

CLIFTON DIOCESE

ANNUAL REPORT

for the year ended

31 DECEMBER 2010

CLIFTON DIOCESAN TRUST
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010

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CLIFTON DIOCESAN TRUST
TRUSTEES REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010

INTRODUCTION

The Trustees present their report and the audited financial statements for the year ended 31 December 2010.

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.

CONSTITUTION

Clifton Diocesan Trust was established under a Declaration of Trust dated 6th May 1934 as amended by a scheme dated 19th August 1996 and further amended by a scheme dated 19th January 2007 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.

Details of the Trustees who served in the year together with information on the structure, management and legal and administrative details are set out on pages 1-7 to 1-12.

The Diocese covers the local authority areas of Bath & North East Somerset, City and County of Bristol, Gloucestershire, North Somerset, Somerset, South Gloucestershire, Swindon and Wiltshire. The Diocese serves its people through 107 parishes, 64 maintained and 10 independent schools and the Diocesan central agencies.

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 Roman Catholic education within the Diocese of Clifton.

THE CHURCH

We believe and proclaim that our Lord and Saviour Jesus Christ revealed to us the need to keep two great commandments. The first was to love God and the second was to love our neighbour. Jesus said that this was the whole meaning of the Law and the Prophets which are to be found in the Old Testament, which is the first part of our sacred book - The Bible. The second part of the Bible is called The New Testament and shows us through the life, death and resurrection and teaching of Jesus Christ and his early followers how to live out these commandments in our daily lives.

The worshiping members of our church will meet in our churches on a Sunday to celebrate the Eucharist. We consider this to be the source and summit of our worship of God. However our church buildings are also generally places of daily worship and most are open for many hours each day as a place for anyone to come and share our sacred space. In many of our towns and cities these buildings are not just places of witness but clear and tangible havens of peace for all to visit and seek to find an inner peace and harmony through a sense of the nearness of God.

As well as our Sunday worship our parishes are places where we celebrate the milestones of the great highs and lows of our existence. Here we welcome our new members at Baptism and then at Holy Communion when they have reached an age of reason and are able to more fully participate in our Eucharist. As teenagers we prepare them for the challenges of adolescence with the Sacrament of Confirmation. Later as they find and fall in love with their partner for life we celebrate the Sacrament of Marriage. As life's journey goes on for some these can mean poor health either in the long term or the short term and at home or in hospital we anoint them for the Sacrament of the sick. At death a Catholic funeral service is a celebration of life and a sign of our trust in God's eternal loving care as we return our loved ones to the dust from which they came.

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To undertake all of these Sacramental encounters we look for men who will give their lives in the service of the church and its community by offering themselves for ministry as Priests or Deacons. These are always ordained by our Bishop after they have undergone a long and rigorous period of formation and prayer.

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity. In making this declaration the Trustees consider the work of the Diocese in supporting our charitable objects and the sections below elaborate further on the key areas of benefit of our work to the public.

Access to our Churches

Our churches are an important part of how our communities define themselves and they are a significant feature and many towns and cities. The majority of these buildings are between 30 and 150 years old and often are architectural gems and some are listed by the English Heritage. We are guardians of a heritage that has been passed on to us and we will always do our best to pass them on in good order to the next generation. So all are subject to a need for constant maintenance and repair and this is a significant part of our overall expenditure.

Help to the needy

When we come to love of neighbour then Jesus Christ was very clear that this did not just mean those who live next door to us but all with whom we share this beautiful God given planet. Our clergy and parishioners reach out not just to their own members but also to all who may need their help. They can be found helping on – soup runs and feeding the homeless, at night shelters and food banks, assisting the disabled adults and children, visiting the sick at home, in a nursing home, or in hospital, dealing with Fair Trade and a whole range of Green issues, working for justice and peace at home and abroad. Helping with asylum issues and counselling those with all sorts of problems. Finally raising awareness of the plight of the marginalised in many parts of the world, and raising funds to give practical assistance to such areas and peoples.

Coordinating collective fundraising efforts

For accounting purposes the money that churchgoers raise for third parties is not classified as church income. However the reality is that without the help and structure of the Church these funds would not be raised. So for the Church, charity is not a welfare activity which could be left to others but an integral part of what it means to be a person of faith and a member of the Roman Catholic Church.

Education

The number of primary and secondary schools that we are involved with makes us a significant figure in the field of education. We are involved with as many, if not more, schools than many local education authorities. Whilst our primary thrust is to provide places for Catholic children it is also true our schools have a good number of pupils and staff of other Christian traditions and other faiths. We constantly strive via our central agencies to make sure that all our schools are striving for excellence for all pupils and we value the contribution that these schools make to their local communities. We always aim to have our schools as beacons of excellence not only in academic but also in faith and morals, in this way we help to show our love of neighbour.

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OBJECTIVES AND ACHIEVEMENTS IN THE YEAR

In pursuing the mission proclaimed in its diocesan pastoral guidelines 'Called to be a People of Hope', Clifton Diocese fulfils its purpose through three principal avenues.

Parishes

The parish unit is the basic building block of the Catholic Church. It is within the parish that as children and adults, Catholics learn how to reflect their beliefs in their everyday lives. In addition to supporting the charitable institutions most closely associated with the church e.g. CAFOD, The Society of St Vincent de Paul etc. most parishes also have a local, national or overseas charity to which they devote significant fund-raising activity.

Pope Benedict made clear in the encyclical *Deus caritas est* that the Church is God's family in the world and in this family, no one ought to go without the necessities of life. Through practical, direct action, parishes provide a vital link with the wider community for the housebound and people with mobility issues. Some larger parishes have their own transport to accommodate not only their own needy but also their neighbours in the community as a whole. Non-Catholic groups use parish premises and Catholic participants lead and take part in a range of civic and social activities. In all of these, the parish is the centre of local Catholic life.

The 107 parishes comprising the Clifton Diocese are ministered to by 87 priests. Already the initiatives outlined in the 2009 document 'Parishes in Communion for Mission' are being implemented. Parish groupings are being realigned to minimise the organisational and pastoral limitations imposed by the geography of the diocese. By 2014, most of the proposed changes will have been implemented.

As the number of priests' declines, the role of the parish as the primary pastoral carer for our people becomes more important. The potential of the laity to support parish clergy has been strengthened through the training of additional lay catechists. These people are now skilled in preparing our parishioners for First Communion, Confirmation and through RCIA (Rite of Christian Initiation of Adults), guiding converts in becoming fully communing members of the Roman Catholic Church.

Sitting between the diocese and the parishes there is a structure of 13 deaneries to facilitate local collaboration and provide a collegiate environment for parish priests. Each deanery has a pastoral council presided over by a dean and containing representatives of each member parish.

Major development work has been completed or is in the final stages of planning in the parishes of St Nicholas of Tolentino, Bristol (new presbytery), Our Lady & The English Martyrs, Burnham-on-Sea (reordering of the church to provide social space for the parish) and St Thomas More, Cheltenham (provision of alternative space for both worship and social purposes).

Curia and Central Agencies

The Bishop is appointed by the Holy Father as shepherd and teacher of his flock in the West of England. He also has a secular role as the leader of an organisation with 188 employees, assets of £32m and a budget of £9m. He is advised by a curia of senior clergy and chairs the Board of Trustees formed of both clergy and lay members. The central administration consists of departments covering Schools and Colleges, Finance, Property, Communications, Youth Work, Safeguarding and Adult Education and Evangelisation. All are headed by experienced professionals with appropriate qualifications.

The diocese is recognised internationally within the Church, for the style and effectiveness of its publications and online presence.

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The Safeguarding Office is recognised for the thoroughness of its oversight of the protection of children and vulnerable adults. It operates according to the national standards for this important function.

The appointment of a professional, full time Youth Coordinator has provided greater focus on the younger members of our community; the future of the Catholic Church.

A working party was formed to review the diocese's approach to budgetary control and financial planning. This is an important project in the context of the reorganisation of parishes.

Mindful of the need for careful stewardship of the diocesan property portfolio, a training day was held for parish property committees under the auspices of Faith in Maintenance. Parishes are required to conduct quinquennial surveys of their premises and plan their finances accordingly to accommodate major repairs and renovations. The Property Department are leading the development of an Environmental Policy Statement for the Diocese.

The decision of the Community of Poor Clares at Woodchester to move to Lynton will require the diocesan surveyor to take responsibility of selling the convent land and premises. The diocese and the community will share the net proceeds in a proportion to be agreed.

The visit to the UK of Pope Benedict XVI in September 2010 was a major cause for celebration in the diocese. The appointment of a special diocesan coordinator underlined the importance given to this event, which took hundreds of Clifton Catholics to major events in London and Birmingham.

Education

Provision of primary and secondary education for the children and young people of our parish communities continues to be a central pillar of diocesan work. The Director of Schools and Colleges maintains oversight on the role of Foundation Governors who are the Bishop's representatives on governing bodies. Regular training and renewal for governors is a required component of their role as they seek to become beacons of excellence at every level. The proportion of non-Catholic pupils seeking and obtaining places in our schools bears out the value that the community at large places on the Catholic educational ethos. St Brendan's Catholic Sixth Form College in Bristol is an outstanding example of a Catholic school providing an excellent education to the wider community.

During 2010, work commenced to establish if there is a need for a sixth form at St Gregory's College in Bath. A decision will be taken during 2011.

The impending legislation for the establishment of Academies required early attention and rapid decisions from the department's professional staff, trustees and school governors. Academies represent the next evolutionary step for Catholic education and as such there has been enormous interest from across the diocese. Responding to this demand will be a major part of the department's work during 2011.

FUTURE PLANS

Parishes

The moves towards the parish configuration indicated in 'Parishes in Communion for Mission' will continue in 2011 and are expected to be broadly complete by 2014.

It is anticipated that the reordering of the church of Our Lady and the English Martyrs at Burnham will be completed in the autumn of 2011. Subject to the relevant planning consents work on the redevelopment of St Thomas More, Cheltenham is expected to start during late 2011 with completion expected in 2012. Together with the opening of All Saints Academy in 2011, this represents renewal for the Catholic community of west Cheltenham and provides facilities for the wider community of that area.

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Curia and Central agencies

The Budget Review Group are expected to report during 2011 to provide financial plans which will enable the central services to support the parishes and schools of the Diocese into the future and ensuring that the developments outlined in the Called to be a People of Hope and the Parishes in Communion for Mission are well supported by the administrative departments.

Education and Young People

The transition of Christ's College in Cheltenham to the All Saints' Academy on a new site, in partnership with the Anglican Diocese of Gloucester is a major educational and social project. The College will open for students on the new site in September 2011. It is also anticipated that the rebuilt St Peter's Primary school in Gloucester will be completed in late 2011.

The Department for Schools and Colleges will be building on the legacy of Pope Benedict's visit by arranging a programme of events entitled Unfolding Wisdom which celebrate the Year for Catholic Education which was launched during the visit.

The 2011 World Youth Day will take place in Madrid and planning is in hand for a group of young people from Clifton to attend this week of celebration of the Catholic faith.

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.

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.

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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 £4,911k (£4,996k for 2009).

The charitable expenditure by the parishes rose from £6,291k to £6,835k. In addition to the revenue costs £477k (2009: £1,036k) of expenditure on building improvements was capitalised.

The net incoming resources of the parishes before transfers was £1,208k (2009: £1,608k) of which £1,295k was unrestricted (2009: £1,485k).

Overall Parish Funds increased in the year by £31k (2009: £473k) including gains of £111k on fixed asset investments (2009: £120k gain). Total Parish Funds at 31 December 2010 amounted to £21,756k (2009: £20,725k) of which £20,516k (2009: £20,408k) was unrestricted. Freehold land and buildings account for £12,632k (2009: £12,530k) of total Parish Funds.

Curial

Curial income was £972k compared to £1,219k in 2009. 2009 income included profit on disposal of fixed assets of £183k, there were no disposals in 2010. Charitable expenditure was £1,528k (2009 £1,785k). These costs are recovered by means of a levy on the parishes and the investment income received on curial deposits.

The outgoing resources of the Curia before the levy from parishes were £612k (2009: net outgoing resources, £632k) of which £699k was unrestricted (2009: unrestricted incoming resources £844k).

Overall, Curial Funds increased in the year by £968k (2009 increase £933k) including gains on fixed asset investments of £292k (2009: £310k gain).

Total Curial Funds at 31 December 2010 were £10,056k (2009: £9,088k) of which £7,855k (2009: £7,051k) were unrestricted. Total Curial Funds include £1,562k (2009: £1,625k) net balances due from parishes.

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.

Investment Policy and 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, Bond Fund for Charities, and Global Equity Fund. Cash balances were invested together with general Diocesan deposits in a spread of

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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. The Equity Fund and Bond Fund rose significantly during the year broadly in line with market performance. The Investment Committee decided to widen the scope of the investments by adding the Global Equity Fund in the portfolio. 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 3 and 3a shows the following make-up of the increase in funds in 2010:-

| | Parochial Funds | | Curial Funds | | Total | |
|--|-----------------|---------------|---------------|---------------|---------------|---------------|
| | 2010 £'000 | 2009 £'000 | 2010 £'000 | 2009 £'000 | 2010 £'000 | 2009 £'000 |
| Net Incoming (outgoing) Resources After Transfers | (80) | 353 | 676 | 623 | 596 | 976 |
| Realised Gains on Fixed Asset Investments | 20 | 1 | 50 | 4 | 70 | 5 |
| Unrealised gains on Fixed Asset Investments | 91 | 119 | 242 | 306 | 333 | 425 |
| Net Movement in Funds | 31 | 473 | 968 | 933 | 999 | 1,406 |

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:

| | 2010 £'000 | 2009 £'000 |
|---------------------------------|---------------|---------------|
| Total Funds | 31,812 | 30,813 |
| Less: Permanent Endowment Funds | (708) | (661) |
| Restricted Funds | (2,733) | (2,693) |
| Designated Funds | (16,617) | (16,173) |
| Free Reserves of the Charity | 11,754 | 11,286 |

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.

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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 risen by £468k during the year. Such reserves represent 17 months recurring unrestricted expenditure (2009: 17 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.

STRUCTURE GOVERNANCE AND MANAGEMENT

Trustees. The Bishop is empowered to appoint and remove all trustees. The trustee body is made up of clergy and lay faithful of the Diocese. There are 13 trustees of which the Bishop is the chairman. The 7 clerical trustees are appointed for their expertise in parochial, spiritual, pastoral and canonical expertise. The 6 lay trustees are selected for their wide ranging business and educational expertise. Additional trustees would be appointed if it was perceived that there was a significant skill or knowledge gap on the board.

New trustees are given an induction which includes a pack of information on the constitution, governance and operation of the diocese. All trustees are expected to be familiar with the central departments and the parishes of the diocese. The board has established a number of committees to look at specific aspects of the charity and they report back to the main board.

A list of the trustees and the key committees of the Diocese are set out below:

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. Canon Bernard Massey (Moderator of the Curia)
 Rev. Richard Dwyer
 Rev. David Mills
 Mr Peter Baxter
 Mrs Valerie James
 Miss Madge McCarthy (deceased 17th April 2010)
 Mr Stephen McNulty
 Dr Giles Mercer
 Mr John Mill
 Mrs Carolyn Puddicombe

Secretary:

Miss Anne Barwell (resigned 12/10/2010)
 Miss Alessia Dini (appointed 27/10/2010)

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SUB COMMITTEES

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

The Audit Committee:

Rev. Canon Bernard Massey (T)
 Mr Peter Butler (appointed 14th September 2010)
 Mrs Alison Byrne

This committee is made up of a trustee (Moderator of the Curia) and 2 lay members. The Diocesan Finance Administrator as well as the lead partner from our Auditors are in attendance. They meet twice per year.

The Investment Committee:

Rev. Canon Bernard Massey (T)
 Mr Martin Appleby (Chairman)
 Mr Edward Corrigan
 Mr Nigel Quinnen
 Mr John Rodgers

This committee is made up of 1 trustee and 4 lay professional members and meets with the lead member from our Investment House. The Diocesan Finance Administrator is in attendance. It generally meets twice per year but in volatile times has a mechanism in place to meet more frequently.

The Priests' Retirement Fund Committee:

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

The Property Committee:

Rev. Canon Bernard Massey (T)
 Rev. David Mills (T)
 Mr Peter Baxter (T)
 Mr John Mill (T)

This committee which is made up of trustees with the Diocesan Surveyor and the Diocesan Finance Administrator in attendance. Its role is to look at all property related issues in parishes and to give approval for small works (up to £50k) and where possible to make recommendation to the main board for approval on works over this limit. The property committee generally meets monthly.

The Staffing Committee:

Right Reverend Declan Lang, Bishop of Clifton (Chairman)
 Rev. Canon Bernard Massey (T)
 Mrs Valerie James (T)
 Dr Giles Mercer (T)

This committee is composed of 4 trustees as well as having the support of a professional Personnel Advisor who is retained by the Diocese to give information and advice as needed. This committee deals with all personnel related issues in the diocese. It is chaired by the Bishop.

Safeguarding Commission. This has 1 trustee (Moderator of the Curia), and 9 lay members with extensive experience in the whole area of safeguarding. The Safeguarding Coordinator is in attendance. It meets 6 times per year. It gives advice to the Bishop and board on all aspects of safeguarding within the diocese.

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As well as these committees there are several others that report indirectly to the board.

School Commission. This is chaired by the Bishop and the Director of our School and Colleges Department is in attendance, as well as a representative from each of the Local Authority educational areas of the diocese. It deals with all aspects of education from 4- 19 years. The Director of the School and Colleges Dept presents a report to every trustees meeting.

Council of Priests and meeting of Deans. The priests in these two bodies meet at least twice per year to advice and discuss with the Bishop on a variety of pastoral issues that are relevant to the diocese.

Diocesan Pastoral Council. This council is made up of a mixture of lay and clerical members from around the diocese, together with some staff from the central departments. It meets 3 times per year to look at strategic planning to deal with the pastoral needs of diverse communities that make up our parishes and deaneries.

Bishops Council this confidential council is composed of the 2 Vicars General and the Moderator of the Curia (all trustees) who meet with the Bishop to discuss any aspects of the life of the Diocese that the Bishop wishes to air with them. It generally meets 5 times per year.

Priests Retirement Committee This group deal with a range of issues of our retired clergy to ensure they have adequate and secure accommodation and funds to meet their daily expenses after a life of faithful service to the people of the diocese.

The Trustees and Committees are supported in their work by the Diocesan departments.

Adult Education & Evangelisation. This group work with the Director of Adult Education to ensure that there is a comprehensive range of training and formation opportunities presented to the laity and the clergy of the Diocese.

Youth Work. This comes under the above Department and this work is undertaken by a central Youth Coordinator who helps to stimulate and coordinate a wide range of youth activities around the diocese. It is also the central hub for the organisation of the Biennial World Youth Day which takes place around the globe.

Property Services Dept. This works both with the central curial offices and the individual parishes to deal with the vast range of issues associated with the parish buildings as well as issues relating to school property and land.

Department for School and Colleges. This department both advises the trustees of all aspects of education, and also works closely with the Catholic staff of the school and colleges of the diocese. It also has a service level agreement with schools to provide a range of services to each institution.

Finance Department. This deals with a multitude of financial and administrative aspects of the work of the Diocese. It not only coordinates the central finances and budgets of the Diocese but it also collects all parish levies and deals with all aspects of Gift Aided donations and salaries for the individual parishes and their staff.

Parishes. The 107 parishes in the Diocese have the day to day administration of the property and asset delegated to the Parish Priests who are advised by their parish finance committee.

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TRUSTEES REPORT CONTINUED
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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. |
|--|----------------|
| Edith Mary Young Memorial Fund | 201234 |
| William Goldstone's Charity | 211002 |
| Charity of Mrs Sarah Ann Board | 236616 |
| The Cornwall Holy Trinity Trust | 286014 |
| Elizabeth Lady Herbert Foundation | 309304 |
| Heaven's Roman Catholic Orphanage for Girls | 310187 |
| The Countess Isabella Jane English Foundation | 310230 |
| The Carpue Foundation | 310301 |
| The Pratt Fund | 310302 |
| The Bessie Yates Sturges Scholarship | 310303 |
| Goldstone's Charity for Education of Students for Priesthood | 311781 |
| Lady Arundell of Wardour Bequest for Training of Students for the Roman Catholic Priesthood | 313492 |
| The Wigmore Trust | 313830 |

The following charities have not been activated:-

| | |
|--|--------|
| Clifton Diocesan Clergy Fund | 246069 |
| St Francis of Assisi Roman Catholic Church Nailsea | 292071 |
| The Diocese of Clifton Education Trust | 313215 |

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.

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 |

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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

Mrs Jane Dziadulewicz – Safeguarding Coordinator
Ms Margaret Marshall – Financial Administrator
Mr Ian McNiff – Director, Schools and Colleges
Mr Derek Salmon – Diocesan Surveyor
Rev C Whitehead – Director of Adult Education and Evangelisation

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

We are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires us 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, we are required to:

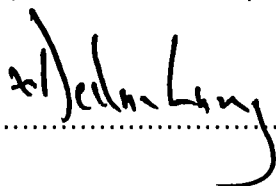
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed 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 business.

We are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They 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.

Approved by the Trustees on 18th October 2011 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 2010

We have audited the financial statements of the Clifton Diocesan Trust for the year ended 31 December 2010 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 1-12, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2010, 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 1993.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual 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.



haysmacintyre
Statutory Auditor

Fairfax House
15 Fulwood Place
London
WC1V 6AY

CLIFTON DIOCESAN TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2010

| | Notes | PAROCHIAL FUNDS | | | CURIAL FUNDS | | | TOTAL | | | |
|---|----------|------------------|---------------------|--------------------|----------------|-----------------------|---------------------|--------------------|----------------|---------------|---------------|
| | | General £'000 | Restricted £'000 | Endowment £'000 | Total £'000 | Unrestricted £'000 | Restricted £'000 | Endowment £'000 | Total £'000 | 2010 £'000 | 2009 £'000 |
| INCOMING RESOURCES | | | | | | | | | | | |
| From Generated Funds | | | | | | | | | | | |
| Voluntary Income | | | | | | | | | | | |
| Offerings | | 4,911 | 210 | - | 5,121 | 44 | 119 | - | 163 | 5,284 | 5,500 |
| Legacies | | 611 | 11 | - | 622 | 5 | 152 | - | 157 | 779 | 494 |
| Activities for Generating Funds | | | | | | | | | | | |
| Social clubs income | | 366 | - | - | 366 | - | - | - | - | 366 | 407 |
| Other fundraising | 3 | 1,446 | - | - | 1,446 | 158 | 6 | - | 164 | 1,610 | 1,430 |
| Investment income & interest receivable | 2 | 180 | 4 | 1 | 185 | 407 | 46 | 2 | 455 | 640 | 819 |
| From Charitable Activities | | | | | | | | | | | |
| Rents Received | | 652 | - | - | 652 | 33 | - | - | 33 | 685 | 662 |
| Other Incoming resources | | - | - | - | - | - | - | - | - | - | 185 |
| Net gain on disposal of fixed assets | | - | - | - | - | - | - | - | - | - | - |
| Sale of school property | | - | - | - | - | - | - | - | - | - | - |
| TOTAL INCOMING RESOURCES | | 8,166 | 225 | 1 | 8,392 | 647 | 323 | 2 | 972 | 9,364 | 9,497 |
| RESOURCES EXPENDED | | | | | | | | | | | |
| Cost of generating funds | | 349 | - | - | 349 | - | - | - | - | 349 | 379 |
| Charitable activities: | | | | | | | | | | | |
| Provision for Worship | 6 | 2,783 | 66 | - | 2,849 | 45 | - | - | 45 | 2,894 | 2,237 |
| Support of Clergy | 6 | 2,959 | - | - | 2,959 | 466 | 189 | - | 655 | 3,614 | 3,352 |
| Pastoral and Community | 6 | 774 | 247 | - | 1,021 | 240 | 49 | - | 289 | 1,310 | 1,664 |
| Education | 6 | 6 | - | - | 6 | 539 | - | - | 539 | 545 | 823 |
| Governance | 8 | - | - | - | - | 56 | - | - | 56 | 56 | 66 |
| TOTAL RESOURCES EXPENDED | 5 | 6,871 | 313 | - | 7,184 | 1,346 | 238 | - | 1,584 | 8,768 | 8,521 |

CLIFTON DIOCESAN TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

| | Notes | PAROCHIAL FUNDS | | | | CURIAL FUNDS | | | | TOTAL | |
|-----------------------------------|-------|------------------|---------------------|--------------------|----------------|-----------------------|---------------------|--------------------|----------------|---------------|---------------|
| | | General £'000 | Restricted £'000 | Endowment £'000 | Total £'000 | Unrestricted £'000 | Restricted £'000 | Endowment £'000 | Total £'000 | 2010 £'000 | 2009 £'000 |
| NET INCOMING RESOURCES | | 1,295 | (88) | 1 | 1,208 | (699) | 85 | 2 | (612) | 596 | 976 |
| <i>(Before transfers)</i> | | | | | | | | | | | |
| Transfer between funds | 21 | (1,288) | - | - | (1,288) | 1,300 | (12) | - | 1,288 | - | - |
| NET INCOMING RESOURCES | | 7 | (88) | 1 | (80) | 601 | 73 | 2 | 676 | 596 | 976 |
| Other recognised Gains and Losses | | 101 | - | 10 | 111 | 203 | 55 | 34 | 292 | 403 | 430 |
| NET MOVEMENT IN FUNDS | | 108 | (88) | 11 | 31 | 804 | 128 | 36 | 968 | 999 | 1,406 |
| Fund Balances Brought Forward | | 20,408 | 1,164 | 153 | 21,725 | 7,051 | 1,529 | 508 | 9,088 | 30,813 | 29,407 |
| FUND BALANCES CARRIED FORWARD | 22 | 20,516 | 1,076 | 164 | 21,756 | 7,855 | 1,657 | 544 | 10,056 | 31,812 | 30,813 |

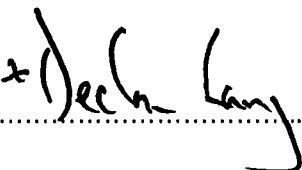
The net movement in funds above arises entirely from continuing activities.

The notes on pages 6 to 28 form an integral part of these financial statements.

CLIFTON DIOCESAN TRUST
BALANCE SHEET AS AT 31 DECEMBER 2010 (CONTINUED)

| | | 2010 | | | 2009 | | |
|-------------------------|-------|--------------------|-----------------|----------------|--------------------|-----------------|----------------|
| | Notes | Parochial £'000 | Curial £'000 | Total £'000 | Parochial £'000 | Curial £'000 | Total £'000 |
| Capital Funds | | | | | | | |
| Permanent Endowments | 16 | 164 | 544 | 708 | 153 | 508 | 661 |
| Income Funds | | | | | | | |
| Restricted | 17 | 1,076 | 1,657 | 2,733 | 1,164 | 1,529 | 2,693 |
| Unrestricted Designated | 18 | 12,664 | 3,953 | 16,617 | 12,583 | 3,590 | 16,173 |
| Unrestricted | | 7,852 | 3,902 | 11,754 | 7,825 | 3,461 | 11,286 |
| | | | | | | | |
| Total Funds | 22 | 21,756 | 10,056 | 31,812 | 21,725 | 9,088 | 30,813 |

Approved and authorised for issue by the Board of Trustees on 18th October 2011
and signed on their behalf by:



The Right Reverend Declan Lang
Bishop of Clifton
(CHAIRMAN)

The notes on pages 6 to 27 form an integral part of these financial statements.

CLIFTON DIOCESAN TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 | | 2009 | |
|--|-------|-------|-------|---------|-------|
| | | £'000 | £'000 | £'000 | £'000 |
| Net Cash Inflow/(Outflow) from Operating Activities | 23(a) | | 3,352 | | 357 |
| Returns on Investments and Servicing of Finance | | | | | |
| Dividends Received | | 122 | | 152 | |
| Interest Received | | 470 | | 622 | |
| Income on Investment Properties | | 48 | | 45 | |
| | | | 640 | | 819 |
| Capital Expenditure and Financial Investment | | | | | |
| Purchase of Tangible Fixed Assets | | (654) | | (1,036) | |
| Sales of Tangible Fixed Assets | | - | | 182 | |
| Purchase of Fixed Asset Investments | | (620) | | (588) | |
| Sale of Fixed Asset Investments | | 620 | | 92 | |
| (Increase)/Decrease in cash held by Investment Managers | | (30) | | 470 | |
| | | | (684) | | (880) |
| Net Cash Inflow Before Management of Liquid Resources and Financing | | | 3,308 | | 296 |
| Management of Liquid Resources | | | | | |
| Cash (Deposited) to Short Term Deposits | | | | | (803) |
| Financing | | | | | |
| New Loans Received | | - | | 13 | |
| Repayment of Loans | | (16) | | (10) | |
| | | | (16) | | 3 |
| Increase (Decrease) in Cash for the Year | 23(b) | | 3,292 | | (504) |

The notes on pages 6 to 27 form an integral part of these financial statements.

CLIFTON DIOCESAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010 (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 (2009: 64) maintained and 9 independent schools (2009:10). 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 2010 (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 £21.8 million (2009: £19.7 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 | 33⅓% - 10% | (3 to 10 years) |

CLIFTON DIOCESAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (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

| | 2010 £'000 | 2009 £'000 |
|------------------------------------|---------------|---------------|
| Income on UK Listed Investments | 122 | 152 |
| Income on UK Investment Properties | 48 | 45 |
| Interest on UK Cash held at Bank | 470 | 622 |
| | <hr/> | <hr/> |
| | 640 | 819 |
| | <hr/> <hr/> | <hr/> <hr/> |

CLIFTON DIOCESAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

| 3. OTHER FUNDRAISING | 2010 | | | 2009 | | |
|---------------------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|
| | Parish £'000 | Curial £'000 | Total £'000 | Parish £'000 | Curial £'000 | Total £'000 |
| Repository and Newspapers | 249 | - | 249 | 258 | - | 258 |
| Fundraising events | 346 | - | 346 | 293 | - | 293 |
| Management Charges | - | 65 | 65 | - | 65 | 65 |
| Chaplaincy Stipends | 46 | - | 46 | 54 | - | 54 |
| Sundry Income | 805 | 99 | 904 | 676 | 84 | 760 |
| | <u>1,446</u> | <u>164</u> | <u>1,610</u> | <u>1,281</u> | <u>149</u> | <u>1,430</u> |

4. **GRANTS AND DONATIONS**

Grants and donations included within charitable expenditure comprise:

| | Parish £'000 | Curial £'000 | Total 2010 £'000 | Total 2009 £'000 |
|--------------------------------|-----------------|-----------------|------------------------|------------------------|
| Grants to Individuals | 26 | 10 | 36 | 67 |
| Grants to Institutions | 96 | 4 | 100 | 134 |
| Donations spent on Projects | 260 | - | 260 | 315 |
| Diocesan and Other Collections | 4 | - | 4 | 13 |
| | <u>386</u> | <u>14</u> | <u>400</u> | <u>529</u> |

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 £602k were paid out in the year (2009: £410k). At 31st December 2010 £10k (2009: £14k) third party funds were held by the Diocese.

CLIFTON DIOCESAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

5. CHARITABLE EXPENDITURE

| | Unrestricted £'000 | Restricted £'000 | Endowment £'000 | Total 2010 £'000 | Total 2009 £'000 |
|--|-----------------------|---------------------|--------------------|------------------------|------------------------|
| Parochial (direct costs) | | | | | |
| Clergy Stipends and Pension | | | | | |
| Contributions and Parish Sisters | 377 | - | - | 377 | 317 |
| Wages and Employer's National Insurance | 687 | - | - | 687 | 676 |
| Housekeeping | 324 | - | - | 324 | 320 |
| Motor | 170 | - | - | 170 | 172 |
| Repairs and Maintenance | 1,396 | 59 | - | 1,455 | 1,245 |
| Gas, Electric, Water and Council Tax | 823 | - | - | 823 | 786 |
| Church and Other Expenses | 684 | - | - | 684 | 660 |
| School Expenses | 5 | - | - | 5 | - |
| Administration | 289 | - | - | 289 | 300 |
| Sundry Expenses | 562 | - | - | 562 | 355 |
| Depreciation | 395 | - | - | 395 | 338 |
| Grants and use of restricted donations | 132 | 254 | - | 386 | 499 |
| TOTAL PAROCHIAL COSTS | 5,844 | 313 | - | 6,157 | 5,668 |
| Allocated curial support costs | | | | 678 | 623 |
| Cost of generating funds | | | | 349 | 379 |
| Total parochial costs shown in SOFA | | | | 7,184 | 6,670 |

CLIFTON DIOCESAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

CHARITABLE EXPENDITURE (continued)

| | Unrestricted £'000 | Total Restricted £'000 | Total Endowment £'000 | 2010 £'000 | 2009 £'000 |
|--|---------------------------|------------------------------|-----------------------------|---------------|---------------|
| Curial (direct costs) | | | | | |
| Education | 284 | - | - | 284 | 284 |
| Marriage, Family and Pastoral | 171 | 40 | - | 211 | 202 |
| Ecumenical | 37 | - | - | 37 | 34 |
| Music and Liturgy | 40 | - | - | 40 | 32 |
| Clergy Training and Welfare | 227 | 183 | - | 410 | 388 |
| Bishop's Office/VG | 174 | - | - | 174 | 178 |
| Schools Building | 73 | - | - | 73 | 493 |
| Grants and Gifts / Papal Visit | 125 | 11 | - | 136 | 29 |
| | <u>Total</u> <u>1,131</u> | <u>234</u> | | <u>1,365</u> | <u>1,640</u> |
| Curial (support costs) | | | | | |
| Property Expenses | 260 | - | - | 260 | 205 |
| Alexander House | 47 | - | - | 47 | 36 |
| Insurance | 236 | - | - | 236 | 200 |
| Personnel | 6 | - | - | 6 | 10 |
| National Catholic Fund | 44 | - | - | 44 | 47 |
| Finance and Administration | 241 | - | - | 241 | 272 |
| Depreciation | 24 | 4 | - | 28 | 23 |
| (note 7) | <u>Total</u> <u>858</u> | <u>4</u> | - | <u>862</u> | <u>793</u> |
| Curial (Governance) | | | | | |
| Trustees | 10 | - | - | 10 | 15 |
| Audit Costs | 25 | - | - | 25 | 26 |
| (note 8) | <u>Total</u> <u>35</u> | - | - | <u>35</u> | <u>41</u> |
| TOTAL CURIAL COSTS | 2,024 | 238 | - | 2,262 | 2,474 |
| Less support costs allocated to parishes | | | | (678) | (623) |
| Total curial costs shown in SOFA | | | | 1,584 | 1,851 |

6. ANALYSIS OF CHARITABLE EXPENDITURE

| | Personnel Costs £'000 | Premises Costs £'000 | Grants £'000 | Allocated Support £'000 | Total 2010 £'000 | Total 2009 £'000 |
|------------------------|-----------------------------|----------------------------|-----------------|-------------------------------|------------------------|------------------------|
| PARISHES | | | | | | |
| Provision for Worship | 680 | 1,879 | 8 | 282 | 2,849 | 2,201 |
| Support of Clergy | 2,413 | 253 | - | 293 | 2,959 | 2,720 |
| Pastoral and Community | - | 541 | 378 | 102 | 1,021 | 1,370 |
| Education | - | 5 | - | 1 | 6 | - |
| | <u>3,093</u> | <u>2,678</u> | <u>386</u> | <u>678</u> | <u>6,835</u> | <u>6,291</u> |

CLIFTON DIOCESAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

6. ANALYSIS OF CHARITABLE EXPENDITURE (continued)

| | Personnel Costs | Premises Costs £'000 | Grants £'000 | Allocated Support £'000 | Total 2010 £'000 | Total 2009 £'000 |
|------------------------|--------------------|----------------------------|-----------------|-------------------------------|------------------------|------------------------|
| CURIAL | | | | | | |
| Provision for Worship | 40 | - | - | 5 | 45 | 36 |
| Support of Clergy | 470 | 116 | 2 | 67 | 655 | 632 |
| Pastoral and Community | 201 | 46 | 12 | 30 | 289 | 294 |
| Education | 406 | 72 | - | 61 | 539 | 823 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Total Curial | 1,117 | 234 | 14 | 163 | 1,528 | 1,785 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

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 £5,418 (2009: £2,994) to provide £10 million of indemnity insurance for the Trustees (2009: £1million).

CLIFTON DIOCESAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

7. SUPPORT COSTS

| | Parish | Curia | Total | Total |
|------------------------|---------------|--------------|--------------|--------------|
| | 2010 | 2010 | 2010 | 2009 |
| | £'000 | £'000 | £'000 | £'000 |
| Provision for Worship | 283 | 5 | 288 | 223 |
| Support of Clergy | 294 | 67 | 361 | 333 |
| Pastoral and Community | 101 | 30 | 131 | 166 |
| Education | - | 61 | 61 | 46 |
| | <u>678</u> | <u>163</u> | <u>841</u> | <u>768</u> |
| Governance (note 8) | - | 21 | 21 | 25 |
| | <u>678</u> | <u>184</u> | <u>862</u> | <u>793</u> |

8. GOVERNANCE

| | Total | Total |
|---------------------|--------------|--------------|
| | 2010 | 2009 |
| | £'000 | £'000 |
| Professional Fees: | | |
| Auditors | 25 | 26 |
| Legal | 1 | 10 |
| Property | - | - |
| Trustees | 9 | 5 |
| | <u>35</u> | <u>41</u> |
| Support | 21 | 25 |
| | <u>56</u> | <u>66</u> |
| Total shown on SOFA | <u>56</u> | <u>66</u> |

9. STAFF COSTS

| Staff Costs are analysed as follows:- | Parochial | Curial | 2010 | 2009 |
|---------------------------------------|------------------|---------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| Wages and Salaries | 765 | 687 | 1,452 | 1,409 |
| Employer's National Insurance | 13 | 60 | 73 | 72 |
| Pension Costs | 5 | 38 | 43 | 41 |
| | <u>783</u> | <u>785</u> | <u>1,568</u> | <u>1,522</u> |

CLIFTON DIOCESAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

9. STAFF COSTS (CONTINUED)

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

| | 2010 | | | 2009 | | |
|---|------------------|---------------|--------------|------------------|---------------|--------------|
| | Parochial No. | Curial No. | Total No. | Parochial No. | Curial No. | Total No. |
| Costs of Generating Funds (Social Clubs) | 7 | - | 7 | 9 | - | 9 |
| Costs of Activities in Furtherance of the Charities Objectives | 49 | 24 | 73 | 47 | 24 | 71 |
| Management and Administration | - | 1 | 1 | - | 1 | 1 |
| | 56 | 25 | 81 | 56 | 25 | 81 |
| | 56 | 25 | 81 | 56 | 25 | 81 |

One member of staff had emoluments, excluding pension contributions, within the band £60,000 - £70,000 (2009: One).

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 £2,217 (2009: £2,012) were reimbursed to the other Trustees, being £2,122 (2009: £2,012) in respect of travel costs incurred and £95 (2009: nil) in subsistence payments. The number of Trustees receiving the reimbursed expenses detailed above amounted to four (2009: four Trustees).

CLIFTON DIOCESAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

10. TANGIBLE FIXED ASSETS

| | Parochial | | | | Curial | | | | |
|------------------------|------------------------|-----------------------------|-------------------------|---|----------------|------------------------|-----------------------------|---|----------------|
| | Freehold Land £'000 | Freehold Buildings £'000 | Motor Vehicles £'000 | Fixtures, Fittings and Equipment £'000 | Total £'000 | Freehold Land £'000 | Freehold Buildings £'000 | Fixtures, Fittings and Equipment £'000 | Total £'000 |
| COST | | | | | | | | | |
| As at 1 January 2010 | 549 | 19,460 | 113 | 31 | 20,153 | 267 | 1,133 | 24 | 21,577 |
| Additions | - | 477 | - | - | 477 | 35 | 142 | - | 654 |
| Disposals | - | - | - | - | - | - | - | - | - |
| As at 31 December 2010 | 549 | 19,937 | 113 | 31 | 20,630 | 302 | 1,275 | 24 | 22,231 |
| DEPRECIATION | | | | | | | | | |
| As at 1 January 2010 | - | 7,479 | 70 | 22 | 7,571 | - | 280 | 22 | 7,873 |
| Charge for the Year | - | 375 | 16 | 4 | 395 | - | 25 | 2 | 422 |
| Disposals | - | - | - | - | - | - | - | - | - |
| As at 31 December 2010 | - | 7,854 | 86 | 26 | 7,966 | - | 305 | 24 | 8295 |

CLIFTON DIOCESAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

10. TANGIBLE FIXED ASSETS (CONTINUED)

| | Parochial | | | Curial | | | Total £'000 |
|------------------------|---------------------------|--------------------------------|----------------------------|--|---------------------------|--------------------------------|----------------|
| | Freehold Land £'000 | Freehold Buildings £'000 | Motor Vehicles £'000 | Fixtures, Fittings and Equipment £'000 | Freehold Land £'000 | Freehold Buildings £'000 | |
| NET BOOK VALUE | | | | | | | |
| As at 31 December 2010 | 549 | 12,083 | 27 | 5 | 302 | 970 | 1,272 |
| As at 31 December 2009 | 549 | 11,981 | 43 | 9 | 267 | 853 | 1,122 |
| | | | | | | | 13,936 |
| | | | | | | | 13,704 |

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 (2009: £nil). 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 2010 (CONTINUED)

11. FIXED ASSET INVESTMENTS

| | 2010 | 2009 |
|--------------------------|--------------|--------------|
| | £'000 | £'000 |
| Listed Investments | 4,373 | 3,970 |
| UK Investment Properties | 1,448 | 1,448 |
| Cash | 630 | 600 |
| | <hr/> | <hr/> |
| | 6,451 | 6,018 |
| | <hr/> <hr/> | <hr/> <hr/> |

Listed Investments

| | Unit Fund | |
|------------------------------|------------------|--------------|
| | 2010 | 2009 |
| | £'000 | £'000 |
| Market Value brought forward | 3,970 | 3,044 |
| Additions at Cost | 620 | 588 |
| Sale Proceeds from Disposals | (620) | (92) |
| Realised Gain | 70 | 5 |
| Unrealised Appreciation | 333 | 425 |
| | <hr/> | <hr/> |
| Market Value carried forward | 4,373 | 3,970 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Book Cost Carried Forward | 3,689 | 3,538 |
| | <hr/> <hr/> | <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 2010 (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:-

| | 2010 | 2009 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Valuation Brought Forward | 1,448 | 1,448 |
| Additions At Cost | - | - |
| Revaluation to Estimated Open Market Value | - | - |
| | <hr/> | <hr/> |
| Valuation Carried Forward | 1,448 | 1,448 |
| | <hr/> <hr/> | <hr/> <hr/> |

Realised Gains on Fixed Asset Investments

| | 2010 | 2009 |
|--------------------------|--------------|--------------|
| | £'000 | £'000 |
| On Listed Investments | 70 | 5 |
| On Investment Properties | - | - |
| | <hr/> | <hr/> |
| | 70 | 5 |
| | <hr/> <hr/> | <hr/> <hr/> |

Unrealised Gains (losses) on Fixed Asset Investments

| | 2010 | 2009 |
|--------------------------|--------------|--------------|
| | £'000 | £'000 |
| On Listed Investments | 333 | 425 |
| On Investment Properties | - | - |
| | <hr/> | <hr/> |
| | 333 | 425 |
| | <hr/> <hr/> | <hr/> <hr/> |

CLIFTON DIOCESAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2010 | 2009 |
|-------------------------------|--------------|--------------|
| | £'000 | £'000 |
| DCSF Grants | 102 | 1,418 |
| Income Tax Recoverable | 121 | 113 |
| Prepayments and Other Debtors | 852 | 763 |
| | <hr/> | <hr/> |
| | 1,075 | 2,294 |
| | <hr/> <hr/> | <hr/> <hr/> |

Prepayments and other debtors include £22,144 (2009: £21,294) 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

| | 2010 | 2009 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Deposit Fund Balances Held on Behalf of Connected Charities | 88 | 104 |
| Loans | 22 | 32 |
| Proceeds of Sale of School Site Payable | 8,402 | 8,933 |
| Sundry Creditors and Accruals | 4,625 | 2,319 |
| Collections Due on Behalf of External Charities | 10 | 14 |
| | <hr/> | <hr/> |
| | 13,147 | 11,402 |
| | <hr/> <hr/> | <hr/> <hr/> |

Secured Loans

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

| | 2010 | 2009 |
|-------|--------------|--------------|
| | £'000 | £'000 |
| Loans | 10 | 10 |
| | <hr/> <hr/> | <hr/> <hr/> |

CLIFTON DIOCESAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

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

| | 2010 | 2009 |
|-------|-------------------|-------------------|
| | £'000 | £'000 |
| Loans | 26 | 32 |
| | <u> </u> | <u> </u> |

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

| | 2010 | 2009 |
|-------|-------------------|-------------------|
| | £'000 | £'000 |
| Loans | 22 | 32 |
| | <u> </u> | <u> </u> |

15. LOANS

| | 2010 | 2009 |
|----------------------------|-------------------|-------------------|
| | £'000 | £'000 |
| Total Payment Due | 48 | 64 |
| | <u> </u> | <u> </u> |
| Shown as: | | |
| Due Within One Year | 22 | 32 |
| Due in One to Two Years | 24 | 20 |
| Due in Three to Five Years | 2 | 12 |
| Due After Five Years | - | - |
| | <u> </u> | <u> </u> |
| | 48 | 64 |
| | <u> </u> | <u> </u> |

Within loans is a loan of £32,500 (2009: £42,500) 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 2010 (CONTINUED)

16. ENDOWMENT FUNDS

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

| | Balance at 1 January 2010 £'000 | Movement in Funds | | Balance at 31 December 2010 £'000 |
|----------------------------------|--|--------------------------------|---|--|
| | | Incoming Resources £'000 | Expenditure, Gains, Losses and Transfers £'000 | |
| Heavens Fund | 96 | - | 8 | 104 |
| Young Fund | 53 | - | 3 | 56 |
| Clifton Mission Benefactors Fund | 98 | - | 8 | 106 |
| Bishop's Maintenance Fund | 123 | - | 8 | 131 |
| Clergy Training Fund | 82 | - | 6 | 88 |
| The Lady Herbert of Lea Fund | 21 | - | 2 | 23 |
| Barnes Trust | 13 | - | 1 | 14 |
| Lucy Sharp Fund | 17 | - | 2 | 19 |
| Hensler Fund | 10 | - | 1 | 11 |
| Sundry Parochial Funds | 91 | - | 5 | 96 |
| Sundry Curial Funds | 57 | - | 3 | 60 |
| | 661 | - | 47 | 708 |
| | 661 | - | 47 | 708 |

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 2010 (CONTINUED)

| 17. RESTRICTED FUNDS | Balance at 1 January 2010 £'000 | Movement in Funds | | Balance at 31 December 2010 £'000 |
|--|--|--------------------------------|---|--|
| | | Incoming Resources £'000 | Expenditure, Gains, Losses and Transfers £'000 | |
| Parochial | | | | |
| Tisbury Parsons Fund | 22 | - | (7) | 15 |
| Tisbury Jesuit Fund | 180 | 3 | (2) | 181 |
| Other Parochial Funds | 962 | 222 | (304) | 880 |
| | 1,164 | 225 | (313) | 1,076 |
| Curial | | | | |
| Priests' Retirement Fund (see note 19) | 472 | 88 | (120) | 440 |
| Clergy Training Fund (see note 20) | - | 40 | (40) | - |
| Infirm Priests' Society | 254 | 6 | 5 | 265 |
| Youth Development | 8 | - | - | 8 |
| Alexander House | 41 | - | (1) | 40 |
| Curial Trust Funds | 525 | 43 | (39) | 529 |
| Other Curial Funds | 229 | 146 | - | 375 |
| | 1,529 | 323 | (195) | 1,657 |
| Total Restricted Funds | 2,693 | 548 | (508) | 2,733 |

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 2010 (CONTINUED)

18. DESIGNATED FUNDS

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

| | Balance at 1 January 2010 £'000 | Movement in Funds | | Balance at 31 December 2010 £'000 |
|-----------------------------------|--|--------------------------------|---|--|
| | | Incoming Resources £'000 | Expenditure, Gains, Losses and Transfers £'000 | |
| Parochial | | | | |
| Unrestricted Fixed Asset Fund | 12,582 | 477 | (395) | 12,664 |
| Curial | | | | |
| Clergy Medical Fund | 75 | 1 | (28) | 48 |
| Priests Retirement Fund (note 19) | 558 | 2 | 53 | 613 |
| Unrestricted Fixed Asset Fund | 941 | 177 | (23) | 1,095 |
| Other Curial Funds | 21 | 181 | - | 202 |
| St Thomas More Secondary School | 1,995 | - | - | 1,995 |
| | 3,590 | 361 | 2 | 3,953 |
| Total Designated Funds | 16,172 | 838 | (393) | 16,617 |

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 2010 £'000 | Movement in Funds | | Balance at 31 December 2010 £'000 |
|-----------------|--|--------------------------------|---|--|
| | | Incoming Resources £'000 | Expenditure, Gains, Losses and Transfers £'000 | |
| Restricted Fund | 472 | 88 | (120) | 440 |
| Designated Fund | 558 | 2 | 53 | 613 |
| | 1,030 | 90 | (67) | 1,053 |

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 2010 (CONTINUED)

20. CLERGY TRAINING FUND

| | Balance at 1 January 2010 £'000 | Movement in Funds | | Balance at 31 December 2010 £'000 |
|-----------------|--|--------------------------------|---|--|
| | | Incoming Resources £'000 | Expenditure, Gains, Losses and Transfers £'000 | |
| Endowed Fund | 82 | - | 6 | 88 |
| Restricted Fund | - | 40 | (40) | - |
| | 82 | 40 | (34) | 88 |
| | 82 | 40 | (34) | 88 |

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 2010 £'000 |
|-----------------------------------|--------------------|-----------------|--------------------|-----------------|------------------------|
| | Parochial £'000 | Curial £'000 | Parochial £'000 | Curial £'000 | |
| Allocated overheads | 678 | (678) | - | - | - |
| Diocesan levy | (1,866) | 1,866 | - | - | - |
| Interest on loans | (44) | 44 | - | - | - |
| Clergy Medical Fund subscriptions | (33) | 33 | - | - | - |
| Other Transfers and Adjustments | (23) | 35 | - | (12) | - |
| | (1,288) | 1,300 | - | (12) | - |
| | (1,288) | 1,300 | - | (12) | - |

Allocated overheads - allocation of diocesan administrative overheads to charitable functions carried out by the parishes.

Levy - the diocesan levy is a contribution from the parishes towards the costs of running the diocese. It is assessed on the basis of parish income.

Interest on loans - charged on diocese loans to parishes.

Clergy Medical Funds - parish contributions to diocesan fund to provide medical attention to clergy.

Other transfer - sundry transfers between funds for ad hoc requirements.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted £'000 | Restricted £'000 | Endowment £'000 | Total £'000 |
|-------------------------|-----------------------|---------------------|--------------------|----------------|
| Tangible Fixed Assets | 13,762 | 174 | - | 13,936 |
| Fixed Asset Investments | 5,228 | 673 | 550 | 6,451 |
| Net Current Assets | 9,406 | 1,887 | 158 | 11,451 |
| Long Term Liabilities | (26) | - | - | (26) |
| | 28,370 | 2,734 | 708 | 31,812 |
| | 28,370 | 2,734 | 708 | 31,812 |

CLIFTON DIOCESAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

23. NOTES TO THE CASH FLOW STATEMENT

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

| | 2010 | 2009 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Net Incoming Resources | 596 | 976 |
| Dividends Receivable | (122) | (152) |
| Interest Receivable | (470) | (622) |
| Income on Investment Properties | (48) | (45) |
| Depreciation of Tangible Fixed Assets | 422 | 361 |
| Decrease/(increase) in Debtors | 1219 | 368 |
| (Decrease)/increase in Creditors | 1755 | (344) |
| Profit on Sale of Fixed Assets | - | (185) |
| | <hr/> | <hr/> |
| Net Cash Inflow(Outflow) from Operating Activities | 3,352 | 357 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

| | 2010 | 2009 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Increase/(Decrease) in Cash in the Year | 3,292 | (504) |
| Cash Deposited to Short Term Deposits | | 803 |
| Cash Outflow from Repayment of Loan | 16 | 10 |
| New Loans Received | - | (13) |
| | <hr/> | <hr/> |
| Increase in Net Funds in the Year | 3,308 | 296 |
| Net Funds Brought Forward | 20,167 | 19,871 |
| | <hr/> | <hr/> |
| Net Funds Carried Forward | 23,475 | 20,167 |
| | <hr/> <hr/> | <hr/> <hr/> |

c. Analysis of Changes in Net Funds

| | At 1 | Cash | At 31 |
|--|-----------------|--------------|-----------------|
| | Jan 2010 | Flow | Dec 2010 |
| | £'000 | £'000 | £'000 |
| Overdrafts | (1,055) | 451 | (604) |
| Short Term Deposits | 21,286 | 2,841 | 24,127 |
| | <hr/> | <hr/> | <hr/> |
| Net Cash at Bank and Short Term Deposits | 20,231 | 3,292 | 23,523 |
| Loans Due for Repayment Within One Year | (32) | 10 | (22) |
| Loans Due for Repayment After One Year | (32) | 6 | (26) |
| | <hr/> | <hr/> | <hr/> |
| | 20,167 | 3,308 | 23,475 |
| | <hr/> <hr/> | <hr/> <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 2010 (CONTINUED)

24. CHARITABLE COMMITMENTS

The following commitments in respect of parishes and schools have been agreed at 31 December 2010 although not provided for in the accounts, on the basis that the commitment is to be funded primarily from future income.

| | Estimated Costs to Completion £'000 | Less DCSF Grants Receivable £'000 | Net Commitment 2010 £'000 | Net Commitment 2009 £'000 |
|-----------------------------------|--|--|--|--|
| School Building Costs | 336 | 106 | 230 | 508 |
| Balance of cost of new presbytery | 75 | - | 75 | 150 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

The initial payment of £75k on new presbytery has been treated in the accounts as a prepayment