

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST

ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED  
5 APRIL 2021



Registered charity number 0234331

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
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**Contents**

Trustees and advisors	3
Report of the trustees	4
Independent auditor's report	17
Consolidated statement of financial activities	20
Charity statement of financial activities	21
Consolidated & charity balance sheets	22
Consolidated cash flow statement	23
Notes to the financial statements	24 - 53

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**

**TRUSTEES AND ADVISORS**

The Charity is governed by a Trust Deed dated 31 July 1934 (as subsequently amended by schemes of the Charity Commission) and is registered by the Charity Commission of England and Wales as charity number 234331. The Diocese was created by the Holy See in 1924, the northern area formerly having been within the Diocese of Hexham and Newcastle and the southern area having been within the Archdiocese of Liverpool.

**Address**

Lancaster Roman Catholic Diocesan Trust  
The Pastoral Centre  
Balmoral Road  
Lancaster  
LA1 3BT

**Trustee**

The sole trustee is the Lancaster Roman Catholic Diocesan Trustees Registered a body incorporated under the Charitable Trustees Incorporation Act 1872 (now Part 12 of the Charities Act 2011).

The individuals appointed to the corporate trustee body and known as trustees are:

**Who served during the year**

Right Rev Bishop P Swarbrick  
Rev M Docherty  
Rev Canon P Embury  
Rev Canon P Hart  
Rev F Olaseni  
Sister R Thomas  
Mr P Briers  
Mr M Callagher  
Mr M Forrest  
Ms N Wisdom

**Financial Administrator**

Reverend Canon P Hart

**Secretary**

Ms K Heaton-Brown

**Auditors**

MHA Moore & Smalley  
Richard House  
9 Winckley Square  
Preston  
PR1 3HP

**Solicitors**

BSG Solicitors  
3 & 4 Aalborg Square  
Lancaster  
LA1 1GG

**Investment managers**

Quilter Cheviot  
One Kingsway  
London  
WC2B 6AN

**Bankers**

HSBC Bank plc  
35 Market Street  
Lancaster  
LA1 1JQ

# **LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**

## **ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**

### **REPORT OF THE TRUSTEES**

#### **Aims and objectives**

The principal purpose of the charity is the furtherance of the Catholic religion within the Diocese of Lancaster. This is achieved by such charitable purposes as the Bishop of Lancaster, in his absolute discretion, shall think fit in accordance with the Trust Deed, the principal objectives of which are as follows:

- The provision, maintenance and upkeep of churches, public chapels and presbyteries.
- The provision of religious services in these churches and public chapels.
- The provision and maintenance of houses and colleges for the education and training of priests and persons wishing to become priests.
- The maintenance, support and provision of medical and surgical aid and accommodation for infirm and aged priests and the burial of deceased priests.
- The provision of support for priests and clerics working in the Diocese. The relief of poor persons professing the Roman Catholic Religion.
- The provision and maintenance of schools and colleges for young people.
- The provision and maintenance of houses, study halls and residences for teachers.
- The provision and upkeep of accommodation for infirm or aged priests.
- The provision and maintenance of cemeteries.
- The provision and maintenance of parish rooms and halls for the enlightenment, education and religious and moral benefit of people of the diocese.
- The provision and maintenance of hospitals and sanatoria for the poor.
- The acquisition of sites for buildings in connection with the above.
- Generally for any such charitable purposes as, in the opinion of the Bishop, may be conducive to the advancement or maintenance of the Roman Catholic religion in the Diocese of Lancaster.
- Such charitable purposes as shall advance the religious and other charitable work of the Diocese as the trustees with the approval of the Bishop shall from time to time think fit. If at any time the Diocese shall cease to exist or there shall cease to be any religious or other charitable work carried on by the Diocese, then for such other lawful charitable purposes connected with the advancement of the Roman Catholic religion as the trustees shall determine.

#### **Organisation, governance and decision-making**

The Diocese of Lancaster has at present 73 parishes with regular services available in around 100 churches and chapels and 82 schools throughout the whole of the county of Cumbria and those parts of Lancashire, north of the River Ribble and the west of the Pennines. The communities served by the charity are quite diverse, and include towns/cities in Cumbria such as Barrow, Workington, Carlisle and Whitehaven and the whole of the Lake District. In urban areas, parishes might be just a few square miles in size, whereas in the more rural parts of Cumbria parishes can be 200+ square miles. In Lancashire the coastal resorts of Blackpool and Morecambe fall within our boundaries, as does the city of Preston.

Although a clear structure of accountability and authority exists within the Catholic Church, as far as possible, day-to-day decision-making and actual pastoral practice takes place at local level in accordance with diocesan policies and wider Church beliefs. Individuals are encouraged to be involved with the delivery and planning of the services that our parishes provide to local communities. Parishes are, for example, expected to have various committees to advise priest-leaders on finance and property as well as the care of the charity's beneficiaries. As there are declining numbers of priests in this country, local communities are increasingly taking a greater responsibility in the running of their parishes. Whilst the trustees of the charity have overall responsibility in civil law matters, many of these local committees are constituted in Church Law, and act in an advisory capacity to Parish Priests/Priests in Charge; however their work to support their Parish Priests/Priests in Charge and the trustees in their own responsibilities is invaluable.

Meetings of the board of trustees, at which the operation of the charity is discussed, are held every two months. Although overall governance is vested with this body, its decision-making is informed by the work of sub-committees through their regular reports. Trustees play a significant role on each of the charity's main sub-committees.

The principle sub-committees are:

#### **Trustees' Safeguarding Sub-Committee**

The diocese and its trustees are committed to safeguarding children, young people and adults at risk in accordance with civil and national Church guidelines.

# **LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**

## **ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**

### **REPORT OF THE TRUSTEES**

The Lancaster Safeguarding Commission has been disbanded and a sub-committee of the Trustees formed in its place to oversee safeguarding matters in accordance with recommendations arising from the recent ICSSA enquiry into historic sexual abuse. The diocese is working towards full compliance with the newly developed national catholic safeguarding standards. The Safeguarding Sub-Committee will oversee the necessary governance arrangements in order to monitor that procedures are followed and best practise is developed and maintained. The diocese will be subject to audit by the National Catholic Standards Agency (CSSA) which has regulatory, advisory and audit functions.

Day to day safeguarding work is undertaken by the Diocesan Safeguarding Coordinator whose responsibilities include: oversight of the creation and continuation of a safe environment throughout the diocese; responding when concerns are raised and undertaking the necessary liaison with statutory agencies; supporting those hurt by abuse and managing those church personnel who have caused harm. Each parish has one or more safeguarding representatives.

#### **Finance Sub-Committee**

This committee, which is supported by a Certified Accountant who is a diocesan officer, monitors the day to day financial activities of the charity, particularly its liquidity and financial health, setting and controlling the central diocesan budget, and monitors delegated expenditure by parishes (up to £8,000 per project or item). The diocesan office, that this committee supervises, processes most of the charity's Gift Aid claims and the 'annual financial returns' submitted from parishes and other bodies; these are then consolidated into these main charity accounts. The charity's strategies against fraud (and possible bribery) also sit with this committee. The committee does not of itself currently have delegated spending powers; it is also responsible for liaising with the charity's external auditors. The Finance Committee in conjunction with the Property Committee is delegated to approve expenditure on individual property maintenance projects costing up to £25,000. Both committees must agree otherwise the matter is to be referred to the board of trustees.

#### **Property and Health & Safety Sub-Committee**

This committee is supported by a qualified surveyor, who is also a diocesan officer, examines and makes judgment on the appropriateness, and the value for money of, property projects submitted by the trustees, or parishes of the diocese. Again, parishes must come to the trustees with any projects over £8,000 in value. The committee also examines proposed leases, and land sales or purchases in accordance with best practice and Charity Law. Currently, all proposed leases (and projects over £8,000) are ratified by the full trustee body. The Property Committee in conjunction with the Finance Committee is delegated to approve expenditure on individual property maintenance projects costing up to £25,000. Both committees must agree otherwise the matter is to be referred to the board of trustees.

This sub-committee ensure that the statutory duties under the Health and Safety at Work Act 1974 and other relevant statutory instruments are met within the Diocese of Lancaster. It will represent the diocese on health and safety and act to protect the health and safety of the clergy, diocesan employees and other people who might be affected by their business within the Diocese of Lancaster. We continue to develop the computerised system introduced across the diocese for the evaluation, monitoring and reporting of health and safety at each "site" operated. Training and health and safety advice and support is provided with this system.

#### **Investment Sub-Committee**

Members are drawn primarily from the Finance Sub-Committee and the diocesan Faith and Justice Commission. This sub-committee is responsible for setting policy and monitoring performance of the charity's investments, most of which are designated to individual parishes, but are under the control of the charity in civil law. The portfolio of investments is managed externally by Quilter Cheviot. The charity was one of the first Catholic dioceses to introduce an ethical and socially responsible investment strategy, and it uses an ethical screening service to this end. The portfolio manager issues a quarterly report of investment performance and an ethical screening report twice yearly as well as meeting face-to-face annually. The investment manager ensures that he portfolio complies with the Diocesan Ethical Policy. The charity is a member of the Church Investors Group (CIG), a collective of faith-based investors seeking to pro-actively engage with companies regarding their own corporate and social responsibilities, rather than just simply avoiding investing in them.

#### **Board of Education and Formation**

The Education Service supports 83 schools to ensure that they are successful and act in accordance with the Trust Deed of the Diocese. This involves offering advice and direction on a broad range of educational matters such as, Religious Education and curriculum issues, Catholic Life of a school, staffing and recruitment, governance, admissions, capital and academy developments. The Diocesan Schools Commissioner works closely with the Catholic Education Service, the Regional Schools Commissioners (North and North West), Parishes, Local Authorities, and the Department for Education to secure the best support for the schools of the Diocese, especially in the ongoing pandemic.

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**REPORT OF THE TRUSTEES**

Our Catholic schools and sixth form college have an important part to play in the mission of the Church. Our Diocesan schools make a strong contribution to education in Cumbria and North Lancashire. They exist so that the Gospel of Jesus Christ is announced to future generations. As Bishop Paul Swarbrick says, "Our Catholic schools have been the bedrock of our mission to make Jesus Christ known and loved in our communities for nearly two centuries. The past two years have highlighted how vital our schools are and how their work and witness reveal Jesus Christ's presence in their locality. Our schools are an integral and critical part of the Diocese of Lancaster's mission".

**School Buildings Committee**

This monitors the repair and development budgets for school buildings in the diocese, which are part of the voluntary sector. In the voluntary sector, building work is commissioned by the governors/schools with the State paying up to 90% of eventual costs in grant-aid. This is provided in the form of an annual budgeted amount of 'VASCA' money, which is then bid for by schools through a local committee process, aided by a professional officer, so as to prioritise projects according to need, and to ensure best value for the taxpayer.

**Diocesan Youth Service Management Group**

Currently two trustees serve with others on this committee which oversees the direction and management of our Diocesan Youth Service. Youth Service staff co-ordinate and train volunteers in the parishes, and assist with the organisation of events for young people, including the diocesan pilgrimage to Lourdes where our youngsters learn to work with elderly, sick and disabled individuals and groups. The residential diocesan youth centre at Castlerigg in Keswick, which has been open for more than 40 years, draws together young people from schools and parishes from all over the Diocese and beyond – supporting both Catholics and those not of our tradition alike. The centre helps educate young people in order to develop their physical, mental, moral and spiritual abilities so that they grow up to enable them to contribute positively to society as well as helping them achieve their potential as human beings.

**Other diocesan commissions and agencies**

See below for information on other diocesan commissions and agencies.

**Trustees**

In accordance with clause 15 of the Trust Deed, new trustees are appointed by resolution of the trustees but only with and subject to the approval of the Bishop of Lancaster. Trustees are appointed with a view to the overall needs of the Diocese, and also taking into account their skills and backgrounds. Recruitment is undertaken internally or externally whenever a vacancy arises, or at any time, so as to ensure there is an appropriate pastoral and professional representation including educational, finance, accountancy, legal and property experience. Trustees are not expected to have knowledge of all the operations of the charity upon appointment, but will learn about these through the way trustees' meetings are conducted as well as by serving on sub-committees. The responsibilities of trustees in law are clearly explained on the Charity Commission website, and training opportunities are offered as appropriate; though it is appreciated that many trustees are already in full-time employment.

The central administration of the charity has paid qualified staff supporting the work of the trustees. There are also a large number of volunteers working at every level within the charity, many of whom have considerable professional experience. We estimate (broadly) that volunteers provide a full-time equivalent of 75 employees, representing a donation of time equivalent to at least £1.5m throughout each year.

**Subsidiary entities**

The charity has a number of subsidiary charities and limited liability companies that it controls. Details of these are given in note 2. The subsidiary charities have similar aims to those of the Diocese of Lancaster. The limited companies carry out trading activities mainly that of social centres and clubs. The financial results of all of these subsidiary entities are consolidated into the group accounts.

**Investment powers, policy and performance**

The trustees' investment powers are governed by the Trustees Act 2000. By an Order of the Charity Commission dated 10th January 1996, the trustees were empowered to delegate certain management and dealing authority to their investment manager Quilter Cheviot. Investments generally comprise a mix of UK FTSE 350 equities, UK gilts, cash and unit trusts. Individual investments conform to the Trustees Investment Policy which includes criteria established in accordance with the Diocesan Ethical Investment Policy which is reviewed regularly. The return on investments in recent years has been good when considered against comparable benchmarking. The trustees are satisfied that the capital performance and income generated are more than satisfactory and meet our current needs and strategies.

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**REPORT OF THE TRUSTEES**

It is noted that bank interest on cash balances has remained at an historic low for a period of years. As the charity is a net 'saver' rather than 'borrower' this has impacted on income generation from investments and reserves. The charity, however, has continued to perform relatively well.

**Covid 19**

Pastoral

Although the pastoral ministry of the church was curtailed when churches were closed and due to other restrictions put in place to combat the pandemic, the life of the Church has continued. It has not stopped. Practices and procedures had to be adapted with safety procedures introduced and followed to keep clergy, staff, parishioners, other service users and the wider public safe. When churches re-opened safe procedures continued and are still in place as appropriate and to comply with any restrictions in place. Many churches services were moved on line using streaming platforms and social media during lockdown. There has been increased use of "online" or "virtual" methods of contact for a variety of parish and other church activities and meetings. All churches have now re-opened following appropriate safety protocols with a reduced online presence.

Priests continue to safely visit the sick and dying in person, conduct funeral services for the deceased and administer the Sacraments were possible and permitted. Weddings and baptisms also have resumed.

The Church has continued its good work of helping and supporting the poor and disadvantaged. It remains "there" for all. Many parishes have continued to run or support local food banks, the need for which has increased during the pandemic and which the church has been committed to for a long time.

Schools and Education

The pandemic's effects on Diocesan schools created many challenges and demands, especially for headteachers. Schools remained open to the key worker and vulnerable children throughout. Since March 2020 they have become centres for distributing food parcels, school meal vouchers and welfare support. More recently they have mastered remote teaching of students and distributed laptops, tablets and data to those who need additional support. Caring for mental health and helping children and their families to find ways to live well is also central to their work. It is fair to say that headteachers have carried a considerable workload, especially in the primary sector. Even those who needed to shield themselves or a family member remained at the heart of their school, planning, supporting staff and students.

The Diocesan Education service prepared well for home working before the first lockdown happened ensuring all staff had access to laptops and the IT support they needed to work from home and established a Zoom account that enabled meetings to continue the transition towards home working.

The Education Service has maintained close contact with headteachers throughout through emails to check on their welfare and held frequent 'Zoom' catch up meetings to support headteachers' welfare. Heads have appreciated the connection. We have also been a conduit for information from the DfE and CES, shared updates of RE resources and prayer resources to support home learning. We have also maintained a presence on Twitter and helped circulate information from parishes, where we have been made aware of what is happening. Generally, the Education Service has been praised for the support it has offered. Heads, especially new heads, have welcomed the personal contact and that they could pick up the telephone anytime to ask questions or just for moral support.

Financial

The immediate financial impact of the Covid 19 pandemic was the loss in value on the Diocesan Pooled Investment Fund and the loss of Mass Offertory income and other voluntary donations.

The value of the Pooled Investment Fund fell heavily during March and early April 2020 and then steadily recovered and at 5 April 2021 the value of the charity's investment was £31.60m. An unrealised gain for the charity for the year ended 5 April 2021 of £7.56m compared to a loss of £4.16m for the previous year. Investment values continued to increase post year end stood at circa £37m December 2021.

Although investment value have recovered, estimates of future investment income returns are down. There was a significant fall in charity investment income received which fell from £924k in 2020 to £694k. Future investment income returns are expected to be reduced at least in the short term.

Mass Offertory income was hard hit when all churches were closed to public worship from the end of March 2020 as a result of the introduction of the first national lockdown. Around 40% of Offertory income was received in cash pre

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**REPORT OF THE TRUSTEES**

pandemic. The total of Mass offertory income received during the year to 5 April 2020 was £140k lower than that received during the previous year. The Mass Offertory income for 2021 was circa £0.5 million lower than for 2020. The closure of churches towards the end of the March 2020 and for much of the early part of the 2020/21 financial year is a major contributory factor in this reduction in income.

On the re-opening of churches Mass attendance was low and gradually increased as confidence returned. The picture across the diocese is varied with some church attendance back to "normal" and for other it continues to be reduced. The overall attendance across the diocese is reduced, impacting on the total income received (lower) though it has not yet been possible to quantify this.

When churches were closed alternative ways to cash giving were re-visited and the use of standing orders has been encouraged. Methods of electronic giving has also been considered and trialed. This is an area that is to be explored further. Standing orders are seen as the most effective way of giving.

Cost were reduced as a direct result of church closures with savings in running costs such as heating and lighting. There was a temporary moratorium on property expenditure and many parishes postponed all but necessary expenditure on buildings on a temporary basis.

The diocese is fortunate that it had a strong cash base at the start of the pandemic and has been able to maintain this. The vast majority of parishes have been able to keep their heads above water financially and continue to be able to support their local community.

The charity has had very limited access to financial support from national and local government. In most cases did not meet the qualifying criteria. Some use of the job retention scheme has been made primarily by the Diocesan Youth Service, with a very small number of parishes also benefiting from this scheme. Most parish have not received any financial assistance from government sources either local or national.

#### Governance and administration

The diocese has been able to make full use of technology to continue to govern and administer the charity remotely as necessary and in compliance with regulations. A full program of meetings of the Board of Trustees and its various sub-committees and management groups have continued uninterrupted with the vast majority of these held virtually and without any reduction in the effectiveness of those meetings. Canonical governance has also been carried out virtually.

All diocesan administrative staff have been able to work from home with some additional IT equipment required. No curia staff were furloughed and all have been fully engaged and their work continued uninterrupted and to the same standard and effectiveness.

Meetings had returned to mostly in person meetings with some use of virtual meetings, but the rise of the Omicron variant resulted in most meeting reverting to virtual method temporarily. Administrative staff have been allowed a "blended" approach to working with some opting to work a mixture of office based and home working with others returning full time to office based.

#### **Planning for the future**

In line with many other Catholic dioceses in England and Wales, the charity is facing the issue of how best to deliver its services for stakeholders against the backdrop of declining numbers at church. Buildings for worship were often constructed in years gone by when demographics were quite different to today and when the principles of design were also quite different.

Our church buildings and parish communities have a special place in the hearts of many Catholics; therefore the capacity to adapt to changing circumstances does not always come easy, and the Bishop together with the trustees recognise this when plans for the future are being considered. An important strategic review document, formed after extensive consultation, 'Fit for Mission?' remains the blueprint for many of the changes that necessarily have to take place.

Our schools however remain popular, with overall pupil numbers broadly static. Many of our schools serve areas of relative social deprivation. We also have well-used church halls across the diocese, many of which are used by the wider community for non-religious use.



**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**REPORT OF THE TRUSTEES**

**Review of activities – general**

The activities of the charity are carried out in three main areas: parishes, schools and diocesan. All are directed towards promoting the Faith and spreading the Word of God. Although most direct contact with beneficiaries is via parishes and schools there is a significant amount provided by the diocese which also provides support to the schools and parishes. It is difficult to quantify the Spiritual “success” of these activities but most parishes remain well supported despite the overall decline in Mass attendance and the number on roll at schools remain high. It is also difficult to gauge the financial benefit of activities. How can the “success” of rich and poor parishes be compared?

**Review of activities - parishes**

Most of the charity’s beneficiaries’ contact with the charity is at local level; that is our parishes. The reach and impact of parish ministry includes contact with people in schools, hospitals, higher education establishments and prisons. As well as religious services, parishes provide many additional activities including youth groups, social groups, and important support for some of the most vulnerable in our society.

Practical support for those in need, both at home and abroad, feature prominently in the regular activities of many parishes. Although many parish activities nourish those who attend church or are closely connected to it, the evangelising nature of the Gospel imperative and the call to service mean that our parishes are also outward-looking communities with a sense of contributing to the common good of the wider community and building-up ‘social capital’. Parishes have a degree of autonomy within the charity, not least because locally delivered services are best planned and delivered by local people. Each parish has its own bank account and is responsible for its own income and expenditure, according to the principle of subsidiarity. Financial records are also kept locally, with annual financial returns being submitted. Independent Financial Examiners are appointed in each parish and a number of parishes are randomly selected for more detailed external audit each year. All bank balances and account transactions can be viewed centrally for monitoring purposes, with an alert system in place for any unusual or significant transactions.

There are around 59 priests working in the diocese, together with 9 priests on loan to us from elsewhere. We have approximately 35 retired priests for whom we care. Some priests and sisters from religious communities have a presence in the diocese, either working with the charity or doing similar work under their own auspices.

The Diocese has undertaken a number of initiatives to welcome more religious priests and sisters to minister in our community. Their presence in the Diocese adds a new and vibrant element which will be beneficial to the Diocesan Family. Any overseas religious coming to the Diocese comply with all immigration and safeguarding requirements.

The diocese is aware that immigration is an important national issue, and always seeks, as a recognised Level 1 Sponsoring Body, to only invite an appropriate number of individuals into the country. These have clearly defined religious roles and the diocese undertakes to provide for their upkeep. Thanks are due to the United Kingdom Visa and Immigration Office for the role they play. It should be noted that such invitations are to complement the work done by indigenous priests and religious communities, not replace it. Our strategy for promoting vocations to priesthood remains at the forefront of our minds, though it is recognised that this ‘career’ does not fit neatly into usual ‘recruitment’ models or remuneration packages.

**Review of activities - diocese**

In addition to the principal trustees’ sub-committees listed above, diocesan structures exist to support and implement the decisions of the trustees generally, and the Bishop specifically. These include a range of committees, service delivery bodies, advisory boards and commissions to provide assistance to the Bishop in his ministry of oversight and service within the diocese. There are also a number of funds managed at diocesan-level for the general benefit of the diocese as a whole; these include:

**Faith & Justice Commission**

The commission works with parishes, schools and youth groups throughout the diocese in promoting justice and peace issues, particularly in raising awareness and encouraging involvement with these. Significant emphasis is placed on a greater understanding of world development. The commission organises conferences and produces regular newsletters for the people of the diocese. A part-time worker is employed to support this work.

**Sick & Retired Priests Care Fund**

The diocese looks after its aged and infirm clergy through the Sick and Retired Priests Care Fund. This is a restricted fund whereby priests who are recovering from illness are also provided for. The fund provides a discretionary retirement grant for priests no longer in active ministry, and a home where needed. Some retired priests are able to continue serving the diocesan community in a reduced role providing occasional help. The fund provides support for some retired housekeepers and also manages residential properties for retired clergy situated in the diocese.

# **LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**

## **ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**

### **REPORT OF THE TRUSTEES**

Whilst many priests generously continue to serve past conventional retirement age (75 for clergy in Church Law), we do have an increasing number of those retired due to longevity of life and medical advances. Care of these priests is included as an integral part of the diocesan Trust Deed.

#### **Ecclesiastical Education Fund**

This (restricted) fund provides financial support for the selection and formation of students preparing for the Priesthood and for the Permanent Diaconate in the diocese. Currently we have three students in training for the Diocesan Priesthood. It also supports ongoing formation of the clergy, and provides for priests undertaking postgraduate studies in the UK or abroad. The fund also supports the Vocations Directors for Priesthood and the Permanent Diaconate and their teams in the work of promoting vocations.

#### **Lancaster Diocesan Pilgrimage Trust**

The Pilgrimage Trust oversees the annual diocesan pilgrimage to Lourdes for the sick and disabled pilgrims and their families. The pilgrimages are extensively supported by the young people and volunteer medics and carers of the diocese who assist in the care and transporting of the sick and disabled. Due to the Covid 19 pandemic the pilgrimages planned for July 2020 and July 2021 have been cancelled.

#### **Public benefit**

The Charities Act 2006 has included "Public Benefit" in the definition of a charitable purpose, such that all organisations wishing to be recognised as charities must demonstrate explicitly that their aims are for the public benefit. Based on the Charity Commission guidance, specific examples of a public benefit include the advancement of religion, the advancement of education, the prevention or relief from poverty, the relief of those in need by reason of youth, age, ill health, disability, financial hardship etc. As a "mainstream" religious denomination (and that religion has been stated by parliament to be a charitable purpose) the trustees are confident that the existing aims and activities of the charity, as set out above, sit comfortably within the Charity Commission guidelines.

Many parishes have outreach groups/activities committed to actively working for the needy in their locality. As far as is possible, practical help is given at the point of need, rather than to schemes and projects, though the latter often happens also. Many parishes in urban areas are now involved with local food banks.

International aid also features in the activities of many parishes, usually using existing recognised charities established for this purpose (e.g. CAFOD), or through religious orders who have people on the ground to ensure that aid is used for the purpose it is given and not subject to corrupt practises locally. Some parishes have formal links with the projects they support and this ensures good communication and education about the issues facing people in difficult situations abroad.

It should also be recognised that well over 1000 weekly visits are made to the elderly in their homes throughout the year. We also have teams of chaplains working in hospitals (often on 0.2 of a post) and other healthcare facilities; with many of the clergy working in these places offering a round-the-clock availability throughout the year. These are usually helped by volunteer visitors.

One of the principle activities within each parish is the celebration of Mass by the parish priests. Approximately 14,800 (December 2019) people attend Sunday Mass within our Diocese. But parish priests do far more than celebrate Mass: they are active leaders in our communities and many of our clergy are involved with people at important times of their lives, such as births, marriages and bereavement. Although a church service may take only one hour, this is usually preceded by several hours of contact and preparation with those concerned. Most clergy are involved in personal counselling, even if informally; others have trained to use sign-language to provide spiritual support to those who have serious hearing impairments. There is clear evidence that the majority of our schools - which are open to non-Catholics as well as Catholics - produce good results, both academically and socially. Although our schools are denominational in nature, OFSTED reports often comment on their positive achievements in areas of social inclusion, community cohesion, mutual respect and understanding, and promoting citizenship. Faith groups also provide important support and anchor points for persons who are new to the country. One of the strengths of church communities is that they provide community 'anchor-points'; this often includes the church building itself, which has sometimes been used by generations of the same family. Of its nature, the Church does not only look after its 'own', but serves the wider locality; it is difficult to gauge the full amount of social investment that is accumulated from the efforts of people of faith, not least because they often do their work deliberately un-noticed and un-sung. We know that many parishioners are involved in other local charitable endeavours which may or may not have any faith connection.

The stability of parish life is important in a changing world, but that does not mean that local communities are not responding to changing times. Some youth groups, for example have been around for many years with in-flow and out-

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**REPORT OF THE TRUSTEES**

flow of young people; other activities for young people are established in the knowledge that they will have a time-span to serve a particular group of young people, who will inevitably move on to other things as they get older or move to university.

It is worth mentioning that many church communities collaborate with other non-Catholic church communities in social projects, so that the interaction generated avoids duplication and best allows delivery of a quality service. One such project includes the 'Street Pastors' initiative which puts volunteers on the streets of cities and towns at night to coincide with young adults social activities. The initiative not only provides a listening-ear, but often helps people get home more safely, and also frees-up the emergency services to deal with more pressing matters – such initiatives are always done in partnership with the local authority and the Police.

Our Lake District churches and youth centre serve people who come to the area for recreation. Similarly, those coming to seaside resorts such as Blackpool and Morecambe, often come to services during their stay and receive hospitality.

#### **Charitable objectives**

The principal objectives of the charity are the provision of churches, religious services, halls, welfare of clergy, relief of poverty and education. The days of diocesan expansion through construction of new church buildings are all but over; these days the challenge is to keep existing places of worship open in the context of declining worshippers and fewer clergy. Creative twinning or merging of parishes is an on-going process, led by the diocesan bishop, who has the primary responsibility for the conduct of public religious worship. It is also true that use of motor vehicles generally aids mobility, and facilitates journeying to other Catholic churches further afield; this being said, there is still great loyalty to local parishes.

The charity continues to respond to developments in education. Our one sixth form college and 11 secondary schools and 72 primary schools, some of which are in socially deprived areas, are run by good staff and are overseen by volunteer governing bodies. Generally, OFSTED reports are very positive with some outstanding schools being identified, or good schools with some outstanding features. The provision of an academy support trust, and close liaison with local authorities by the Diocesan Education Service helps to ensure that our faith-led education sector keeps up with change and is able to respond to developing needs quickly.

Our diocesan priests are required to take on more work as their numbers decline. The boom years for clergy were the 1960's and early 1970's. Since then the ratio of priests to people nationally has returned to where it was for much of the late 1800's and early 1900's (that is 1:750). However, we now have more churches open than 100 years ago, all of which need staffing (even if part-time). In common with other dioceses and denominations, clergy are developing new ways of working to ensure the provision of quality and quantity of worship and pastoral services to our beneficiaries, which includes an ever greater use of lay leadership and deacons. At the same time, our clergy are to be commended, that they have not withdrawn from other areas of pastoral ministry to prisons, hospitals and schools for example.

#### **Serious incident reporting**

No serious incidents have been reported during the year of review.

#### **Review of financial performance**

The group (including social clubs) reported a deficit, before investment gains of £681k for the year (2020: deficit of £2.14m). If transactions relating to Newman School (see note 18) are excluded then a deficit of £238k results (2020 surplus £1.04m). See note 18.

The charity (parishes and central diocese only) reported a deficit of £523k, £80k excluding Newman School transactions, (2020: £2.64m, surplus £536k excluding Newman School transactions). The deficit is after loss on sale of assets (surplus properties) of £365k (2020: gain £323k).

There was an increase in the market value of group investments £7.94m (2020: decrease £4.36m) which is a recovery of losses attributed to the effects of the Covid 19 pandemic. Values continue to fluctuate moderately post year end but with a general upward trend. The market value of group investments at 5 April 2021 was £33.8m compared to £24.14m at 5 April 2020.

At the end of the financial year, the diocese had net positive group credit bank balances of £12.62m (2020 £12.84m), including cash balances of £149k (2020: £705k) held as part of the investment portfolio.

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**REPORT OF THE TRUSTEES**

The following is a summary of the financial performance of the Diocesan charity for the last six years:-

	2021	2020	2019	2018	2017	2016
	£000	£000	£000	£000	£000	£000
Net results of the charity	(523)	(2,647)	4,998	737	1,524	626
Gains/(losses) on investment	7,558	(4,164)	(348)	88	990	(1,181)
Net movement in funds	7,035	(6,811)	4,650	825	2,514	(555)

Total charity funds at 5 April 2021 were £79.65m (2020: £72.61m) and total group funds were £82.19m (2020: £74.93m).

#### **Income**

Total charity incoming resources were £10.5m (2020 £16.63m), £6.29m excluding receipts relating to Newman School (2020: £8.56m) and the charity incurred a deficit on activities of £523k, £80k deficit excluding Newman School transactions, compared with a deficit of £2.64m (£536k surplus excluding Newman School transactions) for 2020. There was an increase on the value of investments and the unrealised loss on these for the charity was £7.56m (2020: loss £4.16m) resulting in total fund movement (increase) of £7.04m (2020: decrease £6.81m). There was a loss on disposal of assets of £365k compare to a gain of £849k for 2020.

There has been a decrease in voluntary income streams of the charity with the total of donations and legacies decreasing from £4.77m to £4.38m. Legacy receipts increased from £330k to £1.18m. Donations received decreased from £1.14m to £699k. Income from Charitable Activities has decreased overall from £1.40m to £688m excluding £3.64m (2020: £7.69m) grants and £575k (2020: £385k) insurance receipts re Newman School.

Mass offertory collections have reduced dramatically from £2.35m to £1.81m. This dramatic fall in income is due to churches being closed for many weeks in compliance with government restrictions as a result of the Covid 19 pandemic with cash collections not being possible. Prior to the March 2020 around 40 percent of Mass offerings were in the form of loose plate giving. The trustees are exploring alternative options to cash giving.

On the re-opening of churches the number of people attending Mass was initially much lower than before the pandemic and although increased, remain lower than pre-pandemic levy. This may reflect the underlying downward trend in the decline in Mass attendance, as well as the continuing impact of Covid19.

The average giving per head for 2020 was £3.25 based on the reported Mass attendance figure of approximately 14,800 (December 2019) per week, before Gift Aid, and not including other donations. A meaningful calculation of the giving per head for 2021 is not possible as the data is skewed by the effects of Covid 19 on Mass attendance. We do not anticipate the average giving per head to have changed significantly.

As the name suggests, 'voluntary donations' or 'donations' are at the discretion of the donor, and at the present time pushing for more, especially in poorer communities might be deemed inappropriate. However the trustees note that other charities have had to respond to drops in their income by developing new methods of fundraising. The scope for this within church on a Sunday is limited, but a possible fundraising initiative in the future might be adopted.

Thanks are due to our parishioners and other donors for their continued and generous support, particularly during the exceptional circumstance resulting from the Covid 19 pandemic

Income from stock and share investments showed a small increase. Bank interest rates remain at an all-time low and the charity does not have any funds held in interest bearing deposits at present.

#### **Trading/cost of raising funds**

The trustees do not consider that the charity has any trading income and that any sale of goods etc is from charitable activities and such activities are fund raising and not trading. Such income only forms a small part of the charity's total income. Although the charity has used the standard SORP heading "Other trading activities" which include "social clubs" and "fund raising – fetes etc", the income from these is not trading income. The trading of parish centre bars and proprietary parish clubs is operated through separate limited companies the results of which are consolidated in the group accounts.

Donated goods form only a very small amount of charity income, although there is no practical method of valuing donated goods, but the total value of these is not expected to be significant. Many of these would be given as raffle prizes.

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**REPORT OF THE TRUSTEES**

**Expenditure**

Resources expended by the charity decreased from £19.28m in 2020 to £11.02m. When costs relating to Newman School are excluded total expenditure has shown a decrease from £8.02m in 2020 to £6.37m for 2021. The cost of the provision of places of worship and other buildings, including repairs and maintenance, decreased from £3.42m to £2.76m. The fall in expenditure is directly attributable to the closure of churches with reduced heating costs, repairs delayed and insurance costs reduced with the help of the Catholic National Mutual. The fall in costs is only temporary.

Two of the highest areas of expenditure are the provision of places of worship & ancillary buildings at £2.76m (2020: £3.42m), a significant number of which are listed buildings, and the provision of religious services and pastoral care at £1.73m (2020: £2.11m). These two cost headings account for approximately 86% (2020: 69%) of total expenditure (adjusted to exclude expenditure re Newman School) of the charity and equate to around 87% (2020 circa 70%) of the total income (excluding income relating to Newman School) of the charity. Percentages for the 2021 year have been skewed by the effect on income of the pandemic.

There have been reductions in most individual heads of expenditure due to the effect of the pandemic. Less expenditure was incurred as a result of churches being closed. During the year the trustees approved fewer larger projects and had imposed a moratorium for a several months on large items of expenditure on property. It is noted that many church heating systems are out of date and inefficient. The age and listed status of many of our properties mean that locally installed renewables, such as solar power are not often possible to consider.

The charity rarely makes external grants from central diocese; however parishes have a degree of discretion in supporting local causes. Those organisations supported by central diocese include ecumenical partnerships, £5k (2020: £12k) and for the structures of the Catholic Church nationally £86k (2020: £93k). Total of grants, donations and levies for the charity as a whole amounted to £497k (2020: £683k).

**Staff costs**

One employee of the charity received remuneration over £60,000. No trustee received payment for services as a trustee, though clergy trustees receive payments as office holders (i.e. clergy in active ministry).

We employ several professionals as senior management, to work in the central administration of the diocese in the areas of: financial management, property management, safeguarding and education. There are a total of 13 (2020 12) professional staff and support staff with remuneration (including pension and National Insurance cost) of circa £458k (2020: £387k). The increase is due to consultant roles being increasingly taken over by employed staff, particularly in the education/schools department and unremunerated clergy replaced by paid lay people. The costs for 2021 include costs for a full year of staff who were engaged part way through the previous year. The trend in increased staff costs will continue and one additional member of administrative staff has been recruited during the 2021/22 year.

All of the diocesan central administrative staff were able to work from home as required (none were "furloughed"), with no loss in effectiveness and all diocesan services were maintained. Only limited use was made of the job retention scheme mainly by the Diocesan Youth Service, some parish centres/clubs and for a few parish employees.

Again, it should be noted that some of our management, and most of the charity's governance, is by the efforts of volunteers, many of whom have a lifetime of experience in their given field. This applies to the main trustee body, principal sub-committees and diocesan commissions. Parishes rely heavily on volunteers in all aspects of parish life. Total staff costs for the year were virtually unchanged at £1.06m (2020: £1.05m) with the majority of staff engaged by the parishes.

A total of £403k (2020: £329k) was paid to clergy as office holders in active ministry. The increase reflects a temporary change in the payment policy for clergy to compensate for the loss of income from other sources caused by to the pandemic as most were unable to receive support from government sources. The number of clergy in active ministry has decreased from 69 to 68 as recorded at 5 April annually, including priests on loan from other religious orders, of which there were 9 at 5 April 2021 (9 as at April 2020). The decline in priest numbers is due to more priests retiring on reaching retirement age than there are men joining the priesthood. An increasing number of priests will retire in the coming years reducing further the number of clergy in active ministry.

Staff pay is determined by the trustees for those staff not engaged at parish level. The trustees may decide directly or via one of the sub-committees or boards. The pay of parish staff is decided locally following available guidance from the trustees. The Diocese is committed to ensuring that all of its staff, where ever engaged, are remunerated at least to the living wage level.

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**REPORT OF THE TRUSTEES**

**Fund Raising**

Fund raising within the diocesan charity is carried out at local parish or department level and there is no co-ordinated diocesan wide fund raising structure or activity. We do not use any professional fund raisers and are not registered with any fund raising body or organisation.

Local fund raising is usually by means of appeals made at public events such as Mass or by organising events such as coffee mornings, sale or fetes for example. Appeals and events are organised by the Parish Priest or by parishioners on his behalf. A parish priest may on occasion approach an individual parishioner direct for support but this would be rare and by exception and only if the parishioner was well known to him.

Although these public events are open to all, the majority of those who attend are regular and well known supporters i.e. local parish congregations and are often social occasions as well as fund raising opportunities. The members of the congregation are all well known to and by the parish priest and many to each other. These close relationships allow for the easy identification of people who are vulnerable and to take appropriate action to protect them such as involving a family member if a person were to offer a large or unusual donation.

The Catholic Church has a long tradition of raising funds from its supporters. These supporters range from those who are very poor to those who are very wealthy and will include many vulnerable people. The Church has taken care to ensure the people can only give what they can afford and that donations are freely given. People are free to attend events or not, will not be pressurised to donate and will not be contacted at home.

The Diocesan Trustees do not have a formal system for monitoring of fund raising activities and due to the nature and wide spread location of such activities it would not be possible or practicable to introduce one. The Trustees have not received any complaints regarding fund raising during the current financial year.

**Reserves policy**

The Diocesan Trust recognises that its reserves reflect the full range of activities across parishes and the diocese as a whole. There are funds that it holds for specific purposes (restricted funds). Detailed records are held which identify the range of reserves for internal management purposes (see note 13), and it should be noted that the policy for the financial management of these reserves will vary with the purpose for which they are held.

Parish based reserves often reflect endowments or legacies from previous years, many of which have been given or established to provide for the longer-term costs associated with the care of often large and old buildings, some of which are 'listed' for the public benefit of the nation. It is also important to recognise that in the canon law of the Catholic Church, each parish is an individual entity and the designation of the particular finances of each entity has to be respected; therefore it is often not possible for cash-based funds to be simply moved from one part of the charity to another. However, given that a levy is paid on various sources of parish income to contribute to the costs of centrally provided diocesan services, then those parishes which are better off, or which have reserves are, in fact, contributing to the common good of all.

Generally speaking, the majority of regular voluntary donations by the charity's beneficiaries and donors in parishes will be spent on the general purposes of the charity in that parish within a reasonably short amount of time as 'revenue' expenditure.

When a parish with unrestricted reserves in any asset class requires funding for a particular project, the trustees will consider using these reserves as either partial, or occasionally as full, funding for the project, whilst taking the longer term future of the parish and the overall diocesan position into account. However, some fundraising at local level is normally expected for significant projects, so that parish reserves are not exhausted all at once, unless this is absolutely necessary.

Diocesan reserves reflect funds held for broader or group obligations, such as those for investing in the formation of future clergy and the care of sick and retired priests, as well as funds held for specific purposes. There is no doubt that the diocese needs to consider how these reserves can best be applied in the future to help support changes that will take place due to changes in demography, pastoral need and the actual practise of the faith from place to place (i.e. where the charity is committed to provide churches in order to maintain genuine accessibility by the charity's beneficiaries, even where a particular church might be deemed financially non-viable as a standalone unit). It should be noted that the central diocesan administration does not presently hold any long term reserves itself, but has an internal historic debt to parishes, which represents previous expenditure. With the agreement of parishes, a long term plan is in place to repay this debt over an appropriate period, primarily using 'windfall' receipts.

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**REPORT OF THE TRUSTEES**

The net asset distribution of the reserves set out in note 14 reflects conscious decisions which have been taken in respect of liquidity and longer term investment. Across the charity, banking and market based investment arrangements are pooled, and the trustees are satisfied that the unrestricted reserves are sufficiently liquid and under their control that they are able to fund the activities of the diocese for a period in excess of 12 months.

The charity is currently meeting all its pension contribution arrangements and is fully compliant with auto enrolment. All pension arrangements are contributory schemes there are no final salary schemes. Clergy retirement grants are paid from a separate restricted fund with its own management body. Its portfolio is also actively managed by Quilter Cheviot.

The total of group reserves, including endowment funds and restricted funds, at 5th April 2021 was £82.19m (2020: £74.93m) with £36.72m (2020: £38.26m) held in fixed-assets, the majority of which is property; investments in shares/stocks £33.80m (2020: £24.14m) and £12.46m in cash at bank (2020: £12.13m).

### **Investments**

Reserves are held in a number of different asset classes, which include cash, market-based investments and property. On occasion, reserves held in physical assets (land and buildings) may be converted from one asset class to another to provide a better income return.

As indicated above, parish reserve cash balances which are not needed for use in the medium-term future may be pooled with those reserves of others for investment purposes. Our investments, held in FTSE 350 companies, gilts and cash have performed quite well over several years. The portfolio valuation at 5th April 2021 was £33.80m (2020: £24.14m) including the investments of the restricted fund for Sick and Retired Priests valued at £3.66m (2020: £1.97m) which is held in a separate fund with a greater emphasis on the generation of income to provide a source of funding for our revenue obligations in this regard.

Our investment manager has a medium high balanced risk brief for potential progressive capital growth and income. In recent years the performance of our investments have compared favourably with the financial sector benchmarks considered by the Investment Committee. The main benchmark used is a composite index of income and capital return of FTSE 350 shares and Government Gilts on a weighted 75%/25%. Investment income of the Group for the year was £733k (2020: £989k) and unrealised capital gain was £7.94m (2020: loss £4.36m)

### **Risk management**

The trustees actively review the major risks which they believe the charity is potentially exposed to, identifying the types of risk and the likelihood and potential impact of occurrence, as well as the steps that can be taken to mitigate against these. To mitigate risk the trustees maintain and regularly review a risk register and have put in place insurances, checks, controls and procedures which are communicated to parishes and other diocesan organisations.

A significant percentage of voluntary donations are in cash. Our external auditors select a number of parishes each year for audit. The audit includes a check on procedures for counting and banking cash donations, including separation of duties.

Staff in our Finance Office scrutinizes local bank account balances online daily, noting any significant account movements which are reported to the Finance Sub-committee. Urgent action will be taken to investigate any suspicious transactions or account activity immediately.

Property projects are monitored by the Property Sub-committee to prevent escalation of costs. Parishes are required to report significant variations on any projects costs. School projects are also closely monitored through the School Building Committee.

At the present time, three schools in Blackpool have converted to academy status (Sept 2014), with the diocese and several trustees being 'members' of two academy trusts. A further 8 schools in Cumbria and North Lancashire converted to academy status in September 2021. Although we have a good track record with our voluntary schools, academy status is a new area of risk, especially as the directors of academy trusts are responsible for education standards and financial control. Our Diocesan Education Service has appointed key experienced personnel to the directorship of our academy support trust.

The on-going financial and pastoral viability of a number of parishes continues to be a matter of concern. Where a parish makes a financial loss for three years in a row, this is formally reported to the trustees.

The central administration budget is monitored monthly and a variance report is presented to trustees.

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST  
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021  
REPORT OF THE TRUSTEES**

**Trustees' responsibilities in respect of the financial statements**

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity during the year and of its financial position at the end of the year. In preparing financial statements, giving a true and fair view, the trustees should follow best practice and:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless this basis is not considered appropriate.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and to ensure that the financial statements comply with the applicable law and provisions of the Trust Deeds. The trustees are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities

**Appointment of auditors**

A resolution to re-appoint MHA Moore & Smalley as auditors will be considered at a meeting of the trustees.



Rev Canon P Hart - Trustee

Date: 1<sup>st</sup> February 2022



## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE LANCASTER ROMAN CATHOLIC DIOCESAN TRUST

### Opinion

We have audited the financial statements of the Lancaster Roman Catholic Diocesan Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 5 April 2021 which comprise of the consolidated and parent charity statement of financial activities, the consolidated and parent charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including 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).

### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 5 April 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group's or parent 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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's 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**

As explained more fully in the trustees' responsibilities statement set out on page 15, 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 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**

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

- Enquiries with the board about any known or suspected instances of non-compliance with laws and regulations, including fraud;
- An evaluation of the risk of management override of controls and subsequent testing, including through testing journal entries and other adjustments for appropriateness;

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE LANCASTER ROMAN CATHOLIC DIOCESAN TRUST

- An evaluation of the charity's internal control environment;
- Challenging assumptions and judgments made by the board, in particular in relation to future performance of the charity in light of the impact of Covid-19; and
- A review of board minutes.

Because of the industry in which the charity operates, we identified the following areas as those most likely to have an impact on the financial statements: Health and Safety (including safeguarding), employment law and compliance with the UK Charities Act.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

*MHA Moore and Smalley*

MHA Moore and Smalley  
Statutory Auditor  
Richard House  
9 Winckley Square  
Preston  
PR1 3HP

Date *2 February 2022*

*MHA Moore and Smalley is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006*

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

		PARISH			CENTRAL DIOCESAN AGENCIES			GROUP TOTAL	Group 2020
	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment £000	Total £000	Unrestricted Funds £000	Restricted Funds £000	£000	£000
<b>INCOME FROM:</b>									
Donations and legacies	3.1	3,423	228	-	3,651	24	709	4,384	4,766
Charitable activities	18	266	10	-	276	349	4,278	4,903	9,479
Other trading activities		801	-	-	801	133	28	962	1,456
Investments		449	-	14	463	57	230	750	989
Other		42	-	-	42	-	(365)	(323)	849
<b>TOTAL</b>		<b>4,981</b>	<b>238</b>	<b>14</b>	<b>5,233</b>	<b>563</b>	<b>4,880</b>	<b>10,676</b>	<b>17,539</b>
<b>EXPENDITURE ON:</b>									
Raising funds	4.1	238	-	-	238	122	10	370	570
Charitable activities	18	4,665	24	-	4,689	1,221	5,077	10,987	19,107
Other		-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>4,903</b>	<b>24</b>	<b>-</b>	<b>4,927</b>	<b>1,343</b>	<b>5,087</b>	<b>11,357</b>	<b>19,677</b>
<b>NET INCOME/(EXPENDITURE) before other recognised gains</b>		<b>78</b>	<b>214</b>	<b>14</b>	<b>306</b>	<b>(780)</b>	<b>(207)</b>	<b>(681)</b>	<b>(2,138)</b>
Net gains/(losses) on investments	10	5,158	-	151	5,309	396	2,237	7,942	(4,365)
<b>NET INCOME/(EXPENDITURE)</b>		<b>5,236</b>	<b>214</b>	<b>165</b>	<b>5,615</b>	<b>(384)</b>	<b>2,030</b>	<b>7,261</b>	<b>(6,503)</b>
Transfers between funds		(273)	63	(14)	(224)	226	(2)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>4,963</b>	<b>277</b>	<b>151</b>	<b>5,391</b>	<b>(158)</b>	<b>2,028</b>	<b>7,261</b>	<b>(6,503)</b>
<b>RECONCILIATION OF FUNDS</b>									
Total funds brought forward		59,730	176	470	60,376	2,896	11,661	74,933	81,436
<b>FUNDS CARRIED FORWARD</b>		<b>64,693</b>	<b>453</b>	<b>621</b>	<b>65,767</b>	<b>2,738</b>	<b>13,689</b>	<b>82,194</b>	<b>74,933</b>

The Statement of Financial activities includes all recognised gains and losses in the year. All of the above relate to continuing activities.  
The notes to the accounts form part of the financial statements.

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**CHARITY STATEMENT OF FINANCIAL ACTIVITIES**

	Notes	PARISH			CENTRAL DIOCESAN AGENCIES			CHARITY TOTAL	Charity 2020
		Unrestricted Funds £000	Restricted Funds £000	Endowment £000	Total £000	Unrestricted Funds £000	Restricted Funds £000	Total £000	£000
<b>INCOME FROM:</b>	<b>3.2</b>								
Donations and legacies		3,423	228	-	3,651	21	709	730	4,767
Charitable activities		266	10	-	276	347	4,278	4,625	9,478
Other trading activities		729	-	-	729	133	28	161	1,127
Investments		449	-	14	463	1	230	231	942
Other		-	-	-	-	-	(365)	(365)	323
<b>TOTAL</b>		<b>4,867</b>	<b>238</b>	<b>14</b>	<b>5,119</b>	<b>502</b>	<b>4,880</b>	<b>5,382</b>	<b>16,637</b>
<b>EXPENDITURE ON:</b>	<b>4.2</b>								
Raising funds		87	-	-	87	36	10	46	192
Charitable activities	<b>18</b>	4,570	24	-	4,594	1,220	5,077	6,297	19,092
Other		-	-	-	-	-	-	-	-
		<b>4,657</b>	<b>24</b>	<b>-</b>	<b>4,681</b>	<b>1,256</b>	<b>5,087</b>	<b>6,343</b>	<b>19,284</b>
<b>NET INCOME/(EXPENDITURE) before other recognised gains</b>		<b>210</b>	<b>214</b>	<b>14</b>	<b>438</b>	<b>(754)</b>	<b>(207)</b>	<b>(961)</b>	<b>(2,647)</b>
Net gains/(losses) on investments	<b>10</b>	5,159	-	151	5,310	11	2,237	2,248	(4,164)
<b>NET INCOME/(EXPENDITURE) before transfers</b>		<b>5,369</b>	<b>214</b>	<b>165</b>	<b>5,748</b>	<b>(743)</b>	<b>2,030</b>	<b>1,287</b>	<b>(6,811)</b>
Transfers between funds		(273)	63	(14)	(224)	226	(2)	224	-
<b>NET MOVEMENT IN FUNDS</b>		<b>5,096</b>	<b>277</b>	<b>151</b>	<b>5,524</b>	<b>(517)</b>	<b>2,028</b>	<b>1,511</b>	<b>(6,811)</b>
<b>RECONCILIATION OF FUNDS</b>									
Total funds brought forward		59,445	176	470	60,091	859	11,661	12,520	79,422
<b>FUNDS CARRIED FORWARD</b>		<b>64,541</b>	<b>453</b>	<b>621</b>	<b>65,615</b>	<b>342</b>	<b>13,689</b>	<b>14,031</b>	<b>72,611</b>

The Statement of Financial activities includes all recognised gains and losses in the year. All of the above relate to continuing activities.  
The notes to the accounts form part of the financial statements.



**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**BALANCE SHEET**

		GROUP		CHARITY	
		2021	2020	2021	2020
		£000	£000	£000	£000
<b>FIXED ASSETS</b>					
Tangible assets	9	36,718	38,263	36,493	38,034
Investments	10	33,800	24,144	31,598	22,947
		<b>70,518</b>	62,407	<b>68,091</b>	60,981
<b>CURRENT ASSETS</b>					
Stocks		14	18	1	2
Debtors	11	1,263	829	1,256	837
Cash at bank and in hand		12,466	12,135	12,439	11,987
		<b>13,743</b>	12,982	<b>13,696</b>	12,826
Creditors: amounts falling due within one year	12	(1,993)	(410)	(2,141)	(1,196)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>11,750</b>	12,572	<b>11,555</b>	11,630
Creditors: amounts falling due after more than one year	12	(74)	(46)	-	-
<b>NET ASSETS</b>		<b>82,194</b>	74,933	<b>79,646</b>	72,611
<b>FUNDS</b>					
Restricted income funds	13.1	14,142	11,837	14,142	11,837
Endowment funds	13.2	621	470	621	470
Parish general funds	13.3	64,693	59,730	64,541	59,445
Diocesan general funds	13.4	2,738	2,896	342	859
<b>TOTAL FUNDS</b>		<b>82,194</b>	74,933	<b>79,646</b>	72,611

Approved by the Trustees on 1<sup>st</sup> February 2022 and signed on their behalf by



.....  
The Right Reverend P Swarbrick  
Bishop of Lancaster & Chair of the  
Trustees



.....  
Reverend Canon P Hart  
Financial Administrator & Trustee

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**CONSOLIDATED CASH FLOW STATEMENT**

	2021 £000	2020 £000	
<b>Cash flows from operating activities</b>			
<b>Net cash provided by (used in) operating activities</b>	<u>147</u>	<u>(3,945)</u>	
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investment	733	989	
Proceeds from sale of property, plant & equipment	1,170	923	
Purchase of property, plant & equipment	(5)	(24)	
Proceeds of sale of investments	1,900	6,183	
Purchase of investments	<u>(4,170)</u>	<u>(6,907)</u>	
<b>Net cash provided by (used in) investing activities</b>	<u>(225)</u>	<u>(2,781)</u>	
<b>Cash flows from financing activities:</b>			
Repayment of borrowing	-	-	
Cash inflows from new borrowing	<u>-</u>	<u>-</u>	
<b>Net cash provided by (used in) financing activities</b>	<u>-</u>	<u>-</u>	
Change in cash and cash equivalents in the reporting period	(225)	(2,781)	
Cash and cash equivalents at the beginning of the reporting period	12,840	15,621	
Change in cash and cash equivalents due to exchange rate movement	-	-	
<b>Cash and cash equivalents at the end of the reporting period</b>	<u>12,615</u>	<u>12,840</u>	
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>			
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	7,261	(6,503)	
<b>Adjustments for:</b>			
Depreciation charges	15	23	
(Gains)/losses on investments	(7,942)	4,365	
Dividend, interest and rents from investments	(733)	(989)	
Loss/(Profit) on sale of fixed assets	365	(849)	
(increase)/decrease in stocks	4	6	
(increase)/decrease in debtors	(434)	83	
increase/(decrease) in creditors	<u>1,611</u>	<u>(81)</u>	
<b>Net cash provided by/(used in) operating activities</b>	<u>147</u>	<u>(3,945)</u>	
<b>Analysis of change in cash in hand and at bank</b>			
Bank	12,466	12,135	change 331
Held by investment fund managers	<u>149</u>	<u>705</u>	<u>(556)</u>
	<u>12,615</u>	<u>12,840</u>	<u>(225)</u>

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**1 ACCOUNTING POLICES**

**Basis of accounting**

Lancaster Roman Catholic Diocesan Trust is a registered charity in the United Kingdom. The address of the charity, the nature of its operations and its principal activities are all detailed in the Trustees' report and Trustees and Advisors pages of these financial statements.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at valuation. The financial statements are prepared in sterling which is the functional currency of the charity.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**Preparation of the accounts on a going concern basis**

The trustees have assessed whether the use of the going concern basis is appropriate in the preparation of the financial statements. The period of assessment is one year from the date of approval of these financial statements. The trustees have concluded that there are no material uncertainties that cast doubt on the ability of the charity/group to continue as a going concern including the impact of the Covid 19 pandemic. The trustees are of the opinion, based on available financial data, that there will be sufficient incoming resources and assets to meet future liabilities when they fall due taking into account the expected reduction in income with expenditure remaining unchanged during the period of assessment.

A significant area of uncertainty is the value of investments and the income from these which can be drastically affected by economic and other factors beyond the control of the trustees. The trustees are of the opinion that the Charity can withstand a significant fall in the value of these and in investment income receipts, though this is not anticipated.

**Basis of consolidation**

The consolidated financial statements of the group incorporate the financial statements of the Diocesan Trust, "the charity" which comprise the parishes and central diocesan agencies and subsidiary entities over which the diocese is considered to exert control. Details of the subsidiary entities are given in note 2.

**Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.



**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

*Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

*Impairment of financial assets*

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of financial activities.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

*De-recognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

*Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

*Basic financial liabilities*

Basic financial liabilities including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

*De-recognition of financial liabilities*

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**Judgement and key sources of estimation uncertainty**

In the application of the charity's accounting policies the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In the opinion of the trustees there have been no significant estimate or judgements made in the process of applying the charity's accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**Income recognition**

Income is included in the period in which the charity/group becomes entitled to the income, it is probable that it will be received and the amount of income receivable can be measured reliably. Specific policies apply to the categories of income noted below.

Legacies are accounted for on entitlement which is considered to be the earlier of notification from the executor that probate has been granted and confirmed that there are sufficient assets to make a distribution or when a distribution is received.

Collections, including Mass offerings, and other donations are accounted for on a cash received basis as such voluntary donations can only be measured with certainty upon receipt.

Gift Aid donations are accounted for on a cash received basis with any related Gift Aid or Gift Aid Small Donation Scheme tax credits accounted for on an accruals basis.

Revenue grant income is accounted for when received.

Capital grants are recognised as restricted income when received or receipt can be measured reliably and associated costs are charged against these restricted funds.

Investment income is accounted for on an accruals basis.

Income from charitable activities is accounted for on a cash received basis.

Income from fund raising activities is accounted for on a cash received basis.

Rental income from functional properties is accounted for when received under the terms of the lease or hire agreement and when it is probable that it will be received and the amount can be reliably measured.

Trading subsidiary accounts are produced on an accruals basis.

**Expenditure**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount can be reliably measured. All expenditure is included in the financial statements on an accruals basis inclusive of irrecoverable VAT.

Expenditure on direct charitable activities mainly comprise: the provision of places of worship and associated buildings e.g. presbyteries; provision of religious services and pastoral care and support; support of education and youth services; training of priests and deacons and the financial support of sick and retired priests.

Support costs include the costs of the Finance and Property Offices, Health & Safety services, Safeguarding Office, the provision of the Pastoral Centre, which houses the administrative offices of the diocese and provide a central meeting venue, and governance costs. Support costs are apportioned to charitable activities based on an estimate of management and employee time spent in support of these activities.

Governance costs are now included under support costs and comprise those costs of the organisation administration and compliance with constitutional and statutory requirements including external audit, legal and other professional services. Governance costs are apportioned to charitable activities based on an estimate of management and employee time spent in support of these activities.

**Investments**

Investments are initially recognised at their transaction value then subsequently included in the balance sheet at their fair value using the closing quoted market price. Any realised and unrealised gains and losses on revaluation or disposals throughout the year are included in the statement of financial activities.

**Tangible fixed assets - other than schools**

Functional freehold properties including churches, presbyteries, houses, parish hall/centres and similar buildings are included in the balance sheet at deemed cost. The deemed cost is the discounted insurance value at 1997, which

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

have been discounting based on inflation statistics to arrive at original cost. For the purposes of these financial statements and in line with the provisional arrangements of FRS 102 these estimates of depreciated value at 1997 are now the deemed cost.

The charity took advantage of the transitional provisions under FRS 102 to take the value of freehold property as deemed cost on transition at 6 April 2014 but as historical cost is unknown and cost per the accounts refers to an earlier valuation by the charity, the trustees have continued to show brought forward valuation and accumulated depreciation at transition date in the notes to the accounts. Depreciation has not been charged on freehold property following the introduction of FRS 102 as this charge is considered meaningless.

Freehold properties purchased since 1997 are recorded at cost. Properties donated after 1997 are included at valuation.

Depreciation is calculated to write off the cost, or valuation, of tangible fixed assets, less their estimated residual values over the expected useful economic lives of the assets concerned. The principal annual rates and method used for this purpose are as follows:

	Rate	Method
Fixtures, fittings and equipment	25%	reducing balance basis
Motor Vehicles	25%	reducing balance basis

All additions to fixtures, fittings and other fixed assets after 6th April 1995 in excess of £5,000 are included at purchase cost less accumulated depreciation.

The charity owns a number of works of art, including paintings, manuscripts and sculptures. All parishes own silverware, in daily use for the purposes of the parish, which are on display within the diocese and parishes. Many have been donated, bequeathed or inherited by the diocese or parishes. Such items are not included at any value in the financial statements because it is considered that no meaningful value can be attributed to them.

**Tangible fixed assets – schools property**

The diocese owns land on which its voluntary aided schools are built. The school buildings are occupied, improved, extended and repaired by the school governors. Each school is an exempt charity and occupies the land and buildings rent free. The nature of occupation of the land and buildings by these exempt charities means that the diocesan trustees do not have the power to dispose of the land or buildings until a school ceases its occupation, which in turn would require the approval of the governing body and the Secretary of State and may involve recovery of grant aid by the DCSF or the obligation to use the proceeds for other educational provision. Consequently such land and buildings are not in direct use by the charity, do not generate any income, cannot be disposed of on the open market and cannot be used for any other purpose during the schools' occupation, which may be indefinite. In view of these restrictions the trustees believe the recoverable amount of these assets is nil and are included at nil valuation in these financial accounts.

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

**Debtors and creditors within one year**

Debtors and creditors with no stated interest rate and receivable and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**Cash and cash equivalents**

Liquid resources comprise amounts held on deposit with recognised banks and building societies and cash on hand held at parish level.

**Provisions**

These are recognised when there is a commitment made to the incurring of expenditure.

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**Pension costs**

The charity operates a defined contribution scheme. Contributions are charged in the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

**Fund accounting**

The charity/group has various types of funds for which it is responsible, and which require separate disclosure within the financial statements. These are:

*Endowment funds*

Funds given to the charity or its subsidiaries, subject to the restriction that they are held as capital. Income derived from endowment funds is included in the Statement of Financial Activities, and may be restricted to a particular purpose.

*Restricted funds*

Donations, grants or legacies received which have been given for a specific purpose or purposes as specified by the donor; where such purposes are within the overall aims of the organisation. These funds may represent capital only (where the capital must be retained) or income and capital (where the donation and income deriving from them may be utilised).

*General funds*

These represent unrestricted funds which are available at the discretion of the Trustee in furtherance of the objectives of the charity and which have not been designated for other purposes.

*Designated funds*

These are funds included within the general funds that have been set aside and designated by the trustees for specific purposes.

*Parish funds*

There are included within the general funds. In civil administration a parish is not a distinct legal entity but forms part of the wider diocese, but with a degree of independence and autonomy. Parish funds and assets, unless subject of a separate trust recognised in law, are funds of the Diocesan Trust and therefore the responsibility of the diocesan trustees. In Canon Law a parish is a public juridical person with the parish priest carrying out his ministry under the authority of the Bishop. A parish has the right under Canon Law to acquire, retain, administer and alienate temporal goods subject to the norms of Canon Law.

**Taxation**

The Roman Catholic Diocese of Lancaster is a charity within the meaning of section 1119 Corporation Taxes Act (CTA) 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478 - 489 of the CTA 2010 or section 256 of the Taxation of Chargeable Gains Act 2010, to the extent that such income or gains are applied to exclusively charitable purposes.

The charity's subsidiary and associated undertakings are subject to corporation tax in the same way as any commercial or charitable organisation, as appropriate.

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**2 GROUP BODIES**

The charity has interests in associated and subsidiary undertakings, which are consolidated in the financial statements, as follows:

**Limited companies**

St Kentigern's Parish Centre Ltd	Subsidiary	100%	Social club/centre
St Anthony's Parish (Preston) Centre Ltd	Subsidiary	100%	Social club/centre
St Margaret Mary's Parish Community Centre (Carlisle) Ltd	Subsidiary	100%	Social club/centre

All the above companies are incorporated in the United Kingdom.

**Trusts and Charities**

The charity has consolidated the financial statements of the following associated or subsidiary trusts and charities into these financial statements:

The Moyston Trust  
Lancaster Diocesan Pilgrimage Trust  
St Cuthbert's Carlisle School Charity  
St John's Poulton 1838 Charity

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**3.1 ANALYSIS OF INCOME – GROUP**  
**CURRENT YEAR**

	PARISHES				CENTRAL DIOCESAN AGENCIES			GROUP TOTAL	2020
	Unrestricted £000	Restricted £000	Endowments £000	Total £000	Unrestricted £000	Restricted £000	Total £000	£000	£000
<b>Donations and legacies</b>									
Collections	1,814	-	-	1,814	-	-	-	1,814	2,357
Donations	617	25	-	642	8	48	56	698	1,141
Legacies	309	203	-	512	15	661	676	1,188	330
Special collections	215	-	-	215	-	-	-	215	434
Gift Aid	468	-	-	468	1	-	1	469	504
Other	-	-	-	-	-	-	-	-	-
	3,423	228	-	3,651	24	709	733	4,384	4,766
<b>Charitable activities</b>									
Grants received (see note 18)	78	10	-	88	182	3,638	3,820	3,908	7,903
Service charges receivable	7	-	-	7	2	-	2	9	3
Sale of candles, votive etc	51	-	-	51	6	-	6	57	186
Youth Service income	-	-	-	-	69	-	69	69	331
Insurance claim receipts (see note 18)	13	-	-	13	-	593	593	606	404
Income from chaplaincy	79	-	-	79	-	-	-	79	95
Subscriptions and other charges	-	-	-	-	25	-	25	25	98
Inter diocese re-charges	-	-	-	-	-	47	47	47	-
Education Service income	-	-	-	-	-	-	-	-	192
Income for graveyards & funerals	28	-	-	28	-	-	-	28	30
Other	10	-	-	10	65	-	65	75	237
	266	10	-	276	349	4,278	4,627	4,903	9,479
<b>Other trading activities</b>									
Social clubs	35	-	-	35	-	-	-	35	81
Fund raising – fetes etc	118	-	-	118	-	-	-	118	474
Rental income	648	-	-	648	133	28	161	809	901
	801	-	-	801	133	28	161	962	1,456
<b>Investments</b>									
Bank interest received	-	-	-	-	-	-	-	-	-
Dividend income	449	-	14	463	40	230	270	733	989
Rental and leasing income	-	-	-	-	17	-	17	17	-
Other	-	-	-	-	-	-	-	-	-
	449	-	14	463	57	230	287	750	989
<b>Other</b>									
Gains and losses on sale of fixed assets	-	-	-	-	-	(365)	(365)	(365)	849
Other	42	-	-	42	-	-	-	42	-
	42	-	-	42	-	(365)	(365)	(323)	849
<b>TOTAL GROUP INCOME 2021</b>	<b>4,981</b>	<b>238</b>	<b>14</b>	<b>5,233</b>	<b>563</b>	<b>4,880</b>	<b>5,443</b>	<b>10,676</b>	<b>17,539</b>



**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**3.1 ANALYSIS OF INCOME – GROUP**  
**PREVIOUS YEAR**

	PARISHES				CENTRAL DIOCESAN AGENCIES			2020 GROUP TOTAL	2019
	Unrestricted £000	Restricted £000	Endowments £000	Total £000	Unrestricted £000	Restricted £000	Total £000	£000	£000
<b>Donations and legacies</b>									
Collections	2,357	-	-	2,357	-	-	-	2,357	2,498
Donations	940	51	-	991	19	131	150	1,141	744
Legacies	279	50	-	329	-	1	1	330	1,085
Special collections	431	3	-	434	-	-	-	434	349
Gift Aid	504	-	-	504	-	-	-	504	537
Other	-	-	-	-	-	-	-	-	-
	4,511	104	-	4,615	19	132	151	4,766	5,213
<b>Charitable activities</b>									
Grants received (see note 18)	3	208	-	211	3	7,689	7,692	7,903	3,184
Service charges receivable	2	-	-	2	1	-	1	3	-
Sale of candles, votive etc	164	-	-	164	22	-	22	186	201
Youth Service income	-	-	-	-	331	-	331	331	347
Insurance claim receipts (see note 18)	18	-	-	18	-	386	386	404	5,735
Income from chaplaincy	86	-	-	86	9	-	9	95	72
Subscriptions and other charges	81	-	-	81	17	-	17	98	91
Inter diocese re-charges	-	-	-	-	-	-	-	-	5
Education Service income	-	-	-	-	145	47	192	192	181
Income for graveyards & funerals	30	-	-	30	-	-	-	30	23
Other	29	-	-	29	208	-	208	237	146
	413	208	-	621	736	8,122	8,858	9,479	9,985
<b>Other trading activities</b>									
Social clubs	78	-	-	78	3	-	3	81	82
Fund raising - fetes etc	474	-	-	474	-	-	-	474	507
Rental income	789	-	-	789	93	19	112	901	932
	1,341	-	-	1,341	96	19	115	1,456	1,521
<b>Investments</b>									
Bank interest received	-	-	-	-	-	-	-	-	1
Dividend income	615	-	18	633	46	310	356	989	930
Rental and leasing income	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	615	-	18	633	46	310	356	989	931
<b>Other</b>									
Gains and losses on sale of fixed assets	324	-	-	324	525	-	525	849	754
	324	-	-	324	525	-	525	849	754
<b>TOTAL GROUP INCOME 2020</b>	<b>7,204</b>	<b>312</b>	<b>18</b>	<b>7,534</b>	<b>1,422</b>	<b>8,583</b>	<b>10,005</b>	<b>17,539</b>	<b>18,404</b>

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**3.2 ANALYSIS OF INCOME – CHARITY**  
**CURRENT YEAR**

	PARISHES				CENTRAL DIOCESAN AGENCIES				CHARITY TOTAL	2020
	Unrestricted £000	Restricted £000	Endowments £000	Total £000	Unrestricted £000	Restricted £000	Total £000	£000	£000	£000
<b>Donations and legacies</b>										
Collections	1,814	-	-	1,814	-	-	-	1,814	2,357	
Donations	617	25	-	642	9	48	57	699	1,142	
Legacies	309	203	-	512	11	661	672	1,184	330	
Special collections	215	-	-	215	-	-	-	215	431	
Gift Aid	468	-	-	468	1	-	1	469	507	
Other	-	-	-	-	-	-	-	-	-	
	3,423	228	-	3,651	21	709	730	4,381	4,767	
<b>Charitable activities</b>										
Grants received (see note 18)	78	10	-	88	181	3,638	3,819	3,907	7,903	
Service charges receivable	-	-	-	-	2	47	49	49	4	
Sale of candles, votive etc	51	-	-	51	6	-	6	57	185	
Youth Service income	-	-	-	-	69	-	69	69	331	
Insurance claim receipts (see note 18)	13	-	-	13	-	593	593	606	404	
Income from chaplaincy	80	-	-	80	-	-	-	80	95	
Subscriptions and other charges	7	-	-	7	18	-	18	25	99	
Inter diocese re-charges	-	-	-	-	6	-	6	6	-	
Education Service income	-	-	-	-	-	-	-	-	193	
Income for graveyards & funerals	28	-	-	28	-	-	-	28	29	
Other	9	-	-	9	65	-	65	74	235	
	266	10	-	276	347	4,278	4,625	4,901	9,478	
<b>Other trading activities</b>										
Social clubs	36	-	-	36	-	-	-	36	78	
Fund raising - fetes etc	45	-	-	45	-	-	-	45	172	
Rental income	648	-	-	648	133	28	161	809	877	
	729	-	-	729	133	28	161	890	1,127	
<b>Investments</b>										
Bank interest received	-	-	-	-	-	-	-	-	-	
Dividend income	449	-	14	463	1	230	231	694	942	
Rental and leasing income	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	
	449	-	14	463	1	230	231	694	942	
<b>Other</b>										
Gains and losses on sale of fixed assets	-	-	-	-	-	(365)	(365)	(365)	323	
	-	-	-	-	-	(365)	(365)	(365)	323	
<b>TOTAL CHARITY INCOME 2021</b>	<b>4,867</b>	<b>238</b>	<b>14</b>	<b>5,119</b>	<b>502</b>	<b>4,880</b>	<b>5,382</b>	<b>10,501</b>	<b>16,637</b>	



**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**3.2 ANALYSIS OF INCOME – CHARITY**  
**PREVIOUS YEAR**

	PARISHES				CENTRAL DIOCESAN AGENCIES			2020 CHARITY TOTAL	2019
	Unrestricted £000	Restricted £000	Endowments £000	Total £000	Unrestricted £000	Restricted £000	Total £000	£000	£000
<b>Donations and legacies</b>									
Collections	2,357	-	-	2,357	-	-	-	2,357	2,498
Donations	943	51	-	994	17	131	148	1,142	744
Legacies	279	50	-	329	-	1	1	330	1,086
Special collections	431	-	-	431	-	-	-	431	349
Gift Aid	504	3	-	507	-	-	-	507	536
Other	-	-	-	-	-	-	-	-	-
	4,514	104	-	4,618	17	132	149	4,767	5,213
<b>Charitable activities</b>									
Grants received (see note 18)	3	208	-	211	3	7,689	7,692	7,903	3,184
Service charges receivable	-	-	-	-	4	-	4	4	5
Sale of candles, votive etc	163	-	-	163	22	-	22	185	200
Youth Service income	-	-	-	-	331	-	331	331	347
Insurance claim receipts (see note 18)	19	-	-	19	-	385	385	404	5,735
Income from chaplaincy	86	-	-	86	9	-	9	95	72
Subscriptions and other charges	82	-	-	82	17	-	17	99	90
Inter diocese re-charges	-	-	-	-	-	-	-	-	4
Education Service income	-	-	-	-	145	48	193	193	180
Income for graveyards & funerals	29	-	-	29	-	-	-	29	23
Other	28	-	-	28	207	-	207	235	145
	410	208	-	618	738	8,122	8,860	9,478	9,985
<b>Other trading activities</b>									
Social clubs	78	-	-	78	-	-	-	78	72
Fund raising - fetes etc	172	-	-	172	-	-	-	172	181
Rental income	788	-	-	788	70	19	89	877	894
	1,038	-	-	1,038	70	19	89	1,127	1,147
<b>Investments</b>									
Bank interest received	-	-	-	-	-	-	-	-	-
Dividend income	614	-	18	632	-	310	310	942	886
Rental and leasing income	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	614	-	18	632	-	310	310	942	886
<b>Other</b>									
Gains and losses on sale of fixed assets	324	-	-	324	(1)	-	(1)	323	754
	324	-	-	324	(1)	-	(1)	323	754
<b>TOTAL CHARITY INCOME 2020</b>	<b>6,900</b>	<b>312</b>	<b>18</b>	<b>7,230</b>	<b>824</b>	<b>8,583</b>	<b>9,407</b>	<b>16,637</b>	<b>17,985</b>

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**4.1 ANALYSIS OF EXPENDITURE – GROUP**  
**CURRENT YEAR**

**Expenditure on raising funds:**

Parish event fund raising costs	
Other events fund raising costs	
Social club bar purchases	
Social club other costs	
Investment management costs	
Rental property management costs	
Other	

**Expenditure on charitable activities**

Provision of places of worship & ancillary buildings	
Provision of religious service & pastoral care	
Support of education & youth services (see note 18)	
Training of priests, deacons & seminarians	
Support of retired priests	
Grants, donations & levies	
Other charitable activity costs	

**Other**

**TOTAL GROUP EXPENDITURE 2021**

	PARISHES				CENTRAL DIOCESAN AGENCIES				GROUP TOTAL	2020
	Unrestricted £000	Restricted £000	Endowments £000	Total £000	Unrestricted £000	Restricted £000	Total £000	£000		
	26	-	-	26	-	-	-	26	57	
	-	-	-	-	36	-	36	36	-	
	41	-	-	41	-	-	-	41	127	
	97	-	-	97	-	-	-	97	222	
	62	-	-	62	13	10	23	85	86	
	-	-	-	-	18	-	18	18	71	
	12	-	-	12	55	-	55	67	7	
	238	-	-	238	122	10	132	370	570	
	2,648	14	-	2,662	99	-	99	2,761	3,426	
	1,438	-	-	1,438	265	23	288	1,726	2,109	
	-	-	-	-	708	4,656	5,364	5,364	12,154	
	-	-	-	-	5	105	110	110	121	
	-	-	-	-	10	284	294	294	317	
	459	10	-	469	21	9	30	499	682	
	120	-	-	120	113	-	113	233	298	
	4,665	24	-	4,689	1,221	5,077	6,298	10,987	19,107	
	-	-	-	-	-	-	-	-	-	
	4,903	24	-	4,927	1,343	5,087	6,430	11,357	19,677	

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**4.1 ANALYSIS OF EXPENDITURE – GROUP**

[PREVIOUS YEAR](#)

**Expenditure on raising funds:**

	PARISHES			
	Unrestricted £000	Restricted £000	Endowments £000	Total £000
Parish event fund raising costs	57	-	-	57
Other events fund raising costs	-	-	-	-
Social club bar purchases	127	-	-	127
Social club other costs	222	-	-	222
Investment management costs	66	-	-	66
Rental property management costs	-	-	-	-
Other	1	-	-	1
	473	-	-	473

**Expenditure on charitable activities**

Provision of places of worship & ancillary buildings  
Provision of religious service & pastoral care  
Support of education & youth services (see note 18)  
Training of priests, deacons & seminarians  
Support of retired priests  
Grants, donations & levies  
Other charitable activity costs

**Other**

**TOTAL GROUP EXPENDITURE 2020**

	CENTRAL DIOCESAN AGENCIES				2020 GROUP TOTAL		2019	
	Unrestricted £000	Restricted £000	Total £000		£000		£000	
					57		48	
					-		17	
					127		159	
					222		208	
					86		87	
					71		65	
					7		7	
					570		591	
					3,426		3,498	
					2,109		2,143	
					12,154		5,818	
					121		114	
					317		365	
					682		633	
					298		230	
					19,107		12,801	
					-		-	
					-		-	
					-		-	
					1,632	11,736		13,392



**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**4.2 ANALYSIS OF EXPENDITURE -**  
**CHARITY CURRENT YEAR**

	PARISHES			CENTRAL DIOCESAN AGENCIES			CHARITY TOTAL	2020
	Unrestricted	Restricted	Endowments	Unrestricted	Restricted	Total		
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Expenditure on raising funds:</b>								
Parish event fund raising costs	22	-	-	-	-	-	22	46
Other events fund raising costs	3	-	-	-	-	-	3	11
Social club bar purchases	-	-	-	-	-	-	-	-
Social club other costs	-	-	-	-	-	-	-	-
Investment management costs	62	-	-	-	10	10	72	76
Rental property management costs	-	-	-	36	-	36	36	59
	87	-	-	36	10	46	133	192
<b>Expenditure on charitable activities</b>								
Provision of places of worship & ancillary buildings	2,649	14	-	99	-	99	2,762	3,427
Provision of religious service & pastoral care	1,438	-	-	265	23	288	1,726	2,109
Support of education & youth services (see note 18)	-	-	-	708	4,656	5,364	5,364	12,153
Training of priests, deacons & seminarians	-	-	-	5	106	111	111	119
Support of retired priests	-	-	-	11	284	295	295	317
Grants, donations & levies	458	10	-	21	8	29	497	683
Other charitable activities	25	-	-	111	-	111	136	284
	4,570	24	-	1,220	5,077	6,297	10,891	19,092
<b>TOTAL CHARITY EXPENDITURE 2021</b>	<b>4,657</b>	<b>24</b>	<b>-</b>	<b>1,256</b>	<b>5,087</b>	<b>6,343</b>	<b>11,024</b>	<b>19,284</b>

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**4.2 ANALYSIS OF EXPENDITURE –CHARITY PREVIOUS YEAR**

	PARISHES				Total
	Unrestricted	Restricted	Endowments		
	£000	£000	£000	£000	£000
<b>Expenditure on raising funds:</b>					
Parish event fund raising costs	46	-	-	-	46
Other events fund raising costs	11	-	-	-	11
Social club bar purchases	-	-	-	-	-
Social club other costs	-	-	-	-	-
Investment management costs	66	-	-	-	66
Rental property management costs	-	-	-	-	-
	123	-	-	-	123
<b>Expenditure on charitable activities</b>					
Provision of places of worship & ancillary buildings	3,329	-	-	-	3,329
Provision of religious service & pastoral care	1,868	-	-	-	1,868
Support of education & youth services (see note 18)	-	-	-	-	-
Training of priests, deacons & seminarians	-	-	-	-	-
Support of retired priests	-	-	-	-	-
Grants, donations & levies	614	22	-	-	636
Other charitable activities	3	-	-	-	3
	5,814	22	-	-	5,836
<b>TOTAL CHARITY EXPENDITURE 2020</b>	5,937	22	-	-	5,959

CENTRAL DIOCESAN AGENCIES				Total
Unrestricted	Restricted			
£000	£000	£000	£000	£000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	10	10	10	10
59	-	-	-	59
59	10			69
95	3			98
214	27			241
894	11,259			12,153
5	114			119
10	307			317
31	16			47
281	-			281
1,530	11,726			13,256
1,589	11,736			13,325

2020 CHARITY TOTAL	2019
£000	£000
46	48
11	13
-	-
-	-
76	75
59	60
192	196
3,427	3,497
2,109	2,146
12,153	5,818
119	113
317	365
683	632
284	220
19,092	12,791
19,284	12,987

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**5 EMPLOYEES AND OFFICE HOLDERS (including key management personnel)**

The number of employees, which excludes clergy and volunteer, during the year was:-

	2021	2020
Central diocesan: administration and support services	15	14
Youth Service including Castlerigg	11	10
Parochial	70	76
Clubs & centres	12	13
	108	113
The aggregate remuneration paid to employees was:-	£000	£000
Wages and salaries (restated to excluded clergy retirement gratuities)	988	987
Social security costs	39	35
Pension costs	37	36
	1,064	1,058
Amounts paid to clergy during the year:- for active ministry	403	329
retirement gratuities	195	180
	598	509

The number of employees who earned more than £60,000 (including benefits but excluding employer's national insurance and pension contributions) during the year was as follows

	2021	2020
£60,001 - £70,000	1	-
	1	-

Employees include administrative staff at both Diocese and Parishes, together with associated and related entities. Clergy are self-employed office holders and not employees.

**Key personnel**

The trustees consider the board of trustees as the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give their time freely, and no trustee receives any remuneration in respect of the work undertaken in the role of trustee. There are members of the board of trustees who are also clergy of the Diocese of Lancaster, and as with other members of the clergy receive a remuneration for the work they undertake in their clerical role only. These trustees are identified in the list of trustees on page 3 "Trustees and Advisors".

Details of trustees' expenses and related party transactions are disclosed in the notes the accounts. Trustees are required to disclose all relevant interests and register them with the diocesan secretary and in accordance with the trustees' policy withdraw from decisions where a conflict of interest arises.

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**6 TRUSTEES**

No trustee received any remuneration during the year or previous year. Certain trustees received allowances as serving clergy but not in their capacity as trustee.

During the year 2 trustees (2020: 5) received expenses to the value of £1,149 (2020 £3,520) in respect of travel and subsistence costs in respect of their position as a trustee. Expenses claimed were lower due to meetings being held virtually to comply with Covid 19 restrictions. Trustees who are also serving clergy may receive expenses in connection with their clerical role. Any such expenses have not been quantified and are not included above.

**7 NET EXPENDITURE**

	2021 £000	2020 £000
This is stated after charging:-		
Depreciation	<u>15</u>	<u>23</u>
Audit	<u>26</u>	<u>26</u>

**8 ALLOCATED SUPPORT COSTS**

	Finance Office £000	Gift Aid & Special Collections £000	Pastoral Centre £000	Property Office £000	H&S £000	Governance £000	Group Total £000
Raising Funds	1	-	-	-	-	5	6
Charitable Activities:							
Provision of places of worship	18	7	6	21	11	36	99
Provision of religious service & pastoral care	10	5	3	12	4	27	61
Support of education & youth services	29	12	9	32	11	72	165
Training of priests, deacons & seminarians	1	-	-	-	-	2	3
Support of sick & retired priests	2	1	1	2	-	5	11
Grants, donations & Levies	3	1	1	3	-	10	18
Other charitable activity costs	1	1	1	1	-	2	6
	<u>65</u>	<u>27</u>	<u>21</u>	<u>71</u>	<u>26</u>	<u>159</u>	<u>369</u>

**Basis of allocation**

Governance and support costs are allocated on estimates of staff and trustees time spent on each charitable or other activity.

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**9 TANGIBLE FIXED ASSETS**

**9.1 Group**

	<b>PARISHES</b>				<b>CENTRAL DIOCESAN AGENCIES</b>				<b>GROUP</b>	<b>2020</b>
	Freehold land & buildings	Motor vehicles	Fixtures, fittings and equipment	Total	Freehold land & buildings	Motor vehicles	Fixtures, fittings and equipment	Total		£000 £
<b>Cost or valuation</b>	£000 £	£000 £	£000 £	£000 £	£000 £	£000 £	£000 £	£000 £	£000 £	£000 £
At the beginning of the year	37,117	42	1,061	38,220	8,621	20	132	8,773	46,993	47,051
Additions	-	-	2	2	-	-	3	3	5	24
Disposals	-	-	-	-	(1,747)	-	(17)	(1,764)	(1,764)	(82)
At end of the year	37,117	42	1,063	38,222	6,874	20	118	7,012	45,234	46,993
<b>Depreciation and impairments</b>										
At beginning of the year	6,172	29	1,031	7,232	1,378	16	104	1,498	8,730	8,715
Eliminated on disposals	-	-	(12)	(12)	(217)	-	-	(217)	(229)	(8)
Depreciation	-	3	2	5	-	1	9	10	15	23
Impairment	-	-	-	-	-	-	-	-	-	-
At end of the year	6,172	32	1,021	7,225	1,161	17	113	1,291	8,516	8,730
<b>Net book value</b>										
Net book value at the beginning of the year	30,945	13	30	30,988	7,243	4	28	7,275	38,263	38,336
<b>Net book value at the end of the year</b>	<b>30,945</b>	<b>10</b>	<b>42</b>	<b>30,997</b>	<b>5,713</b>	<b>3</b>	<b>5</b>	<b>5,721</b>	<b>36,718</b>	<b>38,263</b>



**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**9 TANGIBLE FIXED ASSETS**

**9.2 Charity**

	PARISHES					CENTRAL DIOCESAN AGENCIES					CHARITY	2020
	Freehold land & buildings	Motor Vehicles	Fixtures, fittings and equipment	Total		Freehold land & buildings	Motor vehicles	Fixtures, fittings and equipment	Total			
	£000 £	£000 £	£000 £	£000 £		£000 £	£000 £	£000 £	£000 £		£000 £	£000 £
<b>Cost or valuation</b>												
At the beginning of the year	36,914	42	965	37,921		8,620	20	132	8,772		46,693	46,708
Additions	-	-	-	-		-	-	3	3		3	13
Disposals	-	-	-	-		(1,747)	-	-	(1,747)		(1,747)	(28)
At end of the year	36,914	42	965	37,921		6,873	20	135	7,028		44,949	46,693
<b>Depreciation and impairments</b>												
At beginning of the year	6,172	31	960	7,163		1,378	15	103	1,496		8,659	8,650
Eliminated on disposals	-	-	-	-		(217)	-	-	(217)		(217)	(9)
Depreciation	-	3	1	4		-	1	9	10		14	18
Impairment	-	-	-	-		-	-	-	-		-	-
At end of the year	6,172	34	961	7,167		1,161	16	112	1,289		8,456	8,659
<b>Net book value</b>												
Net book value at the beginning of the year	30,742	11	5	30,758		7,242	5	29	7,276		38,034	38,058
<b>Net book value at the end of the year</b>	<b>30,742</b>	<b>8</b>	<b>4</b>	<b>30,754</b>		<b>5,712</b>	<b>4</b>	<b>23</b>	<b>5,739</b>		<b>36,493</b>	<b>38,034</b>

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**10 INVESTMENTS**

	Market value at start of year	Costs of investments purchased	Proceeds of sale of investments	CIMV	Market value at end of year
	£000	£000	£000	£000	£000
<b>Charity</b>					
Equities & unit trusts	18,161	3,208	(1,900)	8,538	28,007
Fixed interest	5,250	957	-	(593)	5,614
Held for subsidiary entities	(1,151)	-	(617)	(382)	(2,150)
Held for third parties	(17)	-	-	(5)	(22)
	22,243	4,165	(2,517)	7,558	31,449
Cash	704				149
	<u>22,947</u>			<b>Charity</b>	<u>31,598</u>
<b>Group</b>					
Equities & unit trusts	18,206	3,210	(1,900)	8,543	28,059
Fixed interest	5,250	960	-	(596)	5,614
Held for third parties	(17)	-	-	(5)	(22)
	23,439	4,170	(1,900)	7,942	33,651
Cash	705				149
	<u>24,144</u>			<b>Group</b>	<u>33,800</u>

The Diocesan Trust operates a pooled investment fund where investors hold units and do not invest directly in discrete holdings.

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**11 DEBTORS & PREPAYMENTS**

	GROUP		CHARITY	
	2021 £000	2020 £000	2021 £000	2020 £000
Gift Aid and Gift Aid Small Donation Scheme recoverable	401	450	401	450
Sundry debtors	822	195	815	204
Prepayments and accrued income	38	182	38	181
Loans to clergy	2	2	2	2
	<b>1,263</b>	<b>829</b>	<b>1,256</b>	<b>837</b>

All debtors are receivable within one year

**12 CREDITORS & ACCRUALS**

**Amounts falling due within one year**

Trade creditors	50	23	49	4
Accruals and deferred income	95	83	78	82
Taxation and social security	-	-	-	-
Other creditors	1,848	304	2,014	1,110
	<b>1,993</b>	<b>410</b>	<b>2,141</b>	<b>1,196</b>

**Amounts falling due after more than one year**

Other creditors	74	46	-	-
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**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**13.1 RESTRICTED FUNDS – current year**

**Charity: Diocesan Central Agencies**

	Opening balance 2020	Income	Expenditure	Transfers	Unrealised gains on investments	Closing balance 2021
	£000					£000
Ecclesiastical Education Fund	4,290	209	(122)	(28)	1,035	5,384
Poor Missions Fund	1,634	41	-	(40)	409	2,044
Sick and Retired Priests Fund	4,540	380	(294)	75	702	5,403
Funds for Overseas Missions	9	-	-	-	-	9
Kirkham Church of St John and RC Purposes	248	7	-	(9)	75	321
Catforth, Thurnham & Westby Schools	70	2	-	-	16	88
St Ignatius Legacy	21	-	-	-	-	21
Diocesan Catholic Caring Fund	134	-	-	-	-	134
Good Shepherd Fund	57	3	(7)	-	-	53
Academy Support Grant	18	-	-	-	-	18
Newman School (Carlisle) Chapel Fund	84	25	(5)	-	-	104
Newman School Rebuilding Fund	508	4,213	(4,656)	-	-	65
Sundry Funds (restated)	48	-	(3)	-	-	45
	11,661	4,880	(5,087)	(2)	2,237	13,689

**Charity: Parishes**

Our Lady of Furness, Barrow: grant	10	-	-	(10)	-	-
St John Vianney & St Monica, Legacy	50	-	(14)	-	-	36
Our Lady of Eden, Carlisle, Reverend Turner legacy	18	-	-	-	-	18
Our Lady of Perpetual Help, Carlisle (formerly Our Lady & St Wilfrid, Warwick Bridge, Carlisle), Restoration Fund	6	11	-	-	-	17
St Mary, Fleetwood, legacy	-	193	-	-	-	193
St Wulstan & St Edmund, Fleetwood, Allen Millar Memorial Fund	40	7	(10)	-	-	37
Our Lady of the Assumption & St Cuthbert, Wigton & Silloth	-	9	-	-	-	9
Refugee support projects (various parishes)	52	4	-	9	-	65
Workington Stella Maris Project	-	14	-	64	-	78
	176	238	(24)	63	-	453

**Charity total 2021**

<b>11,837</b>	<b>5,118</b>	<b>(5,111)</b>	<b>61</b>	<b>2,237</b>	<b>14,142</b>
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**Group total 2021**

<b>11,837</b>	<b>5,118</b>	<b>(5,111)</b>	<b>61</b>	<b>2,237</b>	<b>14,142</b>
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**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**13.1 RESTRICTED FUNDS – previous year**

**Charity: Diocesan Central Agencies**

	Opening balance 2019	Income	Expenditure	Transfers	Unrealised gains on investments	Closing balance 2020
	£000	£000	£000	£000	£000	£000
<i>Ecclesiastical Education Fund</i>	4,854	162	(140)	(30)	(556)	4,290
<i>Poor Missions Fund</i>	1,861	77	-	(84)	(220)	1,634
<i>Sick and Retired Priests Fund</i>	5,133	197	(318)	100	(572)	4,540
<i>Funds for Overseas Missions</i>	9	-	-	-	-	9
<i>Kirkham Church of St John and RC Purposes</i>	288	9	-	(9)	(40)	248
<i>Catforth, Thurnham &amp; Westby Schools</i>	77	2	-	-	(9)	70
<i>St Ignatius Roof Fund</i>	3	-	(3)	-	-	-
<i>St Ignatius Legacy</i>	21	-	-	-	-	21
<i>Diocesan Catholic Caring Fund</i>	134	-	-	-	-	134
<i>Good Shepherd Fund</i>	64	9	(16)	-	-	57
<i>Academy Supper Grant</i>	18	-	-	-	-	18
<i>Newman School (Carlisle) Chapel Fund</i>	33	51	-	-	-	84
<i>Newman School Rebuilding Fund</i>	3,691	8,076	(11,259)	-	-	508
<i>Sundry Funds (restated)</i>	48	-	-	-	-	48
	<b>16,234</b>	<b>8,583</b>	<b>(11,736)</b>	<b>(23)</b>	<b>(1,397)</b>	<b>11,661</b>

**Charity : Parishes**

<i>Our Lady of Furness, Barrow: grant</i>	-	10	-	-	-	10
<i>St John Vianney &amp; St Monica, Legacy</i>	-	50	-	-	-	50
<i>Our Lady of Eden, Carlisle, Reverend Turner legacy</i>	18	-	-	-	-	18
<i>Our Lady &amp; St Wilfrid, Warwick Bridge, Carlisle, Restoration Fund</i>	5	1	-	-	-	6
<i>St Wulstan &amp; St Edmund, Fleetwood, Allen Millar Memorial Fund</i>	43	1	(4)	-	-	40
<i>Our Lady of the Assumption &amp; St Cuthbert, Wigton &amp; Silloth</i>	-	23	-	(23)	-	-
<i>St Joseph's, Lancaster, HLF Grant</i>	14	175	-	(189)	-	-
<i>Refugee support projects (various parishes)</i>	18	52	(18)	-	-	52
	<b>98</b>	<b>312</b>	<b>(22)</b>	<b>(212)</b>	<b>-</b>	<b>176</b>

**Charity total 2020**

<b>16,332</b>	<b>8,895</b>	<b>(11,758)</b>	<b>(235)</b>	<b>(1,397)</b>	<b>11,837</b>
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**Group total 2020**

<b>16,332</b>	<b>8,895</b>	<b>(11,758)</b>	<b>(235)</b>	<b>(1,397)</b>	<b>11,837</b>
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# LANCASTER ROMAN CATHOLIC DIOCESAN TRUST

## ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021

### NOTES TO THE ACCOUNTS

#### Purpose of restricted funds

The specific purposes for which the funds are to be applied are as follows:

#### Diocesan Central Agencies

Ecclesiastical Education Fund

Poor Missions Fund

Sick and Retired Priests Fund

Funds for Overseas Missions

Kirkham Church of St John and RC Purposes

Catforth, Thurnham & Westby Schools

St Ignatius Legacy Fund

Diocesan Catholic Caring Fund

Good Shepherd

Academy Support Grant

Newman Chapel Fund

Newman School

Sundry Funds

Training of priests and deacons of the diocese.

Support of poor parishes of the diocese.

Financial and medical care of sick and retired clergy of the diocese.

Support for overseas missions at the discretion of the Bishop.

The provision and maintenance of resources and facilities for the people of Kirkham for the pursuit of the Roman Catholic religion, through the church of St John The Evangelist, Kirkham.

The provision and maintenance of resources and facilities for the people of Catforth, Thurnham and Westby for the pursuit of the Roman Catholic religion in these areas and educational purposes.

Legacies received and previously held as general parish funds which were given for the up keep of the parish property now in the Canonical ownership of the Diocese.

To provide support for diocesan sponsored caring activities

To assist diocesan projects that aim to support the poor and disadvantaged, particularly the young and those with special needs.

To assist with costs of setting up school academy trusts.

To provide a new chapel at Newman School, Carlisle which is to be re-built on a new site.

Application of insurance and grant money received to assist with the purchase of a new site, contribution towards construction costs of a new school and any other costs associated with the project and to assist the governors with certain costs associated with operating from a temporary site.

For the purposes of those funds.

#### Parishes

Our Lady of Furness, Barrow: grant

St John Vianney & St Monica, Legacy

Our Lady of Eden, Carlisle, Reverend Turner legacy

Our Lady & St Wilfrid, Warwick Bridge, Carlisle, Restoration Fund

St Wulstan & St Edmund, Fleetwood, Allen Millar Memorial Fund

Our Lady of the Assumption & St Cuthbert, Wigton & Silloth

Refugee support projects (various parishes)

To fund buildings maintenance programs.

For the parish building fund.

For the refurbishment/rebuilding of the St Ninian's Chapel, Brampton, Carlisle.

For the restoration of the church of Our Lady & St Wilfrid, Warwick Bridge, Carlisle.

Benefitting the poor and needy parishioners of the parish of St Wulstan & St Edmund's, Fleetwood, Lancashire.

Grant received to help towards cost of external repairs to the church.

To support Syrian refugee families.

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**13.2 PERMANENT ENDOWED FUNDS**

**Charity - Lancaster Capital Common Investment Fund**

**Group- Lancaster Capital Common Investment Fund**

**Previous year**

**Charity - Lancaster Capital Common Investment Fund**

**Group- Lancaster Capital Common Investment Fund**

	Opening balance	Income	Expenditure	Transfers	Unrealised gains on investments	Closing balance
	£000	£000	£000	£000	£000	£000
Charity - Lancaster Capital Common Investment Fund	470	14	-	(14)	151	621
Group- Lancaster Capital Common Investment Fund	470	14	-	(14)	151	621
<b>Previous year</b>						
Charity - Lancaster Capital Common Investment Fund	551	18	-	(18)	(81)	470
Group- Lancaster Capital Common Investment Fund	551	18	-	(18)	(81)	470

The Lancaster Capital Common Investment Fund represents the endowment fund held by the Charity.

As a direct result of the further scheme of the Charity Commission dated 2 May 2000 (applied on this date but sealed 6 November 2000), as mentioned earlier in the Trustees' Report – Investment Powers, the trustees have transferred a portion of general reserves and reclassified these as an endowment fund "Lancaster Capital Common Investment Fund".

**13.3 PARISH GENERAL FUNDS (including designated funds)**

**Charity**

**Group**

**Previous year**

**Charity**

**Group**

	Opening balance	Income	Expenditure	Transfers	Unrealised gains/losses on investments	Closing balance
	£000	£000	£000	£000	£000	£000
Charity	59,445	4,867	(4,657)	(273)	5,159	64,541
Group	59,730	4,981	(4,903)	(273)	5,158	64,693
<b>Previous year</b>						
Charity	61,672	6,900	(5,937)	(510)	(2,680)	59,445
Group	62,002	7,204	(6,287)	(510)	(2,679)	59,730



**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**13.4 DIOCESAN GENERAL FUNDS (including designated funds)**

5

	Opening balance	Income	Expenditure	Transfers	Unrealised gains on investments	Closing balance
	£000	£000	£000	£000	£000	£000
<b>Charity</b>	<b>859</b>	<b>502</b>	<b>(1,256)</b>	<b>226</b>	<b>11</b>	<b>342</b>
<b>Group</b>	<b>2,896</b>	<b>563</b>	<b>(1,343)</b>	<b>226</b>	<b>396</b>	<b>2,738</b>
<b>Previous year</b>						
<b>Charity</b>	<b>867</b>	<b>824</b>	<b>(1,589)</b>	<b>763</b>	<b>(6)</b>	<b>859</b>
<b>Group</b>	<b>2,551</b>	<b>1,422</b>	<b>(1,632)</b>	<b>762</b>	<b>(207)</b>	<b>2,896</b>

**13.5 DESIGNATED FUND (included in general funds)**

**Charity: Diocesan central agencies**

	Opening balance	Income	Expenditure	Transfers	Unrealised gains on investments	Closing balance
	£000	£000	£000	£000	£000	£000
Evangelisation	402	12	(67)	-	-	347
Newbridge House	103	-	(7)	-	-	96
Vocations	21	-	-	-	-	21
Special collections	49	-	-	-	-	49
<b>Parishes none</b>	<b>575</b>	<b>12</b>	<b>(74)</b>	<b>-</b>	<b>-</b>	<b>513</b>
<b>Charity total</b>	<b>575</b>	<b>12</b>	<b>(74)</b>	<b>-</b>	<b>-</b>	<b>513</b>
<b>Group total</b>	<b>575</b>	<b>12</b>	<b>(74)</b>	<b>-</b>	<b>-</b>	<b>513</b>

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

[Previous year](#)

**Charity: Diocesan central agencies**

Evangelisation  
 Newbridge House  
 Vocations  
 Special collections

£000	£000	£000	£000	£000	£000
504	22	(124)	-	-	402
109	-	(6)	-	-	103
21	-	-	-	-	21
49	-	-	-	-	49
683	22	(130)	-	-	575

**Parishes none**

**Charity total 2020**

-	-	-	-	-	-
683	22	(130)	-	-	575

**Group total 2020**

683	22	(130)	-	-	575
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**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**14 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**14.1 GROUP**

	PARISHES GROUP BALANCES				CENTRAL DIOCESAN AGENCIES GROUP BALANCES				GROUP	2020
	Unrestricted Funds	Restricted Funds	Endowment	Total	Unrestricted Funds	Restricted Funds	Total			
	£000	£000	£000	£000	£000	£000	£000		£000	
Fixed assets	30,979	-	-	30,979	4,985	754	5,739	36,718	38,263	
Investments	20,972	-	621	21,593	2,247	9,960	12,207	33,800	24,144	
Stock	13	-	-	13	1	-	1	14	18	
Debtors	609	-	-	609	206	448	654	1,263	829	
Cash at bank and in hand	9,060	453	-	9,513	1,232	1,721	2,953	12,466	12,135	
Creditors: amounts falling due within one year	(336)	-	-	(336)	(1,654)	(3)	(1,657)	(1,993)	(410)	
Creditors: amounts falling due after more than one year	(74)	-	-	(74)	-	-	-	(74)	(46)	
Internal balances:										
Loans	(2,063)	-	-	(2,063)	2,063	-	2,063	-	-	
Diocesan bonds	5,533	-	-	5,533	(6,342)	809	(5,533)	-	-	
<b>NET ASSETS</b>	<b>64,693</b>	<b>453</b>	<b>621</b>	<b>65,767</b>	<b>2,738</b>	<b>13,689</b>	<b>16,427</b>	<b>82,194</b>	<b>74,933</b>	

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**14 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**14.2 Charity**

	PARISHES				CENTRAL DIOCESAN AGENCIES				CHARITY	2020
	Unrestricted Funds	Restricted Funds	Endowment	Total	Unrestricted Funds	Restricted Funds	Total			
	£000	£000	£000	£000	£000	£000	£000		£000	
Fixed Assets	30,754	-	-	30,754	4,985	754	5,739	36,493	38,034	
Investments	20,972	-	621	21,593	45	9,960	10,005	31,598	22,947	
Stock	-	-	-	-	1	-	1	1	2	
Debtors	794	-	-	794	14	448	462	1,256	837	
Cash at bank and in hand	9,035	453	-	9,488	1,231	1,720	2,951	12,439	11,987	
Creditors: amounts falling due within one year	(484)	-	-	(484)	(1,655)	(2)	(1,657)	(2,141)	(1,196)	
Creditors: amounts falling due after more than one year	-	-	-	-	-	-	-	-	-	
Internal balances:										
Loans	(2,063)	-	-	(2,063)	2,063	-	2,063	-	-	
Diocesan bonds	5,533	-	-	5,533	(6,342)	809	(5,533)	-	-	
<b>NET ASSETS</b>	<b>64,541</b>	<b>453</b>	<b>621</b>	<b>65,615</b>	<b>342</b>	<b>13,689</b>	<b>14,031</b>	<b>79,646</b>	<b>72,611</b>	

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**15 CONTINGENT LIABILITIES**

In the opinion of the trustees there were no contingent liabilities in existence, other than in the normal course of the activities of the charity, as at 5th April 2021 or at 5th April 2020.

**16 RELATED PARTY TRANSACTIONS**

Due to the nature of the charity's operations and the composition of the trustee body, it is inevitable that transactions will take place with organisations in which a member of the trustees may have an interest. Such transactions involving organisations in which a member of the trustee body may have an interest are conducted at arm's length.

Following his appointment as Bishop of Lancaster in April 2018, Right Reverend P Swarbrick holds positions on non-diocesan bodies, including Ushaw College.

The diocese holds one of nine £1 ordinary shares issued by Inter-Diocesan Fuel Management Limited (IFM), a company set up in conjunction with eight other dioceses in order to obtain competitively priced energy for diocesan properties. The profits of the company are covenanted to the participating dioceses under Deed of Covenant. The majority of all fuel payments are made through the IFM bulk buying scheme.

At 5th April 2021 an amount of £92,456, unchanged, (2020 £92,456) was owing to the diocese from IFM in respect of overpaid contributions and is disclosed in the accounts under other debtors.

At the 5th April 2021 an amount of £135,213, (2020 £101,017) was owed to IFM from individual parishes and other bodies in respect of fuel charges and is disclosed under other creditors. See note 12.

The Blessed Edward Bamber Catholic Multi Academy Trust (BEBCMAT) is considered a related party as both the Roman Catholic Bishop of Lancaster and the Lancaster Roman Catholic Diocesan Trustees are members of BEBCMAT.

During the year the Diocesan Education Service received the following amounts from BEBCMAT:

	<u>2021</u>	<u>2020</u>
	£	£
Inspection fees	-	1,000
Training & conference fees	-	1,935
Building support services		
School governance support service	18,221	16,840
Academy support services	Nil	Nil

**17 HERITAGE ASSETS**

The diocese, via its parishes, holds work of art, historic treasures, plate and similar items which are not capitalised in these accounts. In the opinion of the trustees these are considered to be historical assets which are integral to the charity's overall objectives of advancing the Roman Catholic religion and do not fall under the definition of heritage assets.

The charity does not actively seek to either acquire or dispose of such assets and no such assets were acquired or disposed of during the year to 5 April 2021. The trustees consider that it would be prejudicial to the safe custody of these assets to disclose details of their value and usage in these accounts.

**LANCASTER ROMAN CATHOLIC DIOCESAN TRUST**  
**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021**  
**NOTES TO THE ACCOUNTS**

**18. NEWMAN SCHOOL, CARLISLE**

Newman School, Carlisle suffered catastrophic flooding as a result of Storm Desmond in December 2015, the third flood within 10 years. Due to the history of flooding the Diocesan Trustees in conjunction with the School Governors took the decision to re-house the school on a new site with low risk of flooding.

The funding of the acquisition of the new site and the cost of building a new school is from a mixture of grants provided by but Cumbria County Council and the DFE together with substantial insurance receipts. The insurance receipts have also been used to assisting the School Governors with certain additional costs of operating from the temporary site.

The income received and the expenditure incurred in the acquisition of the new site, meeting certain costs of the temporary site and the cost of construction and any other costs associated with the project will be accounted for as revenue items and not capital. This is consistent with the diocesan policy of carrying all land and buildings dedicated for schools at nil value.

The following income and expenditure has been received and expended in connection with Newman School Carlisle:-

	2021	2020
	£000	£000
<u>Income charitable activities:</u>		
Grants received	3,638	7,690
Insurance claim receipts	575	385
	<u>4,213</u>	<u>8,075</u>
<u>Expenditure on charitable activities:</u>		
Support of education & youth services	(4,656)	(11,258)
Movement on fund	(443)	(3,183)
Funds b/f	508	3,691
Funds c/f	<u>65</u>	<u>508</u>

The expenditure included under "support of education" youth services include all costs of acquisition of the new site and building of a new school and meeting some of the cost of the temporary site.

The unused balance is carried forward and included within restricted funds.

The building work was completed in July 2020 and the new school opened to pupil is September 2020. The final retention payment is still to be made.