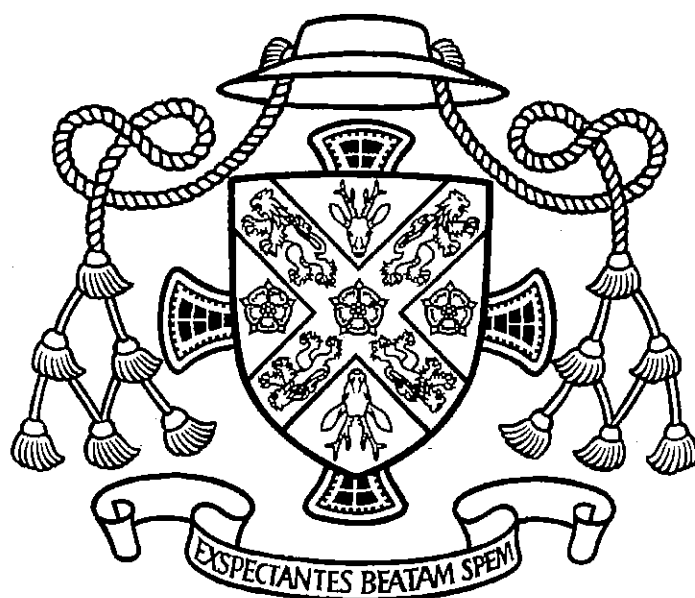


DIOCESE OF MIDDLESBROUGH



TRUSTEE'S REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2020

Diocese of Middlesbrough

Contents of the Financial Statements
for the Year ended 31 December 2020

	Page
Charity Information	2
Trustee's Report	3
Auditors' Report	13
Statement of Financial Activities for the year ended 31 December 2020	16
Statement of Financial Activities for the year ended 31 December 2019	17
Balance Sheet	18
Statement of Cash Flows for the year ended 31 December 2020	19
Notes to the Accounts	20-33

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 Draine, 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	Restricted	Unrestricted	Restricted
	£k	£k	£k	£k
PARISHES				
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)	-
	<u>32</u>	<u>12</u>	<u>173</u>	<u>122</u>
Surplus/(deficit) before transfers etc				
Transfers	188	(18)	66	(70)
(Loss)/Profit on sale of assets	126	-	7	-
Realised/Unrealised (loss)/gain on investments	752	-	586	-
	<u>1,098</u>	<u>(6)</u>	<u>832</u>	<u>52</u>
CURIAL				
Diocesan assessment & transfer	487	-	968	-
Other income (excluding profit on sale of assets)	1,450	52	2,425	436
	<u>1,937</u>	<u>52</u>	<u>3,393</u>	<u>436</u>
Total income				
Expenditure	(1,621)	(163)	(2,222)	(415)
	<u>316</u>	<u>(111)</u>	<u>1,171</u>	<u>21</u>
Surplus/(deficit)				
Other transfers	(308)	138	(263)	267
(Loss)/Profit on sale of assets	-	-	-	-
Realised/unrealised gain/ (loss) on investments	555	(11)	929	11
	<u>563</u>	<u>16</u>	<u>1,837</u>	<u>299</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.

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.

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 50th 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 1st 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.

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.

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.

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.

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:

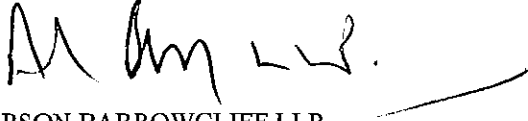
- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting 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. 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		Cural		Total Funds 2020	Total Funds 2019
		Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds	£	£
INCOME FROM							
Donations, offertory & Gift Aid Legacies		2,148,101 254,222	108,048	541 105,139	6,090	2,262,780 359,361	3,118,597 2,029,836
Donations and legacies		2,402,323	108,048	105,680	6,090	2,622,141	5,148,433
Other trading activities							
Assessment - Non-Parochial Fundraising		67,850	-	-	33,838	101,688	246,382
Papers, candles & piety stalls		52,920	-	-	-	52,920	167,587
Investment Income							
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
Charitable activities							
School Service Contribution		-	-	221,917	-	221,917	165,112
Stipends		134,249	-	-	-	134,249	202,519
Other Incoming Resources							
Land, buildings and other funds transferred from schools and third parties		-	-	-	-	-	-
Government grants		-	-	116,932	-	116,932	-
Other		21,226	-	86,679	-	107,905	372,503
TOTAL INCOME		3,186,671	108,048	1,449,530	51,526	4,795,775	7,740,711
EXPENDITURE ON							
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 gain on disposal of assets		(126,366)	-	-	-	(126,366)	(6,500)
TOTAL EXPENDITURE		2,541,993	96,276	1,621,465	162,892	4,422,626	6,246,778
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
Net Income/(Expenditure)		1,397,086	11,772	383,653	(122,294)	1,670,217	3,020,162
Transfers between funds	5	(299,412)	(18,130)	179,322	138,220	-	-
Net Movement in Funds		1,097,674	(6,358)	562,975	15,926	1,670,217	3,020,162
Reconciliation of Funds							
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
FUND BALANCES CARRIED FORWARD AT 31 December 2020		32,353,217	197,626	15,427,355	3,386,571	51,364,769	49,694,552

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		Curial		Total Funds 2019	Total Funds 2018
		Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds	£	£
INCOME FROM							
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
Donations and legacies		3,256,530	317,928	1,290,925	283,050	5,148,433	4,255,027
Other trading activities							
Assessment - Non-Parochial Fundraising		187,228	-	-	-	-	12,340
Papers, candles & piety stalls		167,587	-	-	59,154	246,382	274,878
Investment Income						167,587	159,408
Rents & hire fees	4	587,528	-	401,136	4,116	405,252	390,336
Charitable activities			-	441,645	3,750	1,032,923	986,832
School Service Contribution			-	165,112	-	165,112	170,272
Stipends		202,519	-	-	-	202,519	237,931
Other Incoming Resources							
Land, buildings and other funds transferred from schools and third parties		-	-	-	-	-	88,443
Other		160,250	-	126,150	86,103	372,503	287,388
TOTAL INCOME		4,561,642	317,928	2,424,968	436,173	7,740,711	6,862,855
EXPENDITURE ON							
Charitable activities	2	3,393,146	195,989	2,222,352	415,053	6,226,540	6,174,718
Raising funds		26,738	-	-	-	26,738	34,757
Net loss on disposal of assets		(6,500)	-	-	-	(6,500)	32,197
TOTAL EXPENDITURE		3,413,384	195,989	2,222,352	415,053	6,246,778	6,241,672
Net gains/(losses) on investments - Realised		-	-	62,563	(4,399)	58,164	19,320
- Unrealised		585,756	-	866,934	15,375	1,468,065	(78,362)
Net Income/(Expenditure)		1,734,014	121,939	1,132,113	32,096	3,020,162	562,141
Transfers between funds	5	(902,271)	(69,518)	704,839	266,950	-	-
Net Movement in Funds		831,743	52,421	1,836,952	299,046	3,020,162	562,141
Reconciliation of Funds							
Fund balances brought forward at 1 January 2019		30,423,800	151,563	13,027,428	3,071,599	46,674,390	46,112,249
FUND BALANCES CARRIED FORWARD AT 31 December 2019		31,255,543	203,984	14,864,380	3,370,645	49,694,552	46,674,390

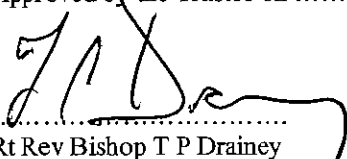
There were no recognised gains or losses for the year other than those included in the Statement of Financial Activities

Diocese of Middlesbrough

Balance Sheet as at 31 December 2020

		2020			2019
		<u>Parochial</u>	<u>Curial</u>	<u>Total</u>	<u>Total</u>
	Notes	£	£	£	£
FIXED ASSETS					
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>
CURRENT ASSETS					
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>	13,333,939
CREDITORS : Amounts Falling Due Within One Year	10	(77,809)	(10,037,108)	(10,114,917)	(8,708,000)
NET CURRENT ASSETS		<u>4,648,177</u>	<u>(289,669)</u>	<u>4,358,508</u>	4,625,939
TOTAL ASSETS LESS CURRENT LIABILITIES		30,337,762	21,027,007	51,364,769	50,297,552
CREDITORS: Amounts Falling Due After One Year	11	-	-	-	(603,000)
		<u>30,337,762</u>	<u>21,027,007</u>	<u>51,364,769</u>	49,694,552
PARISH LOAN ACCOUNTS					
Due to Parishes		6,754,390	(6,754,390)	-	-
Due from Parishes		(4,541,309)	4,541,309	-	-
NET ASSETS		<u>32,550,843</u>	<u>18,813,926</u>	<u>51,364,769</u>	<u>49,694,552</u>
Financed By:					
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>	46,119,923
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 Draine

Bishop of Middlesbrough
 Diocese of Middlesbrough Trustee

The notes on pages 20 to 33 form part of these accounts.

Diocese of Middlesbrough
Statement of Cash Flows
for the Year Ended 31 December 2020

	<u>2020</u>	<u>2019</u>
	£	£
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	<u>(719,535)</u>	<u>(602,620)</u>
Cash flows from investing activities:		
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	<u>(742,548)</u>	<u>(6,184,034)</u>
Net cash provided by (used in) investing activities	<u>1,562,142</u>	<u>(3,494,559)</u>
Cashflows from financing activities		
Repayments of borrowings	<u>-</u>	<u>-</u>
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	<u>4,129,397</u>	<u>8,226,576</u>
Cash and cash equivalents at the end of the reporting period	<u>4,972,004</u>	<u>4,129,397</u>
Reconciliation of net incoming resources to cash flow from operating activities		
Net income for the reporting period (as in SOFA)	1,670,218	3,020,162
Adjustments for:		
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	<u>(126,366)</u>	<u>(6,500)</u>
Net cash provided by/ (used in) operating activities	<u>(719,535)</u>	<u>(602,620)</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.

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 2020 £	Total 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 2020 £	Total 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

	Parochial		Curial		2020	2019
	Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£	£
UK listed investments	-	-	482,144	2,581	484,725	387,478
Bank interest	25	-	10,895	722	11,642	17,774
	<u>25</u>	<u>-</u>	<u>493,039</u>	<u>3,303</u>	<u>496,367</u>	<u>405,252</u>

Diocese of Middlesbrough

Notes to the Accounts for the Year Ended 31 December 2020 – continued

5 TRANSFERS

	Parochial		Curial		Total
	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 £
COST OR VALUATION				
At 1 January 2020	1,017,534	72,946	32,194	1,122,674
Additions	-	1,139	-	1,139
At 31 December 2020	1,017,534	74,085	32,194	1,123,813
ACCUMULATED DEPRECIATION				
At 1 January 2020	318,809	72,656	19,381	410,846
Charge for the year	12,859	574	3,203	16,636
At 31 December 2020	331,668	73,230	22,584	427,482
NET BOOK VALUES				
At 31 December 2020	685,866	855	9,610	696,331
At 31 December 2019	698,725	290	12,813	711,828

(b) Parochial

	Freehold Land & Buildings £	Fixtures & Fittings £	Total £
COST OR VALUATION			
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)
At 31 December 2020	13,089,703	769,640	13,859,343
ACCUMULATED DEPRECIATION			
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)
At 31 December 2020	4,147,528	373,378	4,520,906
NET BOOK VALUES			
At 31 December 2020	8,942,175	396,262	9,338,437
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>
Closing valuation 31 December 2020	<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	<u>5,033,201</u>	<u>5,152,909</u>

9 DEBTORS

	Parochial 2020 £	Curial 2020 £	Total 2020 £	Total 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	Incoming		Balance
	31.12.2019	Resources	Expenditure	31.12.2020
	£	£	£	£
Priests' Training Fund	667,638	6,413	(14,431)	668,294
Church Extension Fund	44,360	-	-	44,360
Mensal Fund	26,471	-	(19,863)	26,873
Pickering Roman Catholic War Orphanage Fund	20,473	-	-	20,678
Lourdes Sick Fund	186,649	33,837	(1,232)	221,120
Lourdes Youth Pilgrimage	(11,848)	-	-	(11,848)
Catholic Child Care	116,000	700	-	117,860
Youth Sunday	16,639	-	-	17,889
Retired Priests' Welfare Fund	1,659,594	10,375	(106,248)	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	-	3,713
Mike McCullagh Memorial Trust Fund	61,235	213	(1,906)	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	-	32,443
Cecil Walker Memorial Fund	97,348	-	-	98,321
Hedon New Church Fund	9,167	2	-	7,475
Hedon Charity Fund	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)	695
Holy Places	1,705	-	(2,745)	632
Lenten Alms	6,252	-	-	6,368
Other Restricted Income	5,190	-	-	5,190
Home Mission Sunday	1,789	-	(4,033)	502
Day for Life	1,242	-	(2,211)	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)	5,462
Bishop's Foundation Masses	-	-	(9)	(9)
Young Musicians Fund	22,047	-	-	22,047
St Williams Community Home	424	-	-	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)	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)	-
	3,370,645	51,526	(173,820)	3,386,571
Parochial	203,984	108,048	(96,276)	197,626

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.