

# financial statements

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## **The Roman Catholic Diocese of Northampton**

For the year ended 31 March 2016

Registered charity number: 234091

# The Roman Catholic Diocese of Northampton

## Financial Statements

Year ended 31 March 2016

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# The Roman Catholic Diocese of Northampton

## Trust information

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<b>Registered charity number</b>	234091
<b>Governing instrument</b>	Trust Deed 11 July 1949 as amended 11 October 2006
<b>The board of trustees</b>	Rt Rev Bishop P J H Doyle Rev Mgr Provost S Healy Rev Mgr K McGinnell Rev Dr B Killeen Mr J C Whitehead Rev A W Brennan Mrs M M Bull Mrs M A Harwood Rev D Smith Mr C J C Peachey
<b>Secretary</b>	Mr T J Redding
<b>Registered Office</b>	Bishop's House Marriott Street Northampton NN2 6AW
<b>Auditors</b>	haysmacintyre 26 Red Lion Square London WC1R 4AG
<b>Bankers</b>	National Westminster Bank plc 25 Corporation Street Corby Northants NN17 1NR
<b>Investment advisers</b>	Rathbones 1 Curzon Street London W1J 5FB  Ruffer LLP 80 Victoria Street London SW1E 5JL

# The Roman Catholic Diocese of Northampton

## Report of the Trustees

Year ended 31 March 2016

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### Report of the trustees

The trustees have pleasure in presenting their report, together with the financial statements, for the year ended 31 March 2016.

### Structure, Governance and Management

#### *Constitution*

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

#### *Trustees*

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

The Northampton Roman Catholic Diocese Trustee is a registered company number 442173 incorporated under the Companies Act 1929 on 13 September 1947. The members of the company who serve on the Finance Board are as follows:-

Rt Rev Bishop P J H Doyle  
Rev Mgr Provost S Healy  
Rev Mgr K McGinnell  
Rev Dr B Killeen  
Mr J C Whitehead  
Rev A W Brennan  
Mrs M M Bull  
Mrs M A Harwood  
Rev D Smith  
Mr C J C Peachey

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

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

All trustees give of their time freely and no remuneration was paid to them in the year in relation to their role as trustee. One trustee received expenses totalling £330 in relation to his role as trustee.

#### *Trustees' responsibilities*

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

# The Roman Catholic Diocese of Northampton

## Report of the Trustees (continued)

Year ended 31 March 2016

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### *Trustees' responsibilities (continued)*

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the trustees are aware:

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

### *Organisational structure and decision-making process*

The day-to-day management of the charity's activities and implementation of its policies are delegated to a number of committees and consultative bodies and to appropriate staff. There are a number of curial departments such as Finance and Property, Safeguarding, Education and Youth Ministry, each of which employ appropriately trained and qualified staff to manage and carry out those activities. Similarly parishes have a number of paid employees and volunteers to assist in the running of activities at local level. The Diocese employs a Human Resources advisor to look after the welfare of staff and to advise on recruitment and other related issues.

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

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

Day to day management of the Finance and Property function is the responsibility of the Diocesan Director of Finance and Development, together with the Financial Secretary and two property professionals.

# The Roman Catholic Diocese of Northampton

## Report of the Trustees (continued)

Year ended 31 March 2016

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### *Key management personnel*

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

### *Risk management*

A review of the major financial and reputational risks to which the charity is exposed has been carried out and systems put in place to mitigate those risks. Any risks identified and their resultant impact on reserves and/or reputation of the Diocese are considered by the trustees. Procedures are being put in place to continually monitor these and any new risks identified. A sub-committee of the Trustee has been formed to perform this function. In particular the Diocese has procedures in place regarding the safeguarding of children and vulnerable adults. The health and safety of people using our churches and other facilities is also a high priority and the Diocese has policies in place to assess and manage the associated risks, overseen by a Health and Safety subcommittee of the Trustee. The increasing age and declining number of priests is also considered by the trustees to be a significant risk for the Diocese. In order to plan for and mitigate the consequences of this risk factor, parishes have been asked to plan for how pastoral areas and individual parishes will provide facilities for the practicing of the Faith with significantly fewer priests.

### *Related parties*

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

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

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

The Diocese also encompasses a number of Catholic schools. Those schools which are voluntary aided are exempt Charities under the Schools Standards and Framework Act 1988 and their activities are not reflected in the financial statements attached to this report. The Bishop of Northampton appoints Foundation Governors to the Governing Bodies of these schools and they form the majority of those Governing Bodies. Similarly a number of schools have converted to academy status and are formed within multi-academy trusts. The Bishop has similar powers of appointment of the trustees of those Trusts and again their activities are not reflected in the financial statements attached to this report. At the date of this report there are 18 academies within 5 multi-academy trusts. The addresses of these schools can be found in the Diocesan Directory.

### *Investment policy*

There are no particular investment powers. Investments are made at the absolute discretion of the trustees acting on advice of its professional advisers. Six monthly meetings with the investment advisers are attended regularly by members of the Finance Board, senior personnel and external consultants. Every effort is made to avoid investing in securities which might conflict with Catholic Social Teaching or which are environmentally unsound.

At 31 March 2016 the portfolio of investments had a market value of £5,808,202. There were realised losses of £ 50,776 and unrealised losses of £341,843. Total investment income in the year was £196,693.

# The Roman Catholic Diocese of Northampton

## Report of the Trustees (continued)

Year ended 31 March 2016

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The investment policy is to maximise total return through a diversified portfolio. The trustees are aware of the effect of movements in the value of this investment portfolio on reserve levels. This is particularly relevant with the continuing uncertainties on the stock market. As stated above, unrealised losses resulting from movements in the investment market, amounted to £341,843. Unrealised gains in the previous financial year were £337,992. The Diocese does consider itself a long term investor and together with its advisers takes steps to mitigate losses in the short term while remaining in a position to take advantage of any potential upturn in the markets.

### *Public benefit*

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

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

The above is demonstrated by 27,842 people attending mass each Sunday together with masses also being said each day in our parishes. 20,000 children, both Catholic and non-Catholic, attended our schools. Donations of £946,775 were made by our parishioners to causes both internal and external to our Diocese. Many programs were made available in parishes around the Diocese in areas such as spiritual development, Marriage and Family Life and Justice and Peace.

### *Beneficiaries*

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

## **Objectives, activities and achievements**

### *Principal objects*

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

The long-term strategies set to achieve these objects are to ensure that the life of the Catholic Community is well supported and responsive to changing requirements and to generate and maintain sufficient reserves to ensure the long-term future of the charity. It carries out these strategies through a number of key activities as set out below:-

### *Significant activities*

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



# The Roman Catholic Diocese of Northampton

## Report of the Trustees (continued)

Year ended 31 March 2016

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### Parish life

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

During the year, parish life carried on as usual with churches being places of worship, and sources of nourishment for the faith of the People, and outreach to the community. The Sacraments of Baptism, First Communion and Confirmation were celebrated all around the Diocese and many groups met in prayer and reflection on the word of God in scripture. At the 2015 census 27,842 people attended mass on a weekly basis and there were 1,929 baptisms, 962 people confirmed and 340 marriages during the year.

The facilitation and nourishment of spiritual life and concern for neighbour in the Diocese are the principal aims of the charity and while weekly attendance figures and the number of baptisms, confirmations, marriages, etc are indications of the success of the work, performance can also be measured by the continuing strength of our parish and school communities and the individual journeys of faith of our parishioners. Sick and elderly parishioners received the Eucharist and Sacrament of the Sick, the dying and their relatives received comfort and support, and the deceased received dignified burial and cremation services, which aided the grieving process for their relatives.

The trustees recognise the effect of particular types of one-off income including the inherent uncertainty of legacy income. Together with an anticipated increase in capital works on Church property, the general increase in many costs such as utilities and the continued impact of the current economic climate has led to the continuation of a working party of trustees and Diocesan Officers to find ways of raising income while managing costs. Plans are in progress to support parishes in raising offertory income.

Parishes carry out their own fundraising activities in support of parish projects both internal to the parish and external. The total income raised was £444,255 compared with £496,805 in 2015.

### *Churches, presbyteries and halls*

Repairs and maintenance requirements resulting from the quinquennial reports on buildings owned by the trustee and the system of close contact between parishes, the trustee and the professionals appointed by the Diocese, resulted in £2.26m being spent during the year at parish and Diocesan level.

Major projects included the continuation of works to property in Little Chalfont, major refurbishment works at Gerrards Cross and the commencement of roof repair works at Princes Risborough. Parishes are being encouraged to carry out a rolling program of decoration and repairs to their presbyteries. All of this work was supervised by the Diocesan Property Department, reporting to the Trustee property committee who together with professional advisers appointed by the Diocese, ensure that the work is carried out to the highest possible standard.

### *Parish clubs*

There are now six parish member social clubs, all but one of which occupy under license of buildings owned by the Diocese Trustee. They continue to be visited regularly by the Diocesan Licensed Trade Consultant who, together with the Diocesan Finance and Property department, monitors their management and viability.



# The Roman Catholic Diocese of Northampton

## Report of the Trustees (continued)

Year ended 31 March 2016

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### *Volunteers*

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

### **Schools**

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

During the year a sum of £3.5m gross of Government grant was spent on school buildings owned by the trustee. As in previous years, for a significant proportion of this expenditure 10% of the cost had to be found by the Diocese be it from the parishes, the parental voluntary contribution scheme, the schools or other sources. A review is continuing on how this 10% contribution is funded, especially since the level of expenditure greatly exceeds the amount that can be afforded by parishes alone and the continuing debate about the fact that many of the children in Catholic schools come from families which do not attend mass regularly and hence help fund the schools through their offertory contributions. The Diocesan Schools Commission supports our schools and their Governors in the work that they do.

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

### **Curial activities**

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

The Bishop has continued to spend much of his time visiting and energising parishes and schools within the Diocese, in particular meeting with representatives of the pastoral areas set up as a result of the Walking Humbly process, and meeting and providing pastoral leadership to its Clergy and lay people and also focussing on the particular challenges, which he and the Diocese will be facing over the coming years. As stated in previous reports, in common with many other Dioceses there is a declining number of priests available to serve parishes which, together with the advancing age of those still in service, fewer vocations to the priesthood and the continual gradual decline of religious practice in this country, provide an ongoing challenge to the Charity. However, encouragingly, in the next year 1 man will be ordained to the Priesthood. We currently have thirteen men in seminary training - 10 for the priesthood and 3 for the permanent diaconate. Vocations to the diaconate and new forms of lay ministry are also developing and being supported by the Diocese. Despite the current economic crisis slowing down the speed of development, this Diocese is also facing the prospect of large new housing developments in its larger towns and discussions are in progress as to what measures will be required to welcome and provide adequate facilities for the spiritual life of both old and new residents. Each pastoral area is being challenged to develop plans to shape the Church in their area, reflecting on the issues and opportunities particular to their area and the Diocese as a whole. They are being asked in particular to plan for significantly fewer priests than current within the next ten years.

# The Roman Catholic Diocese of Northampton

## Report of the Trustees (continued)

Year ended 31 March 2016

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Bishop Peter also joined Cardinal Vincent Nichols at the Synod on Marriage and Family Life in Rome. Following this he attended a number of seminars around the country to discuss the outcomes of the discussions.

In order to meet these and other challenges the major fundraising initiative, Together in Faith, has continued with its principal aims being to meet the cost of the support of retired clergy and the training of new priests, as well as the funding of catechists and lay training and also particular parish projects. During the parish phase, a Campaign Advisory Committee monitored results and liaised with the professional fundraisers. To date £9.1m has been pledged to be given over a five year period. A Stewardship Committee has been appointed by the Bishop to monitor expenditure of the funds raised and to provide information to donors. During the year under review a total of £1.1m was received from donors, investment income and parish pledges and £1.1m expended on the stated causes. In particular, a number of parishes have used their share of monies raised to finance both capital and revenue projects locally and in the case of one parish, to funding chaplains in the local schools. The Trustees once again wish to express their gratitude to all those who have pledged most generously to this campaign.

Plans have also commenced to build a new Centre to serve the Cathedral and the Diocese as a whole, as well as to be a facility for the local community. The cost of building the Centre will be the subject of a new fundraising campaign and a professional fundraising company has been appointed to assist with this. The Cathedral suffers greatly from not having a suitable facility to host both parish and Diocesan events and to provide outreach to the local community. A large amount of research has been carried out to ascertain the precise need and also to visit similar facilities both locally and around the country. The campaign will be overseen by a committee comprising the Cathedral Dean and the Director of Finance and Development, along with a representative from the fundraising professionals and other senior Diocesan personnel. It is under the patronage of Bishop Peter, Archbishop Kevin McDonald and Bishop Leo McCartie, together with Lady Penelope Braye.

### Financial Review

#### *Reserves policy*

The Finance Board meets regularly to plan, monitor and review levels of expenditure on key or significant projects, and hence the impact on reserve levels. General income levels are also monitored regularly. The trustees consider that a prudent level of free reserves (those unrestricted funds not invested in fixed assets or designated for specific purposes) is the equivalent of a maximum of 12 months' expenditure. This will allow the Diocese to deal effectively with a significant drop in income and also react to requests for funding arising from unexpected events. At 31 March 2016 the free reserves of £2,678,885 represented approximately 3.3 months of expenditure.

#### *Designated funds*

Designated funds are held for a number of purposes including the education of priests, the maintenance of the Diocesan Curia, the advancement of education, mass stipends, the support of sick and needy priests and funds for the disposal of the Bishop in the course of his work. Expenditure is made from these funds on a regular basis. The continued need for these funds or for additional purposes will be reviewed on a regular basis.

#### *Financial management*

While each parish under Canon Law is a separate juridical person with the right to acquire, retain, administer and alienate temporal goods in their own right, they operate under financial guidelines issued by the Diocese. These give approval and cheque signing limits and require parishes to file returns with the Diocese on a quarterly basis. There are also approval and cheque signatory policies operating centrally, and a cycle of internal checks on the operation of financial procedures at parish level, in addition to those carried out by the external auditor.

# The Roman Catholic Diocese of Northampton

## Report of the Trustees (continued)

Year ended 31 March 2016

### Funding sources

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

### Expenditure

The major part of expenditure in the year is on the support of parish life and in particular the maintenance and repairs of their buildings. The funding and support of building works in schools also resulted in a cost to the Diocese of £267,987 in the year.

### Results for the year

A summary of the results for the year is shown on page 13 of these financial statements. The trustees report an overall surplus for the year of £345,884 (2015: surplus £1,090,660). The surplus for the year is categorised as follows:

	2016 £	2015 £
General income and expenditure account	494,728	379,697
Restricted funds	(14,054)	559,046
Designated funds	(134,790)	151,917
	<u>£345,884</u>	<u>£1,090,660</u>

There were net incoming resources of £480,675 (2015: outgoing £109,810) before revaluations and investment asset disposals. The net deficit on investment assets was £134,791 of which £80,557 was unrealised, representing a decrease in value between 31 March 2015 and 31 March 2016. The effect of the net deficit on investment assets is to decrease a surplus of £480,675 to an overall surplus for the year of £345,884.

### Financial position

At 31 March 2016 the reserves were:-

	2016 £	2015 £
Restricted	5,717,181	5,886,176
Restricted – fixed assets	154,941	-
Designated	2,449,363	2,578,904
Designated – fixed assets	257,169	262,418
General – fixed assets	12,704,191	12,643,949
General – unrestricted	2,678,885	2,244,399
	<u>£23,961,730</u>	<u>£23,615,846</u>

Restricted funds represent special collections and Easter and Christmas offerings to priests, not yet paid out by the year end. They also include legacies received for specific purposes and provisions made for the retirement of priests through the Jubilee Pension Fund. Contributions are made in the year by parishes to the retirement fund. Together in Faith Funds not yet expended on stated causes are also restricted.

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

# The Roman Catholic Diocese of Northampton

## Report of the Trustees (continued)

Year ended 31 March 2016

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

Funds available to support the work of the Diocese in the future are those shown above as general unrestricted funds of £2,678,885 (2015: £2,244,399)

### Plans for the future

The Diocese will continue to monitor reserve levels to ensure that its long term aims can be met. The continued support of parish life and the Catholic community remains a priority and how this is to be achieved is a major focus for the Charity. The Together in Faith fundraising campaign will provide significant funds for retired clergy, the training of new priests and lay formation, as well as allowing parishes to complete projects at local level.

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

- How parishes and the Diocese can respond to the negative trend in mass attendance.
- Ways of dealing with the increasing age and decreasing numbers of priests.
- Planning for and the funding of maintenance issues in our buildings
- Ensuring that funds are available to fund all the activities which meet the Objects of the charity

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

### Funds held on behalf of others

#### *Assets held as custodian trustees*

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

Signed by order of the trustees



Rt Rev Bishop P J H Doyle

Approved by the trustees on 26<sup>th</sup> January 2017

# The Roman Catholic Diocese of Northampton

## Independent Auditors' Report to the Trustees

Year ended 31 March 2016

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We have audited the financial statements of The Roman Catholic Diocese of Northampton for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

### Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on pages 2 and 3, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016, and of its net movement on funds, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

  
haysmacintyre  
Chartered Accountants  
Registered Auditors

26 January 2017

26 Red Lion Square  
London  
WC1R 4AG

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

# The Roman Catholic Diocese of Northampton

## Balance sheet

Year ended 31 March 2016

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	1	13,116,301		12,906,367	
Investments	2	5,808,202		5,921,457	
Investment properties	2	3,711,512		3,917,434	
			22,636,015		22,745,258
<b>Current assets</b>					
Debtors	3	3,587,218		3,538,016	
Cash at bank and in hand		1,947,619		1,920,521	
		5,534,837		5,458,537	
<b>Creditors: amounts falling due within one year</b>	4	4,179,122		4,557,949	
<b>Net current liabilities</b>			1,355,715		900,588
<b>Total assets less current liabilities</b>			23,991,730		23,645,846
<b>Creditors: amounts falling due after one year</b>	5		(30,000)		(30,000)
<b>Net assets</b>			£23,961,730		£23,615,846
<b>Funds</b>					
General – unrestricted	6		2,678,885		2,244,399
General – fixed assets	6		12,704,191		12,643,949
	6		15,383,076		14,888,348
Designated	6		2,449,363		2,578,904
Designated – fixed assets	6		257,169		262,418
Restricted	6		5,717,181		5,886,176
Restricted – fixed assets	6		154,941		-
<b>Net assets</b>			£23,961,730		£23,615,846

Approved by the Board of Trustees and authorised for issue on 26<sup>th</sup> January 2017 and signed on its behalf by:



Rt Rev Bishop P J H Doyle  
Trustee



Rev Mgr Provost S Healy  
Trustee



# The Roman Catholic Diocese of Northampton

## Statement of Financial Activities

Year ended 31 March 2016

	Parochial		Curial		Diocesan	
	Restricted £	Unrestricted £	Restricted £	Unrestricted £	2016 £	2015 £
<b>Income from:</b>						
<i>Donations and legacies</i>						
Collections & donations	179,183	4,894,544	129,621	360,516	5,563,864	5,131,797
Second collections	11 540,139	-	-	36,863	577,002	543,435
Legacies	42,086	1,242,671	-	-	1,284,757	336,377
Grants received	-	2,500	-	-	2,500	42,745
<i>Other trading activities</i>						
Fundraising	112,692	331,563	1,132,250	-	1,576,505	1,847,976
<i>Investment income</i>						
Dividend income	-	-	14,020	182,673	196,693	167,622
Bank interest	-	1	254	11	266	239
Rental income	-	507,569	-	35,601	543,170	479,431
<i>Other incoming resources</i>						
Sales of assets	-	289,275	-	-	289,275	-
<b>Total income</b>	<b>874,100</b>	<b>7,268,123</b>	<b>1,276,145</b>	<b>615,664</b>	<b>10,034,032</b>	<b>8,549,622</b>
<b>Expenditure on:</b>						
<i>Raising funds:</i>						
Costs of generating voluntary income	36,031	87,082	-	117,404	240,517	209,789
Investment & property management costs	-	922	-	36,944	37,866	39,032
<i>Charitable activities:</i>						
2 <sup>nd</sup> collections & grants	11 489,260	29,948	24,958	20,000	564,186	547,690
Support of parish life	7 142,884	6,239,481	12,865	490,954	6,886,184	6,042,542
Curial activities	7 -	7,128	566,716	982,793	1,556,637	1,520,797
School buildings provision	7 763	1,665	12,224	253,335	267,987	299,582
<b>Total expenditure</b>	<b>668,938</b>	<b>6,366,226</b>	<b>616,763</b>	<b>1,901,430</b>	<b>9,553,357</b>	<b>8,659,432</b>
	<b>205,162</b>	<b>901,897</b>	<b>659,382</b>	<b>(1,285,766)</b>	<b>480,675</b>	<b>(109,810)</b>
<b>Other recognised gains/ (losses) on investment assets:</b>						
Realised on disposal	-	-	-	(54,234)	(54,234)	100,430
Unrealised	-	-	(4,377)	(76,180)	(80,557)	1,100,040
<b>Net Income</b>	<b>205,162</b>	<b>901,897</b>	<b>655,005</b>	<b>(1,416,180)</b>	<b>345,884</b>	<b>1,090,660</b>
Transfers between funds	(532,855)	123,467	(341,367)	750,755	-	-
<b>Net movement in funds</b>	<b>(327,693)</b>	<b>1,025,364</b>	<b>313,638</b>	<b>(665,425)</b>	<b>345,884</b>	<b>1,090,660</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	1,076,544	12,184,105	4,809,633	5,545,564	23,615,846	22,525,186
<b>Total funds carried forward at 31 Mar 2016</b>	<b>£748,851</b>	<b>£13,209,469</b>	<b>£5,123,271</b>	<b>£4,880,139</b>	<b>£23,961,730</b>	<b>£23,615,846</b>

All the activities of the charity are classed as continuing.

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





# The Roman Catholic Diocese of Northampton

## Cash Flow Statement

Year ended 31 March 2016

	2016		2015	
	£	£	£	£
<b>Cash flows from operating activities</b>				
<b>Net cash provided by (used in) operating activities (see below)</b>		<b>(139,133)</b>		<b>812,522</b>
<b>Cash flows from investing activities</b>				
Interest received	266		239	
Dividends received	196,693		167,622	
Purchase of property, plant and equipment	(404,389)		(249,257)	
Proceeds from sale of property, plant and equipment	289,275		-	
Purchase of investments	(812,351)		(339,856)	
Sale of investments	532,986		379,495	
Sale of investment properties	363,751		346,974	
<b>Net provided by (used in) investing activities</b>		<b>166,231</b>		<b>305,217</b>
<b>Change in cash and cash equivalents</b>		<b>27,098</b>		<b>1,117,739</b>
<b>Cash and cash equivalents at start of reporting period</b>		<b>1,920,521</b>		<b>802,782</b>
<b>Cash and cash equivalents at end of reporting period</b>		<b>£1,947,619</b>		<b>£1,920,521</b>

# The Roman Catholic Diocese of Northampton

## Notes to the Cash Flow Statement

Year ended 31 March 2016

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

	2016 £	2015 £
Net income/(outgoings) per SOFA	345,884	1,090,660
Returns on investment	134,791	(1,200,470)
Investment income	(196,959)	(167,861)
Surplus on disposal of tangible fixed assets	(289,275)	-
Depreciation	294,455	370,136
Decrease/(increase) in debtors	(49,202)	726,629
Increase/(decrease) in creditors	(378,827)	(6,572)
Net cash provided by (used in) operating activities	<u>(139,133)</u>	<u>812,522</u>

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

Net funds at 1 April 2015	1,890,521	724,782
Increase in cash in the period	27,098	1,165,739
Net funds at 31 March 2016	<u>£1,917,619</u>	<u>£1,890,521</u>

**(iii) Analysis of changes in net funds**

	1 April 2016 £	Cash Flow £	31 March 2016 £
Cash in hand and at bank	1,920,521	27,098	1,947,619
Debt due after 1 year	(30,000)	-	(30,000)
	<u>£1,890,521</u>	<u>£27,098</u>	<u>1,917,619</u>

	1 April 2014 £	Cash Flow £	31 March 2015 £
Cash in hand and at bank	802,782	1,117,739	1,920,521
Debt due after 1 year	(78,000)	48,000	(30,000)
	<u>£724,782</u>	<u>1,165,739</u>	<u>£1,890,521</u>

# The Roman Catholic Diocese of Northampton

## Statement of Accounting Policies

Year ended 31 March 2016

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

### **Basis of accounting**

The financial statements are prepared under the historical cost convention as modified by the revaluation of non marketable assets held for charitable purposes, investment properties and listed investments at market value. The format of the financial statements has been presented to comply with the Charities Act 2011, FRS102 *The Financial Reporting Standard applicable in the UK and Ireland* and the Statement of Recommended Practice *Accounting and Reporting by Charities* ("SORP 2015"). The Charity is a Public Benefit Entity as defined by FRS102. Figures are presented in sterling and rounded to the nearest pound.

FRS102 has been adopted for the first time when preparing these financial statements. The transition date to FRS 102 was 31 March 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 March 2015. The transition had no impact on reserves or the comparative Statement of Financial Activities.

### **General information**

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

### **Going concern**

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

### **Income and expenditure**

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

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

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

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

Governance costs include expenditure on management and compliance with constitutional and statutory requirements together with an allocation of support costs.

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

### **Tangible assets**

#### **a. Freehold land and buildings**

##### **Functional land and buildings**

1. Churches, Presbyteries, Halls and Offices etc.

# The Roman Catholic Diocese of Northampton

## Statement of Accounting Policies *(continued)*

Year ended 31 March 2016

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### a. Freehold land and buildings (continued)

#### Freehold land

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

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

#### Freehold buildings

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

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

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

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

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

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

### 2. Voluntary Aided Schools

#### Land

The charity owns the land on which its Voluntary Aided Schools are built. The nature of the occupation of the land by these exempt and excepted charities means that the Diocesan Trustees do not have the power to dispose of the land, until the school ceases its occupation, which in turn would require the approval of the governors and the Secretary of State. Consequently, for the purposes of these financial statements the land is treated as inalienable and is not capitalised. The cost of any land acquired for the purposes of a Voluntary Aided School is charged to the Statement of Financial Activities in the year of acquisition.

#### Buildings

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

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

# The Roman Catholic Diocese of Northampton

## Statement of Accounting Policies *(continued)*

Year ended 31 March 2016

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### a. Freehold land and buildings (continued)

#### 3. Academies

##### Land

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

##### Buildings

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

Details of the Academies are given in the Diocesan Year Book.

### b. Fixtures, fittings and equipment

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

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

#### **Financial Instruments**

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

##### *Investments*

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

##### *Debtors*

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

# The Roman Catholic Diocese of Northampton

## Statement of Accounting Policies *(continued)*

Year ended 31 March 2016

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### *Cash and cash equivalents*

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

### *Creditors*

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

### **Pension schemes**

Contributions towards employees' personal pension schemes are charged to the Statement of Financial Activities in the year in which they become payable. The Diocese is neither liable to finance any funding shortfall, nor entitled to benefit from any over-funding. For one employee, contributions are made to the Teachers' Pension superannuation scheme, which is a defined benefits scheme. This scheme represents a multi-employer defined benefit scheme as it is not possible to separately identify the assets and liabilities attributable to a particular employer and as such is accounted for as a defined contribution pension scheme. The Diocese therefore has neither a commitment to make good any actuarial deficit, nor an entitlement to benefit from any over funding.

The Diocese makes contributions to the personal pension money purchase schemes of a number of its priests. Such contributions are charged to the Statement of Financial Activities in the year in which they fall due. The Diocese also makes provision to pay a salary in retirement to priests who do not participate in the money purchase scheme. This provision is held as a restricted fund and is funded principally by an annual transfer from general unrestricted funds. Increasing commitments in this area have also led to the funding of clergy retirement being one of the main causes of the Together in Faith Campaign.

### **Funds**

Restricted funds are funds where the income is restricted by the conditions imposed by the donors. They represent special collections and Easter and Christmas offerings to priests, not yet paid out by the year end. They also include legacies received for specific purposes and provisions made for the retirement of priests through the Jubilee Pension Fund. Contributions are made in the year by parishes to the retirement fund. Funds generated by the Together in Faith campaign are also treated as restricted for the stated causes.

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

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

### **Significant judgements**

In preparing these financial statements the trustees have had to make estimates and assumptions that affect the amounts recognised in these financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Key areas subject to judgement and estimation are as follows:

Fixed asset depreciation. Judgement is applied when assigning anticipated average lives to the fixed assets of the charity.



# The Roman Catholic Diocese of Northampton

## Notes to the Financial Statements

Year ended 31 March 2016

1. FIXED ASSETS	Church Property £	Furniture and Fittings £	Total £
<b>Cost or valuation</b>			
At 1 April 2015	21,453,291	2,336,969	23,790,260
Additions	393,995	10,394	404,389
Transfers from investment properties	100,000	-	100,000
<b>At 31 March 2016</b>	<u>21,947,286</u>	<u>2,347,363</u>	<u>24,294,649</u>
<b>Depreciation</b>			
At 1 April 2015	9,049,326	1,834,567	10,883,893
Charge for year	248,424	46,031	294,455
<b>At 31 March 2016</b>	<u>9,297,750</u>	<u>1,880,598</u>	<u>11,178,348</u>
<b>Net book value</b>			
At 31 March 2016	<u>£12,649,536</u>	<u>£466,765</u>	<u>£13,116,301</u>
At 31 March 2015	<u>£12,403,965</u>	<u>£502,402</u>	<u>£12,906,367</u>

All assets are used for direct charitable purposes.

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

### Capital commitments

There are capital commitments of £123,337 as at 31 March 2016 relating to building and improvement projects.

2. ANALYSIS OF INVESTMENTS	2016	
	Market value £	Historical cost £
<b>Hunting fund</b>		
UK listed securities	601,954	438,182
Non UK listed securities	275,627	137,510
Cash balance	5,008	5,008
	<u>882,589</u>	<u>580,700</u>
<b>Lord Braye Trust</b>		
UK listed securities	7,980	3,358
Cash balance	-	-
	<u>7,980</u>	<u>3,358</u>



# The Roman Catholic Diocese of Northampton

## Notes to the Financial Statements

Year ended 31 March 2016

2. ANALYSIS OF INVESTMENTS (continued)	2016 £	2015 £
<b>Investment property</b>		
<b>At valuation</b>		
At 1 April 2015	3,917,434	3,820,181
Additions	-	-
Disposals	(363,751)	(346,974)
Transfers to fixed assets	(100,000)	(396,432)
Realised (loss)/gain on investment property disposals	(3,457)	78,611
Unrealised gain on revaluation	261,286	762,048
	<u>£3,711,512</u>	<u>£3,917,434</u>
<b>At 31 March 2016</b>		

The investment properties were valued by Budworth Hardcastle LLP, RICS as at September 2007, on the basis of open market value. The value at 31 March 2016 was the result of an internal revaluation at that date based on relevant market data.

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

3. DEBTORS	2016 £	2015 £
School expenditure recoverable	2,508,223	2,281,316
Prepayments and accrued income	1,078,995	1,256,700
	<u>£3,587,218</u>	<u>£3,538,016</u>

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2016 £	2015 £
Other creditors	789,126	1,169,348
School devolved formula capital monies	796,674	718,392
Other school monies	2,277,799	2,568,469
PAYE and social security	30,041	29,039
Accruals and deferred income	285,482	72,701
	<u>£4,179,122</u>	<u>£4,557,949</u>

5. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2016 £	2015 £
Other creditors due within two to five years	<u>£30,000</u>	<u>£30,000</u>

# The Roman Catholic Diocese of Northampton

## Notes to the Financial Statements

Year ended 31 March 2016

6. FUNDS	2015 £	Movement in year £	Transfer between funds £	2016 £
<b>Restricted:</b>				
Restricted: Parishes and other	2,230,561	355,968	(333,238)	2,253,291
Restricted: Together in Faith	3,655,615	507,361	(699,086)	3,463,890
Restricted: Together in Faith Fixed Assets	-	(3,162)	158,103	154,941
	<u>5,886,176</u>	<u>860,167</u>	<u>(874,221)</u>	<u>5,872,122</u>
<b>General: fixed assets</b>	12,643,949	60,242	-	12,704,191
<b>General: diocesan fund</b>	2,244,399	(466,485)	900,971	2,678,885
<b>Designated funds:</b>				
Diocesan maintenance	113,514	(8,520)	-	104,994
Ecclesiastical Education	299,083	(22,037)	-	277,046
Educational Trust	509,011	(12,272)	-	496,739
Mass funds	185,600	(6,851)	-	178,749
Fox Den Trust	13,945	-	-	13,945
Fox Den Trust fixed assets	262,418	(5,249)	-	257,169
Bishop's Disposal	20,182	(745)	-	19,437
Chapter fund	6,967	(432)	-	6,535
Sick clergy insurance	104,530	(25,599)	-	78,931
Cathedral Centre	21,750	-	(21,750)	-
GK Chesterton research	111	-	-	111
102 Kettering Road	5,000	-	(5,000)	-
Theological Education	70,775	-	-	70,775
Trust funds	1,227,335	(26,341)	-	1,200,994
Ezekiel	1,101	6	-	1,107
	<u>2,841,322</u>	<u>(108,040)</u>	<u>(26,750)</u>	<u>2,706,532</u>
<b>Total funds</b>	<u>£23,615,846</u>	<u>£345,884</u>	<u>-</u>	<u>£23,961,730</u>

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

Restricted Together in Faith represents donations made to meet costs to support retired clergy and the training of new priests, as well as the funding of catechists and lay training and also particular parish projects. The transfer of £699,086 represents parish projects financed in full or in part by Together in Faith Funds to the value of £540,983 plus a property acquired by the fund for the use of a retired priest for £158,103.

An amount of £172,867 (2015: £173,717) was transferred from general funds to the Jubilee Pension Fund representing contributions made in the year by parishes to the retirement fund for priests.

Transfers totalling £532,855 from restricted to general funds represented amounts paid from general funds for which restricted income had been received. £26,750 of designated funds were also considered by Trustees to be for a restricted purpose.

# The Roman Catholic Diocese of Northampton

## Notes to the Financial Statements

Year ended 31 March 2016

### 6. FUNDS (continued)

An amount transferred from parochial unrestricted to curial unrestricted of £777,505 together with the transfer out of £26,750 noted above giving a net transfer total of £750,755 as shown in the Statement of Financial Activities related to levies charged to parishes.

Designated funds are amounts set aside at the discretion of the trustees, and are for longer term purposes. The continuing need for these funds is being assessed. They include funds set aside for the support of the Bishop, the education of new priests and the laity, the provision of some accommodation for retired priests, the support of schools along with monies to help parishes in poorer areas. Expenditure is made from the majority of these funds on an annual basis, but where this is not the case, the Trustees are currently reviewing their purpose to ensure their designation are still appropriate.

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

Northampton Diocesan Education Fund	Charity Number 267132
Lord Braye's Foundation	Charity Number 242281
The Charity of Frances Alice Chesterton	Charity Number 252034

### 7. CHARITABLE ACTIVITIES IN FURTHERANCE OF CHARITY'S OBJECTS

	Restricted Funds £	Unrestricted Funds £	2016 Total £	2015 Total £
<b>Support of parish life</b>				
Liturgical and pastoral	117,594	659,199	776,793	716,929
Domestic	-	255,786	255,786	257,227
Establishment	-	1,027,697	1,027,697	1,085,881
Office	-	295,341	295,341	284,062
Travel	-	110,830	110,830	128,066
Personnel	9,703	798,716	808,419	739,826
Parish workers	-	584,974	584,974	578,912
Repository	-	115,098	115,098	122,536
Parish church and presbytery repairs	25,290	498,979	524,269	422,048
Church and presbytery repairs	-	2,092,522	2,092,522	1,336,919
Depreciation	3,162	291,293	294,455	370,136
<b>Subtotal</b>	<b>155,749</b>	<b>6,730,435</b>	<b>6,886,184</b>	<b>6,042,542</b>
<b>Activities carried out centrally</b>				
Religious advisers expenses	-	348,217	348,217	315,507
Expenses of diocesan commission	-	123,554	123,554	110,917
Mass funds/Fox Den trust	-	7,650	7,650	11,850
Marriage tribunal expenses	-	19,917	19,917	22,393
Youth service	-	157,966	157,966	141,882
Diocesan maintenance	-	151,787	151,787	154,577
Ecclesiastical education	233,924	36,531	270,455	233,730
Personnel	332,792	117,613	450,405	507,046
Diocesan newspaper	-	8,316	8,316	10,213
Vocations	-	18,370	18,370	12,682
<b>Subtotal</b>	<b>566,716</b>	<b>989,921</b>	<b>1,556,637</b>	<b>1,520,797</b>

# The Roman Catholic Diocese of Northampton

## Notes to the Financial Statements

Year ended 31 March 2016

<b>Provision of catholic school buildings and maintenance</b>				
Donations at parish level	763	1,665	2,428	7,062
School repairs	12,224	253,335	265,559	292,520
<b>Subtotal</b>	<u>12,987</u>	<u>255,000</u>	<u>267,987</u>	<u>299,582</u>
<b>Totals</b>	<u>£735,452</u>	<u>£7,975,358</u>	<u>£8,710,808</u>	<u>7,862,921</u>

### 8. SUPPORT COSTS

Finance office costs, principally comprising salaries, bank charges, bank interest and office running costs, totalled £520,955 (2015: £450,219). These costs are apportioned to activities either on a direct cost basis, on a staff time basis or on an estimated usage basis of 75% parish life, 20% curia activities, 5% provision of school buildings.

<b>9. RAISING FUNDS</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Fundraising	167,008	170,452
Professional fundraisers	34,468	-
Planned giving expenses	39,041	39,337
Property managers' fees	922	-
Investment management costs	36,944	39,032
	<u>£278,383</u>	<u>248,821</u>

### 10. AUDITORS' REMUNERATION

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
External auditors fees	26,860	18,090
Internal auditors fees	7,292	5,676
	<u>£34,152</u>	<u>£23,766</u>

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

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Incoming second collections	577,002	543,435
Amounts paid out	<u>519,208</u>	<u>506,970</u>

Not included in these figures are second collections taken and paid out in full in relation to a number of organisations where it is either mandatory or customary to support those charities.

# The Roman Catholic Diocese of Northampton

## Notes to the Financial Statements

Year ended 31 March 2016

The monies raised and paid out are treated as conduit funding and so are excluded from the Diocesan accounts. The total of such monies received and paid out in full was £369,773 (2015 - £295,984). The organisations supported include: Sick and Retired Clergy fund, Holy Shrines, Mass Media, Peter's Pence, Apostleship of the Sea, Society for the Protection of the Unborn Child, Third World Aid, Catholic Fund for Overseas Development (CAFOD), St Vincent de Paul Society, Survive-MIVA (Missionary Vehicle Association).

In addition £24,958 (2015 - £40,720) has been paid to Religious Orders for priest training and clergy retirement as part of the Together in Faith campaign.

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Tangible fixed assets £	Investments £	Net assets £	Total £
Restricted funds	154,941	759,817	4,957,364	5,872,122
General	12,704,191	6,889,675	(4,210,790)	15,383,076
Designated	257,169	1,870,222	579,141	2,706,532
<b>Total funds</b>	<b>13,116,301</b>	<b>9,519,714</b>	<b>1,325,715</b>	<b>23,961,730</b>

13. STAFF COSTS	2016 £	2015 £
Gross salaries	1,488,893	1,442,934
Employer's national insurance	99,491	98,459
Employer's pension contributions	30,446	29,418
	<b>1,618,830</b>	<b>1,570,811</b>

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

	Number	Number
Fundraising and publicity	2	1
Direct charitable	110	111
Management and administration of the charity	6	5
	<b>118</b>	<b>117</b>

One employee earned between £60,001-£70,000 p.a including salary and pension. Employer contribution of £1,896 was made to a personal pension scheme on behalf of this employee.

Key management personnel received salary and pension contributions of £246,188 (2015: - £272,495).

Redundancy and termination payments of £33,834 were paid during the year (2015: - £Nil).

## 14. TRANSACTIONS WITH TRUSTEES

No trustee received remuneration and one was reimbursed for expenses totalling £339 (2015: - £237) in their role as trustee during the year. Insurance premiums paid include trustees' indemnity insurance.



# The Roman Catholic Diocese of Northampton

## Notes to the Financial Statements

Year ended 31 March 2016

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### 15. TEACHERS' PENSION SCHEME

#### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full time teachers in academies and, from 1 January 2007, automatic for teachers in part time employment following appointment or a change of contract, although they are able to opt out. The charity has one employee in its Education Service who is a member of the scheme.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £7,976 (2015: £6,775).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

# The Roman Catholic Diocese of Northampton

## Notes to the Financial Statements

Year ended 31 March 2016

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16. FINANCIAL INSTRUMENTS	2016 £	2015 £
Financial assets measured at fair value	5,808,202	5,921,457
Financial assets measured by amortised cost	<u>2,508,223</u>	<u>2,281,316</u>
Financial liabilities measured by amortised cost	<u>3,893,599</u>	<u>4,486,209</u>

Financial assets measured at fair value comprise listed investments.

Financial assets measured by amortised cost comprise school expenditure recoverable.

Financial liabilities measured by amortised cost comprise other creditors and school monies.

# The Roman Catholic Diocese of Northampton

## Notes to the Financial Statements

Year ended 31 March 2016

17. SOFA Comparative 2015	Parochial		Curial		Diocesan
	Restricted £	Unrestricted £	Restricted £	Unrestricted £	2015 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
Voluntary income					
Collections & donations	99,845	4,766,635	68,803	196,514	5,131,797
Second collections	11 506,265	-	-	37,170	543,435
Legacies	-	336,377	-	-	336,377
<i>Activities for generating funds</i>					
Fundraising	121,896	374,909	1,351,171	-	1,847,976
<i>Investment income</i>					
Dividend income	-	14,115	13,019	140,488	167,622
Bank interest	-	3	-	236	239
Rental income	-	441,201	-	38,230	479,431
<i>Other incoming resources</i>					
Sales of assets	-	-	-	-	-
Grants received	-	38,000	-	4,745	42,745
<b>Total incoming resources</b>	<b>728,006</b>	<b>5,971,240</b>	<b>1,432,993</b>	<b>417,383</b>	<b>8,549,622</b>
<b>Resources expended</b>					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income	9 36,751	85,769	-	87,269	209,789
Investment & property management costs	-	-	-	39,032	39,032
<i>Charitable activities:</i>					
2 <sup>nd</sup> collections & grants	11 474,603	32,367	40,720	-	547,690
Support of parish life	7 157,846	5,499,968	9,189	375,539	6,042,542
Curial activities	7 -	7,128	542,840	970,829	1,520,797
School buildings provision	7 4,057	3,005	19,898	272,622	299,582
<b>Total resources expended</b>	<b>673,257</b>	<b>5,628,237</b>	<b>612,647</b>	<b>1,745,291</b>	<b>8,659,432</b>
<b>Net incoming/(outgoing) resources before transfers</b>	<b>54,749</b>	<b>343,003</b>	<b>820,346</b>	<b>(1,327,908)</b>	<b>(109,810)</b>
<b>Transfers between funds</b>	<b>3,166</b>	<b>(426,387)</b>	<b>(365,032)</b>	<b>788,253</b>	<b>-</b>
<b>Net incoming resources before other recognised gains and losses</b>	<b>57,915</b>	<b>(83,384)</b>	<b>455,314</b>	<b>(539,655)</b>	<b>(109,810)</b>
<b>Other recognised gains/(losses) on investment assets:</b>					
Realised on disposal	-	-	-	100,430	100,430
Unrealised	-	-	45,820	1,054,220	1,100,040
<b>Net movement in funds</b>	<b>57,915</b>	<b>(83,384)</b>	<b>501,134</b>	<b>614,995</b>	<b>1,090,660</b>
<b>Total funds brought forward</b>	<b>1,018,631</b>	<b>12,212,457</b>	<b>4,308,499</b>	<b>4,985,599</b>	<b>22,525,186</b>
<b>Total funds carried forward at 31 Mar 2015</b>	<b>£1,076,546</b>	<b>£12,129,073</b>	<b>£4,809,633</b>	<b>£5,600,594</b>	<b>£23,615,846</b>