
Women's Commission	1,220	-	(45)	-	1,175
Walsingham Shrine	-	-	(339)	339	-
	<u>3,370,645</u>	<u>51,526</u>	<u>(173,820)</u>	<u>138,220</u>	<u>3,386,571</u>
<b>Parochial</b>	<u>203,984</u>	<u>108,048</u>	<u>(96,276)</u>	<u>(18,130)</u>	<u>197,626</u>

**Diocese of Middlesbrough**

**Notes to the Accounts for the Year Ended 31 December 2020 - continued**

**12 RESTRICTED FUNDS - continued**

The specific purposes for which the major funds are to be applied are as follows:-

**Priests' Training Fund** - for training students for the priesthood for this Diocese.

**Church Extension Fund** - to assist the new churches and Mass centres of the Diocese.

**Poor Parishes Fund** - to assist those parishes which, because of their low level of income, are unable to support either the parish priest or the necessary repair work to the parish church or presbytery.

**Mensal Fund** - deals with the income and costs of the Bishop of Middlesbrough and his administration.

**Lourdes Sick Fund** - for pilgrimages to Lourdes.

**Catholic Child Care** - provides a fostering and adoption service.

**Special Collections** - collections taken throughout the year for charitable purposes within the United Kingdom and overseas and for specific parish projects.

**Retired Priests' Welfare Fund** - a fund set up in 1996 to provide support upon retirement for incardinated Diocesan priests.

**Lacy Fund** - to meet pension requirements of retired clergy.

**Vestment Guild** - provision of vestments within the Diocese.

**Nicholas Postgate** - the Canonisation cause of Blessed Nicholas Postgate.

**Common Stock** - to meet payments on behalf of retired clergy.

**Mike McCullagh Memorial Trust Fund** – supporting junior football, prison visiting and sick children in the Tees Valley

**Matthias Smyth Memorial Masses Fund** – masses for the repose of the souls of Matthias Smyth and his family.

**Youth Ministry Expansion and Outreach** – to provide funds to extend the work in Youth Ministry and to outreach to young people beyond school age.

**Levy Fund (Active Priests)** – to provide a pension for each active priest on their retirement.

**Cecil Walker Memorial Fund** – for the Support of retired Priests of the Diocese; in particular those who have spent part or all of their ministry in the Southern areas of the Diocese.

**13 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted Funds £	Funds 2020 £
Tangible fixed assets	10,034,768	-	10,034,768
Investments	36,840,257	131,236	36,971,493
Net current assets	905,547	3,452,961	4,358,508
Creditors: amounts falling due after one year	-	-	-
	<u>47,780,572</u>	<u>3,584,197</u>	<u>51,364,769</u>

Net current assets include designated funds of £1,061,521 which are classified within unrestricted funds. These represent funds set aside at both Parish and Curia level of which Parish level is for building repairs.

**14 RELATED PARTY TRANSACTIONS**

During the year the Charity paid £17,025 (2019: £13,539) to Giraffe Connected Solutions Limited for computer services. Mr N Mack (Trustee) was a director and held significant influence of Giraffe Connected Solutions Limited. The transactions were carried out on an arm's length basis.