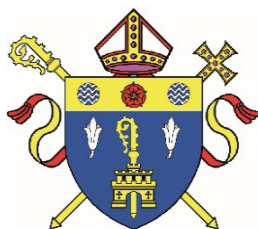


LANCASTER ROMAN CATHOLIC DIOCESAN TRUST

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED
5 APRIL 2023**



Registered charity number 0234331

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023

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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 0234331. 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 Embery
Rev Canon P Hart
Sister R Thomas
Mr P Briers
Mr M Callagher
Mr M Forrest (resigned September 2023)
Mrs L Forster (resigned December 2022)
Mrs S Greenwood
Ms N Wisdom
Mr A Woowat

Financial Administrator

Reverend Canon P Hart

Secretary

Ms K Heaton-Brown

Auditors

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

Solicitors

FMGS Law Limited
1 Middle Street
Lancaster
LA1 1JZ
(appointed September 2023)

Investment managers

Quilter Cheviot
One Kingsway
London
WC2B 6AN

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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 71 parishes with regular services available in around 100 churches and chapels and 80 schools (a mix of academies and VA 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 regularly though out the year with at least nine meetings per annum. 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.

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The Lancaster Diocesan Trustees' Safeguarding Sub-committee 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 includes 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, which reports to this committee, 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. Professional investment fund managers externally manage the portfolio of investments. 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 the 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 80 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 Northwest), Parishes, Local Authorities, and the Department for Education to secure the best support for the schools of the Diocese.

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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 'SCA' money, which is then bid for by schools through a local committee process, aided by a professional officer, 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 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 considering their skills and backgrounds. Recruitment is undertaken internally or externally whenever a vacancy arises, or at any time, 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 many volunteers working at every level within the charity, many of whom have considerable professional experience. We would 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 several 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 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. Investments comprise a mix of UK FTSE 350 equities, UK gilts, cash & unit trusts, North American equities, European equities and Alternative Investment, the latter include "green" investments. All 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.

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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 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 must 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.

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 several 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 at present 55 priests working in the diocese, together with 10 priests on loan to us from elsewhere. We have 34 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 several 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 (a shortage occupation at the current time) 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 Bishop and trustees. These include a range of committees, service delivery bodies, advisory boards

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and commissions to provide assistance to the Bishop in his ministry of oversight and service within the diocese. There are also several 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 to support those priests who have retired and those recovering from illness. The fund provides a discretionary retirement grant for priests no longer in active ministry, and a home where needed. Some retired priests continue to serve the diocesan community in a reduced role providing occasional help. The fund provides support for some retired housekeepers and manages residential properties for retired clergy situated in the diocese.

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. A successful pilgrimage was held in July 2022.

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 also often happens. 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. 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 1,000 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. Many of these are undertaken by volunteers.

One of the principal activities within each parish is the celebration of Mass by the parish priests. Approximately 8,000 (December 2022) 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 engage in personal

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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 most 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', which 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 unnoticed and unsung. We know that many parishioners participate 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 inflow and outflow of young people; other activities for young people are established in the knowledge that they will have a timespan 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 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. The challenge now is to keep existing places of worship open in the context of declining numbers of 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 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 69 primary schools, some of which are in socially deprived areas, are run by good staff and are overseen by volunteer governing bodies. OFSTED reports are generally 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 can 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 loss, before investment gains, of £114k for the year (2022: surplus of £468k).

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The charity (parishes and central diocese only) reported a loss of £131k (2022: surplus £412k). The loss if after gains on sale of assets (surplus properties) of £46k (2022: gain on sale of assets of £537k). Without the sale of surplus assets then the charity would have reported a loss of £177k (2022: loss £125k).

There was a decrease in the market value of group investments £4.30m (2022: increase £1.19m). There has been some modest recovery in the value of investments post year end. The market value of group investments at 5 April 2023 was £30.62m compared to £35.38m at 5 April 2022.

At the end of the financial year, the diocese had net positive group credit bank balances of £13.54m (2022: £13.68m), including cash balances of £16k (2022: £651k) held as part of the investment portfolio.

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

	2023	2022	2021	2020	2019	2018
	£000	£000	£000	£000	£000	£000
Net results of the charity	(131)	412	(523)	(2,647)	4,998	737
Gains/(losses) on investment	(4,027)	1,118	7,558	(4,164)	(348)	88
Net movement in funds	(4,158)	1,530	7,035	(6,811)	4,650	825

Total charity funds at 5 April 2023 were £77.01m (2022: £81.17m) and total group funds were £79.43m (2022: £83.85m).

Income

Total charity incoming resources were £8.44m (2022: £7.85m) and the charity reported a loss on activities of £131k (2022: surplus of £412k). There was a large decrease in the value of investments and the unrealised loss on these for the charity was £4.03m (2022: gain £1.19m) resulting in total fund movement (decrease) of £4.16m (2022: increase £1.53m). There was a gain on disposal of assets of £46k (2022: gain £537k).

There has been an increase in voluntary income streams of the charity with the total of donations and legacies increasing from £4m to £4.72m. Legacy receipts increase from £406k to £924k. Donations received increased slightly from £705k to £711k. Income from Charitable Activities has decreased overall from £1.47m to £1.19m, with fewer grants received. This overall increase reflects the return to more "normal" levels of activities following the Covid 19 pandemic.

Mass offertory collections have increased from £2.18m to £2.26m reflecting Mass attendance returning to a "new normal" following the pandemic. Mass offertory and Mass attendance remain below pre Covid 19 pandemic levels and there is an underlying downward decline in Mass attendance which has been the trend for many years now.

The average giving per head for 2023 was £5.63 on the reported Mass attendance figure of approximately 8,000 (December 2022) per week, before Gift Aid, and not including other donations. The figure for 2020, which is the latest year against which a comparison could be made, was £3.25. The Offertory income and Mass attendance for the years 2021 and 2022 were heavily affected by the Covid 19 restrictions.

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 an increase from £828k in 2022 to £891k for 2023. Bank interest has been received on total net balance following the significant increase in base rates with a total of £121k received. Post year end the way interest is received has changed and a lower amount of bank interest receipts are expected in future.

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

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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.

Expenditure

Resources expended by the charity in 2023 were £8.58m and the comparable figure for 2022 was £7.43m. The cost of the provision of places of worship and other buildings, including repairs and maintenance, increased from £2.83m to £3.96m. The increase in expenditure is directly attributable to the increased costs of heating and lighting which have more than doubled and the costs of repairs and maintenance.

Two of the highest areas of expenditure are the provision of places of worship & ancillary buildings at £3.96m (2022: £2.83m), a significant number of which are listed buildings, and the provision of religious services and pastoral care at £2.45m (2022: £1.99m). These two cost headings account for approximately 75% (2022: 65%) of total expenditure of the charity and equate to around 76% (2022: circa 62%) of the total income of the charity. The cost of heating of buildings, particularly churches, and maintenance of buildings, many of which are listed, have increase significantly and are likely to remain high. Total heats costs have more than doubled. 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 (2022: £12k) and for the structures of the Catholic Church nationally £88k (2022: £91k). Total of grants, donations and levies for the charity amounted to £685k (2022: £1.05m, which includes an exceptional donation to education of £454k).

Staff costs

Total staff costs for the year were slightly higher at £1.11m (2022: £1.04m) with most staff engaged by the parishes.

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 is a total of 16 (2022: 16) professional staff and support staff with a total remuneration (including pension and National Insurance cost) of circa £513k (2022: £461k).

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.

A total of £444k (2022: £355k) was paid to clergy as office holders in active ministry. There has been a change in the remuneration available to priests which has resulted in the increased cost. The number of priests in active ministry has decreased from 64 to 59 as recorded at 5 April annually, including priests on loan from other religious orders, of which there were 10 at 5 April 2022 (9 as at April 2022). The decline in the number of serving priests 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 priests 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 staff, wherever engaged, are remunerated at least to the living wage level.

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, sales or fetes for example. Appeals and events are organised by the Parish Priest or by parishioners

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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 extremely 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 widespread 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 Trustees recognises that the reserves of the Trust reflect the full range of activities across all parishes and the other diocesan activities. There are funds that are held 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. All restricted funds are reviewed on a regular basis to ensure that funds actively being used of the purpose of each fund.

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 finances of each entity must 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.

Many 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 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 unfunded 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.

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 can fund the activities of the diocese for a period more than 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

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from a separate restricted fund with its own management body. The Clergy investment portfolio is also actively managed by Quilter Cheviot.

The total of group reserves, including endowment funds and restricted funds, at 5th April 2023 was £79.4m (2022: £83.85m) with £36.63m (2022: £36.63m) held in fixed assets, the majority of which is property (mostly churches and presbyteries); investments in shares/stocks £30.6m (2022: £35.38m) and £13.54m in cash at bank, including that held as part of the investment portfolio (2022: £13.68m).

Investments

Reserves are held in several 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 cash reserve balances which are not needed for use in the short to medium-term may be pooled with those reserves of others for investment purposes. Our investments have performed quite well over several years. Most of the investment are held in FTSE 350 companies, UK gilts and more recently some North American and European companies. The portfolio valuation at 5th April 2023 was £30.62m (2022: £35.38m) including the investments of the restricted fund for Sick and Retired Priests valued at £3.16m (2022: £3.76m) 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 has compared favourably with the financial sector benchmarks considered by the Investment Committee. The investment policy has been changed to allow wider investment in overseas companies provided that all investments comply with the Diocesan Ethical Investment Policy. Investment income of the Group for the year was £949k (2022: £899k) and unrealised capital loss was £4.30m (2022: gain £1.19m)

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. Systems exist in parish for the collecting and recording of income, including cash. The Diocesan Finance office scrutinizes all the parish Annual Financial returns for anomalies of discrepancies. A number of parish Annual Financial Returns are also selected for examination each year by the external auditors who visit those parishes selected.

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.

The Property Sub-committee monitors approved projects to prevent escalation of costs. Parishes are required to report significant variations on any project's costs. School projects are also closely monitored through the School Building Committee.

At the present time, twenty one schools across the diocese have converted to academy status), with each school being part of one of three diocesan multi academy trusts. Several trustees are 'members' of each of these three academy trusts. The aim is for all diocesan schools to convert to academy status in due course. 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.

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.

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: -

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- 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: 12th January 2024

THE 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 2023 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 2023, 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,
- 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.

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 during 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.

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

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 pages 13 & 14, 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 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 taken together, they could reasonably be expected to influence the economic decisions of users taken based on 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,
- Auditing the risk of fraud in income by way of transactional testing at parish and central diocesan level, testing income recognition in accordance with the SORP, and testing for completeness of income around the year end.
- 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 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.

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

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 15/01/2024

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
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	PARISH				CENTRAL DIOCESAN AGENCIES			GROUP TOTAL	Group 2022
		Unrestricted Funds £000	Restricted Funds £000	Endowment £000	Total £000	Unrestricted Funds £000	Restricted Funds £000	Total £000		
INCOME FROM:	3.1									
Donations and legacies		4,591	34	-	4,625	20	81	101	4,726	4,007
Charitable activities		389	5	-	394	759	44	803	1,197	1,477
Other trading activities		1,433	-	-	1,433	273	17	290	1,723	1,245
Investments		581	-	16	597	180	293	473	1,070	899
Other		46	-	-	46	-	-	-	46	537
TOTAL		7,040	39	16	7,095	1,232	435	1,667	8,762	8,165
EXPENDITURE ON:	4.1									
Raising funds		351	-	-	351	95	15	110	461	401
Charitable activities		5,903	171	-	6,074	1,815	520	2,335	8,409	7,290
Other		6	-	-	6	-	-	-	6	6
TOTAL		6,260	171	-	6,431	1,910	535	2,445	8,876	7,697
NET INCOME/(EXPENDITURE) before other recognised gains		780	(132)	16	664	(678)	(100)	(778)	(114)	468
Net gains/(losses) on investments	10	(2,593)	-	(77)	(2,670)	(279)	(1,351)	(1,630)	(4,300)	1,189
NET INCOME/(EXPENDITURE)		(1,813)	(132)	(61)	(2,006)	(957)	(1,451)	(2,408)	(4,414)	1,657
Transfers between funds		(688)	(27)	(16)	(731)	651	80	731	-	-
NET MOVEMENT IN FUNDS		(2,501)	(159)	(77)	(2,737)	(306)	(1,371)	(1,677)	(4,414)	1,657
RECONCILIATION OF FUNDS										
Total funds brought forward		65,399	550	644	66,593	3,205	14,053	17,258	83,851	82,194
FUNDS CARRIED FORWARD		62,898	391	567	63,856	2,899	12,682	15,581	79,437	83,851

The Statement of Financial activities includes all recognised gains and losses in the year. All 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 2023
CHARITY STATEMENT OF FINANCIAL ACTIVITIES

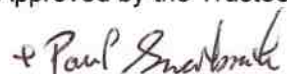
	Notes	PARISH				CENTRAL DIOCESAN AGENCIES			CHARITY TOTAL £000	Charity 2022 £000
		Unrestricted Funds £000	Restricted Funds £000	Endowment £000	Total £000	Unrestricted Funds £000	Restricted Funds £000	Total £000		
INCOME FROM:	3.2									
Donations and legacies		4,592	33	-	4,625	17	81	98	4,723	4,005
Charitable activities		386	5	-	391	759	44	803	1,194	1,403
Other trading activities		1,198	-	-	1,198	257	17	274	1,472	1,077
Investments		581	-	16	597	122	293	415	1,012	828
Other		46	-	-	46	-	-	-	46	537
TOTAL		6,803	38	16	6,857	1,155	435	1,590	8,447	7,850
EXPENDITURE ON:	4.2									
Raising funds		100	-	-	100	78	15	93	193	152
Charitable activities		5,904	170	-	6,074	1,791	520	2,311	8,385	7,286
Other		-	-	-	-	-	-	-	-	-
		6,004	170	-	6,174	1,869	535	2,404	8,578	7,438
NET INCOME/(EXPENDITURE) before other recognised gains		799	(132)	16	683	(714)	(100)	(814)	(131)	412
Net gains/(losses) on investments	10	(2,594)	-	(77)	(2,671)	(5)	(1,351)	(1,356)	(4,027)	1,118
NET INCOME/(EXPENDITURE) before transfers		(1,795)	(132)	(61)	(1,988)	(719)	(1,451)	(2,170)	(4,158)	1,530
Transfers between funds		(687)	(27)	(16)	(730)	650	80	730	-	-
NET MOVEMENT IN FUNDS		(2,482)	(159)	(77)	(2,718)	(69)	(1,371)	(1,440)	(4,158)	1,530
RECONCILIATION OF FUNDS										
Total funds brought forward		65,230	550	644	66,424	699	14,053	14,752	81,176	79,646
FUNDS CARRIED FORWARD		62,748	391	567	63,706	630	12,682	13,312	77,018	81,176


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

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
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BALANCE SHEET

		GROUP		CHARITY	
		2023	2022	2023	2022
		£000	£000	£000	£000
FIXED ASSETS					
Tangible assets	9	36,630	36,639	36,381	36,420
Investments	10	30,626	35,386	28,627	33,112
		67,256	72,025	65,008	69,532
CURRENT ASSETS					
Stocks		17	13	5	3
Debtors	11	953	964	713	727
Cash at bank and in hand		13,529	13,032	13,485	12,974
		14,499	14,009	14,203	13,704
Creditors: amounts falling due within one year	12	(2,257)	(2,104)	(2,193)	(2,060)
NET CURRENT ASSETS/(LIABILITIES)		12,242	11,905	12,010	11,644
Creditors: amounts falling due after more than one year	12	(61)	(79)	-	-
NET ASSETS		79,437	83,851	77,018	81,176
FUNDS					
Restricted income funds	13.1	13,073	14,603	13,073	14,603
Endowment funds	13.2	567	644	567	644
Parish general funds	13.3	62,898	65,399	62,748	65,230
Diocesan general funds	13.4	2,899	3,205	630	699
TOTAL FUNDS		79,437	83,851	77,018	81,176

Approved by the Trustees on 12 January 2024 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 2023
CONSOLIDATED CASH FLOW STATEMENT

	2023 £000	2022 £000	
Cash flows from operating activities			
Net cash provided by (used in) operating activities	(1,068)	(526)	
Cash flows from investing activities:			
Dividends, interest and rents from investment	1,070	899	
Proceeds from sale of property, plant & equipment	219	608	
Purchase of property, plant & equipment	(184)	(18)	
Proceeds of sale of investments	8,588	9,590	
Purchase of investments	(8,764)	(9,484)	
Net cash provided by (used in) investing activities	(139)	1,069	
Cash flows from financing activities:			
Repayment of borrowing	-	-	
Cash inflows from new borrowing	-	-	
Net cash provided by (used in) financing activities	-	-	
Change in cash and cash equivalents in the reporting period	(139)	1,069	
Cash and cash equivalents at the beginning of the reporting period	13,684	12,615	
Change in cash and cash equivalents due to exchange rate movement	-	-	
Cash and cash equivalents at the end of the reporting period	13,545	13,684	
Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(4,414)	1,657	
Adjustments for:			
Depreciation charges	20	26	
(Gains)/losses on investments	4,300	(1,189)	
Dividend, interest and rents from investments	(1,070)	(899)	
Loss/(Profit) on sale of fixed assets	(46)	(537)	
(increase)/decrease in stocks	(4)	1	
(increase)/decrease in debtors	11	299	
increase/(decrease) in creditors	135	116	
Net cash provided by/(used in) operating activities	(1,068)	(526)	
Analysis of change in cash in hand and at bank			
Bank	13,529	13,032	change 497
Held by investment fund managers	16	652	(636)
	13,545	13,684	(139)

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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. 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.

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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.

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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

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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 more than £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 and academy schools are built. The school buildings are occupied, improved, extended and repaired by the school governors. All voluntary aided schools, which are exempt charities, and academy schools, occupy land and buildings rent free. The nature of occupation of the land and buildings by these exempt charities and academies 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 at parishes etc.

Provisions

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

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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 conducting 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.

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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

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3.1 ANALYSIS OF INCOME – GROUP
CURRENT YEAR

	PARISHES				CENTRAL DIOCESAN AGENCIES			2023	2022
	Unrestricted £000	Restricted £000	Endowments £000	Total £000	Unrestricted £000	Restricted £000	Total £000	£000	£000
Donations and legacies									
Collections	2,265	-	-	2,265	-	-	-	2,265	2,183
Donations	638	34	-	672	11	31	42	714	707
Legacies	870	-	-	870	9	45	54	924	406
Special collections	380	-	-	380	-	-	-	380	290
Gift Aid	438	-	-	438	-	5	5	443	421
Other	-	-	-	-	-	-	-	-	-
	4,591	34	-	4,625	20	81	101	4,726	4,007
Charitable activities									
Grants received	31	5	-	36	115	-	115	151	390
Service charges receivable	-	-	-	-	-	-	-	-	-
Sale of candles, votives etc	116	-	-	116	19	-	19	135	107
Youth Service income	-	-	-	-	442	-	442	442	350
Insurance claim receipts	28	-	-	28	-	-	-	28	45
Income from chaplaincy	69	-	-	69	10	-	10	79	66
Subscriptions and other charges	93	-	-	93	43	44	87	180	172
Inter diocese re-charges	-	-	-	-	-	-	-	-	-
Education Service income	-	-	-	-	-	-	-	-	-
Income for graveyards & funerals	47	-	-	47	-	-	-	47	41
Other	5	-	-	5	130	-	130	135	306
	389	5	-	394	759	44	803	1,197	1,477
Other trading activities									
Social clubs	318	-	-	318	-	-	-	318	37
Fund raising - fetes etc	104	-	-	104	-	-	-	104	230
Rental income	1,011	-	-	1,011	273	17	290	1,301	978
	1,433	-	-	1,433	273	17	290	1,723	1,245
Investments									
Bank interest received	-	-	-	-	121	-	121	121	-
Dividend income	581	-	16	597	59	293	352	949	899
Rental and leasing income	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	581	-	16	597	180	293	473	1,070	899
Other									
Gains and losses on sale of fixed assets	46	-	-	46	-	-	-	46	537
Other	-	-	-	-	-	-	-	-	-
	46	-	-	46	-	-	-	46	537
TOTAL GROUP INCOME 2023	7,040	39	16	7,095	1,232	435	1,667	8,762	8,165

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NOTES TO THE ACCOUNTS

3.1 ANALYSIS OF INCOME – GROUP
PREVIOUS YEAR 5 April 2022

	PARISHES				CENTRAL DIOCESAN AGENCIES			2022	2021
	Unrestricted £000	Restricted £000	Endowments £000	Total £000	Unrestricted £000	Restricted £000	Total £000	£000	£000
Donations and legacies									
<i>Collections</i>	2,183	-	-	2,183	-	-	-	2,183	1,814
<i>Donations</i>	525	84	-	609	15	83	98	707	698
<i>Legacies</i>	298	40	-	338	2	66	68	406	1,188
<i>Special collections</i>	290	-	-	290	-	-	-	290	215
<i>Gift Aid</i>	421	-	-	421	-	-	-	421	469
<i>Other</i>	-	-	-	-	-	-	-	-	-
	3,717	124	-	3,841	17	149	166	4,007	4,384
Charitable activities									
<i>Grants received</i>	117	111	-	228	127	35	162	390	3,908
<i>Service charges receivable</i>	-	-	-	-	-	-	-	-	9
<i>Sale of candles, votive etc</i>	91	-	-	91	16	-	16	107	57
<i>Youth Service income</i>	-	-	-	-	350	-	350	350	69
<i>Insurance claim receipts</i>	45	-	-	45	-	-	-	45	606
<i>Income from chaplaincy</i>	66	-	-	66	-	-	-	66	79
<i>Subscriptions and other charges</i>	96	-	-	96	35	41	76	172	25
<i>Inter diocese re-charges</i>	-	-	-	-	-	-	-	-	47
<i>Education Service income</i>	-	-	-	-	-	-	-	-	-
<i>Income for graveyards & funerals</i>	41	-	-	41	-	-	-	41	28
<i>Other</i>	3	-	-	3	303	-	303	306	75
	459	111	-	570	831	76	907	1,477	4,903
Other trading activities									
<i>Social clubs</i>	37	-	-	37	-	-	-	37	35
<i>Fund raising - fetes etc</i>	230	-	-	230	-	-	-	230	118
<i>Rental income</i>	872	-	-	872	79	27	106	978	809
	1,139	-	-	1,139	79	27	106	1,245	962
Investments									
<i>Bank interest received</i>	-	-	-	-	-	-	-	-	-
<i>Dividend income</i>	547	-	15	562	72	265	337	899	733
<i>Rental and leasing income</i>	-	-	-	-	-	-	-	-	17
<i>Other</i>	-	-	-	-	-	-	-	-	-
	547	-	15	562	72	265	337	899	750
Other									
<i>Gains and losses on sale of fixed assets</i>	533	-	-	533	(1)	5	4	537	(365)
<i>Other</i>	-	-	-	-	-	-	-	-	42
	533	-	-	533	(1)	5	4	537	(323)
TOTAL GROUP INCOME 2022	6,395	235	15	6,645	998	522	1,520	8,165	10,676

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3.2 ANALYSIS OF INCOME – CHARITY
CURRENT YEAR

	PARISHES				CENTRAL DIOCESAN AGENCIES			2023	2022
	Unrestricted £000	Restricted £000	Endowments £000	Total £000	Unrestricted £000	Restricted £000	Total £000	£000	£000
Donations and legacies									
Collections	2,265	-	-	2,265	-	-	-	2,265	2,184
Donations	638	33	-	671	8	32	40	711	705
Legacies	870	-	-	870	9	45	54	924	405
Special collections	380	-	-	380	-	-	-	380	290
Gift Aid	439	-	-	439	-	4	4	443	421
Other	-	-	-	-	-	-	-	-	-
	4,592	33	-	4,625	17	81	98	4,723	4,005
Charitable activities									
Grants received	28	5	-	33	115	-	115	148	317
Service charges receivable	-	-	-	-	-	-	-	-	59
Sale of candles, votives etc	116	-	-	116	19	-	19	135	107
Youth Service income	-	-	-	-	442	-	442	442	350
Insurance claim receipts	28	-	-	28	-	-	-	28	45
Income from chaplaincy	69	-	-	69	10	-	10	79	65
Subscriptions and other charges	93	-	-	93	43	44	87	180	112
Inter diocese re-charges	-	-	-	-	-	-	-	-	2
Education Service income	-	-	-	-	-	-	-	-	-
Income for graveyards & funerals	47	-	-	47	-	-	-	47	41
Other	5	-	-	5	130	-	130	135	305
	386	5	-	391	759	44	803	1,194	1,403
Other trading activities									
Social clubs	84	-	-	84	-	-	-	84	37
Fund raising - fetes etc	104	-	-	104	-	-	-	104	62
Rental income	1,010	-	-	1,010	257	17	274	1,284	978
	1,198	-	-	1,198	257	17	274	1,472	1,077
Investments									
Bank interest received	-	-	-	-	121	-	121	121	-
Dividend income	581	-	16	597	1	293	294	891	828
Rental and leasing income	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	581	-	16	597	122	293	415	1,012	828
Other									
Gains and losses on sale of fixed assets	46	-	-	46	-	-	-	46	537
	46	-	-	46	-	-	-	46	-
TOTAL CHARITY INCOME 2023	6,803	38	16	6,857	1,155	435	1,590	8,447	7,850

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NOTES TO THE ACCOUNTS

3.2 ANALYSIS OF INCOME – CHARITY

PREVIOUS YEAR 5 April 2022

	PARISHES				CENTRAL DIOCESAN AGENCIES			2022	2021
	Unrestricted £000	Restricted £000	Endowments £000	Total £000	Unrestricted £000	Restricted £000	Total £000	£000	£000
Donations and legacies									
<i>Collections</i>	2,184	-	-	2,184	-	-	-	2,184	1,814
<i>Donations</i>	525	84	-	609	13	83	96	705	699
<i>Legacies</i>	297	40	-	337	1	67	68	405	1,184
<i>Special collections</i>	290	-	-	290	-	-	-	290	215
<i>Gift Aid</i>	421	-	-	421	-	-	-	421	469
<i>Other</i>	-	-	-	-	-	-	-	-	-
	3,717	124	-	3,841	14	150	164	4,005	4,381
Charitable activities									
<i>Grants received</i>	43	112	-	155	128	34	162	317	3,907
<i>Service charges receivable</i>	-	-	-	-	18	41	59	59	49
<i>Sale of candles, votive etc</i>	91	-	-	91	16	-	16	107	57
<i>Youth Service income</i>	-	-	-	-	350	-	350	350	69
<i>Insurance claim receipts</i>	45	-	-	45	-	-	-	45	606
<i>Income from chaplaincy</i>	65	-	-	65	-	-	-	65	80
<i>Subscriptions and other charges</i>	97	-	-	97	15	-	15	112	25
<i>Inter diocese re-charges</i>	-	-	-	-	2	-	2	2	6
<i>Education Service income</i>	-	-	-	-	-	-	-	-	-
<i>Income for graveyards & funerals</i>	41	-	-	41	-	-	-	41	28
<i>Other</i>	3	-	-	3	302	-	302	305	74
	385	112	-	497	831	75	906	1,403	4,901
Other trading activities									
<i>Social clubs</i>	37	-	-	37	-	-	-	37	36
<i>Fund raising - fetes etc</i>	62	-	-	62	-	-	-	62	45
<i>Rental income</i>	872	-	-	872	80	26	106	978	809
	971	-	-	971	80	26	106	1,077	890
Investments									
<i>Bank interest received</i>	-	-	-	-	-	-	-	-	-
<i>Dividend income</i>	547	-	15	562	1	265	266	828	694
<i>Rental and leasing income</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
	547	-	15	562	1	265	266	828	694
Other									
<i>Gains and losses on sale of fixed assets</i>	532	-	-	532	(2)	7	5	537	(365)
	-	-	-	-	-	-	-	-	(365)
TOTAL CHARITY INCOME 2022	6,152	236	15	6,403	924	523	1,447	7,850	10,501

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
NOTES TO THE ACCOUNTS

4.1 ANALYSIS OF EXPENDITURE – GROUP
CURRENT YEAR

	PARISHES				CENTRAL DIOCESAN AGENCIES			2023	2022
	Unrestricted £000	Restricted £000	Endowments £000	Total £000	Unrestricted £000	Restricted £000	Total £000	£000	£000
Expenditure on raising funds:									
Parish fund raising events' costs	49	-	-	49	-	-	-	49	28
Other fund raising events' costs	-	-	-	-	4	-	4	4	40
Social club bar purchases	99	-	-	99	-	-	-	99	60
Social club other costs	144	-	-	144	-	-	-	144	145
Investment management costs	52	-	-	52	17	15	32	84	106
Rental property management costs	7	-	-	7	74	-	74	81	22
Other	-	-	-	-	-	-	-	-	-
	351	-	-	351	95	15	110	461	401
Expenditure on charitable activities									
Provision of places of worship & ancillary buildings	3,515	136	-	3,651	307	-	307	3,958	2,833
Provision of religious services & pastoral care	1,836	19	-	1,855	606	3	609	2,464	1,998
Support of education & youth services	-	-	-	-	763	6	769	769	854
Training of priests, deacons & seminarians	-	-	-	-	5	156	161	161	148
Support of retired priests	-	-	-	-	11	353	364	364	245
Grants, donations & levies	552	16	-	568	117	2	119	687	1,050
Other charitable activity costs	-	-	-	-	6	-	6	6	162
	5,903	171	-	6,074	1,815	520	2,335	8,409	7,290
Other									
	6	-	-	6	-	-	-	6	6
TOTAL GROUP EXPENDITURE 2023	6,260	171	-	6,431	1,910	535	2,445	8,876	7,697

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
NOTES TO THE ACCOUNTS

4.1 ANALYSIS OF EXPENDITURE – GROUP

PREVIOUS YEAR 5 April 2022

	PARISHES				CENTRAL DIOCESAN AGENCIES			2022	2021
	<i>Unrestricted</i>	<i>Restricted</i>	<i>Endowments</i>	<i>Total</i>	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total</i>		
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
<i>Expenditure on raising funds:</i>									
<i>Parish events fund raising costs</i>	28	-	-	28	-	-	-	28	26
<i>Other events fund raising costs</i>	-	-	-	-	38	2	40	40	36
<i>Social club bar purchases</i>	60	-	-	60	-	-	-	60	41
<i>Social club other costs</i>	145	-	-	145	-	-	-	145	97
<i>Investment management costs</i>	57	-	-	57	20	29	49	106	85
<i>Rental property management costs</i>	5	-	-	5	17	-	17	22	18
<i>Other</i>	-	-	-	-	-	-	-	-	67
	295	-	-	295	75	31	106	401	370
<i>Expenditure on charitable activities</i>									
<i>Provision of places of worship & ancillary buildings</i>	2,658	88	-	2,746	87	-	87	2,833	3,426
<i>Provision of religious service & pastoral care</i>	1,615	14	-	1,629	325	44	369	1,998	2,109
<i>Support of education & youth services</i>	-	-	-	-	850	4	854	854	12,154
<i>Training of priests, deacons & seminarians</i>	-	-	-	-	4	144	148	148	121
<i>Support of retired priests</i>	-	-	-	-	9	236	245	245	294
<i>Grants, donations & levies</i>	1,006	15	-	1,021	20	9	29	1,050	499
<i>Other charitable activity costs</i>	39	-	-	39	123	-	123	162	233
	5,318	117	-	5,435	1,418	437	1,855	7,290	10,987
<i>Other</i>									
	6	-	-	6	-	-	-	6	-
<i>TOTAL GROUP EXPENDITURE 2022</i>	5,619	117	-	5,736	1,493	468	1,961	7,697	11,357

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LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
NOTES TO THE ACCOUNTS

4.2 ANALYSIS OF EXPENDITURE -
CHARITY CURRENT YEAR

	PARISHES				CENTRAL DIOCESAN AGENCIES			2023	2022
	Unrestricted	Restricted	Endowments	Total	Unrestricted	Restricted	Total		
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure on raising funds:									
Parish fund raising events' costs	49	-	-	49	3	-	3	52	28
Other fund raising events' costs	-	-	-	-	-	-	-	-	-
Social club bar purchases	-	-	-	-	-	-	-	-	-
Social club other costs	-	-	-	-	-	-	-	-	-
Investment management costs	51	-	-	51	-	15	15	66	86
Rental property management costs	-	-	-	-	75	-	75	75	38
	100	-	-	100	78	15	93	193	152
Expenditure on charitable activities									
Provision of places of worship & ancillary buildings	3,516	136	-	3,652	308	-	308	3,960	2,832
Provision of religious services & pastoral care	1,836	19	-	1,855	589	4	593	2,448	1,998
Support of education & youth services	-	-	-	-	762	6	768	768	853
Training of priests, deacons & seminarians	-	-	-	-	4	156	160	160	148
Support of retired priests	-	-	-	-	11	353	364	364	245
Grants, donations & levies	552	15	-	567	117	1	118	685	1,050
Other charitable activities	-	-	-	-	-	-	-	-	160
	5,904	170	-	6,074	1,791	520	2,311	8,385	7,286
TOTAL CHARITY EXPENDITURE 2023	6,004	170	-	6,174	1,869	535	2,404	8,578	7,438

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
NOTES TO THE ACCOUNTS

4.2 ANALYSIS OF EXPENDITURE – CHARITY PREVIOUS YEAR 5
April 2023

	PARISHES				CENTRAL DIOCESAN AGENCIES			2022	2021
	<i>Unrestricted</i>	<i>Restricted</i>	<i>Endowments</i>	<i>Total</i>	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total</i>		
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Expenditure on raising funds:									
<i>Parish events fund raising costs</i>	28	-	-	28	-	-	-	28	22
<i>Other events fund raising costs</i>	-	-	-	-	-	-	-	-	3
<i>Social club bar purchases</i>	-	-	-	-	-	-	-	-	-
<i>Social club other costs</i>	-	-	-	-	-	-	-	-	-
<i>Investment management costs</i>	56	-	-	56	-	30	30	86	72
<i>Rental property management costs</i>	-	-	-	-	38	-	38	38	36
	84	-	-	84	38	30	68	152	133
Expenditure on charitable activities									
<i>Provision of places of worship & ancillary buildings</i>	2,657	88	-	2,745	87	-	87	2,832	2,762
<i>Provision of religious service & pastoral care</i>	1,614	15	-	1,629	325	44	369	1,998	1,726
<i>Support of education & youth services</i>	-	-	-	-	849	4	853	853	5,364
<i>Training of priests, deacons & seminarians</i>	-	-	-	-	4	144	148	148	111
<i>Support of retired priests</i>	-	-	-	-	9	236	245	245	295
<i>Grants, donations & levies</i>	1,006	15	-	1,021	20	9	29	1,050	497
<i>Other charitable activities</i>	39	-	-	39	121	-	121	160	136
	5,316	118	-	5,534	1,415	437	1,852	7,286	10,891
TOTAL CHARITY EXPENDITURE 2022	5,400	118	-	5,518	1,453	467	1,920	7,438	11,024

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
NOTES TO THE ACCOUNTS

5 EMPLOYEES AND OFFICE HOLDERS (including key management personnel)

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

	2023	2022
Central diocesan: administration and support services	12	12
Education Service	4	4
Youth Service including Castlerigg	11	11
Parochial	65	50
Clubs & centres	18	20
	110	97
The aggregate remuneration paid to employees was: -	£000	£000
Wages and salaries	1,024	958
Social security costs	48	42
Pension costs	41	40
	1,113	1,040
Amounts paid to clergy during the year: - for active ministry	444	355
retirement gratuities	254	193
	698	548

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: -

	2023	2022
£60,001 - £70,000	<u>1</u>	<u>1</u>
	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 may arise.

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
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 4 trustees (2022: 4) received expenses to the value of £2,729 (2022: £1,918) in respect of travel and subsistence costs in respect of their position as a trustee.

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

	2023 £000	2022 £000
This is stated after charging: -		
Depreciation	20	26
Audit	33	26

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	1	-	-	-	1	3
Charitable Activities:							
Provision of places of worship	14	6	4	25	16	30	95
Provision of religious services & pastoral care	6	7	10	5	14	21	63
Support of education & youth services	15	5	18	46	21	53	158
Training of priests, deacons & seminarians	1	-	-	-	-	3	4
Support of sick & retired priests	1	2	2	2	-	3	10
Grants, donations & Levies	5	7	-	-	-	6	18
Other charitable activity costs	-	-	-	-	-	-	-
	43	28	34	78	51	117	351

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 2023
NOTES TO THE ACCOUNTS

9 TANGIBLE FIXED ASSETS

9.1 GROUP

	PARISHES				CENTRAL DIOCESAN AGENCIES				2023	2022
	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 £
Cost or valuation										
At the beginning of the year	37,032	42	1,051	38,125	6,874	21	136	7,031	45,156	45,234
Additions	146	-	38	184	-	-	-	-	184	18
Disposals	(184)	-	-	(184)	-	-	-	-	(184)	(96)
At end of the year	36,994	42	1,089	38,125	6,874	21	136	7,031	45,156	45,156
Depreciation and impairments										
At beginning of the year	6,155	27	1,033	7,215	1,161	20	121	1,302	8,517	8,516
Eliminated on disposals	(11)	-	-	(11)	-	-	-	-	(11)	(25)
Depreciation	-	1	8	9	-	1	10	11	20	26
Impairment	-	-	-	-	-	-	-	-	-	-
At end of the year	6,144	28	1,041	7,213	1,161	21	131	1,313	8,526	8,517
Net book value										
Net book value at the beginning of the year	30,877	15	18	30,910	5,713	1	15	5,729	36,639	36,718
Net book value at the end of the year	30,850	14	48	30,912	5,713	-	5	5,718	36,630	36,639

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
NOTES TO THE ACCOUNTS

9 TANGIBLE FIXED ASSETS

9.2 CHARITY

	PARISHES				CENTRAL DIOCESAN AGENCIES				2023	2022
	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 £
Cost or valuation										
At the beginning of the year	36,829	42	965	37,836	6,873	21	138	7,032	44,868	44,949
Additions	146	-	-	146	-	-	-	-	146	14
Disposals	(183)	-	-	(183)	-	-	-	-	(183)	(95)
At end of the year	36,792	42	965	37,799	6,873	21	138	7,032	44,831	44,868
Depreciation and impairments										
At beginning of the year	6,156	36	963	7,155	1,161	11	121	1,293	8,448	8,456
Eliminated on disposals	(12)	-	-	(12)	-	-	-	-	(12)	(24)
Depreciation	-	1	1	2	-	3	9	12	14	16
Impairment	-	-	-	-	-	-	-	-	-	-
At end of the year	6,144	37	964	7,145	1,161	14	130	1,305	8,450	8,448
Net book value										
Net book value at the beginning of the year	30,673	6	2	30,681	5,712	10	17	5,739	36,420	38,493
Net book value at the end of the year	30,648	5	1	30,654	5,712	7	8	5,727	36,381	36,420

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
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
CHARITY					
Equities & unit trusts	26,860	8,454	(5,813)	(4,011)	25,490
Fixed interest	7,846	309	(2,773)	(286)	5,096
	<u>34,706</u>	<u>8,763</u>	<u>(8,586)</u>	<u>(4,297)</u>	<u>30,586</u>
Cash	651				16
	<u>35,357</u>				<u>30,602</u>
Held for subsidiary entities	(2,222)			267	(1,955)
Held for third parties	<u>(23)</u>			<u>3</u>	<u>(20)</u>
Charity	<u><u>33,112</u></u>			<u><u>(4,027)</u></u>	<u><u>28,627</u></u>
GROUP					
Equities & unit trusts	26,911	8,455	(5,815)	(4,017)	25,534
Fixed interest	7,846	309	(2,773)	(286)	5,096
	<u>34,757</u>	<u>8,764</u>	<u>(8,588)</u>	<u>(4,303)</u>	<u>30,630</u>
Cash	652				16
	<u>35,409</u>				<u>30,646</u>
Held for third parties	<u>(23)</u>			<u>(3)</u>	<u>(20)</u>
Group	<u><u>35,386</u></u>			<u><u>(4,300)</u></u>	<u><u>30,626</u></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
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NOTES TO THE ACCOUNTS

11 DEBTORS & PREPAYMENTS

	GROUP		CHARITY	
	2023 £000	2022 £000	2023 £000	2022 £000
Gift Aid and Gift Aid Small Donation Scheme recoverable	375	346	375	346
Sundry debtors	406	466	166	229
Prepayments and accrued income	170	150	170	150
Loans to clergy	2	2	2	2
	953	964	713	727

An amount of £55,473 included in sundry debtors is being repaid by annual instalment of £18,491 each and therefore full repayment will be made within 3 years. All other debtors are receivable within one year.

12 CREDITORS & ACCRUALS

Amounts falling due within one year

Trade creditors	15	15	3	3
Accruals and deferred income	75	50	74	46
Taxation and social security	-	-	-	-
Other creditors	2,167	2,039	2,116	2,011
	2,257	2,104	2,193	2,060

Amounts falling due after more than one year

Other creditors	61	79	-	-
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LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
NOTES TO THE ACCOUNTS

13.1 RESTRICTED FUNDS – current year

	Opening balance 2022	Income	Expenditure	Transfers	Unrealised gains on investments	Closing balance 2023
Charity: Diocesan Central Agencies	£000	£000	£000	£000	£000	£000
Ecclesiastical Education Fund	5,456	137	(171)	(44)	(518)	4,860
Poor Missions Fund	2,125	50	(4)	(51)	(205)	1,915
Sick and Retired Priests Fund	5,606	232	(353)	100	(583)	5,002
Funds for Overseas Missions	9	-	-	-	-	9
Kirkham Church of St John and RC Purposes	332	8	-	(8)	(37)	295
Catforth, Thurnham & Westby Schools	93	2	-	(1)	(8)	86
St Ignatius Legacy	21	-	-	-	-	21
Diocesan Catholic Caring Fund	134	-	-	-	-	134
Good Shepherd Fund	57	6	-	-	-	63
Academy Support Grant	18	-	-	-	-	18
Newman School (Carlisle) Chapel Fund	6	-	(6)	-	-	0
Newman School Rebuilding Fund	60	-	-	84	-	144
Legacy (M Lawton)	41	-	-	-	-	41
Diocesan Schools Singing Program	25	-	-	-	-	25
Mary Strand Trust	25	-	-	-	-	25
Sundry Funds (restated)	45	-	(1)	-	-	44
Total of diocesan agencies restricted fund	14,053	435	(535)	80	(1,351)	12,682

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
NOTES TO THE ACCOUNTS

13.1 RESTRICTED FUNDS (continued) – current year

	Opening balance 2022 £000	Income £000	Expenditure £000	Transfers £000	Unrealised gains on investments £000	Closing balance 2023 £000
Charity: Parishes						
St John Vianney & St Monica, Legacy	36	-	-	-	-	36
Our Lady of Eden, Carlisle, Reverend Turner legacy	18	-	-	-	-	18
Our Lady of Perpetual Help, Carlisle Restoration Fund	16	1	(1)	-	-	16
St Mary, Fleetwood, legacy	193	-	-	-	-	193
St Mary, Fleetwood, Local Authority grant	7	-	-	(7)	-	-
St Wulstan & St Edmund, Fleetwood, Allen Millar Memorial Fund	34	-	(1)	-	-	33
Our Lady of the Assumption & St Cuthbert, Wigton & Silloth	19	23	(26)	-	-	16
Refugee support projects (various parishes)	56	1	(13)	-	-	44
Workington Stella Maris Project	122	13	(125)	-	-	10
Workington, Legacy	20	-	-	(20)	-	-
St Thomas, Clayton, legacy	10	-	-	-	-	10
St Mary & St James, Scorton, Legacy	10	-	-	-	-	10
St Mary, Hornby, Lottery Community Grant	9	-	(4)	-	-	5
Total of parish restricted funds	550	38	(170)	(27)	-	391
CHARITY total: all restricted funds 2023	14,603	473	(705)	53	(1,351)	13,073
GROUP total 2023: all restricted funds	14,603	473	(705)	53	(1,351)	13,073

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
NOTES TO THE ACCOUNTS

13.1 RESTRICTED FUNDS – previous year 5 April 2022

	Opening balance 2021	Income	Expenditure	Transfers	Unrealised gains on investments	Closing balance 2022
	£000	£000	£000	£000	£000	£000
Charity: Diocesan Central Agencies						
<i>Ecclesiastical Education Fund</i>	5,384	118	(165)	(36)	155	5,456
<i>Poor Missions Fund</i>	2,044	48	(4)	(24)	61	2,125
<i>Sick and Retired Priests Fund</i>	5,403	216	(248)	125	110	5,606
<i>Funds for Overseas Missions</i>	9	-	-	-	-	9
<i>Kirkham Church of St John and RC Purposes</i>	321	8	(1)	(7)	11	332
<i>Catforth, Thurnham & Westby</i>	88	2	-	1	2	93
<i>St Ignatius Legacy</i>	21	-	-	-	-	21
<i>Diocesan Catholic Caring Fund</i>	134	-	-	-	-	134
<i>Good Shepherd Fund</i>	53	6	(2)	-	-	57
<i>Academy Support Grant</i>	18	-	-	-	-	18
<i>Newman School (Carlisle) Chapel Fund</i>	104	-	(8)	(90)	-	6
<i>Newman School Rebuilding Fund</i>	65	-	(5)	-	-	60
<i>Legacy (M Lawton)</i>	-	41	-	-	-	41
<i>Porticus Grant (Youth Service)</i>	-	34	(34)	-	-	-
<i>Diocesan Schools Singing Program</i>	-	25	-	-	-	25
<i>Mary Strand Trust</i>	-	25	-	-	-	25
<i>Sundry Funds (restated)</i>	45	-	-	-	-	45
	13,689	523	(467)	(31)	339	14,053

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
NOTES TO THE ACCOUNTS

13.1 RESTRICTED FUNDS – previous year 5 April 2022

	Opening balance 2021	Income	Expenditure	Transfers	Unrealised gains on investments	Closing balance 2022
<i>St John Vianney & St Monica, Legacy</i>						
<i>Our Lady of Eden, Carlisle, Reverend Turner legacy</i>	36	-	-	-	-	36
<i>Our Lady of Perpetual Help, Carlisle Restoration Fund</i>	18	-	-	-	-	18
<i>St Mary, Fleetwood, legacy</i>	17	-	(1)	-	-	16
<i>St Mary, Fleetwood, Local Authority grant</i>	193	-	-	-	-	193
<i>St Wulstan & St Edmund, Fleetwood, Allen Millar Memorial Fund</i>	-	81	(74)	-	-	7
<i>Our Lady of the Assumption & St Cuthbert, Wigton & Silloth</i>	37		(3)	-	-	34
<i>Refugee support projects (various parishes)</i>	9	26	(14)	(2)	-	19
<i>Workington Stella Maris Project</i>	65	3	(12)	-	-	56
<i>Workington, Legacy</i>	78	44	-	-	-	122
<i>St Thomas, Clayton, legacy</i>	-	20	-	-	-	20
<i>St Mary & St James, Scorton, Legacy</i>	-	10	-	-	-	10
<i>St Mary, Hornby, Lottery Community Grant</i>	-	10	-	-	-	10
<i>St Joseph, Lancaster, Bells Restoration & HLF Grant</i>	-	10	(1)	-	-	9
	453	236	(118)	(21)	-	550
CHARITY total: all restricted funds 2022	14,142	759	(585)	(52)	339	14,603
GROUP total: all restricted funds 2022	14,142	759	(585)	(52)	339	14,603

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
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	Training of priests and deacons of the diocese.
Poor Missions Fund	Support of poor parishes of the diocese.
Sick and Retired Priests Fund	Financial and medical care of sick and retired clergy of the diocese.
Funds for Overseas Missions	Support for overseas missions at the discretion of the Bishop.
Kirkham Church of St John and RC Purposes	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.
Catforth, Thurnham & Westby	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.
St Ignatius Legacy Fund	Legacies received and previously held as general parish funds which were given for the upkeep of the parish property now in the Canonical ownership of the Diocese.
Diocesan Catholic Caring Fund	To provide support for diocesan sponsored caring activities.
Good Shepherd	To assist diocesan projects that aim to support the poor and disadvantaged, particularly the young and those with special needs.
Academy Support Grant	To assist with costs of setting up school academy trusts.
Newman Chapel Fund	To meet costs of the construction and fittings etc of a new chapel at Newman School, Carlisle.
Newman School Rebuilding Fund	To meet costs of the construction and fittings etc of a new chapel at Newman School, Carlisle.
Legacy (M Lawton)	To assist with 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.
Diocesan Schools Singing Program	To be applied towards the purposes of education in the Diocese of lay adults and children.
Mary Strand Trust	To be used to support sing in schools
Sundry	To bring relief to those experiencing poverty arising from unemployment, sickness, disability or other misfortunes that life throws
Parishes	For the purposes of those funds.
Our Lady of Furness, Barrow: grant	To fund buildings maintenance programs.
St John Vianney & St Monica, Legacy	For the parish building fund.
Our Lady of Eden, Carlisle, Reverend Turner legacy	For the refurbishment/rebuilding of the St Ninian's Chapel, Brampton, Carlisle.
St Mary, Fleetwood, Legacy	For the saying of Masses for the nominated family members (name not published for privacy)
Our Lady & St Wilfrid, Warwick Bridge, Carlisle, Restoration Fund	For the restoration of the church of Our Lady & St Wilfrid, Warwick Bridge, Carlisle.
St Wulstan & St Edmund, Fleetwood, Allen Millar Memorial Fund	For the poor & needy parishioners of the parish of St Wulstan & St Edmund's, Fleetwood, Lancs.
Our Lady of the Assumption & St Cuthbert, Wigton & Silloth	Grant received to help towards cost of external repairs to the church.
Christ the King, Workington, Stella Maris	To fund repairs works to the church of Our Lady and St Michael, Workington
Refugee support projects (various parishes)	To support Syrian refugee families.

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
NOTES TO THE ACCOUNTS

13.2 PERMANENT ENDOWED FUNDS

	Opening balance	Income	Expenditure	Transfers	Unrealised gains on investments	Closing balance
	£000	£000	£000	£000	£000	£000
CHARITY - Lancaster Capital Common Investment Fund	644	16	-	(16)	(77)	567
GROUP - Lancaster Capital Common Investment Fund	644	16	-	(16)	(77)	567

[Previous year](#)

Charity - Lancaster Capital Common Investment Fund

Group- Lancaster Capital Common Investment Fund

621	15	-	(15)	23	644
621	15	-	(15)	23	644

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)

	Opening balance	Income	Expenditure	Transfers	Unrealised gains/losses on investments	Closing balance
	£000	£000	£000	£000	£000	£000
CHARITY	65,230	6,803	(6,004)	(687)	(2,594)	62,748
GROUP	65,399	7,040	(6,260)	(688)	(2,593)	62,898

[Previous year 5 April 2022](#)

Charity

Group

64,541	6,152	(5,400)	(817)	754	65,230
64,693	6,395	(5,619)	(824)	754	65,399

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
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13.4 DIOCESAN GENERAL FUNDS (including designated funds)

5

**CHARITY
GROUP**

Opening balance	Income	Expenditure	Transfers	Unrealised gains on investments	Closing balance
£000	£000	£000	£000	£000	£000
699	1,155	(1,869)	650	(5)	630
3,205	1,232	(1,910)	651	(279)	2,899

Previous year 5 April 2022

Charity

Group

342	924	(1,453)	884	2	699
2,738	998	(1,493)	889	73	3,205

13.5 DESIGNATED FUND (included in general funds)

CHARITY: Diocesan central agencies

Evangelisation
Newbridge House
Vocations
Special collections

Opening balance	Income	Expenditure	Transfers	Unrealised gains on investments	Closing balance
£000	£000	£000	£000	£000	£000
292	8	(68)	-	-	232
96	-	-	-	-	96
21	-	-	-	-	21
49	-	-	-	-	49
458	8	(68)	-	-	398

Parishes none

CHARITY total

-	-	-	-	-	
458	8	(68)	-	-	398

GROUP total

458	8	(68)	-	-	398
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LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
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Previous year 5 April 2022

Charity: Diocesan central agencies

	£000	£000	£000	£000	£000	£000
<i>Evangelisation</i>	347	8	(63)	-	-	292
<i>Newbridge House</i>	96	-	-	-	-	96
<i>Vocations</i>	21	-	-	-	-	21
<i>Special collections</i>	49	-	-	-	-	49
	513	8	(63)	-	-	458
Parishes none	-	-	-	-	-	-
Charity total 2022	513	8	(63)	-	-	458
Group total 2022	513	8	(63)	-	-	458

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
NOTES TO THE ACCOUNTS

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

14.1 GROUP

	PARISHES GROUP BALANCES				CENTRAL DIOCESAN AGENCIES GROUP BALANCES			2023	2022
	Unrestricted Funds	Restricted Funds	Endowment	Total	Unrestricted Funds	Restricted Funds	Total		
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Fixed assets	30,904	-	-	30,904	4,972	754	5,726	36,630	36,639
Investments	19,126	-	567	19,693	2,040	8,893	10,933	30,626	35,386
Stock	12	-	-	12	5	-	5	17	13
Debtors	631	-	-	631	322	-	322	953	964
Cash at bank and in hand	9,267	391	-	9,658	1,644	2,227	3,871	13,529	13,032
Creditors: amounts falling due within one year	(647)	-	-	(647)	(1,609)	(1)	(1,610)	(2,257)	(2,104)
Creditors: amounts falling due after more than one year	(61)	-	-	(61)	-	-	-	(61)	(79)
Internal balances:									
Loans	(1,867)	-	-	(1,867)	1,867	-	1,867	-	-
Diocesan bonds	5,533	-	-	5,533	(6,342)	809	(5,533)	-	-
NET ASSETS	62,898	391	567	63,856	2,899	12,682	15,581	79,437	83,851

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
NOTES TO THE ACCOUNTS

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

14.2 CHARITY

	PARISHES				CENTRAL DIOCESAN AGENCIES			2023	2022
	Unrestricted Funds	Restricted Funds	Endowment	Total	Unrestricted Funds	Restricted Funds	Total		
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Fixed Assets	30,655	-	-	30,655	4,972	754	5,726	36,381	36,420
Investments	19,126	-	567	19,693	41	8,893	8,934	28,627	33,112
Stock	-	-	-	-	5	-	5	5	3
Debtors	657	-	-	657	56	-	56	713	727
Cash at bank and in hand	9,227	391	-	9,618	1,640	2,227	3,867	13,485	12,974
Creditors: amounts falling due within one year	(583)	-	-	(583)	(1,609)	(1)	(1,610)	(2,193)	(2,060)
Creditors: amounts falling due after more than one year	-	-	-	-	-	-	-	-	-
Internal balances:									
Loans	(1,867)	-	-	(1,867)	1,867	-	1,867	-	-
Diocesan bonds	5,533	-	-	5,533	(6,342)	809	(5,533)	-	-
NET ASSETS	62,748	391	567	63,706	630	12,682	13,312	77,018	81,176

LANCASTER ROMAN CATHOLIC DIOCESAN TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023
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 2023 or at 5th April 2022.

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 may 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 is a shareholder in Inter-Diocesan Fuel Management Limited (IFM), a company set up in conjunction with other dioceses in order to obtain competitively priced energy for diocesan properties. Most fuel payments are made through the IFM bulk buying scheme.

At 5th April 2023 an amount of £55,473 (2022: £73,965) was owing to the diocese from IFM in respect of overpaid contributions, disclosed under other debtors and an amount of £189,144 (2022: £71,100) was owed to IFM from individual parishes and other bodies in respect of energy costs, disclosed under other creditors.

The Blessed Edward Bamber Catholic Multi Academy Trust (BEBCMAT), the Mater Christi Multi Academy Trust (Mater Christi) and the Mater Ecclesiae Multi Academy Trust (Mater Ecclesiae) are each considered as related parties as both the Roman Catholic Bishop of Lancaster and the Lancaster Roman Catholic Diocesan Trustees Registered are members of BEBCMAT and Mater Christi.

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

	<u>2023</u>	<u>2022</u>
	£	£
<u>BEBCMAT</u>		
Inspection fees	-	1,190
Training & conference fees	1,525	-
Academy support services	25,661	17,682
Academy Conversion charge	10,000	
<u>Mater Christi</u>		
Inspection fees	1,000	2,000
Training & conference fees	3,290	5,090
Academy support services	32,340	27,035
Academy Conversion charge	10,000	8,000
<u>Mater Ecclesiae</u>		
Inspection fees	-	-
Training & conference fees	490	-
Academy support services	7,392	-
Academy Conversion charge	-	-

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.