

DIOCESE OF HALLAM

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

**ANNUAL REPORT
AND FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2018**

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 31st December 2018 there were 9 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 - Appointed 15th May 2019
Reverend Monsignor W.A. Kilgannon
Reverend Deacon C.A. Kime
Mrs P. McGrath - Appointed 15th May 2019
Reverend P.D. McGuire
Reverend J. McNamee – Resigned 3rd September 2018
H.H. M.J. Murphy
Reverend C.M. Posluszny
Mrs. S. Preston - Deceased 2nd April 2019
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

Principal Bankers

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

Solicitors

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

Insurance Managers

Catholic Insurance Service Limited,
Oakley House,
Mill Street, Aylesbury. HP20 1BN

Accountants

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

Investment Managers

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

Auditors

Warrens GBC Ltd
Chartered Certified Accountants & Statutory Auditor
33-35 Thorne Road,
Doncaster. DN1 2HD

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

ANNUAL REPORT

Year Ended 31st December 2018

The Trustee presents its Report and Financial Statements for the Year Ended 31st December 2018. 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 1st January 2015).

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 20th 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. Sunday Mass attendance for 2018 averaged 10,403 (2017: 11,119).

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 represent 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 2018 this Committee comprised of the Bishop, Mr. S. Hanlon, Mr. D. Kavanagh, Rev. M. McManus, Mr. J. White, and the Director of Finance. The Diocesan Health & Safety Sub-Committee met regularly in 2018 .

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.

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ANNUAL REPORT (Continued) Year Ended 31st December 2018

PUBLIC BENEFIT

The celebration of Mass is central to the Roman Catholic faith, and this is the main use of the 61 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 54 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 2018 there were 833 baptisms, 39 receptions into the Church, 97 marriages and 605 funerals. There were also 734 children receiving their First Communion and 312 Confirmations.

During the year the diocese prepared the way for some smaller parishes to be closed. There was wide consultation with the clergy and laity on how pastoral needs would be met in the future with an aging clergy and changing demographics. The dialogue of considering "Priest & People in Clustered Parishes" is an ongoing process.

The parishes prepared for the National Eucharist Pilgrimage & Congress (Adoremus) which was held in September. The preparation was led by a series of seminars and workshops throughout the year around the deaneries facilitated by the Adult Formation department. This culminated with a good number of pilgrims, representing every parish at the congress.

The majority of income and expenditure arises via the parishes, which are at the heart of the Diocese and form the Church in the Diocese of Hallam.

The diocese celebrated the ordination of Christopher Ainslie to the priesthood in July.

Activity at St Marie's Cathedral was very well supported throughout the year. The heritage open days and organ recitals on the newly restored Lewis organ were popular. These events were advertised widely and like all our services were open to the whole community.

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ANNUAL REPORT (Continued) Year Ended 31st December 2018

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
- 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

The Bishop engaged with Youth Ministry listening to the voices of young people around the diocese. The conversations with youth helped the Bishop to prepare for the Synod of Bishops from all around the world in Rome. Bishop Heskett attended the synod for “Young People, the Faith & Vocational Discernment”.

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
- University Chaplaincies Fund

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 2018, income from Parish Collections at Mass reduced by £83,083 (a decrease of 4.5%). Total Parish Collections (excluding Gift Aid) amounted to £1,760,833 compared to £1,843,916 in 2017. The average giving per person, however, increased by 2.19% from £3.19 to £3.26 per week. Parish collections and other voluntary income represented 54% of total gross parish income, a reduction on previous years. Gift Aid tax recoverable from H.M. Revenue & Customs totalled £349,202 in 2018 (2017: £297,923), an increase of 17%.

Parishes received legacies of £113,275 in 2018 (2017: £473,496). The letting of parish halls and other functional property increased in 2018 – by 8% - but this follows a decrease of 16% in 2017. The income from parish investment properties decreased in 2018 - from £399,705 to £369,924 reflecting the disposal during the year of two investment properties.

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ANNUAL REPORT (Continued) Year Ended 31st December 2018

The cost of parish property repairs continued to be by far the largest area of parish expenditure, amounting to £842,825 in 2018 (2017: £1,008,269).

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 2018 included:-

- ❑ **St Vincent's Mission Hub** – Work was under way converting the old school house at St Vincent's, Solly Street Sheffield to a Mission Hub for young adults, encompassing the combined University Chaplaincies. The value of work incurred to December 2018 was £151,094 of a projected cost of £1,588,668.
- ❑ **Holy Rood Barnsley** – A new organ was commissioned costing a total of £141,153. In 2018 the value of work in progress was £64,570.
- ❑ **St. Helen's, Oldcotes** – Remodelling of the rectory including new clergy living accommodation and kitchen, replace windows, renew drains at a cost of £78,224
- ❑ **Our Lady Queen of Peace, Chesterfield** – Remodelling of the presbytery to create parish office space and clergy living quarters at a cost of £85,357.
- ❑ **St Bede's, Rotherham** – Work to convert a garage into WC facilities accessed from within the Church at a cost of £52,771
- ❑ **Cathedral Church of St. Marie** – The balance due on the restored Lewis organ was paid, amounting to £52,016 plus associated Heritage Project expenditure.

Disposals in 2018 included:-

- ❑ **St Hugh's, Newbold** – Church, Hall and Presbytery net proceeds £639,579.
- ❑ **St Joseph's, Staveley** – Church net proceeds £286,681.
- ❑ **St Paul's, Grimethorpe** – Church and former presbytery £150,411.
- ❑ **Sacred Heart, Clowne** – Church and former presbytery (investment property) net proceeds £295,272.
- ❑ **St Peter-in-Chains, Doncaster** – Sale of Maridon Pastoral Centre and associated investment properties on Netherhall Road, Doncaster net proceeds £386,096

Before unrealised gains on investments, Parish Assessments and other transfers the Parishes cumulatively gained a surplus of £1,047,067 (2017 surplus £686,949). Changes in the value of parish investment during the year increased Parish Funds by £124,458 making the net income before internal transfers £1,171,525 (2017: £649,750). Parish Assessments of £733,969, the Sick & Retired Clergy Levy of £192,240, and other internal transfers, reduced this to an overall net increase of Parish funds of £228,037 (2017: decrease of £149,687). Total Parish funds carried forward at 31st December 2018 amounted to £27,294,313 of which £18,311,587 was tied-up in functional property and other fixed assets in everyday use by parishes for charitable purposes.

CURIAL ACTIVITIES

Total Curial income increased by 19% in 2018, principally due to an increase in grants received, and income from charitable activities (a total increase of £240,190).

Expenditure on Raising Funds was comparable to 2018 with a similar level of Investment Management costs.

There was a net Curial deficit after expenditure, of £334,870 compared to a net deficit in 2017 of £190,973.

Total Curial funds carried forward as at 31st December 2018 amounted to £7,698,973, of which £3,960,825 is reflected in tangible fixed assets, in daily use.

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ANNUAL REPORT (Continued) Year Ended 31st December 2018

SUMMARY

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

<u>Parishes</u>	2018 £	2017 £
Income	4,760,608	4,636,647
<u>Deduct: Expenditure</u>	(3,713,541)	(3,949,698)
Investment Gains/(Losses)	<u>124,458</u>	<u>(37,199)</u>
Surplus before Parish Assessment	1,171,525	649,750
Parish Assessment and other transfers	<u>(943,488)</u>	<u>(799,437)</u>
Increase/(Decrease) in reserves	<u>228,037</u>	<u>(149,687)</u>
<u>Curia</u>		
Parish Assessment and other transfers	943,488	799,437
Other income	<u>1,515,705</u>	1,275,515
Total income	2,459,193	2,074,952
<u>Deduct: Expenditure</u>	(2,524,095)	(2,536,573)
Investment Gains/(Losses)	<u>(269,968)</u>	270,648
(Decrease) in reserves	<u>(334,870)</u>	<u>(190,973)</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 12 to 15. 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 (£18,311,587) 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 £6,603,731 represent 21 months' Parish expenditure, which is less than the 24 months' reserves considered to be required for parishes because of the long-term nature of their 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.

The total Curial funds as at 31st December 2018 amounted to £7,698,973 of which £2,321,631 is restricted for specific purposes. Of the remaining £5,377,342 unrestricted curial funds, £2,329,712, reflected the value of functional property and other fixed assets. The general reserves of £3,047,630 represent just over 14 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.

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ANNUAL REPORT (Continued) Year Ended 31st December 2018

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 2018 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 negative, and whilst this reflects the volatile market conditions during year, this was disappointing, future performance against benchmarks set will be carefully monitored.

	Total Return %	Total Return Benchmark %
Main Portfolio	-5.40	+9.85
Caritas Hallam Caring Fund	-5.20	+9.85
Sick & Retired Clergy Fund	-5.20	+9.85
Priests' Training Fund	-3.40	+9.85

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 completion of the work started on the Mission Hub as a place of worship and meeting place for young adults in the Diocese. This is financed partly by the parish of St Vincent's from the proceeds of Solly Street and partly through the future sale of the existing two properties used by the University Chaplaincy.

The Trustees approved in principle an extension to the presbytery at St Vincent's, Crookes, Sheffield, and to building a new roof to the Hallam Pastoral Centre. The tender process commenced in 2019. Further investigation will be undertaken into the development of the Padley Chapel heritage site and pilgrimage venue.

The Diocese intends to develop the provision of a Diocesan Counselling Service for the benefit of parishes. Grant funding will be sought to support the engagement of additional professional counsellors. Caritas Hallam will compile a directory of all the social action projects in the diocese for publication on the website.

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 31st December 2018 for third party charities are included in Creditors.

GRANTS

Curial and Parish grants paid out in 2018 included:-

Catholic Trust for England & Wales (CaTEW)	£33,701
Grants to Schools	£99,770
Catholic Education Service (CES)	£17,547
CaTEW re IICSA	£9,064
Rainbows Bereavement (GB) – South Yorkshire	£5,000

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

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ANNUAL REPORT (Continued) Year Ended 31st December 2018

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.

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ANNUAL REPORT (Continued) Year Ended 31st December 2018

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).

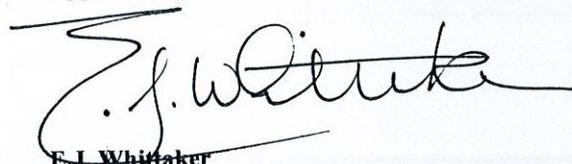
The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing 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 28th October 1981 (as varied 20th 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 30th April, 2020 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 2018 as detailed on pages 12 to 31, 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 2018 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.

Responsibilities of trustees for the financial statements

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

In preparing the financial statements, the trustees are responsible for assessing the 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 the Act and relevant regulations made or having effect thereunder. 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.

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. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially 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:

- 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.

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

Warrens GBC Ltd
Statutory Auditor
33-35 Thorne Road,
Doncaster. DN1 2HD

8th June, 2020

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 2018

	Note	PARISHES		CURIA		2018 TOTAL	2017 TOTAL
		Unrestricted	Restricted	Unrestricted	Restricted		
		£	£	£	£	£	£
INCOME FROM:							
Donations & Legacies							
Collections and Donations		2,574,512	-	219,171	70,891	2,864,574	2,856,491
Legacies		113,275	-	3,772	-	117,047	473,496
Grants	3	18,000	48,798	26,446	67,027	160,271	551,804
Charitable Activities							
Income from Charitable Activities	4	178,960	-	943,980	26,416	1,149,356	1,002,133
Other Trading Activities							
Fundraising - Events		187,884	-	23,042	-	210,926	214,126
- Lettings		231,721	-	10,031	4,200	245,952	236,925
Investment Income							
Rental Income from Investment Properties		369,924	-	-	-	369,924	399,705
Other Investment Income	5	132	5,211	94,441	26,288	126,072	152,461
Other Income							
Gain on disposal of Fixed Assets		796,121	236,070	-	-	1,032,191	25,021
TOTAL		4,470,529	290,079	1,320,883	194,822	6,276,313	5,912,162
EXPENDITURE ON:							
Raising Funds							
Raising Funds	6	80,982	35	26,036	6,917	113,970	132,276
Charitable Activities							
Charitable Activities	7	3,420,348	212,176	2,094,823	396,319	6,123,666	6,353,995
TOTAL		3,501,330	212,211	2,120,859	403,236	6,237,636	6,486,271
Net Gains/(Losses) on investments		136,637	(12,179)	(207,291)	(62,677)	(145,510)	233,449
NET (EXPENDITURE)/INCOME		1,105,836	65,689	(1,007,267)	(271,091)	(106,833)	(340,660)

STATEMENT OF FINANCIAL ACTIVITIES : For the Year Ended 31st December 2018

	PARISHES			CURIA			2018	2017
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	TOTAL	TOTAL
Note	£	£	£	£	£	£	£	£
NET (EXPENDITURE)/INCOME B/F	1,105,836	65,689	1,171,525	(1,007,267)	(271,091)	(1,278,358)	(106,833)	(340,660)
Transfers between Funds:								
Parish Assessments	(733,969)	-	(733,969)	733,969	-	733,969	-	-
Other Transfers	139,663	(349,182)	(209,519)	17,279	192,240	209,519	-	-
NET MOVEMENT IN FUNDS	511,530	(283,493)	228,037	(256,019)	(78,851)	(334,870)	(106,833)	(340,660)
Fund Balances brought forward	20,836,503	6,229,773	27,066,276	5,633,361	2,400,482	8,033,843	35,100,119	35,440,779
Fund Balances carried forward	21,348,033	5,946,280	27,294,313	5,377,342	2,321,631	7,698,973	34,993,286	35,100,119

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

BALANCE SHEET AS AT 31st DECEMBER 2018

	Note	2018			2017		
		Parishes £	Curia £	Total £	Parishes £	Curia £	Total £
FIXED ASSETS							
Tangible Fixed Assets	12	18,311,587	3,960,825	22,272,412	19,078,128	4,078,736	23,156,864
Investments	13	3,709,078	3,589,013	7,298,091	3,909,620	3,882,810	7,792,430
		<u>22,020,665</u>	<u>7,549,838</u>	<u>29,570,503</u>	<u>22,987,748</u>	<u>7,961,546</u>	<u>30,949,294</u>
CURRENT ASSETS							
Debtors	14	194,273	283,092	477,365	733,142	154,371	887,513
Cash at Bank & on Deposit		1,086,965	4,198,101	5,285,066	1,134,503	2,584,477	3,718,980
		<u>1,281,238</u>	<u>4,481,193</u>	<u>5,762,431</u>	<u>1,867,645</u>	<u>2,738,848</u>	<u>4,606,493</u>
LIABILITIES:							
Amounts falling due within one year	15	(190,064)	(149,584)	(339,648)	(84,076)	(371,592)	(455,668)
NET CURRENT ASSETS		<u>1,091,174</u>	<u>4,331,609</u>	<u>5,422,783</u>	<u>1,783,569</u>	<u>2,367,256</u>	<u>4,150,825</u>
PARISH LOAN ACCOUNTS							
Loans to Parishes		(2,717,379)	2,717,379	-	(2,974,895)	2,974,895	-
Parish Deposits		6,899,853	(6,899,853)	-	5,269,854	(5,269,854)	-
TOTAL NET ASSETS		<u>27,294,313</u>	<u>7,698,973</u>	<u>34,993,286</u>	<u>27,066,276</u>	<u>8,033,843</u>	<u>35,100,119</u>
REPRESENTED BY INCOME FUNDS:-							
Restricted Funds	16	5,946,280	2,321,631	8,267,911	6,229,773	2,400,482	8,630,255
Unrestricted Funds							
Designated Funds	17	14,744,302	2,372,366	17,116,668	15,330,201	2,518,314	17,848,515
Other Unrestricted Funds	17	6,603,731	3,004,976	9,608,707	5,506,302	3,115,047	8,621,349
	18	<u>27,294,313</u>	<u>7,698,973</u>	<u>34,993,286</u>	<u>27,066,276</u>	<u>8,033,843</u>	<u>35,100,119</u>

The financial statements on pages 12 to 31 were approved by the Finance Board of Diocese of Hallam Trustee, as sole Trustee on 30th April 2020 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 2018

	£	2018 £	£	2017 £
Net Cash inflow/(outflow) from operating activities (Note a)		4,446		(80,200)
Returns on investments and servicing of finance				
Dividends and interest received	114,005		153,578	
Purchase of tangible fixed assets	(376,987)		(850,573)	
Purchase of investments	(330,151)		(321,269)	
Proceeds from sale of fixed assets	1,476,008		211,489	
Proceeds from sale of investments	678,980	1,561,855	1,994,387	1,187,612
Increase in cash		1,566,301		1,107,412

Reconciliation of Net Cash flow to movements in net funds

Increase/(Decrease) in cash in the period	1,566,301	1,107,412
Cash Funds at 1 st January 2018	3,718,765	2,611,353
Cash Funds at 31 st December 2018	<u>5,285,066</u>	<u>3,718,765</u>

Notes to the Cash flow Statement

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

	2018 £	2017 £
Net (outgoing) resources	(106,833)	(340,660)
Dividends & interest received	(117,008)	(152,461)
Depreciation	925,176	944,605
(Increase)/Decrease in Debtors	319,184	(483,058)
Increase/(Decrease) in Creditors	(129,392)	209,844
Profit on disposal of fixed assets	(1,032,191)	(25,021)
Net (Gains)/Losses on Investments	145,510	(233,449)
	<u>4,446</u>	<u>(80,200)</u>

b) Changes in cash and cash equivalents

	2018 £	2017 £	Change in year £
Cash at Bank and Short Term Deposits	5,285,066	3,718,980	1,566,086
Bank overdrafts	-	(215)	215
	<u>5,285,066</u>	<u>3,718,765</u>	<u>1,566,301</u>

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2018

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 1st January 2015).

The financial statements have been drawn up under the historical cost convention as modified by the revaluation of investment and are presented 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 transfer 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 2018

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, 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 31st 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 2018

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.

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2018

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 31st December 2018 there were 28 Catholic Voluntary Academies (5 High schools and 23 Primary schools), together with 15 Voluntary Aided Catholic Primary Schools, 2 Voluntary Aided Joint Catholic and Church of England Primary Schools, 1 Voluntary Aided Catholic High School and 1 Voluntary Aided Joint Catholic and Church of England 3-16 school 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 31st 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.

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2018

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 31st December 2018 the rate was 16.48% (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.

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2018

3. Grants	Parishes 2018 £	Curia 2018 £	Total 2018 £	Total 2017 £
WWI Centenary Cathedral Repairs Fund	-	-	-	150,721
Heritage Lottery Fund	48,798	-	48,798	365,413
Other Grants	18,000	93,473	111,473	35,670
	<u>66,798</u>	<u>93,473</u>	<u>160,271</u>	<u>551,804</u>
4 Income from Charitable Activities	Parishes 2018 £	Curia 2018 £	Total 2018 £	Total 2017 £
Repositories, Bookstalls & Sale of Newspapers	46,898	-	46,898	53,816
Chaplaincies	16,468	-	16,468	22,274
Other Parish charitable income	115,594	-	115,594	76,810
St. Wilfrid's Centre	-	224,918	224,918	265,532
St. Wilfrid's Place	-	75,475	75,475	-
Caring Services	-	87,272	87,272	80,782
Schools' Department	-	220,241	220,241	228,927
Youth Activities	-	4,150	4,150	8,655
Adult Formation Courses	-	2,010	2,010	2,198
Pastoral Centre	-	8,596	8,596	11,648
Tribunal	-	1,720	1,720	2,180
University Chaplaincies	-	6,248	6,248	16,664
Adoremus – National Eucharistic Pilgrimage & Congress	-	2,360	2,360	-
Pilgrimages	-	237,406	237,406	232,647
Other – Insurance (Exceptional item)	-	100,000	100,000	-
	<u>178,960</u>	<u>970,396</u>	<u>1,149,356</u>	<u>1,002,133</u>
5. Other Investment Income	Parishes 2018 £	Curia 2018 £	Total 2018 £	Total 2017 £
Interest on cash deposits	138	3,255	3,393	8,624
Listed Investment income and other investment income	5,205	108,410	113,615	143,837
Member's Award - Catholic National Mutual Ltd	-	9,064	9,064	-
	<u>5,343</u>	<u>120,729</u>	<u>126,072</u>	<u>152,461</u>
6. Expenditure on Raising Funds	Parishes 2018 £	Curia 2018 £	Total 2018 £	Total 2017 £
Fund-raising costs	30,059	3,721	33,780	42,603
Bank Charges	25,935	2,622	28,557	28,884
Investment Management Costs	-	26,610	26,610	26,457
Investment Property Management & Expenses	25,023	-	25,023	34,332
	<u>81,017</u>	<u>32,953</u>	<u>113,970</u>	<u>132,276</u>

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2018

7. Charitable Activities

<u>Parishes</u>	Direct Costs £	Support Costs £	Total 2018 £	Total 2017 £
Church Altar & Liturgy	169,112	-	169,112	200,893
Parish general running costs	953,924	-	953,924	980,047
Property repairs and maintenance	842,825	-	842,825	1,008,269
Clergy costs including travel expenses	390,226	-	390,226	395,822
Staff Costs	265,450	-	265,450	261,034
Depreciation	805,317	-	805,317	813,579
Repository, Bookstall & Newspaper expenses	52,310	-	52,310	53,237
Grants to Schools	47,792	-	47,792	4,785
Payments to Religious Orders re Parish Sisters	23,983	-	23,983	20,202
Professional fees	-	2,382	2,382	8,081
Other Donations & Grants	79,203	-	79,203	104,693
	<u>3,630,142</u>	<u>2,382</u>	<u>3,632,524</u>	<u>3,850,642</u>

<u>Curia</u>	Direct Costs £	Support Costs £	Total 2018 £	Total 2017 £
Bishop of Hallam's Office & Mensa	84,343	-	84,343	81,792
General Diocesan Expenditure	23,266	-	23,266	27,604
Safeguarding	79,574	-	79,574	98,806
University Chaplaincies	32,687	-	32,687	149,701
Young Adults Ministry (JX10)	44,837	-	44,837	14,952
Hallam Pastoral Centre	13,967	-	13,967	16,863
Adoremus (National Eucharistic Congress)	13,600	-	13,600	-
Schools' Department	331,339	-	331,339	318,383
Adult Formation	56,132	-	56,132	49,378
Property Department	42,087	-	42,087	40,875
Health & Safety	15,528	-	15,528	18,463
"Taking Stock" Report	-	-	-	12,560
Tribunal	40,927	-	40,927	33,361
Youth Ministry	64,603	-	64,603	113,660
Finance Department	-	85,876	85,876	83,590
Ecumenical Bodies	-	-	-	5,755
Hallam News	19,660	-	19,660	19,488
Clergy Formation & Training	105,955	-	105,955	109,525
Clergy Support	13,247	-	13,247	2,366
Sick & Retired Clergy	174,293	-	174,293	153,861
National Levies	61,782	-	61,782	48,851
Grants to Schools	51,978	-	51,978	16,252
Caritas Hallam Caring Services	194,013	4,467	198,480	181,146
Padley Chapel	7,412	-	7,412	3,068
St Wilfrid's Centre	486,350	1,854	488,204	446,842
St Wilfrid's Place	65,479	420	65,899	94,514
Burghwallis Hall (former St Anne's Rest Home)	48,760	-	48,760	50,584
Pilgrimages	268,299	-	268,299	259,817
Professional fees	-	58,407	58,407	51,296
	<u>2,340,118</u>	<u>151,024</u>	<u>2,491,142</u>	<u>2,503,353</u>

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2018

8 Allocated Support Costs

	Parishes 2018 £	Curia 2018 £	Total 2018 £	Total 2017 £
Finance Department	-	85,876	85,876	83,590
Governance - Legal & Other Professional Fees	2,382	6,465	8,847	20,621
Audit	-	14,670	14,670	11,010
Accountancy	-	44,013	44,013	37,271
	<u>2,382</u>	<u>151,024</u>	<u>153,406</u>	<u>152,492</u>

9 Staff Costs

	Total 2018 £	Total 2017 £
Salaries	1,191,412	1,159,731
Social Security Costs	78,207	77,394
Pension Costs	45,196	37,643
	<u>1,314,815</u>	<u>1,274,768</u>

Average number of employees:-

Direct Charitable activities

Parishes

2018	2017
34	34

Curia

Diocesan Departments & Agencies

Diocesan Organisations

37	37
23	23
<u>94</u>	<u>94</u>

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

	2018	2017
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
	<u>1</u>	<u>1</u>

During the year, pension contributions for the above amounted to £11,709 (2017: £11,312).

The cost of Key management personnel (salary, employer's national insurance and employer's pension contributions) was £197,949 (2017: £198,826).

Clergy are not included within the above as they are Office Holders and not employees of the Charity. Payments to Clergy amounted to £436,316 (2017: £438,820). Payments to Religious Orders for Parish Sisters amounted to £23,983 (2017: £20,202).

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

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2018

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

	Freehold Land and Buildings £	Leasehold Land and Buildings £	Fixtures, Fittings, and Equipment £	Motor Vehicles £	Total £
Cost/Fair value at acquisition					
As at 1st January 2018	40,154,550	1,093,033	1,882,497	14,395	43,144,475
Additions	364,998	-	119,543	-	484,541
Transfer from Investment Properties	-	-	-	-	-
Disposals	(1,202,516)	-	-	(3,395)	(1,205,911)
As at 31st December 2018	<u>39,317,032</u>	<u>1,093,033</u>	<u>2,002,040</u>	<u>11,000</u>	<u>42,423,105</u>
Depreciation					
As at 1st January 2018	18,036,170	719,439	1,218,616	13,386	19,987,611
Charge for the Year	815,531	18,769	90,876	-	925,176
Withdrawn on disposal	(759,708)	-	-	(2,386)	(762,094)
As at 31st December 2018	<u>18,091,993</u>	<u>738,208</u>	<u>1,309,492</u>	<u>11,000</u>	<u>20,150,693</u>
Net Book Value					
As at 31st December 2018	<u><u>21,225,039</u></u>	<u><u>354,825</u></u>	<u><u>692,548</u></u>	<u><u>-</u></u>	<u><u>22,272,412</u></u>
As at 31st December 2017	<u><u>22,118,380</u></u>	<u><u>373,594</u></u>	<u><u>663,881</u></u>	<u><u>1,009</u></u>	<u><u>23,156,864</u></u>

Net Book Value as at 31st December 2018 represents fixed assets used for:-

Parish purposes	£18,311,587 (2017 : £19,078,128)
Curial purposes	£ 3,960,825 (2017 : £ 4,078,736)

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).

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2018

13 Fixed Asset Investments

	2018 £	2017 £
(a) Listed Investments		
Market Value 1st January 2018	3,713,715	3,533,628
Acquisitions	288,177	257,253
Disposals at Opening Value (Note I)	(347,686)	(324,252)
Net unrealised investment gains/(losses)	(288,441)	247,086
	<u>3,365,765</u>	<u>3,713,715</u>
Market Value at 31st December 2018	<u>3,365,765</u>	<u>3,713,715</u>
(b) Unlisted Investments		
The Catholic National Mutual Limited	4,000	4,000
	<u>4,000</u>	<u>4,000</u>
(c) National Savings Deposits & Bonds		
Market Value at 1st January 2018	99,000	99,000
Disposals	-	-
	<u>99,000</u>	<u>99,000</u>
Market Value at 31st December 2018	<u>99,000</u>	<u>99,000</u>
(d) Cash deposits – pending reinvestment		
Stockbroker's deposit accounts	167,239	125,265
	<u>167,239</u>	<u>125,265</u>
(e) Investment Properties		
Market Value at 1st January 2018	3,850,450	5,508,450
Transfers to Functional Property	-	-
Disposals at Opening Value (Note II)	(325,000)	(1,658,000)
Net gain/(loss) on revaluation	136,637	-
	<u>3,662,087</u>	<u>3,850,450</u>
Market Value at 31st December 2018	<u>3,662,087</u>	<u>3,850,450</u>
TOTAL FIXED ASSET INVESTMENTS	<u>7,298,091</u>	<u>7,792,430</u>

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DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2018

13 Fixed Asset Investments (Continued)

	2018 £	2017 £
Note (I)		
Proceeds	353,980	350,856
Realised (Gain)/Loss	(6,294)	(26,604)
	347,686	324,252
	347,686	324,252
Note (II)		
Proceeds	325,000	1,611,199
Realised (Gain)/Loss	-	46,801
	325,000	1,658,000
	325,000	1,658,000

Market Value at 31st December 2018 represented investments held for:-

Parish purposes	£3,709,078	(2017: £3,909,620)
Curial purposes	£3,589,013	(2017: £3,882,810)

The historical cost of listed investments is £2,559,050 (2017: £2,662,200).

A holding in 4.75% Treasury Stock 2020 represents 5.156% of the listed investment portfolio valuation.

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 31st 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.

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2018

14 Debtors	2018	2017
	£	£
Amounts falling due within one year		
Accrued Interest receivable	3,003	-
Gift Aid Tax recoverable	3,781	16,717
Legacies	59,745	436,266
Grant Debtors	4,479	143,289
Other Debtors	305,062	174,227
Prepayments	93,555	97,030
Short -term advances to Governing Bodies	-	1,248
Pastoral Loans	7,740	18,736
	<u>477,365</u>	<u>887,513</u>

The Pastoral Loans made are to priests, interest free and repayable on demand. None of the priests concerned are members of the Finance Board. Short-term advances to Governing Bodies of Voluntary Aided Schools have been made interest free to assist in cash flow pending DfE and Local Authority grant funding.

All debtors are repayable within one year.

15 Liabilities: Amounts falling due within one year	2018	2017
	£	£
Bank overdrafts	-	215
Sundry Creditors	229,102	363,181
Deferred Grants	5,842	8,892
PAYE Creditor	5,930	4,945
Third Party Collections	16,290	19,363
Accruals	82,484	59,072
	<u>339,648</u>	<u>455,668</u>

The Charity operates a group facility with its principal bankers. The bank overdrafts are managed centrally and are used to offset against global credit balances within the group structure to maximise the funds available for short-term investment. The bank overdraft facilities are therefore used to manage cashflow and set against the credit balances held within the charity.

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

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2018

16 Restricted Funds

	Balance 1.1.18 £	Income £	Expenditure £	Transfers £	Investment Gains/ (Losses) £	Balance 31.12.18 £
<u>Parish Funds</u>						
Parish Restricted Property	4,500,927	236,070	(129,546)	(287,166)	-	4,320,285
J.J. Eyre Fund (St Vincent's)	58,587	3,592	(4,035)	(10,000)	(6,969)	41,175
J.J. Eyre Fund (St Marie's)	50,214	1,619	-	-	(5,210)	46,623
Other Restricted Parish Funds	1,620,045	48,798	(78,630)	(52,016)	-	1,538,197
<u>Curial Funds</u>						
Sick & Retired Clergy Fund	503,353	32,096	(179,054)	192,240	(45,325)	503,310
Priests' Training Fund	221,213	40,030	(95,500)	-	(17,352)	148,391
Foundation Masses Fund	22,518	92	(92)	-	-	22,518
Diocesan Schools' Building Fund	55,215	49,388	(51,978)	-	-	52,625
Lourdes Pilgrimage : Restricted Fund	1,500	-	-	-	-	1,500
St. Wilfrid's Centre Restricted Funds	4,500	73,216	(37,216)	-	-	40,500
St. Wilfrid's Place Restricted Fund	1,592,183	-	(39,396)	-	-	1,552,787
	<u>8,630,255</u>	<u>484,901</u>	<u>(615,447)</u>	<u>(156,942)</u>	<u>(74,856)</u>	<u>8,267,911</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 1.1.18 £	Income £	Expenditure £	Transfers £	Investment Gains/ (Losses) £	Balance 31.12.18 £
<u>Parish Funds</u>						
General Fund	5,506,302	3,674,408	(2,825,559)	111,943	136,637	6,603,731
Designated Funds						
Parishes Fund for Fixed Assets	15,330,201	796,121	(675,771)	(706,249)	-	14,744,302
	<u>20,836,503</u>	<u>4,470,529</u>	<u>(3,501,330)</u>	<u>(594,306)</u>	<u>136,637</u>	<u>21,348,033</u>

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2018

17 Unrestricted Funds (Continued)

	Balance 1.1.18 £	Income £	Expenditure £	Transfers £	Investment Gains/ (Losses) £	Balance 31.12.18 £
<u>Curial Funds</u>						
General Funds	3,115,047	534,925	(1,198,537)	743,058	(189,517)	3,004,976
Designated Funds						
Curial Fund for Fixed Assets	1,055,407	-	(41,011)	(350)	-	1,014,046
Universities Chaplaincies Fund	1,511	387	-	-	-	1,898
Needy Parishes Fund	17,076	3,268	-	(2,252)	-	18,092
Caring Services Fund	477,955	160,770	(204,901)	8,616	(17,774)	424,666
St. Wilfrid's Centre Funds	393,929	362,237	(453,127)	32,925	-	335,964
St. Wilfrid's Place Fund	487,422	76,346	(26,083)	(30,749)	-	506,936
Lourdes Pilgrimage Fund	82,083	181,344	(195,935)	-	-	67,492
Walsingham Pilgrimage Fund	2,931	1,606	(1,265)	-	-	3,272
	<u>5,633,361</u>	<u>1,320,883</u>	<u>(2,120,859)</u>	<u>751,248</u>	<u>(207,291)</u>	<u>5,377,342</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) Caring Services Fund – This Fund represents the amount designated for the activities of the Caring Service.

(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 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
Fund Balances at 31st December 2018	26,725,375	8,267,911	34,993,286
Represented by:-			
Tangible Fixed Assets	17,074,014	5,198,398	22,272,412
Investments	5,577,350	1,720,741	7,298,091
Current Assets	5,939,086	147,574	6,086,660
Inter-fund offset	(1,538,197)	1,538,197	-
Liabilities : Amounts falling due within one year	(326,878)	(336,999)	(663,877)
Total Net Assets	26,725,375	8,267,911	34,993,286

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2018

19 Detailed Analysis of Net Assets Between Funds

PARISHES	Tangible Fixed Assets	Investments	Net Assets	Inter-Fund Loans	TOTAL
	£	£	£	£	£
Restricted Funds					
Parish Restricted Property Fund	3,567,285	753,000	-	-	4,320,285
J.J. Eyre Fund (St Vincent's)	-	19,178	21,997	-	41,175
J.J. Eyre Fund (St. Marie's)	-	27,813	18,810	-	46,623
Other Restricted Parish Funds	-	-	-	1,538,197	1,538,197
Unrestricted Funds					
<i>Designated</i>					
Parishes Fund for Fixed Assets	14,744,302	-	-	-	14,744,302
<i>Other Unrestricted Funds</i>					
General Reserves	-	2,909,087	1,050,367	2,644,277	6,603,731
	18,311,587	3,709,078	1,091,174	4,182,474	27,294,313

CURIA	Tangible Fixed Assets	Investments	Net Assets	Inter-Fund Loans	TOTAL
	£	£	£	£	£
Restricted Funds					
Sick & Retired Clergy Fund	74,326	623,588	(194,604)	-	503,310
Priests' Training Fund	-	288,162	(139,771)	-	148,391
Foundation Masses Fund	-	9,000	13,518	-	22,518
Diocesan Schools' Building Fund	-	-	52,625	-	52,625
St. Wilfrid's Centre: Restricted Grants	4,000	-	36,500	-	40,500
St. Wilfrid's Place Restricted	1,552,787	-	-	-	1,552,787
Lourdes Pilgrimage: Sick Child Fund	-	-	1,500	-	1,500
	1,631,113	920,750	(230,232)	-	2,321,631
Unrestricted Funds					
<i>Designated</i>					
Curial Fund for Fixed Assets	1,014,046	-	-	-	1,014,046
University Chaplaincies Fund	-	-	1,898	-	1,898
Needy Parishes Fund	-	-	18,092	-	18,092
Caring Services Fund	-	254,216	170,450	-	424,666
St. Wilfrid's Centre Funds	236,249	-	99,715	-	335,964
St. Wilfrid's Place Fund	441,247	-	65,689	-	506,936
Lourdes Pilgrimage Fund	-	-	67,492	-	67,492
Walsingham Pilgrimage Fund	-	-	3,272	-	3,272
<i>Other Unrestricted Funds</i>					
General Reserves	638,170	2,414,047	4,135,233	(4,182,474)	3,004,976
	3,960,825	3,589,013	4,331,609	(4,182,474)	7,698,973

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2018

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 £51,978 (2017: £16,252). In addition grants to Schools by Parishes amounted to £47,792 in the Year (2017: £4,785). 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:

	2018	2017
	£	£
Financial assets at fair value through Statement of Financial Activities:		
Fixed asset investments	7,298,91	7,792,430
	<u> </u>	<u> </u>
Financial assets that are debt instruments measured at amortised cost:		
Cash at Bank	5,285,066	3,718,980
Debtors	383,810	790,483
	<u> </u>	<u> </u>
Financial liabilities measured at amortised cost:		
Bank overdrafts	-	215
Creditors	251,322	387,489
	<u> </u>	<u> </u>
	<u>251,322</u>	<u>387,704</u>

24 Commitments

	2018	2017
	£	£
<i>Authorised:-</i>		
Parish Expenditure	1,559,230	54,472
Grants to Schools *	11,071	11,496
	<u> </u>	<u> </u>
Included in amounts authorised are net amounts contracted for :	<u>1,549,230</u>	<u>54,472</u>

Commitments as at 31st December 2018 for grants to schools represent projects approved by the Diocesan Schools' Building Fund Committee for the next financial year which were authorised as at 31st December 2018. The projects had not yet commenced and were contingent on approval and progression by the Governing Body to undertake the proposed work. The commitment to these grants is entirely from the Diocesan Schools' Building Fund.

25 Post Balance Sheet Non Adjusting Events

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.