

DIOCESE OF MIDDLESBROUGH

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

DIOCESE OF MIDDLESBROUGH

CONTENTS

	Page
Reference and administrative details of the Diocese, its Trustee and advisers	1
Trustees' report	2 - 11
Independent auditors' report on the financial statements	12 - 15
Statement of financial activities	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19 - 46

DIOCESE OF MIDDLESBROUGH

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

Trustee Diocese of Middlesbrough Trustee

Directors And Officers of The Diocese Of Middlesbrough Trustee:

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

- Rt Rev Terence Patrick 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 Walton

Independent auditors

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

Bankers

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

Solicitors

Grays Solicitors
Duncombe Place
York
YO1 2DX

Key Management Personnel:

Chief Operating Officer: Rev P Warren

Financial Secretary: Mr J Walton

Director of Schools: Mrs K Bailey

DIOCESE OF MIDDLESBROUGH

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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

CONSTITUTION AND AIMS

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

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

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

OBJECTIVES AND ACTIVITIES

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

DIOCESE OF MIDDLESBROUGH

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

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

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

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

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

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

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

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

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

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

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

DIOCESE OF MIDDLESBROUGH

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

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

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

Remuneration Policy

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

Subsidiary Company

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

Investment Powers and Policy

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

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

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

DIOCESE OF MIDDLESBROUGH

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

FINANCIAL REVIEW AND REVIEW OF THE YEAR

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

	2023		2022	
	Unrestricted	Restricted	Unrestricted	Restricted
	£k	£k	£k	£k
PARISHES				
Income (excluding profit on sale of assets)	3,920	299	3,853	228
Expenditure	(3,553)	(257)	(3,328)	(199)
Diocesan assessment and transfer	(731)	-	37	-
Surplus/(deficit) before transfers etc	(364)	42	562	29
Transfers	-	-	-	-
(Loss)/Profit on sale of assets	-	-	-	-
Unrealised (loss)/gain on investment property	(200)	-	1,834	-
Added to/ (deducted from) reserves	- 564	42	2,396	29
CURIAL				
Diocesan assessment & transfer	731	-	(37)	-
Other income (excluding profit on sale of assets)	1,623	328	1,440	618
Total income	2,354	328	1,403	618
Expenditure	(2,073)	(347)	(1,900)	(193)
Surplus/(deficit)	281	(19)	(497)	425
Other transfers	(96)	96	10	(10)
(Loss)/Profit on sale of assets	-	-	-	-
Realised/unrealised gain/ (loss) on investments	(549)	-	(262)	(15)
Added to/(deducted from) reserves	(364)	77	(749)	400
Full details of the income and expenditure are shown in the statement of financial activities on page 16 and in the notes to the accounts.				
The Trustee Board wishes to place on record its sincere thanks to all priests, the Curia Office staff, parish volunteers and external professions for their efforts on behalf of the Trust.				

Reserves Policy

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

PUBLIC BENEFIT, ACHIEVEMENTS AND PERFORMANCE

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

DIOCESE OF MIDDLESBROUGH

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

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

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

Youth Ministry

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

The Bishop's Council for Spirituality and Worship

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

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

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

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

Education

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

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

Vocations

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

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

DIOCESE OF MIDDLESBROUGH

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

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

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

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

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

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

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

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

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

Work of the Tribunal

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

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

Work of the Chancery

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

DIOCESE OF MIDDLESBROUGH

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

Vicariate for Missionary Discipleship

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

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

Communications

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

Prison Chaplaincy

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

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

Sick and Retired Priests

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

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

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

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

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

DIOCESE OF MIDDLESBROUGH

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

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

Safeguarding

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

The Safeguarding Team consists of one Safeguarding Coordinator, one Safeguarding Support Manager and two part time administrators. The Safeguarding Team supports parishes with safer recruitment of volunteers and 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.

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

Liturgy

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

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

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

Volunteers

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

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

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

DIOCESE OF MIDDLESBROUGH

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

Government and other national agencies.

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

FUTURE PLANS

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

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

RISK ASSESSMENT

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

STATEMENT OF RESERVES

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

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

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

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

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

DIOCESE OF MIDDLESBROUGH

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

THE STATEMENT OF TRUSTEE'S RESPONSIBILITIES

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

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

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

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

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



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

Date: 25 October 2024

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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.

DIOCESE OF MIDDLESBROUGH

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)**

USE OF OUR REPORT

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

Waltons Business Advisers Limited

Waltons Business Advisers Limited

Harbour Walk
The Marina
Hartlepool
TS24 0UX

28 October 2024

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

DIOCESE OF MIDDLESBROUGH

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

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

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

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

DIOCESE OF MIDDLESBROUGH

**BALANCE SHEET
AS AT 31 DECEMBER 2023**

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

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:
Date: 25 October 2024
The notes on pages 19 to 46 form part of these financial statements.

DIOCESE OF MIDDLESBROUGH

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

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

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 2023

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.

DIOCESE OF MIDDLESBROUGH

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

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.

DIocese of Middlesbrough

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

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 2023**

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 2023**

2. ACCOUNTING POLICIES (CONTINUED)

2.8 Investments

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

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

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

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

2.9 Debtors

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

2.10 Cash at bank and in hand

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

2.11 Liabilities and provisions

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

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

2.12 Financial instruments

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

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

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 2023

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

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

4. INCOME FROM DONATIONS AND LEGACIES

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

DIOCESE OF MIDDLESBROUGH

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

5. INCOME FROM CHARITABLE ACTIVITIES

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

6. INCOME FROM FUNDRAISING ACTIVITIES

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

7. INVESTMENT INCOME

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

DIOCESE OF MIDDLESBROUGH

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

8. OTHER INCOMING RESOURCES

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

9. RAISING FUNDS

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

10. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

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

DIOCESE OF MIDDLESBROUGH

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

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES

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

DIOCESE OF MIDDLESBROUGH

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

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

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

DIOCESE OF MIDDLESBROUGH

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

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

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

12. AUDITORS' REMUNERATION

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

13. STAFF COSTS

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

DIOCESE OF MIDDLESBROUGH

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

13. STAFF COSTS (CONTINUED)

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

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

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

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

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

14. TRUSTEE'S REMUNERATION AND EXPENSES

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

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

DIOCESE OF MIDDLESBROUGH

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

15. NET GAINS/LOSSES ON INVESTMENTS

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

16. TANGIBLE FIXED ASSETS

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

DIOCESE OF MIDDLESBROUGH

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

17. TANGIBLE FIXED ASSET SPLIT

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

DIOCESE OF MIDDLESBROUGH

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

18. INVESTMENT PROPERTY

	Parochial £	Curial £	Total £
Valuation			
At 1 January 2023	19,264,959	17,942,888	37,207,847
Additions	60,378	691,128	751,506
Disposals	(165,141)	-	(165,141)
Revaluation	(153,249)	(149,003)	(302,252)
At 31 December 2023	<u>19,006,947</u>	<u>18,485,013</u>	<u>37,491,960</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 2023 was £11,932,582 (2022: £11,542,298). See also note 25.

19. FIXED ASSET INVESTMENTS- CURIAL

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

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

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

DIOCESE OF MIDDLESBROUGH

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

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	30,864,811	(30,201,390)	8,801

The Diocese holds 4.35% (2022: 4.5%) 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 2023**

20. DEBTORS

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

21. CURRENT ASSET INVESTMENTS- CURIAL

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

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

DIOCESE OF MIDDLESBROUGH

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

22. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

23. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

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

DIOCESE OF MIDDLESBROUGH

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

24. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

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

DIOCESE OF MIDDLESBROUGH

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

24. STATEMENT OF FUNDS (CONTINUED)

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

DIOCESE OF MIDDLESBROUGH

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

24. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>As restated Balance at 1 January 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2022 £</i>
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 2023**

24. STATEMENT OF FUNDS (CONTINUED)

	<i>As restated Balance at 1 January 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2022 £</i>
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>56,705,221</u>	<u>6,139,014</u>	<u>(5,620,102)</u>	<u>-</u>	<u>1,556,691</u>	<u>58,780,824</u>

DIOCESE OF MIDDLESBROUGH

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

24. STATEMENT OF FUNDS (CONTINUED)

Designated funds

These represent funds set aside for the maintenance of buildings.

Unrestricted Funds

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

Restricted Funds

Retired Priests Welfare Fund

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

Priests Training Fund

For training students for the priesthood of this Diocese.

Lacy Fund

To meet pension requirements of retired clergy.

Lourdes Sick Fund

For pilgrimages to Lourdes.

Catholic Child Care

Provides a fostering and adoption service.

Cecil H Walker Memorial Fund

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

Mike McCullagh Memorial Trust Fund

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

Mathias Smyth Memorial Masses Fund

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

Levy Fund (Active Priests)

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

Mensal Fund

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

Church Extension Fund

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

Parochial Restricted Funds

Restricted funds belong to the individual parishes.

DIOCESE OF MIDDLESBROUGH

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

25. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

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

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

DIOCESE OF MIDDLESBROUGH

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

26. AMOUNTS DUE TO & FROM PARISHES FROM CURIAL

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

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

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

DIOCESE OF MIDDLESBROUGH

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

28. ANALYSIS OF CASH AND CASH EQUIVALENTS

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

29. ANALYSIS OF CHANGES IN NET DEBT

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

30. PENSION COMMITMENTS

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

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

DIOCESE OF MIDDLESBROUGH

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

31. RELATED PARTY TRANSACTIONS

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