

DIOCESE OF HALLAM

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

**ANNUAL REPORT
AND FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2021**

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 2021 there were 9 Members of the Finance Board of Diocese of Hallam Trustee.

Directors of Diocese of Hallam Trustee (who served during the year) **(Known as Members of the Finance Board)**

Right Reverend Ralph Heskett, C.Ss.R.
 Reverend D. Humphries - Resigned 3rd May 2022
 Reverend Monsignor W.A. Kilgannon - Resigned 10th March 2021
 Reverend Deacon CA..Kime - Resigned 7th December 2022
 Mrs P. McGrath - Resigned 5th July 2022
 Reverend P.D.. McGuire
 Mrs. M.M. Moore – Appointed 16th September 2020. Resigned 10th March 2021
 H.H. M.J. Murphy
 Reverend C.M. Posluszny
 Mrs A.M.. 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,
 Suite 5, Oxford House, Oxford Road
 Thame, Oxfordshire. OX9 2AH

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 Thorne Road,
 Doncaster. DN1 2HD

DIOCESE OF HALLAM

(Roman Catholic Diocese of Hallam Trust)

ANNUAL REPORT

Year Ended 31st December 2021

The Trustee presents its Report and Financial Statements for the Year Ended 31st December 2021. 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.

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. Mass attendance for 2021 averaged 6,066 (2020: 3,633). It should be noted that the Bishops of England & Wales removed the Sunday obligation in March 2020 at the start of the Covid-19 pandemic and this continued until May 2022. Attendance figures for both years are therefore cumulative across the week, and the 2020 comparative year includes periods of full closure.

STRUCTURE, GOVERNANCE & MANAGEMENT

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

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

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

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

The Investment Sub-Committee of the Finance Board of Diocese of Hallam Trustee monitors performance and sets benchmarks for the investment managers. The Sub-Committee consists of at least one member of the Finance Board and throughout 2021 this Committee comprised of the Bishop, Mr. S. Hanlon, Rev. M. McManus, and the Director of Finance. The Diocesan Health & Safety Sub-Committee met regularly in 2021.

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 Standards Agency (CSSA), Local Safeguarding Representatives in each parish, safeguarding representatives in diocesan organisations, and relevant statutory bodies. From 2022, in accordance with the CSSA guidelines, and following the national Elliott Review, a Safeguarding Sub-Committee replaces the Diocesan Safeguarding Commission.

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ANNUAL REPORT (Continued) Year Ended 31st December 2021

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.

PUBLIC BENEFIT

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

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

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

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

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

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

ACHIEVEMENTS & PERFORMANCE

The primary area that the Charity seeks to fulfil its objectives is through its 51 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 2021 there were 543 baptisms, 35 receptions into the Church, 86 marriages and 546 funerals. There were also 540 children receiving their First Communion and 196 Confirmations.

The normal activities of the Charity continued to be disrupted by the impact of the Covid-19 pandemic. For part of the year services continued to be live streamed in some churches and the parish WhatsApp, Zoom and Facebook contact was the alternative support method. As lockdown was relaxed we were able to celebrate key services in person. Parishes undertook a huge logistical effort to ensure that attending services complied with national guidelines. Numbers attending services were restricted which meant that those parishes that had reopened used booking systems to allocate places. Churches and seating were reconfigured to ensure that social distancing regulations were observed. Our parishes, like many public places and shops incurred additional costs in providing sanitising equipment. It would be appropriate to acknowledge the huge effort made by parish volunteers in cleaning churches to make them safe and the commitment shown by those organising booking systems and stewarding services.

As the year progressed there was a gradual return to normality. The diocese was successful in finding a buyer for St Anne's Burghwallis which had been for sale for several years. The Trustees were gearing up to resuming pre-pandemic levels of activity. The decision was taken to change the model of Youth Ministry to a focus on 11-18 year olds in the parishes and the schools. The diocese was successful in recruiting an experienced Youth Ministry professional, Sue McDonald to lead the development.

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

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

Diocesan Agencies and other expenditure funded by assessment include:-

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

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

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

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

FINANCIAL REVIEW

PARISH ACTIVITIES

Parish Offertory Collections (excluding Gift Aid) amounted to £1,597,298 compared to £1,433,604 in 2020, an increase of 11% but this follows a decrease of 20% in 2020. The average giving per person for 2021 by reference to attendance is calculated at £5.06 (£7.59 per week 2020) but this is not an accurate measure since many parishioners did not attend in person (often worshipping online) but continued to donate. Parish collections and other voluntary income represented 73% of total gross parish income (2020: 69%) . Gift Aid tax recoverable from H.M. Revenue & Customs totalled £265,744 in 2021 (2020: £280,808), a decrease of a further 5% following a reduction of 16% in 2020.

Parishes received legacies of £214,039 in 2021 (2020: £246,023). The use of parish halls and other functional property in the year increased, but was still quite limited for part of the year because of Covid-19, - income from functional property was £111,787, an increase of 11% following a decrease of 59% in 2020. The income from parish investment properties was largely the same in 2021 - £317,491 compared to £328,305.

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The cost of parish property repairs continued to be a significant area of parish expenditure, amounting to £773,004 in 2021 (2020: £614,667).

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 2021 included:-

- ❑ **St. Joseph's Wath upon Dearne** – The Finance Board gave approval in 2020 to plans to improve the Presbytery living accommodation and disabled access to the Church. The final tranche of work was completed in December 2021 (£13,230) bringing the total cost to £256,048.
- ❑ **St. Vincent's, Sheffield** – Work commenced in 2020 to extend the Presbytery. The balance of the work was completed in 2021 at a cost of £39,918 bringing the total cost to £122,624
- ❑ **St. Peter-in-Chains, Doncaster** – The Church boiler was replaced in 2021 at a cost of £32,879 and the car park was resurfaced at a cost of £53,939.
- ❑ **Mother of God, Sheffield** – The Church organ was restored at a total cost of £27,424.
- ❑ **St. William's, Sheffield** – The sculptures commissioned by the parish were completed in 2021 at a further cost of £34,074.
- ❑ **Our Lady Queen of Peace, Chesterfield**– Initial plans were prepared for the re-ordering of the Parish Centre at a cost of £26,432.
- ❑ **St. Mary's Edlington** – Repairs were carried out to the Church roof to the value of £24,000.
- ❑ **Our Lady of the Assumption, Stainforth** -The Church boiler was replaced at a cost of £8,100.

During the year, the former presbytery at Blessed Trinity, Wickersley, which had been let out as an investment property was sold for £296,238 net of costs, with a realised gain on disposal of £36,238.

Before unrealised gains on investments, Parish Assessments and other transfers the Parishes cumulatively resulted in a deficit of £76,245 (2020 £173,061 deficit and a surplus of £471,735 in 2019). Changes in the value of parish investment during the year increased Parish Funds by £39,642 making the net deficit before internal transfers £36,603 (2020: £156,447 deficit). Parish Assessments of £542,410 (a reduction from £555,206 in 2020 and £696,872 in 2019), the Sick & Retired Clergy Levy of £14,812, and other internal transfers, reduced this to an overall net decrease of Parish funds of £600,267 (2020: decrease of £847,134).

Total Parish funds carried forward at 31st December 2021 amounted to £25,547,125 of which £17,337,686 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 7% in 2021. Grant income decreased by 10% but this was mainly due to the reduced level of CJRS Government Grant claimed in 2021 compared to 2020. Income from Charitable Activities was at similar levels to those in 2020.

Burghwallis Hall (known as St. Anne's Rest Home until its closure in 2015) was sold in 2021 for £620,000 less costs of sale. The result is a realised gain, over the written down value, of £116,477 although it should be noted that there were considerable costs involved in repairs and security during the 7 years between closure and disposal.

Expenditure on Raising Funds was in line with those of the 2021 year. Investment Management costs of £31,262 were 21% higher than 2020.

There was a net Curial surplus after expenditure and transfers, of £239,045 compared to a net deficit in 2020 of £168,151.

Total Curial funds carried forward as at 31st December 2021 amounted to £8,830,843, of which £3,958,013 is reflected in tangible fixed assets.

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ANNUAL REPORT (Continued) Year Ended 31st December 2021

SUMMARY

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

<u><i>Parishes</i></u>	2021 £	2020 £
Income	3,076,217	2,990,271
Deduct: Expenditure	(3,152,462)	(3,163,332)
Investment Gains/(Losses)	39,642	16,614
(Deficit)/Surplus before Parish Assessment	(36,603)	(156,447)
 Parish Assessment and other transfers	 (563,664)	 (690,687)
(Decrease)/Increase in reserves	<u>(600,267)</u>	<u>(847,134)</u>
 <u><i>Curia</i></u>		
Parish Assessment and other transfers	563,664	690,687
Other income	1,299,360	1,211,015
Total income	1,863,024	1,901,702
Deduct: Expenditure	(2,008,696)	(2,082,584)
Investment Gains/(Losses)	384,717	12,731
Increase/(Decrease) in reserves	<u>239,045</u>	<u>(168,151)</u>

GOING CONCERN

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

RESERVES

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

The total Parish Funds at 31st December 2021 amounted to £25,547,125 of which £5,494,543 are restricted and £13,203,209 designated funds

The majority of Parish Funds (£17,337,686) 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 £6,849,273 represent around 26 months' Parish expenditure, which is above the 24 months' reserves considered to be required for parishes because of the long-term nature of their operations. Expenditure, however, was still significantly less due to the impact of Covid-19 and prolonged closure of Churches, etc. and the Finance Board anticipates that reserves will return within the required level in the near future.

The total Curial funds as at 31st December 2021 amounted to £8,830,843 of which £2,016,163 is restricted for specific purposes. Of the remaining £6,814,680 unrestricted curial funds, £2,439,549, reflected the value of functional property and other fixed assets. The general reserves of £3,748,062 represent just over 22 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 (an increase from 19 months' in 2020). The Finance Board acknowledges that Curial funds held are below the charity's reserve levels and continue to take action to address this.

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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 2021 the investment portfolios continued to be managed on a discretionary basis by the investment managers, Investec Wealth and Investment Ltd. The portfolios are managed in line with the ethical investment policy of the Trustees, which is consistent with Church teaching and the Catholic faith. The performance of all of the funds was positive during the year. The performance of the main portfolio and other funds were all in line, or above, the benchmark, which is pleasing given the continued market uncertainty.

	Total Return %	Total Return Benchmark %
Main Portfolio	+12.40	+12.48
Caritas Hallam Fund	+13.68	+12.48
Sick & Retired Clergy Fund	+12.49	+12.48
Priests' Training Fund	+10.98	+7.53

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

In tandem with the government Independent Inquiry into Child Sexual Abuse (IICSA) the Bishops of England and Wales launched a review into the provision of Safeguarding in the Church lead by Ian Elliott. The Elliott Review made key recommendations on how safeguarding is organised and delivered with diocese. The Elliott Review also recommended the creation of a new independent regulatory body Catholic Safeguarding Standards Agency (CSSA). The Diocese will be adopting all the recommendations of the Elliott Review and will be working through the practical implications to achieve this. The Diocese will be engaging with and supporting the work of the CSSA.

The Trustees have approved the application to support a refugee family coming to the Diocese under the government Community Sponsorship Programme. A group of volunteers from several parishes with a nominated Trustee champion are working through the requirements to support a family with challenging health issues.

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 2021 for third party charities are included in Creditors.

GRANTS

Curial and Parish grants paid out in 2021 included:-

Camino Grant	£39,000
Catholic Trust for England & Wales (CaTEW)	£23,978
Catholic Education Service (CES)	£17,558
Catholic Safeguarding Standards Authority (CSSA)	£6,252
Holy Family Manenberg, South Africa	£5,017
St. Anthony's, Langa, South Africa	£5,017

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

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ANNUAL REPORT (Continued) Year Ended 31st December 2021

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 Standards Authority (CSSA) 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. On behalf of the Bishop, the Schools Department retains canonical oversight of diocesan schools in maintaining Catholic ethos and undertakes the Section 48 Inspections.

The Trustees have created a Catholic Multi Academy Trust (CMAT) Development Group to start the work of building the structures necessary for ensuring all schools in the diocese can join a CMAT. The Trustees engaged the services of an experienced team of specialists who have worked with other Catholic Diocese and CMATs on similar projects. This team are supported by the offices of the Diocese and Trustee representatives as new boards of CMAT directors are recruited.

- **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 2021

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 27th February 2023 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 2021 as detailed on pages 13 to 32, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of the charity's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

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

Responsibilities of the Trustee for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Charities (Accounts and Reports) Regulations 2008

Guidance issued by the Charity Commission for England & Wales

UK Health & Safety legislation

UK employment legislation

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

We have identified revenue recognition, management override and completeness of related party transactions as key audit matters relating to irregularities, including fraud.

We have evaluated the Trustee and its management's incentives for fraudulent manipulation of the financial statements, including the risk of management overriding controls, and identified that the principal risks relate to management bias in accounting estimates and judgmental areas of the financial statements such as revenue recognition.

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

- Enquiry of management, those charged with governance, and the charity's solicitors around actual and potential litigation and claims
- Enquiry of management to identify any instances of non-compliance with laws and regulations
- Reviewing minutes of meetings of those charged with governance.
- Reviewing key sources of estimation uncertainty testing to supporting documentation, ensuring reasonableness of assumptions and consistently applied.

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

- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the rationale of significant transactions outside the normal course of the charity's operations.
- Identifying related parties and ensuring transactions are complete and testing to available supporting documentation.
- Reviewing key income sources for completeness and ensuring cut-off has been acceptably applied.

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

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

Use of our report

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

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

27th February 2023

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 2021

	Note	PARISHES			CURIA			2021	2020
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	TOTAL	TOTAL
		£	£	£	£	£	£	£	£
INCOME FROM:									
Donations & Legacies									
Collections and Donations		2,243,165	-	2,243,165	141,497	44,635	186,132	2,429,297	2,304,573
Legacies		188,039	26,000	214,039	17,300	-	17,300	231,339	265,523
Grants	3	48,063	4,075	52,138	182,067	36,200	218,267	270,405	330,001
Charitable Activities									
Income from Charitable Activities	4	79,128	-	79,128	578,529	12,590	591,119	670,247	653,385
Other Trading Activities									
Fundraising - Events		53,830	-	53,830	4,993	-	4,993	58,823	83,104
- Lettings		111,787	-	111,787	17,579	4,200	21,779	133,566	112,388
Investment Income									
Rental Income from Investment Properties		317,491	-	317,491	-	-	-	317,491	328,305
Other Investment Income	5	189	4,450	4,639	119,964	23,329	143,293	147,932	117,007
Other Income									
Gain on disposal of Fixed Assets		-	-	-	116,477	-	116,477	116,477	7,000
TOTAL		3,041,692	34,525	3,076,217	1,178,406	120,954	1,299,360	4,375,577	4,201,286
EXPENDITURE ON:									
Raising Funds	6	63,455	-	63,455	36,437	7,419	43,856	107,311	91,152
Charitable Activities	7	2,924,990	164,017	3,089,007	1,595,861	368,979	1,964,840	5,053,847	5,154,764
TOTAL		2,988,445	164,017	3,152,462	1,632,298	376,398	2,008,696	5,161,158	5,245,916
Net Gains/(Losses) on investments		36,238	3,404	39,642	291,545	93,172	384,717	424,359	29,345
NET INCOME/(EXPENDITURE)		89,485	(126,088)	(36,603)	(162,347)	(162,272)	(324,619)	(361,222)	(1,015,285)

STATEMENT OF FINANCIAL ACTIVITIES : For the Year Ended 31st December 2021

	<u>Note</u>	PARISHES			CURIA			2021	2020
		<i>Unrestricted</i>	<i>Restricted</i>	Total	<i>Unrestricted</i>	<i>Restricted</i>	Total	TOTAL	TOTAL
		£	£	£	£	£	£	£	£
NET INCOME/(EXPENDITURE) B/F		89,485	(126,088)	(36,603)	(162,347)	(162,272)	(324,619)	(361,222)	(1,015,285)
Transfers between Funds:									
Parish Assessments		(528,985)	(13,425)	(542,410)	542,410	-	542,410	-	-
Other Transfers		(21,254)	-	(21,254)	6,442	14,812	21,254	-	-
NET MOVEMENT IN FUNDS		(460,754)	(139,513)	(600,267)	386,505	(147,460)	239,045	(361,222)	(1,015,285)
Fund Balances brought forward		20,513,336	5,634,056	26,147,392	6,428,175	2,163,623	8,591,798	34,739,190	35,754,475
Fund Balances carried forward	19	20,052,582	5,494,543	25,547,125	6,814,680	2,016,163	8,830,843	34,377,968	34,739,190

BALANCE SHEET AS AT 31st DECEMBER 2021

		2021			2020		
	Note	Parishes £	Curia £	Total £	Parishes £	Curia £	Total £
FIXED ASSETS							
Tangible Fixed Assets	12	17,337,686	3,958,013	21,295,699	18,037,634	4,564,355	22,601,989
Investments	13	3,261,846	4,288,409	7,550,255	3,460,442	3,929,146	7,389,588
		<u>20,599,532</u>	<u>8,246,422</u>	<u>28,845,954</u>	<u>21,498,076</u>	<u>8,493,501</u>	<u>29,991,577</u>
CURRENT ASSETS							
Debtors	14	130,681	475,474	606,155	130,953	348,066	479,019
Cash at Bank & on Deposit		1,460,742	4,237,540	5,698,282	1,179,065	4,213,400	5,392,465
		<u>1,591,423</u>	<u>4,713,014</u>	<u>6,304,437</u>	<u>1,310,018</u>	<u>4,561,466</u>	<u>5,871,484</u>
LIABILITIES:							
Amounts falling due within one year	15	(147,586)	(624,837)	(772,423)	(85,870)	(1,038,001)	(1,123,871)
NET CURRENT ASSETS		<u>1,443,837</u>	<u>4,088,177</u>	<u>5,532,014</u>	<u>1,224,148</u>	<u>3,523,465</u>	<u>4,747,613</u>
PARISH LOAN ACCOUNTS							
Loans to Parishes		(2,689,439)	2,689,439	-	(2,602,217)	2,602,217	-
Parish Deposits		6,193,195	(6,193,195)	-	6,027,385	(6,027,385)	-
TOTAL NET ASSETS		<u>25,547,125</u>	<u>8,830,843</u>	<u>34,377,968</u>	<u>26,147,392</u>	<u>8,591,798</u>	<u>34,739,190</u>
REPRESENTED BY INCOME FUNDS:-							
Restricted Funds	16	5,494,543	2,016,163	7,510,706	5,634,056	2,163,623	7,797,679
Unrestricted Funds							
Designated Funds	17	13,203,309	3,066,618	16,269,927	13,751,989	3,056,592	16,808,581
Other Unrestricted Funds	17	6,849,273	3,748,062	10,597,335	6,761,347	3,371,583	10,132,930
	18	<u>25,547,125</u>	<u>8,830,843</u>	<u>34,377,968</u>	<u>26,147,392</u>	<u>8,591,798</u>	<u>34,739,190</u>

The financial statements on pages 13 to 32 were approved by the Finance Board of Diocese of Hallam Trustee, as sole Trustee on 27th February 2023 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 2021

	2021	2020
	£	£
Net Cash (outflow)/inflow from operating activities (Note a)	(476,214)	293,281
Returns on investments and servicing of finance		
Dividends and interest received	86,976	91,645
Purchase of tangible fixed assets	(174,161)	(667,706)
Purchase of investments	(224,275)	(1,268,003)
Proceeds from sale of fixed assets	605,524	7,000
Proceeds from sale of investments	487,967	1,310,975
	<u>782,031</u>	<u>(526,089)</u>
Increase/(Decrease) in cash	<u>305,817</u>	<u>(232,808)</u>
 <u>Reconciliation of Net Cash flow to movements in net funds</u>		
Increase/(Decrease) in cash in the period	305,817	(232,808)
Cash Funds at 1 st January 2021	<u>5,392,465</u>	<u>5,625,273</u>
Cash Funds at 31 st December 2021	<u><u>5,698,282</u></u>	<u><u>5,392,465</u></u>

The charity has no disclosable debt, and consequently the cash at bank and in hand, is also the net debt/funds reconciliation.

Notes to the Cash flow Statement

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

	2021	2020
	£	£
Net incoming/ (outgoing) resources	(361,222)	(1,015,285)
Dividends & interest received	(86,959)	(91,645)
Depreciation	945,143	951,511
(Increase)/Decrease in Debtors	(127,153)	(77,339)
Increase/(Decrease) in Creditors	(305,187)	562,384
Profit on disposal of fixed assets	(116,477)	(7,000)
Net (Gains)/Losses on Investments	(424,359)	(29,345)
	<u>(476,214)</u>	<u>293,281</u>

b) Changes in cash and cash equivalents

	2021	2020	Change in year
	£	£	£
Cash at Bank and Short Term Deposits	<u>5,698,282</u>	<u>5,392,465</u>	<u>305,817</u>

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2021

- 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).

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

Financial instruments

Classification

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Recognition and measurement

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

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

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

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

Debtors

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

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2021

Creditors

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

Judgements and key sources of estimation uncertainty

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

Significant judgements

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

- assessing the probability of the receipt of legacy income;
- assessing the appropriateness of the assumptions and methodology used in determining the fair value of investment properties;
- 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.

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 2021

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	10 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 2021

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 2021 there were 28 Catholic Voluntary Academies (5 High schools and 23 Primary schools), together with 15 Voluntary Aided Catholic Primary Schools, 1 Voluntary Aided Joint Catholic and Church of England Primary School, 1 Voluntary Aided Catholic High School, 1 Joint Catholic & Church of England Academy primary school and 1 Joint Catholic and Church of England 3-16 Academy in occupation of land and buildings. The charity owns the freehold of 46 of these premises in their entirety, and the freehold and leasehold of one split-site High School. Further details of the Diocesan Voluntary Aided Schools and Catholic Voluntary Academies, are given in the Diocesan Year Book and on the Diocesan website.

(b) Investment Properties and Donated Property awaiting sale.

Investment Properties

Investment properties are shown at the Trustee's best estimate of market value. The majority of the Investment Properties were professionally valued as at 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 2021

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 2021 the rate was 23.68% (including a scheme administration levy). The TPS represents a collective scheme and it is not possible to separately identify the assets and liabilities attributable to a particular employer. The Diocese has neither a commitment to make good any actuarial deficit, nor an entitlement to benefit from any over funding. Retirement and other pension benefits are paid by public funds provided by Parliament.

2.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2021

3. Grants	Parishes 2021 £	Curia 2021 £	Total 2021 £	Total 2020 £
Government Grant: CJRS [Exceptional item]	29,904	42,717	72,621	157,830
Government Grant: National Lottery	-	45,000	45,000	-
Other Grants	22,234	130,550	152,784	172,171
	<u>52,138</u>	<u>218,267</u>	<u>270,405</u>	<u>330,001</u>
	<u><u>52,138</u></u>	<u><u>218,267</u></u>	<u><u>270,405</u></u>	<u><u>330,001</u></u>
4 Income from Charitable Activities	Parishes 2021 £	Curia 2021 £	Total 2021 £	Total 2020 £
Repositories, Bookstalls & Sale of Newspapers	21,325	-	21,325	11,268
Chaplaincies	22,701	-	22,701	18,558
Other Parish charitable income	35,102	-	35,102	35,578
St. Wilfrid's Centre	-	178,387	178,387	213,078
St. Wilfrid's Place	-	81,047	81,047	73,595
Caritas Hallam	-	112,400	112,400	75,273
Schools' Department	-	212,199	212,199	219,925
Adult Formation & Mission Courses	-	3,010	3,010	1,160
Pastoral Centre	-	1,236	1,236	3,760
Tribunal	-	900	900	1,190
St. Vincent's MissionHub	-	1,940	1,940	-
	<u>79,128</u>	<u>591,119</u>	<u>670,247</u>	<u>653,385</u>
	<u><u>79,128</u></u>	<u><u>591,119</u></u>	<u><u>670,247</u></u>	<u><u>653,385</u></u>
5. Other Investment Income	Parishes 2021 £	Curia 2021 £	Total 2021 £	Total 2020 £
Interest on cash deposits	196	201	397	4,326
Listed Investment income and other investment income	4,443	82,119	86,562	87,319
Member's Award - Catholic National Mutual Ltd	-	9,013	9,013	18,359
Member's Award - Inter-Diocesan Fuel Management Ltd	-	51,960	51,960	7,003
	<u>4,639</u>	<u>143,293</u>	<u>147,932</u>	<u>117,007</u>
	<u><u>4,639</u></u>	<u><u>143,293</u></u>	<u><u>147,932</u></u>	<u><u>117,007</u></u>
6. Expenditure on Raising Funds	Parishes 2021 £	Curia 2021 £	Total 2021 £	Total 2020 £
Fund-raising costs	9,821	10,020	19,841	27,212
Bank Charges	19,623	2,574	22,197	23,161
Investment Management Costs	-	31,262	31,262	25,890
Investment Property Management & Expenses	34,011	-	34,011	14,889
	<u>63,455</u>	<u>43,856</u>	<u>107,311</u>	<u>91,152</u>
	<u><u>63,455</u></u>	<u><u>43,856</u></u>	<u><u>107,311</u></u>	<u><u>91,152</u></u>

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2021

7. Charitable Activities

<u>Parishes</u>	Direct Costs £	Support Costs £	Total 2021 £	Total 2020 £
Church Altar & Liturgy	68,567	-	68,567	78,007
Parish general running costs	752,325	-	752,325	926,459
Property repairs and maintenance	773,004	-	773,004	614,667
Clergy costs including travel expenses	347,957	-	347,957	336,730
Staff Costs	226,892	-	226,892	234,348
Depreciation	827,848	-	827,848	816,286
Repository, Bookstall & Newspaper expenses	21,823	-	21,823	22,757
Grants to Schools	-	-	-	3,500
Payments to Religious Orders re Parish Sisters	14,768	-	14,768	18,228
Professional fees	-	8,880	8,880	6,110
Other Donations & Grants	46,943	-	46,943	56,913
	<u>3,080,127</u>	<u>8,880</u>	<u>3,089,007</u>	<u>3,114,005</u>

<u>Curia</u>	Direct Costs £	Support Costs £	Total 2021 £	Total 2020 £
Bishop of Hallam's Office & Mensa	73,800	-	73,800	78,118
General Diocesan Expenditure	20,060	283	20,343	26,211
Camino Grant	39,000	-	39,000	3,500
Safeguarding	79,392	-	79,392	74,387
MissionHub & University Chaplaincies	54,627	-	54,627	62,708
Hallam Pastoral Centre	14,371	-	14,371	15,650
Schools' Department	300,857	-	300,857	313,705
Adult Formation & Mission	37,701	-	37,701	44,464
Property Department	48,327	-	48,327	54,113
Health & Safety	15,078	-	15,078	15,288
Tribunal	44,176	-	44,176	39,689
Youth Ministry	4,014	-	4,014	(392)
Finance Department	-	82,629	82,629	86,667
Hallam News	1,291	-	1,291	11,164
Clergy Formation & Training	64,046	-	64,046	103,515
Clergy Support	7,394	-	7,394	4,301
Sick & Retired Clergy	154,973	-	154,973	157,212
National Levies	48,538	-	48,538	57,179
Grants to Schools	35,751	-	35,751	35,740
Caritas Hallam	243,526	4,811	248,337	214,964
Padley Chapel	2,986	-	2,986	6,174
St Wilfrid's Centre	442,673	4,648	447,321	469,398
St Wilfrid's Place	57,585	444	58,029	64,734
Burghwallis Hall (former St Anne's Rest Home)	18,582	-	18,582	44,312
Pilgrimages	11,377	-	11,377	6,809
Professional fees	-	51,900	51,900	51,149
	<u>1,820,125</u>	<u>144,715</u>	<u>1,964,840</u>	<u>2,040,759</u>

DIOCESE OF HALLAM
(Roman Catholic Diocese of Hallam Trust)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2021

8 Allocated Support Costs

	Parishes 2021 £	Curia 2021 £	Total 2021 £	Total 2020 £
Finance Department & Trustee meeting costs	-	82,912	82,912	86,667
Governance - Legal & Other Professional Fees	8,880	-	8,880	6,710
Audit	-	13,956	13,956	12,450
Accountancy	-	47,847	47,847	48,606
	<u>8,880</u>	<u>144,715</u>	<u>153,595</u>	<u>154,433</u>

9 Staff Costs

	Total 2021 £	Total 2020 £
Salaries	1,155,955	1,197,157
Social Security Costs	84,270	85,290
Pension Costs	62,992	57,467
	<u>1,303,217</u>	<u>1,339,914</u>

Average number of employees:-

	2021	2020
<u>Direct Charitable activities</u>		
Parishes	54	52
Curia		
Diocesan Departments & Agencies	17	17
Diocesan Organisations	29	29
	<u>100</u>	<u>98</u>

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

	2021	2020
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

During the year, pension contributions for the above amounted to £23,458 (2020: £21,559).

The cost of Key management personnel (salary, employer's national insurance and employer's pension contributions) was £213,351(2020: £222,931).

Clergy are not included within the above as they are Office Holders and not employees of the Charity. Payments to Clergy amounted to £422,175 (2020: £414,558). Payments to Religious Orders for Parish Sisters amounted to £14,768 (2020: £18,228).

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

DIOCESE OF HALLAM
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NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2021

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. The total remuneration received by the Clergy Trustees through their ecclesiastical Office (and not through their position as trustees) was £35,968 (2020: £31,675).

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 2021	40,917,980	1,089,033	2,147,043	33,985	44,188,041
Additions	79,580	-	48,320	-	127,900
Disposals	(667,897)	-	(129,707)	-	(797,604)
As at 31st December 2021	<u>40,329,663</u>	<u>1,089,033</u>	<u>2,065,656</u>	<u>33,985</u>	<u>43,518,337</u>
Depreciation					
As at 1st January 2021	19,481,516	625,177	1,465,765	13,594	21,586,052
Charge for the Year	846,347	20,754	71,245	6,797	945,143
Withdrawn on disposals	(179,582)	-	(128,975)	-	(308,557)
As at 31st December 2021	<u>20,148,281</u>	<u>645,931</u>	<u>1,408,035</u>	<u>20,391</u>	<u>22,222,638</u>
Net Book Value					
As at 31st December 2021	<u>20,181,382</u>	<u>443,102</u>	<u>657,621</u>	<u>13,594</u>	<u>21,295,699</u>
As at 31st December 2020	<u>21,436,464</u>	<u>463,856</u>	<u>681,278</u>	<u>20,391</u>	<u>22,601,989</u>

Net Book Value as at 31st December 2021 represents fixed assets used for:-

Parish purposes £17,337,686 (2020 : £18,037,634)
Curial purposes £ 3,958,013 (2020 : £ 4,564,355)

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 2021

13 Fixed Asset Investments

	2021	2020
	£	£
(a) Listed Investments		
Market Value 1st January 2021	3,812,083	3,730,979
Acquisitions	156,662	1,268,003
Disposals at Opening Value (Note I)	(185,979)	(1,311,573)
Net unrealised investment gains/(losses)	382,371	124,674
Market Value at 31st December 2021	<u>4,165,137</u>	<u>3,812,083</u>
(b) Unlisted Investments		
The Catholic National Mutual Limited	<u>4,000</u>	<u>4,000</u>
(c) National Savings Deposits & Bonds		
Market Value at 1st January 2021	<u>99,000</u>	<u>99,000</u>
Market Value at 31st December 2021	<u>99,000</u>	<u>99,000</u>
(d) Cash deposits – pending reinvestment		
Stockbroker's deposit accounts	<u>51,668</u>	<u>42,055</u>
	2021	2020
	£	£
(e) Investment Properties		
Market Value at 1st January 2021	3,432,450	3,417,450
Additions	58,000	-
Disposals at Opening Value (Note II)	(260,000)	(20,000)
Net gain/(loss) on revaluation	-	35,000
Market Value at 31st December 2021	<u>3,230,450</u>	<u>3,432,450</u>
TOTAL FIXED ASSET INVESTMENTS	<u>7,550,255</u>	<u>7,389,588</u>

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DIOCESE OF HALLAM
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NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2021

13 Fixed Asset Investments (Continued)

	2021	2020
	£	£
Note (I)		
Proceeds	191,729	1,184,326
Realised (Gain)/Loss	(5,750)	127,247
	<u>185,979</u>	<u>1,311,573</u>
	2021	2020
	£	£
Note (II)		
Proceeds	296,238	16,918
Realised (Gain)/Loss	(36,238)	3,082
	<u>260,000</u>	<u>20,000</u>

Market Value at 31st December 2021 represented investments held for:-

Parish purposes £3,261,846 (2020: £3,460,442)
Curial purposes £4,288,409 (2020: £3,929,146)

The historical cost of listed investments is £2,951,583 (2020: £2,975,432).

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 has been commissioned as at 31st December 2022.

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 2021

14 Debtors

	2021	2020
	£	£
Amounts falling due within one year		
Accrued Interest receivable	103	120
Gift Aid Tax recoverable	10,980	7,367
Grant Debtors	-	30,141
Other Debtors	501,150	347,968
Prepayments	78,573	77,894
Pastoral Loans	15,349	15,529
	<u>606,155</u>	<u>479,019</u>

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

All debtors are repayable within one year.

15 Liabilities: Amounts falling due within one year

	2021	2020
	£	£
Sundry Creditors	298,887	375,741
D/E LCVAP funding held for Diocesan Voluntary Aided Schools	361,703	596,543
PAYE Creditor	6,063	6,372
Third Party Collections	33,172	33,504
Accruals	72,598	111,711
	<u>772,423</u>	<u>1,123,871</u>

DIOCESE OF HALLAM
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NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2021

16 Restricted Funds

	Balance 1.1.21 £	Income £	Expenditure £	Transfers £	Investment Gains/ (Losses) £	Balance 31.12.21 £
<u>Parish Funds</u>						
Parish Restricted Property	5,038,645	-	(151,268)	-	-	4,887,377
J.J. Eyre Fund (St Vincent's)	31,794	410	(2,029)	-	345	30,520
J.J. Eyre Fund (St Marie's)	37,460	4,040	-	-	3,059	44,559
Other Restricted Parish Funds	526,157	30,075	(10,720)	(13,425)	-	532,087
<u>Curial Funds</u>						
Sick & Retired Clergy Fund	483,873	21,740	(160,141)	14,812	70,065	430,349
Priests' Training Fund	19,637	12,246	(66,297)	-	23,107	(11,307)
Foundation Masses Fund	22,518	1	(1)	-	-	22,518
Diocesan Schools' Building Fund	73,510	32,462	(35,751)	-	-	70,221
The Gerard Postlethwaite Camino Fund	38,000	5,715	(39,000)	-	-	4,715
National Singing Programme Fund	-	25,000	-	-	-	25,000
Lourdes Pilgrimage : Restricted Fund	1,500	-	-	-	-	1,500
St. Wilfrid's Centre Restricted Funds	50,590	23,790	(35,812)	-	-	38,568
St. Wilfrid's Place Restricted Fund	1,473,995	-	(39,396)	-	-	1,434,599
	<u>7,797,679</u>	<u>155,479</u>	<u>(540,415)</u>	<u>1,387</u>	<u>96,576</u>	<u>7,510,706</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) Diocesan Schools' Building Fund' Training Fund - This Fund represents the amounts received by this Fund to enable grants to be made to diocesan Voluntary Aided Schools to assist them in financing the Governors' 10% liability for building improvements and repairs of school buildings.

17 Unrestricted Funds

	Balance 1.1.21 £	Income £	Expenditure £	Transfers £	Investment Gains/ (Losses) £	Balance 31.12.21 £
<u>Parish Funds</u>						
General Fund	6,761,347	3,041,692	(2,311,865)	(678,139)	36,238	6,849,273
Designated Funds						
Parishes Fund for Fixed Assets	13,751,989	-	(676,580)	127,900	-	13,203,309
	<u>20,513,336</u>	<u>3,041,692</u>	<u>(2,988,445)</u>	<u>(550,239)</u>	<u>36,238</u>	<u>20,052,582</u>

DIOCESE OF HALLAM
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NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2021

17 Unrestricted Funds (Continued)

	Balance 1.1.21 £	Income £	Expenditure £	Transfers £	Investment Gains/ (Losses) £	Balance 31.12.21 £
<u>Curial Funds</u>						
General Funds	3,371,583	509,968	(878,672)	485,702	259,481	3,748,062
Designated Funds						
Curial Fund for Fixed Assets	1,723,648	-	(48,407)	63,150	-	1,738,391
Needy Parishes Fund	23,870	1,262	-	-	-	25,132
Caritas Hallam Fund	309,736	212,979	(254,833)	-	32,064	299,946
St. Wilfrid's Centre Funds	398,841	355,600	(420,315)	38,000	-	372,126
St. Wilfrid's Place Fund	529,767	81,047	(18,633)	(38,000)	-	554,181
Lourdes Pilgrimage Fund	66,896	17,550	(11,418)	-	-	73,028
Walsingham Pilgrimage Fund	3,834	-	(20)	-	-	3,814
	<u>6,428,175</u>	<u>1,178,406</u>	<u>(1,632,298)</u>	<u>548,852</u>	<u>291,545</u>	<u>6,814,680</u>

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

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

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

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

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

18 Analysis of Net Assets Between Funds

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Fund Balances at 31st December 2021	26,867,262	7,510,706	34,377,968
Represented by:-			
Tangible Fixed Assets	15,642,858	5,652,841	21,295,699
Investments	5,685,175	1,865,080	7,550,255
Current Assets	6,809,004	(504,567)	6,304,437
Inter-fund offset	(502,299)	502,299	-
Liabilities : Amounts falling due within one year	(767,476)	(4,947)	(772,423)
Total Net Assets	26,867,262	7,510,706	34,377,968

DIOCESE OF HALLAM
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NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2021

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	4,134,377	753,000	-	-	4,887,377
J.J. Eyre Fund (St Vincent's)	-	11,920	18,600	-	30,520
J.J. Eyre Fund (St. Marie's)	-	19,476	25,083	-	44,559
Other Restricted Parish Funds	-	-	29,788	502,299	532,087
Unrestricted Funds					
<u>Designated</u>					
Parishes Fund for Fixed Assets	13,203,309	-	-	-	13,203,309
<u>Other Unrestricted Funds</u>					
General Reserves	-	2,477,450	1,370,366	3,001,457	6,849,273
	17,337,686	3,261,846	1,443,837	3,503,756	25,547,125

CURIA	Tangible Fixed Assets	Investments	Net Assets	Inter-Fund Loans	TOTAL
	£	£	£	£	£
Restricted Funds					
Sick & Retired Clergy Fund	67,771	749,745	(387,167)	-	430,349
Priests' Training Fund	-	321,939	(333,246)	-	(11,307)
Foundation Masses Fund	-	9,000	13,518	-	22,518
Diocesan Schools' Building Fund	-	-	70,221	-	70,221
The Gerard Postlethwaite Camino Fund	-	-	4,715	-	4,715
National Singing Programme Fund	-	-	25,000	-	25,000
St. Wilfrid's Centre: Restricted Grants	16,094	-	22,474	-	38,568
St. Wilfrid's Place Restricted	1,434,599	-	-	-	1,434,599
Lourdes Pilgrimage: Sick Child Fund	-	-	1,500	-	1,500
	1,518,464	1,080,684	(582,985)	-	2,016,163
Unrestricted Funds					
<u>Designated</u>					
Curial Fund for Fixed Assets	1,795,494	-	-	(57,103)	1,738,391
Needy Parishes Fund	-	-	25,132	-	25,132
Caritas Hallam Fund	-	305,485	(5,539)	-	299,946
St. Wilfrid's Centre Funds	228,981	-	157,783	(14,638)	372,126
St. Wilfrid's Place Fund	415,074	-	124,469	14,638	554,181
Lourdes Pilgrimage Fund	-	-	68,619	4,409	73,028
Walsingham Pilgrimage Fund	-	-	3,814	-	3,814
<u>Other Unrestricted Funds</u>					
General Reserves	-	2,902,240	4,296,884	(3,451,062)	3,748,062
	3,958,013	4,288,409	4,088,177	(3,503,756)	8,830,843

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NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2021

20 Third Party Collections

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

21 Entitlement to Future Legacies

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

22 Connected Charities and Related Party Transactions

The Bishop of Hallam appoints Foundation Governors to the Governing Bodies of Diocesan Schools and Foundation Directors of Catholic Voluntary Academies. Foundation Governors/Directors form a majority in each school. The addresses of Diocesan Schools are detailed in the Diocesan Year Book. Grants made by the charity to Voluntary Aided schools for building and repair costs, through the Diocesan Schools Building Fund amounted to £35,751 (2020: £35,740). There were no grants to Schools by Parishes in the Year (2020: £3,500). At 31st December 2021 the charity held funds amounting to £361,703 (2020: £596,543) representing DfE grant money held for Diocesan VA Schools. The corresponding creditor is shown in Note 15.

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:

	2021 £	2020 £
Financial assets at fair value through Statement of Financial Activities:		
Fixed asset investments – Equity investments and deposits	4,319,805	3,957,138
Financial assets that are debt instruments measured at amortised cost:		
Cash at Bank	5,698,282	5,392,465
Debtors	527,582	401,125
Financial liabilities measured at amortised cost:		
Creditors	772,423	1,123,871
	772,423	1,123,871

24 Commitments

	2021 £	2020 £
<i>Authorised:-</i>		
Parish Expenditure	68,826	53,149
Curial Expenditure	-	-
Grants to Schools	-	35,477
Included in amounts authorised are net amounts contracted for :	16,826	53,149