

DIOCESE OF MIDDLESBROUGH

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

DIOCESE OF MIDDLESBROUGH

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DIOCESE OF MIDDLESBROUGH

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

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 Draine, 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)

DIOCESE OF MIDDLESBROUGH

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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.

DIOCESE OF MIDDLESBROUGH

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

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.

DIOCESE OF MIDDLESBROUGH

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

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 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	Restricted	Unrestricted	Restricted
	£k	£k	£k	£k
PARISHES				
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)	-
Surplus/(deficit) before transfers etc	562	29	839	249
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>
CURIAL				
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>
Surplus/(deficit)	(497)	425	39	306
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.

DIOCESE OF MIDDLESBROUGH

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

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

DIOCESE OF MIDDLESBROUGH

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

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.

DIOCESE OF MIDDLESBROUGH

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

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.

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

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.

DIOCESE OF MIDDLESBROUGH

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

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.

DIOCESE OF MIDDLESBROUGH

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

THE STATEMENT OF TRUSTEE'S RESPONSIBILITIES

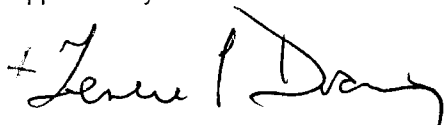
The Trustee Board is responsible for preparing the Trustee's Report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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: 31 October 2023

DIOCESE OF MIDDLESBROUGH

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH

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.

DIOCESE OF MIDDLESBROUGH

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

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.

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

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. This description forms part of our Auditors' report.

DIOCESE OF MIDDLESBROUGH

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

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 £	As restated Total funds 2021 £
INCOME FROM:					
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
TOTAL INCOME		5,293,023	845,991	6,139,014	6,611,622
EXPENDITURE ON:					
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
TOTAL EXPENDITURE		5,228,157	391,945	5,620,102	5,020,872
NET INCOME BEFORE NET GAINS/(LOSSES) ON INVESTMENTS		64,866	454,046	518,912	1,590,750
Net gains/(losses) on investments	15	1,571,348	(14,657)	1,556,691	4,135,346
NET INCOME		1,636,214	439,389	2,075,603	5,726,096
Transfers between funds	25	10,171	(10,171)	-	-
NET MOVEMENT IN FUNDS		1,646,385	429,218	2,075,603	5,726,096
RECONCILIATION OF FUNDS:					
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
TOTAL FUNDS CARRIED FORWARD		54,110,944	4,669,880	58,780,824	56,705,221

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.

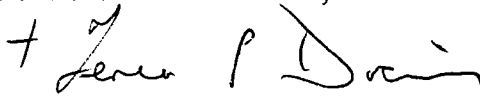
DIOCESE OF MIDDLESBROUGH

**BALANCE SHEET
AS AT 31 DECEMBER 2022**

	Note	2022 £	Restated 2021 £
FIXED ASSETS			
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
		53,487,453	50,813,366
CURRENT ASSETS			
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
		19,464,014	19,453,880
Creditors: amounts falling due within one year	22	(13,719,557)	(13,562,025)
NET CURRENT ASSETS		5,744,457	5,891,855
TOTAL ASSETS LESS CURRENT LIABILITIES		59,231,910	56,705,221
Creditors: amounts falling due after more than one year	23	(451,086)	-
TOTAL NET ASSETS		58,780,824	56,705,221
CHARITY FUNDS			
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	54,110,944	52,464,559
TOTAL FUNDS		58,780,824	56,705,221

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

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



Date: 31 October 2023

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

DIOCESE OF MIDDLESBROUGH

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

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

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

DIOCESE OF MIDDLESBROUGH

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

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.

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

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

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

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**

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

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.

DIOCESE OF MIDDLESBROUGH

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

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	190,356	210,395	400,751	390,771
Total 2021	154,427	236,344	390,771	

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	240,655	18,395	259,050	130,344
Total 2021	127,475	2,869	130,344	

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	647,777	1,030,751	25,228	1,703,756	1,507,377
Total 2021	555,027	941,100	11,250	1,507,377	

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
	<u>9,667</u>	<u>112,544</u>	<u>550</u>	<u>122,761</u>	<u>423,890</u>
Total 2022	<u>198,791</u>	<u>185,099</u>	<u>40,000</u>	<u>423,890</u>	
As restated Total 2021					

9. RAISING FUNDS

	Parochial Unrestricted Funds £	Curial Restricted Funds £	Total £	Total 2021 £
Raising funds	12,635	38,115	50,750	7,831
	<u>12,635</u>	<u>38,115</u>	<u>50,750</u>	<u>7,831</u>
Total 2022	<u>7,831</u>	<u>-</u>	<u>7,831</u>	
Total 2021				

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>	

DIOCESE OF MIDDLESBROUGH

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

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
	3,514,727	1,637,062	5,151,789	4,688,397
<i>Total 2021</i>	<i>3,003,049</i>	<i>1,685,348</i>	<i>4,688,397</i>	

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>

DIOCESE OF MIDDLESBROUGH

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

13. STAFF COSTS (CONTINUED)

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

	2022	<i>2021</i>
	No.	<i>No.</i>
Curial employees	25	<i>23</i>

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

	2022	<i>2021</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	-	<i>1</i>
In the band £70,001 - £80,000	1	<i>-</i>
In the band £80,001 - £90,000	-	<i>1</i>

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 £
Cost					
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>
Depreciation					
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>
Net book value					
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 £
Curial					
Cost					
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)
At 31 December 2022	1,020,155	63,173	-	79,319	1,162,647
Depreciation					
At 1 January 2022	344,524	12,618	-	73,516	430,658
Charge for year	12,953	6,994	-	1,267	21,214
At 31 December 2022	357,477	19,612	-	74,783	451,872
Net book value					
At 31 December 2022	662,678	43,561	-	4,536	710,775
At 1 January 2022	673,010	22,658	-	569	696,237
Parochial					
Cost					
At 1 January 2022	13,116,008	-	790,894	-	13,906,902
Additions	156,618	-	11,114	-	167,732
At 31 December 2022	13,272,626	-	802,008	-	14,074,634
Depreciation					
At 1 January 2022	4,271,575	-	383,014	-	4,654,589
Charge for year	138,339	-	12,287	-	150,626
At 31 December 2022	4,409,914	-	395,301	-	4,805,215
Net book value					
At 31 December 2022	8,862,712	-	406,707	-	9,269,419
At 1 January 2022	8,844,433	-	407,880	-	9,252,313
Total 2022	9,525,390	43,561	406,707	4,536	9,980,194
Total 2021	9,517,443	22,658	407,880	569	9,948,550

DIOCESE OF MIDDLESBROUGH

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

18. INVESTMENT PROPERTY

	Parochial £	Curial £	Total £
Valuation			
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 £
Cost or valuation				
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).

DIOCESE OF MIDDLESBROUGH

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

19. FIXED ASSET INVESTMENTS- CURIAL (CONTINUED)

Principal subsidiaries and associates

The following was a subsidiary undertaking of the Diocese:

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

The financial results of the subsidiary for the year were:

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

The following was an associate of the Diocese:

Name	Income for the year £	Expenditure for the year £	Profit / (Loss) for the year £
Inter-Diocese 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-Diocese Fuel Management Limited. The principal activity of Inter-Diocese 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 2022

20. DEBTORS

	Curial 2022 £	Total 2022 £	Total 2021 £
Debtors in over 1 year:			
Amounts owed by group companies	686,952	686,952	684,986
Debtors within one year:			
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**

	Parochial 2022 £	Curial 2022 £	Total 2022 £	Total 2021 £
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**

	Curial 2022 £	Total 2022 £	Total 2021 £
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

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 £
Unrestricted funds						
Designated funds						
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>
General funds						
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>
Total Unrestricted funds	<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 £
Restricted funds						
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>
Total of funds	<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

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated Balance at 31 December 2021 £
Unrestricted funds						
Designated funds						
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>
General funds						
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>
Total Unrestricted funds	<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)

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated Balance at 31 December 2021 £
Restricted funds						
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>
Total of funds	<u>50,979,124</u>	<u>6,471,543</u>	<u>(4,863,510)</u>	<u>-</u>	<u>4,118,064</u>	<u>56,705,221</u>

DIOCESE OF MIDDLESBROUGH

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

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)
Total	54,110,944	4,669,880	58,780,824

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)
Total As restated	52,464,559	4,240,662	56,705,221

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)	2,075,603	5,726,096
Adjustments for:		
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
Net cash provided by/(used in) operating activities	<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
Total cash and cash equivalents	<u>13,592,181</u>	<u>12,796,982</u>

DIOCESE OF MIDDLESBROUGH

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

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.