

# **DIOCESE OF HALLAM**

**Roman Catholic Diocese of Hallam Trust**  
**(Registered Charity No. 512021)**

**ANNUAL REPORT**  
**AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31st DECEMBER 2020**

**DIOCESE OF HALLAM**  
**(Roman Catholic Diocese of Hallam Trust)**

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# DIOCESE OF HALLAM

## (Roman Catholic Diocese of Hallam Trust)

### Legal & Administrative Details

#### **Legal Status**

The Roman Catholic Diocese of Hallam Trust is a charitable trust, established by a Trust Deed dated 28th October 1981. The Charity Registration number is 512021. The charity is registered with the H.M. Revenue & Customs for tax exemption purposes under reference XN57643A.

The Trust is administered by a Trust Corporation, Diocese of Hallam Trustee, incorporated 26th October 1981 and whose Company Registration Number is 01593544. Diocese of Hallam Trustee is a Company Limited by Guarantee with a licence from the Secretary of State for Business, Innovation & Skills to dispense with the word Limited from its name.

As at 31<sup>st</sup> December 2020 there were 11 Members of the Finance Board of Diocese of Hallam Trustee.

#### **Directors of Diocese of Hallam Trustee** **(Known as Members of the Finance Board)**

Right Reverend Ralph Heskett, C.Ss.R.  
 Reverend D. Humphries  
 Reverend Monsignor W.A. Kilgannon - Resigned 10<sup>th</sup> March 2021  
 Reverend Deacon C.A. Kime  
 Mrs P. McGrath  
 Reverend P.D. McGuire  
 Mrs M. Moore - Appointed 16<sup>th</sup> September 2020 Resigned 10<sup>th</sup> March 2021  
 H.H. M.J. Murphy  
 Reverend C.M. Posluszny  
 Mrs A. Ryalls  
 Reverend Monsignor D.M. Sexton, V.G.

#### **Secretary to the Finance Board of Diocese of Hallam Trustee**

E.J. Whittaker

#### **Key Personnel:-**

Finance Dept:- E.J. Whittaker    Schools Dept:- P. Patterson (Primary)    R. Sawyer (High Schools)

#### **Principal Address of Charity & Registered Office of Trustee**

The Diocese of Hallam Pastoral Centre,  
 St. Charles Street,  
 Sheffield. S9 3WU

#### **Solicitors**

Taylor & Emmet LLP,  
 20 Arundel Gate,  
 Sheffield. S1 2PP

#### **Accountants**

W.H. Prior  
 Chartered Certified Accountants  
 Railway Court,  
 Doncaster. DN4 5FB

#### **Auditors**

Warrens GBC Ltd  
 Chartered Certified Accountants & Statutory Auditor  
 33 Thorne Road,  
 Doncaster. DN1 2HD

#### **Principal Bankers**

HSBC Bank plc,  
 Carmel House, 49 - 63 Fargate,  
 Sheffield. S1 2HD

#### **Insurance Managers**

Catholic Insurance Service Limited,  
 Suite 5, Oxford House, Oxford Road  
 Thame, Oxfordshire. OX9 2AH

#### **Investment Managers**

Investec Wealth and Investment Ltd,  
 Beech House,  
 61 Napier Street,  
 Sheffield. S11 8HA

# DIOCESE OF HALLAM

## (Roman Catholic Diocese of Hallam Trust)

### ANNUAL REPORT

Year Ended 31st December 2020

The Trustee presents its Report and Financial Statements for the Year Ended 31<sup>st</sup> December 2020. The Statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – Charities SORP FRS102 (effective 1<sup>st</sup> January 2019).

#### **HISTORY AND ORGANISATION**

The Roman Catholic Diocese of Hallam is a charitable trust, established by a Trust Deed dated 28th October 1981, amended by a deed of variation dated 20<sup>th</sup> July 2006. The Diocese of Hallam was formed on 30th May 1980 from the division of the Dioceses of Leeds and Nottingham. The Trust is a Registered Charity, registration number 512021 and its sole Trustee is Diocese of Hallam Trustee as detailed on Page 1. The objects of the charity are:-

*'To advance the Roman Catholic Religion in the Hallam Diocese by such means being charitable as the Bishop of Hallam may think fit and proper and for the service and support whether in the Hallam Diocese or outside the Hallam Diocese by such means as aforesaid of charitable works and objects promoted by the Church'.*

The Diocese of Hallam consists of 52 parishes in the county of South Yorkshire, parts of the High Peak and Chesterfield Districts of Derbyshire, and the district of Bassetlaw in Nottinghamshire. Mass attendance for 2020 averaged 3,633 (2019: 10,311) but it should be noted that the Bishops of England & Wales removed the Sunday obligation in March 2020 at the start of the first lockdown and so the attendance for 2020 is cumulative across the week, and includes periods of full closure.

#### **STRUCTURE, GOVERNANCE & MANAGEMENT**

The Roman Catholic Diocese of Hallam Trust is a charitable trust established by Trust Deed. The power of appointment of Trustees is vested in the Bishop of Hallam. The Charity is administered by the trust corporation Diocese of Hallam Trustee, a company limited by guarantee and not having share capital, registered under the Companies Acts (No. 01593544). The directors of Diocese of Hallam Trustee are known as Members of the Finance Board.

The sole trustee is the trust corporation Diocese of Hallam Trustee. The Bishop of Hallam appoints the Members of the Finance Board under article 31 of the Trust Corporation's Articles of Association. The Members of the Finance Board comprise clergy and laity and are appointed for their expertise. New Members of the Finance Board are provided with an information pack relating to the constitution, governance and operation of the charity, and ongoing training is provided to all Members. The Members of the Finance Board who served during the year, and as at the date of this Report are detailed on Page 1.

The Finance Board of Diocese of Hallam Trustee meets approximately every six weeks. The Board receives reports from senior officers and various committees, considers proposals for major expenditure and, under the leadership of the Bishop, sets the strategic direction of the charity.

The Schools' Department gives advice to Catholic, and joint Catholic and Church of England, schools in the Diocese. The Hallam Diocesan Schools Executive Committee meets regularly to consider academy conversion applications and the progress of schools. This Committee comprises of the Episcopal Vicar for Schools (Rev. P. McGuire), officers of the Schools' Department, the Director of Finance, the Diocesan Property Manager and the Bishop. The Diocesan Building Committee normally meets one week before each Finance Board meeting. That committee monitors property matters in more depth and reports to the Finance Board with their recommendations. It holds delegated responsibility for building projects below £40,000. Monsignor W. Kilgannon, Rev. Deacon C. Kime, and Rev. C. Posluszny represented the Finance Board on the Diocesan Building Committee, and the Director of Finance and Diocesan Property Manager are in attendance.

The Investment Sub-Committee of the Finance Board of Diocese of Hallam Trustee monitors performance and sets benchmarks for the investment managers. The Sub-Committee consists of at least one member of the Finance Board and throughout 2020 this Committee comprised of the Bishop, Mr. S. Hanlon, Rev. M. McManus, the Director of Finance. The Diocesan Health & Safety Sub-Committee met regularly in 2020.

Diocesan Organisations operate under the supervision of a Member of the Finance Board, as Executive of Diocese of Hallam Trustee, or a senior member of staff, operating under delegation, who reports to the Finance Board.

The independent Diocesan Safeguarding Commission meets several times a year and presents regular reports to the Bishop and Finance Board. The Commission seeks to implement National and Diocesan Policies, Guidelines and Procedures on the care and protection of children and vulnerable adults and works closely with the Catholic Safeguarding Advisory Service (CSAS), Local Safeguarding Representatives in each parish, safeguarding representatives in diocesan organisations, and relevant statutory bodies.

Parish Priests administer the financial affairs of the Parishes, and act as agents of Diocese of Hallam Trustee. They are assisted by a Parish Finance Committee who offer advice and support. In parishes, and in Diocesan organisations, the Charity relies on the generous support of a large number of volunteers who offer their time and skills freely.



## **DIOCESE OF HALLAM**

### **(Roman Catholic Diocese of Hallam Trust)**

## **ANNUAL REPORT (Continued) Year Ended 31st December 2020**

### **PUBLIC BENEFIT**

The celebration of Mass is central to the Roman Catholic faith, and this is the main use of the 60 Churches operated by the charity. Whilst Sunday is the principal day of worship, many of our churches are open each day and are accessible to all. Every week the parish community comes together to celebrate the mystery of our faith - the death and resurrection of Our Lord Jesus Christ. People gather in prayer and praise of God, and to seek God's help and forgiveness. Anyone is welcome to attend services, or just to take a moment in a sacred space for peace and stillness in order to pray and there is no question of any fee or charge.

We also celebrate the sacraments, primarily within each parish community. Many of these are linked to the milestones in people's lives. At Baptism an individual becomes part of the body of Christ, and part of the Church. From their First Communion they are able to take part fully in the Eucharist. Confirmation affirms them in their faith and normally takes place at adolescence. In Marriage the individual forms a covenant with their partner. The Anointing of the Sick, and the Sacrament of Reconciliation are the two sacraments of healing, and through Holy Orders ordination as a priest or deacon is conferred.

The parish priests and clergy guide each parish community, under the authority of the Bishop, who is our shepherd and teacher. Many parish buildings are also used for social events and activities that benefit the wider community.

Through Diocesan Agencies a wide range of services are supported by the Diocese. For example, the Diocesan Schools' Department assists the work of the Voluntary Aided Catholic, and Catholic Voluntary Academy, schools in the Diocese, through training, guidance and advice to headteachers and governors. This includes the development and monitoring of religious education, the Section 48 inspection of schools, advising on the appointment of senior staff and succession planning, planning of school places and the maintenance and provision of school buildings. The department works closely with the four councils and two county councils that cover the Diocese and the Governors of Voluntary Aided Schools, and the Directors of the Academy Trusts. Through the Diocesan Schools' Building Fund, grants are made to Voluntary Aided governing bodies towards the capital cost of school buildings. Each school is an exempt charity, and maintained schools and Catholic Voluntary Academies provide education free of charge. Whilst these schools are not part of the charity, the Diocese plays a key role in supporting them and this has an enormous impact on all their pupils, regardless of whether or not they have any religious affiliation.

Diocesan Organisations, such as St. Wilfrid's Centre, provide a further opportunity for the Church to reach out to the wider community. St. Wilfrid's Centre gives practical help and support to homeless and vulnerable people who experience the burden of social exclusion. Most of its clients are affected by homelessness, poverty, mental health needs, addiction, extreme isolation and institutionalisation. It welcomes all, without distinction of race, national origin, sex, sexual orientation, or political, religious or other opinions. Projects such as this are one way in which the Diocese tries to meet Christ's commandment to "*Love your neighbour as yourself*".

The Members of the Finance Board confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to Public Benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

### **ACHIEVEMENTS & PERFORMANCE**

The primary area that the Charity seeks to fulfil its objectives is through its 52 parishes. They do not exist as independent congregations, and it is the parishes together with diocesan agencies and organisations that together make up the charity. As a result of pastoral work and preparations in these parishes in 2020 there were 249 baptisms, 40 receptions into the Church, 43 marriages and 559 funerals. There were also 187 children receiving their First Communion and 110 Confirmations.

As a result of the Covid-19 pandemic, the government announced a full national lockdown on 23<sup>rd</sup> March 2020, with subsequent national and local restrictions throughout the year. This impacted significantly on the operations of the charity in many ways and our Churches were closed to the public for a number of weeks. New ways were found to engage with parishioners from Facebook and WhatsApp groups, to Zoom and telephone contact. Some parishes started to stream Church services. A significant number of employees were placed on furlough for part of the year (both Parish and Curia) but the nature of some departments meant that workloads increased, in very difficult circumstances.

Caritas Hallam experienced significant demand for counselling services and continued to respond, particularly to students in diocesan schools. Caritas Hallam also helped distribute food parcels around the diocese, generously funded by a grant from the Albert Gubay Foundation, and delivered in partnership with the SVP around the diocese. In parishes, Foodbanks saw a large increase in demand, e.g. St Mary Magdalene's Foodbank, Maltby.

One highlight, in a complicated year, was the ordination to the priesthood on 18<sup>th</sup> July 2020 of Fr. Dominic Jenkinson. Sadly, Deacon Neil Bailey died in April 2020 as a result of Covid-19, and Mgr Peter Moran, the first Financial Secretary of the diocese passed away in November 2020 after a period of ill health.

Whilst income has been significantly affected as a result of the Coronavirus pandemic, the Finance Board is satisfied, taking into account the results of the Stress Testing, that the charity has sufficient flexibility within its financial assets to withstand the short-term impact of the pandemic to enable it to continue to deliver its charitable objects.

## DIOCESE OF HALLAM

(Roman Catholic Diocese of Hallam Trust)

### ANNUAL REPORT (Continued) Year Ended 31st December 2020

Activities that take place outside of the parishes are defined as "Curial". These consist of Diocesan Agencies and Diocesan Organisations who work alongside parishes in fulfilling the objects of the Charity and the mission of the Church.

Diocesan Agencies work under the direct supervision of the Bishop and Finance Board to meet specific pastoral, administrative or liturgical needs identified by the Bishop. Budgets are set and they are encouraged to generate income wherever feasible, and such income is detailed in Note 4 of the financial statements. The net cost of Diocesan Agencies is met initially by income from Diocesan investments and the balance is "assessed" on the Parishes through the "Parish Assessment".

Diocesan Agencies and other expenditure funded by assessment include:-

- Bishop of Hallam's Office
- Schools' Department
- Adult Formation
- Property Management Department
- Young Adults Ministry & University Chaplaincies (University of Sheffield & Sheffield Hallam University)
- Finance Department
- Tribunal
- Youth Ministry
- Safeguarding
- Hallam Pastoral Centre
- National Levies – CaTEW Bishops' Conference of England & Wales, CES, etc.
- Professional fees
- Diocesan Grants
- Historic Churches Committee & Diocesan Archivist

Diocesan Organisations are not financed through Parish Assessments, and are self-financing, although a number of these projects rely on the generosity of Parishes and parishioners. Their gross income is detailed in Note 4. The income and expenditure of these projects forms a substantial part of "Curial" activities. They include:-

- Caritas Hallam – Marriage & Family Life, Children & Family Support, Pastoral Care for Deaf People, and Carmel Care
- St. Wilfrid's Centre – a project supporting homeless and vulnerable people
- St. Wilfrid's Place - providing short-term residential accommodation to vulnerable people
- Diocesan Pilgrimage to Lourdes
- Diocesan Pilgrimage to Walsingham
- Diocesan Pilgrimage to Padley
- Youth activities
- Justice & Peace Commission

Across all the diocese of England & Wales the variously named Caring Services all adopted a standardised title of Caritas. Caritas Hallam was successfully launched, unifying it not only with the diocese of this country but with the Caritas organisation worldwide. Caritas would provide an umbrella for ideas and the sharing of good practise. The work undertaken by Caritas Hallam continued to grow with a growing demand for mental health and counselling services in both schools and parishes.

## **FINANCIAL REVIEW**

### **PARISH ACTIVITIES**

In 2020, income from Parish Collections at Mass decreased by £360,975 (a decrease of 20%). Total Parish Collections (excluding Gift Aid) amounted to £1,433,604 compared to £1,794,579 in 2019. The average giving per person for 2020 by reference to attendance is calculated at £7.59 (£3.35 per week 2019) but this is not an accurate measure since many parishioners did not attend in person (often worshipping online) but continued to donate. Parish collections and other voluntary income represented 69% of total gross parish income (2019: 64%). Gift Aid tax recoverable from H.M. Revenue & Customs totalled £280,808 in 2020 (2019: £335,796), a decrease of 16%.

Parishes received legacies of £264,023 in 2020 (2019: £34,111). Due to the inability to let most parish halls and other functional property in the year, because of Covid-19, income from functional property decreased by 59% in 2020. The income from parish investment properties decreased in 2020 - from £340,538 to £328,305.

## DIOCESE OF HALLAM

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### ANNUAL REPORT (Continued) Year Ended 31st December 2020

The cost of parish property repairs continued to be a significant area of parish expenditure, amounting to £614,667 in 2020 (2019: £784,017).

Invoices for major improvements and new buildings are paid centrally by the Diocese, and charged to the appropriate parish's "Parish Ledger" account with the Diocese. Expenditure on new buildings and major expenditure that is considered to extend the life of existing properties is capitalised and depreciated. Similarly, assets with a cost of over £2,500 are capitalised and depreciated over their estimated useful lives. All legal fees and agents' costs are added to the costs of the asset.

Major projects in 2020 included:-

- ❑ **St. Joseph's Wath upon Dearne** – The Finance Board gave approval to plans to improve the Presbytery living accommodation and disabled access to the Church. The value of the work carried out up to 31<sup>st</sup> December 2020 amounted to £217,781, following architect's fees previously incurred of £25,036. The project was completed in 2021 with further expenditure bringing the total cost to £256,048.
- ❑ **St. Vincent's, Sheffield** – Work was carried out to extend the Presbytery. The value of the work to 31<sup>st</sup> December 2020 was £82,706 and the project was in progress as at that date. It was completed in 2021 with a total cost of £122,624.
- ❑ **St. Peter's Doncaster** – The remainder of the work to the Church and Church Hall was completed in 2020 at a further cost of £51,026. The Church was decorated at a cost of £22,164.
- ❑ **Mother of God, Sheffield** – The Church and Parish Centre were decorated both internally and externally in 2020 at a cost of £40,177.
- ❑ **St. Oswald's, Sheffield** – The boiler was replaced at a cost of £13,491.
- ❑ **Corpus Christi, Dearne Valley** – Car Park repairs and resurfacing was carried out at Wombwell at a cost of £12,725.
- ❑ **Holy Rood, Barnsley** – The boiler was replaced at a cost of £10,062.
- ❑ **St. Paul's, Cantley** – Video and audio equipment to enable the parish to livestream was installed in the Church at a cost of £7,300.

The only property disposal in 2020 was the sale of an investment property (a small area of agricultural land) realising £16,918.

Before unrealised gains on investments, Parish Assessments and other transfers the Parishes cumulatively resulted in a deficit of £173,061 (2019 surplus £471,735 and a surplus of £1,047,067 in 2018). Changes in the value of parish investment during the year increased Parish Funds by £16,614 making the net deficit before internal transfers £156,447 (2019: £468,040). Parish Assessments of £555,206 (a reduction from £696,872), the Sick & Retired Clergy Levy of £120,000, and other internal transfers, reduced this to an overall net decrease of Parish funds of £847,134 (2019: decrease of £299,787). Total Parish funds carried forward at 31<sup>st</sup> December 2020 amounted to £26,147,392 of which £18,037,634 was tied-up in functional property and other fixed assets in everyday use by parishes for charitable purposes.

#### CURIAL ACTIVITIES

Total Curial income decreased by 46% in 2020 (having increased by 50% in 2019 due to significant gains on the disposal of Functional Fixed Assets). Grant income was significantly increased, due to the CJRS Government Grant and increased grants obtained by St. Wilfrid's Centre. Income from Charitable Activities decreased by 38% (£358,684) since activities such as pilgrimages (£260,094 in 2019) could not take place.

**St Vincent's Mission Hub** – The parish of St. Vincent's financed the development of the old school house at Solly Street, Sheffield up to a cost of £1,100,000. The work was completed in 2020 and the Curial element of the cost amounted to £435,547, making the total cost of the building £1,535,547. St. Vincent's MissionHub is for young adults, and students and encompasses the two University Chaplaincies in Sheffield.

Expenditure on Raising Funds was at the same level in 2020 as the previous year, with a similar level of Investment Management costs.

There was a net Curial deficit after expenditure and transfers, of £168,151 compared to a net surplus in 2019 of £1,060,976.

Total Curial funds carried forward as at 31<sup>st</sup> December 2020 amounted to £8,591,798, of which £4,564,355 is reflected in tangible fixed assets.

**DIOCESE OF HALLAM**  
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**ANNUAL REPORT (Continued) Year Ended 31st December 2020**

**SUMMARY**

The summary below gives an indication of the financial activities of the Diocese.

	2020	2019
<u>Parishes</u>	£	£
Income	2,990,271	4,109,924
Deduct: Expenditure	(3,163,332)	(3,638,189)
Investment Gains/(Losses)	16,614	(3,695)
(Deficit)/Surplus before Parish Assessment	(156,447)	468,040
Parish Assessment and other transfers	(690,687)	(767,827)
(Decrease)/Increase in reserves	<u>(847,134)</u>	<u>299,787</u>
 <u>Curia</u>		
Parish Assessment and other transfers	690,687	767,827
Other income	1,211,015	2,279,888
Total income	1,901,702	3,047,715
Deduct: Expenditure	(2,082,584)	(2,365,829)
Investment Gains/(Losses)	12,731	379,090
(Decrease)/Increase in reserves	<u>(168,151)</u>	<u>1,060,976</u>

**GOING CONCERN**

The Charity's activities, together with the factors likely to affect its future development, principal risks and uncertainties facing the Charity and its availability of unencumbered cash reserves are set out in this Annual Report. Its financial position in terms of the year's results, its assets and liabilities, and movement in cash are set out in the principal financial statements on pages 13 to 16. The Trustees have considered the charity's operations for the next 12 months, as required. The charity has sufficient financial resources, mainly in the form of cash, investments, and property, to meet its obligations. There are no material uncertainties about the Charity's ability to continue as a going concern and it is well placed to manage the various risks identified. The Trustee therefore has a reasonable expectation that the Charity has adequate resources to continue its operations for the foreseeable future. Accordingly the going concern basis continues to be adopted in the preparation of the Annual Report and Accounts.

**RESERVES**

The Finance Board considers that unrestricted reserves equivalent to two years' charitable expenditure for both Parish and Curial reserves are required. In addition to recurring expenditure the Finance Board acknowledges that, in some areas, income is difficult to sustain, and has identified a number of long-term funding requirements including improvement and repair of functional property, clergy retirement and training and formation for which some funds have been designated.

The majority of Parish Funds (£18,037,634) are represented by the functional properties (Churches, Halls, Presbyteries) and other fixed assets, which are integral to the operation of the Charity. The free Parish reserves of £6,761,347 represent around 25 months' Parish expenditure, which is above the 24 months' reserves considered to be required for parishes because of the long-term nature of their operations. Expenditure, however, was significantly less due to the impact of Covid-19 and prolonged closure of Churches, etc. and the Finance Board anticipates that reserves will return within the required level in the near future.

The total Curial funds as at 31<sup>st</sup> December 2020 amounted to £8,591,798 of which £2,163,623 is restricted for specific purposes. Of the remaining £6,428,175 unrestricted curial funds, £2,997,013, reflected the value of functional property and other fixed assets. The general reserves of £3,371,583 represent just over 19 months' Curial expenditure which is less than the 24 months' reserves considered to be required because of the long-term nature of the charity's operations. The Finance Board acknowledge that funds held are below the charity's reserve levels and are taking action to look to rectify the position.

**DIOCESE OF HALLAM**  
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**ANNUAL REPORT (Continued) Year Ended 31st December 2020**

**INVESTMENT POLICY & PERFORMANCE**

Under the trust deed of the Charity, the Trustee may invest, with the consent of the Bishop of Hallam, any money in any manner authorised by law (i.e. the Trustee Act 2000). In 2020 the investment portfolios continued to be managed on a discretionary basis by the investment managers, Investec Wealth and Investment Ltd. The portfolios are managed in line with the ethical investment policy of the Trustees, which is consistent with Church teaching and the Catholic faith. The performance of all of the funds was positive during the year. The performance of the main portfolio and other funds were all above the benchmark, which is pleasing given the market uncertainty in 2020.

	<b>Total Return</b>	<b>Total Return Benchmark</b>
	<b>%</b>	<b>%</b>
Main Portfolio	+3.36	+1.23
Caritas Hallam Fund	+2.77	+1.23
Sick & Retired Clergy Fund	+2.43	+1.23
Priests' Training Fund	+2.30	+1.93

**RISK ASSESSMENT**

The Finance Board has assessed the major risks to which the Charity is exposed, in particular those related to the operation, investment and finances of the Trust. By monitoring the level of reserves, ensuring control over financial systems and by examining the operational risks faced by the Charity, the Finance Board believes that effective systems have been established to mitigate those risks.

**FUND-RAISING**

The charity undertakes small scale fund-raising, and applications to charitable trusts for grants. Most fund-raising builds on the connection people have with the Church through their parish and there are no direct appeals by telephone or mailshot to individuals. The charity does not engage professional fund-raisers but does have a part time employee who deals with applications to charitable trusts for grants.

**PLANS FOR FUTURE PERIODS**

Plans for future periods include the continued growth at St. Vincent's MissionHub for the ministry of students from the University of Sheffield and Sheffield Hallam University, and young adults from across the Diocese, the re-establishment of Youth Ministry (11-18) and the continued development of Adult Formation & Mission.

**THIRD PARTY COLLECTIONS**

Parishes in the Diocese supported a wide range of charities by allowing, and often organising, Third Party Collections. However, since these funds are not under the control of Diocese of Hallam Trustee, these collections are not included in the results and balances of the Charity. Balances held at 31<sup>st</sup> December 2020 for third party charities are included in Creditors.

**GRANTS**

Curial and Parish grants paid out in 2020 included:-

Catholic Trust for England & Wales (CaTEW)	£30,837
Grants to Schools	£3,500
Catholic Education Service (CES)	£17,568
CaTEW re IICSA	£8,024
Holy Family Manenberg, South Africa	£10,017
St. Anthony's, Langa, South Africa	£10,017

The grants made are all in furtherance of the Charity's objects.



## DIOCESE OF HALLAM

(Roman Catholic Diocese of Hallam Trust)

### ANNUAL REPORT (Continued) Year Ended 31st December 2020

#### **KEY MANAGEMENT PERSONNEL**

The key management personnel of the Diocese comprises the Director of Finance and the Directors of Schools (Primary and Secondary). Remuneration for key management personnel is set by the Salaries Sub-Committee, taking into consideration the market rates for similar roles and is periodically reviewed in order to recognise and reward outstanding performance.

#### **RISK MANAGEMENT**

The Trustee has overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. The Audit Sub-Committee review, annually, the risks facing the charity which can be categorised into broad headings including (1) Safeguarding (2) Ageing Clergy (3) Education (4) Financial (5) Governance.

- **Safeguarding** - Being loved and being kept safe go to the very core of the Church's ministry. The safeguarding of children and adults at risk is of paramount importance to the Diocese. Failing to prevent abuse of the vulnerable has serious repercussions for the individual, the mission of the Church and the Diocese. To mitigate this risk the Diocese follows the policies and procedures put in place by the Catholic Safeguarding Advisory Service (CSAS) which are enforced by the Safeguarding department. The department promotes a safe recruitment policy and provides training across the diocese to reinforce safeguarding procedures. They also respond to any allegation, past or present, of inappropriate behaviour or actual abuse by any member or person working for the Charity, paid or unpaid, liaising with the police and other statutory authorities. An independent Safeguarding Commission oversees the work of the Safeguarding department in this respect. The Diocese of Hallam is committed to the promotion of a "one Church approach" to the safeguarding of children and adults at risk and the promotion of a culture of safeguarding throughout the Charity.
- **Ageing Clergy** - The number of clergy in the Diocese has decreased significantly in recent years, and the age profile of those in active ministry is rising. In addition, the number of priests who have retired from active ministry is increasing. The structure of parishes in each Deanery is under review and a policy and strategy to provide support for ageing clergy.
- **Education** - The Charity contributes to the education provided in the 47 Voluntary Aided and Catholic Voluntary Academy Schools in the Diocese (40 Primary Schools, 6 Secondary, 1 3-16 School). One of the risks identified is the potential underperformance of diocesan schools. The Schools Department monitors the performance of all schools and provides support where necessary. Overall, the number of schools judged by Ofsted as "Good" has increased. Schools that are judged "Required Improvement" or are at risk of under performance receive support from other schools in the Diocese as well as from diocesan officers and consultants. The Hallam Schools' Partnership Academy Trust was formed in 2013 to give particular support to schools that have been placed in "Special Measures". On behalf of the Bishop, the Schools Department retains canonical oversight of diocesan schools in maintaining Catholic ethos and undertakes the Section 48 Inspections.
- **Financial** - Although the financial position of the Charity is stable, financing the current level of expenditure is an identified risk at a time when income from investments (e.g. interest) is limited and voluntary donations (in the form of Parish Offertories) have started to fall. In common with most other Catholic dioceses, Mass attendance is falling. In light of this, expenditure is being reviewed, particularly in terms of Parish Property Repairs, and expenditure by Diocesan Departments is being reviewed individually by a Sub-Committee of Trustees, and budgets reviewed, since this is financed by Parish Assessment. The financing of expenditure on formation of priests and support of Sick & Retired Clergy is also under review.
- **Governance** - As with other dioceses, the structure of the diocese is such that the administration of parishes (in civil law) is undertaken by parish priests under the delegated authority of the Trustee. Their activities, however, remain the responsibility of the Trustee. Systems and controls are in place to monitor these activities, particularly in relation to statutory and regulatory compliance including Employment, Safeguarding, Health & Safety, Property Maintenance and Finance.

**DIOCESE OF HALLAM**  
(Roman Catholic Diocese of Hallam Trust)

**ANNUAL REPORT (Continued) Year Ended 31st December 2020**

**CONNECTED CHARITIES**

The Diocese encompasses 47 Catholic schools. Each of the schools is an exempt charity under the Charities Act 2011, and the activities of Diocesan schools are not reflected in the financial statements. The Bishop of Hallam appoints Foundation Governors/Directors to the Governing Bodies of Catholic Schools/Academy Trusts, and Foundation Governors/Directors form a majority on each body, but schools are not branches of the Diocese. The addresses of the Catholic Schools in the Diocese are detailed in the Diocesan Year Book and diocesan website. The Bishop of Hallam, the Directors of Schools and Diocese of Hallam Trustee are Members of Diocese of Hallam Schools' Partnership (Company Registration Number 08099518). Diocese of Hallam Trustee is also Trustee of St. Michael's Roman Catholic Church and Presbytery, Hathersage.

**STATEMENT OF TRUSTEE'S RESPONSIBILITIES**

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed dated 28<sup>th</sup> October 1981 (as varied 20<sup>th</sup> July 2006). The Trustee is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Approved by the Finance Board of Diocese of Hallam Trustee on 27<sup>th</sup> October, 2021 and signed as authorised by:-**

**E.J. Whittaker**  
Secretary and Director of Finance

**DIOCESE OF HALLAM**  
(Roman Catholic Diocese of Hallam Trust)

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE OF THE ROMAN CATHOLIC DIOCESE OF HALLAM TRUST**

**Opinion**

We have audited the financial statements of the Roman Catholic Diocese of Hallam Trust for the year ended 31 December 2020 as detailed on pages 13 to 32, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of the charity's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with the International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with 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 Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

**Other information**

The Trustee is responsible for the 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. 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 consistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept by the charity; or
- the charity's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**DIOCESE OF HALLAM**  
(Roman Catholic Diocese of Hallam Trust)

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE TRUSTEE OF THE ROMAN CATHOLIC DIOCESE OF HALLAM TRUST**

**Responsibilities of the Trustee for the financial statements**

As explained more fully in the Trustee's Responsibilities Statement set out on page 9, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with regulations made under that Act. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**Extent to which the audit was considered capable of detecting irregularities including fraud**

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements and looking how fraud may occur by enquiring with management as to its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of the discussion we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of material adjusting journals and key estimates and judgements by management.

We gained an understanding of legal and regulatory framework applicable to the charity and the sector in which it operates, drawing on our audit experience and knowledge of the charity and its sector, and considered the risk of acts by the charity that were contrary to these laws and regulations that could give rise to a material misstatement in the financial statements, including but not limited to:-  
The Charities Act 2011

Charities (Accounts and Reports) Regulations 2008

Guidance issued by the Charity Commission for England & Wales

UK Health & Safety legislation

UK employment legislation

We also made enquiries with the Trustee with regards to compliance with the above laws and regulations and obtained any necessary evidence to corroborate the information provided, for example minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising.

The following audit work was undertaken in response to the risks identified:

- Enquiry of management, those charged with governance, and the charity's solicitors around actual and potential litigation and claims
- Enquiry of management to identify any instances of non-compliance with laws and regulations
- Reviewing minutes of meetings of those charged with governance.
- Reviewing key sources of estimation uncertainty testing to supporting documentation, ensuring reasonableness of assumptions and consistently applied.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the rationale of significant transactions outside the normal course of the charity's operations.

We did not identify any key audit matters relating to irregularities, including fraud.

**DIOCESE OF HALLAM**  
**(Roman Catholic Diocese of Hallam Trust)**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE TRUSTEE OF THE ROMAN CATHOLIC DIOCESE OF HALLAM TRUST**

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditors\\_responsibilities](http://www.frc.org.uk/auditors_responsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charity's trustee, Diocese of Hallam Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustee, as a body, for our audit work, for this report, or for the opinions we have formed.

**Warrens GBC Ltd**  
**Statutory Auditor**  
**33 Thorne Road,**  
**Doncaster. DN1 2HD**

**27<sup>th</sup> October, 2021**

Warrens GBC Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

## STATEMENT OF FINANCIAL ACTIVITIES : For the Year Ended 31st December 2020

	Note	PARISHES			CURIA			2020	2019
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	TOTAL	TOTAL
		£	£	£	£	£	£	£	£
<b>INCOME FROM:</b>									
<b>Donations &amp; Legacies</b>									
Collections and Donations		2,082,973	-	2,082,973	144,439	77,161	221,600	2,304,573	2,906,673
Legacies		264,023	-	264,023	1,500	-	1,500	265,523	39,574
Grants	3	77,048	10,585	87,633	196,893	45,475	242,368	330,001	83,440
<b>Charitable Activities</b>									
Income from Charitable Activities	4	65,404	-	65,404	573,864	14,117	587,981	653,385	1,078,852
<b>Other Trading Activities</b>									
Fundraising - Events		54,782	-	54,782	28,322	-	28,322	83,104	182,203
- Lettings		99,184	-	99,184	9,004	4,200	13,204	112,388	261,185
<b>Investment Income</b>									
Rental Income from Investment Properties		328,305	-	328,305	-	-	-	328,305	340,358
Other Investment Income	5	231	736	967	92,999	23,041	116,040	117,007	138,710
<b>Other Income</b>									
Gain on disposal of Fixed Assets		7,000	-	7,000	-	-	-	7,000	1,358,817
<b>TOTAL</b>		<b>2,978,950</b>	<b>11,321</b>	<b>2,990,271</b>	<b>1,047,021</b>	<b>163,994</b>	<b>1,211,015</b>	<b>4,201,286</b>	<b>6,389,812</b>
<b>EXPENDITURE ON:</b>									
Raising Funds	6	49,327	-	49,327	35,075	6,750	41,825	91,152	112,234
Charitable Activities	7	2,950,780	163,225	3,114,005	1,659,342	381,417	2,040,759	5,154,764	5,891,784
<b>TOTAL</b>		<b>3,000,107</b>	<b>163,225</b>	<b>3,163,332</b>	<b>1,694,417</b>	<b>388,167</b>	<b>2,082,584</b>	<b>5,245,916</b>	<b>6,004,018</b>
Net Gains/(Losses) on investments		31,918	(15,304)	16,614	15,196	(2,465)	12,731	29,345	375,395
<b>NET INCOME/(EXPENDITURE)</b>		<b>10,761</b>	<b>(167,208)</b>	<b>(156,447)</b>	<b>(632,200)</b>	<b>(226,638)</b>	<b>(858,838)</b>	<b>(1,015,285)</b>	<b>761,189</b>

## STATEMENT OF FINANCIAL ACTIVITIES : For the Year Ended 31st December 2020

	PARISHES			CURIA			2020	2019
	<u>Note</u>	Unrestricted	Restricted	Total	Unrestricted	Restricted	TOTAL	TOTAL
		£	£	£	£	£	£	£
<b>NET INCOME/(EXPENDITURE) B/F</b>		10,761	(167,208)	(156,447)	(632,200)	(226,638)	(1,015,285)	761,189
<b>Transfers between Funds:</b>								
Parish Assessments		(542,499)	(12,707)	(555,206)	555,206	-	-	-
Other Transfers		(135,481)	-	(135,481)	15,481	120,000	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(667,219)</b>	<b>(179,915)</b>	<b>(847,134)</b>	<b>(61,513)</b>	<b>(106,638)</b>	<b>(1,015,285)</b>	<b>761,189</b>
<b>Fund Balances brought forward</b>		21,180,555	5,813,971	26,994,526	6,489,688	2,270,261	35,754,475	34,993,286
<b>Fund Balances carried forward</b>	19	<b>20,513,336</b>	<b>5,634,056</b>	<b>26,147,392</b>	<b>6,428,175</b>	<b>2,163,623</b>	<b>34,739,190</b>	<b>35,754,475</b>

**DIOCESE OF HALLAM**  
(Roman Catholic Diocese of Hallam Trust)

**BALANCE SHEET AS AT 31st DECEMBER 2020**

		2020			2019		
		Parishes	Curia	Total	Parishes	Curia	Total
	Note	£	£	£	£	£	£
<b>FIXED ASSETS</b>							
Tangible Fixed Assets	12	18,037,634	4,564,355	22,601,989	18,937,845	3,947,949	22,885,794
Investments	13	3,460,442	3,929,146	7,389,588	3,460,746	3,942,469	7,403,215
		21,498,076	8,493,501	29,991,577	22,398,591	7,890,418	30,289,009
<b>CURRENT ASSETS</b>							
Debtors	14	130,953	348,066	479,019	148,606	253,074	401,680
Cash at Bank & on Deposit		1,179,065	4,213,400	5,392,465	1,208,175	4,417,098	5,625,273
		1,310,018	4,561,466	5,871,484	1,356,781	4,670,172	6,026,953
<b>LIABILITIES:</b>							
Amounts falling due within one year	15	(85,870)	(1,038,001)	(1,123,871)	(254,875)	(306,612)	(561,487)
<b>NET CURRENT ASSETS</b>							
		1,224,148	3,523,465	4,747,613	1,101,906	4,363,560	5,465,466
<b>PARISH LOAN ACCOUNTS</b>							
Loans to Parishes		(2,602,217)	2,602,217	-	(3,807,250)	3,807,250	-
Parish Deposits		6,027,385	(6,027,385)	-	7,301,279	(7,301,279)	-
<b>TOTAL NET ASSETS</b>							
		26,147,392	8,591,798	34,739,190	26,994,526	8,759,949	35,754,475
<b>REPRESENTED BY INCOME FUNDS:-</b>							
Restricted Funds	16	5,634,056	2,163,623	7,797,679	5,813,971	2,270,261	8,084,232
<b>Unrestricted Funds</b>							
Designated Funds	17	13,751,989	3,056,592	16,808,581	14,501,913	2,424,033	16,925,946
Other Unrestricted Funds	17	6,761,347	3,371,583	10,132,930	6,678,642	4,065,655	10,744,297
	18	26,147,392	8,591,798	34,739,190	26,994,526	8,759,949	35,754,475

The financial statements on pages 13 to 32 were approved by the Finance Board of Diocese of Hallam Trustee, as sole Trustee on 27th October 2021 and signed on its behalf by:-

The Right Reverend Ralph Heskett, C.Ss.R.

**DIOCESE OF HALLAM**  
(Roman Catholic Diocese of Hallam Trust)

**CASH FLOW STATEMENT**

**For the Year Ended 31st December 2020**

	2020	2019
	£	£
<b>Net Cash inflow/(outflow) from operating activities (Note a)</b>	<b>293,281</b>	<b>121,232</b>
<b>Returns on investments and servicing of finance</b>		
Dividends and interest received	91,645	120,561
Purchase of tangible fixed assets	(667,706)	(1,733,210)
Purchase of investments	(1,268,003)	(290,454)
Proceeds from sale of fixed assets	7,000	1,561,353
Proceeds from sale of investments	1,310,975	560,725
	<u>(526,089)</u>	<u>218,975</u>
<b>(Decrease)/Increase in cash</b>	<b><u>(232,808)</u></b>	<b><u>340,207</u></b>
<b><u>Reconciliation of Net Cash flow to movements in net funds</u></b>		
(Decrease)/Increase in cash in the period	(232,808)	340,207
Cash Funds at 1 <sup>st</sup> January 2020	5,625,273	5,285,066
Cash Funds at 31 <sup>st</sup> December 2020	<u>5,392,465</u>	<u>5,625,273</u>

**Notes to the Cash flow Statement**

**a) Reconciliation of net (outgoing)/incoming resources to net cash inflow/(outflow) from operating activities:-**

	2020	2019
	£	£
Net incoming/ (outgoing) resources	(1,015,285)	761,189
Dividends & interest received	(91,645)	(120,561)
Depreciation	951,511	917,292
(Increase)/Decrease in Debtors	(77,339)	75,685
Increase/(Decrease) in Creditors	562,384	221,839
Profit on disposal of fixed assets	(7,000)	(1,358,817)
Net (Gains)/Losses on Investments	(29,345)	(375,395)
	<u>293,281</u>	<u>121,232</u>

**b) Changes in cash and cash equivalents**

	2020	2019	Change in year
	£	£	£
Cash at Bank and Short Term Deposits	<u>5,392,465</u>	<u>5,625,273</u>	<u>(232,808)</u>

Within Cash at Bank are funds amounting to £596,543 representing DfE grant money held for Diocesan VA Schools. The corresponding creditor is shown in Note 15.

**DIOCESE OF HALLAM**  
(Roman Catholic Diocese of Hallam Trust)

**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31st December 2020**

- 1** The financial statements principally reflect the incoming resources and application of resources of the main charity, Roman Catholic Diocese of Hallam Trust and include Parishes, Diocesan Agencies, and Diocesan Organisations. The financial statements also reflect a number of small individual parish trusts and separately registered diocesan charities, which are under the control of Diocese of Hallam Trustee, including the J.J. Eyre Funds and St. Charles Charity (Charity Registration No. 1049619).

**2 Accounting policies**

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with the accounting policies set out below and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102) (Effective 1<sup>st</sup> January 2019).

The financial statements have been drawn up under the historical cost convention as modified by the revaluation of investments and are presented in sterling, which is also the functional currency of the charity.

**Financial instruments**

*Classification*

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

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.

*Recognition and measurement*

All financial assets and liabilities are initially measured at transaction price (including transaction costs) except for those financial assets classified as at fair value through the Statement of Financial Activities, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when, and only when, a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**Debtors**

Short term debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method.



**DIOCESE OF HALLAM**  
(Roman Catholic Diocese of Hallam Trust)

**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31st December 2020**

**Creditors**

Short-term creditors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method.

**Judgements and key sources of estimation uncertainty**

The preparation of financial statements requires the Trustee to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual outcome may diverge from these estimates if other assumptions are made, or other conditions arise.

**Significant judgements**

In the course of preparing the financial statements, the following significant judgements have been made in the process of applying the charity's accounting policies:-

- assessing the probability of the receipt of legacy income;
- assessing the appropriateness of the assumptions and methodology used in determining the fair value of investment properties;
- assessing the recoverability of outstanding debtors and the need for any provision for bad or doubtful debts;
- determining the value of the designated funds needed at the year end to meet specific future expenditure;

**Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and by their nature, will rarely equal the related actual outcome. The charity does not have any key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Notwithstanding this, the charity is required to make estimates as detailed below:

- estimating the accrued expenditure including employees' accrued holiday pay;
- estimating the useful economic life of tangible fixed assets to determine a depreciation charge;
- estimating the cost of the functional fixed assets, including property, that were held at 31<sup>st</sup> December 1996;

**Assessment of Going Concern**

The Trustee considers that there are no material uncertainties about the trust's ability to continue as a going concern. There are no key assumptions or estimates that materially affect the items in the accounts.

**Income**

All income is recognised once the charity has entitlement to income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

**Donations**

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

**Grants receivable**

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the Balance Sheet as deferred income to be released.



**DIOCESE OF HALLAM**  
(Roman Catholic Diocese of Hallam Trust)

**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31st December 2020**

**2.2 Fund Accounting**

Diocesan activities fall into two categories:

- ☐ Parishes - transactions relating to individual Parishes within the Diocese.
- ☐ Curia - transactions concerning the Diocese as a whole.

The Funds of the charity are analysed into Restricted and Unrestricted Funds.

Restricted Funds represent amounts received for a specified purpose which had not been expended at the Balance Sheet date. Parish property subject to a Special Trust is also reflected in the Restricted Fund balances.

Unrestricted Funds represent amounts available for the general purposes of the charity. Within Unrestricted Funds, Designated Funds reflect the amounts set-aside for particular projects or purposes, but which may be spent for other general charitable purposes.

The Statement of Financial Activities details Parish and Curial incoming resources and resources expended, analysed between Unrestricted and Restricted Funds.

Parish Income is, under Canon Law, under the control and direction of the Parish Priest who exercises his ministry under the authority of the Bishop. Although the Finance Board of Diocese of Hallam Trustee has ultimate responsibility under civil law for these funds, the juridical person who holds Parish Funds is the Parish Priest, and these funds are unrestricted only in terms of their use within the individual parish.

**2.3 Tangible Fixed Assets**

**Freehold and Leasehold Land and Buildings**

**(a) Functional Land and Buildings**

Churches, Presbyteries, Church Halls, Offices, etc.

*i) Freehold Land*

Functional Land, (i.e. land used for the prime purpose of the Charity), is included in the financial statements at original cost, or where this is not available at an estimate of its historic cost (or in the case of donated land or land acquired at nil cost, at its fair value at the date of receipt). Freehold land is not depreciated because it has an indefinitely long useful life.

*ii) Freehold Buildings*

Functional Buildings (i.e. buildings used for the prime purpose of the Charity), which are still in use by the Charity are included in the financial statements at original cost, or in the case of buildings transferred at nil cost on the formation of the Diocese, at an estimate of their fair value at the date of acquisition. All new functional buildings, improvements and major renovations are capitalised at the cost of construction.

Buildings which were in use at 31st December 1996, and additions since that date, are depreciated at rates calculated to write off their estimated historic cost (less the estimated residual value) evenly over the whole of their useful life.

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

(a)	Unlisted Churches	25 to 100 years
(b)	Cathedral and Listed Churches	100 to 200 years
(c)	Presbyteries	25 to 50 years
(d)	Burghwallis Hall	100 years
(e)	Other buildings	25 to 75 years

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

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**NOTES TO THE FINANCIAL STATEMENTS**

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Padley Martyrs Chapel, Grindleford, Derbyshire is not depreciated because it was built c.1400, is a Grade I listed building and is considered to have an extraordinary long life that cannot be determined. The charity does not recognise this heritage asset in its Balance Sheet as details of its cost and initial valuation are not held, given the nature of the asset and its longevity. The cost of obtaining a value is not commensurate with any benefit to the users of the accounts and given the religious nature of the asset it is extremely unlikely that the monetary value (from sale) will ever be recognised by the charity. The cost of obtaining a valuation has been considered by the charity and it believes it is not justified by the usefulness of the information to the users of the accounts.

*iii) Leasehold Land and Buildings*

Leasehold land and buildings are depreciated over the life of the lease on a straight-line basis.

Details and addresses of the Diocesan churches and other buildings (both freehold and leasehold) can be found in the Diocesan Year Book.

Voluntary Aided Schools & Catholic Voluntary Academies

*i) Land*

The charity owns the land on which its Voluntary Aided Schools are built, and the land occupied by Catholic Voluntary Academy Trusts. Each school is an exempt charity under the Charities Act 2011 and occupies the land rent-free. The nature of the occupation of the land by these exempt charities means that the Diocese's Trustee does not have the power to dispose of the land until the school ceases its occupation, which in turn would require the approval of the Governors/Directors and the Secretary of State and may involve the recovery of grant-aid by the DfE. Consequently such land is not in direct use by the charity, does not generate any income, cannot be disposed of on the open market, and cannot be used for any other purpose during the schools' occupation. In view of these restrictions, the Trustee believes the recoverable amount of these assets is nil and they are included at nil valuation.

*ii) Buildings*

The School buildings are occupied, improved, extended and repaired by the School Governors/Academy Trusts. The nature of the occupation of the buildings by these exempt charities means that the Diocese's Trustee does not have the power to dispose of the buildings until the school ceases its occupation, which in turn would require the approval of the Governors and the Secretary of State and may involve the recovery of grant-aid by the DfE. Consequently such 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. In view of these restrictions, the Trustee believes the recoverable amount of these assets is nil and they are included at nil valuation.

The School Governors/Academy Trusts account for the building, improvement and repair costs of the schools and account for any grants received in respect of these costs. Grants made by the Diocese through the Diocesan Schools' Building Fund (or occasionally via parishes) to the Governors of Voluntary Aided Schools in order to assist them with their liability for school building costs are charged to the Statement of Financial Activities in the year of payment.

As at 31<sup>st</sup> December 2020 there were 28 Catholic Voluntary Academies (5 High schools and 23 Primary schools), together with 15 Voluntary Aided Catholic Primary Schools, 1 Voluntary Aided Joint Catholic and Church of England Primary School, 1 Voluntary Aided Catholic High School, 1 Joint Catholic & Church of England Academy primary school and 1 Joint Catholic and Church of England 3-16 Academy in occupation of land and buildings. The charity owns the freehold of 46 of these premises in their entirety, and the freehold and leasehold of one split-site High School. Further details of the Diocesan Voluntary Aided Schools and Catholic Voluntary Academies, are given in the Diocesan Year Book and on the Diocesan website.

**(b) Investment Properties and Donated Property awaiting sale.**

Investment Properties

Investment properties are shown at the Trustee's best estimate of market value. The majority of the Investment Properties were professionally valued as at 31<sup>st</sup> December 2016 and all are valued professionally at least every five years. The Investment Properties are spread across the Diocese, and consequently the revaluation was carried out by Burgess Commercial Ltd of Rotherham. The Finance Board of Diocese of Hallam Trustee annually reassesses the value of the investment property portfolio. Any change in value during the year is reported in the "Other Recognised Gains & Losses" section of the Statement of Financial Activities. Further details of the basis of the valuation are given in note 13 to these financial statements. Investment Properties are reflected at market value, therefore no charge for depreciation is made in the financial statements in accordance with accounting standards.

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**Year Ended 31st December 2020**

**Fixtures, Fittings and Equipment**

Acquisitions with a cost (or fair value in the case of donated items) in excess of £2,500 are capitalised. They are depreciated at rates calculated to write off the cost, less the estimated residual value of each asset evenly over its expected useful life as follows:-

Fixtures and Fittings	10 years
Office Equipment	5 years
Computers	3 years
General Equipment	5 years
Church Fixtures & Fittings	10 to 50 years
Presbytery Fixtures & Fittings	5 to 10 years
Residential/Day Centre Furniture & Equipment	4 to 10 years
Motor Vehicles	20% Reducing Balance

**Works of Art and Historic Treasures**

Individual Works of Art, Historic Treasures and Plate are not capitalised as they have extraordinary long lives and are worth preserving perpetually.

**2.4 Investments**

Investments are stated at their market value as at the Balance Sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

**2.5 Foreign currency transactions**

The financial statements are presented in Sterling, which is also the functional currency of the charity. Transactions in currencies other than the functional currency of the charity, are recorded at the rate of exchange at the date the transaction occurred. Monetary items denominated in other currencies are translated at the rate prevailing at the end of the reporting period. All differences are taken to the relevant Support Costs element of the Statement of Financial Activities.

**2.6 Pension costs**

Contributions towards employee's personal pension schemes and a group personal pension scheme for employees are charged to the Statement of Financial Activities in the year in which they become payable. The Diocese is neither liable to finance any funding shortfall, nor entitled to benefit from any over-funding. During the year contributions were made for one employee to the Teachers' Pension Scheme ("the TPS"), an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Scheme Regulations 2015. The employer's contribution is set by the TPS. As at 31<sup>st</sup> December 2020 the rate was 23.68% (including a scheme administration levy). The TPS represents a collective scheme and it is not possible to separately identify the assets and liabilities attributable to a particular employer. The Diocese has neither a commitment to make good any actuarial deficit, nor an entitlement to benefit from any over funding. Retirement and other pension benefits are paid by public funds provided by Parliament.

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**Year Ended 31st December 2020**

<b>3. Grants</b>	<b>Parishes 2020 £</b>	<b>Curia 2020 £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Government Grant: CJRS [Exceptional item]	57,048	100,782	157,830	-
Other Grants	30,585	141,586	172,171	83,440
	<u>87,633</u>	<u>242,368</u>	<u>330,001</u>	<u>83,440</u>
<b>4 Income from Charitable Activities</b>	<b>Parishes 2020 £</b>	<b>Curia 2020 £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Repositories, Bookstalls & Sale of Newspapers	11,268	-	11,268	36,981
Chaplaincies	18,558	-	18,558	22,857
Other Parish charitable income	35,578	-	35,578	72,349
St. Wilfrid's Centre	-	213,078	213,078	245,914
St. Wilfrid's Place	-	73,595	73,595	92,439
Caring Services	-	75,273	75,273	86,283
Schools' Department	-	219,925	219,925	241,937
Youth Activities	-	-	-	3,667
Adult Formation & Mission Courses	-	1,160	1,160	2,035
Pastoral Centre	-	3,760	3,760	10,981
Tribunal	-	1,190	1,190	1,815
Finance Department	-	-	-	1,500
Pilgrimages	-	-	-	260,094
	<u>65,404</u>	<u>587,981</u>	<u>653,385</u>	<u>1,078,852</u>
<b>5. Other Investment Income</b>	<b>Parishes 2020 £</b>	<b>Curia 2020 £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Interest on cash deposits	236	4,090	4,326	8,427
Listed Investment income and other investment income	731	86,588	87,319	112,134
Member's Award - Catholic National Mutual Ltd	-	18,359	18,359	18,149
Member's Award - Inter-Diocesan Fuel Management Ltd	-	7,003	7,003	-
	<u>967</u>	<u>116,040</u>	<u>117,007</u>	<u>138,710</u>
<b>6. Expenditure on Raising Funds</b>	<b>Parishes 2020 £</b>	<b>Curia 2020 £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Fund-raising costs	15,438	11,774	27,212	38,624
Bank Charges	19,000	4,161	23,161	27,078
Investment Management Costs	-	25,890	25,890	26,635
Investment Property Management & Expenses	14,889	-	14,889	19,897
	<u>49,327</u>	<u>41,825</u>	<u>91,152</u>	<u>112,234</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31st December 2020**

**7. Charitable Activities**

<u>Parishes</u>	Direct Costs £	Support Costs £	Total 2020 £	Total 2019 £
Church Altar & Liturgy	78,007	-	78,007	165,630
Parish general running costs	926,459	-	926,459	994,491
Property repairs and maintenance	614,667	-	614,667	784,017
Clergy costs including travel expenses	336,730	-	336,730	395,362
Staff Costs	234,348	-	234,348	275,839
Depreciation	816,286	-	816,286	800,395
Repository, Bookstall & Newspaper expenses	22,757	-	22,757	45,800
Grants to Schools	3,500	-	3,500	3,967
Payments to Religious Orders re Parish Sisters	18,228	-	18,228	20,856
Professional fees	-	6,110	6,110	1,582
Other Donations & Grants	56,913	-	56,913	79,203
	<u>3,107,895</u>	<u>6,110</u>	<u>3,114,005</u>	<u>3,567,142</u>

<u>Curia</u>	Direct Costs £	Support Costs £	Total 2020 £	Total 2019 £
Bishop of Hallam's Office & Mensa	78,118	-	78,118	74,989
General Diocesan Expenditure	29,711	-	29,711	27,517
Safeguarding	74,387	-	74,387	77,588
MissionHub & University Chaplaincies	62,708	-	62,708	48,778
Hallam Pastoral Centre	15,650	-	15,650	16,745
Adoremus (National Eucharistic Congress)	-	-	-	(4,618)
Schools' Department	313,705	-	313,705	327,936
Adult Formation & Mission	44,464	-	44,464	48,957
Property Department	54,113	-	54,113	47,822
Health & Safety	15,288	-	15,288	15,228
Tribunal	39,689	-	39,689	40,127
Youth Ministry	(392)	-	(392)	13,538
Finance Department	-	86,667	86,667	86,363
Hallam News	11,164	-	11,164	20,026
Clergy Formation & Training	103,515	-	103,515	76,009
Clergy Support	4,301	-	4,301	28,929
Sick & Retired Clergy	157,212	-	157,212	175,718
National Levies	57,179	-	57,179	58,944
Grants to Schools	35,740	-	35,740	11,147
Caritas Hallam	209,835	5,129	214,964	185,938
Padley Chapel	6,174	-	6,174	13,267
St Wilfrid's Centre	464,440	4,958	469,398	478,138
St Wilfrid's Place	64,314	420	64,734	78,332
Burghwallis Hall (former St Anne's Rest Home)	44,312	-	44,312	59,440
Pilgrimages	6,809	-	6,809	262,579
Professional fees	-	51,149	51,149	55,205
	<u>1,892,436</u>	<u>148,323</u>	<u>2,040,759</u>	<u>2,324,642</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

Year Ended 31st December 2020

**8 Allocated Support Costs**

	Parishes 2020 £	Curia 2020 £	Total 2020 £	Total 2019 £
Finance Department	-	86,667	86,667	86,363
Governance - Legal & Other Professional Fees	6,110	600	6,710	8,067
Audit	-	12,450	12,450	12,840
Accountancy	-	48,606	48,606	42,621
	<u>6,110</u>	<u>148,323</u>	<u>154,433</u>	<u>149,891</u>

**9 Staff Costs**

	Total 2020 £	Total 2019 £
Salaries	1,197,157	1,245,753
Social Security Costs	85,290	86,206
Pension Costs	57,467	60,981
	<u>1,339,914</u>	<u>1,392,940</u>

**Average number of employees:-**

	2020	2019
<i>Direct Charitable activities</i>		
Parishes	52	39
Curia		
Diocesan Departments & Agencies	17	41
Diocesan Organisations	29	27
	<u>98</u>	<u>107</u>

The number of employees whose emoluments fell within the following band was:-

	2020	2019
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1

During the year, pension contributions for the above amounted to £21,559 (2019: £12,179).

The cost of Key management personnel (salary, employer's national insurance and employer's pension contributions) was £222,931 (2019: £204,038).

Clergy are not included within the above as they are Office Holders and not employees of the Charity. Payments to Clergy amounted to £414,558 (2019: £468,633). Payments to Religious Orders for Parish Sisters amounted to £18,228 (2019: £20,856).

In addition to employees, the Charity has a number of unpaid volunteers who help in the parishes and in Diocesan Organisations.

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**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31st December 2020**

**10 Trustees (Finance Board Members) Information**

The sole Trustee of the Roman Catholic Diocese of Hallam Trust is a Trust Corporation, Diocese of Hallam Trustee. The directors of Diocese of Hallam Trustee are known as Members of the Finance Board and are Trustees in law. None of the Members of the Finance Board received remuneration for their role as Trustees. Five Members of the Finance Board who served during the year are Roman Catholic Priests of the Diocese, and were housed and remunerated within their parishes. To assist him in the performance of his duties, the Bishop is provided with a house, and his expenses in carrying out his office are met from Curial Funds.

None of the Members of the Finance Board received any reimbursement of expenses arising from their position as Trustees.

**11 Indemnity Insurance**

Indemnity Insurance for £5 million cover was incorporated in the overall public liability and buildings insurance arrangements made for the charity.

**12 Tangible Fixed Assets**

	<b>Freehold Land and Buildings £</b>	<b>Leasehold Land and Buildings £</b>	<b>Fixtures, Fittings, and Equipment £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>Cost/Fair value at acquisition</b>					
As at 1st January 2020	40,448,670	940,483	2,097,197	33,985	43,520,335
Additions	469,310	148,550	49,846	-	667,706
As at 31st December 2020	<u>40,917,980</u>	<u>1,089,033</u>	<u>2,147,043</u>	<u>33,985</u>	<u>44,188,041</u>
<b>Depreciation</b>					
As at 1st January 2020	18,638,022	604,427	1,385,295	6,797	20,634,541
Charge for the Year	843,494	20,750	80,470	6,797	951,511
As at 31st December 2020	<u>19,481,516</u>	<u>625,177</u>	<u>1,465,765</u>	<u>13,594</u>	<u>21,586,052</u>
<b>Net Book Value</b>					
As at 31st December 2020	<u><u>21,436,464</u></u>	<u><u>463,856</u></u>	<u><u>681,278</u></u>	<u><u>20,391</u></u>	<u><u>22,601,989</u></u>
As at 31st December 2019	<u><u>21,810,648</u></u>	<u><u>336,056</u></u>	<u><u>711,902</u></u>	<u><u>27,188</u></u>	<u><u>22,885,794</u></u>

Net Book Value as at 31st December 2020 represents fixed assets used for:-

Parish purposes    £18,037,634 (2019 : £18,937,845)  
Curial purposes    £ 4,564,355 (2019 : £ 3,947,949)

Land and buildings occupied by Catholic Voluntary Academies and Voluntary Aided Schools are not capitalised because they are considered to be of nil value (see accounting policy note 2.3a for further details).

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**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31st December 2020**

**13 Fixed Asset Investments**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>(a) Listed Investments</b>		
Market Value 1st January 2020	3,730,979	3,365,765
Acquisitions	1,268,003	290,454
Disposals at Opening Value (Note I)	(1,311,573)	(264,694)
Net unrealised investment gains/(losses)	124,674	339,454
Market Value at 31st December 2020	<u>3,812,083</u>	<u>3,730,979</u>
<b>(b) Unlisted Investments</b>		
The Catholic National Mutual Limited	<u>4,000</u>	<u>4,000</u>
<b>(c) National Savings Deposits &amp; Bonds</b>		
Market Value at 1st January 2020	<u>99,000</u>	<u>99,000</u>
Market Value at 31st December 2020	<u>99,000</u>	<u>99,000</u>
<b>(d) Cash deposits – pending reinvestment</b>		
Stockbroker's deposit accounts	<u>42,055</u>	<u>151,786</u>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>(e) Investment Properties</b>		
Market Value at 1st January 2020	3,417,450	3,662,087
Disposals at Opening Value (Note II)	(20,000)	(244,637)
Net gain/(loss) on revaluation	35,000	-
Market Value at 31st December 2020	<u>3,432,450</u>	<u>3,417,450</u>
<b>TOTAL FIXED ASSET INVESTMENTS</b>	<u><b>7,389,588</b></u>	<u><b>7,403,215</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS**

Year Ended 31st December 2020

**13 Fixed Asset Investments (Continued)**

	2020 £	2019 £
<b>Note (I)</b>		
Proceeds	1,184,326	300,635
Realised (Gain)/Loss	127,247	(35,941)
	<u>1,311,573</u>	<u>264,694</u>
	2020 £	2019 £
<b>Note (II)</b>		
Proceeds	16,918	244,637
Realised (Gain)/Loss	3,082	-
	<u>20,000</u>	<u>244,637</u>

Market Value at 31st December 2020 represented investments held for:-

Parish purposes    £3,460,442    (2019: £3,460,746)  
Curial purposes    £3,929,146    (2019: £3,942,469)

The historical cost of listed investments is £2,975,432 (2019: £2,653,528).

The unlisted investment in The Catholic National Mutual Limited can only be disposed of *at par*, and the historical cost of that investment is £4,000.

Investment Properties are based at the Trustee's best estimate of fair value at the Balance Sheet date.

The Investment Properties were acquired at nil cost on formation of the Diocese in 1980 and on the subsequent transfer of one parish from a separate trustee. The majority of the investment properties were revalued professionally as at 31<sup>st</sup> December 2016 at open market value by Burgess Commercial Ltd of Rotherham. Within the last five years the other investment properties were revalued by PPH Commercial LLP of Doncaster, Fisher German LLP of Retford and Wilby's of Barnsley. A professional external valuation of the Investment Properties is undertaken every 5 years.

All investment properties are situated in the UK.

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**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31st December 2020**

**14 Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Accrued Interest receivable	120	2,881
Gift Aid Tax recoverable	7,367	5,788
Grant Debtors	30,141	5,000
Other Debtors	347,968	266,030
Prepayments	77,894	101,808
Pastoral Loans	15,529	20,173
	<u>479,019</u>	<u>401,680</u>

The Pastoral Loans made are to priests, interest free and repayable on demand.

All debtors are repayable within one year.

**15 Liabilities: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Sundry Creditors	375,741	394,350
DfE LCVAP funding held for Diocesan Voluntary Aided Schools	596,543	-
Deferred Grants	-	10,071
PAYE Creditor	6,372	5,193
Third Party Collections	33,504	24,741
Accruals	111,711	127,132
	<u>1,123,871</u>	<u>561,487</u>

Deferred Grants relate to monies received in advance of services to be provided in connection with St Wilfrid's Centre.

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**NOTES TO THE FINANCIAL STATEMENTS**

Year Ended 31st December 2020

**16 Restricted Funds**

	Balance 1.1.20 £	Income £	Expenditure £	Transfers £	Investment Gains/ (Losses) £	Balance 31.12.20 £
<b><u>Parish Funds</u></b>						
Parish Restricted Property	5,188,932	-	(150,287)	-	-	5,038,645
J.J. Eyre Fund (St Vincent's)	40,791	208	(3,020)	-	(6,185)	31,794
J.J. Eyre Fund (St Marie's)	46,051	528	-	-	(9,119)	37,460
Other Restricted Parish Funds	538,197	10,585	(9,918)	(12,707)	-	526,157
<b><u>Curial Funds</u></b>						
Sick & Retired Clergy Fund	463,603	60,583	(161,864)	120,000	1,551	483,873
Priests' Training Fund	119,222	10,044	(105,613)	-	(4,016)	19,637
Foundation Masses Fund	22,518	101	(101)	-	-	22,518
Diocesan Schools' Building Fund	76,076	33,174	(35,740)	-	-	73,510
The Gerard Postlethwaite Camino Fund	41,000	500	(3,500)	-	-	38,000
Lourdes Pilgrimage : Restricted Fund	1,500	-	-	-	-	1,500
St. Wilfrid's Centre Restricted Funds	32,951	59,592	(41,953)	-	-	50,590
St. Wilfrid's Place Restricted Fund	1,513,391	-	(39,396)	-	-	1,473,995
	<u>8,084,232</u>	<u>175,315</u>	<u>(551,392)</u>	<u>107,293</u>	<u>(17,769)</u>	<u>7,797,679</u>

- (a) Parish Restricted Property Fund - This Fund represents the Parish property that is subject to a Special Trust, at its net book value at the Balance Sheet date.
- (b) Other Restricted Parish Funds – This Fund predominantly represents funds arising from the disposal of Solly Street by St Vincent's Parish, which are to be used only for the benefit of that parish.
- (c) St Wilfrid's Place Restricted Fund – This Fund represents the amounts received in respect of a project in Sheffield to provide supported housing, for adults, which had not been expended at the Balance Sheet date.
- (d) Sick & Retired Clergy Fund - This Fund represents the amounts received to meet the costs involved in the assistance of sick and retired Clergy of the Diocese, which had not been expended at the Balance Sheet date.
- (e) Priests' Training Fund - This Fund represents the amounts received towards the training, formation and development of Clergy, which had not been expended at the Balance Sheet date.

**17 Unrestricted Funds**

	Balance 1.1.20 £	Income £	Expenditure £	Transfers £	Investment Gains/ (Losses) £	Balance 31.12.20 £
<b><u>Parish Funds</u></b>						
General Fund	6,678,642	2,978,950	(2,334,108)	(594,055)	31,918	6,761,347
<b>Designated Funds</b>						
Parishes Fund for Fixed Assets	14,501,913	-	(665,999)	(83,925)	-	13,751,989
	<u>21,180,555</u>	<u>2,978,950</u>	<u>(3,000,107)</u>	<u>(677,980)</u>	<u>31,918</u>	<u>20,513,336</u>

**DIOCESE OF HALLAM**  
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**NOTES TO THE FINANCIAL STATEMENTS**

Year Ended 31st December 2020

**17 Unrestricted Funds (Continued)**

	Balance 1.1.20 £	Income £	Expenditure £	Transfers £	Investment Gains/ (Losses) £	Balance 31.12.20 £
<b><u>Curial Funds</u></b>						
General Funds	4,065,655	398,127	(946,730)	(159,159)	13,690	3,371,583
<b><u>Designated Funds</u></b>						
Curial Fund for Fixed Assets	1,042,231	-	(51,902)	733,319	-	1,723,648
Universities Chaplaincies Fund	2,093	-	(4)	(2,089)	-	-
Needy Parishes Fund	22,818	1,052	-	-	-	23,870
Caritas Hallam Fund	396,070	138,560	(225,016)	(1,384)	1,506	309,736
St. Wilfrid's Centre Funds	376,713	430,441	(438,572)	30,259	-	398,841
St. Wilfrid's Place Fund	511,769	73,595	(25,338)	(30,259)	-	529,767
Lourdes Pilgrimage Fund	68,490	5,244	(6,838)	-	-	66,896
Walsingham Pilgrimage Fund	3,849	2	(17)	-	-	3,834
	<u>6,489,688</u>	<u>1,047,021</u>	<u>(1,694,417)</u>	<u>570,687</u>	<u>15,196</u>	<u>6,428,175</u>

(a) Parish Fund for Fixed Assets - This Fund comprises the amount of the net book value of fixed assets for Parish use at the balance sheet date.

(b) Curial Fund for Fixed Assets - This Fund comprises the amount of the net book value of fixed assets for general Diocesan use at the balance sheet date.

(c) Caritas Hallam Fund - This Fund represents the amount designated for the activities of Caritas Hallam.

(d) St Wilfrid's Centre Funds - This represents funds designated for the operation of St Wilfrid's Centre.

(e) St Wilfrid's Place Fund - This Fund represents the amount designated in respect of a project in Sheffield providing supported housing, for adults, which had not been expended at the Balance Sheet date.

**18 Analysis of Net Assets Between Funds**

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
<b>Fund Balances at 31st December 2020</b>	<b>26,941,511</b>	<b>7,797,679</b>	<b>34,739,190</b>
<b>Represented by:-</b>			
Tangible Fixed Assets	16,749,002	5,852,987	22,601,989
Investments	5,614,265	1,775,323	7,389,588
Current Assets	6,211,434	199,046	6,410,480
Inter-fund offset	(524,268)	524,268	-
Liabilities : Amounts falling due within one year	(1,108,922)	(553,945)	(1,662,867)
<b>Total Net Assets</b>	<b>26,941,511</b>	<b>7,797,679</b>	<b>34,739,190</b>

**DIOCESE OF HALLAM**  
(Roman Catholic Diocese of Hallam Trust)

**NOTES TO THE FINANCIAL STATEMENTS**

Year Ended 31st December 2020

**19 Detailed Analysis of Net Assets Between Funds**

<b>PARISHES</b>	<b>Tangible Fixed Assets £</b>	<b>Investments £</b>	<b>Net Assets £</b>	<b>Inter-Fund Loans £</b>	<b>TOTAL £</b>
<b>Restricted Funds</b>					
Parish Restricted Property Fund	4,285,645	753,000	-	-	5,038,645
J.J. Eyre Fund (St Vincent's)	-	11,575	20,219	-	31,794
J.J. Eyre Fund (St. Marie's)	-	16,417	21,043	-	37,460
Other Restricted Parish Funds	-	-	1,889	524,268	526,157
<b>Unrestricted Funds</b>					
<u>Designated</u>					
Parishes Fund for Fixed Assets	13,751,989	-	-	-	13,751,989
<u>Other Unrestricted Funds</u>					
General Reserves	-	2,679,450	1,180,997	2,900,900	6,761,347
	18,037,634	3,460,442	1,224,148	3,425,168	26,147,392

<b>CURIA</b>	<b>Tangible Fixed Assets £</b>	<b>Investments £</b>	<b>Net Assets £</b>	<b>Inter-Fund Loans £</b>	<b>TOTAL £</b>
<b>Restricted Funds</b>					
Sick & Retired Clergy Fund	69,956	684,307	(270,390)	-	483,873
Priests' Training Fund	-	301,024	(281,387)	-	19,637
Foundation Masses Fund	-	9,000	13,518	-	22,518
Diocesan Schools' Building Fund	-	-	73,510	-	73,510
The Gerard Postlethwaite Camino Fund	-	-	38,000	-	38,000
St. Wilfrid's Centre: Restricted Grants	23,391	-	27,199	-	50,590
St. Wilfrid's Place Restricted	1,473,995	-	-	-	1,473,995
Lourdes Pilgrimage: Sick Child Fund	-	-	1,500	-	1,500
	1,567,342	994,331	(398,050)	-	2,163,623
<b>Unrestricted Funds</b>					
<u>Designated</u>					
Curial Fund for Fixed Assets	1,723,648	-	-	-	1,723,648
Needy Parishes Fund	-	-	23,870	-	23,870
Caritas Hallam Fund	-	275,329	34,407	-	309,736
St. Wilfrid's Centre Funds	238,118	-	201,818	(41,095)	398,841
St. Wilfrid's Place Fund	425,947	-	62,725	41,095	529,767
Lourdes Pilgrimage Fund	-	-	49,484	17,412	66,896
Walsingham Pilgrimage Fund	-	-	3,834	-	3,834
<u>Other Unrestricted Funds</u>					
General Reserves	609,300	2,659,486	3,545,377	(3,442,580)	3,371,583
	4,564,355	3,929,146	3,523,465	(3,425,168)	8,591,798

**DIOCESE OF HALLAM**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31st December 2020**

**20 Third Party Collections**

Third Party collections are taken in Churches with the permission of the Charity but the funds are not under the control of the Charity and are excluded from the Statement of Financial Activities.

**21 Entitlement to Future Legacies**

Legacies are recognised when there is entitlement, certainty of receipt, and the legacy can be measured. The charity considers that entitlement is when estate accounts are settled/there is notification of a distribution.

**22 Connected Charities and Related Party Transactions**

The Bishop of Hallam appoints Foundation Governors to the Governing Bodies of Diocesan Schools and Foundation Directors of Catholic Voluntary Academies. Foundation Governors/Directors form a majority in each school. The addresses of Diocesan Schools are detailed in the Diocesan Year Book. Grants made by the charity to Voluntary Aided schools for building and repair costs, through the Diocesan Schools Building Fund amounted to £35,740 (2019: £11,147). In addition grants to Schools by Parishes amounted to £3,500 in the Year (2019: £3,967). Diocese of Hallam Trustee is also Trustee of St. Michael's Roman Catholic Church and Presbytery, Hathersage, a separate charity.

**23 Financial Instruments**

The charity had the following financial instruments:

	2020 £	2019 £
Financial assets at fair value through Statement of Financial Activities:		
Fixed asset investments	7,389,588	7,403,215
Financial assets that are debt instruments measured at amortised cost:		
Cash at Bank	5,392,465	5,625,273
Debtors	401,125	299,872
Financial liabilities measured at amortised cost:		
Creditors	1,012,160	424,284
	1,012,160	424,284

**24 Commitments**

	2020 £	2019 £
<i>Authorised:-</i>		
Parish Expenditure	53,149	97,462
Curial Expenditure	-	126,526
Grants to Schools	35,477	-
Included in amounts authorised are net amounts contracted for :	53,149	92,002

**25 Post Balance Sheet Non Adjusting Events**

During and subsequent to the financial year end, the Charity has been affected by the worldwide impact of the COVID-19 virus. The Trustees have assessed the impact on the Charity and implemented appropriate controls to mitigate the issues arising from the outbreak. The Charity has continued to operate during the period. The full financial and other impacts of the ongoing issues cannot be fully ascertained at present. The Trustees have assessed the Charity's current and anticipated ongoing requirements and believe that the COVID-19 issues will not impact on the Charity's ability to continue as a going concern.