



# CLIFTON DIOCESE

## ANNUAL REPORT

for the year ended  
**31 DECEMBER 2008**

**CLIFTON DIOCESAN TRUST**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

<b>CONTENTS</b>	<b>PAGE</b>
Reference and Administrative Information	1
Report of the Charity Trustees	2
Independent Auditor's Report	3
Statement of Financial Activities	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Financial Statements	7 - 28

**CLIFTON DIOCESAN TRUST**  
**LEGAL AND ADMINISTRATIVE INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

**CONSTITUTION**

Clifton Diocesan Trust was established under a Declaration of Trust dated 6th May 1934 as amended by a scheme dated 19 August 1996 and is a registered Charity No. 233977. Its Trustee is the Clifton Catholic Diocesan Trustees Registered, a body corporate established by the Charity Commissioners under the Charitable Trustees Incorporation Act, 1872.

**TRUSTEES**

**Trustee:**

Clifton Catholic Diocesan Trustees Registered  
St Ambrose  
North Road  
Leigh Woods  
Bristol BS8 3PW

**Trustees of Clifton Catholic Diocesan Trustees Registered:**

Right Reverend Declan Lang, Bishop of Clifton (Chairman)  
Rev. Mgr. Canon P Gabriel Leyden, VG (Vice Chairman)  
Rev. Mgr. Canon Jeremy Rigden, VG  
Rev. Mgr. Canon Richard Twomey  
Rev. Mgr. Canon Robert Corrigan VG (resigned 15<sup>th</sup> October 2008)  
Rev. Canon B Massey  
Mrs Valerie James  
Miss Madge McCarthy  
Mr Martin Appleby (resigned 20<sup>th</sup> October 2009)  
Mr John Mill  
Mr Stephen McNulty  
Mrs C Puddicombe  
Mrs Alison Byrne (resigned 20<sup>th</sup> October 2009)  
Dr Giles Mercer (appointed 22<sup>nd</sup> April 2009)  
Rev R Dwyer (appointed 22<sup>nd</sup> April 2009)

**Secretary:**

Miss Anne Barwell

**SUB COMMITTEES**

The members of the five main sub committees are as follows (trustees denoted with (T)).

**The Audit Committee:**

Mr Martin Appleby (T) (resigned 20<sup>th</sup> October 2009)  
Mrs Alison Byrne (T) (resigned 20<sup>th</sup> October 2009)

**CLIFTON DIOCESAN TRUST**  
**LEGAL AND ADMINISTRATIVE INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**SUB COMMITTEES (CONTINUED)**

**The Investment Committee:**

Mr Martin Appleby (Chairman)  
 Rev. Mgr. Canon William J Mitchell (T) (died 29<sup>th</sup> August 2008)  
 Mr Nigel Quinnen  
 Mr Edward Corrigan  
 Rev. Canon B Massey (T) (appointed 24<sup>th</sup> September 2008)  
 Mr J Rodgers (appointed 4<sup>th</sup> September 2009)

**The Priests' Retirement Fund Committee:**

Rev. Alan Finley, VF (Chairman)  
 Rev. Mgr. Canon P Gabriel Leyden, VG (T)

**The Property Committee:**

Rev. Canon B Massey (T)  
 Mr John Mill (T)  
 Mrs C Puddicombe (T) (resigned 19<sup>th</sup> August 2009)

**The Staff Committee:**

Right Reverend Declan Lang, Bishop of Clifton (Chairman) (appointed 18<sup>th</sup> April 2008)  
 Rev. Mgr. Canon Robert Corrigan (Chairman) (T) (resigned 18<sup>th</sup> April 2008)  
 Mrs Valerie James (T)  
 Mr Martin Appleby (T) (resigned 20<sup>th</sup> October 2009)

**CHARITY INFORMATION**

**Charity Registration Number:** 233977

**Charity Address:** St Ambrose  
 North Road  
 Leigh Woods  
 Bristol  
 BS8 3PW

**PROFESSIONAL ADVISERS**

**Auditors:** haysmacintyre  
 Fairfax House  
 15 Fulwood Place  
 London  
 WC1V 6AY

**Bankers:** National Westminster Bank Plc  
 Commercial Office  
 P O Box No 2702  
 3 Temple Back East  
 Temple Quay  
 Bristol  
 BS1 9BW

**CLIFTON DIOCESAN TRUST**  
**LEGAL AND ADMINISTRATIVE INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**PROFESSIONAL ADVISERS (CONTINUED)**

**Investment Manager:** J P Morgan Asset Management  
Finsbury Dials  
20 Finsbury Street  
London  
EC2Y 9AQ

**Solicitors:** Stone King Sewell  
13 Queen Square  
Bath  
BA1 2HJ

**SENIOR MANAGEMENT**

Mr B Wall – Caretaker Director, Schools and Colleges (appointed 01/01/2008: resigned 30/04/08)  
Mr I McNiff – Director, Schools and Colleges (appointed 01/05/2008)  
Ms M. Marshall – Financial Administrator  
Mr. L. Payne – Co-Diocesan Surveyor (retired 16/10/2008)  
Mr D Salmon – Co-Diocesan Surveyor (appointed 01/07/2008)  
Mrs M J Dziadulewicz – Safeguarding Coordinator

**CLIFTON DIOCESAN TRUST**  
**REPORT OF THE CHARITY TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

The Trustees present their report and the audited financial statements for the year ended 31 December 2008.

The legal and administrative information set out on page one forms part of this report.

The Financial Statements comply with current statutory requirements, the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) and the Charity's governing Trust Deed.

The Diocese of Clifton consists of 106 parishes in the local authority areas of Bath & North East Somerset, City and County of Bristol, Gloucestershire, North Somerset, Somerset, South Gloucestershire, Swindon and Wiltshire and includes 64 (2007: 64) maintained and 11 independent schools.

### **OBJECTIVES**

The principal objects of the Charity are the advancement of the Roman Catholic religion, the relief of poverty, the maintenance of the Roman Catholic churches and the provision of Catholic education within the Diocese of Clifton.

### **ORGANISATION**

The Board of Trustees of Clifton Catholic Diocesan Trustees Registered consists of the Bishop of Clifton and at least three others but not more than twenty in total. When appointing new Trustees the Board of Trustees review the skills matrix of the existing body and identify those skills required to achieve the spread of expertise necessary to manage the charity. New Trustees are appointed by resolution of the Trustees and with the Bishop's approval. New Trustees are provided with a handbook which acts as an induction guide. Each operational Head of Department is assigned a "guardian" Trustee who acts as their line manager and link to the Board of Trustees.

There are five main subcommittees on which certain Trustees serve.

The Property Committee which makes decisions on expenditure up to £50,000 (excluding VAT) on all property matters and advises and makes recommendations to the Trustees on the administration and management of the Charity's property assets.

Financial issues not covered by the Audit and Investment committees are now reported directly to the Trustees.

The Audit Committee reviews the accounting policies and discusses the planning and scope of the audit with the auditor and reports to the Trustees.

The Investment Committee's brief is to manage the Common Investment Fund with the aim of maximising the overall return while making agreed half yearly distributions to unit holders.

The Priests' Retirement Fund Committee's role is to administer the Clergy Fund for the medical welfare of all diocesan priests, the pension scheme for younger priests and the Retirement Fund for older priests.

The Staff Committee is responsible to the Trustees for employment issues.

**CLIFTON DIOCESAN TRUST**  
**REPORT OF THE CHARITY TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**INVESTMENT POWERS**

Under the trust deed of the Charity, the Trustees may invest any money in any manner in which trust money may be invested, according to the law for the time being in force and also in the purchase of real property of any nature or tenure. In the case of property held as permanent endowments, no investment may be made in any manner not authorised by or without such consent required by the instrument creating the permanent endowment and no sale or exchange of real property shall be made without the consent of the Charity Commissioners.

**RELATED PARTIES****Subsidiary Charities**

The following charities' income, expenditure and assets have been included in the financial statements of Clifton Diocesan Trust in this and previous years. The amounts are not material and therefore we have not presented entity only financial statements.

CHARITY	REGISTERED NO.
The Countess Isabella Jane English Foundation	310230
The Pratt Fund	310302
The Bessie Yates Sturges Scholarship	310303
The Carpue Foundation	310301
Lady Arundell of Wardour Bequest for Training of Students for the Roman Catholic Priesthood	313492
Goldstone's Charity for Education of Students for Priesthood	311781
Heaven's Roman Catholic Orphanage for Girls	310187
William Goldstone's Charity	211002
Elizabeth Lady Herbert Foundation	309304
Charity of Mrs Sarah Ann Board	236616
The Wigmore Trust	313830
Edith Mary Young Memorial Fund	201234
The Cornwall Holy Trinity Trust	286014
The following charities have not been activated:-	
The Diocese of Clifton Education Trust	313215
Clifton Diocesan Clergy Fund	246069
St Francis of Assisi Roman Catholic Church Nailsea	292071

**Subsidiary Company**

On the 26 August 1999 the subsidiary company, Clifton Parish Clubs Limited, (Registered in England, Company Number 3831775), was formed. The ordinary share capital is 100% owned by Clifton Diocesan Trust. The Subsidiary has not traded since incorporation. In accordance with the provisions of the Statement of Recommended Practice, Accounting and Reporting by Charities, consolidated accounts are not prepared on the basis that the subsidiary company is not material to the group.

**RISK ASSESSMENT**

The Trustees have identified the major risks to which the Diocesan Trust is exposed, and are satisfied that systems are in place to mitigate exposure to those risks. Trustees regularly review the Charity's risk assessment.

**CLIFTON DIOCESAN TRUST**  
**REPORT OF THE CHARITY TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**REVIEW OF ACHIEVEMENTS AND ACTIVITIES**

Following a period of intensive consultation with parishes and schools the diocesan guidelines were issued in November 2008 in a publication entitled "Called to be a People of Hope". The purpose of the guideline was not to give solutions but to point a way forward and show how local communities may become centres of hope for themselves and others. The guidelines were launched as a springboard for future action in a series of meetings around the diocese during late 2008.

The Catholic communities of the Diocese were led at parish level by 97 active priests (2007: 105 active priests) throughout the Diocese. There was one ordination during 2008 (2007: nil) and there were 3 students training for the priesthood (2007: 4). The priests were supported by 53 deacons (2007: 48 deacons). Mass attendance was almost static at 33,641 (2007: 33,700) and the number of baptisms rose slightly to 1,901 (2007: 1,895).

Sadly Monsignor Mitchell died suddenly in August 2008. Monsignor Mitchell had served in many diocesan roles during his life of ministry, including Vicar General, Administrator of the Cathedral and Trustee of the Diocese. He will be sadly missed throughout the diocese.

Mr Ian McNiff joined the Diocese in May 2008 as Director of Schools and Colleges and in July Mr Derek Salmon joined us as the new Diocesan Surveyor. We would like to extend our thanks to Mr Laurence Payne who retired after many years service, initially as consultant surveyor and latterly as an employee of the diocese.

The refurbishment and extension of many schools continued during 2008 with further investment of £511k (2006: £478k). Work started on the new building for St John's School in Bath.

In July 18 pilgrims from the Diocese travelled to Sydney Australia for World Youth Day accompanied by Fr Kevin Hennessey. In parallel some 200 youngsters attended a special day of celebration at St Bede's College enjoying workshops on topics from drumming to the environment and faith.

The sale of land at St Nicholas of Tolentino during 2007 provided the funds for a major refurbishment of the church which was completed in time for the Christmas 2008 celebrations. The service of rededication in February 2009 was a celebration which attracted a congregation from many faith groups and different areas of the community reflecting the cross cultural nature of Fr. Richard McKay's ministry.

**FUTURE PLANS**

Work has started on implementing some of the recommendations in "Called to be a People of Hope". It is hoped to appoint a Youth Coordinator to develop the youth ministry within the Diocese and a co-ordinator for Marriage and Family Life.

The diocese will continue to take advantage of the grant aid available to equip its schools for the delivery of good academic achievement in a Catholic environment. Discussions are being held about how the Diocese can be involved in the Government's Academy programme where it is appropriate to do so.



**CLIFTON DIOCESAN TRUST**  
**REPORT OF THE CHARITY TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

## **FINANCIAL RESULTS**

The Financial Statements have been prepared in accordance with the principles contained in the Statement of Recommended Practice - Accounting and Reporting by Charities issued by the Charity Commissioners for England and Wales and in accordance with the accounting policies set out in note 1 to the Financial Statements.

The Financial Statements do not include any value for school properties as the Trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the Charity, do not generate income and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

### **Parochial**

The unrestricted offertory and donations income for the year was £5,271k. This included the estimated value of the buildings at Cinderford and Lydney transferred to the diocese by the Missionary Oblates of Mary Immaculate. The net offertory and donations was £5,046k (£5,047k for 2007).

The charitable expenditure by the parishes increased from £5,870k to £7,142k. In addition to the revenue costs £1,429k (2007: £1,180k) of expenditure on building improvements was capitalised.

The net incoming resources of the parishes before transfers was £1,900k (2007: £3,385k) of which £1,748k was unrestricted (2007: £3,153k). It should be noted however that the 2007 figure included £1,326k profit on disposal of fixed assets compared with £165k in 2008.

Overall Parish Funds increased in the year by £262k (2007: £2,002k) after losses on fixed asset investments of £416k (2007: £67k loss). Total Parish Funds at 31 December 2008 amounted to £21,252k (2007: £20,990k) of which £20,054k (2007: £19,915k) was unrestricted. Freehold land and buildings account for £11,855 (2007 £10,485k) of total Parish Funds.

### **Curial**

Curial income was £2,385k compared to £1,685k in 2007. 2008 income included profit on disposal of fixed assets of £516k (2007: £291k). Charitable expenditure was £2,042 (2007 £1,815k). These costs are recovered by means of a levy on the parishes and the investment income received on curial deposits.

The incoming resources of the Curia before the levy from parishes were £271k (2007: net outgoing resources, £203k) of which £234k was unrestricted (2007: unrestricted outgoing resources £165k).

Overall, Curial Funds increased in the year by £593k (2007 increase £916k) including losses on fixed asset investments of £900k (2007: £173k loss).

Total Curial Funds at 31 December 2008 were £8,155k (2007: £7,562k) of which £6,439k (2007: £5,623k) were unrestricted. Total Curial Funds include £1,435k (2007: £1,451k) net balances due from parishes.

**CLIFTON DIOCESAN TRUST**  
**REPORT OF THE CHARITY TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**FINANCIAL RESULTS (CONTINUED)****Review of Investment Performance**

The aim is to maintain the purchasing power of the capital while maintaining an income stream. Funds are invested in the JP Morgan UK Equity Fund for Charities and Bond Fund for Charities. On the closure of the JP Morgan Liquidity fund cash balances were invested together with general diocesan deposits in a spread of term bank deposits. The mix of investment holdings is determined by the Investment Committee. The Investment Committee review the performance against the appropriate indices, in the case of the Equity Fund, this is the FTSE A all share index and for the Bond Fund, the FTSE A British Government all stocks index. Although underperforming in the year, the Equity Fund has performed in line with the benchmark over a ten year period. The Bond Fund was in line with the benchmark in 2008 and over a ten year period. As a result of the unusual market conditions in 2008, the funds reduced significantly in value. The Trustees remain confident that the performance demanded by the investment policy will continue to be achieved in the longer term.

**Combined Parochial and Curial Transactions**

The statement of financial activities on pages 4 and 4a shows the following make-up of the increase in funds in 2008:-

	Parochial Funds		Curial Funds		Total	
	2008	2007	2008	2007	2008	2007
	£'000	£'000	£'000	£'000	£'000	£'000
Net Incoming Resources After Transfers	678	2,069	1493	1,113	2,171	3,182
Realised Gains on Fixed Asset Investments	-	49	-	101	-	150
Unrealised losses on Fixed Asset Investments	(416)	(116)	(900)	(298)	(1,316)	(414)
Net Movement in Funds	262	2,002	916	916	855	2,918

The Investment Committee continues to invest diocesan funds in accordance with the ethical policy of the church namely, that it should avoid investing in any company which, after reasonable enquiry, clearly has significant profits from an activity which is contrary to the objectives of the Christian Church.

**RESERVES POLICY**

The reserves of the Charity are those funds that are freely available to be spent in pursuing the Charity's objects. Permanent endowment, restricted and designated funds are not included in free reserves. The free reserves of the Charity at the financial year end were:

	2008	2007
	£'000	£'000
Total Funds	29,407	28,576
Less: Permanent Endowment Funds	(619)	(730)
Restricted Funds	(2,295)	(2,308)
Designated Funds	(15,468)	(14,272)
Free Reserves of the Charity	11,025	11,266

**CLIFTON DIOCESAN TRUST**  
**REPORT OF THE CHARITY TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**RESERVES POLICY (CONTINUED)**

The Trustees carefully monitor the level of free reserves as part of their longer term financial planning that includes not only the on-going programme of property repairs and new builds but includes a ten year programme of schools expenditure. The Trustees also monitor cash on a day to day basis to ensure liquid funds are available for routine expenditure. In view of the nature of the charity the Trustees consider that the holding of reserves is necessary to provide a buffer against short term fluctuations in income and expenditure and to provide sufficient resources to implement long term projects which are by their nature uncertain in their financial effect. In particular, the timing of the call for diocesan funds for the schools building programme will depend on the availability of DCSF funding. Free reserves have fallen by £241k during the year. Such reserves represent 14 months recurring unrestricted expenditure (2007: 18 months). In the light of the long term characteristics of the expenditure plans the Trustees consider that the Charity should maintain free reserves of at least 12 months recurring unrestricted expenditure.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

We are required under Charity law 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 surplus or deficit of the Charity for that year. In preparing those financial statements we are required to:

- select suitable accounting policies and then apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable us to ensure that the financial statements comply with the applicable Accounting Standards and Statements of Recommended Practice and the regulations made under S44 of the Charities Act 1993. We are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

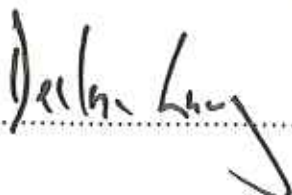
**AUDITOR**

haysmacintyre have indicated their willingness to continue in office and a resolution to appoint them for a further year will be put to the Trustees in October.

**VOLUNTEERS**

Special mention should be made of the large number of volunteers who help in all areas of the work of the Diocesan Trust. Without their assistance our parishes in particular could not function. The Trustees, parish clergy and our employees are most grateful to them for giving so much time and effort for us.

Approved by the Trustees on 20 October 2009 and signed on their behalf by:

.....  


The Right Reverend Declan Lang  
 Bishop of Clifton  
 (CHAIRMAN)

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF**

**CLIFTON DIOCESAN TRUST**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

We have audited the financial statements of Clifton Diocese for the year ended 31 December 2008 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with the regulations made under the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2008 and of its incoming resources and application of resources in the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

  
 haysmacintyre  
 Chartered Accountants  
 Registered Auditors

20 October 2009

Fairfax House  
 15 Fulwood Place  
 London  
 WC1V 6AY

**CLIFTON DIOCESAN TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	PAROCHIAL FUNDS				CURIAL FUNDS				TOTAL		
	Notes	General £'000	Restricted £'000	Endowment £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000	2008 £'000	2007 £'000
<b>INCOMING RESOURCES</b>											
From Generated Funds											
Voluntary Income											
Offerings		5,271	312	-	5,583	56	113	-	169	5,752	5,699
Legacies		760	183	-	943	327	63	-	390	1,333	258
Activities for Generating Funds											
Social clubs income		466	-	-	466	-	5	-	149	466	433
Other fundraising	3	1,277	-	-	1,277	144	70	-	1,019	1,426	1,351
Investment income & interest receivable	2	453	10	1	464	947	2	2	1,019	1,483	1,351
From Charitable Activities											
Rents Received		601	-	-	601	42	-	-	42	643	671
Other Incoming resources											
Net gain on disposal of fixed assets		165	-	-	165	516	-	-	516	681	1,617
Sale of school property						100	-	-	100	100	-
<b>TOTAL INCOMING RESOURCES</b>		<b>8,993</b>	<b>505</b>	<b>1</b>	<b>9,499</b>	<b>2,132</b>	<b>251</b>	<b>2</b>	<b>2,385</b>	<b>11,884</b>	<b>11,380</b>
<b>RESOURCES EXPENDED</b>											
Cost of generating funds		457	-	-	457	-	-	-	-	457	440
Charitable activities:											
Provision for Worship	6	2,579	106	-	2,685	39	-	-	39	2,724	2,024
Support of Clergy	6	2,781	-	-	2,781	560	210	-	770	3,551	3,335
Pastoral and Community	6	1,402	248	-	1,650	359	6	-	365	2,015	1,521
Education	6	26	-	-	26	868	-	-	868	894	805
Governance	8	-	-	-	-	72	-	-	72	72	73
<b>TOTAL RESOURCES EXPENDED</b>	<b>5</b>	<b>7,245</b>	<b>354</b>	<b>-</b>	<b>7,599</b>	<b>1,898</b>	<b>216</b>	<b>-</b>	<b>2,114</b>	<b>9,713</b>	<b>8,198</b>

**CLIFTON DIOCESAN TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

	Notes	PAROCHIAL FUNDS				CURIAL FUNDS				TOTAL	
		General £'000	Restricted £'000	Endowment £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000	2008 £'000	2007 £'000
<b>NET INCOMING RESOURCES</b>		1,748	151	1	1,900	234	35	2	271	2,171	3,182
<i>(Before transfers)</i>		(1,220)	(2)	-	(1,222)	1,281	(57)	(2)	1,222	-	-
Transfer between funds	21										
<b>NET INCOMING RESOURCES</b>		528	149	1	678	1,515	(22)	-	1,493	2,171	3,182
Other recognised Gains and Losses		(389)	-	(27)	(416)	(675)	(140)	(85)	(900)	(1,316)	(264)
<b>NET MOVEMENT IN FUNDS</b>		139	149	(26)	262	840	(162)	(85)	593	855	2,918
Fund Balances Brought Forward		19,915	906	169	20,990	5,599	1,402	561	7,562	28,552	25,634
<b>FUND BALANCES CARRIED FORWARD</b>	22	20,054	1,055	143	21,252	6,439	1,240	476	8,155	29,407	28,552

The net movement in funds above arises entirely from continuing activities.

The notes on pages 7 to 28 form an integral part of these financial statements.



**CLIFTON DIOCESAN TRUST**  
**BALANCE SHEET AS AT 31 DECEMBER 2008 (CONTINUED)**

	Notes	Parochial £'000	2008 Curial £'000	Total £'000	Parochial £'000	2007 Curial £'000	Total £'000
<b>Capital Funds</b>							
Permanent Endowments	16	143	476	619	169	561	730
<b>Income Funds</b>							
Restricted	17	1,055	1,240	2,295	906	1,402	2,308
Unrestricted Designated	18	11,884	3,584	15,468	10,525	3,747	14,272
Unrestricted		8,170	2,855	11,025	9,390	1,852	11,242
<b>Total Funds</b>	22	21,252	8,155	29,407	20,990	7,562	28,552

Approved and authorised for issue by the Board of Trustees on *20 October 2009*  
and signed on their behalf by:



The Right Reverend Declan Lang  
Bishop of Clifton  
(CHAIRMAN)

The notes on pages 7 to 28 form an integral part of these financial statements.



**CLIFTON DIOCESAN TRUST**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008		2007	
		£'000	£'000	£'000	£'000
<b>Net Cash Inflow from Operating Activities</b>	23(a)		(951)		1,810
<b>Returns on Investments and Servicing of Finance</b>					
Dividends Received		204		158	
Interest Received		1,230		1,144	
Income on Investment Properties		49		49	
		—	1,483	—	1,351
<b>Capital Expenditure and Financial Investment</b>					
Purchase of Tangible Fixed Assets		(1,446)		(1,184)	
Sales of Tangible Fixed Assets		688		1,875	
Purchase of Fixed Asset Investments		(68)		-	
Sale of Fixed Asset Investments		-		25	
		—	(826)	—	716
<b>Net Cash Inflow Before Management of Liquid Resources and Financing</b>			(294)		3,877
<b>Management of Liquid Resources</b>					
Cash (Deposited) to Short Term Deposits			844		(2,978)
<b>Financing</b>					
New Loans Received		-		-	
Repayment of Loans		(26)		(79)	
		—	(26)	—	(79)
<b>Increase (Decrease) in Cash for the Year</b>	23(b)		524		820

The notes on pages 7 to 28 form an integral part of these financial statements.

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

**1. ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements have been prepared in accordance with the historical cost convention (as modified for the revaluation of fixed asset investments), applicable accounting standards, the Charities Act 1993 and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005). The principal accounting policies which have been adopted on a consistent basis within that convention are set out below.

**Incoming Resources**

Income is recognised in the period in which the Charity is entitled to receipt and the amount can be measured with reasonable certainty.

Donations and any associated income tax reclaimable from the HM Revenue and Customs are recognised on a receivable basis. Donations received for the general purposes of the Charity are credited to unrestricted funds. Donations subject to specific wishes of the donors are carried to relevant restricted funds.

Legacies are accounted for as they are received or, if before receipt, following confirmation of entitlement.

Donated assets are included in the statement of financial activities on a receivable basis using the lower of market value or the value to the Diocese.

Sundry grant income and grants obtained on behalf of School Governors are accounted for on a receivable basis (see Schools Accounting Policy below). Fundraising income is shown net of associated costs.

Income arising from sales of property is recognised as soon as there is a binding agreement. This is usually the date of exchange of contracts. However, if the sale is conditional income is recognised when those conditions have been fulfilled.

All income from endowment funds is restricted income and is expended in accordance with the original terms of the endowment.

**Resources Expended**

Resources expended are accounted for in the period in which the Charity becomes obliged to make a transfer of value to a third party. The irrecoverable element of VAT is included within the item of expense to which it relates.

Where an item of expenditure falls directly within one cost category it is attributed to that category only. Where expenditure involves more than one category it is apportioned on a reasonable and justifiable basis.

Social Clubs' expenditure include salaries, direct expenditure and overhead costs of running the Charity's proprietary social clubs.

Grants and donations are payments the charity makes voluntarily to other institutions or individuals in order to further its objectives. They are charged to the statement of financial activities in the year in which they are payable. As shown in note 5 grants and donations also includes amounts paid to particular charities or funds or spent on specific projects. These sums have been collected from parishioners for these specific purposes.

Costs of charitable activities are analysed in the notes by the type of activity.

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Resources Expended (Continued)**

Governance includes the costs of maintaining records, preparing the accounts, the secretarial function regarding Trustees and other committee meetings.

**Pensions**

The Trustees designate an amount each year which is allocated to the Priests' Retirement Fund. The Priest's Retirement Fund Committee which manages this fund considers the needs of priests in retirement and makes appropriate grants.

In addition the Parishes made contributions for priests to a Group Personal Pension Scheme and contributions are also paid for certain staff by the Curia to a Defined Contribution Scheme. The assets of the Schemes are held separately from those of the Charity in independently administered funds. The Pension Scheme charge represents contributions payable by the Charity in accordance with the rules of the Schemes.

**Schools**

The Charity owns the land on which its voluntary aided schools are built. The nature of the occupation of the land by these exempt and excepted charities means that the Diocesan Trustees do not have the power to dispose of the land until the school ceases its occupation, which in turn would require the approval of the Secretary of State. Consequently, for the purposes of these financial statements the land is not capitalised. The cost of any land acquired for the purposes of a voluntary aided school is charged to the statement of financial activities in the year of acquisition.

Where it has been agreed with the School Governors and the Department of Education and Skills that a school property and the land on which it is sited is surplus to requirements the share of the proceeds due to the Department of Education and Skills and any other interested parties are netted off the total amount receivable. Therefore, only the amount due to the Charity is credited to the Statement of Financial Activities.

The school buildings are occupied, improved, extended and repaired by the school governors. The nature of the occupation of these buildings by these exempt and excepted charities means that the Diocesan Trustees do not have control over the buildings until the school ceases its occupation, which in turn would require the approval of the Secretary of State. Consequently, for the purposes of these financial statements any cost of new building is written off to the statement of financial activities in the year in which it is incurred.

Any grants donated on behalf of the School Governors are netted off against total costs as are the sums received through the Voluntary Contributions Scheme (VCS) and only the residual cost is included in the statement of financial activities.

The Diocese of Clifton includes 64 (2007: 64) maintained and 11 independent schools. Details of the Diocesan Schools are listed in the Clifton Diocesan Directory.

**Taxation**

The Trustees consider that the Charity is largely exempt from income tax under the provisions of the Income and Corporation Taxes Act 1988 and the Taxation of Taxable Gains Act 1992. However, provision is made for taxation on the Social Clubs income less expenditure.

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Tangible Fixed Assets**

Only tangible fixed assets with a cost in excess of £5,000 have been capitalised.

- (i) **Freehold Land**  
 Functional land, (i.e. land used for the primary purpose of the Charity), is included in the financial statements at original cost or where this is not available at an estimate of its historic cost or in the case of donated land, at its fair value at the date of receipt.
- (ii) **Freehold Buildings**  
 Functional buildings (i.e. buildings used for the primary purpose of the Charity) are included in the financial statements at original cost or where this is not available at an estimate of their historic cost or in the case of donated buildings at an estimate of their fair value at the date of receipt. All new functional buildings, improvements and major renovations are capitalised at the cost of construction.

The cost of assets held at 31 December 1996 was estimated based on indexing back reinstatement insurance values to the year of acquisition.

Rents are received in respect of certain properties which are held in furtherance of the Charity's objectives and mostly used by the Diocese. Only surplus space is rented. These properties have, therefore, all been shown as charitable functional properties.

- (iii) **Fixtures, Fittings and Equipment**  
 The costs of churches and the Cathedral include all fixtures and fittings and organs which form part of the fabric of the building. All other fixtures, fittings and equipment are included in the financial statements at cost.

The insured value of buildings' contents not capitalised is £19.4 million (2007: £18.5 million).

- (iv) **Works of Art and Historic Treasures**  
 Individual works of art, historic treasures and plate are not capitalised, as historic cost information is not available. Because of the many locations over which these assets are dispersed and their specialist nature, obtaining reliable information to estimate their cost would be both time consuming and expensive. The Trustees believe that the cost of carrying out such an exercise would outweigh the benefit of this information to the user of the accounts.
- (v) **Motor Vehicles**  
 Motor vehicles have been capitalised and included in the financial statements at their historical cost or in the case of donated assets, at an estimate of the value at the date of acquisition.

**Depreciation**

Depreciation of tangible fixed assets (excluding land) is calculated to write off their cost less any residual value in equal annual instalments over their estimated useful lives as follows:-

Churches built prior to 1941 and the Cathedral	1%	(100 years)
Churches built 1941 and after	1.333%	(75 years)
All Other Freehold Buildings	2%	(50 years)
Motor Vehicles	20%	(5 years)
Fixtures, Fittings and Equipment	33½% - 10%	(3 to 10 years)

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Listed Investments**

Investments are included in the balance sheet at their market value at the balance sheet date. Realised and unrealised gains and losses on investments are included in the statement of financial activities in the year in which they arise. Investment income is credited to income on an accruals basis.

**Investment Properties**

Investment properties are included in the balance sheet at their estimated market value at the balance sheet date. The valuation of investment properties is performed annually by the Trustees. As these assets are recorded at market value no charge for depreciation is made in the accounts.

Realised and unrealised gains and losses on investment properties are included within the statement of financial activities in the year in which they arise.

**Fund Accounting**

Funds held by the Charity are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Permanent endowment funds – these funds represent those assets which must be held permanently by the Charity. Income arising on the endowment funds must be used in accordance with the terms of the endowment.

**Cash Flow**

Cash includes cash in hand and deposits repayable on demand less overdrafts repayable on demand. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty or if a maturity or period of notice of not more than 24 hours or one working day has been agreed.

Liquid resources represent bank and building society deposits where the period of notice exceeds 24 hours or one working day.

**2. INVESTMENT INCOME AND INTEREST RECEIVABLE**

	2008 £'000	2007 £'000
Income on UK Listed Investments	204	158
Income on UK Investment Properties	49	49
Interest on UK Cash held at Bank	1,230	1,144
	<hr/>	<hr/>
	1,483	1,351
	<hr/>	<hr/>

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**3. OTHER FUNDRAISING**

	2008			2007		
	Parish £'000	Curial £'000	Total £'000	Parish £'000	Curial £'000	Total £'000
Repository and Newspapers	275	-	275	276	-	276
Fundraising events	266	-	266	262	-	262
Management Charges	-	65	65	-	66	66
Chaplaincy Stipends	82	-	82	68	-	68
Sundry Income	654	84	738	603	76	679
	1,277	149	1,426	1,209	142	1,351

**4. GRANTS AND DONATIONS**

Grants and donations included within charitable expenditure comprise:

	Parish £'000	Curial £'000	Total 2008 £'000	Total 2007 £'000
Grants to Individuals	73	10	83	75
Grants to Institutions	283	-	283	99
Donations spent on Projects	101	114	215	170
Diocesan and Other Collections	5	31	36	42
	462	155	617	386

Parishes raise money for specific projects; the amounts shown above represent the expenditure relating to those donations.

Third party collections are treated as conduit funds and have been excluded from the results. Third party collections of £405k were paid out in the year (2007: £290k). At 31<sup>st</sup> December 2008 £30k (2007: 9k) third party funds were held by the Diocese.

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**5. CHARITABLE EXPENDITURE**

	Unrestricted £'000	Restricted £'000	Endowment £'000	Total 2008 £'000	Total 2007 £'000
<b>Parochial (direct costs)</b>					
Clergy Stipends and Pension					
Contributions and Parish Sisters	303	-	-	303	299
Wages and Employer's National Insurance	651	-	-	651	625
Housekeeping	314	-	-	314	321
Motor	200	-	-	200	173
Repairs and Maintenance	2,065	106	-	2,171	1,301
Gas, Electric, Water and Council Tax	698	-	-	698	643
Church and Other Expenses	686	-	-	686	688
School Expenses	24	-	-	24	8
Administration	311	-	-	311	253
Sundry Expenses	369	-	-	369	397
Depreciation	299	-	-	299	261
Grants and use of restricted donations	214	248	-	462	354
<b>TOTAL PAROCHIAL COSTS</b>	<b>6,134</b>	<b>354</b>	<b>-</b>	<b>6,488</b>	<b>5,323</b>
Allocated curial support costs				654	547
Cost of generating funds				457	440
<b>Total parochial costs shown in SOFA</b>				<b>7,599</b>	<b>6,310</b>

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**CHARITABLE EXPENDITURE (continued)**

	Unrestricted £'000	Total Restricted £'000	Total Endowment £'000	2008 £'000	2007 £'000
<b>Curial (direct costs)</b>					
Education	312	-	-	312	275
Marriage, Family and Pastoral	151	-	-	151	137
Ecumenical	32	-	-	32	35
Music and Liturgy	36	-	-	36	32
Clergy Training and Welfare	212	199	-	411	415
Bishop's Office/VG	278	-	-	278	273
Schools Building	511	-	-	511	478
Grants and Gifts	142	13	-	155	32
	<u>Total</u> 1674	212	-	<u>1,886</u>	<u>1,677</u>
<b>Curial (support costs)</b>					
Property Expenses	243	-	-	243	136
Alexander House	43	-	-	43	69
Insurance	194	-	-	194	172
Personnel	12	-	-	12	13
National Catholic Fund	43	-	-	43	43
Finance and Administration	277	-	-	277	255
Depreciation	19	4	-	23	21
(note 7)	<u>Total</u> 831	4	-	<u>835</u>	<u>709</u>
<b>Curial (Governance)</b>					
Trustees	18	-	-	18	23
Audit Costs	29	-	-	29	26
(note 8)	<u>Total</u> 47	-	-	<u>47</u>	<u>49</u>

<b>TOTAL CURIAL COSTS</b>	<b>2,552</b>	<b>216</b>	<b>-</b>	<b>2,768</b>	<b>2,435</b>
Less support costs allocated to parishes				(654)	(547)
<b>Total curial costs shown in SOFA</b>				<b>2,114</b>	<b>1,888</b>

**6. ANALYSIS OF CHARITABLE EXPENDITURE**

	Personnel Costs £'000	Premises Costs £'000	Grants £'000	Allocated Support £'000	Total 2008 £'000	Total 2007 £'000
<b>PARISHES</b>						
Provision for Worship	686	1,753	-	246	2,685	1,989
Support of Clergy	2,147	379	-	255	2,781	2,576
Pastoral and Community	-	1,037	462	151	1,650	1,296
Education	-	24	-	2	26	9
<b>Total Parishes</b>	<u>2,833</u>	<u>3,193</u>	<u>462</u>	<u>654</u>	<u>7,142</u>	<u>5,870</u>



**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**6. ANALYSIS OF CHARITABLE EXPENDITURE (continued)**

	Personnel Costs	Premises Costs £'000	Grants £'000	Allocated Support £'000	Total 2008 £'000	Total 2007 £'000
CURIAL						
Provision for Worship	35	-	-	4	39	35
Support of Clergy	538	154	7	71	770	759
Pastoral and Community	175	8	148	34	365	225
Education	311	510	-	47	868	796
	-----	-----	-----	-----	-----	-----
Total Curial	1,059	672	155	156	2,042	1,815
	=====	=====	=====	=====	=====	=====

Definition and Description

Provision of Worship

- Provision of places of worship
- Ongoing maintenance costs, services etc,
- Materials utilised in support of worship
- Liturgy and Music Departments
- Proportion of Support

Support for Clergy

- Training, support and housing of the clergy (including costs in retirement)
- Presbytery property costs
- Bishop, Vicars General and their associated costs
- Proportion of Support

Pastoral and Community

- Marriage and Family
- Child Protection
- Youth
- Charitable works of Trust
- Ecumenical; Health and Healing
- Community activities (*use of halls*)
- Proportion of Support

Education

- Schools, Colleges and Adult Education, but not the chaplaincy costs associated with universities or schools
- Proportion of Support

Support

- Finance (other than Governance)
- Property Services
- Communications
- Central property costs

Support costs have been allocated on the basis of prime costs incurred in charitable activities with the exception of schools building costs where a specific allocation has been made.

The Charity has paid premiums of £7,980 (2007: £7,980) to provide £1 million of indemnity insurance for the Trustees.

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**7. SUPPORT COSTS**

	<b>Parish</b>	<b>Curia</b>	<b>Total</b>	<b>Total</b>
	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Provision for Worship	244	4	248	188
Support of Clergy	256	71	327	311
Pastoral and Community	152	34	186	142
Education	2	47	49	44
	<u>654</u>	<u>156</u>	<u>810</u>	<u>685</u>
Governance	(note 8) -	25	25	25
	<u>(note 6) 654</u>	<u>181</u>	<u>835</u>	<u>710</u>

**8. GOVERNANCE**

	<b>Total</b>	<b>Total</b>
	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Professional Fees:		
Auditors	29	26
Legal	9	14
Property	-	-
Trustees	9	8
	<u>47</u>	<u>48</u>
Support	25	25
	<u>72</u>	<u>73</u>
Total shown on SOFA		

**9. STAFF COSTS**

Staff Costs are analysed as follows:-	<b>Parochial</b>	<b>Curial</b>	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Wages and Salaries	751	655	1,406	1,358
Employer's National Insurance	17	58	75	56
Pension Costs	5	38	43	45
	<u>773</u>	<u>751</u>	<u>1,524</u>	<u>1,459</u>

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**9. STAFF COSTS (CONTINUED)**

The average number of employees during the year on a full time equivalent basis was as follows:-

	2008			2007		
	Parochial No.	Curial No.	Total No.	Parochial No.	Curial No.	Total No.
Costs of Generating Funds (Social Clubs)	10	-	10	11	-	11
Costs of Activities in Furtherance of the Charities Objectives	52	24	76	49	23	72
Management and Administration	-	1	1	-	1	1
	62	25	87	60	24	84

No staff had emoluments, excluding pension contributions, within the band £60,000 - £70,000 (2007: None).

None of the Trustees received remuneration for their work as Trustees. The priests who are Trustees are housed and remunerated in their parishes and are reimbursed their expenses for carrying out their priestly duties in the same way as priests who are not Trustees. To assist him in the performance of his duties, the Bishop is provided with a house and his expenses in carrying out his office as Bishop are borne out of curial funds.

Expenses totalling £2,310 (2007: £1,433) were reimbursed to the other Trustees, being £2,310 (2007: £1,433) in respect of travel costs incurred. The number of Trustees receiving the reimbursed expenses detailed above amounted to four (2007: three Trustees).

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**10. TANGIBLE FIXED ASSETS**

	Parochial				Curial			
	Freehold Land £'000	Freehold Buildings £'000	Motor Vehicles £'000	Fixtures, Fittings and Equipment £'000	Freehold Land £'000	Freehold Buildings £'000	Fixtures, Fittings and Equipment £'000	Total £'000
<b>COST</b>								
As at 1 January 2008	493	16,893	104	24	267	1,139	18	18,938
Additions	56	1,604	5	-	-	-	6	1,671
Disposals	-	(35)	(4)	-	-	(6)	-	(45)
As at 31 December 2008	549	18,462	105	24	267	1,133	24	20,564
<b>DEPRECIATION</b>								
As at 1 January 2008	-	6,901	72	16	-	243	18	7,250
Charge for the Year	-	284	13	2	-	22	2	323
Disposals	-	(29)	(3)	-	-	(6)	-	(38)
As at 31 December 2008	-	7,156	82	18	-	259	20	7,535

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**10. TANGIBLE FIXED ASSETS (CONTINUED)**

	Parochial			Curial				
	Freehold Land £'000	Freehold Buildings £'000	Motor Vehicles £'000	Fixtures, Fittings and Equipment £'000	Freehold Land £'000	Freehold Buildings £'000	Fixtures, Fittings and Equipment £'000	Total £'000
<b>NET BOOK VALUE</b>								
As at 31 December 2008	549	11,306	23	6	267	874	4	13,029
As at 31 December 2007	493	9,992	32	8	267	896	-	11,688

All tangible fixed assets are used in the direct furtherance of the Charity's objectives.

One property included in freehold buildings is subject to a legal charge of £98,500 plus interest at 5% from 1981. This charge will not crystallise unless the property is sold. The property has been capitalised at deemed cost with a current net book value of £0 (2007: fnil). The Trustees consider that the market value of the property is substantially in excess of this amount.

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**11. FIXED ASSET INVESTMENTS**

	2008 £'000	2007 £'000
Listed Investments	3,044	4,192
UK Investment Properties	1,448	1,616
Cash	1,070	1,002
	<hr/>	<hr/>
	5,562	6,810
	<hr/>	<hr/>

**Listed Investments**

	Unit Fund	
	2008 £'000	2007 £'000
Market Value brought forward	4,192	4,995
Additions at Cost	-	-
Sale Proceeds from Disposals	-	(539)
Realised Gain	-	150
Unrealised Appreciation	(1,148)	(414)
	<hr/>	<hr/>
Market Value carried forward	3,044	4,192
	<hr/>	<hr/>
Book Cost Carried Forward	3,042	3,042
	<hr/>	<hr/>

No individual investments held, other than unit trust or common investment funds, had a value greater than 5% of the portfolio.

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**11. FIXED ASSET INVESTMENTS (CONTINUED)**

**UK Investment Properties**

Investment properties are included at their estimated open market valuation at the balance sheet date. The valuation of investment properties is performed by the Trustees.

Movements in the investment properties held during the year were as follows:-

	2008 £'000	2007 £'000
Valuation Brought Forward	1,616	1,616
Additions At Cost	-	-
Revaluation to Estimated Open Market Value	(168)	-
	<hr/>	<hr/>
Valuation Carried Forward	1,448	1,616
	<hr/>	<hr/>

**Realised Gains on Fixed Asset Investments**

	2008 £'000	2007 £'000
On Listed Investments	-	93
On Investment Properties	-	-
	<hr/>	<hr/>
	-	93
	<hr/>	<hr/>

**Unrealised Gains (losses) on Fixed Asset Investments**

	2008 £'000	2007 £'000
On Listed Investments	(1,148)	(414)
On Investment Properties	(168)	-
	<hr/>	<hr/>
	(1,316)	(414)
	<hr/>	<hr/>

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £'000	2007 £'000
DCSF Grants	1,139	864
Income Tax Recoverable	129	162
Prepayments and Other Debtors	1,394	513
	<hr/>	<hr/>
	2,662	1,539
	<hr/>	<hr/>

Prepayments and other debtors include £16,425 (2007: £24,472) in respect of loans to priests to purchase cars, on which no interest is payable, and which are repayable within four years.

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £'000	2007 £'000
Deposit Fund Balances Held on Behalf of Connected Charities	79	79
Loans	19	35
Proceeds of Sale of School Site Payable	9,456	9,668
Sundry Creditors and Accruals	2,182	1,894
Collections Due on Behalf of External Charities	-	9
	<hr/>	<hr/>
	11,736	11,685
	<hr/>	<hr/>

**Secured Loans**

The following liabilities disclosed under creditors falling due within one year are secured.

	2008 £'000	2007 £'000
Loans	10	10
	<hr/>	<hr/>



**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2008 £'000	2007 £'000
Loans	42	52
	<u>          </u>	<u>          </u>

The following liabilities disclosed under creditors falling due after more than one year are secured.

	2008 £'000	2007 £'000
Loans	42	52
	<u>          </u>	<u>          </u>

**15. LOANS**

	2008 £'000	2007 £'000
Total Payment Due	61	87
	<u>          </u>	<u>          </u>
Shown as:		
Due Within One Year	19	35
Due in One to Two Years	20	20
Due in Three to Five Years	22	30
Due After Five Years	-	2
	<u>          </u>	<u>          </u>
	61	87
	<u>          </u>	<u>          </u>

Within loans is a loan of £52,500 (2007: £62,500) secured by way of a legal charge over the freehold property of the Charity at 131 Exeter Street, Salisbury, dated 4 June 1999. The amount is being repaid at £10,000 per year to the year 2014 and is interest free.

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**16. ENDOWMENT FUNDS**

The endowed funds are permanent endowments. The balances on the main funds are as follows:-

	Balance at 1 January 2008 £'000	Movement in Funds		Balance at 31 December 2008 £'000
		Incoming Resources £'000	Expenditure, Gains, Losses and Transfers £'000	
Heavens Fund	111	-	(22)	89
Young Fund	58	-	(10)	48
Clifton Mission Benefactors Fund	110	1	(20)	91
Bishop's Maintenance Fund	135	1	(20)	116
Clergy Training Fund	92	-	(15)	77
The Lady Herbert of Lea Fund	23	-	(4)	19
Barnes Trust	15	-	(3)	12
Lucy Sharp Fund	16	-	-	16
Hensler Fund	12	-	(2)	10
Sundry Parochial Funds	103	1	(17)	87
Sundry Curial Funds	55	-	(1)	54
	730	3	(114)	619
	730	3	(114)	619

The Heavens Fund is for the maintenance and education of Catholic orphan girls.

The Young Fund is to assist widows and distressed ladies.

Clifton Mission Benefactors Fund is to say masses for certain individuals.

Bishop's Maintenance Fund income is to be applied for the maintenance of the Bishop of Clifton.

The Lady Herbert of Lea Fund is for the benefit of St. Osmund's Parish, Salisbury.

The Barnes Trust is for the benefit of the Sacred Heart Parish, Tisbury.

The Lucy Sharp Fund is for the benefit of the parishes of St. John's and St. Mary's in Bath, and St. Joseph's in Bridgwater.

The Hensler Fund is for the benefit of the Cathedral Parish.

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

17. RESTRICTED FUNDS	Movement in Funds			
	Balance at 1 January 2008 £'000	Incoming Resources £'000	Expenditure, Gains, Losses and Transfers £'000	Balance at 31 December 2008 £'000
<b>Parochial</b>				
Tisbury Parsons Fund	14	8	-	22
Tisbury Jesuit Fund	182	2	(4)	180
Other Parochial Funds	710	495	(352)	853
	906	505	(356)	1,055
<b>Curial</b>				
Priests' Retirement Fund (see note 19)	525	144	(215)	454
Clergy Training Fund (see note 20)	-	46	(46)	-
Infirm Priests' Society	278	10	(48)	240
Youth Development	8	-	-	8
Alexander House	43	-	(1)	42
Curial Trust Funds	523	62	(103)	482
Other Curial Funds	25	(11)	-	14
	1,402	251	(413)	1,240
<b>Total Restricted Funds</b>	2,308	756	(769)	2,295

Alexander House represents funds donated to assist in the purchase of the Diocesan administrative offices.

Tisbury Parsons Fund is to be used for the benefit of the people, buildings and activities in the parish of Tisbury and Wardour.

Tisbury Jesuits Fund is to be used for the benefit of the people, buildings and activities of rural parishes of the Diocese.

Other Parochial funds comprise special collections, legacies and donations for specific projects within the parishes.

Infirm Priests' Society is for the relief of infirm, sick and aged Roman Catholic secular priests of the diocese.

Youth Development funds are to be used for the young people of the diocese.

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**18. DESIGNATED FUNDS**

The Trustees have designated the following amounts included within unrestricted funds for specific purposes:

	Balance at 1 January 2008 £'000	Movement in Funds		Balance at 31 December 2008 £'000
		Incoming Resources £'000	Expenditure, Gains, Losses and Transfers £'000	
<b>Parochial</b>				
Unrestricted Fixed Asset Fund	10,525	1,665	(306)	11,884
	-----	-----	-----	-----
<b>Curial</b>				
Clergy Medical Fund	103	10	(36)	77
Priests Retirement Fund (note 19)	653	-	(119)	534
Unrestricted Fixed Asset Fund	977	6	(26)	957
Other Curial Funds	19	-	2	21
St Thomas More Secondary School	1,995	-	-	1,995
	-----	-----	-----	-----
	3,747	16	(179)	3,584
	-----	-----	-----	-----
Total Designated Funds	14,272	1,681	(485)	15,468
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The Curial and Parochial Fixed Asset Funds represent the net book value of tangible fixed assets less the net book value of tangible fixed assets included in restricted funds. By designating these funds the unrestricted funds in the balance represent the free reserves of the Charity.

The Clergy Medical Fund supports the medical and welfare costs for sick priests and those requiring nursing care.

The St Thomas More Secondary School fund represents the proceeds of sale of the school site which are designated for the purposes of future schools' building projects.

**19. PRIESTS' RETIREMENT FUND**

	Balance at 1 January 2008 £'000	Movement in Funds		Balance at 31 December 2008 £'000
		Incoming Resources £'000	Expenditure, Gains, Losses and Transfers £'000	
Restricted Fund	525	144	(215)	454
Designated Fund	653	-	(119)	534
	-----	-----	-----	-----
	1,178	144	(334)	988
	-----	-----	-----	-----

The Priests' Retirement Fund is a fund to support priests in currently in retirement and those due to retire until 2012. It is distributed by way of discretionary grants.

In addition to the amounts designated above, the Parishes made contributions to a Defined Contribution Group Personal Pension Scheme to provide for the retirement of priests.

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**20. CLERGY TRAINING FUND**

	Balance at 1 January 2008 £'000	Movement in Funds		Balance at 31 December 2008 £'000
		Incoming Resources £'000	Expenditure, Gains, Losses and Transfers £'000	
Endowed Fund	92	-	(15)	77
Restricted Fund	-	46	(46)	-
	92	46	(61)	77
	92	46	(61)	77

The Clergy Training Fund finances the training and ongoing formation of diocesan priests and provides welfare support for priests in need.

**21. TRANSFERS**

	Unrestricted		Restricted/Endowed		Total 2008 £'000
	Parochial £'000	Curial £'000	Parochial £'000	Curial £'000	
Allocated overheads	654	(654)	-	-	-
Diocesan levy	(1,797)	1,797	-	-	-
Interest on loans	(42)	42	-	-	-
Clergy Medical Fund subscriptions	(19)	19	-	-	-
Other Transfers and Adjustments	(16)	77	(2)	(59)	-
	(1,220)	1,281	(2)	(59)	-
	(1,220)	1,281	(2)	(59)	-

**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Tangible Fixed Assets	12,847	182	-	13,029
Fixed Asset Investments	4,587	516	459	5,562
Net Current Assets	9,101	1,597	160	10,858
Long Term Liabilities	(42)	-	-	(42)
	26,493	2,295	619	29,407
	26,493	2,295	619	29,407

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**23. NOTES TO THE CASH FLOW STATEMENT**

**a. Reconciliation of Net Ingoing Resources to Net Cash Flow from Operating Activities**

	2008 £'000	2007 £'000
Net Incoming Resources	2,171	3,182
Dividends Receivable	(204)	(158)
Interest Receivable	(1,230)	(1,144)
Income on Investment Properties	(49)	(49)
Depreciation of Tangible Fixed Assets	323	283
Decrease/(increase) in Debtors	(1,123)	1,603
(Decrease)/increase in Creditors	67	(290)
Profit on Sale of Fixed Assets	(681)	(1,617)
Donations received in kind	(225)	-
	<hr/>	<hr/>
Net Cash Inflow(Outflow) from Operating Activities	(951)	1,810
	<hr/>	<hr/>

**b. Reconciliation of Net Cash Flow to Movement in Net Funds**

	2008 £'000	2007 £'000
Increase/(Decrease) in Cash in the Year	524	820
Cash Deposited to Short Term Deposits	(844)	2,978
Cash Outflow from Repayment of Loan	26	79
New Loans Received	-	-
	<hr/>	<hr/>
Increase in Net Funds in the Year	(294)	3,877
Net Funds Brought Forward	20,165	16,288
	<hr/>	<hr/>
Net Funds Carried Forward	19,871	20,165
	<hr/>	<hr/>

**c. Analysis of Changes in Net Funds**

	At 1 Jan 2008 £'000	Cash Flow £'000	At 31 Dec 2008 £'000
Overdrafts	(1,075)	524	(551)
Short Term Deposits	21,327	(844)	20,483
	<hr/>	<hr/>	<hr/>
Net Cash at Bank and Short Term Deposits	20,252	(320)	19,932
Loans Due for Repayment Within One Year	(35)	16	(19)
Loans Due for Repayment After One Year	(52)	10	(42)
	<hr/>	<hr/>	<hr/>
	20,165	(294)	19,871
	<hr/>	<hr/>	<hr/>

Short Term Deposits on more than one day's notice are considered to be liquid resources.

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**24. CHARITABLE COMMITMENTS**

The following commitments in respect of parishes and schools have been agreed at 31 December 2008 although not provided for in the accounts, on the basis that the commitment is to be funded primarily from future income.

	<b>Estimated Costs to Completion £'000</b>	<b>Less DCSF Grants Receivable £'000</b>	<b>Net Commitment 2008 £'000</b>	<b>Net Commitment 2007 £'000</b>
School Building Costs	5,173	4,521	651	420
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>