



NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

Company Limited by Guarantee Number 7151646
Registered Charity Number 1134449

ANNUAL REPORT AND ACCOUNTS

for the year ended

31ST MARCH 2016

Willson House
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Nottingham
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NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Directors' Report for the year ended 31st March 2016

The Directors present their report and the consolidated accounts for the year ended 31 March 2016. These comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) with effect from 1st January 2015.

The report is both a trustees' annual report and a directors' report under company law. The Directors who served during the year and up to the date of this report are set out on page 7.

The name of the charity is the "Nottingham Roman Catholic Diocesan Trustees" and is referred to as "the Diocese" in this Annual Report and Accounts.

OBJECTIVES AND ACTIVITIES

The objects of the Diocese are:

- (1) The advancement of the Roman Catholic religion in the area of the Roman Catholic Diocese of Nottingham as determined under the laws of the Roman Catholic Church and in accordance with them.
- (2) The advancement of any charitable purpose supported by the Roman Catholic Church in any part of the world.

The Diocese of Nottingham comprises the major part of the East Midlands. It extends to the north from Marple Bridge on the outskirts of Manchester and south to Lutterworth, east to the Lincolnshire coast, and west to Burton-on-Trent. It includes the following civil administrative areas which reflect in some cases the county boundaries as they were in 1850 when the Diocese of Nottingham was erected by the Apostolic Letter Universalis Ecclesiae rather than as they are today:

Counties - Nottinghamshire (other than the district of Bassetlaw), Derbyshire (other than the areas of Bamford, Chesterfield, Clowne, Dronfield, Eckington, Hathersage and Staveley), Leicestershire (other than the area of Market Harborough which is south of the River Welland), Lincolnshire (including the City of Lincoln and excluding the area east of the River Nene and the area of Stamford which is south of the River Welland), Staffordshire (the area of Burton on Trent north of the River Trent)

Unitary Area Authorities - North Lincolnshire, North East Lincolnshire and Rutland

Cities - Nottingham, Derby and Leicester

Metropolitan Boroughs - Part of Stockport (Marple Bridge, east of the River Etherow and the River Goyt).

The main activities of the Diocese consist of worship in parishes. Much of the work of the Diocese, particularly in parishes, takes place by volunteers. It is not practicable to value the time spent by them.

The second commandment of all is to love thy neighbour as thyself." (Mark XII: 31, referring to Leviticus XIX:18). "So faith by itself, if it has no works, is dead." (James II: 17). The mere believing of the truths of faith without any affect on our lives is valueless for eternal salvation.

In relation to "Public Benefit" the Directors who have had regard to the Charity Commission guidance on public benefit, report on some of the activities of the charity as follows:

Seeking new followers:
evangelising.

Provision of places of worship:
the provision and maintenance of buildings used for religious practice, including churches and meeting rooms used for related activities e.g. religious instruction for children,
the conducting of religious ceremonies e.g. the celebration of Masses as well as marriages, funerals and the provision of the sacraments generally,
the maintenance of public churchyards and cemeteries,

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OBJECTIVES AND ACTIVITIES (continued)

Provision of places of worship (continued):

the provision and maintenance of religious or devotional artefacts and items used in religious services, rituals or practices, religious stained glass windows, other religious works of art within places of worship, 'passive advancement' (leaving religious buildings open for people to enter and benefit from personal spiritual contemplation).

Raising awareness and understanding of religious beliefs and practices:

advancing religious doctrine and tenets of the Catholic faith,
producing and promoting religious books, information for the public, including providing religious resource centres and libraries,
promoting the study of religious teachings and practices and scriptures,
promoting religious narratives and/or doctrines through producing and performing musical liturgy,
providing religious instruction and supervision,
providing and supporting schools and educational establishments which provide education in accordance with the principles and practices of the Catholic Faith,
support of religious office holders for acting as such,
promoting prayer, praise and study.

Religious devotional acts:

visiting the sick and administering sacraments to the sick and dying.

Missionary and outreach work:

the provision of prison, hospital and university chaplaincy, prison and hospital visiting,
pastoral work,
cultural and community activities provided either in the place of worship or in the buildings attached,
gifts to schools, hospitals and relief of poverty in areas of need,
developing understanding regarding peace and human rights.

Religious communication:

sermons and religious seminars, talks, meetings and conferences, street and door-to-door communications.

Retreat and pilgrimage:

provision of property for retreats,
organising the holding of long or short stay retreats,
organising open pilgrimages where the pilgrimage is part of the public worship.

Advancing religion generally:

ecumenical meetings and conferences.

Grants:

grants are made by the Diocese to other charities in furtherance of its objectives. The chief of these are to the Nottingham Roman Catholic Diocesan Education Service, the Diocesan Sick and Retired Priests Fund, the Housekeepers Retirement Fund and the Diocesan Youth Service. Other grants may be made on application to the Board of Directors or by parishes subject to a monetary limit above which approval by the Board of Directors is also required.

Social Investment Properties:

the charity owns property at Mackworth in Derby and at Crich in Derbyshire in furtherance of its objectives which are occupied by the Nottingham Roman Catholic Diocesan Education Service and the Diocesan Youth Service respectively. The Voluntary Aided Catholic schools and Academies of the Diocese are generally owned by it.

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OBJECTIVES AND ACTIVITIES (continued)

Other:

reference is made to the use of Parish Halls by the public, family retreats, support of multi faith centres, direct support of schools and hospitals in Africa and youth work (not limited to Catholics) and funding by the Mission Fund of young people to go to Africa to work in hospitals and in schools in past years.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Diocese has continued to provide spiritual support through its clergy, services from its churches, education through its schools and contributes to the life of the parish by activities in its church halls. Additional information about the life of the Diocese is available in the Diocesan Year Book.

The following statistics illustrate the situation of the Diocese:

Year to 31st December	2015	2014	2013	2012	2011	2010	2009
Estimated Catholic Population	N/A	154,550	163,225	157,534	120,000	145,616	131,558
Mass Attendance	29,848	29,429	31,943	32,248	28,164	31,905	32,262
Baptisms	2,089	1,931	2,252	2,179	2,291	2,008	2,066
Receptions	172	178	168	931	251	206	218
First Holy Communions	1,870	1,768	1,877	1,840	1,848	1,717	1,875
Confirmations	609	932	837	920	1,996	1,093	813
Marriages	299	364	375	359	407	365	364
Deaths	1,439	1,500	1,607	1,598	1,446	1,595	1,624

As at 5th October	2015	2014	2013	2012	2011	2010
Diocesan Priests						
On active work in the Diocese	82	86	88	84	83	82
On active work outside the Diocese	4	3	3	2	1	1
On active work abroad	3	2	2	5	4	5
Chaplains to the Forces	1	1	1	1	1	1
Temporarily on sick leave	2	0	1	1	1	1
Retired	34	29	29	31	31	31
Other Priests						
Priests from other Dioceses/ Ordinariate	15	16	16	16	10	10
Foreign Chaplains	10	9	9	9	8	8
Regular Priests	35	43	43	45	45	45
Total Priests	186	189	192	194	184	184
Deacons						
On active work in the Diocese	42	35	36	35	38	38
On active work outside the Diocese	4	4	3	3	2	2
Retired	5	5	5	4	3	3
Total Deacons	51	44	44	42	43	43
Places of Worship						
Parishes	108	108	108	108	112	112
Parish Churches	111	N/A	N/A	N/A	N/A	N/A
Other Public Churches and Chapels	33	40	40	38	40	40
Mass Centres other than Chapels	12	11	11	11	8	8
Convents	27	30	30	30	32	28
Total Places of Worship	291	189	189	187	192	188

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ACHIEVEMENTS AND PERFORMANCE (continued)

Catholic Schools						
Primary	69	69	69	69	69	69
Secondary	16	16	16	16	17	17
Independent (all)	4	4	4	4	3	3
Total Catholic Schools	89	89	89	89	89	89

FINANCIAL REVIEW

The accounts of the Diocese distinguish between the Parishes of the Diocese and the Curia, which performs its central administration. The income of the Diocese is mainly from Parish collections, donations, legacies, grants and specific fundraising activities. The Curia is funded chiefly from the Diocesan Quota, a levy on the Parishes authorised by canon law. Other income includes investment income, interest and rents both from its own assets and those shared with the Parishes.

Reserves

The Directors are of the opinion that the assets of the Diocese are available and adequate to fulfil its obligations and to provide prudently for future expenditure. It is the policy of the Directors that the unrestricted liquid reserves of the Diocese be between one and three years of its normal expenditure. As a separate juridical person under canon law each parish is responsible for determining its own reserves policy under the general responsibility of the Board.

At 31st March 2016 the Reserves of the Diocese were £57.9m (2015: £57.2m). Of these Parishes' Restricted Funds were £42.1m (2015: £41.0m); Designated Funds were £507 thousand (2015: £650 thousand); Curia Restricted Funds were £5.9m (2015: £6.7m); Endowment Funds were £143 thousand (2015: £177 thousand); and the funds of the separate charity were £3.7m (2015: £3.2m). The unrestricted liquid reserves of the Diocese at that date were £3.1m (2015: £3.0m). The Diocese is regarded as a going concern and the accounts have been prepared accordingly.

There have been no significant balance sheet movements. The deficit balance on the Quinquennials Designated Fund will be eliminated during 2015/6 by the special Diocesan Quota set up for the purpose.

Grants received

Grateful thanks are made to the Trustees of the Sir Harold Hood Charitable Trust for grants to individuals, to the Master of the Guild of Our Lady of Ransom for a grant for poor parishes and to an individual for making a substantial grant for the Cathedral choristers over a number of years. Many other individuals and organisations have made grants and donations to parishes which have not been brought to the attention of the Directors and are therefore not formally mentioned here. Nevertheless both these and generous legacies have been very gratefully received and the thanks of the Directors are recorded for those who have made these kind gifts.

Apart from the refunds of Value Added Tax received under the Listed Places of Worship Scheme, grants received have been specifically notified by the following Parishes: World War I, Nottingham Cathedral Parish; Historic Churches, Nottingham Good Shepherd; Crowle, North Lincolnshire Council; and Big Lottery, Nottingham Our Lady of Perpetual Succour.

Interest rates

During the year interest rates remained at historically low levels. As a net saver this has severely reduced the income of the Diocese.

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FINANCIAL REVIEW (continued)

Listed Investments

The listed investments are, with a minor exception, managed by the Investment Managers, in accordance with an investment policy approved by the Directors. Apart from the Fixed Interest Fund and the Foundation Masses Fund the policy is to maximise the total return from the investments on a medium to higher risk basis. These listed investments are held in the name of the Investment Manager's nominee company, on behalf of the Diocese. Additional funds were passed on to the Investment Manager during the year in particular those received as a result of the retired priests appeal. Details of the movements in investments and their performance are included in Note 7 on page 26 of these accounts.

The investment policy adopted by the Diocese provides for divestment to be required if it considers that a particular investment is not an appropriate holding for a Catholic diocese. The Diocese is a member of the Churches Investment Group, which is a group of religious charities which encourages high ethical standards of public companies.

Sick and Retired Priests Fund

The Sick and Retired Priests Fund, a separate charity of which the Diocese is trustee, provides grants to sick and retired priests of the Diocese. In view of the large number of priests approaching the age of 75, when a parish priest is required to offer his resignation to the Bishop, the Directors have set up an appeal for the Sick and Retired Priests Fund. This is to ensure that sufficient funds will be available to support the sick and retired priests of the Diocese when they need it. Although at present the income of the Fund is adequate it is prudent to provide for the additional grants which may become payable.

PLANS FOR FUTURE PERIODS

Parish Accounting

Internal control is being developed in order to improve the financial information available to the Diocese. At the same time consideration is being given as to how the Curia can better support Parishes.

Quinquennial Property Inspections

These have been commenced and will continue until completed.

Health and Safety

The Health and Safety Committee of the Board has considered and is implementing further developments in order to improve the health and safety systems of the Diocese in conjunction with a firm of Health and Safety advisers appointed by the Diocesan insurers.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Diocese as a charitable company, limited by guarantee, is governed under its Memorandum and Articles of Association. The Directors are the members of the company who also appoint new directors. Major decisions are made by the Directors. Other decisions may be delegated to committees or to individuals. Under the Articles, the Bishop is ex officio Chairman. He, or if there is no Bishop, the person on whom the governance of the Diocese falls, may require that decisions with which he disagrees be not put into effect.

The affairs of the Diocese are conducted in accordance both with the national law of the United Kingdom and with the canon law of the Catholic Church. The canon law of the Catholic Church provides the internal rules under which it operates and specifically requires that the civil law is generally observed.

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Directors' Report for the year ended 31st March 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Directors are responsible for the management of the charity under the national law. They also act as the Finance Committee of the Diocese under canon law. Under canon law the College of Consultors of the Diocese must be consulted before any major acts of administration and before any substantial alienation of property. The Financial Secretary has been appointed Oeconomus of the Diocese under canon law.

Training of New Directors

New Directors are provided with key documents for the Diocese, including the Memorandum and Articles of Association, the latest Annual Report and Accounts and other financial papers and the minutes of previous meetings. Unless already aware of their responsibilities as a charity trustee, for example through already being a director or trustee of a large charity, they are also provided with copies of relevant Charity Commission guidance. The Financial Secretary is responsible for this and will also meet new appointees to provide further training.

Senior Staff pay

The pay of senior staff is determined and reviewed by a committee of the Directors taking into account the work carried out for the previous year, proposed for future years and published remuneration surveys.

Cooperation with other Bodies

The Diocese co-operates with other Catholic dioceses and those of the Church of England. In particular, it contributes, with other Catholic dioceses, to a number of national organisations set up by the Catholic Bishops' Conference of England and Wales, principally, the Catholic Trust of England and Wales.

Sick and Retired Priests Fund

The accounts of the Sick and Retired Priests Fund, a separate charity of which the Diocese is trustee, have been consolidated with the accounts of the Diocese. The Sick and Retired Priests Fund Grants Committee authorises its payments to or on behalf of the sick and retired priests of the Diocese on the basis of need.

PRINCIPAL RISKS AND UNCERTAINTIES

The main risks likely to affect the Diocese together with a note of ways in which the adverse effects of these may be ameliorated are as follows:

Governance

The structure of the Diocese means that its parishes have some independence from it notwithstanding that their activities remain the responsibility of the Board of Directors. Information systems are established to monitor these activities where necessary and these are being improved.

It is considered that the loss of a senior staff member could be covered for a short period while recruitment takes place of a successor. A Financial Secretary from another diocese has been appointed to the Board of directors to assist specifically in the case of absence or illness of the Financial Secretary.

Financial

The income of the Diocese is mostly by voluntary contributions but also from the return on its assets including investments and cash balances held by parishes.

The voluntary income of the Diocese is not generally keeping pace with inflation. The return on cash balances held by parishes has declined very substantially as a result of the general fall in interest rates.

An appeal has been set up for the support of the sick and retired priests of the Diocese. Should it not reach its target then there will be a continued financial liability for them.

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PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Financial (continued)

Quinquennial inspections may reveal latent problems in the properties owned by the Diocese.

Operational

By operating over a larger area it can be difficult to communicate with the parishes of the Diocese. Use of electronic communications is ameliorating this.

Dealing with a large amount of cash requires the setting up of special control procedures so that, as far as possible, there is always more than one person present at any time when cash is being handled.

External

In common with other religious charities reputational risk may arise in particular from historical abuse cases.

Internal Audit Arrangements

An internal audit programme, in order to support parishes and to improve internal control, has been set up. A report is made to the Financial Secretary following each visit and matters arising are followed up.

Health and Safety

The Health and Safety Committee of the Board receives reports from parishes, makes recommendations and sets out requirements as appropriate in furtherance of the objective of improving health and safety within the Diocese. The insurers have appointed a national firm of health and safety consultants which will assist the Diocese in this work.

REFERENCE AND ADMINISTRATIVE DETAILS

<i>Company number</i>	7151646	<i>Charity number</i>	1134449
<i>Registered Office</i>	Willson House 25 Derby Road Nottingham NG1 5AW		
<i>Directors</i>	Right Reverend P.J. McKinney STL (appointed <i>ex officio</i> 3 rd July 2015) Reverend Monsignor Canon T. P. McGovern Prot Ap, VG Reverend Canon E. Jarosz Reverend T. M. Moore Reverend P.J. Guest BA, STL, PhL, VG Reverend M Hardy BA, STL Mr M. Abbott MRICS Miss K. Cohoon LIB Mr M. Linnett FCA Mr D. Wilson Mr C. S. Sowman FCA Mr E Whittaker		

The Right Reverend Bishop P. J. McKinney STL was ordained as 10th Bishop of Nottingham on 3rd July 2015 and from that date he is the Chairman of the Board of Directors *ex officio*. Before that date the Reverend T. P. McGovern was the Chairman. The other Directors gratefully acknowledge their thanks to him for his service as Chairman during the sede vacante period.

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REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Building and Sites Committee; Health and Safety Committee

Right Reverend P.J. McKinney STL (Chairman)
Reverend Monsignor Canon T.P. McGovern Prot Ap, VG
Mr M. Abbott MRICS
Miss K. Cohoon LIB
Mr M.J. Linnett FCA
*Reverend J. Kyne VF
*Reverend P. McBrien

Sick and Retired Priests Fund Grants Committee

Reverend Monsignor Canon T. P. McGovern Prot Ap VG
Reverend P. J. Guest BA, STL, PhL, VG
Reverend T. M. Moore
*Reverend Paul Newman (Bishop's Chaplain for Sick and Retired Priests)
*Sister Aine Costello (Assistant Bishop's Chaplain for Sick and Retired Priests)
*Rev Mr Anthony Cordes
*Mr E. S. Poyser
*Mr C.B.A. Reynolds
*Non voting members.

Monsignor B. Dazeley retired as Bishop's Chaplain for Sick and Retired Priests during the year and the gratitude of the Diocese to him is acknowledged.

Moderator of the Curia and Episcopal Vicar for

Finance and Administration Rev P. J. Guest BA, STL, PhL, VG

Financial Secretary of the Diocese, Company

Secretary and Oeconomus Mr E. S. Poyser BA, FCA

Professional advisers:

*Indicates organisations set up in co-operation with other Catholic Dioceses in England and Wales.

Main Bankers

Lloyds Bank plc
Old Market Square
Nottingham NG1 6FD

Solicitors

Massers
15 Victoria Street
Nottingham NG2 6BT

Solicitors (Schools)

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham NG2 1BJ

Auditors

Higson & Co
Statutory Auditor
White House
Wollaton Street
Nottingham NG1 5GF

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Directors' Report for the year ended 31st March 2016

Professional advisers (continued):

<i>Investment Managers</i>	Quilter Cheviot 1 Kingsway London WC2B 6AN
<i>Property Advisers</i>	Spencer Birch 8 Clarendon Street Nottingham NG1 5HQ
<i>Insurers</i>	*Catholic Church Insurance Association Oakley House Mill Street Buckinghamshire HP20 1BN *Catholic National Mutual Limited (incorporated in Guernsey) Maison Trinity Trinity Square Guernsey GY1 4LP
<i>Fuel Suppliers</i>	*Inter Diocesan Fuel Management Limited 2 Park Row South Birkenhead Wirral CH43 4UX
<i>Stationery Suppliers</i>	*Church Marketplace Limited Vaughan House 46 Francis Street London SW10 1QN
<i>Health and Safety Consultants</i>	*Ellis Whittam Woodhouse Aldford Cheshire CH3 6JD

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held as custodian trustee on behalf of others.

OTHER MATTERS REQUIRING DISCLOSURE

There have been no related party transactions with the Diocese other than as disclosed in the accounts.

The Diocese has provided indemnities to Lloyds Bank plc in order for it to accept cheques made out to a payee with a different name from that of the account in question and in relation to Telepay by which payments are made to members of staff.

The Diocese is not a party to disclosable financial instruments.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Directors' Report for the year ended 31st March 2016

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Directors are aware:

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

DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the annual report, the strategic report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards 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 in business.


The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

A resolution proposing the reappointment of Higson & Co will be put to the Members of the charity.

On behalf of the Board

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Right Reverend P.J. McKinney Bishop of Nottingham and Chairman of the Board of Directors

Dated 8th December 2016

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31st March 2016, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES (CONTINUED)

Emphasis of matter

Your attention is drawn to the fact that the financial statements of Nottingham Roman Catholic Diocesan Trustees have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn.

We understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice for reporting periods beginning on or after 1 January 2015.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.



David Wallwork BA FCA
(senior statutory auditor)
For and on behalf of Higson & Co
Statutory Auditor

White House
Wollaton Street
Nottingham
NG1 5GF

8th December 2016

Group Statement of Financial Activities - year ended 31st March 2016

		<u>PARISHES</u>		<u>CURIA</u>			
	<u>Note</u>	<u>Restricted</u> <u>£000s</u>	<u>Unrestricted</u> <u>including</u> <u>Designated</u> <u>£000s</u>	<u>Restricted</u> <u>Endowment</u> <u>Sep Charity</u> <u>£000s</u>	<u>Total</u> <u>£000s</u>	<u>Total 2016</u> <u>£000s</u>	<u>Total 2015</u> <u>£000s</u>
Income and Expenditure Account							
Income and endowments from:	2 & 3						
Donations and legacies		7,913	6	901	907	8,820	8,638
Charitable activities		337	383	-	383	720	546
Other trading activities		537	-	-	-	537	548
Investments		295	291	309	600	895	797
Other		556	-	-	-	556	1,517
Total		<u>9,638</u>	<u>680</u>	<u>1,210</u>	<u>1,890</u>	<u>11,528</u>	<u>12,046</u>
Expenditure on:	2 & 3						
Raising funds		96	-	-	-	96	123
Charitable activities		7,966	1,469	482	1,951	9,917	9,504
Other		-	-	-	-	-	-
Total		<u>8,062</u>	<u>1,469</u>	<u>482</u>	<u>1,951</u>	<u>10,013</u>	<u>9,627</u>
Net realised gains/ (losses) on investments	7	-	(18)	(43)	(61)	(61)	54
Net Income/ Expenditure		<u>1,576</u>	<u>(807)</u>	<u>685</u>	<u>(122)</u>	<u>1,454</u>	<u>2,473</u>
Transfers between funds	2 & 3	(496)	856	(360)	496	-	-
Unrealised gains/(losses) on investments	7	(8)	(51)	(658)	(709)	(717)	526
Net Movement of Funds		<u>£1,072</u>	<u>£(2)</u>	<u>£(333)</u>	<u>£(335)</u>	<u>£737</u>	<u>£2,999</u>
Accumulated funds							
Funds brought forward as originally reported		41,040	6,056	10,089	16,145	57,185	53,240
Movements in opening funds	13	-	-	-	-	-	946
Funds brought forward as restated		41,040	6,056	10,089	16,145	57,185	54,186
Total recognised surplus/ (deficit) for the year		1,072	(2)	(333)	(335)	737	2,999
Total funds carried forward		<u>£42,112</u>	<u>£6,054</u>	<u>£9,756</u>	<u>£15,810</u>	<u>£57,922</u>	<u>£57,185</u>

The notes form part of these accounts.

All gains and losses in the year are included above.

The figures for 2016 and the comparative figures for 2015 are in respect of continuing operations.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Consolidated and the Diocese Balance Sheets as at 31st March 2016

	PARISHES	CURIA		CONSOLIDATED		THE DIOCESE			
	Note	Restricted £000s	Unrestricted including Designated £000s	Restricted Endowment Sep Charity £000s	Total £000s	Total 2016 £000s	Total 2015 £000s	Total 2016 £000s	Total 2015 £000s
Fixed assets									
Tangible Assets	6	26,762	2,828	-	2,828	29,590	29,727	29,590	29,727
Investments	7	2,116	2,539	9,316	11,855	13,971	14,053	10,428	11,048
Total fixed assets		28,878	5,367	9,316	14,683	43,561	43,780	40,018	40,775
Long term assets	8	-	1,506	-	1,506	1,506	1,499	1,507	1,499
Current assets									
Debtors and prepayments	9	450	104	-	104	554	583	553	583
Cash at bank and in hand	10	13,113	836	440	1,276	14,389	13,228	14,229	13,054
Total current assets		13,563	940	440	1,380	14,943	13,811	14,782	13,637
Liabilities									
Creditors due within 1 year	11	(435)	(245)	-	(245)	(680)	(488)	(680)	(488)
Net current assets/ (liabilities)		13,128	695	440	1,135	14,263	13,323	14,102	13,149
Total assets less current liabilities		42,006	7,568	9,756	17,324	59,330	58,602	55,627	55,423
Creditors due after one year	12	-	(1,408)	-	(1,408)	(1,408)	(1,417)	(1,408)	(1,417)
Intra diocesan balance		106	(106)	-	(106)	-	-	-	-
Net assets		£42,112	£6,054	£9,756	£15,810	£57,922	£57,185	£54,219	£54,006
The Funds of the Charity									
Separate charity		-	-	3,703	3,703	3,703	3,179	-	-
Endowment Funds		-	-	143	143	143	177	143	177
Restricted Funds		42,112	-	5,910	5,910	48,022	47,773	48,022	47,773
Designated Funds		-	507	-	507	507	650	507	650
General Unrestricted Funds		-	5,547	-	5,547	5,547	5,406	5,547	5,406
Total Charity Funds		£42,112	£6,054	£9,756	£15,810	£57,922	£57,185	£54,219	£54,006

Approved by the Board of Directors on 8th December 2016.

+ Patrick McKinney

 Company Registration Number - 7151646

Right Reverend P.J. McKinney, Bishop of Nottingham
 Chairman of the Board of Directors

The notes form part of these accounts.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Group Statement of cash flows for the year ended 31st March 2016

	<u>2016</u> <u>£000s</u>	<u>2015</u> <u>£000s</u>
Cash flows from operating activities:		
<i>Net cash provided by/ (used in) operating activities</i>	<u>1,447</u>	<u>740</u>
Cash flows from investing activities:		
Dividends, interest and rent from investments	895	797
Proceeds from the sale of property, plant and equipment	509	1,582
Purchase of property, plant and equipment	(995)	(1,729)
Proceeds from sale of investments	673	2,010
Purchase of investments	(1,368)	(3,510)
<i>Net cash flow investing activities</i>	<u>(286)</u>	<u>(850)</u>
<i>Change in cash and cash equivalents</i> <i>in the reporting period</i>	1,161	(110)
Cash and cash equivalents at the beginning of the reporting period	13,228	13,338
<i>Cash and cash equivalents at the end of</i> <i>the reporting period</i>	<u>£14,389</u>	<u>£13,228</u>

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES**Group Statement of cash flows for the year ended 31st March 2016 (continued)**

	<u>2016</u> <u>£000s</u>	<u>2015</u> <u>£000s</u>
Reconciliation of net income/ (expenditure) to net cash flow from operating activities		
<i>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</i>	737	2,999
<i>Adjustments for:</i>		
Depreciation charges	850	831
(Gains) / losses on investments	777	(580)
Dividends, interest and rent from investments	(895)	(797)
Loss/ (profit) on sale of fixed assets	(227)	(1,517)
(Increase)/ decrease in debtors	22	(117)
Increase/ (decrease) in creditors	183	(79)
<i>Net cash provided by/ (used in) operating activities</i>	<u>1,447</u>	<u>740</u>
 Analysis of cash and cash equivalents		
Money Market deposits	11,601	10,824
Cash at bank and in hand	2,788	2,404
Total cash and cash equivalents	<u>£14,389</u>	<u>£13,228</u>

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes and Accounting Policies for the year ended 31st March 2016

1. Accounting Policies

The Nottingham Roman Catholic Diocesan Trustees is a company limited by guarantee and a charity governed by its memorandum and articles of association and incorporated in the United Kingdom. The members are its Directors and their liability in usual circumstances is limited to an amount not exceeding £10. The principal activity is that of a religious charity responsible for the civil affairs of the Roman Catholic Diocese of Nottingham. The accounts are expressed in pounds sterling.

The preparation of the Diocese's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in material adjustments to the carrying amount of the asset or liability.

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year except where stated.

1.1 Basis of Accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), notwithstanding that the current Charities (Accounts and Reports) Regulations 2008 refer to the previous Charities SORP, and the Companies Act 2006. This is the first year of transition to this basis of accounting.

Nottingham Roman Catholic Diocesan Trustees meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes(s).

1.2 Basis of Consolidation

The consolidated accounts include those of the Diocese and the Sick and Retired Priests Fund for which it acts as trustee. The separate Balance Sheet for the Diocese, excluding the balances attributable to the Sick and Retired Priests Fund, is shown on page 13 with the Consolidated Balance Sheet.

As stated in note 19 the Diocese holds a number of assets as trustee. The values of and transactions associated with those assets have been reported as stated in that note.

1.3 Funds

The accounts distinguish between those funds which are unrestricted income funds, and those which are restricted funds and special trusts. The unrestricted income funds may be used for any charitable purpose permitted under the Trust Deed. The designated funds have been designated by the Directors to a particular purpose; the designation may be removed by them. The restricted funds and permanent endowment funds are required to be used for a specific purpose. There are restrictions on spending the capital of the permanent endowment funds.

The accounts further distinguish between the Parishes and the Curia. Under national law all of the affairs of the Diocese, including those of the Parishes, are those of the charity and are the responsibility of its Directors. Under canon law each Parish is a "Juridical Person" and its funds are required to be held separately for each Parish. Accordingly the funds described as Parishes' funds are restricted funds, unless, as in some cases, parishes occupy permanent endowment property held by the Diocese as trustee.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes and Accounting Policies for the year ended 31st March 2016 (continued)

1.4 Incoming resources

Incoming resources are included in the Statement of Financial Activities on the basis of the amounts receivable for the year. Legacies are included when there is sufficient probability of receipt as at the end of the year. Investment income is included when it is received. Gift Aid refunds are included for the year to which they relate. It is not practicable to value the time spent by volunteers.

1.5 Resources expended

Resources expended are recognised in the Statement of Financial Activities when a legal or constructive obligation has arisen. Irrecoverable VAT is included in the related expenditure.

1.6 Investments

Investments held as fixed assets (other than property investments) are revalued at mid-market value at the balance sheet date. The unquoted investments, being companies set up in conjunction with other dioceses in the United Kingdom with their surplus income being refunded to the dioceses directly, are valued at cost.

Investment land and buildings are stated in the accounts at the Directors' valuation based on insurance values as at 31st March 1996 or subsequently and the directors believe that the benefit of a formal valuation would be outweighed by its cost.

Social investment land and buildings held both to support the activities of the Diocese and to provide a return are stated either at cost or deemed cost as the case may be.

The value of land and buildings used by the schools of the Diocese has not been included in the financial statements since the amount which would be due to the Diocese from their sale after accounting for the state funding received cannot be determined with sufficient accuracy without undue expense.

Gains and losses on investments are reported in the Statement of Financial Affairs.

1.7 Taxation

As a registered charity, the charity is generally exempt from taxation on its income and gains arising out of its charitable activities.

1.8 Tangible Fixed Assets

Functional land and buildings held by the Parishes at 31 March 1996 and those held by the Curia at 31 March 1999 were revalued, excluding land, using insurance values as the basis. Properties purchased since that date have been included at cost, including land. Functional tangible fixed assets otherwise acquired since those dates, including contents, have been included at valuation. The opportunity has been taken under Charities SORP FRS 102 to include the valuations at which the properties were held as deemed costs. Accordingly properties are stated in the accounts at cost or deemed cost as the case may be.

The contents of the buildings held by the parishes at 31st March 1996 were included from that date using insurance values as the basis.

Depreciation rates have been applied as follows in order to write off the assets concerned by equal annual instalments over their estimated useful lives:

Land	No depreciation
Buildings	2%
Contents of parish buildings	10%
Other fixed assets	10%

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes and Accounting Policies for the year ended 31st March 2016 (continued)

1.9 Pension Schemes

The Diocese has two defined contribution pension schemes, one for priests and one for employees which is suitable for autoenrolment the contributions being held in separately administered funds. The Pension Scheme contributions are charged to the Income and Expenditure account as they are incurred.

1.10 Grants received

Grants receivable are taken to income in the year in which they are received.

1.11 Activities

All of the activities of the Diocese are directed toward the salvation of souls. Accordingly further analysis of them or of supporting costs is not provided.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES**Notes & Accounting Policies for the year ended 31st March 2016 (continued)**

	<u>Total</u> <u>2016</u> <u>£000s</u>	<u>Total</u> <u>2015</u> <u>£000s</u>
2. Parishes		
<u>INCOME AND ENDOWMENTS FROM:</u>		
<u>Donations and legacies</u>		
Regular collections	4,225	4,241
Special purpose collections	829	676
Donations	771	721
Grants received	153	151
Legacies	658	185
Gift aid refunds	756	819
Miscellaneous	521	578
Totals	<u>7,913</u>	<u>7,371</u>
<u>Income from charitable activities</u>		
Repository Income	312	319
Chaplaincy	25	30
Totals	<u>337</u>	<u>349</u>
<u>Income from other trading activities</u>		
Fundraising	<u>537</u>	<u>548</u>
<u>Investments</u>		
Rents receivable	<u>295</u>	<u>269</u>
<u>Other income</u>		
Transfer of parish property to Diocese	-	1,497
Profit on disposal of property	556	20
Totals	<u>556</u>	<u>1,517</u>
<u>Total income and endowments</u>	<u>9,638</u>	<u>10,054</u>
<u>EXPENDITURE ON:</u>		
<u>Expenditure on raising funds</u>		
Fundraising costs	<u>96</u>	<u>95</u>
<u>Expenditure on charitable activities</u>		
Special purpose collections payable	818	660
Church and hall costs	1,650	1,739
Presbytery and housekeeping	882	970
Insurance	246	244
Major maintenance	1,505	1,277
Clergy payments	520	475
Staff costs	493	507
Office expenses	354	350
Travel, conferences, retreats	192	223
School contributions	11	16
Repository expenditure	183	179
Donations	182	150
Depreciation	790	768
Miscellaneous	140	92
Totals	<u>7,966</u>	<u>7,650</u>
<u>Total expenditure</u>	<u>8,062</u>	<u>7,745</u>
<u>Net income/ (expenditure)</u>	<u>1,576</u>	<u>2,309</u>

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2016 (continued)

2. Parishes (continued)	Total 2016 £000s	Total 2015 £000s
Net income/ (expenditure)		
Brought forward from previous page	<u>1,576</u>	<u>2,309</u>
 TRANSFERS BETWEEN FUNDS		
Interest received from Curia	60	110
Donations from Curia	97	19
Transfer of University Chaplaincy building	453	267
Transfer of Cathedral Choristers Fund	29	-
Diocesan quota	(1,031)	(979)
Interest paid to Curia	(14)	(20)
Donations to Curia	(90)	(113)
Totals	<u>(496)</u>	<u>(716)</u>
 Unrealised gains/ (losses) on investments	<u>(8)</u>	<u>-</u>
 Net movement in funds	<u>£1,072</u>	<u>£1,593</u>

The following parishes received grants from the Guild of Our Lady of Ransom shown above as Donations from Curia.

	2016 £000s
Grimsby St Mary	4
Mansfield St Patrick	4
Swadlincote St Peter and St Paul	4
	<u>£12</u>

3. Curia

UNRESTRICTED

Donations	1	-	4	5	1
Gift Aid	-	-	1	1	1
Collections	-	-	-	-	-
Legacies	-	-	-	-	77
Totals	1	-	5	6	79

Incoming resources from charitable activities

Sale of tangible fixed asset	123	-	123
Totals	306	73	383
		4	197

Investment income

Total incoming resources	584	73	23	680	523
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Total incoming resources

RESOURCES EXPENDED

Charitable activities

Total resources expended

Realised gains/ (losses) on investments

Net resources c/f

RESTRICTED, ENDOWMENT AND SEPARATE CHARITY

208	-	693	901	1,188
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411	7	792	1,210	1,469
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254	4	224	482	598
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(10)	-	(25)	(43)	91
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139	3	543	685	962
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3. Curia (continued)

	UNRESTRICTED			RESTRICTED, ENDOWMENT AND SEPARATE CHARITY		
	General	Mission	Designated	Total 2016	Separate Charity	Total 2015
Net incoming/outgoing resources	(432)	(254)	(121)	(807)		(798)
Brought forward from previous page					139	3
					543	685
						962
TRANSFERS BETWEEN FUNDS						
Diocesan Quota	1,031	-	-	1,031	-	979
Interest received from parishes	14	-	-	14	-	20
Donations received from parishes	-	-	-	-	-	-
Interest paid to parishes	(60)	-	-	(60)	78	91
Donations paid to parishes	(41)	-	-	(41)	-	113
Transfer of Cathedral Choristers Fund	-	-	-	-	-	-
Derby University Chaplaincy	-	-	-	-	(42)	(1)
Nottingham University Chaplaincy	-	-	-	-	(30)	(30)
	-	-	-	-	(466)	(466)
Sick and Retired Priests Fund	(90)	-	-	(90)	-	90
Other transfers	2	-	-	2	(2)	(2)
Totals	856	-	-	856	168	182
					(356)	(30)
					711	325
						1,144
Net income/ expenditure for the year	424	(254)	(121)	49		
Unrealised gains/ (losses) for the year	(27)	-	(24)	(51)	(467)	(4)
					(187)	(658)
						475
Net movement of funds	£397	£(254)	£(145)	£(2)	£(823)	£(34)
					£524	£(333)
						£1,619

The following grants, transfers and other payments have been made and are included above:

	2016 £000s	2015 £000s
Housekeepers Retirement Fund	20	20
Family Care	66	66
Catholic Trust of England and Wales	78	71
University chaplaincies (grants)	25	25
University chaplaincies (salaries for lay chaplains)	34	28
Nottingham Roman Catholic Diocesan Education Service	75	75
Diocesan Youth Service	32	30
Travelling People Mission	10	11
Sick and Retired Priests (to individuals)	159	158
Sick and Retired Priests (other costs)	62	61
Training of priests and deacons (after parishes' contribution)	234	340
Sick and Retired Priests Fund (transfer from Diocese)	90	90

Nottingham Roman Catholic Diocesan Education Service occupies property at Mackworth owned by the Diocese for which no rent is charged.
The Diocesan Youth Service occupies property at Crich partly owned directly by themselves, partly jointly with the Diocese and partly owned directly by the Diocese for which no rent is charged.

The Bishop, the Rev M. Hardy and Mr D. Wilson are directors of the Diocese and of Nottingham Roman Catholic Diocesan Education Service.
The Bishop and the Rev P.J. Guest are directors of the Diocese and trustees of the Diocesan Youth Service.
The Company Secretary is a director of the Catholic Trust of England and Wales.

No amounts were paid to the auditor other than the audit fees.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2016 (continued)

4. Directors' Remuneration

No Director received remuneration as a director during the year. The Bishop and Priests of the Diocese, in their capacity as such, receive a fixed payment and retain Mass offerings, stole fees and Christmas and Easter collections, unless they choose not to do so. They also receive benefits such as accommodation and living expenses from the Diocese. The taxable value of these are included in the figures reported below. These are authorised by the Articles of Association. A Director who is a priest may be eligible for a grant from the Nottingham Diocesan Sick and Retired Priests Fund, which is included in the figures below if applicable.

	<u>2016</u>
	<u>£000s</u>
Right Rev P.J. McKinney (app't'd 3rd July 2015)	8
Reverend Mgr Canon T. P. McGovern Prot Ap, VG	11
Reverend P. J. Guest BA, STL, PhL, VG	7
Reverend Canon E. Jarosz	9
Reverend T. M. Moore	12
Reverend M. Hardy BA, STL	14

The Diocese has purchased Directors' and Officers' Liability Insurance for its directors.
The Diocese re-imburses directors for expenses incurred in that capacity and the amount is estimated as being under £1,000.

5. Staff and Clergy costs

	<u>2016</u>	<u>2015</u>
The following amounts have been charged in the accounts:		
<u>Parishes</u>	<u>£000s</u>	<u>£000s</u>
Staff costs:		
Salaries	483	500
Employers' National Insurance contributions	7	6
Pension Contributions	2	1
Clergy payments	520	475
	<u>£1,012</u>	<u>£982</u>
<u>Curia</u>		
Staff costs:		
Salaries	372	356
Employers' National Insurance contributions	31	29
Pension Contributions	27	23
Staff Training	2	2
	<u>£432</u>	<u>£410</u>
Clergy costs:		
Payments to individual Priests not in Parishes	54	41
Priests Pension Scheme	7	8
	<u>£61</u>	<u>£49</u>

The average number of staff (excluding clergy) on a full time equivalent basis employed in the year was as follows:

Parishes	59	57
Curia	15	14

No employee received emoluments in excess of £60,000 per annum (2015: nil).

The key management personnel are considered to be the Bishop (2015 the Diocesan Administrator) and the Moderator of the Curia who received £15 thousand (2015: £18 thousand) in total as priests of the Diocese.

Priests are "Office holders" and are not employees of the Diocese and are therefore not included in the above analysis. The analysis of the numbers of Priests, excluding the Bishop, according to the work which they do is included in the Directors' Report.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2016 (continued)

6. Tangible Fixed Assets

Parishes

	Freehold Land & Buildings at	Contents	Total 2016
	Cost	Contents	
	£000s	£000s	£000s
Cost or deemed cost at 1st April 2015	35,670	1,502	37,172
Additions	352	37	389
Disposals	-	-	-
Transfers	453	-	453
Total as at 31st March 2016	36,475	1,539	38,014
Depreciation as at 1st April 2016	9,116	1,346	10,462
Disposals	-	-	-
Charge for the year	761	29	790
Transfers	-	-	-
Total as at 31st March 2015	9,877	1,375	11,252
Net Book Value at 31st March 2016	£26,598	£164	£26,762
Net Book Value at 31st March 2015	£26,553	£157	£26,710

The transfer to fixed assets is of the Derby University Chaplaincy originally purchased by a separate Restricted Fund.

Curia

	Freehold Land & Buildings at	Long Leasehold	Other Fixed Assets	Total 2016
	Cost	Leasehold	Assets	
	£000s	£000s	£000s	£000s
Cost or deemed cost at 1st April 2015	3,205	346	68	3,619
Additions	-	153	-	153
Disposals	(56)	-	-	(56)
Reclassification	(341)	-	-	(341)
Total as at 31st March 2016	2,808	499	68	3,375
Depreciation and amortisation at 1st April 2015	488	46	68	602
Disposals	(12)	-	-	(12)
Charge for the year	50	10	-	60
Reclassification	(103)	-	-	(103)
Total as at 31st March 2016	423	56	68	547
Net Book Value at 31st March 2016	£2,385	£443	£-	£2,828
Net Book Value at 31st March 2015	£2,717	£300	£-	£3,017

In the opinion of the Directors the market values of the properties are generally in excess of the values at which they are shown in the balance sheet.

A number of the churches and other buildings owned by the Diocese are listed. Some of the properties are held subject to covenants restricting use for a Church or school or requiring that the property or part of the sale proceeds be returned to the vendor. Some of the parishes hold historic artefacts which it is not practical to have valued. Some of the properties are "Permanent Endowment" and held by the Diocese as trustee. No adjustment has been made to the values at which the Tangible Fixed Assets are stated in relation to any of these.

A share of the proceeds for one property, if sold within 40 years of its acquisition in 2014, will be returned to the religious order from which it was originally acquired without consideration.

The Directors have taken advantage of the provision in the Statement of Recommended Practice to regard the amount at which valuations have been made as deemed costs.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES**Notes & Accounting Policies for the year ended 31st March 2016 (continued)****7. Investments**

	<u>Total</u> <u>2016</u> <u>£000s</u>	<u>Total</u> <u>2015</u> <u>£000s</u>
<u>Parishes Total Investments</u>		
<u>Listed Investments</u>		
Additions at cost	250	-
Transfers	30	-
Unrealised net gains/(losses)	(8)	-
Carrying value at 31st March 2016	272	-
<u>Investment Properties</u>		
Carrying value at 1st April 2015 and 31st March 2016	1,844	1,844
	<u>£2,116</u>	<u>£1,844</u>

Curia Total Investments**Listed and Unlisted Investments**

Carrying value at 1st April 2015	11,357	9,277
Additions at cost	880	3,510
Net disposal proceeds	(673)	(2,010)
Transfers	(30)	-
Realised net gains/(losses)	(60)	54
Unrealised net gains/(losses)	(709)	526
Carrying value at 31st March 2016	10,765	11,357

Social Investment Properties

Carrying value at 1st April 2015	852	852
Reclassification from Fixed Assets	238	-
Carrying value at 31st March 2016	1,090	852
	<u>£11,855</u>	<u>£12,209</u>

Curia Total Investments analysed by Fund:

General Unrestricted	2,212	2,929
Designated	327	352
	2,539	3,281
Restricted	5,652	6,007
Endowment	121	154
Separate Charity	3,543	3,005
	9,316	9,166
	<u>£11,855</u>	<u>£12,447</u>

Curia and Parish Listed and Unlisted Investments analysed by type:

Fixed Interest	2,776	3,383
Equities	6,483	6,893
Alternative investments	1,314	879
Cash	464	202
	<u>£11,037</u>	<u>£11,357</u>

The listed investments are stated at mid market value, the unlisted at cost (see note 15) and the social investment properties at deemed cost.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES**Notes & Accounting Policies for the year ended 31st March 2016 (continued)**

	<u>Total</u> <u>2016</u> <u>£000s</u>	<u>Total</u> <u>2015</u> <u>£000s</u>
8. Long Term Assets		
Curia		
Inter-Diocesan Fuel Management Ltd (see note 15)	1,432	1,432
Loans	74	66
Other long term assets	1	1
	<u>£1,507</u>	<u>£1,499</u>

9. Debtors and prepayments due within 1 year**Parishes**

Listed places of worship scheme grant	-	30
Gift Aid	345	352
Prepayments	105	105
	<u>£450</u>	<u>£487</u>

Curia

Loans	35	34
Interest receivable	62	60
Sundry debtors and prepayments	6	2
	<u>£103</u>	<u>£96</u>

10. Cash at bank and in hand

Analysed by fund:

Parishes

Restricted	13,113	12,183
	<u>£13,113</u>	<u>£12,183</u>

Curia

Unrestricted (including designated)	836	122
Restricted, Endowment, Separate Charity	440	923
	<u>£1,276</u>	<u>£1,045</u>

Analysed by type:

Parishes

Money market deposits	10,984	10,186
Cash at bank	2,129	1,997
	<u>£13,113</u>	<u>£12,183</u>

Curia

Money market deposits	617	638
Cash at bank	659	407
	<u>£1,276</u>	<u>£1,045</u>

Each parish is required to hold money in excess of its immediate requirements in a separately designated account with the Curia. Out of this, loans are made to Parishes for approved building projects at a favourable interest rate which is currently 3% for existing projects and 6% for new ones. The amounts are deposited generally with the money market, although alternative short term fixed interest investments have been purchased on the recommendation of the Diocese's investment managers.

The interest earned is partly retained by the Curia and partly passed on to the Parishes which hold such amounts held with the Curia, pro rata both to those amounts and to the periods for which they are held.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

Notes & Accounting Policies for the year ended 31st March 2016 (continued)

	<u>Total</u>	<u>Total</u>
	<u>2016</u>	<u>2015</u>
	<u>£000s</u>	<u>£000s</u>

11. Creditors due within 1 year

Parishes

Creditors and accruals

435	202
£435	£202

Curia

Social security and other taxes

12 9

Creditors and accruals

83 127

Uninsured claims provision (see note 18)

150 150

£245 £286

12. Long Term Liabilities - Creditors due after 1 year

Curia

Inter-Diocesan Fuel Management Ltd (see note 15)

1,390 1,390

Other long term liabilities

16 25

Amounts deposited with Curia

2 2

£1,408 £1,417

13. Prior Year Adjustments and Movements in Opening Funds

Parishes

Balance at 1st April 2015 as previously reported

41,040 38,577

Movements in opening fund:

Grants receivable from prior years written back

- 731

Inclusion of University chaplaincies

- 139

41,040 870

Surplus/ (Deficit) for the year

1,072 1,593

£42,112 £41,040

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2016</u>	<u>2015</u>
	<u>including</u>	<u>Endowment</u>		
	<u>Designated</u>	<u>Sep Charity</u>	<u>£000s</u>	<u>£000s</u>
	<u>£000s</u>	<u>£000s</u>		
<u>Curia</u>				
Balance at 1st April 2015	6,056	10,089	16,145	14,663
Movement in opening fund:				
Inclusion of Derby Deanery	-	-	-	76
Surplus/ (Deficit) for the year	(2)	(333)	(335)	1,406
	£6,054	£9,756	£15,810	£16,145

Analysis by Fund of Balance at 1st April 2015

Separate charity

3,179

Endowment Funds

177

Restricted Funds

6,733

Designated Funds

650

General Unrestricted Funds

5,406

Opening balance at 1st April 2015

£6,056

£10,089

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES**Notes & Accounting Policies for the year ended 31st March 2016 (continued)****14. Summary of Designated, Restricted and Permanent Endowment Fund Movements.****Curia**

	31st March 2015 £000s	Incoming Resources £000s	Resources Expended £000s	Transfers £000s	Investment Movements £000s	31st March 2016 £000s
Designated Funds						
Legacy Fund	520	13	(56)	(50)	(25)	402
Pilgrimage Administration	1	9	(9)	-	-	1
Holy Ghost Housekeepers	24	-	(5)	-	(1)	18
Ret'd Priests Appeal Admin	27	-	(46)	50	-	31
Justice & Peace	7	-	(2)	-	-	5
Derby Deanery	73	1	(17)	-	-	57
Quinquennial Inspections	-	-	(7)	-	-	(7)
Total	652	23	(142)	-	(26)	507
Restricted Funds						
Clergy Formation Fund	5,133	202	(247)	13	(426)	4,675
Poor & Needy Parishes	780	63	-	(22)	(41)	780
Mission Fund	89	2	(1)	-	(5)	85
Legion of Mary Senatus	-	135	-	-	(3)	132
Lenten Masses	24	2	(2)	-	-	24
James Heneage	7	-	-	-	-	7
Sylvia Graham Legacy	486	-	-	(486)	-	-
Lourdes Pilgrimage Fund	215	7	(4)	-	(11)	207
Total	6,734	411	(254)	(495)	(486)	5,910
Permanent Endowment						
Foundation Masses	147	7	(4)	(3)	(4)	143
Cathedral Choristers	30	-	-	(30)	-	-
Total	177	7	(4)	(33)	(4)	143
Separate Charity						
Sick and Retired Priests Fund	3,179	792	(224)	168	(212)	3,703
Total	£10,742	£1,233	£(624)	£(360)	£(728)	£10,263

The funds on this page are for the following purposes:

Designated Funds:

Legacy Fund	Legacies received for the Diocese to be used at the discretion of the Directors.
Pilgrimage Administration	Administration of the Diocesan Pilgrimage to Lourdes.
Holy Ghost Housekeepers Fund	Support of housekeepers formerly employed by the Holy Ghost Fathers.
Ret'd Priests Appeal Admin.	Running costs of the Retired Priests Appeal.
Justice & Peace	Activities of the Justice & Peace commission.
Derby Deanery	Projects supported by the Derby Deanery.
Quinquennials	Quinquennial inspections funded by special Diocesan Quota in 2016/7 which will eliminate the deficit balance carried forward.

Restricted Funds:

Clergy Formation Fund	Education of priests and deacons, their on-going formation and fostering vocations
Poor and Needy Parishes Fund	Support of poor and needy parishes.
Mission Fund	Support and assistance of mission activities.
Legion of Mary Senatus	Advancement of Roman Catholic religion in area of Nottingham Diocese.
James Heneage Fund	Maintenance of the Chapel at Hainton Hall.
Lenten Station Masses Fund	Bishop's charitable purposes (within the Trust Deed).
Sylvia Graham Legacy	Used for the purchase of the Derby University chaplaincy building during the year.
Lourdes Pilgrimage Fund	Assistance to those wishing to make a pilgrimage to Lourdes.

Permanent Endowment Funds:

Foundation Masses	Payment of Mass offerings out of income for the intentions of donors.
Cathedral Choristers	Transferred to parish investments during the year.

Separate Charity:

Sick and Retired Priests Fund	For the support of sick and retired priests of the Diocese.
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The Legion of Mary Senatus Fund has been merged with the Legacy Fund since the year end in view of there not having been any applications for funding from it and the Legacy Fund's similar objects.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2016 (continued)

15. Unlisted Investments and membership of other companies

The Diocese owns 4,000 out of 121,200 (2014: 4,000 out of 113,200) shares in the Catholic National Mutual, a mutual insurance company incorporated in Guernsey. The net assets of the company at 30th September 2015, the date of the last available accounts, were £31 million (2014: £30 million) and the profit for the year ended on that date, after transfer to solvency reserves, was to break even (2014: £(1) million loss). The accounts for the year to 30th September 2016 are not expected to show amounts which are materially different.

The Diocese owns 1 share out of 9 issued and fully paid ordinary shares of Inter-Diocesan Fuel Management Ltd (IDFM). The net assets of the company at 31st March 2015, the date of the last available accounts, were £26 thousand (2014: £26 thousand). The result for the year was to break even (2014: £(3) thousand loss). IDFM was set up in conjunction with other Catholic dioceses in order to purchase electricity and gas for Diocesan properties more favourably. Creditors due after one year includes £1,390 thousand (2015: £1,390 thousand) due to IDFM. In addition to this, at 31st March 2016, long term assets include the amount of £1,432 thousand (2015: £1,432 thousand). This represents the payments made on account to IDFM by the Curia on behalf of the parishes and which are recoverable from IDFM. The amount due to IDFM at 31st March 2015 for fuel consumed but not yet charged is estimated at £100 thousand (2015: £100 thousand) and is included in the Parishes' Current Liabilities. The Company Secretary is a director of IDFM.

The Diocese is the sole member of Nottingham Roman Catholic Diocesan Education Service (NRCDES) a charitable company limited by guarantee, set up to take over its Diocese Education Service. Its directors are partly appointed by the Bishop and partly by the schools of the Diocese. Its results are accordingly not consolidated with those of the Diocese. As stated in note 3 a number of Directors of the Diocese are also directors of NRCDES.

16. Contingent Assets

The estimated value of legacies to which the Diocese will be entitled but which have not been included as Incoming resources at 31st March 2016 is £8 thousand (2015: £20 thousand).

Sales contracts have been entered into on behalf of parishes providing for overage in certain circumstances. A contract has been entered into providing for the sale of a chapel of ease, currently valued at £17 thousand, providing planning permission is achieved by the prospective purchaser, for £1.2 million.

17. Capital Commitments

Capital commitments at 31st March 2016 amounted to £1,053 thousand (2015: £607 thousand) in relation to building work in parishes.

18. Contingent Liabilities

a) The Diocese has provided indemnities to Lloyds Bank plc in order for it to accept cheques made out to a payee with a different name from that of the account in question and in relation to Telepay by which payments are made to members of staff.

b) In common with other organisations claims have been received from victims of abuse alleged to have taken place within the Diocese. Although these claims are technically out of time it has become the practice of the courts in recent years to waive time limits in these cases. Since historical insurance records going back to 1963 are not available it has not been possible for the Diocese to seek an indemnity from its insurers at the time of the alleged offences. Some insurance cover is available under the Diocese's current policies but should this be inadequate these claims may fall to be paid by the Diocese. Provision has been made in the accounts for the estimated costs of these claims to the Diocese after taking into account the available insurance cover. Should this provision be inadequate it is considered that the cost of these claims and related expenses can be met out of reserves.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2016 (continued)

19. Assets held as trustee

The Diocese holds the Poor Clares Convent at Bulwell, Nottingham as trustee although its beneficial ownership is uncertain. The value of this property is not included in these accounts.

The Diocese is the trustee of Nottingham Roman Catholic Diocesan Trustees, the former unincorporated trust, which remains in being to receive legacies which are passed on to the Diocese. This trust owns no assets beneficially.

The Diocese owns land at Crich with the Youth Service Trustees, occupied by them, costing £437 thousand in December 2011, in the proportion 75% Diocese and 25% Youth Service Trustees for which no rent is charged. The value of the land is included in Curia Investment Property in note 7.

The Diocese is the trustee of the Sick and Retired Priests Fund. Its results have been consolidated with those of the Diocese.

The Diocese owns the following properties, occupied by parishes, as trustee. The values of these properties are included with other parish owned property in note 6.

Permanent Endowment:

	Date of governing document
Alvaston Parish Hall	10th August 1906
Earl Shilton Presbytery	7th April 1920
Ilkeston Presbytery	25th June 1906
St Philip Neri Parish Hall, Mansfield	12th March 1937
Holy Souls Presbytery and Parish Hall, Scunthorpe	7th January 1920
St Hugh's Presbytery, Broadgate Lincoln	Not Known
Eastwood Presbytery	6th August 1907
Eastwood Parish Hall	6th August 1907
Good Shepherd Presbytery, Arnold	9th July 1923
Good Shepherd Parish Hall	9th July 1923
St Philip Neri Presbytery, Mansfield	28th April 1908
St Mary's Presbytery, Glossop	22nd January 1964
Hadfield Presbytery	23rd December 1925
Hadfield Parish Hall	23rd December 1925
Marple Bridge Presbytery	23rd December 1925
Marple Bridge Parish Hall	15th September 1921
Market Harborough Presbytery	4th March 1876
Market Harborough Parish Hall	4th March 1876
Ashby de la Zouch Presbytery	19th May 1917
Whitwick Presbytery	22nd September 1902
Osgodby Mass House	3rd September 1985
Spalding Church	20th July 1876 & 24th April 2002
St Mary's Presbytery, Loughborough	3rd November 1840

20. Pension schemes

The Diocese has two defined contribution pension schemes held in separately administered funds. One is for priests and one is an autoenrolment scheme for staff.

22. Related Party Transactions

There are no matters required to be reported other than as already shown in these accounts.