

financial statements

The Roman Catholic Diocese of Northampton

For the year ended 31 March 2022

Registered charity number: 234091

The Roman Catholic Diocese of Northampton

Financial Statements

Year ended 31 March 2022

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Trust information

Registered charity number	234091
Governing instrument	Trust Deed 11 July 1949 as amended 11 October 2006
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) Rev Mgr Provost S Healy (resigned 31st August 2021) Rev Mgr K McGinnell (resigned 22nd December 2021) Rev Dr B Killeen Mr C J C Peachey (resigned 4th April 2022) Rev A W Brennan Rev C Walking-Lea Mrs K Goodwin Mr A Clutterbuck Mr P E Commons Mr T F O Larkin Mrs M M Cripps (appointed 5th May 2021) Rev Canon Michael Harrison (appointed 18th August 2021) Rev Christopher Perry (appointed 31st August 2021) Mrs S Campbell (appointed 19th May 2022)</p>
Secretary	Mr AJ McNiff
Registered Office	<p>Bishop's House Marriott Street Northampton NN2 6AW</p>
Auditors	<p>Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG</p>
Bankers	<p>National Westminster Bank plc 25 Corporation Street Corby Northants NN17 1NR</p>
Investment advisers	<p>Rathbones 8 Finsbury Circus London EC2M 7AZ</p> <p>CCLA Investment Management Limited One Angel Lane London EC4R 3AB</p>

The Roman Catholic Diocese of Northampton

Independent Auditors' Report to the Trustees

Year ended 31 March 2022

Report of the trustees

The trustees have pleasure in presenting their report, together with the financial statements, for the year ended 31 March 2022.

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 (2021: None).

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;
- 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

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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 2022 these included the Chief Operating Officer 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 15 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 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 Property, Health & Safety Subcommittee. The Diocese receives professional Health and Safety advice from RBS & NatWest Mentor.

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The increasing age and declining number of diocesan 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.

Once again the results for the year have been impacted by COVID 19. Whilst legal restrictions ended in England in July 2021 and the vaccination programme certainly helped, the strain on the NHS and concerns about the new Omicron strain of the virus meant that parishioners continued to take a cautious approach about returning to churches. It was only at Easter 2022 that the Church across England and Wales moved towards an expectation of physical mass attendance. As a result total revenue remained weak during 2021/22 being only 0.6% higher than the previous year. Total expenditure was however 2.4% lower. Once again the position was helped significantly by the support from the Government's Coronavirus Job Retention Scheme. Churches are now open and most parishioners have returned to church, however the impact of COVID 19 on mass attendance will take time to recover and may not do so fully. 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 four 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 26 are academies within our 2 multi-academy trusts and 1 is an independent college. 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. Meetings of the Investment Committee take place every 6 months and 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.

At 31 March 2022, the portfolio of investments had a market value of £10,519,750. There were realised losses of £227,123 and unrealised gains of £677,179. Total investment income in the year was £184,506.

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 and geopolitical events such as the war in Ukraine, on the stock market. Over the last two years there has been significant volatility in our investments as they have dipped and then subsequently recovered. However the Diocese considers itself a long term investor and together with its advisers takes steps to mitigate the risk of significant volatility.

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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 19,887 people attending mass each Sunday together with masses also being said each day in our parishes. 20,904 children, both Catholic and non-Catholic, attended our schools. Donations of £484,009 (2021: £246,308) 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 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 implications, particularly the fear of infection and new variants as the vaccine rollout gathered pace. These understandable concerns were addressed by maintaining appropriate mitigations (face masks, social distancing, and sanitising)

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and for many 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. Those who did not feel comfortable returning to church in person, kept in touch with parishes 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 2022, 19,887 people attended mass on a weekly basis and there were 1,647 baptisms, 1,097 people confirmed and 193 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, the financial impact of COVID 19 and the cost of living crisis in the UK have 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 £319,334 compared with £214,002 in 2021.

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 £479,398 (2021: £598,497) being spent during the year at parish and Diocesan level.

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. These social clubs are in the process of converting to community interest companies where the relationship with the Diocese as landlord will be better clarified.

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 our one independent school they operate with a Catholic ethos and while

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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 £1.84m (2021: £1.61m) gross of Government grant was spent on voluntary aided 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 three men in seminary training, 2 for the priesthood and 1 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 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.

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.

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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 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 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 £257,219 in the year (2021: £258,751).

Results for the year

A summary of the results for the year is shown in the financial statements. The trustees report an overall surplus for the year of £1,975,846 (2021: £3,600,908). The surplus for the year is categorised as follows:

	2022	2021
	£	£
General income and expenditure account	1,975,095	3,486,577
Restricted funds	(189,986)	(232,383)
Designated funds	190,737	346,714
	£ 1,975,846	£ 3,600,908

There were net incoming resources of £1,525,790 (2021:£1,327,018) before revaluations and investment asset disposals. The net gain in investment assets was £450,056 (2021: £2,273,890) of which £677,179 was unrealised surplus (2021: £1,778,720), representing an increase in value between 31 March 2021 and 31 March 2022. The effect of the net gain on investment assets is to increase a surplus of £1,525,790 (2021: £1,327,018) to an overall surplus for the year of £1,975,846 (2021: £3,600,908).

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Financial position

At 31 March 2022, the reserves were: -

	2022 £	2021 £
Restricted	3,204,448	3,395,350
Restricted – fixed assets	135,969	139,131
Designated	5,674,956	5,306,210
Designated – fixed assets	165,235	169,078
General – fixed assets	15,135,229	15,336,612
General – unrestricted	7,427,822	5,421,432
	£31,743,659	£29,767,813

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 £7,427,822 (2021: £5,421,432).

Once again the results for the year have been impacted by COVID 19. Whilst legal restrictions ended in England in July 2021 and the vaccination programme certainly helped, the strain on the NHS and concerns about the new Omicron strain of the virus meant that parishioners continued to take a cautious approach about returning to churches. It was only at Easter 2022 that the Church across England and Wales moved towards an expectation of physical mass attendance. As a result total income remained weak during 2021/22 being only 0.6% higher than the previous year. However when legacy income was excluded the income increase was 8.2% on the previous year. This included £152,383 (2021: £545,743 grant from the Coronavirus Job Retention Scheme and excluding this grant, total income was up 15.2% on the previous year. Our traded investment portfolio experienced turbulent conditions given the continuing effects of the pandemic and towards the end of the year, the Russian invasion of Ukraine. However overall unrealised profits on traded investments were £677,179 (2021: £1,778,720)

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 2022, the free reserves of £7,427,822 represented approximately 17.2 months (2021: 12.1) of unrestricted expenditure. However expenditure in 2022 included a £702,561 bad debt provision release and excluding that 2022 expenditure free reserves at 31 March 2022 were 15.2 months. Trustees will continue to aim to maintain the level of free reserves in the longer term at 12 months expenditure recognising that asset sales may inflate the reserves above the target for a short to medium term period.

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.

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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.
- 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 the Churches and ancillary buildings required 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/second collections, 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 29th September 2023



Rt Rev Bishop D J Oakley

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Independent Auditors' Report to the Trustees

Year ended 31 March 2022

Independent auditor's report to the trustees of the Roman Catholic Diocese of Northampton

Opinion

We have audited the financial statements of the Roman Catholic Diocese of Northampton for the year ended 31 March 2022 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 group's and of the parent charity's affairs as at 31 March 2022 and of the group'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 group 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 group'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 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

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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 parent 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 parent 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 group's and the parent 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 group or the parent 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 group 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:

- 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

The Roman Catholic Diocese of Northampton

Independent Auditors' Report to the Trustees

Year ended 31 March 2022

- Challenging assumptions and judgements made by management in their critical accounting estimates. These related to depreciation, investment property valuations and accrued legacies.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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:12 October 2023.....

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 2022

	Notes	£	2022 £	£	2021 £	£
Fixed assets						
Tangible fixed assets	1	15,436,433			15,644,821	
Investments	2	10,519,750			10,125,166	
Investment properties	2	4,695,000			4,695,000	
				30,651,183		30,464,987
Current assets						
Debtors	3	1,847,432			2,891,467	
Cash at bank and in hand		5,767,101			2,148,654	
				7,614,533		5,040,121
Creditors: amounts falling due within one year	4	3,370,461			5,530,337	
Net current liabilities				4,244,072		(490,216)
Total assets less current liabilities				34,895,255		29,974,771
Creditors: amounts falling due after one year	5			(3,151,596)		(206,958)
Net assets				£31,743,659		£29,767,813
Funds						
General – unrestricted	6			7,427,822		5,421,432
General – fixed assets	6			15,135,229		15,336,612
				22,563,051		20,758,044
Designated	6			5,674,956		5,306,210
Designated – fixed assets	6			165,235		169,078
Restricted	6			3,204,448		3,395,350
Restricted – fixed assets	6			135,969		139,131
Net assets				£31,743,659		£29,767,813

Approved by the Board of Trustees and authorised for issue on 29th September 2023 and signed on its behalf by:

+ David

Bea

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 2022

		Parochial		Curial		Diocesan	
		Restricted £	Unrestricted £	Restricted £	Unrestricted £	2022 £	2021 £
Income from:							
<i>Donations and legacies</i>							
Collections & donations		58,613	4,577,164	24,033	315,646	4,975,456	4,411,910
Second collections	11	270,861	-	-	-	270,861	113,363
Legacies		-	126,386	-	252,397	378,783	892,627
Grants received		-	93,586	365,465	60,736	519,787	612,331
Fundraising		85,030	234,304	1,041	55,371	375,746	286,455
<i>Investment income</i>							
Dividend income		-	47,511	16,019	120,975	184,505	184,757
Bank interest		-	-	-	1	1	4
Rental income		-	535,509	-	15,443	550,952	402,220
<i>Other incoming resources</i>							
Sales of assets		-	237,005	-	244,414	481,419	787,637
Total income		414,504	5,851,465	406,558	1,064,983	7,737,510	7,691,304
Expenditure on:							
<i>Raising funds:</i>							
Costs of generating	9						
voluntary income		7,988	65,001	864	20,026	93,879	133,280
Investment & property							
management costs		-	7,728	2,242	41,450	51,420	53,271
<i>Charitable activities:</i>							
2 nd collections & grants	11	317,362	10,212	-	-	327,574	193,423
Support of parish life	7	41,834	3,781,128	68,798	789,382	4,681,142	4,307,008
Curial activities	7	-	-	567,167	933,967	1,501,134	1,418,553
School buildings							
provision	7	1,409	1,913	25,347	(472,098)	(443,429)	258,751
Total expenditure		368,593	3,865,982	664,418	1,312,727	6,211,720	6,364,286
		45,911	1,985,483	(257,860)	(247,744)	1,525,790	1,327,018
Other recognised gains/							
(losses) on investment							
assets:							
Realised on disposal		-	(28,387)	(9,051)	(189,685)	(227,123)	47,670
Unrealised- Investments		-	101,243	31,014	544,922	677,179	1,778,720
Unrealised- Investment							
Properties		-	-	-	-	-	447,500
Net income/(expenditure)		45,911	2,058,339	(235,897)	107,493	1,975,846	3,600,908
Transfers between funds			(1,262,507)	(4,078)	1,266,585	-	-
Net movement in funds		45,911	795,832	(239,975)	1,374,078	1,975,846	3,600,908
Reconciliation of funds:							
Total funds brought forward		984,278	13,968,063	2,550,203	12,265,269	29,767,813	26,166,905
Total funds carried forward at 31 Mar 2022		1,030,189	14,763,895	2,310,228	13,639,347	31,743,659	£29,767,813

All the activities of the charity are classed as continuing.

Detailed comparatives are shown in Note 18 to these financial statements.

The Roman Catholic Diocese of Northampton

Cash Flow Statement

Year ended 31 March 2022

	2022		2021	
	£	£	£	£
Cash flows from operating activities				
Net cash (used in)/provided by operating activities (see below)		1,151,661		1,134,017
Cash flows from investing activities				
Interest received	1		4	
Dividends received	184,505		184,757	
Purchase of property, plant and equipment	(218,234)		(1,188,233)	
Proceeds from sale of property, plant and equipment	489,531		799,682	
Purchase of investments	(3,177,889)		(1,818,736)	
Sale of investments	3,233,361		2,098,728	
Net provided by (used in) investing activities		511,275		76,202
Cash flows from financing activities				
Loans received	2,000,000		1,200,000	
Interest charged on loans	(44,489)		(3,319)	
Net provided by (used in) financing activities		1,955,511		1,196,681
Change in cash and cash equivalents		3,618,447		2,406,900
Cash and cash equivalents at start of reporting period		2,148,654		(258,246)
Cash and cash equivalents at end of reporting period		£5,767,101		£2,148,654

The Roman Catholic Diocese of Northampton

Notes to the Cash Flow Statement

Year ended 31 March 2022

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

	2022 £	2021 £
Net (outgoings)/income per SOFA	1,975,846	3,600,908
Returns on investment	(450,056)	(2,273,890)
Investment income	(184,506)	(184,761)
Surplus on disposal of tangible fixed assets	(481,419)	(787,637)
Depreciation	426,622	357,908
Interest on loans	61,879	3,319
Decrease/(increase) in debtors	1,035,922	(337,154)
Increase/(decrease) in creditors	(1,232,627)	755,324
Net cash (used in) provided by operating activities	£1,151,661	£1,134,017

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

Net funds at 1 April 2021	2,148,654	(258,246)
Increase in cash in the period	3,618,447	2,406,900
Net funds at 31 March 2022	£5,767,101	£2,148,654

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

	1 April 2021 £	Cash Flow £	31 March 2022 £
Cash in hand and at bank	2,148,654	3,618,447	5,767,101
Debt due within 1 year	(1,000,000)	1,000,000	-
Debt due after 1 year	(200,000)	(2,944,638)	(3,144,638)
	£948,654	£1,673,809	£2,622,463

	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

The Roman Catholic Diocese of Northampton

Statement of Accounting Policies

Year ended 31 March 2022

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 commenced trading during the period. In the opinion of the Trustees, the activities of RCDN Property Services Ltd and St Thomas of Canterbury Cathedral Centre 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 30th March 2023 at £9.6m. It also has a cash balance as at 30th March 23 (not including funds held on behalf of schools or clubs) of £5.3m. This balance includes £2.8m of bank loan finance. 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 constitutional and statutory requirements together with an allocation of support costs.

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

The Roman Catholic Diocese of Northampton

Statement of Accounting Policies

Year ended 31 March 2022

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.

Addresses of Diocesan Churches and other buildings 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 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 are given in the Diocesan Yearbook.

The Roman Catholic Diocese of Northampton

Statement of Accounting Policies

Year ended 31 March 2022

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 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.

The Roman Catholic Diocese of Northampton

Statement of Accounting Policies

Year ended 31 March 2022

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 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 and other funds received for specific purposes.

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 2022

1. FIXED ASSETS	Church Property £	Furniture and Fittings £	Total £
Cost or valuation			
At 1 April 2021	25,397,283	2,629,036	28,026,319
Additions	202,231	16,003	218,234
At 31 March 2022	25,599,514	2,645,039	28,244,553
Depreciation			
At 1 April 2021	10,307,776	2,073,722	12,381,498
Charge for year	372,020	54,602	426,622
At 31 March 2022	10,679,796	2,128,324	12,808,120
Net book value			
At 31 March 2022	£14,919,718	£516,715	£15,436,433
At 31 March 2021	£15,089,507	£555,314	£15,644,821

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 (2021 - nil) as at 31 March 2022

2. ANALYSIS OF INVESTMENTS	2022		2021	
	Market value	Historical cost	Market value	Historical cost
	£	£	£	£
Hunting fund				
UK listed securities	712,190	541,460	765,497	548,111
Non UK listed securities	533,640	378,628	440,005	251,716
Cash balance	31,556	31,556	10,369	10,369
	1,277,386	951,644	1,215,871	810,196
Lord Braye Trust				
UK listed securities	9,254	8,236	8,688	8,236
Cash balance	104	104	104	104
	9,358	8,340	8,792	8,340

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2022

2. ANALYSIS OF INVESTMENTS (continued)	2022		2021	
	Market value	Historical cost	Market value	Historical cost
	£	£	£	£
Special reserve fund				
UK listed securities	1,052,348	849,694	1,208,917	950,071
Non UK listed securities	819,280	600,657	606,066	341,847
Cash balance	63,170	63,170	40,064	40,064
	<u>1,934,798</u>	<u>1,513,521</u>	<u>1,855,047</u>	<u>1,331,982</u>
Diocesan Investment Trust				
UK listed securities	2,609,598	1,969,360	3,046,979	2,198,379
Non UK listed securities	1,791,521	1,222,766	1,433,547	728,515
Cash balance	101,371	101,371	70,183	61,544
	<u>4,502,490</u>	<u>3,293,497</u>	<u>4,550,709</u>	<u>2,988,438</u>
Together in Faith				
UK listed securities	310,200	261,132	291,400	261,132
Non UK listed securities	-	-	-	-
Cash balance	1,258	1,258	1,258	1,258
	<u>311,458</u>	<u>262,390</u>	<u>292,658</u>	<u>262,390</u>
Legacy				
UK listed securities	746,768	755,516	407,794	409,285
Non UK listed securities	144,513	142,279	-	-
Cash balance	72,752	72,752	588,531	588,531
	<u>964,033</u>	<u>970,547</u>	<u>996,325</u>	<u>997,816</u>
Parish Legacy				
UK listed securities	973,677	891,175	977,459	886,857
Non UK listed securities	542,217	442,990	493,368	372,308
Cash balance	55,952	55,952	35,568	35,568
	<u>1,571,846</u>	<u>1,390,117</u>	<u>1,506,395</u>	<u>1,294,733</u>
Catholic Investment Fund				
UK listed securities	1,063	1,000	-	-
Wholly Owned Trading Subsidiary				
RCDN Property Services Ltd	100	100	100	100
St Thomas of Canterbury Cathedral Centre Ltd	100	100	-	-
	<u>200</u>	<u>200</u>	<u>100</u>	<u>100</u>

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2022

	Market Value	
	2022	2021
	£	£
Total investments controlled by the Diocese	10,572,632	10,425,897
Diocesan Investment Trust units held by The Northampton Diocesan Priests Fund	(52,882)	(300,731)
Total investments held by the Diocese	£10,519,750	£10,125,166

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.

	2022	2021
	£	£
Market value		
At 1 April 2021	10,125,166	8,578,768
Additions	3,347,788	1,696,411
Disposals	(3,233,361)	(2,098,728)
Unrealised (losses)/gains on investments	677,179	1,778,720
Realised (losses)/gains on investments	(227,123)	47,670
Movement on bank accounts	(169,899)	122,325
At 31 March 2022	£10,519,750	£10,125,166
	2022	2021
	£	£
Investment property		
At valuation		
At 1 April 2021	4,695,000	4,247,500
Unrealised gain on revaluation	-	447,500
At 31 March 2022	£4,695,000	£4,695,000

The investment properties were valued by Ben Coleman Associates in 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.

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2022

3. DEBTORS	2022 £	2021 £
School expenditure recoverable	544,139	1,445,093
Prepayments and accrued income	1,303,293	1,446,374
	£1,847,432	£2,891,467

Included in accrued income above are legacies of £646,772 (2021: £846,846) which have been received after the year end but were notified prior to this date.

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022 £	2021 £
Other creditors	483,938	522,943
School devolved formula capital monies	571,684	561,527
Other school monies	2,104,061	3,272,313
PAYE and social security	41,606	33,541
Accruals and deferred income	169,172	140,013
Bank loan	-	1,000,000
	£3,370,461	£5,530,337

5. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2022 £	2021 £
Other creditors due within two to five years	6,958	6,958
Loans, due within two to five years	3,144,638	200,000
	£3,151,596	£206,958

The Diocese had three loans due within two to five years as at 31st March 2022

1. £200,000 provided by Rathbones Investment Management Ltd. The loan was secured on the investments held with them and attracted interest at a rate of 2.5% above base rate. The loan was due to be repaid on 30th April 2025 but was repaid in full in January 2023.
2. £2,000,000 provided by Barclays Bank PLC. The loan is secured on the Cathedral Centre in Northampton and attracts interest at a fixed rate of 2.98% for the duration of the loan. The loan is due to be repaid on 12th April 2026 and had a balance outstanding of £1,944,638 as at 31st March 2022
3. £1,000,000 provided by Barclays Bank PLC. The loan is secured on the Cathedral Centre in Northampton and attracts interest at a fixed rate of 3.69% for the duration of the loan. The loan is due to be repaid on 8th February 2027 and had a balance outstanding of £1,000,000 as at 31st March 2022

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2022

6. FUNDS

	2021 £	Movement in year £	Transfer Between Funds £	2022 £
Restricted:				
Restricted: Parishes and other	2,036,019	(56,870)	(4,078)	1,975,071
Restricted: Together in Faith	1,359,331	(129,954)	-	1,229,377
Fixed Assets	139,131	(3,162)	-	135,969
	<u>3,534,481</u>	<u>(189,986)</u>	<u>(4,078)</u>	<u>3,340,417</u>
General: fixed assets	15,336,612	(201,383)	-	15,135,229
General: diocesan fund	5,421,432	2,176,478	(170,088)	7,427,822
Designated funds:				
Diocesan maintenance	172,695	19,232	-	191,927
Ecclesiastical Education	149,433	87,682	-	237,115
Educational Trust	710,007	30,474	-	740,481
Northampton Slough Diocesan Education Trust	435,964	26,348	-	462,312
Mass funds	236,490	1,594	-	238,084
Fox Den Trust	192,670	-	-	192,670
Fox Den Trust fixed assets	169,078	(3,843)	-	165,235
Bishop's Discretionary Fund	39,894	3,974	-	43,868
Chapter fund	6,654	(6,010)	-	644
Sick clergy insurance	85,800	21,717	-	107,517
Theological Education	9,875	-	-	9,875
Jubilee Fund	1,019,570	(265,187)	174,166	928,549
Property Fund	1,529,508	244,415	-	1,773,923
Trust funds	716,503	30,341	-	746,844
Ezekiel	1,147	-	-	1,147
	<u>5,475,288</u>	<u>190,737</u>	<u>174,166</u>	<u>5,840,191</u>
Total funds	<u>£29,767,813</u>	<u>1,975,846</u>	<u>-</u>	<u>31,743,659</u>

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2022

6. FUNDS (continued)

	2020 £	Movement in year £	Transfer 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
	<u>3,925,598</u>	<u>(232,383)</u>	<u>(158,734)</u>	<u>3,534,481</u>
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
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	<u><u>£26,166,905</u></u>	<u><u>£3,600,908</u></u>	<u><u>£-</u></u>	<u><u>£29,767,813</u></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, 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.

Transfers totalling £16,091 (2021: £27,805) relate to amounts paid from general funds for which restricted income has been received. £12,013 was transferred from general funds to curial restricted to reflect the restrictions of a grant received in 2019/20

Transfers of £100,000 (2021: £100,000) were made from parochial unrestricted to curial unrestricted as parish support towards the costs of construction of the Cathedral Centre completed in 2020/21.

An amount transferred from parochial unrestricted to curial unrestricted of £751,336 (2021: £750,351) relates to levies charged to parishes.

6. FUNDS (continued)

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2022

An amount transferred from parochial unrestricted to curial unrestricted of £237,005 relates to the parish element of the sale of St Anselm recognised as being available for the support of Diocesan general expenditure.

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.

An amount of £174,166 (2021: £173,453) 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 4 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

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2022

7. CHARITABLE ACTIVITIES IN FURTHERANCE OF CHARITY'S OBJECTS

	Restricted Funds £	Unrestricted Funds £	2022 Total £	Restricted Funds £	Unrestricted Funds £	2021 Total £
Support of parish life						
Liturgical and pastoral	24,658	427,765	452,423	24,577	319,154	343,731
Domestic	-	270,145	270,145	-	243,634	243,634
Establishment	-	1,088,276	1,088,276	-	987,387	987,387
Office	-	374,962	374,962	-	252,258	252,258
Travel	-	77,675	77,675	-	64,176	64,176
Personnel	65,636	787,053	852,689	45,224	694,728	739,952
Parish workers	-	616,631	616,631	-	698,134	698,134
Repository	-	42,321	42,321	-	21,331	21,331
Parish church and presbytery repairs	17,176	228,601	245,777	5,472	229,495	234,967
Church and presbytery repairs	-	233,621	233,621	8,244	355,286	363,530
Depreciation	3,162	423,460	426,622	3,162	354,746	357,908
Subtotal	110,632	4,570,510	4,681,142	86,679	4,220,329	4,307,008
Activities carried out centrally						
Religious advisers expenses	-	313,369	313,369	-	313,616	313,616
Expenses of diocesan commission	27,000	229,154	256,154	7,493	126,571	134,064
Mass funds	-	6,939	6,939	-	(1,908)	(1,908)
Marriage tribunal	-	23,497	23,497	-	23,781	23,781
Youth service	-	93,419	93,419	-	167,287	167,287
Diocesan maintenance	-	207,521	207,521	-	171,813	171,813
Ecclesiastical education	79,476	-	79,476	66,820	-	66,820
Personnel	460,691	7,483	468,174	497,418	39,396	536,814
Diocesan communications	-	50,361	50,361	-	6,266	6,266
Vocations	-	2,224	2,224	-	-	-
Subtotal	567,167	933,967	1,501,134	571,731	846,822	1,418,553
Provision of Catholic school buildings and maintenance						
Donations at parish level	-	1,913	1,913	-	-	-
School repairs	26,756	230,463	257,219	154,234	104,517	258,751
School debt provision	-	(702,561)	(702,561)	-	-	-
Subtotal	26,756	(470,185)	(443,429)	154,234	104,517	258,751
Totals	704,555	5,034,292	5,738,847	£812,644	£5,171,668	£5,984,312

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2022

8. SUPPORT COSTS

Finance office costs, principally comprising salaries, bank charges, bank interest and office running costs, totalled £550,026 (2021: £453,435). 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 buildings.

9. RAISING FUNDS	2022 £	2021 £
Fundraising	92,784	98,895
Planned giving expenses	1,095	34,385
Investment management costs	51,420	53,271
	<u>£145,299</u>	<u>£186,551</u>

10. AUDITORS' REMUNERATION	2022 £	2021 £
External auditors fees gross of VAT	31,200	36,600
Internal auditors fees	4,125	6,525
	<u>£35,325</u>	<u>£43,125</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.

	2022 £	2021 £
Incoming second collections	270,861	113,179
Amounts paid out	327,574	148,276
	<u></u>	<u></u>

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 £213,148 (2021: £133,129). The organisations supported include 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 2022

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Tangible		Net	Total
	fixed assets £	Investments £	assets £	
2022				
Restricted funds	135,969	913,496	2,290,952	3,340,417
General	15,135,229	11,470,521	(4,042,699)	22,563,051
Designated	165,235	2,830,733	2,844,223	5,840,191
Total funds	15,436,433	15,214,750	1,092,476	31,743,659
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
13. STAFF COSTS			2022 £	2021 £
Gross salaries			1,552,475	1,519,176
Employer's national insurance			114,158	103,528
Employer's pension contributions			51,362	47,766
			£1,717,995	£1,670,470
The average number of employees analysed, by function, was:			Number	Number
Fundraising and publicity			1	1
Direct charitable			99	103
Management and administration of the charity			4	5
			104	109

One employee (2021: one employee) earned between £70,001 and £80,000 and one employee (2021: none) earned between £80,001 and £90,000. Employer contributions of £6,513 (2021: £2,913) were made to personal pension schemes on behalf of these employees.

Key management personnel received salary, employer's national insurance and pension contributions of £295,396 (2021: £291,396).

Redundancy and termination payments of £7,108 were paid during the year (2021: £3,130).

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2022

14. CONTINGENT LIABILITY – ST FRANCIS CHILDRENS SOCIETY

In May 1979 the Diocese was closely linked with the St Francis' Childrens' Society and provided a guarantee to the County Council of Bedfordshire when the Society's employees were admitted to the superannuation scheme maintained by the Council. In 2005 the connection between the Society and the Diocese ceased however the guarantee remained in place. In November 2022 the St Francis' Childrens' Society entered administration and a provisional estimate of the liability owed to the Bedfordshire Pension Fund is £767,000. This has not been recognised as a liability in these accounts as the validity of the guarantee has yet to be confirmed and the value of the liability is dependent upon the outcome of the administration.

15. TRANSACTIONS WITH TRUSTEES

No trustee received remuneration (2021: None) and no trustee was reimbursed (2021: None) for expenses in their role as trustee during the year. Insurance premiums paid include trustees' indemnity insurance. A total of £32,900 (2021: £30,520) donations were received from Trustees during the year.

16. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year (2021: £Nil).

17. SUBSIDIARY COMPANIES

The charity currently has two wholly owned subsidiary companies.

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:-

	2022	2021
	£	£
Turnover	137,883	44,599
Administrative expenses	(1,104)	(1,103)
Operating Profit	136,779	43,496
Profit for the financial year	£136,779	£43,496
Current assets	141,599	64,054
Creditors:- amounts falling due within one year	(4,720)	(20,458)
Net assets	£136,879	£43,596

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Year ended 31 March 2022

St Thomas of Canterbury Cathedral Centre Ltd commenced trading on 1st September 2021 using the trading name Café 1850. Café 1850 is intended to be a community asset. Turnover relates to restaurant and event catering activities provided to parishioners and the wider community. The charity owns 100% of the issued share capital of £100 in this company. A summary of the financial statements for the 7 months to 31st March 2022 is provided below:-

	2022	2021
	£	£
Turnover	34,252	-
Cost of Sales	(9,549)	-
	<hr/>	<hr/>
Gross Profit	24,703	-
Administrative expenses	(30,913)	(16,518)
Other operating income - grants	2,667	-
	<hr/>	<hr/>
Operating Loss	(3,543)	(16,518)
	<hr/>	<hr/>
Loss for the period/year	£(3,543)	£(16,518)
	<hr/>	<hr/>
Tangible Fixed Assets	20,243	21,497
Current assets	13,426	10,497
Creditors:- amounts falling due within one year	(53,630)	(48,412)
	<hr/>	<hr/>
Net assets	£(19,961)	£(16,418)
	<hr/>	<hr/>

The Roman Catholic Diocese of Northampton

Notes to the Financial Statements

Year ended 31 March 2022

18. SOFA Comparative 2021

	Parochial		Curial		Diocesan	
	Restricted £	Unrestricted £	Restricted £	Unrestricted £	2021 £	2020 £
Income from:						
<i>Donations and legacies</i>						
Collections & donations	34,855	3,848,158	331,569	197,328	4,411,910	5,326,026
Second collections	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	24,019	51,459	-	57,802	133,280	232,657
Investment & property management costs	-	7,735	2,287	43,249	53,271	56,304
<i>Charitable activities:</i>						
2 nd collections & grants	148,276	45,147	-	-	193,423	600,469
Support of parish life	38,293	3,506,280	48,386	714,049	4,307,008	6,452,986
Curial activities	-	7,906	571,731	838,916	1,418,553	1,841,287
School buildings provision	-	-	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	1,393,671	1,778,720	(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	-	-
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	13,211,444	2,975,109	9,029,863	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