

DIOCESE OF MIDDLESBROUGH
CHARITY NUMBER: 233748

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025



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REFERENCE AND ADMINISTRATIVE DETAILS OF THE DIOCESE, ITS TRUSTEE AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2025

Trustee	Diocese of Middlesbrough Trustee

Directors and Officers of The Diocese of Middlesbrough Trustee:

The directors shown below have held office for the whole of the period from 1 January 2025 to the date of this report.

- Rt Rev Terence Patrick Drainey, Bishop of Middlesbrough
- Very Rev Mgr Canon G Robinson, Vicar General
- Mr J C Fleming
- Rev W Massie
- Mr P G Westmacott
- Dr T A Lyth
- Mrs B Hungin
- Mr C Leather

Changes in directors holding office are as follows:

- Mr N Mack (resigned 24 July 2025)
- Mr M E Taylor (appointed 2 September 2025)
- Rt Rev Terence Patrick Drainey, Bishop of Middlesbrough (resigned 9 January 2026)
- Rt Rev Marcus Stock, Bishop of Middlesbrough (appointed 9 January 2026)
- Mr A T McMillan (resigned 9 January 2026)

Charity registered number	233748
Principal office	Curial Offices 50a The Avenue Middlesbrough TS5 6QT
Financial Secretary	Rev P Warren
Independent auditors	Waltons Business Advisers Limited Harbour Walk The Marina Hartlepool TS24 0UX
Bankers	Barclays Bank PLC 5 St Ann's Street Quayside Newcastle upon Tyne NE1 3DX
Solicitors	Grays Solicitors Duncombe Place York YO1 2DX
Key Management Personnel:	
Chief Operating Officer:	Rev P Warren
Head of Finance:	Ms P Thomas
Director of Schools:	Mrs K Bailey



Trustee Report

TRUSTEE REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

The Trustee presents its report and accounts for the year ended 31 December 2025

CONSTITUTION AND AIMS

The Roman Catholic Diocese of Middlesbrough is governed by a Trust Deed dated 2 January 1928 and is registered under the Charities Act 1960 – No 233748. The sole Trustee of the Charity is a Trust Corporation, Diocese of Middlesbrough Trustee, company registration number 03482285, which was incorporated on 17 December 1997. The Charity is controlled by the Bishop who is assisted by up to ten directors of the Trust. The Bishop is empowered to appoint and dismiss all directors. Details of the Directors, acting as Trustees of the Charity, who served during the year, are given on page one.

The aims and objectives of the Trust are the "advancement or maintenance of the Roman Catholic Religion in the Roman Catholic Diocese of Middlesbrough".

OBJECTIVES AND ACTIVITIES

The aim of the Diocese is, in accordance with the objectives of the charity, the advancement of the Roman Catholic religion and education in the Diocese of Middlesbrough.

This advancement of the Roman Catholic religion is achieved, most effectively, when Catholics, inspired by faith, share the love of God with those around them, whether in their families, in the workplace, in schools or in the community.

The Diocese fulfils its purpose by offering religious and pastoral services, educational programmes and charitable support and assistance to all within its boundaries whether they be Catholics or belong to other religions or to none. This formation then enables the people of the Diocese to carry out the mission of the Church by reaching out to those in any form of need including refugees and asylum seekers and immigrants, to those who have alcohol or drug dependency, to the homeless and to the poor and by supporting food banks. Schools, too, have involvement in this outreach through the way in which they help to form responsible individuals going out into society and reflecting the love of God by putting their faith into action.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Diocese comprises sixty-eight parishes, five of which are served by the Benedictine Order, two by the Oratorians who have now formed their own charity, the York Oratory Trust, one by a Syro-Malabar priest, and two by the Oblates of The Virgin Mary. We also have priests from other dioceses and "Religious" priests administering in and working in fourteen parishes. In addition to this, we have University Chaplaincies in Hull and in York. We now have thirty-one diocesan priests in active ministry. We also have twenty-two priests who have retired from parish pastoral office. Sadly, three retired priests have died in the past year. A number of our retired priests provide supply assistance to resident priests. We now have eleven permanent deacons, boosted by four diaconal ordinations in 2025, working in various parishes of the Diocese and eight who have retired. Parishes aim to provide for the spiritual needs of people of all ages with special emphasis on the needs of the poor and disadvantaged and the sick. There is also great awareness of the plight of refugees and asylum seekers and much effort is expended on assisting those in this position.

We try to work in harmony with other Christian churches and people of all faiths as appropriate. Strongly supported by the Bishop, education in the faith is provided through our schools. There are forty-five primary schools and eight secondary schools all of which are now members of multi-academy trusts (MATs) and two independent schools operate in the Diocese. One of our academy schools serves jointly Catholics and Church of England pupils from the Richmond area.

The operation of the Charity is overseen by the Corporate Trustee. Directors of the Trustee are appointed by the Bishop. The Trustee Board normally meets seven times in the year under the Chairmanship of the Bishop. A number of Board committees provide advice and guidance to the Trustee Board on a range of matters relevant to the Charity. These normally meet in advance of each Board meeting so that the Trustee body can be made aware of any matters of significance. Currently, these committees and subcommittees are as follows:

Finance Advisory Committee: Following the recent resignation of a Trustee Board director, the committee is, currently, made up of two Trustee Board directors and a senior priest supported by officers and specialists. The committee meets seven times a year, in advance of the Trustee Board meeting, reviewing parish expenditure, and the Curia budget and, in addition, it deals with other matters of financial governance.

The Investment Subcommittee of the Trustee Board, which incorporates the Ethical Investment Committee: is made up of two Board directors, the Financial Secretary/COO, the newly appointed Head of Finance, a member of the Council of Priests (COP) and the Investment Manager. The subcommittee is led by one of those directors and it has a remit to review the make up of the portfolio in order to both ensure that the investments are appropriate for the needs of the Diocese and satisfy the principles of the Ethical Investment Policy. The role of the member of the COP is to ensure that the diocesan ethical stance is satisfied.

Safeguarding Subcommittee: This subcommittee is chaired by an independent person who has significant experience in child protection work. He is also a Trustee Board director. The subcommittee is made up of representatives of statutory authorities, diocesan clergy and another Director of the Trustee Board. The diocesan Safeguarding Co-ordinator attends the meetings of the subcommittee and reports to each Trustee Board meeting on the implementation of policies and procedures and any matters of concern.

Diocesan Historic Churches Commission (HCC): The HCC is chaired by a senior priest with representatives from various heritage bodies, specialists and Diocesan representatives. The Commission is charged with the task of ensuring that regular inspections are carried out and that any required work is carried out in an appropriate manner. It also requires that any work on the twenty-eight listed churches and chapels in the Diocese be not undertaken without its prior approval. The Commission has also taken into its care a number of churches which experts consider should be listed.

Sick and Retired Priests' Welfare Committee: This committee, chaired by the Episcopal Vicar for Clergy, is responsible for supporting the sick and aged priests of the Diocese and the approval of expenditure for their welfare. The Care and Welfare Consultant reports to the committee and her reports are integral to the operation of the committee. Membership comprises the Chair, two priests elected by the Diocesan priests, a priest retired from pastoral office, a deacon and laity appointed by the Bishop.

The Directors of the Trust are also the Diocesan Finance Committee required by Canon Law (Canon 492). Newly appointed Trustee Directors are briefed, initially, by the Company Secretary and receive copies of the Memorandum and Articles of Association, copies of the Charity Commission document on the responsibilities of Trustees and copies of Board minutes. There have been changes since the date of the last Trustee's Report with one director resigning for personal reasons and one new appointment.

The Chief Operating Officer continues to provide legal advice and act as Company Secretary in addition to having responsibility for the operations of the Curia. He has, recently, assumed the title of Financial Secretary following the impending retirement of the former Financial Secretary.

The recently appointed **Head of Finance**, with her staff, under the ultimate authority of the Bishop, is responsible for handling all financial and property matters.

The Bishop's Council, comprising the Vicar General and Episcopal Vicars with responsibility across the Diocese for aspects of a pastoral nature, together with the Chancellor, continues to advise and assist the Bishop in pastoral matters.

The Diocesan Gift Aid Officer, appointed at the start of 2025, works closely with parishes on financial matters, particularly Gift Aid, and provides support where needed. She also reviews Parish Financial Returns with outcomes from this work being critical to provision of information for audit purposes. In addition to this, she performs accounting functions in the Finance Department. In the short time that she has been with the Diocese, she has identified ways to improve the relationship between the Curia and the parishes.

The Fundraising Officer continues to meet periodically with representatives of parish Finance Committees and has become increasingly involved in fundraising activities across the Diocese, building relationships with funders and identifying potential sources of funding for parish projects. Cashless giving continues to develop and grow, with forty-seven devices now in place across parishes. The "My Parish, My Mission" stewardship initiative has also been introduced, encouraging parishioners to reflect on the life and mission of their parish and to become more actively involved in supporting its future.

Care and Welfare: The consultant dealing with welfare needs of priests has continued her work throughout the Diocese. This is a service very much appreciated and well used by priests.

REMUNERATION POLICY

The Trustee Board approves annual pay awards and job roles and remuneration are reviewed periodically. If, and when, significant roles change hands, benchmarking of rates is employed.

SUBSIDIARY COMPANY

The Diocese has a wholly owned subsidiary company, Diocesan Property Management Limited. The company was established to facilitate the management of building contracts for the Diocese and its sales are to the Diocese only. The company provides its services at cost and makes a minimal profit or loss. For the year ended 31 December 2025, the turnover of the company was £Nil (2024: £Nil) and its loss was £975 (2024: £891).

INVESTMENT POWERS AND POLICY

The Trust Deed, in conjunction with the Trustee Investment Act 1961 and the Memorandum and Articles of Association of the Trust Corporation, authorises the Trustee to make and hold investments using the general funds of the Diocese. The investment objective of the Trustee is that the real value of the assets should be maintained and enhanced over the long term and that the fund provides income to assist in the operational costs of the Diocese.

The Investment Manager manages the portfolio on a discretionary basis, with an emphasis on medium risk, and the Diocese and the Investment Manager meet periodically to review the portfolio and its performance. In the management of the portfolio the Investment Manager takes due account of the Diocesan Ethical Investment Policy and reports to the recently formed Investment Subcommittee. Dividend income has held up well during the year.

The asset mix we have in the portfolio served us well for a number of years and we continue to believe it will again, once the interest rate cycle peaks and turns lower. In the meantime, dividend flows are expected to be maintained, providing at least some comfort while capital values are depressed.

FINANCIAL REVIEW AND REVIEW OF THE YEAR

Reserves Policy

The Trustee Board has not determined a fixed amount of general reserves that are required but consider that the reserves need to be maintained at least at the present level in order to meet possible shortfalls in income and to be able to respond to requests for funding.



Emeritus Bishop John led our annual Pilgirmage to Lourdes. Photo by Durand, Lourdes.



The Ordination to the Diaconate of Douglas McKittrick, Tom Rolfe, Robert Colombari and James Nevison at St Mary's Cathedral on Saturday July 14. Photo by Scott Akoz.

PUBLIC BENEFIT, ACHIEVEMENTS AND PERFORMANCE

In preparing this report, the Directors of the Corporate Trustee confirm that they have complied with their duty in the Charities Act 2011 to have full regard to the public benefit guidance published by the Charity Commission's guidance in the exercise of their powers and duties.

The provision of public benefit provided by the Charity includes the provision of religious ceremonies (such as baptisms, weddings and funerals), maintaining religious burial grounds, celebrating public Masses and providing and maintaining places of worship. There is also a benefit to the general public since churches can be accessed, by people of all faiths and none, for personal spiritual contemplation. Parishes are, themselves, communities which contribute to the moral and spiritual wellbeing of those who attend, and, from these centres, educational, social and pastoral work is carried out as a practical expression of faith.

In supporting the parish endeavour, the Diocese has a number of agencies which provide central services. Details of this provision are shown below.

Youth Ministry

Father Phil Cunnah is the Curial lead in work with young people and takes a major role in the organisation of the Youth and Liturgy work of the diocesan pilgrimage to Lourdes. In addition to this work and the running of his parish, Father Phil has a national chaplaincy role.

Vocations

Full-Time Formation: Christopher Carling from Yarm, who is undertaking full-time formation at the Venerable English College in Rome, will soon begin an extended pastoral placement at St Charles in Hull from December to June. Meanwhile, another individual has spent the last six months exploring the priesthood alongside Canon Sheridan and is currently weighing up formal studies for next year, while two more people have recently come forward to express their interest in exploring a vocation.

Permanent diaconate: The permanent diaconate also continues to thrive with several men progressing through various stages of their formation. On 28th October, Mark Dias will receive the ministry of Acolyte ahead of his planned ordination next year, while Mark Good will receive the ministry of Lector at the same ceremony, with his ordination scheduled for the following year. The programme has also welcomed two new students this year, Dave Walker from Withernsea and Andrew Tulloch from Thirsk, while Jamie Hume and Giles Nightingale, both from York, are set to begin their studies next September.

Finally, following a request from Bishop Marcus to liaise with vocations directors and promoters from Leeds and Hallam, a highly productive meeting was held to establish new collaborative initiatives across the three dioceses, which will kick off this Advent with a pastoral letter from Bishop Marcus focused on vocations.

The Vicariate for Spirituality and Worship

The Vicariate oversees the work of the Diocesan Director of Music, The Diocesan Master of Ceremonies and the Historic churches Commission, which includes Diocesan Pilgrimages such as the annual pilgrimages to Lourdes and Walsingham.

In this work, the Vicariate encourages and supports autonomous work as necessary. Over the past year, the pace of the Vicariate in other matters has been dictated by the retirement of the Diocesan Adult Formation Director, who had assumed a significant portion of the practical work the Vicariate in various areas. The remit of the new Adult Formation Director has been reshaped. Their work will be overseen by the Episcopal Vicar for Christian Discipleship.

Much of the remaining work of the Vicariate for Spirituality and Worship is unchanged. The Council supports Extraordinary Ministers of Holy Communion and Ministers of the Word through initial and ongoing formation. Input at Deanery meetings reinforces the support provided. In October, the Diocese hosts an Inspiration Day for these ministers which is attended by approximately 400 people from across the Diocese.

In the Jubilee Year of 2025, the Vicariate is responsible for the Jubilee Pilgrimage to Rome made by around thirty-five official pilgrims, with other making their own way to Rome at the same time. Additionally, the Jubilee Cross was repositioned from the Lady Chapel to Cathedral for the Year. The Jubilee Pilgrimage Way, from the Cathedral to the Lady Chapel, has also been used by some, with many school groups utilising the final part of the Way during their annual summer pilgrimage days.

The work of the Historic Churches Commission has flourished with a well attended study day concerning the listed buildings in the Diocese and those with care of them. Oversight of these buildings is both supportive and comprehensive, thanks to a well constituted committee working under the leadership of Monsignor David Hogan.

The Vicariate recognises that these initiatives, and others that are beyond our current capacity, are an essential part of the evangelisation and outreach work of the Diocese.

Education

Nicholas Postgate Catholic Academy Trust (NPCAT) currently has an interim CEO in post until August 2026 following the resignation of the former CEO. The Board has appointed a new Chair and all members of the board have been appointed since June 2024. The interim CEO has experience of St Cuthbert's Roman Catholic Academy Trust (SCRCAT) in the south of the Diocese and the Board of SCRCAT is currently recruiting directors in order to ensure that it has a full complement of skills to govern effectively.

Throughout the Diocese, with the exception of one school, the quality of education is deemed to be good or better but all schools have strong leadership and management, behaviour and attitudes and personal development judgements. All schools, locally and nationally, face problems with SEND provision, budget constraints and recruitment and retention. The recruitment of practising Catholic leaders is an ongoing challenge that the Diocese works with the schools and Trusts to address.

Work of the Tribunal

The Ministry of the Tribunal is often a last resort when a marriage has completely broken down and has ended in a civil divorce. A declaration of nullity may be requested for a number of reasons. Most commonly, someone wants to enter into another union or is already in another union and wishes to regularise the situation in the eyes of the Catholic Church so that they may participate more fully in its life. These are difficult times and care and generosity are needed to guide them.

The Tribunal is also involved in processing cases concerning clergy in co-operation with the National Tribunal Service, established under the Catholic' Bishop's Conference of England and Wales, and the Holy See, with the Dicastery for the Doctrine of the Faith (DDF) and the Dicastery for Clergy.

Work of the Chancery

The main work of the Chancery is the processing of marriage papers, sometimes worldwide, for couples where the Catholic party, at least, is resident within the diocesan boundary. This work includes enabling marriages to take place legally (both civilly and canonically); ensuring that the property of the Church is correctly protected and administered on behalf of the people to whom it properly belongs. Other matters dealt with by the Chancery include advice to the Bishop on matters of public good and public order; liaising with outside agencies (both outside of the Church itself and within the Church but outside of the Diocese); enquiries from people regarding the status of themselves or their parishes/churches in Canon Law. In short, the Chancery works to ensure that the Church works properly on behalf of all its members.

Vicariate for Christian Discipleship

This Vicariate encompasses a number of elements including Adult Formation, Caritas, Bishop's Council for Marriage and Family Life, Justice and Peace, Hospitals, Prisons, Liaison for Catholic Fellowship and LGBTQ+ Ministry and it forms a link with the wider community beyond the bounds of the liturgical and spiritual life of the Diocese. A priest, working part-time, together with administrative support from the Curial Office, works with volunteers from the Diocese, upon whom much of the work depends, and encourages the various agencies.

In Marriage and Family Life, most of the volunteers who completed the Marriage Care Training Course resigned from the MFL Council due to the lack of uptake of this service by diocesan priests. They do, however, continue to offer marriage preparation through Marriage Care to any couple preparing for marriage who are directed to them by priests. A new Bishop's Council for Marriage and Family Life needs to be appointed.

One new development is the establishment of a John Paul II Fund (using resources from the sale of the former John Paul II Pastoral Centre in Middlesbrough). A small group administers this fund, making grants to support initiatives in the Middlesbrough and Redcar & Cleveland areas, for charities of any kind which are serving those in need, based on the principles of Catholic Social Teaching. The retirement of the Adult Formation Adviser means that the Diocese has to make a decision on the future of this position.

There are some good ecumenical links at local and diocesan level, though there is less interfaith contact.

Communications falls within the ambit of the Episcopal Vicariate for Stewardship and Administration. Work is performed by a part-time consultant whose duties include editing the monthly Catholic Voice newspaper, which is available free in all parishes, managing the website, running social media platforms and promoting the Diocese via local and national media. The consultant also assists with crisis management and responds to press queries in co-ordination with the Bishop, Chief Operating Officer and department heads.

Prison Chaplaincy

There are seven prisons within the Diocese of Middlesbrough covering the whole range of categories: local, remand, maximum security, women and young people. Each is served by a priest chaplain, or deacon or volunteer, of varying contracted hours to celebrate Mass and other sacraments and respond to the pastoral needs of prisoners as requested. Roman Catholic Chaplains also play their part as members of the multi-faith chaplaincy teams in each prison and contribute to the daily round of prison life in a variety of other ways as required by the Prison Service.

Roman Catholic Chaplains, like all Chaplains, receive regular training and development opportunities provided by the Prison Service.

Sick and Retired Priests

Care of our retired priests comes within the remit of the Vicariate for the Clergy. The local Deans still have an important part to play to make our retired priests feel that they remain involved in the life of the local church by attending Deanery conferences if possible as well as other spiritual and social gatherings.

The Retired Priests' Welfare Committee meets several times a year and the practical needs of each retired priest are discussed with the aim that their needs, from housing to healthcare, are met. The Diocese supports priests who have retired from active ministry by providing accommodation and financial assistance. Retired priests also have the services of our Care and Welfare Consultant.

Their independence is important to them as it is to us all. Our Care and Welfare Consultant, with her in depth knowledge of the needs of older people coming from her long professional career in nursing, visits our retired men to offer them advice and reassurance about any health issues they may have. It is clear that this is much appreciated and she has a deeper insight into these issues than might another priest.

Our active retired priests are a great help in their willingness to supply cover for holidays, illness etc.

Every year the Bishop meets with the retired priests to celebrate Mass together and then have lunch in a convivial and relaxed atmosphere.

The annual collection for the retired priests and generous bequests are vital to maintain them in a manner which offers them security after often more than fifty years of service to the people of the Diocese. A specific appeal was made throughout parishes in order to raise additional funds.

Safeguarding

The Bishop and Trustee Board of Directors are committed to safeguarding children and adults who may be at risk. Safeguarding is a standing item for every ordinary meeting of Trustee Directors, at which the Directors receive and discuss a report from the Safeguarding coordinator. The Safeguarding Sub Committee, formed in 2022 is chaired by Mr Andrew McMillan (Trustee Director) who has significant safeguarding knowledge and experience.

The Safeguarding Team consists of one part-time Safeguarding Coordinator, one full-time Deputy Safeguarding Coordinator and two part-time administrators. The Safeguarding Coordinators predominately manage allegations, low-level concerns and make timely referrals to statutory agencies when required. The team supports the parishes with safer recruitment which includes, but is not limited to, a Disclosure and Barring Service (DBS) check. The team arranges biennial safeguarding training for Clergy and Parish Safeguarding Representatives (PSR's). The team maintains strong relationships with the Curia, the wider Diocese, statutory agencies and other organisations in order to provide a safe environment.

In December 2023, the Catholic Safeguarding Standards Agency (CSSA) published its report following the audit which was undertaken in September of that year. The audit graded the Diocese of Middlesbrough as "having demonstrated Firm Progress toward meeting the safeguarding standards" and auditors reported that they "found evidence of a long-standing commitment to safeguarding that is promoted and modelled by senior leaders". The Diocese will be audited (now called an inspection) again in 2026.

Liturgy

We continue to place a great deal of emphasis on all our liturgies, as such we have a wonderful lay faithful who are involved in all aspects of the celebration of Mass. We have dedicated teams of ushers, welcomers, Ministers of the Word and Ministers of Holy Communion. Every year we have training sessions and inspirational days for all our lay faithful; they are an integral part of our Church. Once again, we had a wonderful study day for Ministers of Word and Holy Communion from around our Diocese and our thanks go out to all who assist in organising this, and other events.

The annual pilgrimages to Lourdes and Walsingham continue and provided opportunities for reflection and faith enhancement.

In each year we have some wonderful liturgies. Most notable of these continues to be the annual Chrism Mass, held at the Cathedral, which brings together the family of the Diocese. We aim to continue the high standards of liturgy throughout our Diocese for this coming year.

RISK ASSESSMENT

The Diocesan Trustee Board has assessed the major risks to which the Diocesan Trust is exposed, in particular, those related to the operation and finances of the Trust and is satisfied that the systems in place to mitigate our exposure to the major risks are operating effectively. The most significant risks identified were pastoral risks relating to parish life. The issue of the increasing burden on priests due to serving additional churches and communities was identified as significant. Other risks include declining Mass attendances, reducing numbers of priests in active ministry and the risk of failures in safeguarding matters. The Diocese addresses falling Mass attendance in a number of ways including Youth Mission. The Diocesan Vocations Director is active in seeking suitable candidates for ordination. In terms of safeguarding, the Diocese has a policy and parishes are monitored for compliance.

STATEMENT OF RESERVES

Total reserves at 31 December 2025 amounted to £64,892,484 (2024: £62,854,939) and this is made up of:

Parochial reserves £37,194,277 (2024: £38,223,335) which relate, principally, to the assets and activities of individual parishes, and

Curial reserves £27,698,207 (2024: £24,631,604). Of this £4,242,947 represents the balance on restricted items which is not available for general purposes. Included in that restricted total is £1,314,017 being the amount held in the Sick and Retired Priests' Welfare Fund. Details of the restricted funds are included in Note 24 to the accounts. Unrestricted funds amount to £23,454,547 of which £482,720 is, in essence, a fixed asset fund. The balance of this is in excess of the £3,126,248 held on behalf of parishes and is sufficient to permit the Trustee to continue in operation and to fulfil its obligations.

This year saw an increase in the valuation of investment properties of £1,614,470 and, an unrealised increase in the value of listed investments of £414,218.

Total reserves are £64,892,484 and of this free reserves are £3,221,517. However this does not include investments which could be sold if necessary and amount to £6,073,698. If these are included free reserves would be £9,295,215.



St Mary's Cathedral was packed for the Jubilee Mass for Bishop John and Bishop Terry. Photo by Chris Booth.

OUR BISHOPS



BISHOP EMERITUS TERRY

The Right Reverend Terence Patrick Drainey was born in Manchester on 1 August 1949.

He was ordained to the Sacred Priesthood on 12 July 1975 for the Diocese of Salford, where he served faithfully in a range of pastoral and diocesan roles. His commitment to priestly service and the life of the Church was recognised when he was appointed Bishop of Middlesbrough by Pope Benedict XVI on 17 November 2006. His Episcopal Ordination took place at St Mary's Cathedral, Middlesbrough on 25 January 2007, the Feast of the Conversion of St Paul.

In 2025, he celebrated the golden jubilee of his ordination to the sacred priesthood, alongside the Right Reverend John Patrick Crowley, Bishop Emeritus of Middlesbrough, who celebrated his diamond jubilee. This significant occasion was marked by a Mass of Thanksgiving at St Mary's Cathedral on Saturday 26 July.

The celebration was attended by several Catholic bishops, the Archbishop of York and hundreds of the faithful from across the diocese. This special event provided an opportunity to give thanks for the devoted leadership and longstanding service of both bishops emeriti to the life of the Diocese of Middlesbrough.

During his years as Bishop of Middlesbrough, Bishop Terry provided dedicated and steady pastoral leadership, guiding the diocese with care, humility, and a deep sense of faith. His resignation from episcopal office was accepted by the Holy Father, Pope Leo on Monday 22 December 2025, marking the conclusion of many years of devoted service. The diocese gives thanks for his faithful ministry, his tireless commitment to the clergy and the People of God entrusted to his care and his enduring contribution to the Church's life and mission in this region.

OUR BISHOPS



BISHOP MARCUS

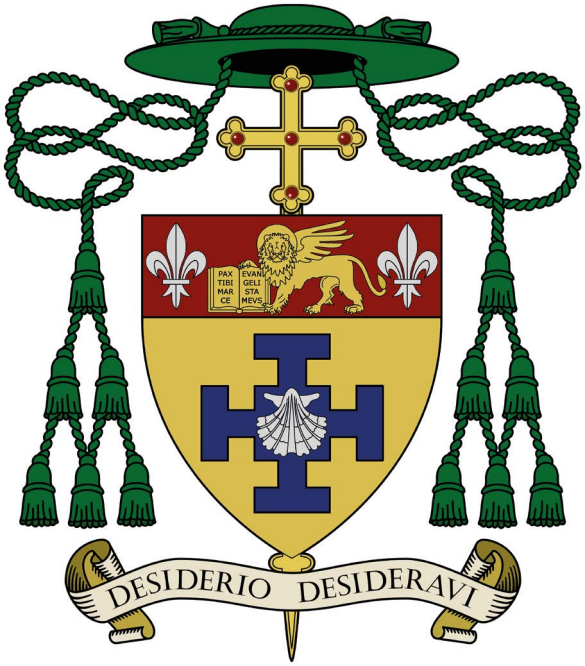
The Right Reverend Marcus Stock was born in London on 27 August 1961.

He was ordained to the Sacred Priesthood for the Archdiocese of Birmingham on 14 August 1988 and served in a variety of pastoral and diocesan roles. He later became General Secretary of the Catholic Bishops' Conference of England and Wales, contributing significantly to the life and administration of the Church at a national level.

He was appointed Bishop of Leeds by Pope Francis on 15 September 2014, and his Episcopal Ordination took place on 13 November 2014 at the Cathedral Church of St Anne. Bishop Marcus was appointed Apostolic Administrator of the Diocese of Middlesbrough on Monday 22 December 2025, and later as Apostolic Administrator of the Diocese of Hallam. In this ministry, he has been entrusted by the Holy Father, Pope Leo XIV, with undertaking a period of consultation, engaging prayerfully and listening attentively to the guidance of the Holy Spirit, to discern the possibility of reuniting the dioceses of Hallam, Leeds and Middlesbrough into a single diocesan family.

This process is rooted in the Church's history in this region, recalling that these dioceses were once united within the Diocese of Beverley, and invites a renewed reflection on how best to serve the faithful today.

Looking to the future, this discernment calls for a spirit of collaboration and shared responsibility across the dioceses, ensuring that the Church is well equipped to carry forward her mission of proclaiming the Gospel of Our Lord Jesus Christ. This mission, given by Christ himself – "Go and make disciples of all nations" – remains at the heart of all our pastoral activity. Any potential reunification would seek to strengthen existing structures, enabling the Church to fulfil her mission more effectively and to respond with renewed vitality to the spiritual needs of the communities we serve.



THE BUILT ENVIRONMENT

ESTATES

The Diocese of Middlesbrough Trustee holds more than 400 properties in its portfolio, 272 of which are parish property. Of these 272 properties, 52 are non-listed churches and 29 listed churches.

There are 52 schools, all of which have converted to academies and are managed by two multi-academy trusts. The Curia commercial investment properties amount to 73 units.

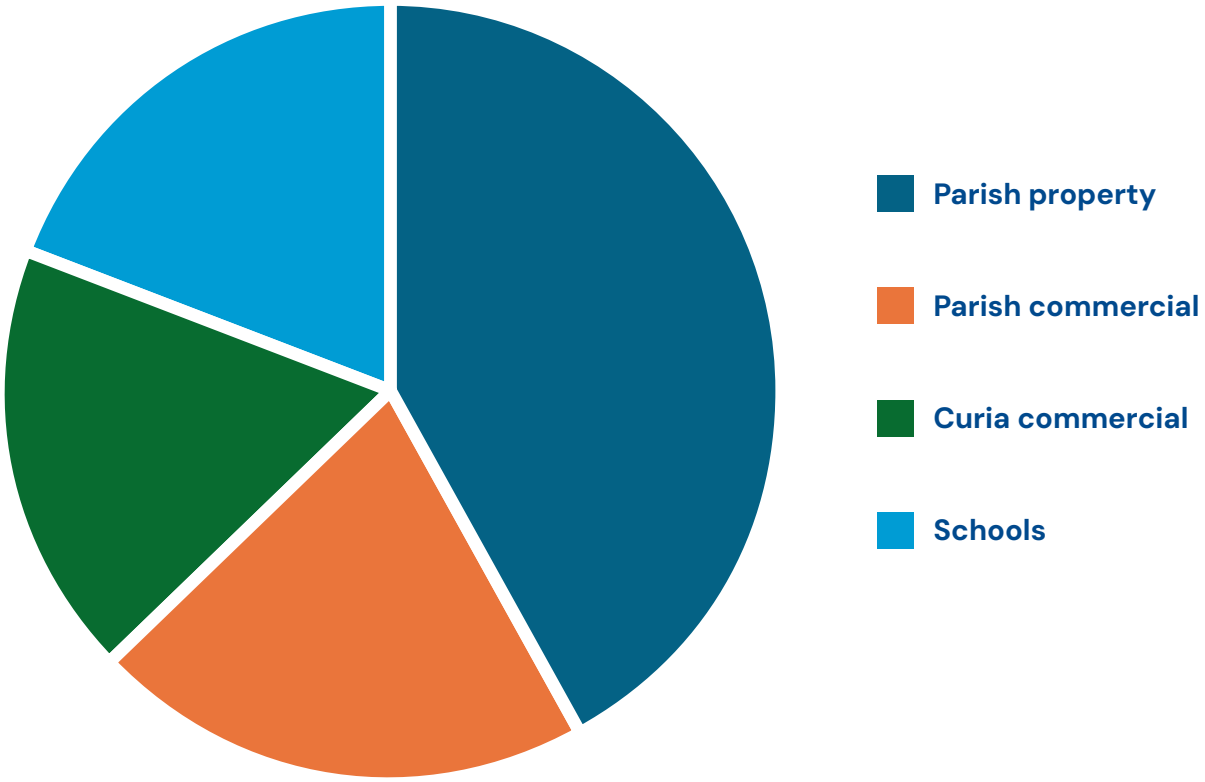
During 2025, a substantial amount of capital has been invested into More House; the University of York Chaplaincy, to convert the two-storey priest's accommodation into a house in multiple occupation for students.

One bungalow was purchased during 2025 and one house was bequeathed. The bungalow was purchased with the intent of using it as retired priest's accommodation.

One house was sold, the proceeds of which were used to offset the purchase of the bishop's retirement bungalow.

2026 will see the start of the restoration of St Charles Borromeo, a Grade I listed church in Kingston upon Hull, and major capital works to St Mary's Cathedral, the baseline work having been completed in 2025.

Estate Distribution

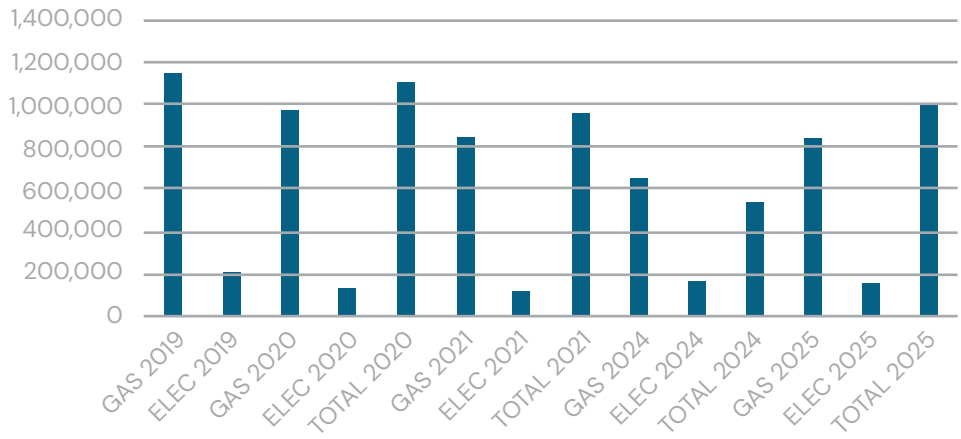


Decarbonisation programme

The baseline referred to in the table is energy consumption in 2019. Carbon reporting is Scope 1, restricted to utility usage of diocese-controlled properties only (therefore excluding schools and rented properties).

Parish energy audits were completed during 2025 and interventions to reduce energy consumption are considered with every repair, replacement or restoration, as well as every major capital project. Interventions have included simple installations, such as cavity wall and loft insulation and hydrogen-ready, energy-efficient boiler replacements, as well as the installation of solar panels, resulting in an overall 26% reduction in CO2 emissions (Note: electricity consumption figures used are 2024 figures, as we await 2025 figures from IFM).

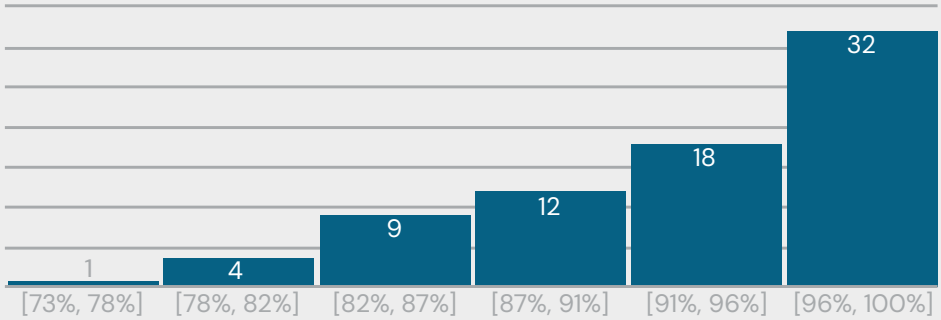
Kg CO^2 emissions – year-on-year comparison



Health and Safety

The year 2025 saw the completion of Business Continuity and Terrorism Preparedness plans (under Martyn's Law) in all parishes. The annual compliance audits in each parish for 2025 were outstanding, with a minimum compliance score of 73%. This reflects the level of commitment from the parishes. By comparison, the lowest score in 2022, when audit scoring began, was 23% compliant.

Safety Management System
Audit scores 2025



Fundraising

The Fundraising Department continues to support parishes across the diocese in strengthening financial sustainability, developing stewardship and securing external funding to support mission, ministry and church buildings.

A major achievement during 2025 was the launch of My Parish, My Mission, a stewardship programme encouraging greater engagement through prayer, participation, volunteering and financial support. Piloted in several parishes, the programme generated increases in regular giving, Gift Aid participation, standing orders and volunteer involvement. Following its success, a wider diocesan rollout is planned.

The diocese also continued to expand its digital giving programme, helping parishes adapt to changing giving habits while providing parishioners with greater flexibility in how they support their local church. Additional contactless giving devices, QR codes and online giving pages were introduced across the diocese, with digital giving now representing an important and growing source of parish income.





Throughout the year, the department worked closely with parishes to secure grant funding for church repairs, community facilities, accessibility improvements, environmental initiatives and heritage conservation projects. Funding was obtained from a range of charitable trusts, foundations and public grant programmes, enabling parishes to undertake projects that might otherwise have been beyond their means.

Looking ahead, priorities include the continued expansion of My Parish, My Mission, further growth in digital giving, the introduction of legacy giving resources and new approaches to parish second collections.

We remain grateful to the clergy, parish finance committees, volunteers, donors and supporters whose generosity and commitment continue to strengthen parish life and support the Church's mission throughout the diocese.



St Mary's Cathedral, Middlesbrough

In 2023, Bishop Terry asked if a cultural programme might be established at the cathedral. Since then, an annual programme of cultural events and educational visits has slowly taken shape.

The central idea is to encourage greater use of, and ownership of, St Mary's Cathedral. As a place of worship, it rightly takes centre stage in the Diocese of Middlesbrough. It is also an iconic building on the Middlesbrough skyline, part of the town's heritage alongside other historic buildings.

Bishop Augustine Harris believed the design of the church ensured that it was *"a Cathedral for the People"*. Our extended programme of use ensures that the Catholic community actively welcomes others to its mother church.

Canon Paul Farrer
Cathedral Dean

SOME HIGHLIGHTS FROM OUR 2025 PROGRAMME

- Simon and Garfunkel Through the Years
- Brodsky Quartet
- Built on the Songs of the Tees
- The New Eden Consort Choir
- Come and Sing Fauré Requiem
- Newcastle University Chamber Choir
- Rocking in The Aisles
- Christmas at the Cathedral with Cantabilé
- The Christmas Orchestra
- Amelia Coburn in Concert

Adult Formation

Throughout the year, the work of Adult Formation has focused on creating accessible opportunities for growth in faith, strengthening catechetical formation, encouraging prayer and supporting the diocese's mission to form missionary disciples.

We welcomed our new Adult Faith Formation Coordinator in 2025. Initially, priority was given to building relationships across the diocese through attendance at deanery meetings, visits to religious communities and meetings with those already involved in formation ministry. Connections were also established with colleagues in similar roles in other dioceses to share good practice and explore opportunities for collaboration.

New Adult Formation social media accounts were established on Facebook and Instagram, providing a regular online presence for formation and evangelisation. Weekly features, including Monday Prayer Prompt and Wednesday Wisdom, were introduced to encourage engagement with prayer and faith formation. A series of Advent reflections was also produced and distributed to parishes, as well as shared through social media channels.

With the assistance of Father James Benfield, the Adult Formation website underwent a significant review and redevelopment. Outdated content was removed and new pages were created to support prayer, promote formation opportunities and host podcast resources.

Regular contributions were also made to the diocese's Catholic Voice newspaper, with monthly articles addressing a variety of themes related to adult faith formation, discipleship and spiritual growth.

A diocesan reflection day for catechists was organised in early 2026 and attracted 52 participants from across the diocese. Feedback from attendees was overwhelmingly positive and highlighted the need for further formation and support opportunities. As a result, two new Catechist Formation Pathways were developed. Pathway 1 launched in May, with 60 participants enrolled, while Pathway 2 began in September.

During Lent, the Adult Formation team launched the podcast, Journey to Easter. Recorded in collaboration with Father Phil Cunnah and Dr Emma Morrison, the six-part series was made available through Spotify, Apple Podcasts, Amazon Music, and the Adult Formation website. The podcast sought to accompany listeners throughout the season of Lent with reflection, discussion and encouragement in faith.

THE STATEMENT OF TRUSTEE'S RESPONSIBILITIES

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

The law applicable to charities in England and 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:

(a) select suitable accounting policies and then apply them consistently;

(b) observe the methods and principles in the Charities SORP;

(c) make judgements and estimates that are reasonable and prudent;

(d) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

(e) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Diocese will continue in operation.

In accordance with charities legislation, the Trustee is responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the Diocese and enable it 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 2 January 1928. The Trustee is also responsible for safeguarding the assets of the Diocese and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustee and signed on their behalf by:



Rt Rev Marcus Stock
Bishop of Middlesbrough
Diocese of Middlesbrough Trustee

Date: 14 October 2026



INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH

UNQUALIFIED OPINION

We have audited the financial statements of Diocese of Middlesbrough (the 'charity') for the year ended 31 December 2025 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards 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 been withdrawn.

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2025 and of its incoming resources and application of resources 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 International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH

OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustee are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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

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

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

RESPONSIBILITIES OF TRUSTEE

As explained more fully in the Trustees' responsibilities statement, the Trustee is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- Obtained an understanding of the nature of the sector, including the legal and regularity framework that the Diocese operates in and how they are complying with the legal and regularity framework,
- Inquired of management and those charged with governance about their own identification and assessment of the risks of irregularities including any known, actual, suspected or alleged instances of fraud,
- Discussed matters about non compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements might be susceptible to fraud.

As a result of these procedures we considered the most significant laws and regulations which have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), and the Diocese' governing document. We performed audit procedures to detect non compliance which may have a material impact on the financial statements which included reviewing the financial statements including the Trustee's report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. We designed audit procedures to respond to the risk, 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 or intentional misrepresentations, or through collusion.

Audit procedures performed included, but were not limited to:

- testing manual journal entries and other adjustments
- evaluating the business rationale in relation to significant or unusual transactions and transactions entered into outside the normal course of business
- challenging judgments and estimates
- reviewing income transactions around the year end to look for potential "window dressing".

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/auditorsresponsibilities. This description forms part of our Auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF DIOCESE OF MIDDLESBROUGH

USE OF OUR REPORT

This report is made solely to the Charity's Trustee in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 and its Trustee for our audit work, for this report, or for the opinions we have formed.

Waltons Business Advisers Limited

Waltons Business Advisers Limited

Harbour Walk

The Marina

Hartlepool

TS24 0UX

Date: 29th October 2026

Waltons Business Advisers Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.



Financial Statements and Notes to the Accounts

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025	*Total funds 2024*
INCOME FROM:					
Donations and legacies	4	3,075,751	544,461	3,620,212	*3,343,433*
Charitable activities	5	415,522	-	415,522	*452,005*
Other trading activities	6	381,549	85,181	466,730	*399,907*
Investments	7	2,433,186	12,001	2,445,187	*2,273,805*
Other income	8	117,245	21,650	138,895	*370,926*
TOTAL INCOME		6,423,253	663,293	7,086,546	*6,840,076*
EXPENDITURE ON:					
Raising funds	9	58,103	127,665	185,768	*133,288*
Charitable activities	10	6,617,978	418,322	7,036,300	*6,453,532*
TOTAL EXPENDITURE		6,676,081	545,987	7,222,068	*6,586,820*
NET (EXPENDITURE)/INCOME BEFORE NET GAINS ON INVESTMENTS		(252,828)	117,306	(135,522)	*253,256*
Net gains on investments		2,160,130	12,937	2,173,067	*1,888,655*
NET INCOME		1,907,302	130,243	2,037,545	*2,141,911*
Transfers between funds	24	(20,278)	20,278	-	-
NET MOVEMENT IN FUNDS		1,887,024	150,521	2,037,545	*2,141,911*
RECONCILIATION OF FUNDS:					
Total funds brought forward		58,049,966	4,804,973	62,854,939	*60,713,028*
Net movement in funds		1,887,024	150,521	2,037,545	*2,141,911*
TOTAL FUNDS CARRIED FORWARD		59,936,990	4,955,494	64,892,484	*62,854,939*

The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 30 to 57 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2025

	Note	2025 £	*2024 £*
FIXED ASSETS			
Tangible assets	16	9,194,947	*9,966,938*
Investments	19	6,073,698	*5,808,059*
Investment property	18	41,814,062	*39,438,773*
		57,082,707	*55,213,770*
CURRENT ASSETS			
Debtors due after more than 1 year	20	690,843	*689,147*
Debtors due within 1 year	20	225,857	*347,180*
Investments	21	4,461,573	*4,294,917*
Cash at bank and in hand		15,309,731	*16,742,468*
		20,688,004	*22,073,712*
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	22	(12,510,993)	*(14,037,359)*
NET CURRENT ASSETS		8,177,011	*8,036,353*
TOTAL ASSETS LESS CURRENT LIABILITIES		65,259,718	*63,250,123*
Creditors: amounts falling due after more than one year	23	(367,234)	*(395,184)*
TOTAL NET ASSETS		64,892,484	*62,854,939*
CHARITY FUNDS			
Restricted funds	24	4,955,494	*4,804,973*
Unrestricted funds			
Designated funds	24	1,235,930	*1,239,411*
General funds	24	58,701,060	*56,810,555*
Total unrestricted funds	24	59,936,990	*58,049,966*
TOTAL FUNDS		64,892,484	*62,854,939*

BALANCE SHEET
AS AT 31 DECEMBER 2025

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:



Rt Rev Marcus Stock

Bishop of Middlesbrough

Diocese of Middlesbrough Trustee

Date: 14 October 2026

The notes on pages 30 to 57 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 £	*2024* *£*
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities	(2,441,761)	*(1,797,333)*
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interests and rents from investments	2,445,187	*2,273,805*
Proceeds from the sale of tangible fixed assets	385,183	*365,000*
Purchase of tangible fixed assets	(116,253)	*(10,020)*
Proceeds from sale of investments	897,336	*3,636,933*
Purchase of investments	(1,083,552)	*(562,755)*
NET CASH PROVIDED BY INVESTING ACTIVITIES	2,527,901	*5,702,963*
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowing	(427,950)	*(127,951)*
NET CASH USED IN FINANCING ACTIVITIES	(427,950)	*(127,951)*
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	(341,810)	*3,777,679*
Cash and cash equivalents at the beginning of the year	10,237,626	*6,459,947*
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9,895,816	*10,237,626*

The notes on pages 30 to 57 form part of these financial statements

1. GENERAL INFORMATION

The Roman Catholic Diocese of Middlesbrough is governed by a Trust Deed dated 2 January 1928 and is registered with the Charity Commission of England and Wales (No 233748). The sole Trustee of the charity is a Trust Corporation which was incorporated on 17 December 1997.

The registered office address is:

Curial Offices
50a The Avenue
Middlesbrough
TS5 6QT

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Diocese of Middlesbrough 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.

2.2 Going concern

The financial statements are prepared on a going concern basis and the Trustee considers that there are no material uncertainties about the Diocese's ability to continue as a going concern.

2.3 Subsidiary company

All of the turnover of the Diocese's wholly-owned subsidiary, Diocesan Property Management Limited, represents sales of building construction to the Diocese. The subsidiary has no material net assets or liabilities. There is no significant difference between the Statement of Financial Activities and the Balance Sheet of the Diocese, as presented, and the consolidated group figures, and accordingly the subsidiary has not been consolidated within these financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Diocese has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Diocese, can be reliably measured.

In the event that a donation is subject to conditions which require a level of performance before the Diocese is entitled to the funds, the income is deferred and not recognised until those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Diocese and it is probable that those conditions will be fulfilled in the reporting period. Collections and Fundraising income are recognised on receipt.

Investment income is credited to income when it is receivable and the amount can be measured reliably by the Diocese; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the Diocese to raise funds for its charitable purposes and includes costs of all fundraising activities events and non charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Diocese's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 Tangible fixed assets and depreciation Freehold land and buildings

Churches, Presbyteries, Halls and Offices etc

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

Buildings 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 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 renovation or improvements for the following period:

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

Depreciation rates are calculated using the age of the building and its expected useful life.
If a property is empty and subsequently to be sold then it will be valued in line with expected sale proceeds as soon as a reasonable offer of purchase has been made.

Details and addresses of the Diocesan churches and other buildings can be found in the Diocesan Yearbook.

Voluntary Aided Schools and Academies
Land

The Diocese owns the land on which its Voluntary Aided Schools and Academies are built. The nature of the occupation of the land by these exempt and excepted charities means that the Diocesan 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 and the Secretary of State. The Diocesan Trustee considers its ownership to be in the nature of custodianship of the assets and therefore these are not capitalised in the financial statements. The cost of any land acquired for the purposes of a Voluntary Aided School or Academy is charged to the Statement of Financial Activity in the year of acquisition.
If a school is empty and subsequently the land is to be sold then it will be valued in line with expected sale proceeds as soon as a reasonable offer of purchase has been made.

Buildings

The School buildings are occupied, extended and repaired by the school governors. The nature of the occupation of these buildings by these exempt and excepted charities means that the Diocesan 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. Any proceeds of sale would be subject to clawback by the Secretary of State of any related grant aid provided. The Diocesan Trustee considers its ownership to be in the nature of custodianship of the assets and therefore these are not capitalised in the financial statements. The school governors account for the building, improvement and repair costs of the schools less any grants received in respect of these costs.

2. ACCOUNTING POLICIES (CONTINUED)

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

2.7 Tangible fixed assets and depreciation other assets

Fixtures, Fittings and Equipment

Fixtures, Fittings and Equipment which were in use at 31 December 1995 and which had a current replacement cost exceeding £1,000, have been capitalised and included in the financial statements at an estimate of their Historic cost (or in the case of donated assets, at an estimate of the value at the date of acquisition). Subsequent acquisitions with a cost (or in the case of donated assets, estimated value) of over £1,000 are capitalised on the same basis. They are depreciated at rates calculated to write off the cost or valuation, less the estimated residual value, of each asset evenly over its expected useful life as follows:

• Church Furniture	25 to 200 years
• Office Equipment	3 to 5 years
• Parish Hall Equipment	20 years

Contents of presbyteries are not included in the financial statements.

Works of Art and Historic Treasures

The Diocese owns several individual Works of Art and Historic Treasures and Plate. The items have extraordinarily long lives and are worth preserving perpetually. The collection is not recognised in the Balance Sheet because details of the cost of these items are not available and the cost to the Diocese of obtaining valuations would exceed the benefit arising from doing so.

Motor Vehicles

Motor Vehicles have been capitalised and included in the financial statements at an estimate of their Historic cost (or in the case of donated assets, at an estimate of the value at the date of acquisition), and are depreciated at rates calculated to write off the cost or valuation, less the estimated residual value of each asset, over its expected useful life as follows:

• Motor Cars	25% Reducing Balance

2. ACCOUNTING POLICIES (CONTINUED)

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries and associates are valued at cost less provision for impairment.

Investment properties are shown at the Trustees' best estimate of market value which reflects the annual movement on the house price index for the Diocesan geographical location and other known circumstances. All changes in value during the year are reported in "Gains and Losses on Revaluation and Investment Asset Disposals" section of the Statement of Financial Activities.

Current asset investments are designated as such as they are highly liquid and the Diocese has specified that they be made readily available to convert to cash within a short-term notice period of no longer than 6 months.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Diocese anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.12 Financial instruments

The Diocese only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. ACCOUNTING POLICIES (CONTINUED)

2.13 Pensions

The Diocese contributes 6% of gross salary to a group personal pension scheme for staff who elect to join. The scheme is a defined contributions scheme and the pension charge represents the amounts payable by the Diocese to the fund in respect of the year.

Eligible teachers and former teachers subscribe to the Teacher's Pension Scheme (TPS) superannuation scheme which is a defined benefits scheme. The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Diocese in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multiemployer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Diocese and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Diocese for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Diocese makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimate and assumption that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below.

The Trustee has made the decision not to commission an external valuer to value Investment property. Instead the Investment property is revalued annually using the UK House Price Index Summary prepared by the ONS. The Diocese has properties in both the North East and York regions and therefore uses these values to inform the current year revaluation. To December 2025 the average house price increase across the North East and Yorkshire and the Humber was 3.3%. The Trustee believes the location of many of the properties makes this increase too high and an annual increase of 1.7% has been applied to all investment property in line with the national average for the whole of England as the Trustee believed this to be more representative of the portfolio.

Had property not been revalued it would be included at historic cost and this is disclosed in note 18.

4. INCOME FROM DONATIONS AND LEGACIES

	Parochial Unrestricted Funds £	Parochial Restricted Funds £	Curial Unrestricted Funds £	Curial Restricted Funds £	Total	Total 2024
Donations	2,782,590	207,339	69,754	29,506	3,089,189	*2,995,757*
Legacies	99,272	48,716	124,135	258,900	531,023	*347,676*
Total 2025	2,881,862	256,055	193,889	288,406	3,620,212	*3,343,433*
Total 2024	2,866,614	318,769	85,358	72,692	3,343,433	–

5. INCOME FROM CHARITABLE ACTIVITIES

	Parochial Unrestricted Funds £	Curial Unrestricted Funds £	Total	Total 2024
School Service Contribution	–	261,936	261,936	*264,725*
Stipends	153,586	–	153,586	*187,280*
Total 2025	153,586	261,936	415,522	*452,005*
Total 2024	187,280	264,725	452,005	–

6. INCOME FROM FUNDRAISING ACTIVITIES

	Parochial Unrestricted Funds £	Curial Unrestricted Funds £	Total	Total 2024
Fundraising	268,769	85,181	353,950	*290,664*
Papers, candles & piety stalls	112,780	–	112,780	*109,243*
Total 2025	381,549	85,181	466,730	*399,907*
Total 2024	330,333	69,574	399,907	–

7. INVESTMENT INCOME

	Parochial Unrestricted Funds £	Curial Unrestricted Funds £	Curial Restricted Funds £	Total	Total 2024
Rents and hire fees	769,045	750,456	9,540	1,529,041	*1,347,021*
Investment income	–	497,663	2,461	500,124	*540,852*
Bank interest received	103,999	312,023	–	416,022	*385,932*
Total 2025	873,044	1,560,142	12,001	2,445,187	*2,273,805*
Total 2024	778,327	1,463,330	32,148	2,273,805	–

8. OTHER INCOMING RESOURCES

	Parochial Unrestricted Funds £	Curial Unrestricted Funds £	Curial Restricted Funds £	Total	Total 2024
Gain/ (loss) on sale of fixed assets	–	–	–	–	*253,181*
Other income	102,904	14,341	21,650	138,895	*117,745*
Total 2025	102,904	14,341	21,650	138,895	*370,926*
Total 2024	302,426	48,500	20,000	370,926	–

9. RAISING FUNDS

	Parochial Unrestricted Funds £	Curial Restricted Funds £	Total	Total 2024
Raising funds	58,103	127,665	185,768	133,288
Total 2025	58,103	127,665	185,768	133,288
Total 2024	45,413	87,875	133,288	–

10. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2025	Total 2024
Parochial	4,329,131	164,294	4,493,425	*4,032,819*
Curial	2,288,847	254,028	2,542,875	*2,420,713*
	6,617,978	418,322	7,036,300	*6,453,532*
Total 2024	6,010,743	442,789	6,453,532	

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2025	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Parochial	4,329,131	164,294	4,493,425	*4,032,819*
Curial	2,288,847	254,028	2,542,875	*2,420,713*
	6,617,978	418,322	7,036,300	*6,453,532*
Total 2024	6,010,743	442,789	6,453,532	

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

	Parochial 2025 £	Curial 2025 £	Total funds 2025 £	Total funds 2024 £
Staff costs	-	626,702	626,702	*612,792*
Depreciation	146,847	43,807	190,654	*184,168*
Repairs, Maintenance & Upkeep of properties	1,303,982	269,049	1,573,031	*1,396,994*
Establishment costs	1,139,842	-	1,139,842	*1,080,521*
Administration	399,567	-	399,567	*375,990*
Domestic	195,511	-	195,511	*193,656*
Motor and travel	102,010	-	102,010	*130,393*
General Church expenses	204,886	-	204,886	*245,621*
Bishop & Clergy Support	-	290,099	290,099	*208,619*
Schools	-	47,894	47,894	*51,040*
Donations	250,705	12,647	263,352	*93,185*
Special collections	121,035	-	121,035	*178,784*
Sundries	16,376	-	16,376	*11,379*
Priest training	-	65,306	65,306	*23,693*
Youth Service	-	13,428	13,428	*7,257*
Services to Parishes & Chaplaincies	612,664	184,225	796,889	*709,277*
Retired Priest Welfare fund	-	205,138	205,138	*226,837*
Justice & Peace	-	3,000	3,000	*3,000*
National assessments	-	25,976	25,976	*25,976*
Finance charges	-	59,878	59,878	*94,712*
Governance costs	-	82,053	82,053	*84,418*
Diocesan events	-	270	270	*187*
	4,493,425	1,929,472	6,422,897	*5,938,499*
Total 2024	*4,032,819*	*1,905,680*	*5,938,499*	

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)
ANALYSIS OF SUPPORT COSTS

	Curial 2025 £	Total funds 2025 £	Total funds 2024 £
Staff costs	446,681	446,681	*394,841*
Establishment costs	45,312	45,312	*34,583*
Administration	47,526	47,526	*26,196*
Motor and travel	15,472	15,472	*14,810*
Bishop & Clergy Support	58,412	58,412	*44,603*
	613,403	613,403	*515,033*

12. AUDITORS' REMUNERATION

	2025 £	2024 £
Fees payable to the Diocese's auditor for the audit of the Diocese's annual financial statements	20,100	*19,100*
Fees payable to the Diocese's auditor in respect of:		
Accountancy and taxation advice	5,450	*5,200*

13. STAFF COSTS

	2025 £	2024 £
Wages and salaries	876,252	*842,153*
Social security costs	97,027	*81,362*
Contribution to defined contribution pension schemes	100,104	*84,118*
	1,073,383	*1,007,633*

13. STAFF COSTS (CONTINUED)

	2025 No.	2024 No.
Curial employees	26	*25*

The number of employees whose employee benefits (excluding employer NI) exceeded £60,000 was:

	2025 No.	2024 No.
In the band £60,001 £70,000	-	*1*
In the band £80,001 £90,000	-	*2*
In the band £90,001 £100,000	2	-
In the band £100,001 £110,000	1	*1*

Total remuneration to key management personnel in the year (including pension and employers NI) was £289,725 (2024 £291,676).

14. TRUSTEE'S REMUNERATION AND EXPENSES

During the year, no Trustee received any remuneration or other benefits *(2024 £NIL)*.

During the year ended 31 December 2025, no Trustee expenses have been incurred *(2024 £NIL)*.

15. NET GAINS/LOSSES ON INVESTMENTS

	Parochial Unrestricted Funds £	Curial Unrestricted Funds £	Curial Restricted Funds £	Total	Total 2024
Realised gains	(34,478)	107,364	-	72,886	121,304
Unrealised gains	320,319	1,766,925	12,937	2,100,181	1,767,351
Total 2025	285,841	1,874,289	12,937	2,173,067	1,888,655
Total 2024	1,224,804	663,851	-	1,888,655	-

16. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 January 2025	14,548,011	67,958	810,636	108,240	15,534,845
Additions	99,194	10,850	-	6,209	116,253
Disposals	(326,867)	(35,276)	-	-	(362,143)
Transfer to investment property	(370,066)	-	-	-	(370,066)
At 31 December 2025	13,950,272	43,532	810,636	114,449	14,918,889
Depreciation					
At 1 January 2025	5,019,151	40,633	421,503	86,620	5,567,907
Charge for the year	151,798	10,288	9,612	10,058	181,756
On disposals	-	(25,721)	-	-	(25,721)
At 31 December 2025	5,170,949	25,200	431,115	96,678	5,723,942
Net book value					
At 31 December 2025	8,779,323	18,332	379,521	17,771	9,194,947
At 31 December 2024	*9,528,860*	*27,325*	*389,133*	*21,620*	*9,966,938*

17. TANGIBLE FIXED ASSET SPLIT

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office Equipment £	Total £
Curial					
Cost					
At 1 January 2025	1,445,040	67,958	-	108,240	1,621,238
Additions	99,194	10,850	-	6,209	116,253
Disposals	(326,867)	(35,276)	-	-	(362,143)
Transfer to investment property	(370,066)	-	-	-	(370,066)
At 31 December 2025	847,301	43,532	-	114,449	1,005,282
Depreciation					
At 1 January 2025	386,121	40,633	-	86,620	513,374
Charge for year	14,563	10,288	-	10,058	34,909
On disposals	-	(25,721)	-	-	(25,721)
At 31 December 2025	400,684	25,200	-	96,678	522,562
Net book value					
At 31 December 2025	446,617	18,332	-	17,771	482,720
At 1 January 2025	1,058,919	27,325	-	21,620	1,107,864
Parochial					
Cost					
At 1 January 2025	13,102,971	-	810,636	-	13,913,607
At 31 December 2025	13,102,971	-	810,636	-	13,913,607
Depreciation					
At 1 January 2025	4,633,030	-	421,503	-	5,054,53
Charge for year	137,235	-	9,612	-	146,847
At 31 December 2025	4,770,265	-	431,115	-	5,201,380
Net book value					
At 31 December 2025	8,332,706	-	379,521	-	8,712,227
At 1 January 2025	8,469,941	-	389,133	-	8,859,074
Total 2025	8,779,323	18,332	379,521	17,771	9,194,947
Total 2024	9,528,860	27,325	389,133	21,620	9,966,938

18. INVESTMENT PROPERTY

Valuation	Parochial £	Curial £	Total £
At 1 January 2025	20,166,831	19,271,942	39,438,773
Additions	29,361	395,870	425,231
Disposals	(34,478)	-	(34,478)
Revaluation	320,319	1,294,151	1,614,470
Transfer from fixed assets	-	370,066	370,066
At 31 December 2025	20,482,033	21,332,029	41,814,062

As explained in the accounting policies investment properties are shown at the Trustees' best estimate of market value which reflects the annual movement on the house price index for the Diocesan geographical location and other known circumstances.

There are no restrictions on the ability to realise investment property or on the remittance of income or proceeds on disposal.

The historical cost of investment property (Curial) on 31 December 2025 was £12,422,009 (2024: £11,932,582). See also note 25.

19. FIXED ASSET INVESTMENTS CURIAL

Cost or valuation	Investments in subsidiary companies £	Investments in associates £	Listed investments £	Unlisted investments £	Total £
At 1 January 2025	2	4,000	5,621,365	182,692	5,808,059
Additions	-	-	491,373	607,540	1,098,913
Disposals	-	-	(495,637)	(715,321)	(1,210,958)
Revaluations	-	-	414,218	-	414,218
Investment manager fees	-	-	-	(36,534)	(36,534)
At 31 December 2025	2	4,000	6,031,319	38,377	6,073,698

The Historical cost of listed investments on 31 December 2025 was £6,396,357 (2024: £6,586,103).

Included within the listed investment balance above are no balances which represent more than 5% of the total (1 January 2025 no balances).

19. FIXED ASSET INVESTMENTS CURIAL (CONTINUED)

Principal subsidiaries and associates

The following was a subsidiary undertaking of the Diocese:

Name	Company number	Principal activity	Holding	Included in
Diocesan Property Management Limited	02960826	Building contractor and property developer	100%	Yes

The financial results of the subsidiary for the year were:

Name	Expenditure £	(Loss) for the year £	Net assets/ (liabilities) £
Diocesan Property Management Limited	975	(975)	(17,443)

The following was an associate of the Diocese:

Name	Income for the year	Expenditure for the year £	Profit / (Loss) for the year £
Inter Diocesan Fuel Management Limited	30,334,639	(30,334,278)	363

The Diocese holds 4.35% (2024: 4.35%) of the ordinary shares of Inter Diocesan Fuel Management Limited. The principal activity of Inter Diocesan Fuel Management Limited is that of fuel and power distribution to various Roman Catholic Dioceses throughout England.

20. DEBTORS

	Curial 2025 £	Total 2025 £	Total 2024 £
Debtors in over 1 year:			
Amounts owed by group companies	690,132	690,843	*689,147*
Debtors within 1 year:			
Trade debtors	40,825	40,825	*36,455*
Other debtors	25,333	25,333	*85,305*
Other debtors school loans	112,096	112,096	*121,524*
Prepayments and accrued income	47,603	47,603	*103,896*
Due within 1 year	225,857	225,857	*347,180*
Total	915,989	915,989	*1,036,327*

21. CURRENT ASSET INVESTMENTS CURIAL

	2025 £	2024
Listed investments	4,455,702	*4,109,814*
Unlisted investments	5,871	*185,103*
	4,461,573	*4,294,917*

The Historical cost of listed investments on 31 December 2025 was £4,838,793 *(2024: £5,016,572)*.

22. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Parochial 2025 £	Curial 2025 £	Total 2025 £	Total 2024 £
Bank overdrafts	–	5,413,915	5,413,915	*6,504,842*
Bank loans < 1 yr	–	27,951	27,951	*27,951*
Loans < 1 yr	–	5,189,040	5,189,040	*5,589,040*
Trade creditors	–	63,604	63,604	*73,081*
Other taxation and social security	–	33,125	33,125	*22,808*
Other creditors	–	158,353	158,353	*145,837*
Other creditors school loans	–	1,325,103	1,325,103	*1,325,103*
Accruals	48,797	251,105	299,902	*348,697*
	48,797	12,462,196	12,510,993	*14,037,359*

23. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Curial 2025 £	Total 2025 £	Total 2024 £
Bank loans	367,234	367,234	*395,184*
	367,234	367,234	*395,184*

The bank loan is secured on property owned by the Diocese. This security is over approximately £7m of the full property portfolio. The interest rate is charged at 3.6% over LIBOR payable quarterly with the facility repayable in full at the maturity date of March 2027.

24. STATEMENT OF FUNDS
STATEMENT OF FUNDS CURRENT YEAR

	Balance at 1 January 2025	Income £	Expenditure £	Transfers in/ out £	Gains/ (Losses) £	Balance at 31 December 2025 £
Unrestricted funds						
Designated funds						
St John of Beverley Designated fund	550,243	-	-	-	-	550,243
John Paul Centre Designated Fund	296,956	7,506	(14,782)	-	3,795	293,475
Parochial Designated funds	392,212	-	-	-	-	392,212
	1,239,411	7,506	(14,782)	-	3,795	1,235,930
General funds						
Unrestricted funds Parochial	37,210,338	4,421,303	(4,368,584)	(1,459,378)	285,841	36,089,520
Unrestricted funds Curial	11,929,850	1,994,444	(2,292,715)	1,439,100	578,612	13,649,291
Revaluation reserve Curial	7,670,367	-	-	-	1,291,882	8,962,249
	56,810,555	6,415,747	(6,661,299)	(20,278)	2,156,335	58,701,060
Total Unrestricted funds	58,049,966	6,423,253	(6,676,081)	(20,278)	2,160,130	59,936,990

24. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 January 2025	Income £	Expenditure £	Transfers in/ out £	Gains/ (Losses) £	Balance at 31 December 2025 £
Restricted funds						
Sick and Retired Priests Welfare Fund	1,440,927	25,218	(165,423)	13,295	-	1,314,017
Priests' Training Fund	1,692,143	24,780	(37,854)	-	11,928	1,690,997
Lacy Fund	412,970	-	-	-	-	412,970
Lourdes Sick Fund	197,763	85,181	(127,821)	-	-	155,123
Catholic Child Care	120,654	268	(375)	10	-	120,557
Cecil H Walker Memorial Fund	102,314	-	-	-	-	102,314
Mike McCullagh Memorial Trust Fund	69,172	542	-	-	1,009	70,723
Mathias Smyth Memorial Masses Fund	36,267	-	(2,700)	-	-	33,567
Levy Fund (Active Priests)	40,742	-	-	-	-	40,742
Common Stock	37,598	-	(376)	376	-	37,598
Mensal Fund	30,520	199	(2,284)	-	-	28,435
Parochial Restricted funds	620,785	256,055	(164,293)	-	-	712,547
Other Restricted funds below £25k each	3,118	271,050	(44,861)	6,597	-	235,904
	4,804,973	663,293	(545,987)	20,278	2,937	4,955,494
Total of funds	62,854,939	7,086,546	(7,222,068)	-	2,173,067	64,892,484

24. STATEMENT OF FUNDS (CONTINUED)
STATEMENT OF FUNDS PRIOR YEAR

	Balance at 1 January 2024 £	*Income £*	*Expenditure £*	*Transfers in/ out £*	*Gains/ (Losses) £*	*Balance at 31 December 2024 £*
Unrestricted funds						
Designated funds						
St John of Beverley Designated fund	*563,882*	*9,568*	–	*(23,207)*	–	*550,243*
John Paul Centre Designated Fund	*305,156*	*6,369*	*(14,569)*	–	–	*296,956*
Parochial Designated funds	*392,212*	–	–	–	–	*392,212*
	1,261,250	*15,937*	*(14,569)*	*(23,207)*	–	*1,239,411*
General funds						
Unrestricted funds Parochial	*36,386,499*	*4,464,980*	*(3,891,349)*	*(974,596)*	*1,224,804*	*37,210,338*
Unrestricted funds Curial	*8,902,962*	*1,845,976*	*(2,150,238)*	*3,729,400*	*(398,250)*	*11,929,850*
Revaluation reserve Curial	*9,373,364*	–	–	*(2,765,098)*	*1,062,101*	*7,670,367*
	54,662,825	*6,310,956*	*(6,041,587)*	*(10,294)*	*1,888,655*	*56,810,555*
Total Unrestricted funds	*55,924,075*	*6,326,893*	*(6,056,156)*	*(33,501)*	*1,888,655*	*58,049,966*

24. STATEMENT OF FUNDS (CONTINUED)
STATEMENT OF FUNDS PRIOR YEAR

	Balance at 1 January 2024 £	*Income £*	*Expenditure £*	*Transfers in/ out £*	*Gains/ (Losses) £*	*Balance at 31 December 2024 £*
Restricted funds						
Sick and Retired Priests Welfare Fund	1,542,502	43,907	(160,907)	15,425	-	1,440,927
Priests' Training Fund	1,684,438	52,413	(44,708)	-	-	1,692,143
Lacy Fund	365,715	-	47,255	-	-	412,970
Lourdes Sick Fund	206,834	74,041	(88,007)	4,895	-	197,763
Catholic Child Care	120,712	1,525	-	(1,583)	-	120,654
Cecil H Walker Memorial Fund	101,301	1,013	-	-	-	102,314
Mike McCullagh Memorial Trust Fund	68,143	1,029	-	-	-	69,172
Mathias Smyth Memorial Masses Fund	43,167	-	(6,900)	-	-	36,267
Levy Fund (Active Priests)	40,742	-	-	-	-	40,742
Common Stock	37,598	-	(376)	376	-	37,598
Mensal Fund	33,219	332	(18,031)	15,000	-	30,520
Parochial Restricted funds	488,899	318,769	(186,883)	-	-	620,785
Other Restricted funds below £25k each	55,683	20,154	(72,107)	(612)	-	3,118
	4,788,953	513,183	(530,664)	33,501	-	4,804,973
Total of funds						
	60,713,028	6,840,076	(6,586,820)	-	1,888,655	62,854,939

24. STATEMENT OF FUNDS (CONTINUED)

Designated funds

These represent funds set aside for the maintenance of buildings.

Unrestricted Funds

These include both Parish and Curial funds which are shown separately. The revaluation reserve reflects the difference between the historic cost and current fair value on the investment properties held within Curial funds. The historic cost of the Parish Investment properties is not known and therefore no revaluation reserve is provided.

Restricted Funds

Sick and Retired Priests Welfare Fund
A fund set up in 1996 to provide support upon retirement for incardinated Diocesan Priests.

Priests Training Fund
For training students for the priesthood of this Diocese.

Lacy Fund
To meet pension requirements of retired clergy.

Lourdes Sick Fund
For pilgrimages to Lourdes.

Catholic Child Care
Provides a fostering and adoption service.

Cecil H Walker Memorial Fund
For the support of retired priests of the Diocese; in particular those who have spent part or all of their ministry in the Southern areas of the Diocese.

Mike McCullagh Memorial Trust Fund
Supporting junior football, prison visiting and sick children in the Tees Valley.

Mathias Smyth Memorial Masses Fund
Masses for the repose of the souls of Matthias Smyth and his family.

Levy Fund (Active Priests)
To provide a pension for each active priest on their retirement.

Mensal Fund
Deals with the income and costs of the Bishop of Middlesbrough and his administration.

Church Extension Fund
To assist the new churches and Mass centres of the Diocese.

Parochial Restricted Funds
Restricted funds belong to the individual parishes.

25. ANALYSIS OF NET ASSETS BETWEEN FUNDS
ANALYSIS OF NET ASSETS BETWEEN FUNDS CURRENT YEAR

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Tangible fixed assets	9,194,947	-	9,194,947
Fixed asset investments	6,073,698	-	6,073,698
Investment property	41,814,062	-	41,814,062
Debtors due after more than one year	690,843	-	690,843
Current assets	15,041,667	4,955,494	19,997,161
Creditors due within one year	(12,510,993)	-	(12,510,993)
Creditors due in more than one year	(367,234)	-	(367,234)
Total	59,936,990	4,955,494	64,892,484

ANALYSIS OF NET ASSETS BETWEEN FUNDS PRIOR YEAR

	Unrestricted funds 2024 £	*Restricted funds 2024 £*	*Total 2024 £*
Tangible fixed assets	*9,966,938*	-	*9,966,938*
Fixed asset investments	*5,808,059*	-	*5,808,059*
Investment property	*39,438,773*	-	*39,438,773*
Debtors due after more than one year	*689,147*	-	*689,147*
Current assets	*16,579,592*	*4,804,973*	*21,384,565*
Creditors due within one year	*(14,037,359)*	-	*(14,037,359)*
Creditors due in more than one year	*(395,184)*	-	*(395,184)*
Total	*58,049,966*	*4,804,973*	*62,854,939*

26. AMOUNTS DUE TO & FROM PARISHES FROM CURIAL

	Amounts due to Parishes	Amounts due from Parishes	Total
Balance at 1 January 2025	8,300,779	(4,886,627)	3,414,152
Parish Levy	–	(799,981)	(799,981)
Expenditure by Diocese on behalf of Parishes	(478,308)	(30,378)	(508,686)
Transfers and repayments of loans	(68,569)	(74,332)	(142,901)
Grants received	38,914	–	38,914
Rent and interest	175,389	27,003	202,392
Parish Levy paid		922,358	922,358
Balance at 31 December 2025	7,968,205	(4,841,957)	3,126,248

27. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	*2024 £*
Adjustments for:		
Depreciation charges	181,756	*184,168*
Gains on investments	(2,285,780)	*(1,788,554)*
Dividends, interests and rents from investments	(2,445,187)	*(2,273,805)*
Decrease in debtors	119,627	*250,010*
Increase/(decrease) in creditors	(35,439)	*42,219*
Loss/(profit) on sale of investment property	34,478	*(100,101)*
Loss/(profit) on sale of fixed assets	(48,761)	*(253,181)*
Net cash used in operating activities	(2,441,761)	*(1,797,333)*

28. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025 £	*2024 £*
Cash in hand	15,309,731	*16,742,468*
Overdraft facility repayable on demand	(5,413,915)	*(6,504,842)*
Total cash and cash equivalents	9,895,816	*10,237,626*

29. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2025 £	Cash flows £	Other non cash changes £	At 31 December 2025 £
Cash at bank and in hand	16,742,468	(1,432,737)	-	15,309,731
Bank overdrafts repayable on demand	(6,504,842)	1,090,927	-	(5,413,915)
Debt due within 1 year	(5,616,991)	427,950	(27,950)	(5,216,991)
Debt due after 1 year	(395,184)	-	27,950	(367,234)
Liquid investments	4,294,917	166,656	-	4,461,573
	8,520,368	252,796	-	8,773,164

30. PENSION COMMITMENTS

The Diocese contributes 6% of gross salary to a group personal pension scheme for staff who elect to join. The scheme is a defined contributions scheme for which the Diocese is neither liable to finance any funding shortfall nor entitled to benefit from any over funding. At the year end pension contributions outstanding were £18,011 (2024: £12,579).

Eligible teachers and former teachers subscribe to the Teacher's Pension Scheme (TPS) superannuation scheme which is a defined benefits scheme. The employer's contribution is set by the TPS. The TPS represents a collective scheme as it is not possible to separately identify the assets and liabilities attributable to a particular employer. Hence the employer has neither a commitment to make good any actuarial deficit nor an entitlement to benefit from any over funding. Under the provisions of FRS102 the accounting treatment for the TPS scheme is as if the scheme were a defined contributions scheme. The pension charge for the year includes contributions payable to the TPS of £45,382 and at the year end £3,845 (2024: £5,120) was accrued in respect of contributions to this scheme (Included in total above).

31. RELATED PARTY TRANSACTIONS

During the year purchases of £9,682 and sales of £287,733 were made to companies in which Directors of the Diocese of Middlesbrough Trustee are involved as either Trustee or Director. At the year end £2,665 (2024: £nil) was included in Creditors and £5,040 (2024: £nil) in Debtors in respect of these companies.