

**CLIFTON DIOCESAN TRUST**

**ANNUAL REPORT  
and  
FINANCIAL STATEMENTS**

**for the year ended**

**31<sup>st</sup> DECEMBER 2017**

## CHARITY INFORMATION

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**Charity Registration Number:** 233977

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

## PROFESSIONAL ADVISERS

**Auditors:** haysmacintyre  
10 Queen Street Place  
London  
EC4R 1AG

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

**Investment Manager:** Smith & Williamson Investment Management  
Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

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

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## BISHOP'S INTRODUCTION

I know well the plans I have made for you, says the Lord, plans for your welfare, not for woe! Plans to give you a future full of hope. When you call me, when you go to pray to me, I will listen to you. When you look for me, you will find me, Yes, when you seek me with all your heart, you will find me with you, says the Lord.

Jeremiah 29:11-13

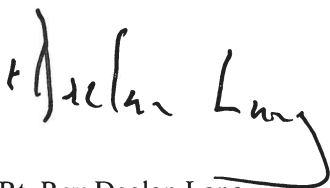
When Jeremiah wrote those words the people of Israel were going through a time of so much upheaval that they had lost hope. Through Jeremiah the Lord speaks a word of hope to his people. He reminds them that he is with them and that he listens to them. The Lord has a plan for them and it is 'a future full of hope'.

The words of Jeremiah are again the springboard for the next phase of our Diocesan life and underpin the refreshed Diocesan Guidelines '*A Future Full of Hope*' which were launched in October 2017. With a focus on the future of the Diocese, the Guidelines and my vision for the coming years, encourages everyone to encounter the Lord Jesus anew in Mission, Prayer and Communion.

The Guidelines have provided a roadmap for the next three years so that we can focus on using resources available to us to build up the life and work of our parish communities. The Year of Mission was launched in November 2017, with a focus on growing in discipleship in order to become more actively effective in our mission, especially to the poor and those on the peripheries of our society.

This report details key objectives and achievements towards our mission during 2017, as well as explaining our constitution and governance structure. Our audited financial statements provide the financial details of our work and how we are funded.

I hope you find this report informative and useful.



Rt. Rev Declan Lang  
Bishop of Clifton

## **HISTORY OF THE DIOCESE OF CLIFTON**

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, 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.

With effect from 1 January 2018, the Diocese changed its legal status from a Charitable Trust to a Company Limited by Guarantee with charitable status. The assets and undertakings of the Trust were transferred to the new company, which operates under the name of Clifton Diocese, Company No. 10462076 and Charity No. 1170168 on that date. The current Trustees of the Charitable Trust are all directors of the new company.

The Diocese comprises the counties of Somerset, Gloucestershire, Wiltshire and the City and County of Bristol. Clifton is largely a rural diocese encompassing many towns and villages with several medium conurbations and one major city. The Diocese serves its people through 107 parishes, 44 maintained schools, 18 academies, 1 joint faith academy, 2 special schools and 6 independent schools and the Diocesan administrative office (Curia).

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.

## **ORGANISATIONAL STRUCTURE**

The primary routes of delivery of the Charity's objectives are the parishes and schools within the Diocese.

As part of the wider Catholic community the Diocese works collaboratively with other Dioceses in England and Wales and the Bishop is active internationally through his work with the Catholic Trust for England and Wales.

The Diocesan administrative office supports the delivery of the objectives by co-ordination of Diocesan-wide programmes and ensures a cohesive approach to the administration of the diocese in order to effectively support the parishes, which is particularly important due to increasing statutory requirements in areas such as property management and governance.

### **Parishes**

There are approximately 177,167 people who identify as Catholic within the Clifton Diocese. On a daily basis, parishioners gather together in our Churches for worship within the parishes, creating local Catholic communities which underpin the formation of their faith and deliver outreach to the wider communities in which they are based.

**Mass Attendance and Sacraments**

|                          | <b>2017</b> |
|--------------------------|-------------|
| Baptisms                 | 1,448       |
| Received into the Church | 83          |
| First Holy Communions    | 1,732       |
| Confirmation             | 904         |
| Sunday Mass attendance   | 28,574      |

There are 84 active priests (Diocesan and Religious) within the Diocese who lead the parish communities, supported by 55 deacons many of whom combine their religious vocation with career and family responsibilities. In addition, there are many retired priests who continue to provide support and ministry where needed.

The role of the laity within the Diocese is a central feature to the life of our Catholic community and as a result there is a focus on their formation, growth and spiritual wellbeing. Our pastoral guidelines ‘Called to be a People of Hope’ and the renewed guidelines ‘A Future Full of Hope’ provide opportunities to appreciate the importance and priority of formation. With this in mind, the department for Adult Education and Evangelisation organises various training events and provides resources to assistance and support both the priests and laity in the Diocese.

Other activities facilitated by Diocesan officers include programmes for young people and the provision of conferences, courses and retreats which support the development of the mission of the Church within the parishes.

Care is provided to the elderly, the housebound and those in hospital and in prison. The Marriage & Family Life resources has been developed to support family life in the face of the pressures of societal change.

Parishes continue to reach out to their local communities through work in food banks, soup runs and support groups for the elderly. This work is often done in collaboration with other faith groups or local charities. Parish properties are frequently made available as a base for local community groups and pre-schools to operate from and several parishes are also utilising vacant parish properties to home refugee families.

The Diocese and parishes have close links with CAFOD and through this and other routes there is strong support from across the Diocese for overseas work in areas of poverty, war and where natural disasters have taken place. There are also various initiatives undertaken to support refugees both in the UK and overseas.

The 107 parishes comprising the Clifton Diocese form the core of our Catholic community. They are served by 65 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.

Clifton Diocese is also fortunate to be served by a team of 55 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 works under the direction of the priest in the delivery of pastoral care.

The parishes co-operate 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 share to the support of the Diocesan departmental structure and a vast range of external charities and groups. As well as their financial contribution, the parishioners also contribute 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.

### **Schools**

There are 54 Catholic Primary, 8 Catholic secondary schools and a sixth form college, 2 independent special schools and 6 other independent schools within the Diocese. One of the secondary schools is currently operated jointly with the Church of England. Over 23,460 pupils are educated in our schools and whilst priority is given to Catholic applicants approximately 44.5% of pupils are drawn from outside the Catholic community.

The schools sometimes provide education in challenging circumstances to very diverse communities and the Diocesan Department for Schools and Colleges works closely with the relevant Local Authorities, the Regional Schools Commissioner and OFSTED to ensure that high quality education is delivered whilst maintaining the Catholic ethos of the schools.

### **PUBLIC BENEFIT**

The Trustees confirm that they have complied with the duty as defined in section 17 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 the 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. Most of these buildings are between 30 and 150 years old and some are of historical and architectural importance. Some are listed by Historic England. 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. All of them 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 our neighbours Jesus Christ was very clear that this did not just mean those who live next door to us, but everyone that we share this beautiful God-given planet with. 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 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 environmental 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.

## **Co-ordinating 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 encourage via our Curia 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 academically but also in faith and morals. In this way, we help to show our love of our neighbours.

## **OBJECTIVES AND ACHIEVEMENTS IN THE YEAR**

The Diocese's key objectives to enhance the work and support the strategy of the Diocese in 2017 were:

- Ongoing maintenance and improvement of places of worship and parish facilities
- Providing the resources to recruit, train and form priests and provide on-going formation throughout their ministry
- Adult Education & Formation for all the people of the Diocese to give them the opportunity to understand the Church's teaching fully and to contribute to the mission of the diocese
- Ongoing development of youth programmes
- Supporting Diocesan schools in the ever-changing educational landscape and encouraging them to work together collaboratively in view of the ongoing reduction in support in shared services available from local authorities



- Provision of training to support the development of Catholic teachers to create a pool of high quality talent in order to address the issue of lack of Catholic head teachers and deputy head teachers in Diocesan schools

### **Achievements in 2017**

The new Diocesan pastoral guidelines ‘A Future Full of Hope’ were successfully launched in the Autumn of 2017. Over 95% of the parishes and schools were represented at the presentation of resources for the Year of Mission during Evening Prayer held in Clifton Cathedral.

Continued development of Catholic leadership in schools. Seven individuals successfully completed the Aspiring Leaders course during 2017, with a further five candidates currently enrolled for 2018.

Completion of the incorporation of the Trust on 1 January 2018, with all assets successfully transferred to Clifton Diocese and appropriate approvals granted by the Charity Commission.

Roadshow events held throughout the Diocese to provide an overview of all the activities completed by the administration departments and to highlight opportunities where support can be given to parishes in a variety of areas. Over 70% of the parishes were represented at these events, which were very positively received by the attendees.

Successful application to the World War 1 Cathedral fund for further funding of £700,000 towards the costs of replacement heating and lighting in Clifton Cathedral. This formed part of phase three of the planned ongoing maintenance and repair activities to the building. Work on this third phase was completed in Spring 2018.

Microsoft Office software suite Office 365 was successfully rolled out across the Diocese, with the Administration Offices and all parishes now utilising the email systems and other functionality, including SharePoint, for communications and the distribution of information.

Appointment of a Trust and Grant Applications Officer to support and assist parishes for funding applications to various external trusts and funding bodies. This post was filled in August 2017.

A new diocesan website was launched in December 2017, which provides a more robust infrastructure. The new site has also been reconfigured to improve the navigation between pages and to enable the distribution of additional resources.

Successful launch of online Health & Safety training modules for parish employees and volunteers in order to facilitate adherence to the Diocesan Health & Safety Policy which was introduced in 2016.

Procurement of a new online parish accounting system, OPAS, which will be implemented over a three-year period. The rollout to pilot parishes commenced in July 2018.

### **Key areas of work for the future**

- Continue to build on the work undertaken by the Director of Vocations to bring forward candidates for the priesthood
- Provide ongoing support to the Diocesan school hub structure, so that the partnerships continue to work together collaboratively and effectively and therefore are in a good position to form multi-academy trusts in the future if required

- The development of an Executive Leadership programme to support Head teachers who have the responsible and oversight of more than one school.
- Ensure compliance to the new General Data Protection Regulations and provide ongoing training and guidance to the clergy, employees and volunteers
- Maintain effective communication between the Curial offices and parishes, so that parishes are aware of the support and services available to them
- Provide Office 365 training to parishes so that they can further utilise the functionality of the system.
- Continued development of plans to enhance parish facilities and maximise the benefits from property assets of the Diocese
- Provision of information as required by the Independent Enquiry into Child Sexual Abuse

## **RISK MANAGEMENT**

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 and each of the key risks have mitigating controls, procedures and plans in place to minimise the risk to the Diocese.

Arising from the risk assessment process, the key risks have been identified as:

- **IT security and data protection**  
Mitigations – Diocesan IT equipment, practices and procedures ensures compliance with all data protection legislation and enables confidentiality to be maintained. All staff are adequately trained to ensure their practices are consistent with confidentiality requirements and data protection legislation. Encrypted data transfer and storage to the highest standard. Daily backup of data (encrypted) and periodic testing of backup to ensure restoration of backed up data.
- **Safeguarding**  
Mitigations – Nationally accredited training and online Educare Safeguarding modules available to ensure that staff and volunteers have the appropriate knowledge and training for the Safeguarding of Children and Vulnerable adults. Detailed policies and procedures to ensure all national policies are recorded and clear decision making is evidenced regarding implementation within the Diocese.
- **Health & Safety**  
Mitigations - Adoption of a H&S Policy for all parishes and the Curial offices, including the distribution of a H&S manual. Implementation of the policy, appointment of H&S Co-

ordinator and consultants. Training of parish priests and other 'responsible' people. Auditing of implementation and referral procedure for non-compliant parishes.

- **Pastoral – the ageing profile of the parish priests and the numbers currently in active service**

Mitigations - Continuing provision for good ongoing formation for priests and good formation for permanent deacons. Good lay leadership, whilst not replacing priests, allows parishes to continue with a real sense of mission and pastoral leaders to foster community. Vocations director in post with a focus on promoting and encouraging vocations to the priesthood and the consecrated life.

- **Academies, schools' management and protection of vulnerable schools**

Mitigations – Schools & Colleges department actively involved with the Catholic Education Service in the drafting of the revised academies documentation. Separate company, Clifton Catholic Diocesan Educational Foundation, has oversight of all educational and school issues in the Diocese. Ongoing support provided to head teachers, aspiring leaders and governors in the form of regular training courses.

## **FUNDRAISING APPROACH**

Clifton Diocese is registered with the Fundraising Regulator and abides by the Code of Fundraising Practice. The majority of our fundraising activity is carried out within parishes via direct contact with parishioners. Parishioners are also contacted by email if they have provided consent, either directly or indirectly e.g. the parish newsletter. Fundraising appeals are managed by the Diocese across all parishes. The Diocese does not employ commercial fundraisers or contact members of the public who are not parishioners. Our parishes, led by our priests, have a duty of care toward any vulnerable parishioners and we take great care to ensure they are treated with dignity and respect and in accordance with our safeguarding policies.

To date no complaints about fundraising activities have been received by the Diocese.

## **GOVERNANCE AND MANAGEMENT**

### **Governance**

The Diocesan Trustees led by the Bishop, in conjunction with the canonical bodies of the Diocese, are responsible for formulating strategies which deliver the pastoral work of the Diocese. They develop policies which ensure compliance with civil legislation and ensure the dissemination of such policies throughout the Diocese e.g. safeguarding and health and safety. Through the Committee structure they oversee all aspects of compliance with relevant legislation including financial controls, management of Diocesan properties and employment issues.

The Bishop is appointed by the Pope as chief shepherd, teacher and sanctifier of the Diocesan flock in the Diocese. The Bishop also has a role as the leader of an organisation with 153 employees, assets of

£47.3m and income of £12.5m. He is advised by a Bishop's Council of senior clergy and chairs the Board of Trustees formed of both clergy and lay members.

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 15 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 8 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. Trustees are appointed for a term of three years renewable up to a maximum of nine years. Periodically a skills audit is undertaken and skill gaps identified bearing in mind the current areas of work which provide specific challenges for the Diocese. Recruitment is carried out after advertising throughout the Catholic community of the Diocese.

The Trustee body has adopted the Charity Governance Code to support continuous improvement and a training session to raise awareness of the Code's principles was completed in May 2018. More formal reporting explaining the Trustee's approach to applying the Code will be provided in the 2018 annual report.

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 several committees to look at specific aspects of the Charity and they report back to the main Board of Trustees.

The Bishop and employees of the Diocese wish to acknowledge the contribution made by the Trustees and the support that they give to the Diocese in terms of both skills and time.

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 (Chair)  
Rev. Mgr. Canon Bernard Massey VG (Vice Chair) (Moderator of the Curia)  
Rev. Mgr. Canon William Slattery VG  
Rev. Canon Richard Dwyer  
Rev. Canon John Cunningham  
Rev. David Mills  
Rev. Deacon Paul White  
Mr Stephen McNulty  
Ms Ruth FitzJohn  
Mrs Margaret Young

Mrs Catherine Hipkiss  
Dr Timothy Coyle  
Mr Michael Setter  
Mrs Michelle Morgan (appointed 04/01/2017)  
Mr Michael Thompson (appointed 04/01/2017)

**Secretary to the Trustees:**

Mrs Andrea Barrett

**Private Secretary to the Bishop:**

Miss Alessia Dini

**SUB-COMMITTEES**

The members of the eight main sub-committees are as follows (Trustees denoted with (T)).

**The Audit Committee:**

Rev. Mgr. Canon Bernard Massey VG (T) (Chair)  
Mr John Kyffin

This committee is made up of a minimum of a Trustee (Moderator of the Curia) and 1 lay member. The Chief Operating Officer and Diocesan Financial Administrator as well as the lead partner from our Auditors are in attendance. They meet twice per year.

**The Investment Committee:**

Ms Fiona Macpherson (Chair)  
Rev. Mgr. Canon Bernard Massey VG (T)  
Dr Timothy Coyle (T)  
Mr Martin Appleby (resigned 04/05/2018)  
Mr Edward Corrigan  
Mr John Rodgers

This committee is made up of at least 2 Trustees and 4 lay professional members and meets with the lead member from our investment manager, currently Smith & Williamson. The Chief Operating Officer and Diocesan Financial Administrator are in attendance. It generally meets twice per year but in volatile times has a mechanism in place to meet more frequently. The Investment Committee is a sub-committee of the Finance Committee.

**The Clergy Welfare Committee:**

Rev. David Mills (Chair) (T)  
Rev. Canon Alan Finley

Rev. Canon Bosco MacDonald  
Rev. Mgr. Canon Richard Twomey  
Rev. Deacon Trevor Jones  
Rev. Colin Mason (appointed 03/11/2017)

The Clergy Welfare Committee reports to the full Trustee Board via the HR Committee. This committee deals with the welfare of all clergy but particularly those who due to age, infirmity or other circumstances need assistance. The Chief Operating Officer and Diocesan Financial Administrator are in attendance.

**The Property Committee:**

Rev. David Mills (T) (Chair)  
Rev. Mgr. Canon Bernard Massey VG (T)  
Rev. Deacon Paul White (T)  
Mr Stephen McNulty (T)  
Mr Michael Setter (T)

This committee is made up of Trustees with the Diocesan Surveyor, Chief Operating Officer and the Diocesan Financial Administrator in attendance. Its role is to look at all property related issues in parishes and to give approval for small works (up to £250k) and where possible to make recommendation to the main Board for approval on works over this limit. The Property Committee generally meets 6 times a year. The Diocesan Surveyor and the Diocesan Financial Administrator have a further delegated responsibility per a schedule approved by Trustees.

**The HR Committee:**

Right Reverend Declan Lang, Bishop of Clifton (Chair) (T)  
Rev. Mgr. Canon Bernard Massey VG (T)  
Rev. David Mills (T)  
Mrs Catherine Hipkiss (T)

This committee is composed of 4 Trustees as well as having the support of a professional HR Advisor who is retained by the Diocese to give information and advice as needed. This committee deals with all employee related issues in the Diocese. It is chaired by the Bishop with the Chief Operating Officer in attendance.

**The Finance Committee:**

Rev. Mgr. Canon Bernard Massey VG (T) (Chair)  
Dr. Timothy Coyle (T)  
Rev. David Mills (T)  
Mrs Ann Tarr

This committee is composed of 3 Trustees plus 2 other financial experts with the Chief Operating Officer and the Diocesan Financial Administrator in attendance. Its role is to look at all finance related issues in parishes and to give approval for expenditure (up to £250k) and where possible to make recommendation to the main Board for approval on expenditure over this limit. The Finance Committee

generally meets 6 times a year. The Diocesan Financial Administrator has a further delegated responsibility per a schedule approved by Trustees.

**The Risk Committee:**

Mrs Margaret Young (T) (Chair)  
Rev. Mgr. Canon Bernard Massey VG (T)  
Ms Ruth FitzJohn (T)  
Rev. Canon John Cunningham (T) (appointed 19/04/2017)

This committee is composed of 4 Trustees and the Chief Operating Officer in attendance.

**The Health and Safety Committee:**

Rev. David Mills (T) (Chair)  
Mrs Margaret Young (T)  
Rev. Mgr. Canon Bernard Massey VG (T)  
Rev. Deacon Paul White (T)

This committee is composed of 4 Trustees with the Chief Operating Officer, the Diocesan Surveyor, the Diocesan Financial Administrator and the Health and Safety Co-ordinator in attendance.

*As well as these committees, there are several other bodies that report indirectly to the board.*

**Safeguarding Commission**

This has 3 priests, 1 deacon and 10 lay members with extensive experience in the whole area of safeguarding. The Safeguarding Co-ordinator is in attendance. It gives advice to the Bishop and Board of Trustees on all aspects of safeguarding within the Diocese.

**Clifton Catholic Diocesan Education Foundation**

This is a company limited by guarantee and the Board of Directors is formed from experienced educationalists from across the Diocese. The work is supported by director led sub-groups and informed by regional partnership groups of schools. It deals with all aspects of education from 4 - 19 years. The Director of the School and Colleges Department presents a report to every Trustees meeting.

**Council of Priests**

The priests in this body meet at least twice per year to advise 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.

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## **Bishop's Council**

This confidential council is composed of the 2 Vicars General and the Judicial Vicar (all of whom are 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.

## **Pastoral management**

The Bishop is supported in his pastoral leadership of the Diocese by two Vicars General, one of whom also acts as Moderator of the Curia and provides a link between the civil and pastoral direction of the Diocese. The Bishop is advised by the Bishop's Council and the Chapter of Canons. The Council of Priests provides the link to the parish priests and deaneries.

The Bishop also undertakes parish visitations, visits to schools and presides over Diocesan events such as the Diocesan Pastoral Council.

### ***The Trustees and Committees are supported in their work by the Curia.***

The Curia is comprised of several departments that work together to provide a robust and effective administrative structure to support the parishes and schools and provide day to day support for the delivery of pastoral aims.

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## **SENIOR MANAGEMENT TEAM**

Mrs Lyn Murray – Chief Operating Officer

Mrs Colleen Collett – Director of Schools and Colleges

Mr Liam Ring – Safeguarding Coordinator

Miss Janet Parker – Diocesan Financial Administrator, Head of Finance Department

Mr Derek Salmon – Diocesan Surveyor, Head of Property Department

Rev. Christopher Whitehead – Director of Adult Education and Evangelisation

Mr Philip Gibbons – Communications Officer

## **Remuneration Policy**

Remuneration for the senior management team is determined by the HR Committee by benchmarking roles against similar positions in other Dioceses and the charity sector, with the aim to attract, retain and motivate a talented leadership team who are focused on supporting delivery of the Diocesan mission.

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## **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**

This department 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.

### **School and Colleges**

This department both advises the Trustees of all aspects of education and 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**

This department deals with a multitude of financial and administrative aspects of the work of the Diocese. It not only co-ordinates the central finances and budgets of the Diocese but it also collects all parish shares 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 assets delegated to the parish priests who are advised by their parish finance committee.

## **VOLUNTEERS**

Many volunteers help in all areas of the work of the Diocesan Trust. Without their assistance, our parishes could not function. The Trustees, parish clergy and our employees are most grateful to them for giving so much time and effort to us. Certain volunteers such as treasurers, school governors and parish safeguarding representatives are required to attend training courses so that they are properly equipped for their roles in the Diocese.

## 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.

| <b>CHARITY NAME</b>                                                                         | <b>REGISTERED NO.</b>       |
|---------------------------------------------------------------------------------------------|-----------------------------|
| Edith Mary Young Memorial Fund                                                              | 201234                      |
| William Goldstone's Charity                                                                 | 211002* (closed 26/04/2017) |
| Charity of Mrs Sarah Ann Board                                                              | 236616* (closed 26/04/2017) |
| Elizabeth Lady Herbert Foundation                                                           | 309304                      |
| Heaven's Roman Catholic Orphanage for Girls                                                 | 310187                      |
| The Countess Isabella Jane English Foundation                                               | 310230* (closed 26/04/2017) |
| The Carpue Foundation                                                                       | 310301* (closed 26/04/2017) |
| The Pratt Fund                                                                              | 310302* (closed 26/04/2017) |
| The Bessie Yates Sturges Scholarship                                                        | 310303* (closed 26/04/2017) |
| Goldstone's Charity for Education of Students for Priesthood                                | 311781* (closed 26/04/2017) |
| Lady Arundell of Wardour Bequest for Training of Students for the Roman Catholic Priesthood | 313492                      |
| The Wigmore Trust                                                                           | 313830* (closed 26/04/2017) |

The following charities have not been activated:

|                                                     |                             |
|-----------------------------------------------------|-----------------------------|
| Clifton Diocesan Clergy Fund                        | 246069* (closed 14/12/2010) |
| St Francis of Assisi Roman Catholic Church, Nailsea | 292071                      |
| The Diocese of Clifton Education Trust              | 313215                      |

Note: Following a review of the small charities as part of the Incorporation Project, resolutions were passed in January 2017 to de-restrict the capital for eight charities (annotated \*) and for both the capital and income to be expended. The Charity Commission has now confirmed that these charities have been closed.

### Subsidiary Company

On 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 SORP 2015 consolidated accounts are not prepared on the basis that the subsidiary company is not material to the group. The company was dissolved on 25 April 2017.

## 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).

## REPORT OF THE TRUSTEES

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 us 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. We are also responsible for safeguarding the assets of the charity and 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 September 2018.

## FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Financial Statements have been prepared in accordance with the principles contained in the Statement of Recommended Practice – ‘Accounting and Reporting by Charities’ 2015 (SORP 2015) 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.

### Curial Funds

Curial income includes the parish share, which is a contribution from all parishes and religious orders towards the running costs of the Diocesan Curia.

Total Curial income was higher in 2017 at £2,478k compared to £1,493k in 2016, due to higher donations, grants and legacy income. There was a gain on fixed asset investments of £847k (2016: £772k), with the portfolio generating investment income of £604k (2016: £479k).

Total Curial expenditure was £3,571k (2016: £3,095k). This included £804k of expenditure on the Cathedral Roof works, by means of a transfer to parochial funds.

Overall, Curial Funds increased in the year by £652k (2016: decrease of £105k).

Total Curial Funds at 31 December 2017 were £20,028k (2016: £19,375k) of which £14,577k (2016: £14,150) were unrestricted. Total Curial Funds include £739k (2016: £683k) net balances due from parishes.

### Parochial Funds

The unrestricted offertory, donations and legacies income for the year was £7,479k (2016: £5,920k). Income from charitable activities, including fundraising income, was £1,954k (2016: £2,451k).

The charitable expenditure by the parishes was higher in 2017 at £8m (2016: £7,208k), mainly due to several large building projects.

Overall Parish Funds increased in the year by £1,186k (2016: £1,470k).

Total Parish Funds at 31 December 2017 amounted to £27,342k (2016: £26,156k) of which £26,471k (2016: £25,569k) was unrestricted. Freehold land and buildings account for £14,904k (2016: £14,877k) of total Parish Funds.

## **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 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**

Investment balances are managed by Smith & Williamson on a discretionary basis. The aim of the investment portfolio is to maintain the purchasing power of the capital while maintaining an income stream. General Diocesan deposits are invested in a spread of short term bank deposits. In 2014 a secondary investment portfolio was established with a smaller proportion of equities than the main portfolio in the anticipation of generating better returns than fixed interest deposits.

The Investment Committee reviews the performance of the main portfolio against the appropriate indices. The primary benchmark index is RPI with a secondary benchmark of the APCIMS Balanced Index. Excluding additional investment, the underlying funds fell in value overall during the year in line with the general markets. 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 Investment Committee continues to invest Diocesan funds in accordance with an ethical policy which was amended in 2014 to specifically exclude investments in companies which receive more than 10% (as a de minimus value) of their revenues from:

- Adult entertainment
- Production of contraceptives
- Healthcare relating to abortions
- Military/armaments
- Gambling
- Tobacco
- Alcohol

## **RESERVES POLICY**

The free reserves of the Charity are those funds that are freely available to be spent in pursuing the Charity's objects. Tangible fixed assets, permanent endowment, restricted and designated funds are not included in free reserves.

The free reserves of the Charity at the financial year-end were:

REPORT OF THE TRUSTEES

|                                     | 2017          | 2016          |
|-------------------------------------|---------------|---------------|
|                                     | £'000         | £'000         |
| Total Funds                         | 47,370        | 45,532        |
| Less: Permanent Endowment Funds     | (816)         | (794)         |
| Restricted Funds                    | (5,506)       | (5,018)       |
| Designated Funds                    | (4,987)       | (3,804)       |
| Tangible Fixed Assets               | (15,951)      | (16,121)      |
|                                     |               |               |
| <b>Free Reserves of the Charity</b> | <b>20,110</b> | <b>19,795</b> |

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 officers on behalf of 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. The timing of the call for Diocesan funds for the schools' building programme will depend on the availability of funding by the Education Funding Authority.

Free reserves have increased by £315k during the year. The free reserves represent 24 months of recurring unrestricted expenditure (2016: 26 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 24 months recurring unrestricted expenditure.

The Trustees have set aside designated funds for significant projects that will take place over the next two to three years.

The parochial free reserves form £11.3m (2016: £10.4m) of the total £20.1m (2016: £19.8m). It should also be noted that whilst the balance sheet shows "cash at bank and short-term deposits" of £24.98m (2016: £24.2m), this balance includes sale proceeds of £5.7m (2016: £5.7m) held for future schools building projects and other funds held for restricted purposes.

Approved by the Trustees on the 5<sup>th</sup> September 2018 and signed on their behalf by:



Rt. Rev. Declan Lang  
Bishop of Clifton  
(Chair)

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFTON DIOCESAN TRUST FOR THE YEAR ENDED 31 DECEMBER 2017**

### **Opinion**

We have audited the financial statements of Clifton Diocesan Trust for the year ended 31 December 2017 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2017 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on pages 15 and 16, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFTON DIOCESAN TRUST FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)**

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

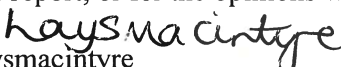
### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept by the charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the charity 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.

### **Use of our report**

This report is made solely to the charity's trustees, 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

  
haysmacintyre  
Statutory Auditors

10 Queen Street Place  
London EC4R 1AG  
5<sup>th</sup> September 2018

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2017**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

STATEMENT OF FINANCIAL ACTIVITIES (SOFA) FOR THE YEAR ENDED 31 DECEMBER 2017

|                                     | Notes | Unrestricted Funds |                 | Restricted Funds |                 | Endowment Funds |                 | Total Funds Curial £'000 | Total Funds Parochial £'000 | Total Funds 2017 £'000 | Total Funds 2016 £'000 |
|-------------------------------------|-------|--------------------|-----------------|------------------|-----------------|-----------------|-----------------|--------------------------|-----------------------------|------------------------|------------------------|
|                                     |       | Curial £'000       | Parochial £'000 | Curial £'000     | Parochial £'000 | Curial £'000    | Parochial £'000 |                          |                             |                        |                        |
| <b>Income and endowments from:</b>  |       |                    |                 |                  |                 |                 |                 |                          |                             |                        |                        |
| Donations and legacies              | 3     | 1,076              | 6,694           | 120              | 785             | -               | -               | 1,196                    | 7,479                       | 8,675                  | 6,175                  |
| Charitable activities               | 4     | 755                | 1,954           | -                | -               | -               | -               | 755                      | 1,954                       | 2,709                  | 2,731                  |
| Other trading activities            | 5     | -                  | 131             | -                | -               | -               | -               | -                        | 131                         | 131                    | 127                    |
| Investments                         | 6     | 494                | 169             | -                | -               | -               | -               | 494                      | 169                         | 663                    | 633                    |
| Other                               |       | 33                 | 350             | -                | -               | -               | -               | 33                       | 350                         | 383                    | 933                    |
| <b>Total income and endowments:</b> |       | <b>2,358</b>       | <b>9,298</b>    | <b>120</b>       | <b>785</b>      | <b>-</b>        | <b>-</b>        | <b>2,478</b>             | <b>10,083</b>               | <b>12,561</b>          | <b>10,599</b>          |
| <b>Expenditure on:</b>              |       |                    |                 |                  |                 |                 |                 |                          |                             |                        |                        |
| Raising Funds                       |       | 14                 | -               | -                | -               | -               | -               | 14                       | -                           | 14                     | 19                     |
| Charitable activities               | 7     | 3,556              | 7,604           | -                | 396             | 1               | -               | 3,556                    | 8,000                       | 11,556                 | 10,284                 |
| Other                               |       | -                  | -               | -                | -               | -               | -               | -                        | -                           | -                      | -                      |
| <b>Total expenditure:</b>           |       | <b>3,570</b>       | <b>7,604</b>    | <b>-</b>         | <b>396</b>      | <b>1</b>        | <b>-</b>        | <b>3,570</b>             | <b>8,000</b>                | <b>11,570</b>          | <b>10,303</b>          |
| Net gains/(losses) on investments   |       | 695                | (128)           | 87               | 109             | 51              | 34              | 832                      | 15                          | 847                    | 1,070                  |
| <b>Net income/(expenditure)</b>     |       | <b>(517)</b>       | <b>1,566</b>    | <b>207</b>       | <b>498</b>      | <b>50</b>       | <b>34</b>       | <b>(260)</b>             | <b>2,098</b>                | <b>1,838</b>           | <b>1,366</b>           |
| Transfers between funds             | 18    | 944                | (664)           | 12               | (230)           | (44)            | (18)            | 912                      | (912)                       | -                      | -                      |
| <b>Net movement in funds</b>        |       | <b>427</b>         | <b>902</b>      | <b>219</b>       | <b>268</b>      | <b>6</b>        | <b>16</b>       | <b>652</b>               | <b>1,186</b>                | <b>1,838</b>           | <b>1,366</b>           |
| Total funds brought forward         | 2     | 14,150             | 25,570          | 4,631            | 387             | 595             | 199             | 19,376                   | 26,156                      | 45,532                 | 44,166                 |
| <b>Total funds carried forward</b>  |       | <b>14,577</b>      | <b>26,472</b>   | <b>4,850</b>     | <b>655</b>      | <b>601</b>      | <b>215</b>      | <b>20,028</b>            | <b>27,342</b>               | <b>47,370</b>          | <b>45,532</b>          |

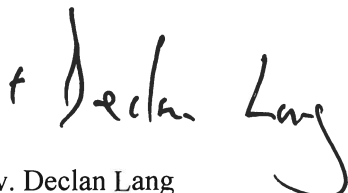
The net movement in funds shown above arises entirely from continuing activities. Comparative figures for 2016 by fund can be found in note 2.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

**BALANCE SHEET AS AT 31 DECEMBER 2017**

|                                                         | Notes | 2017            |                            |                | 2016            |                            |                |
|---------------------------------------------------------|-------|-----------------|----------------------------|----------------|-----------------|----------------------------|----------------|
|                                                         |       | Curial<br>£'000 | Parochial<br>£'000         | Total<br>£'000 | Curial<br>£'000 | Parochial<br>£'000         | Total<br>£'000 |
| <b>FIXED ASSETS</b>                                     |       |                 |                            |                |                 |                            |                |
| Tangible fixed assets                                   | 9     | 1,337           | 14,904                     | 16,241         | 1,244           | 14,877                     | 16,121         |
| Investments                                             | 10    | 9,790           | 2,488                      | 12,278         | 8,959           | 2,862                      | 11,821         |
|                                                         |       | <u>11,127</u>   | <u>17,392</u>              | <u>28,519</u>  | <u>10,203</u>   | <u>17,739</u>              | <u>27,942</u>  |
| <b>CURRENT ASSETS</b>                                   |       |                 |                            |                |                 |                            |                |
| Debtors                                                 | 11    | 911             | 50                         | 961            | 580             | 23                         | 603            |
| Cash at bank and in hand                                |       | 14,161          | 10,815                     | 24,976         | 15,027          | 9,160                      | 24,187         |
|                                                         |       | <u>15,072</u>   | <u>10,865</u>              | <u>25,937</u>  | <u>15,607</u>   | <u>9,183</u>               | <u>24,790</u>  |
| <b>LIABILITIES</b>                                      |       |                 |                            |                |                 |                            |                |
| Creditors: amounts falling due within one year          | 12    | (1,144)         | (41)                       | (1,185)        | (1,352)         | (83)                       | (1,435)        |
| Curia: amounts due from parishes within one year        |       | 3               | -                          | 3              | (3)             | -                          | (3)            |
| Parishes: amounts due from curia within one year        |       | -               | (3)                        | (3)            | -               | 3                          | 3              |
| Parish loans                                            |       | 69              | (69)                       | -              | 113             | (113)                      | -              |
| <b>NET CURRENT ASSETS</b>                               |       | <u>14,000</u>   | <u>10,752</u>              | <u>24,752</u>  | <u>14,365</u>   | <u>8,990</u>               | <u>23,355</u>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>            |       |                 |                            |                |                 |                            |                |
|                                                         |       | <u>25,127</u>   | <u>28,144</u>              | <u>53,271</u>  | <u>24,568</u>   | <u>26,729</u>              | <u>51,297</u>  |
| Creditors: amounts falling due after more than one year | 13    | (5,766)         | (135)                      | (5,901)        | (5,765)         | -                          | (5,765)        |
| Parish loans                                            |       | 667             | (667)                      | -              | 573             | (573)                      | -              |
| <b>NET ASSETS</b>                                       |       | <u>20,028</u>   | <u>27,342</u>              | <u>47,370</u>  | <u>19,376</u>   | <u>26,156</u>              | <u>45,532</u>  |
| <b>FUNDS</b>                                            |       |                 |                            |                |                 |                            |                |
|                                                         | Notes | Curial<br>£'000 | 2017<br>Parochial<br>£'000 | Total<br>£'000 | Curial<br>£'000 | 2016<br>Parochial<br>£'000 | Total<br>£'000 |
| <b>RESTRICTED FUNDS</b>                                 |       |                 |                            |                |                 |                            |                |
| Permanent endowment funds                               | 14    | 601             | 215                        | 816            | 595             | 199                        | 794            |
| Restricted income funds                                 | 15    | 4,850           | 655                        | 5,505          | 4,631           | 387                        | 5,018          |
|                                                         |       | <u>5,451</u>    | <u>870</u>                 | <u>6,321</u>   | <u>5,226</u>    | <u>586</u>                 | <u>5,812</u>   |
| <b>UNRESTRICTED FUNDS</b>                               |       |                 |                            |                |                 |                            |                |
| Designated funds                                        | 16    | 5,753           | 15,186                     | 20,939         | 4,772           | 15,153                     | 19,925         |
| General fund                                            | 17    | 8,824           | 11,286                     | 20,110         | 9,378           | 10,417                     | 19,795         |
|                                                         |       | <u>14,577</u>   | <u>26,472</u>              | <u>41,049</u>  | <u>14,150</u>   | <u>25,570</u>              | <u>39,720</u>  |
| <b>TOTAL FUNDS</b>                                      |       | <u>20,028</u>   | <u>27,342</u>              | <u>47,370</u>  | <u>19,376</u>   | <u>26,156</u>              | <u>45,532</u>  |

The balance sheet was approved by the Board of Trustees on the 5<sup>th</sup> September 2018 and signed on their behalf by the Chairman and Bishop, Right Reverend Declan Lang:

  
 Rt. Rev. Declan Lang  
 Bishop of Clifton  
 (Chairman)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

|                                                                             | Notes | 2017<br>£'000        | 2016<br>£'000        |
|-----------------------------------------------------------------------------|-------|----------------------|----------------------|
| <b>Cash flow from operating activities:</b>                                 |       |                      |                      |
| <i>Net cash provided by (used in) operating activities:</i>                 | 20    | 429                  | 79                   |
| <b>Cash flows from investing activities:</b>                                |       |                      |                      |
| Dividends, interest and rents from investments                              | 6     | 663                  | 633                  |
| Proceeds from the sale of property, plant and equipment                     |       | 347                  | 146                  |
| Purchase of property, plant and equipment                                   | 9     | (712)                | (1,037)              |
| Proceeds from the sale of investments                                       | 10    | (2,158)              | (1,554)              |
| Purchase of investments                                                     | 10    | 2,112                | 1,605                |
| <i>Net cash provided by (used in) investing activities:</i>                 |       | <u>252</u>           | <u>(207)</u>         |
| <b>Cash flows from financing activities:</b>                                |       |                      |                      |
| Repayments of borrowing                                                     |       | -                    | (8)                  |
| Cash inflows from new borrowing                                             |       | 108                  | -                    |
| Receipt of endowment                                                        |       | -                    | -                    |
| <i>Net cash provided by (used in) financing activities:</i>                 |       | <u>108</u>           | <u>(8)</u>           |
| Change in cash and cash equivalents in the reporting period:                |       | 789                  | (136)                |
| Cash and cash equivalents at the beginning of the reporting period:         |       | <u>24,187</u>        | <u>24,323</u>        |
| <b><i>Cash and cash equivalents at the end of the reporting period:</i></b> |       | <b><u>24,976</u></b> | <b><u>24,187</u></b> |

The notes on pages 26 to 46 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – effective 1 January 2015.

The Charity is a Public Benefit Entity registered as a charity in England and Wales.

The principal accounting policies which have been adopted on a consistent basis within that convention are set out below.

#### **Going concern**

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, Trustees are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

#### **Income and endowments**

Income is recognised in the period in which the Charity is entitled to receipt, it is probable that income will be received and the amount can be measured reliably.

Donations and any associated income tax reclaimable from HMRC 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES (CONTINUED)

Legacies are accounted for when the conditions for their receipt have been met and the amount can be quantified with reasonable accuracy.

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.

#### **Expenditure**

Expenditure is 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 includes 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. Grants and donations also include 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.

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

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES (CONTINUED)

#### **Employee benefits**

##### *Short term benefits*

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

##### *Employee termination benefits*

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

#### **Pensions**

The Trustees designate an amount each year which is allocated to the Priests' Retirement Fund. The Clergy Welfare 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 all eligible employees 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES (CONTINUED)

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 45 (2015: 45) maintained schools, 18 Academies (2015: 17), 2 special schools (2015: 2) and 6 independent schools (2015: 7). 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.

#### **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 forms part of the fabric of the building. All other fixtures, fittings and equipment are included in the financial statements at cost.



## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES (CONTINUED)

The insured value of buildings' contents not capitalised is £23.8 million (2016: £24.4 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                  | 1.33%      | (75 years)      |
| All Other Freehold Buildings                   | 2%         | (50 years)      |
| Motor Vehicles                                 | 20%        | (5 years)       |
| Fixtures, Fittings and Equipment               | 33⅓% - 10% | (3 to 10 years) |

#### 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.

#### Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

**1. ACCOUNTING POLICIES (CONTINUED)**

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**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**

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.

NOTES TO THE FINANCIAL STATEMENTS

**2. STATEMENT OF FINANCIAL ACTIVITIES (SOFA) FOR THE YEAR ENDED 31 DECEMBER 2016**

|                                     | Unrestricted Funds |               | Restricted Funds |                | Endowment Funds |               | Total Funds Curial | Total Funds Parochial | Total Funds 2015 |
|-------------------------------------|--------------------|---------------|------------------|----------------|-----------------|---------------|--------------------|-----------------------|------------------|
|                                     | £'000              | £'000         | £'000            | £'000          | £'000           | £'000         | £'000              | £'000                 | £'000            |
| Income and endowments from:         |                    |               |                  |                |                 |               |                    |                       |                  |
| Donations and legacies              | 86                 | 5,920         | 169              | -              | -               | 255           | 5,920              | 6,175                 | 7,362            |
| Charitable activities               | 277                | 2,451         | 3                | -              | -               | 280           | 2,451              | 2,731                 | 3,438            |
| Other trading activities            | -                  | 127           | -                | -              | -               | -             | 127                | 127                   | 143              |
| Investments                         | 420                | 154           | 59               | -              | -               | 479           | 154                | 633                   | 589              |
| Other                               | 479                | 454           | -                | -              | -               | 479           | 454                | 933                   | 256              |
| <b>Total income and endowments:</b> | <b>1,262</b>       | <b>9,106</b>  | <b>231</b>       | <b>-</b>       | <b>-</b>        | <b>1,493</b>  | <b>9,106</b>       | <b>10,599</b>         | <b>11,788</b>    |
| Expenditure on:                     |                    |               |                  |                |                 |               |                    |                       |                  |
| Raising Funds                       | 19                 | -             | -                | -              | -               | 19            | -                  | 19                    | 39               |
| Charitable activities               | 2,947              | 7,206         | 128              | 2              | 1               | 3,076         | 7,208              | 10,284                | 9,070            |
| Other                               | -                  | -             | -                | -              | -               | -             | -                  | -                     | -                |
| <b>Total expenditure:</b>           | <b>2,966</b>       | <b>7,206</b>  | <b>128</b>       | <b>2</b>       | <b>1</b>        | <b>3,095</b>  | <b>7,208</b>       | <b>10,303</b>         | <b>9,109</b>     |
| Net gains/(losses) on investments   | 576                | 284           | 150              | -              | 46              | 772           | 298                | 1,070                 | 107              |
| <b>Net income/(expenditure)</b>     | <b>(1,128)</b>     | <b>2,184</b>  | <b>253</b>       | <b>(2)</b>     | <b>45</b>       | <b>(830)</b>  | <b>2,196</b>       | <b>1,366</b>          | <b>2,786</b>     |
| Transfers between funds             | 652                | 520           | 135              | (1,247)        | (61)            | 726           | (726)              | -                     | -                |
| <b>Net movement in funds</b>        | <b>(476)</b>       | <b>2,704</b>  | <b>388</b>       | <b>(1,249)</b> | <b>(16)</b>     | <b>(104)</b>  | <b>1,470</b>       | <b>1,366</b>          | <b>2,786</b>     |
| Total funds brought forward         | 14,626             | 22,866        | 4,243            | 1,636          | 611             | 19,480        | 24,686             | 44,166                | 41,380           |
| <b>Total funds carried forward</b>  | <b>14,150</b>      | <b>25,570</b> | <b>4,631</b>     | <b>387</b>     | <b>595</b>      | <b>19,376</b> | <b>26,156</b>      | <b>45,532</b>         | <b>44,166</b>    |

## NOTES TO THE FINANCIAL STATEMENTS

### 3. DONATIONS AND LEGACIES

|              | 2017            |                    |                | 2016            |                    |                |
|--------------|-----------------|--------------------|----------------|-----------------|--------------------|----------------|
|              | Curial<br>£'000 | Parochial<br>£'000 | Total<br>£'000 | Curial<br>£'000 | Parochial<br>£'000 | Total<br>£'000 |
| Offertory    | 2               | 4,759              | 4,761          | -               | 4,752              | 4,752          |
| Donations    | 1,013           | 1,636              | 2,649          | 232             | 857                | 1,089          |
| Legacies     | 181             | 1,084              | 1,265          | 23              | 311                | 334            |
| <b>Total</b> | <b>1,196</b>    | <b>7,479</b>       | <b>8,675</b>   | <b>255</b>      | <b>5,920</b>       | <b>6,175</b>   |

### 4. INCOME FROM CHARITABLE ACTIVITIES

|                           | 2017            |                    |                | 2016            |                    |                |
|---------------------------|-----------------|--------------------|----------------|-----------------|--------------------|----------------|
|                           | Curial<br>£'000 | Parochial<br>£'000 | Total<br>£'000 | Curial<br>£'000 | Parochial<br>£'000 | Total<br>£'000 |
| Grants Received           | 421             | 11                 | 432            | 16              | 207                | 223            |
| Fundraising               | 44              | 552                | 596            | 2               | 909                | 911            |
| Repository Sales          | -               | 278                | 278            | -               | 268                | 268            |
| Educational Services      | 116             | -                  | 116            | 133             | -                  | 133            |
| Training and Publications | 53              | -                  | 53             | 36              | -                  | 36             |
| Rental Income             | 101             | 1,087              | 1,188          | 93              | 1,039              | 1,132          |
| Chaplaincy Services       | -               | 26                 | 26             | -               | 28                 | 28             |
| Other                     | 20              | -                  | 20             | -               | -                  | -              |
| <b>Total</b>              | <b>755</b>      | <b>1,954</b>       | <b>2,709</b>   | <b>280</b>      | <b>2,451</b>       | <b>2,731</b>   |

### 5. INCOME FROM OTHER TRADING ACTIVITIES

|              | 2017            |                    |                | 2016            |                    |                |
|--------------|-----------------|--------------------|----------------|-----------------|--------------------|----------------|
|              | Curial<br>£'000 | Parochial<br>£'000 | Total<br>£'000 | Curial<br>£'000 | Parochial<br>£'000 | Total<br>£'000 |
| Social Club  | -               | 131                | 131            | -               | 127                | 127            |
| <b>Total</b> | <b>-</b>        | <b>131</b>         | <b>131</b>     | <b>-</b>        | <b>127</b>         | <b>127</b>     |

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENT INCOME AND INTEREST RECEIVABLE

|                                    | 2017            |                    |                | 2016           |
|------------------------------------|-----------------|--------------------|----------------|----------------|
|                                    | Curial<br>£'000 | Parochial<br>£'000 | Total<br>£'000 | Total<br>£'000 |
| Income on UK listed investments    | 275             | 47                 | 322            | 300            |
| Income on UK investment properties | 15              | 44                 | 59             | 64             |
| Interest on UK cash held at bank   | 219             | 63                 | 282            | 269            |
| <b>Total</b>                       | <b>509</b>      | <b>154</b>         | <b>663</b>     | <b>633</b>     |

7. EXPENDITURE ON CHARITABLE ACTIVITIES

|                            | Curial<br>£'000 | Parochial<br>£'000 | Total 2017<br>£'000 | Total 2016<br>£'000 |
|----------------------------|-----------------|--------------------|---------------------|---------------------|
| <b>FAITH AND EDUCATION</b> |                 |                    |                     |                     |
| Worship                    | 411             | 7,965              | 8,376               | 7,234               |
| Clergy Support             | 628             | -                  | 628                 | 678                 |
| Pastoral                   | 227             | 35                 | 262                 | 166                 |
| Chaplaincy                 | 32              | -                  | 32                  | 47                  |
| Education                  | 506             | -                  | 506                 | 398                 |
| Pilgrimages                | 64              | -                  | 64                  | 54                  |
| <b>Total</b>               | <b>1,868</b>    | <b>8,000</b>       | <b>9,868</b>        | <b>8,577</b>        |
| <b>SUPPORT</b>             |                 |                    |                     |                     |
| Bishop's Office            | 213             | -                  | 213                 | 138                 |
| Governance                 | 316             | -                  | 315                 | 206                 |
| Finance                    | 534             | -                  | 534                 | 740                 |
| HR                         | 13              | -                  | 13                  | 17                  |
| Estate Management          | 422             | -                  | 422                 | 457                 |
| Safeguarding               | 126             | -                  | 126                 | 98                  |
| Communications             | 63              | -                  | 63                  | 51                  |
| <b>Total</b>               | <b>1,688</b>    | <b>-</b>           | <b>1,688</b>        | <b>1,707</b>        |
| <b>TOTAL EXPENDITURE</b>   | <b>3,556</b>    | <b>8,000</b>       | <b>11,556</b>       | <b>10,284</b>       |

## NOTES TO THE FINANCIAL STATEMENTS

### 8. EMPLOYEE COSTS

|                             | Curial       | Parochial  | Total 2017   | Total 2016   |
|-----------------------------|--------------|------------|--------------|--------------|
|                             | £'000        | £'000      | £'000        | £'000        |
| Salaries                    | 1,017        | 691        | 1,708        | 1,596        |
| Pension                     | 57           | 15         | 72           | 64           |
| Life Insurance              | 6            | -          | 6            | 4            |
| Employer's NIC              | 96           | 18         | 114          | 105          |
| <b>Total Employee Costs</b> | <b>1,176</b> | <b>724</b> | <b>1,900</b> | <b>1,769</b> |

The average number of employees during the year was 153 (2016: 141).

Two employees had emoluments, excluding pension contributions, within the band £60,000 - £70,000 (2016: Two).

The total remuneration for key management employees in 2017 was £379k (2016: £369k).

There were no termination payments for employees during 2017 (2016: Nil).

Employee costs include £14k for holiday pay not taken during 2017 (2016: £6k).

None of the Trustees received remuneration for their work as Trustees in 2017 (2016: None). Expenses totalling £3,538 (2016: £287) were reimbursed to Trustees in respect of travel costs incurred.

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.

**9. TANGIBLE FIXED ASSETS**

|                        | CURIAL                        |          | PAROCHIAL                     |          |       | DIOCESE<br>TOTAL |
|------------------------|-------------------------------|----------|-------------------------------|----------|-------|------------------|
|                        | Freehold<br>Land<br>Buildings | Vehicles | Freehold<br>Land<br>Buildings | Vehicles | Total |                  |
|                        | £'000                         | £'000    | £'000                         | £'000    | £'000 | £'000            |
| <b>COST</b>            |                               |          |                               |          |       |                  |
| As at 1 January 2017   | -                             | 1,742    | -                             | 47       | 67    | 27,136           |
| Additions              | -                             | 120      | -                             | 581      | -     | 712              |
| Disposals              | -                             | -        | -                             | -        | -     | -                |
| As at 31 December 2017 | -                             | 1,862    | -                             | 22       | 13    | 27,848           |
| <b>DEPRECIATION</b>    |                               |          |                               |          |       |                  |
| As at 1 January 2017   | -                             | 497      | -                             | 11       | 11    | 11,014           |
| Charge for the year    | -                             | 37       | -                             | 2        | 2     | 593              |
| Disposals              | -                             | -        | -                             | -        | -     | -                |
| As at 31 December 2017 | -                             | 534      | -                             | 13       | 13    | 11,607           |
| <b>NET BOOK VALUE</b>  |                               |          |                               |          |       |                  |
| As at 31 December 2017 | -                             | 1,328    | -                             | 9        | 9     | 16,241           |
| As at 31 December 2016 | -                             | 1,244    | -                             | -        | -     | 16,121           |

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 £nil (2016: £nil). The Trustees consider that the market value of the property is substantially in excess of this amount.

**10. FIXED ASSET INVESTMENTS**

|                          | Curial<br>£'000 | Parochial<br>£'000 | <b>Total 2017<br/>£'000</b> | Total 2016<br>£'000 |
|--------------------------|-----------------|--------------------|-----------------------------|---------------------|
| Listed Investments       | 9,210           | 1,548              | <b>10,758</b>               | 9,911               |
| UK Investment Properties | 580             | 940                | <b>1,520</b>                | 1,910               |
| <b>Total</b>             | <b>9,790</b>    | <b>2,488</b>       | <b>12,278</b>               | <b>11,821</b>       |

**Listed Investments – Common Investment Fund**

|                                     | Curial<br>£'000 | Parochial<br>£'000 | <b>Total 2017<br/>£'000</b> | Total 2016<br>£'000 |
|-------------------------------------|-----------------|--------------------|-----------------------------|---------------------|
| Market Value brought forward        | 8,379           | 1,532              | <b>9,911</b>                | 9,081               |
| Additions at Cost                   | 1,819           | 293                | <b>2,112</b>                | 1,605               |
| Fees                                | (48)            | (8)                | <b>(56)</b>                 | (51)                |
| Sale Proceeds from Disposals        | (1,856)         | (302)              | <b>(2,158)</b>              | (1,554)             |
| Realised Gain/(Loss)                | 84              | 18                 | <b>102</b>                  | 77                  |
| Unrealised Gain/(Loss)              | 832             | 15                 | <b>847</b>                  | 753                 |
| <b>Market Value carried forward</b> | <b>9,210</b>    | <b>1,548</b>       | <b>10,758</b>               | <b>9,911</b>        |
| Book Cost carried forward           | 7,610           | 1,199              | <b>8,809</b>                | 8,425               |

**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:

|                                            | Curial<br>£'000 | Parochial<br>£'000 | <b>Total<br/>2017<br/>£'000</b> | Total<br>2016<br>£'000 |
|--------------------------------------------|-----------------|--------------------|---------------------------------|------------------------|
| Valuation brought forward                  | 580             | 1,330              | <b>1,910</b>                    | 1,670                  |
| Additions at cost                          | -               | -                  | -                               | -                      |
| Disposals                                  | -               | (390)              | <b>(390)</b>                    | -                      |
| Revaluation to estimated open market value | -               | -                  | -                               | 240                    |
| <b>Valuation carried forward</b>           | <b>580</b>      | <b>940</b>         | <b>1,520</b>                    | <b>1,910</b>           |



NOTES TO THE FINANCIAL STATEMENTS

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

**Realised Gains / (Losses) on Fixed Asset Investments**

|                             | Curial<br>£'000 | Parochial<br>£'000 | <b>Total 2017</b><br><b>£'000</b> | Total 2016<br>£'000 |
|-----------------------------|-----------------|--------------------|-----------------------------------|---------------------|
| On Listed Investments       | 84              | 18                 | <b>102</b>                        | 77                  |
| On UK Investment Properties | -               | 10                 | <b>10</b>                         | -                   |
| <b>Total</b>                | <b>84</b>       | <b>28</b>          | <b>112</b>                        | <b>77</b>           |

**Unrealised Gains / (Losses) on Fixed Asset Investments**

|                             | Curial<br>£'000 | Parochial<br>£'000 | <b>Total 2017</b><br><b>£'000</b> | Total 2016<br>£'000 |
|-----------------------------|-----------------|--------------------|-----------------------------------|---------------------|
| On Listed Investments       | 832             | 15                 | <b>847</b>                        | 830                 |
| On UK Investment Properties | -               | -                  | -                                 | 240                 |
| <b>Total</b>                | <b>832</b>      | <b>15</b>          | <b>847</b>                        | <b>1,070</b>        |

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

|                                   | Curial<br>£'000 | Parochial<br>£'000 | <b>Total 2017</b><br><b>£'000</b> | Total 2016<br>£'000 |
|-----------------------------------|-----------------|--------------------|-----------------------------------|---------------------|
| Prepayments and Other Debtors     | 491             | 50                 | <b>541</b>                        | 485                 |
| Income Tax Recoverable (Gift Aid) | 347             | -                  | <b>347</b>                        | 51                  |
| Legacies                          | 73              | -                  | <b>73</b>                         | 67                  |
| <b>Total</b>                      | <b>911</b>      | <b>50</b>          | <b>961</b>                        | <b>603</b>          |

Prepayments and other debtors include £10,810 (2016: £6,542) in respect of loans to priests to purchase cars, on which no interest is payable, and which are repayable within four years.

## NOTES TO THE FINANCIAL STATEMENTS

### 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                                | Curial<br>£'000 | Parochial<br>£'000 | <b>Total 2017</b><br><b>£'000</b> | Total 2016<br>£'000 |
|------------------------------------------------|-----------------|--------------------|-----------------------------------|---------------------|
| Deposits held on behalf of connected charities | -               | -                  | -                                 | 1                   |
| Deferred income                                | 7               | -                  | 7                                 | 18                  |
| School Projects Funding                        | 476             | -                  | <b>476</b>                        | 684                 |
| Sundry creditors and accruals                  | 661             | 41                 | <b>702</b>                        | 732                 |
| <b>Total</b>                                   | <b>1,144</b>    | <b>41</b>          | <b>1,185</b>                      | <b>1,435</b>        |

Loans falling due within one year are unsecured.

### 13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

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

|                                         | Curial<br>£'000 | Parochial<br>£'000 | <b>Total 2017</b><br><b>£'000</b> | Total 2016<br>£'000 |
|-----------------------------------------|-----------------|--------------------|-----------------------------------|---------------------|
| Grants Repayable                        | 73              | -                  | <b>73</b>                         | 73                  |
| Proceeds of sale of school site payable | 5,691           | -                  | <b>5,691</b>                      | 5,690               |
| Sundry creditors and accruals           | 2               | 27                 | <b>29</b>                         | 2                   |
| Loans                                   | -               | 108                | <b>108</b>                        | -                   |
| <b>Total</b>                            | <b>5,766</b>    | <b>135</b>         | <b>5,901</b>                      | <b>5,765</b>        |

## NOTES TO THE FINANCIAL STATEMENTS

### 14. ENDOWMENT FUNDS

The endowed funds are permanent endowments.

The balances on the main funds are as follows:

|                                  | Balance<br>as at<br>1 January<br>2017<br>£'000 | Income<br>£'000 | Expenditure,<br>gains/(losses)<br>and transfers<br>£'000 | Balance as at<br>31 December<br>2017<br>£'000 |
|----------------------------------|------------------------------------------------|-----------------|----------------------------------------------------------|-----------------------------------------------|
| <b>CURIAL</b>                    |                                                |                 |                                                          |                                               |
| Bishop's Support Fund            | 122                                            | -               | 12                                                       | 134                                           |
| Clergy Training Fund             | 109                                            | -               | 9                                                        | 118                                           |
| Clifton Mission Benefactors Fund | 122                                            | -               | 12                                                       | 134                                           |
| Heavens Fund                     | 126                                            | -               | 11                                                       | 137                                           |
| Young Fund                       | 62                                             | -               | 6                                                        | 68                                            |
| Poor Missions Fund               | 9                                              | -               | 1                                                        | 10                                            |
| Sundry Curial Funds              | 45                                             | -               | (45)                                                     | -                                             |
| <b>Total Curial</b>              | <b>595</b>                                     | <b>-</b>        | <b>6</b>                                                 | <b>601</b>                                    |
| <b>PAROCHIAL</b>                 |                                                |                 |                                                          |                                               |
| Pro Cathedral Endowment          | 4                                              | -               | -                                                        | 4                                             |
| Hussey Endowment                 | 3                                              | -               | -                                                        | 3                                             |
| Knight Endowment                 | 7                                              | -               | -                                                        | 7                                             |
| Hensler Fund                     | 15                                             | -               | 2                                                        | 17                                            |
| Scoles Endowment                 | 10                                             | -               | 1                                                        | 11                                            |
| Patterson Endowment              | 3                                              | -               | -                                                        | 3                                             |
| Stapleton Brethren Endowment     | 11                                             | -               | 2                                                        | 13                                            |
| Fairford Mission Endowment       | 13                                             | -               | 1                                                        | 14                                            |
| Algar Endowment                  | 8                                              | -               | 1                                                        | 9                                             |
| Malmesbury Mission Endowment     | 12                                             | -               | 2                                                        | 14                                            |
| Nelson Endowment                 | 12                                             | -               | 2                                                        | 14                                            |
| The Lady Herbert of Lea Fund     | 28                                             | -               | 3                                                        | 31                                            |
| Carey Trust Endowment            | 13                                             | -               | 1                                                        | 14                                            |
| Board Endowment                  | 7                                              | -               | -                                                        | 7                                             |
| Barnes Trust Endowment           | 19                                             | -               | 1                                                        | 20                                            |
| Lucy Sharp Fund                  | 18                                             | -               | -                                                        | 18                                            |
| Sundry Parochial Funds           | 16                                             | -               | -                                                        | 16                                            |
| <b>Total Parochial</b>           | <b>199</b>                                     | <b>-</b>        | <b>16</b>                                                | <b>215</b>                                    |
| <b>Diocese Total</b>             | <b>794</b>                                     | <b>-</b>        | <b>22</b>                                                | <b>816</b>                                    |

**14. ENDOWMENT FUNDS (CONTINUED)**

**Curial Endowments**

Most of the endowments are for specific purposes as follows:

- The Bishop's Support Fund is for the maintenance of the Bishop's Office at St. Ambrose House (which also serves as his residence)
- The Clergy Training Fund is for the training of clergy and vocational support
- The Clifton Mission Benefactors Fund is to say masses for certain individuals
- The Heaven's Fund is for the maintenance and education of Catholic orphan girls
- The Young Fund is to assist widows and distressed ladies
- The Poor Missions Fund is for the assistance of poor parishes of the Diocese
- Sundry Curial Funds is made up of small endowments that support the general work of the Diocese

**Parochial Endowments**

Most of the endowments are for specific parishes as follows:

- Pro Cathedral – for the benefit of Clifton Cathedral, Bristol
- Hussey – for the benefit of the parish of St. John's, Bath
- Knight – for the benefit of the parish of Sacred Hearts, Westbury on Trym
- Hensler Fund - for the benefit of the Clifton Cathedral Parish, Bristol
- Scoles – for the benefit of the parishes of Chard, Crewkerne and Yeovil
- Patterson – for the benefit of the parish of Chipping Camden
- Stapleton Brethren – for the benefit of the parish of Chippenham
- Fairford Mission – for the benefit of the parish of Fairford
- Algar – for the benefit of the parish of Frome
- Malmesbury Mission – for the benefit of the parish of Malmesbury
- Nelson – for the benefit of the parish of Downton, Salisbury
- Lady Herbert of Lea Fund - for the benefit of St. Osmund's Parish, Salisbury
- Carey Trust – for the benefit of the parishes of Holy Rood, Swindon and St. George's, Taunton
- Board – for the benefit of the parish of St. George's, Taunton
- Barnes Trust - for the benefit of the Sacred Heart Parish, Tisbury
- Lucy Sharp Fund - for the benefit of the parishes of St. John's and St. Mary's in Bath, and St. Joseph's in Bridgwater
- Sundry parochial funds represent small funds for specific projects in parishes

## NOTES TO THE FINANCIAL STATEMENTS

### 15. RESTRICTED FUNDS

|                                 | Balance<br>as at<br>1 January<br>2017<br>£'000 | Income<br>£'000 | Expenditure,<br>gains/(losses)<br>and transfers<br>£'000 | Balance as at<br>31 December<br>2017<br>£'000 |
|---------------------------------|------------------------------------------------|-----------------|----------------------------------------------------------|-----------------------------------------------|
| <b>CURIAL</b>                   |                                                |                 |                                                          |                                               |
| Bishop's Charitable Trust       | 116                                            | -               | (31)                                                     | 85                                            |
| Bishop's Support Fund           | 168                                            | -               | 1                                                        | 169                                           |
| Priests' Retirement Fund        | 950                                            | 120             | (113)                                                    | 957                                           |
| Clergy Welfare Fund             | 345                                            | -               | 74                                                       | 419                                           |
| Youth Development Fund          | 11                                             | -               | -                                                        | 11                                            |
| Youth Bursary Fund              | 13                                             | -               | -                                                        | 13                                            |
| Christ's College Education Fund | 1,485                                          | -               | -                                                        | 1,485                                         |
| Curial Restricted Legacies      | 708                                            | -               | (3)                                                      | 705                                           |
| Curial Trust Funds              | 683                                            | -               | 19                                                       | 702                                           |
| Fundraising Appeals             | 8                                              | -               | 6                                                        | 14                                            |
| Restricted Fixed Assets Fund    | 142                                            | -               | 147                                                      | 289                                           |
| Other Curial Funds              | 2                                              | -               | (1)                                                      | 1                                             |
| <b>Total Curial</b>             | <b>4,631</b>                                   | <b>120</b>      | <b>99</b>                                                | <b>4,850</b>                                  |
| <b>PAROCHIAL</b>                |                                                |                 |                                                          |                                               |
| Parsons Fund - Tisbury          | 14                                             | -               | (11)                                                     | 3                                             |
| Parsons Fund - Jesuit           | 177                                            | -               | 2                                                        | 179                                           |
| Cathedral Fund                  | -                                              | -               | 109                                                      | 109                                           |
| Other Parochial Funds           | 196                                            | 785             | (617)                                                    | 364                                           |
| <b>Total Parochial</b>          | <b>387</b>                                     | <b>785</b>      | <b>(517)</b>                                             | <b>655</b>                                    |
| <b>Diocese Total</b>            | <b>5,018</b>                                   | <b>905</b>      | <b>(418)</b>                                             | <b>5,505</b>                                  |

Restricted funds can only be used for a particular purpose.

The restrictions on the funds are as follows:

- Bishop's Charitable Trust – this fund is for charitable donations at the discretion of the Bishop
- The Bishop's Support Fund is for the maintenance of the Bishop's Office (which also serves as his residence)
- Priests' Retirement Funds – this fund supports retired priests and provides accommodation where necessary
- The Clergy Welfare Fund is for the relief of infirm, sick and aged Roman Catholic secular priests of the Diocese
- The Youth Development Fund is to be used for the young people of the Diocese
- The Youth Bursary Fund is for young people of the Diocese
- Christ's College Education fund is the proceeds from the sale of the college which are restricted for educational purposes

## NOTES TO THE FINANCIAL STATEMENTS

### 15. RESTRICTED FUNDS (CONTINUED)

- Curial Restricted Legacies comprise a number of legacies donated for specific purposes
- Curial Trust Funds comprises a small number of small specific Trusts relating to individual parishes or parishioner groups
- Fundraising Appeals represents funds donated to support fundraising activities
- The restricted fixed assets fund represents funds donated to assist in the purchase of the Diocesan administrative offices in Bristol (Alexander House) as well as properties restricted for the use of retired priests
- Other Curial Funds comprises special collections, legacies and donations for specific projects
- The Tisbury Parsons Fund is to be used for the benefit of the people, buildings and activities in the parish of Tisbury and Wardour
- The Tisbury Jesuit Fund is to be used for the benefit of the people, buildings and activities in rural parishes of the Diocese
- Parochial Restricted Legacies comprise a number of legacies donated for specific purposes
- Other Parochial Funds comprises special collections, legacies and donations for specific projects within the parishes

### 16. DESIGNATED FUNDS

Designated Funds are unrestricted funds that have been designated by the Trustees for a specific purpose.

The fund designations are reviewed annually.

|                                   | Balance as<br>at<br>1 January<br>2017<br>£'000 | Income<br>£'000 | Expenditure,<br>gains/(losses)<br>and transfers<br>£'000 | Balance as at<br>31 December<br>2017<br>£'000 |
|-----------------------------------|------------------------------------------------|-----------------|----------------------------------------------------------|-----------------------------------------------|
| Fixed Assets Fund                 | 15,979                                         | -               | (27)                                                     | 15,952                                        |
| Clergy Welfare Fund               | 52                                             | -               | 2                                                        | 54                                            |
| Priests' Retirement Fund          | 745                                            | -               | 81                                                       | 826                                           |
| St. Thomas More Secondary School  | 1,997                                          | -               | (70)                                                     | 1,927                                         |
| Christ's College Sponsorship Fund | 750                                            | -               | -                                                        | 750                                           |
| Adult Education Fund              | 39                                             | -               | (1)                                                      | 38                                            |
| School Projects Reserve           | 19                                             | -               | 9                                                        | 28                                            |
| Bristol Catholic Players          | 4                                              | -               | -                                                        | 4                                             |
| CIF Income Reserve                | 64                                             | -               | -                                                        | 64                                            |
| St. Bonaventure's Fund            | 276                                            | -               | 5                                                        | 281                                           |
| Property Maintenance Fund         | -                                              | -               | 1,015                                                    | 1,015                                         |
| <b>Total Designated Funds</b>     | <b>19,925</b>                                  | <b>-</b>        | <b>1,013</b>                                             | <b>20,939</b>                                 |

The funds have been designated for the following purposes:

## NOTES TO THE FINANCIAL STATEMENTS

### 16. DESIGNATED FUNDS (CONTINUED)

- The Fixed Asset Fund represents the net book value of tangible fixed assets less the net book value of tangible fixed assets included in restricted funds
- The Clergy Welfare Fund supports the medical and welfare costs for sick priests and those requiring nursing care
- The Priests' Retirement Fund is a fund to support priests currently in retirement
- 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
- Christ's College Sponsorship Fund represents funds held to sponsor a shared faith school
- Adult Education Fund represents grants received for formation and spiritual direction
- School Projects Reserve represents funds set aside to support school capital projects
- Bristol Catholic Players represents funds held on behalf of a connected charity
- CIF Income Reserve represents funds held for distribution to parishes
- St. Bonaventure's Fund is for a liability on the property that will only be realised once the property is sold
- The Property Maintenance Fund is for planned maintenance on Diocese buildings

### 17. GENERAL UNRESTRICTED FUNDS (EXCLUDING DESIGNATED FUNDS)

|                                 | Balance as at<br>1 January 2017 | Movement<br>during 2017 | Balance as at<br>31 December<br>2017 |
|---------------------------------|---------------------------------|-------------------------|--------------------------------------|
|                                 | £'000                           | £'000                   | £'000                                |
| General Curial Funds            | 9,378                           | (554)                   | 8,824                                |
| General Parochial Funds         | 10,417                          | 869                     | 11,286                               |
| <b>Total Unrestricted Funds</b> | <b>19,795</b>                   | <b>315</b>              | <b>20,110</b>                        |

### 18. TRANSFERS BETWEEN CURIAL AND PAROCHIAL FUNDS

|                                        | Curial<br>£'000 | Parochial<br>£'000 | Total 2017<br>£'000 |
|----------------------------------------|-----------------|--------------------|---------------------|
| Parish Share                           | 1,821           | (1,821)            | -                   |
| Interest on Diocesan loans to parishes | -               | -                  | -                   |
| Other transfers                        | (909)           | 909                | -                   |
| <b>Total</b>                           | <b>912</b>      | <b>(912)</b>       | <b>-</b>            |

The Parish Share is a contribution from the parishes towards the costs of running the central activities of the Diocese, to support the collective pastoral and legal functions. It is assessed on the basis of parish income. Other transfers include a transfer of £804k from curial to parochial funds for the works on the Cathedral Roof.

## NOTES TO THE FINANCIAL STATEMENTS

### 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

|                         | Endowments<br>£'000 | Restricted<br>£'000 | Designated<br>£'000 | Unrestricted<br>£'000 | Total Funds<br>£'000 |
|-------------------------|---------------------|---------------------|---------------------|-----------------------|----------------------|
| Tangible Fixed Assets   | -                   | 289                 | 15,952              | -                     | 16,241               |
| Fixed Asset Investments | 782                 | 1,107               | 826                 | 9,563                 | 12,278               |
| Net Current Assets      | 34                  | 9,910               | 4,261               | 10,547                | 24,752               |
| Long Term Liabilities   | -                   | (5,800)             | (101)               | -                     | (5,901)              |
| <b>Total</b>            | <b>816</b>          | <b>5,506</b>        | <b>20,938</b>       | <b>20,110</b>         | <b>47,370</b>        |

### 20. NOTES TO THE CASH FLOW STATEMENT

#### (a) Reconciliation of net income/(expenditure) to net cash flow from operating activities

|                                                            | 2017<br>£'000 | 2016<br>£'000 |
|------------------------------------------------------------|---------------|---------------|
| Net income/(expenditure) for the reporting period          | 1,838         | 1,366         |
| Depreciation charges                                       | 592           | 721           |
| (Gains)/losses on investments                              | (847)         | (1,070)       |
| Dividends, interest and rents from investments             | (663)         | (633)         |
| Loss/(profit) on the sale of fixed assets                  | (10)          | (140)         |
| (Increase)/decrease in debtors                             | (358)         | 446           |
| Increase/(decrease) in creditors                           | (123)         | (611)         |
| <b>Net cash provided by/(used in) operating activities</b> | <b>429</b>    | <b>79</b>     |

#### (b) Reconciliation of net cash flow to movement in net funds

|                                                     | 2017<br>£'000 | 2016<br>£'000 |
|-----------------------------------------------------|---------------|---------------|
| Increase/(decrease) in cash in the year             | 681           | (136)         |
| Cash outflow from repayment of loan                 | -             | 8             |
| New loans received                                  | 108           | -             |
| <b>Increase/(decrease) in net funds in the year</b> | <b>789</b>    | <b>(128)</b>  |
| Net funds brought forward                           | 24,187        | 24,315        |
| <b>Net funds carried forward</b>                    | <b>24,976</b> | <b>24,187</b> |



## NOTES TO THE FINANCIAL STATEMENTS

### 20. NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

#### (c) Analysis of changes in net funds

|                                          | As at 1 January<br>2017<br>£'000 | Cash Flow<br>£'000 | As at 31 December<br>2017<br>£'000 |
|------------------------------------------|----------------------------------|--------------------|------------------------------------|
| Short-Term Deposits                      | 25,118                           | (461)              | 24,657                             |
| Cash at bank and in hand                 | (931)                            | 1,250              | 319                                |
| Net cash at bank and short-term deposits | 24,187                           | 789                | 24,976                             |
| Loans due for repayment within one year  | -                                | -                  | -                                  |
|                                          | 24,187                           | 789                | 24,976                             |

Cash at bank and in hand is held in a group bank account together with short-term deposits. Overdrawn cash balances are offset by the short-term deposits.

Short-term deposits on more than one day's notice are treated as liquid resources.

### 21. FINANCIAL INSTRUMENTS

|                                                  | 2017<br>£'000 | 2016<br>£'000 |
|--------------------------------------------------|---------------|---------------|
| Financial assets measured by fair value          | 12,278        | 11,821        |
| Financial assets measured by amortised cost      | 922           | 291           |
| Financial liabilities measured by amortised cost | 6,874         | 7,035         |

Financial assets measured at fair value include investments.

Financial assets measured at amortised cost include other debtors, income tax recoverable and legacies.

Financial liabilities measured at amortised cost include grants repayable and proceeds of sale of school site.

