



# CLIFTON DIOCESE

## **ANNUAL REPORT**

**for the year ended**

**31 DECEMBER 2011**

**CLIFTON DIOCESAN TRUST**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

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**CLIFTON DIOCESAN TRUST**  
**TRUSTEES REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

## **INTRODUCTION**

The Trustees present their report and the audited financial statements for the year ended 31 December 2011.

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 6<sup>th</sup> May 1934 as amended by a scheme dated 19<sup>th</sup> August 1996 and further amended by a scheme dated 19<sup>th</sup> 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 1-8 to 1-13.

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, 51 maintained, 12 academies 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 worshipping 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 in the Sacrament of the sick. On 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 2011, 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 in many towns and cities. The majority of these buildings are between 30 and 150 years old and often are architectural gems. 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 with which we are involved, 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 that the schools have a significant number of pupils and staff from 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 107 parishes comprising the Clifton Diocese form the core of our Catholic community. They are served by 88 secular priests and 19 priests from orders and other missions. The priest fulfils the central role in the parish ministering sacraments, leading worship and in wider ministry to the faithful and the community at large.

The reduction in the number of men being ordained to the priesthood is a significant challenge to maintaining the established parish structure. Acknowledging this, work on the implementation of the plans laid out in "Parishes in Communion for Mission" continued during 2011 with parishes being encouraged to work more closely together in the mission of the Church often sharing a priest with a neighbouring parish. This trend also depends on the increased involvement of lay support both voluntary and paid.

Clifton Diocese is also fortunate to be served by a team of permanent deacons who are vital to the pastoral life of the Diocese. The deacons offer ministry to the church sometimes alongside, and woven into, a full working career and family life. In many parishes that share priests the Deacon is increasingly at the forefront of pastoral care. We were fortunate to have two new deacons ordained during 2011.

Regionally the parishes come together as 13 deaneries. This structure facilitates local collaboration and provides a collegiate environment for parish priests. Each deanery has a pastoral council presided over by a dean and containing representatives of each member parish. In turn each deanery pastoral council is represented on the Diocesan Pastoral Council.

The parishioners fund both the upkeep of the church buildings and the accommodation and living costs of their priests. In addition to this responsibility they contribute through a parish levy to the support of the diocesan departmental structure and to a huge range of external charities and groups. In addition to the financial contribution the parishioners contribute with time and effort both to the running of their parishes and to the wider community through groups providing local support and welfare services. Some of our parishes are operating in communities facing the challenges of unemployment and social deprivation and community building is integral to the work of these parishes.

A major re-ordering and refurbishment of Our Lady and the English Martyrs Burnham on Sea was completed in the late autumn 2011. At St Thomas More Cheltenham the final proposals for redevelopment came together in late 2011 which sadly led to the demolition of the old church. 2012 has seen the conversion of the former hall and club premises into a place of worship designed to provide flexibility for other uses. The project has been a tangible example of parishes working in communion for mission with the other parishes in Cheltenham providing significant financial and practical support for the project.

### **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.

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The central administration consists of departments covering Schools and Colleges, Finance, Property and Communications, All are headed by experienced professionals with appropriate qualifications. The work of the administrative departments supports the delivery of pastoral work in the parishes either directly through the Youth Work, Schools and Colleges, Safeguarding and Adult Education and Evangelisation or more indirectly through the administration of diocesan assets by the Finance and Property Departments. All however seek to promote and protect the interests of Clifton Diocese and the wider catholic church.

The Adult Education and Evangelisation department facilitates a number of opportunities designed to help people to deepen their own faith and to be able to share their faith with others. These include such things as 'Rooted in Christ', a course designed for people who want to know more about their faith, 'The Diary of God', an eight week series of talks which open the richness of the Scriptures to us, and the Certificate Course In Catechesis, aimed at people who are engaged in catechesis in their parishes, helping them to understand what the ministry of the catechist is and giving them a firm foundation in Scripture and the Catechism.

The Youth Coordinator started a formal consultation process on the best way to deliver youth ministry across the Diocese. This process will inform the development of a Youth Strategy for the Diocese. The consultation was formally launched with the meeting in October 2011 of a group of representatives from schools parishes and the Trustees of those involved in youth work across the diocese. The consultation process has continued into 2012 with a gathering of young people and adults from around the Diocese at the Colston Hall in Bristol and followed by a series of regional evening consultation meetings across the regions.

The highlight of the year for 50 young people from around the Dioceses was the trip to Madrid for World Youth Day. This trip was arranged jointly by the Youth Services of Plymouth and Clifton Dioceses.

The Diocese has a wide ranging property portfolio that provides both the operational base for our pastoral work and accommodation for serving and retired clergy. It represents both a significant asset and a significant maintenance liability. Our challenge is to maintain and use these assets for the spiritual, pastoral, social and ecumenical work of the parishes within the constraints of a both limited parish budget and a very small property department. Against this backdrop the Diocesan Property Committee has started work on a Property Strategy. The aim is to provide a framework within which Parishes and Property Services can develop proposals and Trustees can take decisions on property issues.

During the year the Property Surveyor has been heavily involved in schools property issues as well as those related directly to parish properties. Major issues have included the disposal of the former Christ College site in Cheltenham and the land and property issues relating to transition of schools to academy status. Work is also on-going to sell Woodchester convent.

## **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 Year of Catholic Education, launched during Pope Benedict's visit in 2010, continued into 2011 during which we celebrated our schools with the theme "Unfolding Wisdom" and acknowledged the input of the teachers, clergy and governors who work hard to make them successful.

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As previously reported the Diocese considered carefully the new government legislation on academies and its implications for the delivery of catholic education both in individual schools and in their wider community of catholic and other schools. Four secondary and eight primary schools chose to convert in September 2011 and more schools are considering whether the option will be beneficial for them. The Diocesan Trustees and staff have worked with the Department for Education to create a legal framework which protects the interest of the Diocese and will ensure the Catholic ethos of our academies is maintained and that our assets are protected in the longer term. The Trustees have indicated that whatever the legal status a Catholic school chooses to adopt that they will operate as one catholic community of schools in cooperation and support of each other with the aim of providing excellent education delivered within a Catholic environment.

One of the problems facing our schools has been to find teachers willing to take on the responsibilities of headship and deputy headship in our schools and provide a distinctive Catholic environment for the pupils. Courses have been developed with the support of funding from the National College to allow aspiring leaders to consider the challenges and opportunities involved in taking their career to the next level.

We gratefully acknowledge the dedication and support of our school governors who act in a voluntary capacity to provide governance and oversight of catholic schools.

Major development has continued in the school facilities provided in the Diocese. All Saints' Academy, Cheltenham opened on a new site in September 2011. The school is a joint faith school run in partnership with the Anglican Diocese of Gloucester. The replacement school buildings for St Peter's primary Gloucester opened in February 2012 and several large extension and refurbishments were also carried out around the diocese. However with the government's future capital programme for schools remaining uncertain it is proving difficult to plan for the longer term especially for projects spanning more than one financial year.

Ian McNiff, who served the Diocese as Director of Schools and Colleges for 3 years, moved on to new challenges in late 2011. We are grateful to the Governors of St Joseph's Secondary School for allowing their head Paul Hughes to be seconded to the Diocese on a part time basis whilst the search for a new director takes place.

## **FUTURE PLANS**

### **Parishes**

The moves towards the parish configuration indicated in 'Parishes in Communion for Mission' will also continue in 2012 and are expected to be broadly complete by 2014.

To address the shortage of priests a renewed emphasis will be placed upon work to encourage men to explore the idea of vocations to the priesthood.

Following successful appeals both across the diocese and within the Cathedral parish to raise funds, a development team has been established at Clifton Cathedral to establish a programme of repairs and refurbishment work. Availability of external funding is also being explored.

Several projects to improve parish facilities are planned including reroofing at St Alphege's Bath, and updating the accommodation at St John's Bath.

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**Curia and Central agencies**

The Budget Review Group in 2011 presented its recommendations to the Trustees in the autumn of 2011. The Trustees considered these recommendations in the context of the wider question of diocesan governance and administrative structures and some of the recommendations, including the formation of a Finance Committee, will be implemented during 2012.

As indicated above work on a Property Strategy will continue into 2012

**Education and Young People**

Several more schools have indicated that they wish to convert to academy status during 2012 and support will be given for their conversion.

Work continues around the options for redevelopment or refurbishment of St Bonaventure's school Bristol. Discussions about providing sixth form facilities at some of our secondary schools are also taking place.

Consultation with parishes about the future provision of youth ministry will continue during 2012 and a strategy presented to the Trustees.

**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 £4,974k (£4,911k for 2010).

The charitable expenditure by the parishes rose from £6,835k to £6,850k. In addition to the revenue costs £532k (2010: £477k) of expenditure on building improvements was capitalised.

The net incoming resources of the parishes before transfers was £1,240k (2010: £1,208k) of which £987k was unrestricted (2010: £1,295k).

Overall Parish Funds increased in the year by £159k (2010: £31k) including losses of £87k on fixed asset investments (2010: £111k gain). Total Parish Funds at 31 December 2011 amounted to £21,915k (2010: £21,756k) of which £20,432k (2010: £20,516k) was unrestricted. Freehold land and buildings account for £12,773k (2010: £12,632k) of total Parish Funds.

### **Curial**

Curial income was £926k compared to £972k in 2010. Charitable expenditure was £1,608k (2010 £1,528k). 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 £742k (2010: net outgoing resources, £612k) of which £656k was unrestricted (2010: unrestricted outgoing resources £699k).

Overall, Curial Funds increased in the year by £23k (2010 increase £968k) including losses on fixed asset investments of £229k (2010: £292k gain).

Total Curial Funds at 31 December 2011 were £10,079k (2010: £10,056k) of which £8,042k (2010: £7,855k) were unrestricted. Total Curial Funds include £1,287k (2010: £1,562k) 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 Bond Fund rose slightly during the year but the UK Equity Fund and the Global Equity Fund fell resulting in an overall fall in investment value. The Trustees remain confident that the performance demanded by the investment policy will continue to be achieved in the longer term although the markets are expected to be volatile. The Trustees review the Investment Manager and after a rigorous process have decided to appoint Smith Williamson to manage the funds on a discretionary basis. The transfer will take place in spring 2012.

**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 2011:-

	Parochial Funds		Curial Funds		Total	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Net Incoming (outgoing) Resources After Transfers	246	(80)	252	676	498	596
Realised Gains (losses) on Fixed Asset Investments	(8)	20	-	50	(8)	70
Unrealised gains on Fixed Asset Investments	(79)	91	(229)	242	(308)	333
<b>Net Movement in Funds</b>	<b>159</b>	<b>31</b>	<b>23</b>	<b>968</b>	<b>182</b>	<b>999</b>

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:

	2011 £'000	2010 £'000
Total Funds	31,994	31,812
Less: Permanent Endowment Funds	(674)	(708)
Restricted Funds	(2,846)	(2,733)
Designated Funds	(16,662)	(16,617)
<b>Free Reserves of the Charity</b>	<b>11,812</b>	<b>11,754</b>

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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 risen by £54k during the year. Such reserves represent 18 months recurring unrestricted expenditure (2010: 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 12 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 5 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  
 Mr Stephen McNulty (resigned 01/05/2012)  
 Dr Giles Mercer  
 Mr John Mill  
 Mrs Carolyn Puddicombe (resigned 06/06/2012)  
 Ms Ruth FitzJohn (appointed 6/06/2012)

**Secretary:**

Miss Alessia Dini

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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  
 Mrs Alison Byrne  
 Mr John Kyffin

This committee is made up of a trustee (Moderator of the Curia) and 3 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 Peter Baxter (T)  
 Mr Martin Appleby (Chairman)  
 Mr Edward Corrigan  
 Mr Nigel Quinnen  
 Mr John Rodgers

This committee is made up of 2 trustees 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 priest and 6 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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**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
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**

<b>Charity Registration Number:</b>	233977
<b>Charity Address:</b>	St Ambrose North Road Leigh Woods Bristol BS8 3PW

**PROFESSIONAL ADVISERS**

<b>Auditors:</b>	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY
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**CLIFTON DIOCESAN TRUST**  
**TRUSTEES REPORT CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**PROFESSIONAL ADVISERS (CONTINUED)**

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

**Investment Manager:** (to 29<sup>th</sup> February 2012) 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 Coleen Collett – Director, Schools and Colleges (appointed 01/07/2012)  
Mrs Jane Dziadulewicz – Safeguarding Coordinator  
Ms Margaret Marshall – Financial Administrator  
Mr Ian McNiff – Director, Schools and Colleges (resigned 18/11/2011)  
Mr Derek Salmon – Diocesan Surveyor  
Rev C Whitehead – Director of Adult Education and Evangelisation

**CLIFTON DIOCESAN TRUST**  
**TRUSTEES REPORT CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**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 2011, 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 23 October 2012 and signed on their behalf by:

.....  
+ Declan Lang

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 2011**

We have audited the financial statements of The Clifton Diocesan Trust for the year ended 31 December 2011 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 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's 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 1-13, 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 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 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. In addition, we read all the financial; and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2011, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**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 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' 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

23 October .....2012

Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

**CLIFTON DIOCESAN TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

	PAROCHIAL FUNDS				CURIAL FUNDS				TOTAL		
	Notes	General £'000	Restricted £'000	Endowment £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000	2011 £'000	2010 £'000
<b>INCOMING RESOURCES</b>											
From Generated Funds											
Voluntary Income											
Offerings		4,974	276	-	5,250	30	115	-	145	5,395	5,284
Legacies		399	262	-	661	62	50	-	112	773	779
Activities for Generating Funds											
Social clubs income		328	-	-	328	-	-	-	-	328	366
Other fundraising	3	1,195	-	-	1,195	155	-	-	155	1,350	1,610
Investment income & interest receivable	2	225	6	-	231	413	47	1	461	692	640
From Charitable Activities											
Rents Received		759	-	-	759	57	-	-	57	816	685
Other Incoming resources											
Net gain on disposal of fixed assets		-	-	-	-	-4	-	-	-4	-4	-
Sale of school property		-	-	-	-	-	-	-	-	-	-
<b>TOTAL INCOMING RESOURCES</b>		<b>7,880</b>	<b>544</b>	<b>-</b>	<b>8,424</b>	<b>713</b>	<b>212</b>	<b>1</b>	<b>926</b>	<b>9,350</b>	<b>9,304</b>
<b>RESOURCES EXPENDED</b>											
Cost of generating funds											
Charitable activities:											
Provision for Worship	6	2,633	-	-	2,633	53	-	-	53	2,686	2,894
Support of Clergy	6	2,956	-	-	2,956	455	181	-	636	3,592	3,614
Pastoral and Community	6	970	291	-	1,261	277	18	-	295	1,556	1,310
Education	6	-	-	-	-	624	-	-	624	624	545
Governance	8	-	-	-	-	60	-	-	60	60	56
<b>TOTAL RESOURCES EXPENDED</b>	<b>5</b>	<b>6,893</b>	<b>291</b>	<b>-</b>	<b>7,184</b>	<b>1,469</b>	<b>199</b>	<b>-</b>	<b>1,668</b>	<b>8,852</b>	<b>8,768</b>

**CLIFTON DIOCESAN TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

	Notes	PAROCHIAL FUNDS				CURIAL FUNDS				TOTAL	
		General £'000	Restricted £'000	Endowment £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000	2011 £'000	2010 £'000
NET INCOMING RESOURCES		987	253	-	1,240	(756)	13	1	(742)	498	596
<i>(Before transfers)</i>		(992)	(2)	-	(994)	1,103	(109)	-	994	-	-
Transfer between funds	21										
NET INCOMING RESOURCES		(5)	251	-	246	347	(96)	1	252	498	596
Other recognised Gains and Losses		(79)	-	(8)	(87)	(160)	(42)	(27)	(229)	(316)	403
NET MOVEMENT IN FUNDS		(84)	251	(8)	159	187	(138)	(26)	23	182	999
Fund Balances Brought Forward		20,516	1,076	164	21,756	7,855	1,657	544	10,056	31,812	30,813
FUND BALANCES CARRIED FORWARD	22	20,432	1,327	156	21,915	8,042	1,519	518	10,079	31,994	31,812

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

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

**CLIFTON DIOCESAN TRUST**  
**BALANCE SHEET AS AT 31 DECEMBER 2011**

	Notes	Parochial £'000	2011 Curial £'000	Total £'000	Parochial £'000	2010 Curial £'000	Total £'000
<b>Fixed Assets</b>							
Tangible Fixed Assets	10	12,802	1,244	14,046	12,664	1,272	13,936
Investments	11	2,216	3,808	6,024	2,421	4,030	6,451
		15,018	5,052	20,070	15,085	5,302	20,387
<b>Current Assets</b>							
Debtors	12	236	968	1,204	421	654	1,075
Cash at Bank and Short Term Deposits		8,034	12,942	20,976	7,967	15,556	23,523
<b>Creditors: Amounts Falling Due Within One Year</b>	13	(74)	(10,170)	(10,244)	(129)	(13,018)	(13,147)
<b>Parochial/Curial Balances: Amounts Falling Due Within One Year</b>							
Due from Curia/Parishes		-	6	6	1	80	81
Due to Curia/Parishes		(6)	-	(6)	(80)	(1)	(81)
Loans (to Parish)/from Curia		(239)	239	-	(234)	234	-
<b>Net Current Assets/(Liabilities)</b>		7,951	3,985	11,936	7,946	3,505	11,451
<b>Total Assets Less Current Liabilities</b>		22,969	9,037	32,006	23,031	8,807	31,838
<b>Creditors: Amounts Falling Due After More Than One Year</b>	14	(12)	-	(12)	(26)	-	(26)
<b>Parochial/Curial Balances: Amounts Falling Due After More Than One Year</b>							
Loans (to Parish)/from Curia		(1,042)	1,042	-	(1,249)	1,249	-
<b>Net Assets</b>		21,915	10,079	31,994	21,756	10,056	31,812

**CLIFTON DIOCESAN TRUST**  
**BALANCE SHEET AS AT 31 DECEMBER 2011 (CONTINUED)**

	Notes	Parochial £'000	2011 Curial £'000	Total £'000	Parochial £'000	2010 Curial £'000	Total £'000
<b>Capital Funds</b>							
Permanent Endowments	16	156	518	674	164	544	708
<b>Income Funds</b>							
Restricted	17	1,327	1,519	2,846	1,076	1,657	2,733
Unrestricted Designated	18	12,802	3,860	16,662	12,664	3,953	16,617
Unrestricted		7,630	4,182	11,812	7,852	3,902	11,754
<b>Total Funds</b>	22	21,915	10,079	31,994	21,756	10,056	31,812

Approved and authorised for issue by the Board of Trustees on *23 October 2012*  
and signed on their behalf by:

*Declan Lang*  
.....

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 2011**

	Note	2011		2010	
		£'000	£'000	£'000	£'000
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	23(a)		(2,793)		3,352
<b>Returns on Investments and Servicing of Finance</b>					
Dividends Received		143		122	
Interest Received		498		470	
Income on Investment Properties		51		48	
		-----	692	-----	640
<b>Capital Expenditure and Financial Investment</b>					
Purchase of Tangible Fixed Assets		(539)		(654)	
Sales of Tangible Fixed Assets		-		-	
Purchase of Fixed Asset Investments		-		(620)	
Sale of Fixed Asset Investments		103		620	
(Increase)/Decrease in cash held by Investment Managers		8		(30)	
		-----	(428)	-----	(684)
<b>Net Cash Inflow Before Management of Liquid Resources and Financing</b>			(2,529)		3,308
<b>Management of Liquid Resources</b>					
Cash (Deposited) to Short Term Deposits			-		-
<b>Financing</b>					
New Loans Received		-		-	
Repayment of Loans		(17)		(16)	
		-----	(17)	-----	(16)
<b>Increase (Decrease) in Cash for the Year</b>	23(b)		(2,546)		3,292
			=====		=====

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 2011**

**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 2011 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 2011 (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 51 (2010: 64) maintained, 12 Academies (2010: nil) and 9 independent schools (2010:9). 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 2011 (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 £23.0 million (2010: £21.8 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 2011 (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**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Income on UK Listed Investments	143	122
Income on UK Investment Properties	51	48
Interest on UK Cash held at Bank	498	470
	<hr/>	<hr/>
	692	640
	<hr/> <hr/>	<hr/> <hr/>

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

**3. OTHER FUNDRAISING**

	2011			2010		
	Parish £'000	Curial £'000	Total £'000	Parish £'000	Curial £'000	Total £'000
Repository and Newspapers	276	-	276	249	-	249
Fundraising events	315	-	315	346	-	346
Management Charges	-	80	80	-	65	65
Chaplaincy Stipends	32	-	32	46	-	46
Sundry Income	572	75	647	805	99	904
	1,195	155	1,350	1,446	164	1,610
	1,195	155	1,350	1,446	164	1,610

**4. GRANTS AND DONATIONS**

Grants and donations included within charitable expenditure comprise:

	Parish £'000	Curial £'000	Total 2011 £'000	Total 2010 £'000
Grants to Individuals	28	12	40	36
Grants to Institutions	98	6	104	100
Donations spent on Projects	288	-	288	260
Diocesan and Other Collections	-	-	-	4
	414	18	431	400
	414	18	431	400

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 £463k were paid out in the year (2010: £602k). At 31<sup>st</sup> December 2011 £nil k (2010: £10k) third party funds were held by the Diocese.

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

**5. CHARITABLE EXPENDITURE**

	Unrestricted £'000	Restricted £'000	Endowment £'000	Total 2011 £'000	Total 2010 £'000
<b>Parochial (direct costs)</b>					
Clergy Stipends and Pension					
Contributions and Parish Sisters	393	-	-	393	377
Wages and Employer's National Insurance	555	-	-	555	687
Housekeeping	307	-	-	307	324
Motor	179	-	-	179	170
Repairs and Maintenance	1,456	-	-	1,456	1,455
Gas, Electric, Water and Council Tax	760	-	-	760	823
Church and Other Expenses	747	-	-	747	684
School Expenses	-	-	-	-	5
Administration	322	-	-	322	289
Sundry Expenses	538	-	-	538	562
Depreciation	402	-	-	402	395
Grants and use of restricted donations	123	291		414	386
<b>TOTAL PAROCHIAL COSTS</b>	<b>5,782</b>	<b>291</b>	<b>-</b>	<b>6,073</b>	<b>6,157</b>
Allocated curial support costs				777	678
Cost of generating funds				334	349
<b>Total parochial costs shown in SOFA</b>				<b>7,184</b>	<b>7,184</b>

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

**CHARITABLE EXPENDITURE (continued)**

	Unrestricted £'000	Total Restricted £'000	Total Endowment £'000	2011 £'000	2010 £'000
<b>Curial (direct costs)</b>					
Education	299	-	-	299	284
Marriage, Family and Pastoral	201	8	-	209	211
Ecumenical	38	-	-	38	37
Music and Liturgy	47	-	-	47	40
Clergy Training and Welfare	215	175	-	390	410
Bishop's Office/VG	167	-	-	167	174
Schools Building	266	-	-	266	73
Grants and Gifts / Papal Visit	6	12	-	18	136
	<u>Total</u> <b>1,239</b>	<u>195</u>		<u>1,434</u>	<u>1,365</u>
<b>Curial (support costs)</b>					
Property Expenses	354	-	-	354	260
Alexander House	66	-	-	66	47
Insurance	206	-	-	206	236
Personnel	16	-	-	16	6
National Catholic Fund	52	-	-	52	44
Finance and Administration	258	-	-	258	241
Depreciation	20	4	-	24	28
(note 7)	<u>Total</u> <b>972</b>	<u>4</u>	-	<u>976</u>	<u>862</u>
<b>Curial (Governance)</b>					
Trustees	9	-	-	9	10
Audit Costs	26	-	-	26	25
(note 8)	<u>Total</u> <b>35</b>	-	-	<u>35</u>	<u>35</u>
<b>TOTAL CURIAL COSTS</b>	<b>2,246</b>	<b>199</b>	<b>-</b>	<b>2,445</b>	<b>2,262</b>
Less support costs allocated to parishes				(777)	(678)
<b>Total curial costs shown in SOFA</b>				<b>1,668</b>	<b>1,584</b>

**6. ANALYSIS OF CHARITABLE EXPENDITURE**

	Personnel Costs £'000	Premises Costs £'000	Grants £'000	Allocated Support £'000	Total 2011 £'000	Total 2010 £'000
<b>PARISHES</b>						
Provision for Worship	747	1,587	-	299	2,633	2,849
Support of Clergy	2,293	328	-	335	2,956	2,959
Pastoral and Community	-	704	414	143	1,261	1,021
Education	-	-	-	-	-	6
<b>Total Parishes</b>	<b>3,040</b>	<b>2,619</b>	<b>414</b>	<b>777</b>	<b>6,850</b>	<b>6,835</b>

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

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

	Personnel Costs	Premises Costs £'000	Grants £'000	Allocated Support £'000	Total 2011 £'000	Total 2010 £'000
CURIAL						
Provision for Worship	47	-	-	6	53	45
Support of Clergy	446	116	2	72	636	655
Pastoral and Community	230	16	16	33	295	289
Education	304	266	-	54	624	539
	-----	-----	-----	-----	-----	-----
Total Curial	1,027	398	18	165	1,608	1,528
	=====	=====	=====	=====	=====	=====

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 £5,470 (2010: £5,418) to provide £10 million of indemnity insurance for the Trustees (2010: £10 million).

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

**7. SUPPORT COSTS**

	<b>Parish</b>	<b>Curia</b>	<b>Total</b>	<b>Total</b>
	<b>2011</b>	<b>2011</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Provision for Worship	299	6	305	288
Support of Clergy	335	72	407	361
Pastoral and Community	143	33	176	131
Education	-	54	54	61
	<u>777</u>	<u>165</u>	<u>942</u>	<u>841</u>
Governance (note 8)	-	25	25	21
	<u>777</u>	<u>190</u>	<u>967</u>	<u>862</u>

**8. GOVERNANCE**

	<b>Total</b>	<b>Total</b>
	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Professional Fees:		
Auditors	26	25
Legal	4	1
Property	-	-
Trustees	5	9
	<u>35</u>	<u>35</u>
Support	25	21
	<u>60</u>	<u>56</u>
Total shown on SOFA	<u>60</u>	<u>56</u>

**9. STAFF COSTS**

Staff Costs are analysed as follows:-	<b>Parochial</b>	<b>Curial</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Wages and Salaries	648	746	1,394	1,452
Employer's National Insurance	13	68	81	73
Pension Costs	5	42	47	43
	<u>666</u>	<u>856</u>	<u>1,522</u>	<u>1,568</u>

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

**9. STAFF COSTS (CONTINUED)**

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

	2011			2010		
	Parochial No.	Curial No.	Total No.	Parochial No.	Curial No.	Total No.
Costs of Generating Funds (Social Clubs)	7	-	7	7	-	7
Costs of Activities in Furtherance of the Charities Objectives	45	23	68	49	24	73
Management and Administration	-	1	1	-	1	1
	52	24	76	56	25	81
	52	24	76	56	25	81

No members of staff had emoluments, excluding pension contributions, within the band £60,000 - £70,000 (2010: 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 £1,897 (2010: £2,217) were reimbursed to the other Trustees, being £1,827 (2010: £2,122) in respect of travel costs incurred, £nil (2010: £95) in subsistence payments and £71 incidental expenses (2010:£nil). The number of Trustees receiving the reimbursed expenses detailed above amounted to four (2010: four Trustees).



**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

**10. TANGIBLE FIXED ASSETS**

	Parochial				Curial				Total £'000
	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	
<b>COST</b>									
As at 1 January 2011	549	19,937	113	31	20,630	302	1,275	24	22,231
Additions	-	532	7	-	539	-	-	-	539
Disposals	-	-	(8)	-	(8)	-	(17)	-	(25)
As at 31 December 2011	549	20,469	112	31	21,161	302	1,258	24	22,745
<b>DEPRECIATION</b>									
As at 1 January 2011	-	7,854	86	26	7,966	-	305	24	8,295
Charge for the Year	-	391	7	4	402	-	24	-	426
Disposals	-	-	(9)	-	(9)	-	(13)	-	(22)
As at 31 December 2011	-	8,245	84	30	8,359	-	316	24	8,699

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011 (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	
<b>NET BOOK VALUE</b>							
As at 31 December 2011	549	12,224	28	1	302	942	14,046
As at 31 December 2010	549	12,083	27	5	302	970	13,936

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 (2010: £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 2011 (CONTINUED)**

**11. FIXED ASSET INVESTMENTS**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Listed Investments	3,954	4,373
UK Investment Properties	1,448	1,448
Cash	622	630
	<hr/>	<hr/>
	6,024	6,451
	<hr/> <hr/>	<hr/> <hr/>

**Listed Investments**

	<b>Unit Fund</b>	
	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Market Value brought forward	4,373	3,970
Additions at Cost		620
Sale Proceeds from Disposals	(103)	(620)
Realised gain (loss)	(8)	70
Unrealised Appreciation	(308)	333
	<hr/>	<hr/>
Market Value carried forward	3,954	4,373
	<hr/> <hr/>	<hr/> <hr/>
Book Cost Carried Forward	3,689	3,689
	<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 2011 (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:-

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Valuation Brought Forward	1448	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 (Losses) on Fixed Asset Investments**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
On Listed Investments	(8)	70
On Investment Properties	-	-
	<hr/>	<hr/>
	(8)	70
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
On Listed Investments	(308)	333
On Investment Properties	-	-
	<hr/>	<hr/>
	(308)	333
	<hr/> <hr/>	<hr/> <hr/>

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

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

	2011 £'000	2010 £'000
DCSF Grants	174	102
Income Tax Recoverable	111	121
Prepayments and Other Debtors	920	852
	<hr/>	<hr/>
	1,205	1,075
	<hr/> <hr/>	<hr/> <hr/>

Prepayments and other debtors include £21,710 (2010: £22,144) 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**

	2011 £'000	2010 £'000
Deposit Fund Balances Held on Behalf of Connected Charities	103	88
Loans	19	22
Proceeds of Sale of School Site Payable	8,402	8,402
Sundry Creditors and Accruals	1,732	4,625
Collections Due on Behalf of External Charities	-	10
	<hr/>	<hr/>
	10,256	13,147
	<hr/> <hr/>	<hr/> <hr/>

**Secured Loans**

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

	2011 £'000	2010 £'000
Loans	10	10
	<hr/> <hr/>	<hr/> <hr/>

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

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

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Loans	12	26
	<u>          </u>	<u>          </u>

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

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Loans	12	22
	<u>          </u>	<u>          </u>

**15. LOANS**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Total Payment Due	31	48
	<u>          </u>	<u>          </u>
Shown as:		
Due Within One Year	19	22
Due in One to Two Years	12	24
Due in Three to Five Years	-	2
Due After Five Years	-	-
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>
	31	48
	<u>          </u>	<u>          </u>

Within loans is a loan of £22,500 (2010: £32,500) 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 2011 (CONTINUED)**

**16. ENDOWMENT FUNDS**

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

	Balance at 1 January 2011 £'000	Movement in Funds		Balance at 31 December 2011 £'000
		Incoming Resources £'000	Expenditure, Gains, Losses and Transfers £'000	
Heavens Fund	104	-	-6	98
Young Fund	56	-	-3	53
Clifton Mission Benefactors Fund	106	-	-6	100
Bishop's Maintenance Fund	131	-	-6	125
Clergy Training Fund	88	-	-5	83
The Lady Herbert of Lea Fund	23	-	-1	22
Barnes Trust	14	-	-1	13
Lucy Sharp Fund	19	-	-1	18
Hensler Fund	11	-	-	11
Sundry Parochial Funds	96	-	-4	92
Sundry Curial Funds	60	-	-1	59
	708	-	-34	674
	708	-	-34	674

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 2011 (CONTINUED)**

17. RESTRICTED FUNDS	Movement in Funds			
	Balance at 1 January 2011 £'000	Incoming Resources £'000	Expenditure, Gains, Losses and Transfers £'000	Balance at 31 December 2011 £'000
<b>Parochial</b>				
Tisbury Parsons Fund	15	-	-	15
Tisbury Jesuit Fund	181	4	(6)	179
Other Parochial Funds	880	540	(287)	1133
	1,076	544	(293)	1,327
<b>Curial</b>				
Priests' Retirement Fund (see note 19)	440	129	(164)	405
Clergy Training Fund (see note 20)	-	33	(33)	-
Infirm Priests' Society	265	6	(21)	250
Youth Development	8	-	-	8
Alexander House	40	-	(1)	39
Curial Trust Funds	529	42	(129)	442
Other Curial Funds	375	-	-	375
	1,657	210	(348)	1,519
<b>Total Restricted Funds</b>	<b>2,733</b>	<b>754</b>	<b>(641)</b>	<b>2,846</b>

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 2011 (CONTINUED)**

**18. DESIGNATED FUNDS**

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

	Balance at 1 January 2011 £'000	Movement in Funds		Balance at 31 December 2011 £'000
		Incoming Resources £'000	Expenditure, Gains, Losses and Transfers £'000	
<b>Parochial</b>				
Unrestricted Fixed Asset Fund	12,664	539	(401)	12,802
<b>Curial</b>				
Clergy Medical Fund	48	1	(37)	12
Priests Retirement Fund (note 19)	613	1	(35)	579
Unrestricted Fixed Asset Fund	1,095	-	(23)	1,072
Other Curial Funds	202	-	-	202
St Thomas More Secondary School	1,995	-	-	1,995
	3,953	2	(95)	3,860
<b>Total Designated Funds</b>	<b>16,617</b>	<b>541</b>	<b>(496)</b>	<b>16,662</b>

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 2011 £'000	Movement in Funds		Balance at 31 December 2011 £'000
		Incoming Resources £'000	Expenditure, Gains, Losses and Transfers £'000	
Restricted Fund	440	129	(164)	405
Designated Fund	613	1	(35)	579
	1,053	130	(199)	984

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 2011 (CONTINUED)**

**20. CLERGY TRAINING FUND**

	Balance at 1 January 2011 £'000	Movement in Funds		Balance at 31 December 2011 £'000
		Incoming Resources £'000	Expenditure, Gains, Losses and Transfers £'000	
Endowed Fund	88	-	(5)	83
Restricted Fund	-	33	(33)	-
	88	33	(38)	83
	88	33	(38)	83

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 2011 £'000
	Parochial £'000	Curial £'000	Parochial £'000	Curial £'000	
Allocated overheads	777	(777)	-	-	-
Diocesan levy	(1,786)	1,786	-	-	-
Interest on loans	(49)	49	-	-	-
Clergy Medical Fund subscriptions	(33)	33	-	-	-
Other Transfers and Adjustments	99	12	(2)	(109)	-
	(992)	1,103	(2)	(109)	-
	(992)	1,103	(2)	(109)	-

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	13,876	170	-	14,046
Fixed Asset Investments	4,876	631	517	6,024
Net Current Assets	9,734	2,045	157	11,936
Long Term Liabilities	(12)	-	-	(12)
	28,474	2,846	674	31,994
	28,474	2,846	674	31,994

**CLIFTON DIOCESAN TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)**

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

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

	2011 £'000	2010 £'000
Net Incoming Resources	498	596
Dividends Receivable	(143)	(122)
Interest Receivable	(498)	(470)
Income on Investment Properties	(51)	(48)
Depreciation of Tangible Fixed Assets	426	422
Decrease/(increase) in Debtors	(129)	1,219
(Decrease)/increase in Creditors	(2900)	1,755
Profit/Loss on Sale of Fixed Assets	4	-
	-----	-----
Net Cash Inflow(Outflow) from Operating Activities	(2,793)	3,352
	=====	=====

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

	2011 £'000	2010 £'000
Increase/(Decrease) in Cash in the Year	(2,547)	3,292
Cash Deposited to Short Term Deposits	-	-
Cash Outflow from Repayment of Loan	17	16
New Loans Received	-	-
	-----	-----
Increase in Net Funds in the Year	(2,530)	3,308
Net Funds Brought Forward	23,475	20,167
	-----	-----
<b>Net Funds Carried Forward</b>	<b>20,945</b>	<b>23,475</b>
	=====	=====

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

	At 1 Jan 2011 £'000	Cash Flow £'000	At 31 Dec 2011 £'000
Overdrafts	(604)	394	(210)
Short Term Deposits	24,127	(2,941)	21,186
	-----	-----	-----
Net Cash at Bank and Short Term Deposits	23,523	(2,547)	20,976
Loans Due for Repayment Within One Year	(22)	3	(19)
Loans Due for Repayment After One Year	(26)	14	(12)
	-----	-----	-----
	23,475	(2,530)	20,945
	=====	=====	=====

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 2011 (CONTINUED)**

**24. CHARITABLE COMMITMENTS**

The following commitments in respect of parishes and schools have been agreed at 31 December 2011 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 2011 £'000</b>	<b>Net Commitment 2010 £'000</b>
School Building Costs	460	356	104	230
Balance of cost of new presbytery	35	-	35	75
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The initial payment of £35k on new presbytery has been treated in the accounts as a prepayment