

financial statements

The Roman Catholic Diocese of Northampton

For the year ended 31 March 2021

Registered charity number: 234091



The Roman Catholic Diocese of Northampton

Financial Statements

Year ended 31 March 2021

Contents	Page
Trust information	1
Report of the trustees	2
Independent auditors' report to the trustees	11
Balance sheet	14
Statement of financial activities	15
Cash flow statement	16
Notes to cash flow statement	17
Statement of accounting policies	18
Notes to the financial statements	22

The Roman Catholic Diocese of Northampton

Trust information

Registered charity number	234091
Governing instrument 2006	Trust Deed 11 July 1949 as amended 11 October
The board of trustees	<p>The trustees who served during the period and since the year end were as follows:</p> <p>Rt Rev Bishop David J Oakley (President) (appointed 13th April 2020)</p> <p>Rt Rev Bishop P J H Doyle (President) (resigned 13th April 2020)</p> <p>Rev Mgr Provost S Healy (resigned 31st August 2021)</p> <p>Rev Mgr K McGinnell</p> <p>Rev Dr B Killeen</p> <p>Mr J C Whitehead (resigned 13th April 2020)</p> <p>Mr C J C Peachey</p> <p>Mrs M A Harwood (resigned 13th April 2020)</p> <p>Rev A W Brennan</p> <p>Rev C Walking-Lea</p> <p>Mrs K Goodwin (appointed 13th April 2020)</p> <p>Mrs B Vaughan (appointed 13th April 2020) (resigned 29th January 2021)</p> <p>Mr A Clutterbuck (appointed 20th April 2020)</p> <p>Mr P E Commons (appointed 20th April 2020)</p> <p>Mr T F O Larkin (appointed 22nd March 2021)</p> <p>Mrs M M Cripps (appointed 5th May 2021)</p> <p>Rev Canon Michael Harrison (appointed 18th August 2021)</p> <p>Rev Christopher Perry (appointed 31st August 2021)</p>
Secretary	Mr AJ McNiff
Registered Office	Bishop's House Marriott Street Northampton NN2 6AW
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	National Westminster Bank plc 25 Corporation Street Corby Northants NN17 1NR
Investment advisers	Rathbones 8 Finsbury Circus London EC2M 7AZ

The Roman Catholic Diocese of Northampton

Trust information

Ruffer LLP
80 Victoria Street
London
SW1E 5JL

The Roman Catholic Diocese of Northampton

Report of the Trustees

Year ended 31 March 2021

Report of the trustees

The trustees have pleasure in presenting their report, together with the financial statements, for the year ended 31 March 2021.

Structure, Governance and Management

Constitution

The Charity is governed by a trust deed, dated 30 April 1949 as amended on 11 October 2006, registered charity number 234091. It specifically covers the Counties of Northamptonshire, Bedfordshire, Buckinghamshire and that part of Berkshire north of the River Thames.

Trustees

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet as the Finance Board on a regular basis to review developments and activities and to make decisions on key issues. In setting objectives and planning activities, the trustees confirm that they have complied with the duty in the Charities Act 2011 section 17 to have due regard to the Charity Commission general guidance on public benefit and the specific guidance on charities for the advancement of religion.

The Northampton Roman Catholic Diocese Trustee is a registered company number 442173 incorporated under the Companies Act 1929 on 13 September 1947. The members of the company who served on the Main Finance Board during the year to 31st March 2021 are set out in the Trust Information on page 1.

Members of the Finance Board are appointed and can be removed by the Bishop who is ex officio President of the Corporation and ex officio a member of the Main Finance Board. The Corporation has an Honorary Secretary appointed in writing by the President. The Honorary Secretary can be removed from office by the Bishop in writing. New members of the Finance Board are provided with copies of the Trust document, the most recent published accounts and a process of induction. Recent minutes of the Finance Board are also made available to them. Appropriate training is made available to new members, dependant on their experience of charitable, legal and financial matters. In addition, all members of the Finance Board are kept up to date on new legislation and recommended practices.

Membership of the Main Finance Board is reviewed on a regular basis.

All trustees give of their time freely and no remuneration was paid to them in the year in relation to their role as trustee. No trustee was in receipt of expenses in the year (2020: one £206).

Trustees' responsibilities

The trustees are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;

The Roman Catholic Diocese of Northampton

Report of the Trustees

Year ended 31 March 2021

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the trust deed. They are also

The Roman Catholic Diocese of Northampton

Report of the Trustees

Year ended 31 March 2021

responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware:

- There is no relevant audit information of which the charity's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Organisational structure and decision-making process

The day-to-day management of the charity's activities and implementation of its policies are delegated to a number of subcommittees and consultative bodies and to appropriate staff. There are a number of curial departments such as Finance, Property, Safeguarding, Education and Youth Ministry, each of which employ appropriately trained and qualified staff to manage and carry out those activities. Similarly, parishes have a number of paid employees and volunteers to assist in the running of activities at local level.

A major focus of the trustees is the care and maintenance of Diocesan property and decisions on projects proposed in the Diocese, dependant on type and size, are made at the appropriate level, with advice being obtained as necessary from professional advisers appointed by the Diocese. A Property and Health and Safety subcommittee of the Finance Board has been formed and this considers project proposals and recommends appropriate action to the trustees. This subcommittee is made up of trustees, a professional lay advisor and Diocesan officials.

The Art and Architecture section of the Diocesan Liturgy Commission considers applications for church improvements and reports regularly to the Bishop and to the Finance Board. The Diocesan Historic Churches Committee, a statutory body, has remit over the listed places of worship of the Diocese, processing applications for works to those buildings and monitoring progress.

Day to day management of the Finance and Property functions is the responsibility of the Diocesan Chief Operating Officer together with three property professionals.

Key management personnel

The Board considers that the Trustees and the Senior Leadership Team whose total remuneration is set out in note 13 of the accounts comprise the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis. In the year to March 2021 these included the Chief Operating Officer, the Director of Finance and Development and the senior lay personnel in the major curial departments. The pay of the senior staff is reviewed annually. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses are disclosed in note 14 of the accounts. When new roles are created, or significant roles change hands, benchmarking against market rates for similar positions is employed to attract the best candidates for those roles.

Risk management

A review of the major financial and reputational risks to which the charity is exposed has been carried out and systems put in place to mitigate those risks. Any risks identified and

The Roman Catholic Diocese of Northampton

Report of the Trustees

Year ended 31 March 2021

their resultant impact on reserves and/or reputation of the Diocese are considered by the Finance, Audit and Risk Subcommittee and the Finance Board of trustees. Risks are monitored and any new risks identified and recorded.

In particular, the Diocese has procedures and a subcommittee focussed on the safeguarding of children and vulnerable adults. The health and safety of those using our churches and other facilities is also a high priority and the Diocese has policies in place to assess and manage the associated risks, overseen by a Health and Safety Subcommittee. The Diocese receives professional Health and Safety advice from RBS & NatWest Mentor. The increasing age and declining number of priests is considered by the trustees to be a significant risk for the Diocese. In order to plan for and mitigate the consequences of this risk factor, parishes have been asked to consider how pastoral areas and individual parishes will provide facilities for the practicing of the Faith with significantly fewer priests.

The Diocese has followed closely the Government guidance related to its activities in respect to COVID 19. This has resulted in the temporary closure of some churches and a restriction on the capacity of others. Whilst total revenue was down by 16% in the year to 31 March 21, total expenditure was down by 32%. The position has been helped significantly by the support from the Government's Coronavirus Job Retention Scheme. Most churches are now open and many parishioners have returned to church, however attendance and therefore revenue remains vulnerable given ongoing COVID 19 restrictions and concerns about new variants. The Board continues to emphasise the seriousness with which the Trust takes the safety of its parishioners and the measures in place to assure their safety.

Related parties

The attached accounts include the assets and activities of three trusts which are incorporated as separate charities: -

Northampton Diocese Education Fund	Charity Number 267132
Lord Braye's Foundation	Charity Number 242281
The Charity of Frances Alice Chesterton	Charity Number 252034
Northampton Slough Diocese Educational Trust	Charity Number 1165631

The objects of these charities are consistent with the objects of the Diocese.

The Diocese also encompasses a number of Catholic schools. Those schools which are voluntary aided are exempt Charities under the Schools Standards and Framework Act 1988 and their activities are not reflected in the financial statements attached to this report. The Bishop of Northampton appoints Foundation Governors to the Governing Bodies of these schools and they form the majority of those Governing Bodies. A number of schools have converted to academy status and are formed within multi-academy trusts. The Bishop has similar powers of appointment of the trustees of those Trusts and again their activities are not reflected in the financial statements attached to this report. At the date of this report there are 42 schools of which 19 are academies within our 2 multi-academy trusts. The addresses of all our schools can be found in the Diocesan Directory.

Investment policy

There are no specific investment powers, other than those provided under the Trustees Act 2000. Investments are made at the absolute discretion of the trustees acting on advice of its professional advisers and an Investment Committee which reports to the Finance, Audit & Risk Subcommittee. Quarterly meetings of the Investment Committee are attended by our investment advisers and senior personnel. An ethical investment policy has been agreed by trustees to help avoid investing in securities which might conflict with Catholic Social Teaching or which are environmentally unsound.

The Roman Catholic Diocese of Northampton

Report of the Trustees

Year ended 31 March 2021

At 31 March 2021, the portfolio of investments had a market value of £10,125,166. There were realised gains of £47,670 and unrealised gains of £1,778,720. Total investment income in the year was £184,757.

The investment policy is to maximise total return through a diversified portfolio. The trustees are aware of the effect of movements in the value of this investment portfolio on reserve levels. This is particularly relevant given the impact of the COVID 19 pandemic on the stock market. The significant unrealised gain in the year followed realised losses of £65,061 and unrealised losses of £787,422 in the previous year. The gain largely resulted from the stock market recovery as markets adjusted to the impact of COVID 19 on the world economy. The Diocese considers itself a long term investor and together with its advisers takes steps to mitigate the risk of significant volatility.

Public benefit

The Charities Act 2006 requires charities to describe the benefit that is provided to the public. The Charity Commission has commented that “religion helps to provide a moral and ethical framework for people to live by and can play an important part in building social capital and community cohesion”.

The adherence to, and advancing of, the Catholic faith to the public within the Northampton Diocese has many public benefits. It provides an ethical and moral code for society; it provides sacred places, churches, services of worship, public ritual and ceremonies, including baptisms, weddings and funerals; it contributes to the spiritual well-being of the public; it contributes to the spiritual and moral education of children; it promotes social understanding and cohesion, and contributes to practical ways of addressing social needs such as visiting the sick and housebound, and furthering other charitable purposes.

The above is demonstrated by 26,099 people attending mass each Sunday together with masses also being said each day in our parishes. 20,873 children, both Catholic and non-Catholic, attended our schools. Donations of £246,308 (2020: £761,447) were made by our parishioners to causes both internal and external to our Diocese. Many programs were made available in our parishes in areas such as spiritual development, Marriage and Family Life and Justice and Peace. In addition, there has been a successful project welcoming and supporting a Syrian refugee family in partnership with the Local Authority in the area concerned.

Beneficiaries

Beneficiaries of the charity include not only parishioners and those young people attending our schools but also the recipients of aid from the many causes supported by the Diocese through contributions to among others CAFOD, Apostleship of the Sea, The Association for the Propagation of the Faith as well as a number of projects supported by individual parishes. Churches and schools around the Diocese are welcoming and helping to integrate into the community large numbers of new parishioners and students both from the UK and overseas.

Objectives, activities and achievements

Principal objects

The principal objects of the Charity are as declared in the Trust Deed dated 11 July 1949 “in or towards advancing the Roman Catholic religion in the Diocese by such means as the Bishop may think fit and proper and for the service and support whether in the Diocese or outside the Diocese by such means as aforesaid of charitable works and objects promoted by the Church” (**Clause 2 of the Trust Deed**).

The long-term strategies set to achieve these objects are to ensure that the life of the Catholic Community is well supported and responsive to changing requirements and to

The Roman Catholic Diocese of Northampton

Report of the Trustees

Year ended 31 March 2021

generate and maintain sufficient reserves to ensure the long-term future of the charity. It carries out these strategies through a number of key activities as set out below: -

Significant activities

The objects of the charity are fulfilled by the many activities carried out in its parishes, its schools and through a number of organisations run by the Diocesan Curia.

Parish life

Parish life is supported through the provision of clergy and buildings as a result of which many parishioners provide support to the local and national community in improving social cohesion and in many other ways. While the celebration of Mass is mainly in churches owned and maintained by the Diocese through its parishes and supported by the curial departments, parishes also reach out to the local community through their activities and support their parishioners through home visits, hospital chaplaincy and a range of courses and other programs.

For the majority of the year parish life was disrupted due to COVID 19 lockdowns and other restrictions. A number of parishes and mass centres that were not able to put in place appropriate mitigations were closed for the whole of the year. When possible and with appropriate mitigations in place (face masks, social distancing, and sanitising) parish life carried on as usual with churches being places of worship, sources of nourishment for the faith of the people and outreach to the community. Where churches could not open, many kept in touch with parishioners through the live streaming of services. The Sacraments of Baptism, First Communion and Confirmation were celebrated all around the Diocese and many groups met in prayer and reflection on the word of God in scripture. At the last census in 2019, 26,099 people attended mass on a weekly basis and there were 1,599 baptisms, 1,028 people confirmed and 259 marriages during the year.

The facilitation and nourishment of spiritual life and the concern for neighbours in the Diocese are the principal aims of the charity and while weekly attendance figures and the number of baptisms, confirmations, marriages, etc are indications of the success of the work, performance can also be measured by the continuing strength of our parish and school communities and the individual journeys of faith of our parishioners. Sick and elderly parishioners received the Eucharist and Sacrament of the Sick, the dying and their relatives received comfort and support, and the deceased received dignified burial and cremation services, which aided the grieving process for their relatives. As stated earlier, two parishes have joined together to welcome and support a Syrian refugee family, in partnership with the Local Authority.

The trustees recognise the effect of particular types of one-off income including the inherent uncertainty of legacy income. An anticipated increase in capital works on Church property, the general inflationary increase of many costs and the more recent financial impact of COVID 19 has led to a reflection across the pastoral areas of the Diocese on how to find ways of raising income whilst managing costs.

Parishes carry out their own fundraising activities in support of parish projects both internal to the parish and external. The total income raised was £214,002 compared with £628,654 in 2020.

Churches, presbyteries and halls

Repairs and maintenance requirements resulting from the quinquennial reports on buildings owned by the trust and the system of close contact between parishes, the trust and the professionals appointed by the Diocese, resulted in £598,497 (2020: £1.72m) being spent during the year at parish and Diocesan level.

The Roman Catholic Diocese of Northampton

Report of the Trustees

Year ended 31 March 2021

The work was supervised by the Diocesan Property Department, reporting to the Trustees who together with professional advisers appointed by the Diocese, ensure that the work is carried out to the highest possible standard.

Parish clubs

There are now four parish member social clubs, all but one of which occupy under license buildings owned by the Diocese Trustee. The Diocesan Finance and Property departments have continued to monitor their management and viability, along with professionals appointed by the clubs.

Volunteers

The charity is heavily reliant on the work of a large number of volunteers, especially in its parishes but also on a number of committees and subcommittees. These volunteers include Lay Eucharistic Ministers and Readers, Catechists, altar servers, parish workers, choirs and musicians, health and safety representatives, child and vulnerable adult safeguarding representatives, members of the St Vincent de Paul Society who help the poor and needy, and many other roles. The trustees are very grateful to all of these people for their contribution to the work of the Diocese.

Schools

As has been the case for many years the Diocese has looked to fulfil its objects partly by the facilitation of education within a Catholic environment. The majority of these schools are voluntary aided state schools or academies at both primary and secondary level and are supported by the Diocesan Schools Commission. Together with a small number of independent schools they operate with a Catholic ethos and while following legislation and curriculum set by the State, also have specific policies and procedures set by or in consultation with the Catholic Education Service.

During the year, a sum of £1.61m (2020: £1.31m) gross of Government grant was spent on school buildings owned by the trustee. For a significant proportion of this expenditure, 10% of the cost had to be found by the Diocese be it from the parishes, the parental voluntary contribution scheme, the schools or other sources. A review is continuing on how this 10% contribution is funded, especially since the level of expenditure greatly exceeds the amount that can be afforded by parishes alone and the fact that many children in Catholic schools come from families which do not attend mass regularly and hence do not help fund the schools through their offertory contributions. The Diocesan Schools Commission supports our schools and their Governors in the work that they do.

Many different projects were carried out around the Diocese as part of the ongoing maintenance and development of our school buildings.

Curial activities

Curial activities include the training of new priests, permanent deacons, catechists, and lay ministers, the support of existing and retired priests, youth ministry, adult education, ecumenism and multi-faith dialogue, safeguarding children and vulnerable adults, justice and peace commission, and a number of commissions covering liturgy, historic churches, pastoral strategy, marriage and family life and the Diocesan Tribunal, amongst others.

In common with many other Dioceses there is a declining number of priests available to serve parishes which, together with the advancing age of those still in service provides an ongoing challenge to the Charity. We currently have six men in seminary training - 3 for the priesthood and 3 for the permanent diaconate. Vocations to the diaconate and new forms of lay ministry are also developing and being supported by the Diocese.

This Diocese looks forward positively to the creation of new housing developments in its larger towns and discussions are in progress as to the measures required to welcome and

The Roman Catholic Diocese of Northampton

Report of the Trustees

Year ended 31 March 2021

provide for the spiritual life of both current and new residents. Each pastoral area is being challenged to develop plans to shape the Church in their area.

Over the last few years the Diocese has raised funds to build a new Centre to serve the Cathedral and the Diocese as a whole, as well as to be a facility for the local community. In Autumn 2020 the St Thomas Centre at Northampton Cathedral was opened. Unfortunately COVID 19 has considerably restricted the use of the Centre; however it was fitting that the first initiative was to provide a food bank to support the local community during the pandemic. Funds pledged from a variety of sources including from reallocated reserves, external trusts and funds and from parishioner donations amounted to £2.7m and the final build cost was £3.4m. External cash receipts amounted to £1.5m.

Fundraising approach and performance

The charity undertakes fundraising activity via appeals, events, emails and correspondence in line with the Fundraising Code of Practice set by the Fundraising Regulator. Our fundraising promise is

'When you support you can be sure of the following:

- We will never sell your contact details to anyone*
- We will only contact you if you have expressed an interest in our work*
- If we phone you, we will always check you are happy to take the call*
- If you ask us to change how we communicate with you, or stop, we will respect that*
- We do not engage in cold-calling, door to door or street fundraising*
- We try hard to ensure no one ever feels pressurised to support our work*
- We are registered with the Fundraising Regulator and adhere to the Fundraising Code of Practice.*
- All our activities are open, fair, honest and legal.*

No professional fundraisers were used during the year under review.

The Diocese has robust procedures in place regarding vulnerable people and treating donors in a fair manner.

The charity is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. Trustees are not aware of any complaints made regarding fundraising activities carried out during the year.

Details of particular fundraising performance is detailed elsewhere in this report.

Designated funds

Designated funds are held for a number of purposes including the education of priests, the maintenance of the Diocesan Curia, the advancement of education, mass stipends, the support of sick and needy priests and funds available for expenditure at the discretion of the Bishop in the course of his work, together with funds to support the retirement provision for priests. A fund has also been created from a share of disposal proceeds where Diocesan and Parish property has been sold. This will enable assistance to be given to parishes where funds are not immediately available for refurbishment works. Expenditure is made from these funds on a regular basis. The continued need for these funds will be reviewed on a regular basis.

Financial management

While each parish under Canon Law is a separate juridical person with the right to acquire, retain, administer and alienate temporal goods in their own right, they operate under financial guidelines issued by the Diocese. These give approval and cheque signing limits and require parishes to file returns with the Diocese on a quarterly basis. There are

The Roman Catholic Diocese of Northampton

Report of the Trustees

Year ended 31 March 2021

also approval and cheque signatory policies operating centrally, and a cycle of internal checks on the operation of financial procedures at parish level, in addition to those carried out by the external auditor.

Funding sources

The principal funding source of the Diocese is the parish offertory collection. Significant levels of income are also received from investments, fundraising activities, interest on cash on deposit and rents received from investment properties. Legacies also form a material portion of Diocesan income. The trustees recognise the uncertain nature of legacies and the material effect that the receipt or otherwise of major gifts can have on the results for any year. The anticipation of significant legacies is therefore discounted from the budgetary process unless the quantum of the receipt can be ascertained with reasonable certainty.

Expenditure

A major part of expenditure in the year is on the support of parish life and in particular the maintenance and repairs of their buildings. The funding and support of building works in schools also resulted in a cost to the Diocese of £258,751 in the year (2020: £238,957).

Results for the year

A summary of the results for the year is shown on page 14 of these financial statements. The trustees report an overall surplus for the year of £3,600,908 (2020: deficit £1,126,739). The deficit for the year is categorised as follows:

	2021	2020
	£	£
General income and expenditure account	3,486,577	555,059
Restricted funds	(232,383)	250,048
Designated funds	346,714	(1,931,846)
	£ 3,600,908	£1,126,739
	=====	=====
	=	=

There were net incoming resources of £1,327,018 (2020: outgoing £256,235) before revaluations and investment asset disposals. The net surplus on investment assets was £2,273,890 (2020: deficit £870,504) of which £2,226,220 was unrealised surplus (2020: deficit £787,422), representing an increase in value between 31 March 2020 and 31 March 2021 as markets recovered from the impact of COVID 19 in March 2020. This unrealised surplus included £447,500 of gain on Investment Properties following a professional revaluation in November 21. The effect of the net surplus on investment assets is to increase a surplus of £1,327,018 (2020: deficit of £256,235) to an overall surplus for the year of £3,600,908 (2020: deficit of £1,126,739).

Financial position

At 31 March 2021, the reserves were: -

	2021	2020
	£	£
Restricted	3,395,350	3,783,305
Restricted – fixed assets	139,131	142,293
Designated	5,306,210	4,782,200
Designated – fixed assets	169,078	172,921
General – fixed assets	15,336,612	14,500,380
General – unrestricted	5,421,432	2,785,806

The Roman Catholic Diocese of Northampton

Report of the Trustees

Year ended 31 March 2021

<u>£29,767,813</u>	<u>£26,166,905</u>
=====	=====
===	===

Restricted funds represent special collections and Easter and Christmas offerings to priests, not yet paid out by the year end. They also include legacies and other funds received for specific purposes.

Designated funds represent funds set aside for specific purposes, as listed in note 6 to these financial statements.

The general fund for fixed assets represents the value invested in fixed assets, principally churches and presbyteries.

Funds available to support the work of the Diocese in the future are those shown above as general unrestricted funds of £5,421,432 (2020: £2,785,806).

COVID 19 has materially impacted the Net Income reported in these financial statements given that many of our churches closed after the first UK lockdown was announced on 23 March 2020. Total Income for the year was down 16% on the previous year. When legacy income was excluded the income reduction was 24% on the previous year. This included £545,743 grant from the Coronavirus Job Retention Scheme and excluding this grant, total income was down 32% on the previous year. Our traded investment portfolio suffered an unrealised loss at the end of 2020 following the announcement of the first UK lockdown. Markets recovered and then stabilised between April and September 2020 and at the end of the year unrealised profits on traded investments were £1,778,720 (2020: loss of £787,422)

Reserves policy

The Main Finance Board meets regularly to plan, monitor and review levels of expenditure on key or significant projects, and hence the impact on reserve levels. General income levels are also monitored regularly. The trustees consider that a prudent level of free reserves (those unrestricted funds not invested in fixed assets or designated for specific purposes) is the equivalent of a maximum of 12 months' expenditure. This will allow the Diocese to deal effectively with a significant drop in income and also react to requests for funding arising from unexpected events. At 31 March 2021, the free reserves of £5,421,432 represented approximately 12.1 months of unrestricted expenditure. However expenditure in 2021 was significantly lower than in 2020 and based on 2020 expenditure free reserves at 31 March 2021 were 7.9 months. Trustees aim to increase the level of reserves held to 8 months by 31 March 23, 9 months by 31 March 2025 and 12 months by 31 March 2027.

Plans for the future

The Diocese will continue to monitor reserve levels to ensure that its long term aims can be met. The continued support of parish life and the Catholic community remains a priority and how this is to be achieved is a major focus for the Charity.

The principal focus will be on a number of main issues: -

- Exploring new ways of evangelisation so as to increase the numbers attending Sunday Mass.
- Using, in a more efficient way, the abilities and skills of the clergy, and being sensitive to the increasing demands made upon them.

The Roman Catholic Diocese of Northampton

Report of the Trustees

Year ended 31 March 2021

- Mobilising the skills and abilities of lay professionals within our congregations to help address the financial and other challenges the Diocese will face over the coming years
- Ensuring that all Churches and ancillary buildings are appropriately maintained to support the mission of the Diocese.
- Making available Diocesan Funds in the event of national or international crises, subject to meeting the objects of the Charity.
- Enabling the resources of the Diocese to fund the core activities at the centre of the Charity's objectives.

Offertory appeals will be held around the Diocese to provide additional resources for parishes, and through the levy, the Curia. While specific increases have not been set, uplifts significantly in excess of inflation will be necessary to offset rising costs.

Funds held on behalf of others

Assets held as custodian trustees

Included within the Diocesan Investment Trust portfolio of shares are units held on behalf of a separately registered charity: The Northampton Diocesan Priests' Fund, whose objects are to aid the secular priests of the Diocese who are permanently or temporarily incapacitated by old age, infirmity, illness or accident. The assets within the overall portfolio are disclosed in note 2 and are separately distinguishable from assets of the Diocese. Quarterly reports are sent to the charity on the investment performance.

Signed by order of the trustees on.....2022

.....
Rt Rev Bishop D J Oakley

The Roman Catholic Diocese of Northampton

Independent Auditors' Report to the Trustees

Year ended 31 March 2021

Opinion

We have audited the financial statements of the Roman Catholic Diocese of Northampton for the year ended 31 March 2021 which comprise Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of the charity's net movement in funds 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 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. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a

The Roman Catholic Diocese of Northampton

Independent Auditors' Report to the Trustees

Year ended 31 March 2021

material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the charity 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 trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Canon Law, employment law, safeguarding regulations and Charity Law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Charities Act 2011 and Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

The Roman Catholic Diocese of Northampton

Independent Auditors' Report to the Trustees

Year ended 31 March 2021

- Review of minutes of trustees' meetings;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. These related to depreciation, investment property valuations and accrued legacies.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date:

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Roman Catholic Diocese of Northampton

Balance Sheet

Year ended 31 March 2021

		2021		2020	
	Note	£	£	£	£
	s				
Fixed assets					
Tangible fixed assets	1	15,644,821		14,815,594	
Investments	2	10,125,166		8,578,768	
Investment properties	2	4,695,000		4,247,500	
		<u> </u>		<u> </u>	
			30,464,987		27,641,862
Current assets					
Debtors	3	2,891,467		2,565,260	
Cash at bank and in hand		2,148,654		-	
		<u> </u>		<u> </u>	
		5,040,121		2,565,260	
Bank Overdraft		-			
Creditors: amounts falling due within one year	4	5,530,337		258,246	
		<u> </u>		<u> </u>	
				-	
Net current liabilities			(490,216)		(1,474,957)
			<u> </u>		<u> </u>
					-
Total assets less current liabilities			29,974,771		26,166,905
Creditors: amounts falling due after one year	5		(206,958)		-
			<u> </u>		<u> </u>
Net assets			£29,767,813		£26,166,905
			=====		=====
			===		===
Funds					
General - unrestricted	6	5,421,432		2,785,806	
General - fixed assets	6	15,336,612		14,500,380	
		<u> </u>		<u> </u>	
			20,758,044		17,286,186

The Roman Catholic Diocese of Northampton

Balance Sheet

Year ended 31 March 2021

Designated	6	5,306,210	4,782,200
Designated – fixed assets	6	169,078	172,921
Restricted	6	3,395,350	3,783,305
Restricted – fixed assets	6	139,131	142,293
		<hr/>	<hr/>
Net assets		£29,767,813	£26,166,905
		=====	=====
		===	====

Approved by the Board of Trustees and authorised for issue on its behalf by:

and signed on

.....
Rt Rev Bishop D J Oakley
Trustee

.....
Rev Dr B Killeen
Trustee

The Roman Catholic Diocese of Northampton

Statement of Financial Activities

Year ended 31 March 2021

		Parochial		Curial		Diocesan	
		Restricted	Unrestricted	Restricted	Unrestricted	2021	2020
		£	£	£	£	£	£
Income from:							
<i>Donations and legacies</i>							
		34,855	3,848,158	331,569	197,328	4,411,910	5,326,026
Second collections	11	113,179	-	-	184	113,363	404,053
Legacies		500	335,475	-	556,652	892,627	374,858
Grants received		30,868	341,917	39,388	200,158	612,331	305,465
Fundraising		64,975	149,027	27,749	44,704	286,455	909,478
<i>Investment income</i>							
Dividend income		-	43,401	16,885	124,471	184,757	267,139
Bank interest		-	-	-	4	4	23
Rental income		-	378,818	-	23,402	402,220	673,707
<i>Other incoming resources</i>							
Sales of assets		-	-	-	787,637	787,637	905,676
Total income		244,377	5,096,796	415,591	1,934,540	7,691,304	9,166,425
Expenditure on:							
<i>Raising funds:</i>							
Costs of generating voluntary income	9	24,019	51,459	-	57,802	133,280	232,657
Investment & property management costs		-	7,735	2,287	43,249	53,271	56,304
Charitable activities:							
2 nd collections & grants	11	148,276	45,147	-	-	193,423	600,469
Support of parish life	7	38,293	3,506,280	48,386	714,049	4,307,008	6,452,986
Curial activities	7	-	7,906	571,731	838,916	1,418,553	1,841,287
School buildings provision	7	-	-	154,234	104,517	258,751	238,957
Total expenditure		210,588	3,618,527	776,638	1,758,533	6,364,286	9,422,660
		33,789	1,478,269	(361,047)	176,007	1,327,018	(256,235)
Other recognised gains/(losses) on investment assets:							
Realised on disposal		-	8,818	3,162	35,690	47,670	(83,082)
Unrealised- Investments		-	293,336	91,713	-	1,778,720	-
		-	-	-	1,393,671	-	(787,422)
Unrealised- Investment Properties		-	-	-	447,500	447,500	-
Net income/(expenditure)		33,789	1,780,423	(266,172)	2,052,868	3,600,908	(1,126,739)
Transfers between funds		-	(1,023,804)	(158,734)	-	-	-
		-	-	-	1,182,538	-	-

The Roman Catholic Diocese of Northampton

Statement of Financial Activities

Year ended 31 March 2021

Net movement in funds	33,789	756,619	(424,906)	3,235,406	3,600,908	(1,126,739)
Reconciliation of funds:						
Total funds brought forward	950,489		2,975,109	9,029,863		
		13,211,444			26,166,905	27,293,644
Total funds carried forward at 31 Mar 2021	£984,278	£13,968,063	£2,550,203	£12,265,269	£29,767,813	£26,166,905

All the activities of the charity are classed as continuing.

Detailed comparatives are shown in Note 17 to these financial statements.

The Roman Catholic Diocese of Northampton

Cash Flow Statement

Year ended 31 March 2021

	2021		2020	
	£	£	£	£
Cash flows from operating activities				
Net cash (used in)/provided by operating activities (see below)		1,134,017		(1,004,774)
Cash flows from investing activities				
Interest received	4		23	
Dividends received	184,757		267,139	
Purchase of property, plant and equipment	(1,188,233)		(2,432,752)	
Proceeds from sale of property, plant and equipment	799,682		953,308	
Purchase of investments	(1,818,736)		(2,202,103)	
Sale of investments	2,098,728		2,260,363	
Sale of investment properties	-		431,979	
Net provided by (used in) investing activities		76,202		(722,043)
Cash flows from financing activities				
Loans received	1,200,000		-	
Interest charged on loans	(3,319)		-	
Net provided by (used in) financing activities		1,196,681		-
Change in cash and cash equivalents		2,406,900		(1,726,817)
Cash and cash equivalents at start of reporting period		(258,246)		1,468,571
Cash and cash equivalents at end of reporting period		£2,148,654		£(258,246)
		=====		=====
		===		==

The Roman Catholic Diocese of Northampton

Cash Flow Statement

Year ended 31 March 2021

The Roman Catholic Diocese of Northampton

Notes to the Cash Flow Statement

Year ended 31 March 2021

(i) Reconciliation of net incoming resources to net cash inflow from operating activities

	2021 £	2020 £
Net (outgoings)/income per SOFA	3,600,908	(1,126,739)
Returns on investment	(2,273,890)	870,504
Investment income	(184,761)	(267,162)
Surplus on disposal of tangible fixed assets	(787,637)	(905,676)
Depreciation	357,908	301,495
Interest on loans	3,319	-
Decrease/(increase) in debtors	(337,154)	116,551
Increase/(decrease) in creditors	755,324	6,253
Net cash (used in) provided by operating activities	£1,134,017	£(1,004,774)
	=====	=====
	==	==

(ii) Reconciliation of net cash flow to movement in net funds

Net funds at 1 April 2020	(258,246)	1,456,064
Increase in cash in the period	2,406,900	(1,714,310)
	=====	=====
Net funds at 31 March 2021	£2,148,654	£(258,246)
	=====	=====
	==	==

(iii) Analysis of changes in Net Funds/(Debt)

	1 April 2020 £	Cash Flow £	31 March 2021 £
Cash in hand and at bank	(258,246)	2,406,900	2,148,654
Debt due within 1 year	-	(1,000,000)	(1,000,000)
Debt due after 1 year	-	(200,000)	(200,000)
	£(258,246)	£1,206,900	£948,654
	=====	=====	=====
	==	==	==
	1 April 2019 £	Cash Flow £	31 March 2020 £
Cash in hand and at bank	1,468,571	(1,726,817)	(258,246)
Debt due after 1 year	(12,507)	12,507	-
	£1,456,064	£(1,714,310)	£(258,246)
	=====	=====	=====
	==	==	==

The Roman Catholic Diocese of Northampton

Notes to the Cash Flow Statement

Year ended 31 March 2021

The Roman Catholic Diocese of Northampton

Statement of Accounting Policies

Year ended 31 March 2021

The principal accounting policies which are adopted in the preparation of the financial statements are set out below:

Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of non-marketable assets held for charitable purposes, investment properties and listed investments at market value. The format of the financial statements has been presented to comply with the Charities Act 2011, FRS102 *The Financial Reporting Standard applicable in the UK and Ireland* and the Statement of Recommended Practice *Accounting and Reporting by Charities* ("SORP 2019"). The Charity is a Public Benefit Entity as defined by FRS102. Figures are presented in sterling and rounded to the nearest pound.

The charity has two subsidiary companies, RCDN Property Services Ltd and St Thomas of Canterbury Cathedral Centre Ltd. The latter is dormant and will remain so until COVID 19 restrictions are fully removed. In the opinion of the Trustees, the activities of RCDN Property Services Ltd are immaterial to the group as a whole and therefore consolidated financial statements have not been prepared.

General information

The Charity is a charity registered in England and Wales (charity number: 234091). The Charity's registered office address is Bishop's House, Marriott Street, Northampton, NN2 6AW.

Going concern

The Trustees consider that there are no material uncertainties which would cast doubt on the Charity's ability to continue as a going concern.

The Trust has significant Fixed Assets including financial investments valued at 30 September 2021 at £10.8m. It also has a cash balance as at 21 January 22 (not including funds held on behalf of schools or clubs) of £4.1m. This balance includes £3m of bank loan finance. £1m of this is a Coronavirus Business Interruption Loan and a further £2m is a term loan used to help finance the construction of the St Thomas Centre. Forecast projections for 12 months from the date these accounts are signed indicate that the charity continues to be going concern in the foreseeable future.

Income and expenditure

Income is recognised in the period in which its receipt is probable and the amount can be measured with reasonable certainty. Income from parochial activities and other voluntary donations is recognised on a receipts basis. Income from investments, grant agencies, rental properties and other sources of a non-ex-gratia nature are recognised on an accruals basis. Legacies are recognised once the charity is advised that payment is due and the amount involved can be quantified.

Costs of raising funds comprise those costs associated with attracting voluntary income and the management of the Charity's investments.

Costs of charitable activities consist of all expenditure directly relating to the objects of the Charity. Support costs which cannot be directly allocated are apportioned between charitable activities and governance costs on the basis of the Trustee's estimate of the time spent on the relevant functions.

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Governance costs include expenditure on management and compliance with

The Roman Catholic Diocese of Northampton

Statement of Accounting Policies

Year ended 31 March 2021

constitutional and statutory requirements together with an allocation of support costs.

Irrecoverable VAT is included with the category of expenses to which it relates.

Tangible assets

a. Freehold land and buildings

Functional land and buildings

1. Churches, Presbyteries, Halls and Offices etc.

Freehold land

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

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

Freehold buildings

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

Buildings which were in use at 31 March 1996 are depreciated at rates calculated to write off their estimated historic cost (less the estimated residual value) evenly over the remainder of their useful life.

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

Unlisted Churches	25 to 100 years
Cathedral and Listed Churches	100 to 200 years
Presbyteries	25 to 50 years
Other buildings	25 to 75 years

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

Details of the addresses of the Diocesan Churches and other buildings (both freehold and leasehold) can be found in the Diocesan yearbook.

2. Voluntary Aided Schools

Land

The charity owns the land on which its Voluntary Aided Schools are built. The nature of the occupation of the land by these exempt and excepted charities means that the Diocesan Trustees do not have the power to dispose of the land, until the school ceases its occupation, which in turn would require the approval of the governors and

The Roman Catholic Diocese of Northampton

Statement of Accounting Policies

Year ended 31 March 2021

the Secretary of State. Consequently, for the purposes of these financial statements the land is treated as inalienable and is not capitalised. The cost of any land acquired for the purposes of a Voluntary Aided School is charged to the Statement of Financial Activities in the year of acquisition.

Buildings

The school buildings are occupied, improved, extended and repaired by the school governors. The nature of the occupation of these buildings by these exempt and excepted charities means that the Diocesan Trustees do not have control over the buildings, until the school ceases its occupation, which in turn would require the approval of the governors and the Secretary of State. Consequently, for the purposes of these financial statements the buildings are treated as inalienable. The school governors account for the building, improvement and repair costs of the schools and account for any grants received in respect of these costs. Grants made by the Diocese or parishes to the governors in order to assist them with their liability for school building costs are charged to the Statement of Financial Activities in the year of payment.

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

a. Freehold land and buildings (continued)

3. Academies

Land

The charity owns the land on which its Academies are built. The nature of the occupation of the land by these multi-academy trusts by long term lease or other agreement means that the Diocesan Trustees do not have the power to dispose of the land, until the school ceases its occupation, under the terms of occupancy. Consequently, for the purposes of these financial statements the land is treated as inalienable and is not capitalised. The cost of any land acquired for the purposes of an Academy is charged to the Statement of Financial Activities in the year of acquisition.

Buildings

The school buildings are occupied, improved, extended and repaired by the Academy Trustees. The nature of the occupation of these buildings by these multi-academy trusts means that the Diocesan Trustees do not have control over the buildings, until the school ceases its occupation under the terms of the lease or occupation terms. Consequently, for the purposes of these financial statements the buildings are treated as inalienable. The academy trustees account for the building, improvement and repair costs of the schools and account for any grants received in respect of these costs. Grants made by the Diocese or parishes to the academy trust in order to assist them with its liability for school building costs are charged to the Statement of Financial Activities in the year of payment.

Details of the Academies are given in the Diocesan Yearbook.

b. Fixtures, fittings and equipment

Fixtures, fittings and equipment which were in use at 31 March 1996 and which had a current replacement cost exceeding £2,000 have been capitalised and included in the financial statements at an estimate of their historical costs (or in the case of donated assets, at an estimate of value at the date of acquisition). Subsequent acquisitions with a cost, (or in the case of donated assets, estimated value) of over £2,000 are capitalised on the same basis. They are depreciated at rates calculated to write off

The Roman Catholic Diocese of Northampton

Statement of Accounting Policies

Year ended 31 March 2021

the cost or valuation, less the estimated residual value, of each asset over its expected useful life as follows:

Church furniture/plate	Over 50 years
Furniture, fixtures and fittings	Over 10 years
Computers	Over 3 years

Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

Investments

Investments are disclosed at market value at the balance sheet date. All changes in value in the year, whether or not realised, are shown in the Statement of Financial Activities. Details of the date and basis of valuation and valuer in respect of investment properties are given in note 2 to these financial statements. As these assets are recorded at current market value, no charge for depreciation is made in the financial statements.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Pension schemes

Contributions towards employees' personal pension schemes are charged to the Statement of Financial Activities in the year in which they become payable. The Diocese is neither liable to finance any funding shortfall, nor entitled to benefit from any over-funding.

The Diocese makes contributions to the personal pension money purchase schemes of a number of its priests. Such contributions are charged to the Statement of Financial Activities in the year in which they fall due. The Diocese also makes provision to pay an income in retirement to priests who do not participate in the money purchase scheme. This provision is held as a designated fund and is funded principally by an annual transfer from general unrestricted funds.

Funds

Restricted funds are funds where the income is restricted by the conditions imposed by the donors. They represent special collections and Easter and Christmas offerings to priests, not yet paid out by the year end. They also include legacies received for specific purposes. Funds generated for specific causes such as the Cathedral Centre campaign are also treated as restricted.

The Roman Catholic Diocese of Northampton

Statement of Accounting Policies

Year ended 31 March 2021

Designated funds represent funds set aside at the discretion of the trustees for specific purposes, as listed in note 6 to these financial statements.

The general fund for fixed assets represents the value invested in fixed assets, principally churches and presbyteries. The balance of unrestricted funds represents funds available to support the work of the Diocese in the future.

Significant judgements

In preparing these financial statements the trustees have had to make estimates and assumptions that affect the amounts recognised in these financial statements. Estimates and judgements 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. Key areas subject to judgement and estimation relate to depreciation, investment property valuations and accrued legacies.

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2021

1. FIXED ASSETS	Church Property £	Furniture and Fittings £	Total £
Cost or valuation			
At 1 April 2020	24,366,159	2,478,333	26,844,492
Additions	1,037,530	150,703	1,188,233
Disposals	(6,406)	-	(6,406)
			-
At 31 March 2021	25,397,283	2,629,036	28,026,319
			-
Depreciation			
At 1 April 2020	10,000,755	2,028,143	12,028,898
Charge for year	312,329	45,579	357,908
Disposals	(5,308)		(5,308)
At 31 March 2021	10,307,776	2,073,722	12,381,498
Net book value			
At 31 March 2021	£15,089,507	£555,314	£15,644,821
	=====	=====	=====
	=	=	==
At 31 March 2020	£14,365,404	£450,190	£14,815,594
	=====	=====	=====
	=	=	==

All assets are used for direct charitable purposes.

The properties, comprising churches, church halls and presbyteries, and contents are stated at actual or estimated historical cost. The market value of fixed assets has not been determined as the benefit to the readers of the financial statements does not, in the opinion of the trustees, justify the cost which would be incurred

Capital commitments

There are capital commitments of nil (2020 - £1,271,532) as at 31 March 2021 relating to building and improvement projects.

2. ANALYSIS OF INVESTMENTS	2021		2020	
	Market value £	Historical cost £	Market value £	Historical cost £
Hunting fund				
UK listed securities	765,497	548,111	422,977	375,591
Non UK listed securities	440,005	251,716	524,455	346,865
Cash balance	10,369	10,369	35,674	35,674
	1,215,871	810,196	983,106	758,130
	=====	=====	=====	=====
Lord Braye Trust				
UK listed securities	8,688	8,236	7,575	8,236
Cash balance	104	104	104	104

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2021

8,792	8,340	7,679	8,340
=====	=====	=====	=====

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2021

2. ANALYSIS OF INVESTMENTS (continued)	2021		2020	
	Market value £	Historical cost £	Market value £	Historical cost £
Special reserve fund				
UK listed securities	1,208,917	950,071	633,002	637,599
Non UK listed securities	606,066	341,847	798,010	579,985
Cash balance	40,064	40,064	71,206	71,206
	<u>1,855,047</u>	<u>1,331,982</u>	<u>1,502,218</u>	<u>1,288,790</u>
	=====	=====	=====	=====
				=
Diocesan Investment Trust				
UK listed securities	3,046,979	2,198,379	1,594,833	1,390,831
Non UK listed securities	1,433,547	728,515	2,113,435	1,567,186
Cash balance	70,183	61,544	158,656	158,656
	<u>4,550,709</u>	<u>2,988,438</u>	<u>3,866,924</u>	<u>3,116,673</u>
	=====	=====	=====	=====
				=
Together in Faith				
UK listed securities	291,400	261,132	59,016	59,610
Non UK listed securities			382,683	406,492
Cash balance	1,258	1,258	11,638	11,638
	<u>292,658</u>	<u>262,390</u>	<u>453,337</u>	<u>477,740</u>
	=====	=====	=====	=====
				=
Legacy				
UK listed securities	407,794	409,285	601,345	629,279
Non UK listed securities			89,434	93,624
Cash balance	588,531	588,531	306,398	306,398
	<u>996,325</u>	<u>997,816</u>	<u>997,177</u>	<u>1,029,301</u>
	=====	=====	=====	=====
				=
Parish Legacy				
UK listed securities	977,459	886,857	481,977	564,920
Non UK listed securities	493,368	372,308	689,933	704,505
Cash balance	35,568	35,568	40,076	40,076
	<u>1,506,395</u>	<u>1,294,733</u>	<u>1,211,986</u>	<u>1,309,501</u>
	=====	=====	=====	=====
Wholly Owned Trading Subsidiary				
RCDN Property Services Ltd	100	100	100	100

Year ended 31 March 2021

There are no material investments held representing more than 5% of the total. The investments are held for both maximising total investment return and to provide income for charitable activities.

- 33 -

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2021

Realised (loss)/gain on investment property disposals	-	(18,021)
Unrealised gain on revaluation	447,500	
At 31 March 2021	£4,695,000	£4,247,500
	=====	=====
		==

The investment properties were valued by Ben Coleman Associates as at November 2021, on the basis of open market value. Trustees consider that the current values of the investment properties have not moved materially since the last valuation.

The investments are held for both maximising total investment return and to provide income for charitable activities.

3. DEBTORS	2021	2020
	£	£
School expenditure recoverable	1,445,093	1,618,724
Prepayments and accrued income	1,446,374	946,536
	£2,891,467	£2,565,260
	=====	=====
		==

Included in accrued income above are legacies of £846,846 (2020: £170,716) which have been received after the year end but were notified prior to this date.

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021	2020
	£	£
Other creditors	522,943	946,320
School devolved formula capital monies	561,527	619,608
Other school monies	3,272,313	2,117,710
PAYE and social security	33,541	32,349
Accruals and deferred income	140,013	65,984
Bank loan	1,000,000	-
	£5,530,337	£3,781,971
	=====	=====
		==

The Bank loan is with the National Westminster Bank Plc. It is supported by the Coronavirus Business Interruption Loan Scheme. The facility is due to be repaid on 31st January 2022 and the annual interest applicable is 0%. There is no security.

5. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2021	2020
	£	£
Other creditors due within two to five years	6,958	-
Loan due within two to five years	200,000	

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2021

£206,958	-
=====	=====

The loan facility is provided by Rathbone Investment Management Ltd. The loan is secured on the investments held with them and attracts interest at a rate of 2.5% above base rate. The loan is due to be repaid on 30th April 2025

6 FUNDS

			Transfer	
	2020 £	Movement in year £	Between Funds £	2021 £
Restricted:				
Restricted: Parishes and other	2,055,869	138,884	(158,734)	2,036,019
Restricted: Together in Faith	1,727,436	(368,105)	-	1,359,331
Fixed Assets	142,293	(3,162)	-	139,131
		-		-
	3,925,598	(232,383)	(158,734)	3,534,481
General: fixed assets	14,500,380	836,232	-	15,336,612
General: diocesan fund	2,785,806	2,650,345	(14,719)	5,421,432
Designated funds:				
Diocesan maintenance	135,713	36,982	-	172,695
Ecclesiastical Education	5,784	143,649	-	149,433
Educational Trust	602,447	107,560	-	710,007
Northampton Slough				
Diocesan Education Trust	345,149	90,815	-	435,964
Mass funds	196,790	39,700	-	236,490
Fox Den Trust	192,670	-	-	192,670
Fox Den Trust fixed assets	172,921	(3,843)	-	169,078
Bishop's Discretionary Fund	28,826	11,068	-	39,894
Chapter fund	9,457	(2,803)	-	6,654
Sick clergy insurance	43,594	42,206	-	85,800
Theological Education	9,875	-	-	9,875
Jubilee Fund	1,284,581	(438,464)	173,453	1,019,570
Property Fund	1,332,209	197,299	-	1,529,508
Trust funds	593,970	122,533	-	716,503

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2021

Ezekiel	1,135	12	-	1,147
	<u>4,955,121</u>	<u>346,714</u>	<u>173,453</u>	<u>5,475,288</u>
Total funds	£26,166,905	£3,600,908	£-	£29,767,813
	=====	=====	=====	=====
	==	=====	=====	=====

6 FUNDS (continued)

			Transfer	
	2019	Movement	Between	2020
	£	in year	Funds	£
		£	£	
Restricted:				
Restricted: Parishes and other	2,329,018	692,494	(965,643)	2,055,869
Restricted: Together in Faith	2,344,858	(439,284)	(178,138)	1,727,436
Restricted: Together in Faith Fixed Assets	145,455	(3,162)	-	142,293
	<u>4,819,331</u>	<u>250,048</u>	<u>(1,143,781)</u>	<u>3,925,598</u>
General: fixed assets	12,401,483	2,098,897	-	14,500,380
General: diocesan fund	4,434,749	(1,543,838)	(105,105)	2,785,806
Designated funds:				
Diocesan maintenance	130,150	5,563	-	135,713
Ecclesiastical Education	147,900	(142,116)	-	5,784
Educational Trust	629,224	(26,777)	-	602,447
Northampton Slough				
Diocesan Education Trust	370,812	(25,663)	-	345,149
Mass funds	205,824	(9,034)	-	196,790
Fox Den Trust	192,670	-	-	192,670
Fox Den Trust fixed assets	176,764	(3,843)	-	172,921
Bishop's Discretionary Fund	31,114	(2,288)	-	28,826
	- 36 -			

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2021

Chapter fund	10,392	(935)	-	9,457
Sick clergy insurance	80,641	(37,047)	-	43,594
GK Chesterton research	111	(111)	-	-
Theological Education	9,875	-	-	9,875
Jubilee Fund	1,297,383	(192,483)	179,681	1,284,581
Cathedral Centre Campaign	720,772	(1,789,977)	1,069,205	-
Property Fund	995,255	336,954	-	1,332,209
Trust funds	638,073	(44,103)	-	593,970
Ezekiel	1,121	14	-	1,135
	<u>5,638,081</u>	<u>(1,931,846)</u>	<u>1,248,886</u>	<u>4,955,121</u>
Total funds	<u>£27,293,644</u>	<u>£(1,126,739)</u>	<u>£-</u>	<u>£26,166,905</u>
	=====	=====	=====	=====
	=====	=====	=====	=====

Restricted funds (Parish and others) represent monies raised for specific purposes and Easter and Christmas offerings to priests, not yet paid out by the year end. They also include legacies received and fundraising for specific purposes, including for the Northampton Cathedral Centre, provisions made for the retirement of priests and voluntary parental contributions to building costs of our voluntary aided schools.

Restricted Together in Faith represents donations made to meet costs to support retired clergy and the training of new priests, as well as the funding of catechists and lay training and also particular parish projects.

6. FUNDS (continued)

Transfers totalling £27,805 (2020: £25,374) relate to amounts paid from general funds for which restricted income has been received.

Transfers of £130,929 were made from the restricted fund associated with the new Cathedral Centre to general funds as the costs of construction have been incurred in full.

An amount transferred from parochial unrestricted to curial unrestricted of £750,351 (2020: £788,089) relates to levies charged to parishes.

Designated funds are amounts set aside at the discretion of the trustees and are for longer term purposes. They include funds set aside for the support of the Bishop, the education of new priests and the laity, the provision of some accommodation for retired priests and the support of schools. Expenditure is made from the majority of these funds on an annual basis, but where this is not the case, the Trustees are continually reviewing their purpose to ensure their designation remains appropriate.

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2021

An amount of £173,453 (2020: £179,681) was transferred from general funds to the Jubilee Pension Fund representing contributions made in the year by parishes to the retirement fund for priests.

The funds above incorporate all funds under the control of the Diocese and these include 3 trusts registered as separate charities:-

Northampton Diocesan Education Fund	Charity Number 267132
Lord Braye's Foundation	Charity Number 242281
The Charity of Frances Alice Chesterton	Charity Number 252034
Northampton Slough Diocese Educational Trust	Charity Number 1165631

7 CHARITABLE ACTIVITIES IN FURTHERANCE OF CHARITY'S OBJECTS

	Restricted Funds £	Unrestrict ed Funds £	2021 Total £	Restricted Funds £	Unrestrict ed Funds £	2020 Total £
Support of parish life						
Liturgical and pastoral	24,577	319,154	343,731	91,716	629,198	720,914
Domestic		243,634	243,634		292,255	292,255
Establishment		987,387	987,387		1,175,810	1,175,810
Office		252,258	252,258		310,893	310,893
Travel		64,176	64,176		111,582	111,582
Personnel	45,224	694,728	739,952	34,985	897,383	932,368
Parish workers		698,134	698,134	25,373	725,390	750,763
Repository		21,331	21,331	47,951	87,972	135,923
Parish church and						

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2021

presbytery repairs	5,472	229,495	234,967	59,017	452,189	511,206
Church and						
presbytery repairs	8,244	355,286	363,530	6,160	1,203,617	1,209,777
Depreciation	3,162	354,746	357,908	3,162	298,333	301,495
Subtotal	86,679	4,220,329	4,307,00	268,364	6,184,622	6,452,986
Activities carried out centrally						
Religious advisers expenses		313,616	313,616		448,012	448,012
Expenses of diocesan commission	7,493	126,571	134,064	13,315	171,683	184,998
Mass funds		(1,908)	(1,908)		8,565	8,565
Marriage tribunal		23,781	23,781		27,435	27,435
Youth service		167,287	167,287		165,609	165,609
Diocesan maintenance		171,813	171,813		195,244	195,244
Ecclesiastical education	66,820	-	66,820		167,372	167,372
Personnel	497,418	39,396	536,814	355,944	267,119	623,063
Diocesan newspaper		6,266	6,266		13,305	13,305
Vocations		0			7,684	7,684
Subtotal	571,731	846,822	1,418,55	369,259	1,472,028	1,841,287
Provision of Catholic school buildings and maintenance						
Donations at parish level		-			2,000	2,000
School repairs	154,234	104,517	258,751	16,024	220,933	236,957
Subtotal	154,234	104,517	258,751	16,024	222,933	238,957
Totals	£812,642	£5,171,670	£5,984,312	£653,647	£7,879,583	£8,533,230
	=====	=====	=====	=====	=====	=====
	=====	=====	=====	=====	=====	=====

8. SUPPORT COSTS

Finance office costs, principally comprising salaries, bank charges, bank interest and office running costs, totalled £453,435 (2020: £527,856). These costs are apportioned to activities either on a direct cost basis, on a staff time basis or on an estimated usage basis of 75% parish life, 20% curia activities, 5% provision of school

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2021

buildings.

9. RAISING FUNDS

	2021 £	2020 £
Fundraising	98,895	193,911
Planned giving expenses	34,385	38,746
Investment management costs	53,271	56,304
	<u>£186,551</u>	<u>£288,961</u>
	=====	=====

10 AUDITORS' REMUNERATION

	2021 £	2020 £
External auditors fees gross of VAT	36,600	28,560
Internal auditors fees	6,525	2,526
	<u>£43,125</u>	<u>£31,086</u>
	=====	=====

11. SECOND COLLECTIONS PAYABLE IN FURTHERANCE OF CHARITY'S OBJECTS

These are special collections held at each parish in support of certain organisations related to the church or supported by individual parishes and the work that they carry out. These incoming donations are held as restricted funds and are then paid out to the relevant organisation.

	2021 £	2020 £
Incoming second collections	113,179	404,053
Amounts paid out	148,276	486,749
	=====	=====

Not included in these figures are second collections taken and paid out in full in relation to a number of organisations where it is either mandatory or customary to support those charities. The monies raised and paid out are treated as conduit funding and so are excluded from the Diocesan accounts. The total of such monies received and paid out in full was £133,129 (2020: £341,851). The organisations supported include Sick and Retired Clergy fund, Holy Shrines, Mass Media, Peter's Pence, Apostleship of the Sea, Society for the Protection of the Unborn Child, Third World Aid, Catholic Fund for Overseas Development (CAFOD), St Vincent de Paul Society, Survive-MIVA (Missionary Vehicle Association).

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2021

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS	Tangible		Net	
	fixed assets £	Investments £	assets £	Total £
2021				
Restricted funds	139,131	893,774	2,501,576	3,534,481
General	15,336,612	11,222,596	(5,801,164)	20,758,044
Designated	169,078	2,703,796	2,602,414	5,475,288
Total funds	£15,644,821	£14,820,166	£(697,174)	£29,767,813
	=====	=====	=====	=====
	==	=		==
2020				
Restricted Funds	142,293	801,186	2,982,119	3,925,598
General	14,500,380	9,848,658	(7,062,852)	17,286,186
Designated	172,921	2,176,424	2,605,776	4,955,121
	£14,815,594	£12,826,268	£(1,474,957)	£26,166,905
	=====	=====	=====	=====
	==	==	==	==

1 STAFF COSTS	2021	2020
	£	£
Gross salaries	1,519,176	1,635,117
Employer's national insurance	103,528	111,454
Employer's pension contributions	47,766	50,283
	£1,670,470	£1,796,854
	=====	=====
	=	==

The average number of employees analysed, by function, was:

	Number	Number
Fundraising and publicity	1	1
Direct charitable	103	106
Management and administration of the charity	5	5
	109	112
	=====	=====

One employee (2020: one employee) earned between £70,001 and £80,000. Employer contributions of £2,913 (2020: £2,913) were made to a personal pension scheme on behalf of that employee.

Key management personnel received salary, employer's national insurance and pension contributions of £291,396 (2020: £320,425).

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2021

Redundancy and termination payments of £3,130 were paid during the year (2020: - £Nil).

14. TRANSACTIONS WITH TRUSTEES

No trustee received remuneration (2020: None) and no trustee was reimbursed (2020: One £206) for expenses in their role as trustee during the year. Insurance premiums paid include trustees' indemnity insurance. A total of £30,520 (2020: £3,360) donations were received from Trustees during the year.

15. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year (2020: £Nil).

16. SUBSIDIARY COMPANIES

The charity currently has two wholly owned subsidiary companies.

St Thomas of Canterbury Cathedral Centre Ltd did not trade in the year. It commenced trading in August 2021.

RCDN Property Services Ltd provides property project management services to schools within the Diocese. The charity owns 100% of the issued share capital of £100 in this company.

A summary of the accounts of the company is provided below:-

	2021	2020
	£	£
Turnover	44,599	15,573
Administrative expenses	(1,103)	(1,560)
	<hr/>	<hr/>
Operating Profit	43,496	14,013
Corporation Tax on Profit	-	(2,662)
	<hr/>	<hr/>
Profit for the financial year	£43,496	£11,351
	<hr/>	<hr/>
	<hr/>	<hr/>
Current assets	64,054	26,050
Creditors:- amounts falling due within one year	(20,458)	(14,599)
	<hr/>	<hr/>
Net current assets	£43,596	£11,451
	<hr/>	<hr/>

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2021

17. SOFA Comparative 2020

		Parochial		Curial		Diocesan	
		Restricted £	Unrestricted £	Restricted £	Unrestricted £	2020 £	2019 £
Income from:							
		£	£	£	£	£	£
<i>Donations and legacies</i>							
Collections & donations		135,665	4,757,064	33,191	400,106	5,326,026	5,526,240
Second collections	11	404,053	-	-	-	404,053	438,183
Legacies		-	189,451	157,572	27,835	374,858	1,571,649
Grants received		74,685	12,500	218,280	-	305,465	262,900
Fundraising		224,142	404,512	232,474	48,350	909,478	796,200
<i>Investment income</i>							
Dividend income		-	60,449	18,874	187,816	267,139	275,846
Bank interest		-	23	-	-	23	18
Rental income		-	649,556	-	24,151	673,707	576,342
<i>Other incoming resources</i>							
Sales of assets		-	-	-	905,676	905,676	113,816
Total income		838,545	6,073,555	660,391	1,593,934	9,166,425	9,561,194
Expenditure on:							
<i>Raising funds:</i>	9						
Costs of generating voluntary income		50,575	123,320	-	58,762	232,657	181,557
Investment & property management costs		-	7,976	2,189	46,139	56,304	52,499
Charitable activities:							
2 nd collections & grants	11	486,749	113,720	-	-	600,469	577,437
Support of parish life	7	230,217	5,721,727	38,147	462,895	6,452,986	6,181,113
Curial activities	7	-	9,425	369,259	1,462,603	1,841,287	1,778,314
School buildings provision	7	605	2,739	15,419	220,194	238,957	256,988
Total expenditure		768,146	5,978,907	425,014	2,250,593	9,422,660	9,027,908
		70,399	94,648	235,377	(656,659)	(256,235)	533,286
Other recognised gains/(losses) on investment assets:							
Realised on disposal		-	(2,796)	(1,060)	(79,226)	(83,082)	162,925
Unrealised		-	(125,391)	(54,668)	(607,363)	(787,422)	399,619
Net income/(expenditure)		70,399	(33,539)	179,649	(1,343,248)	(1,126,739)	1,095,830
Transfers between funds		(7,043)	(1,083,176)	(1,136,738)	2,226,957	-	-
Net movement in funds		63,356	(1,116,715)	(957,089)	883,709	(1,126,739)	1,095,830
Reconciliation of funds:							
Total funds brought forward		887,133	14,328,159	3,932,198	8,146,154	27,293,644	26,197,814
Total funds carried forward at 31 Mar 2020		£950,489	£13,211,444	£2,975,109	£9,029,863	£26,166,905	£27,293,644

All the activities of the charity are classed as continuing.