

CLIFTON DIOCESE

**ANNUAL REPORT
and
FINANCIAL STATEMENTS**

for the year ended

31st DECEMBER 2015

CHARITY INFORMATION

Charity Registration Number: 233977

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

PROFESSIONAL ADVISERS

Auditors: haysmacintyre
26 Red Lion Square
London
WC1R 4AG

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

The Diocese of Clifton is one of the 22 Dioceses of the Roman Catholic Church in England and Wales, based in Bristol and covering the South West of England. The Diocese is a registered charity and works to promote all aspects of the Catholic faith both within the Diocese and further afield.

For a number of years our Diocesan pastoral guidelines entitled 'Called to be a People of Hope' have been succinctly summed up by our Mission, which is to carry out the mission of the Church by:

- Deepening Prayer
- Enabling Communion
- Strengthening Mission

The report describes the key objectives and achievements of the Diocese in 2015, explains our constitution and governance structure and outlines our future plans for the Diocese.

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 6th May 1934 as amended by a scheme dated 19th August 1996, further amended by a scheme dated 19th January 2007 and is a registered Charity No. 233977. Its Trustee is the Clifton Catholic Diocesan Trustees Registered, a body corporate established by the Charity Commissioners under the Charitable Trustees Incorporation Act, 1872.

The Diocese covers the West of England and includes the City and County of Bristol, the counties of Gloucestershire, Somerset, Wiltshire, North Somerset, South Gloucestershire, Bath and North East Somerset. The Diocese serves its people through 107 parishes, 45 maintained schools, 17 academies and 9 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 coordination of Diocesan-wide programmes and provision of advice and support to ensure compliance with requirements for the civil administration of the Diocese.

Parishes

There are approximately 34,400 worshipping members of the Catholic Church within Clifton Diocese. They gather together weekly 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. There are 68 active priests within the Diocese who lead the parish communities, supported by 55 deacons many of whom combine their religious vocation with career and family responsibilities.

Diocesan officers offer programmes for young people and organise 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. Programmes are being developed to support family life in the face of the pressures of societal change.

Parishes reach out to their local communities through work in food banks, soup runs and support groups for the elderly. Often such work is done in collaboration with other faith groups or local charities. Parish properties are also frequently made available as a base for local community groups and pre-schools to operate from.

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.

The 107 parishes comprising the Clifton Diocese form the core of our Catholic community. They are served by 68 secular priests and 14 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.

REPORT FROM THE TRUSTEES

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 to a huge range of external charities and groups. In addition to the financial contribution the parishioners contribute with time and effort both to the running of their parishes and to the wider community through groups providing local support and welfare services. Some of our parishes are operating in communities facing the challenges of unemployment and social deprivation and community building is integral to the work of these parishes.

Schools

There are 54 Catholic primary, 8 Catholic secondary schools and a sixth form college within the Diocese. One of the secondary schools is operated jointly with the Church of England. Whilst giving priority to Catholic applicants approximately 42.2% 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 4 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission, in determining the activities undertaken by the Charity. In making this declaration, the Trustees consider the work of the Diocese in supporting our charitable objects and the sections below elaborate further on the key areas of benefit of our work to the public.

Access to our Churches

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

Help to the needy

When we come to love of 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 Green issues, working for justice and peace at home and abroad, helping with asylum issues and counselling those with all sorts of problems. Finally, raising awareness of the plight of the marginalised in many parts of the world, and raising funds to give practical assistance to such areas and peoples.

Coordinating collective fundraising efforts

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

Education

The number of primary and secondary schools with which we are involved makes us a significant figure in the field of education. We are involved with as many, if not more schools, than many local education authorities. Whilst our primary thrust is to provide places for Catholic children, it is also true that the schools have a significant number of pupils and staff from other Christian traditions and other faiths. We constantly 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 support the strategy of and enhance the work of the Diocese in 2015 were:

- Ongoing maintenance and improvement of places of worship and parish facilities
- A focus on recruitment of seminarians to address the age profile of the existing priests
- Development of youth programmes
- Supporting Diocesan schools in the face of fast-moving government education policy and the reduction in support available from local authorities

REPORT FROM THE TRUSTEES

- Supporting the development of Catholic teachers to create a pool of high quality talent to address the issue of lack of Catholic head teachers and deputy head teachers in Diocese schools
- Reviewing fundraising methods to ensure the long term financial security of the Diocese
- Ongoing review of Diocesan central administration (Curia) so as to provide high quality support for all parishes and schools and to ensure compliance in all areas

Achievements in 2015

Delivery of a major programme of work to re-roof Clifton Cathedral - further funding support from the World War 1 Cathedral fund has enabled this programme to continue into its second phase and the roof is expected to be completed during 2016.

Delivery of a major repair and development programme at St Mary's Church, Bath following an arson attack in July 2015.

Recruitment of a Youth Worker to enhance the capacity of the department to support parishes in the development of local youth programmes. A youth worker was appointed in October 2015.

Appointment of a School Governance Officer to support schools. This post was filled in October 2015.

Development of Catholic leadership in schools. This work is ongoing with significant achievement through excellent heads working across different schools with both formal and informal arrangements so as to disseminate best practice and to support schools in difficulty. However, recruitment of Catholic heads and deputy heads continues to be a significant problem.

Fundraising – an initial report on fundraising in the Diocese was prepared by consultants and a programme outlined. However, following changes in several members of senior staff during 2016, the Trustees decided to defer the proposed programme in order to concentrate on compliance issues and on ensuring that staff are fully able to fully support the initiative. Adequate IT infrastructure and controls also need to be in place.

Development of health and safety policies and the provision of training to support parishes in making all our facilities safe places to visit and to work in. This work has been ongoing during 2015 and the first formal training session was completed in November, with a planned roll out for 2016.

Looking forward the Trustees sought external advice on the legal structure of the Diocese. A decision was taken to incorporate the Diocese as a company limited by guarantee. This will enable the Diocese to continue to recruit the high quality of Trustees who have provided such invaluable support over the years. It will also in some respects simplify administration and contractual affairs. Work on the incorporation project started in 2016 with a target date for conversion of 1st January 2018 subject to Charity Commission approval.

Key areas of work for the future

- Building on the work already undertaken by the Director of Vocations so as to bring forward candidates for the priesthood
- Structuring Diocesan schools so as to deliver the government requirements for the formation of multi-academy trusts whilst supporting the most vulnerable schools in the Diocese
- Continued development of plans to enhance parish facilities and maximise the benefits from the property assets of the Diocese
- Continued enhancement of the health and safety regimes across the Diocese
- Ongoing work on risk identification and assessment processes so as to protect the Diocese and to enhance resilience
- Developing IT infrastructure so as to enhance service delivery and provide IT security
- Successful delivery of the incorporation project
- 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.

REPORT FROM THE TRUSTEES

- **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 Coordinator 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.

- **Academisation, schools management and protection of vulnerable schools**

Mitigations – Schools & Colleges department actively involved with the Catholic Education Service in the drafting of the revised academisation 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.

A significant overhaul of the risk assessment process is to be carried out in 2016 and each Diocesan Trustee sub-committee will review departmental risks in detail, develop, implement and monitor plans for mitigation. The main Trustee body will regularly review high risk areas and those risks where the assessment of risk is changing significantly.

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 140 employees, assets of £44m and income of £12m. 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 13 Trustees of which the Bishop is the Chairman. The 7 clerical Trustees are appointed for their expertise in parochial, spiritual, pastoral and canonical expertise. The 6 lay Trustees are selected for their wide-ranging business and educational expertise. Additional Trustees would be appointed if it was perceived that there was a significant skill or knowledge gap on the board. 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.

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

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Trustees of Clifton Catholic Diocesan Trustees Registered:

Right Reverend Declan Lang, Bishop of Clifton (Chairman)
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 (appointed 13/02/2015)
Mr Peter Baxter (resigned 18/10/2016)
Mr Stephen McNulty
Dr Giles Mercer (resigned 13/08/2016)
Ms Ruth FitzJohn
Mrs Margaret Young
Mrs Catherine Hipkiss
Dr Timothy Coyle
Mr Michael Setter (appointed 13/02/2015)

Secretary to the Trustees:

Miss Alessia Dini (resigned 28/01/2015)
Miss Louise Opie (appointed 28/01/2015) (resigned 31/10/2015)
Miss Anna Gillies (appointed 02/12/2015) (resigned 31/07/2016)
Mrs Andrea Barrett (appointed 01/08/2016)

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 (T) (Chairman)
Mr John Kyffin
Rev. Gerry Walsh (appointed 31/03/2016)

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:

Rev. Mgr. Canon Bernard Massey (T)
Mr Peter Baxter (T) (resigned 18/10/2016)
Dr Timothy Coyle (T)

REPORT FROM THE TRUSTEES

Mr Martin Appleby (Chairman)
Mr Edward Corrigan
Mr John Rodgers
Ms Fiona Macpherson

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 (Chairman) (T) (appointed 04/09/2014)
Rev. Canon Alan Finley (appointed 04/09/2014)
Rev. Canon Bosco MacDonald (appointed 04/09/2014)
Rev. Mgr. Canon Richard Twomey (appointed 04/09/2014)
Rev. Deacon Trevor Jones (appointed 04/09/2014)

The Priests' Retirement Fund Committee was disbanded in 2014 and the new Clergy Welfare Committee set up to give counsel and support for all aspect of Clergy Welfare. 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 are in need of assistance.

The Property Committee:

Rev. Mgr. Canon Bernard Massey VG (T)
Rev. David Mills (T) (Chairman)
Rev. Deacon Paul White (appointed 13/02/2015)
Mr Peter Baxter (T) (resigned 06/05/2015)
Mr Stephen McNulty (T)
Mr Michael Setter (T) (appointed 13/02/2015)

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 monthly. The Diocesan Surveyor and the Diocesan Finance Administrator have a further delegated responsibility according to a schedule approved by Trustees.

The HR Committee:

Right Reverend Declan Lang, Bishop of Clifton (Chairman) (T)
Rev. Mgr. Canon Bernard Massey VG (T)
Rev. David Mills (T) (appointed 01/01/2015)
Mrs Catherine Hipkiss (T)

REPORT FROM THE TRUSTEES

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) (Chairman)
Dr. Timothy Coyle (T)
Rev. David Mills (T)
Rev. Gerry Walsh
Ms Ann Bevan

This committee is composed of 3 Trustees plus 2 other financial experts with the Chief Operating Officer and the Diocesan Financial Administrator in attendance. The committee generally meets monthly and oversees all aspects of the Diocesan finances.

The Diocesan Trustees decided in 2014 to set up two new committees to review the management of Diocesan Risk and Health and Safety. It is the intention of the Trustees to subsume these two new committees into the Audit Committee once the review is completed and any new processes are operating satisfactorily.

The Risk Committee:

Mrs Margaret Young (T) (Chair) (appointed 08/01/2015)
Rev. Mgr. Canon Bernard Massey VG (T) (appointed 08/01/2015)
Ms Ruth FitzJohn (T) (appointed 08/01/2015)
Rev. Deacon Paul White (T) (appointed 13/02/2015)
Mr Peter Baxter (T) (appointed 08/01/2015) (resigned 18/10/2016)

This committee is composed of 4 Trustees with the Chief Operating Officer in attendance. The committee generally meets six times a year and oversees all aspects of Risk Management.

The Health and Safety Committee:

Rev. David Mills (T) (Chairman) (appointed 11/02/2015)
Mrs Margaret Young (T) (appointed 11/02/2015)
Mr Peter Baxter (T) (appointed 11/02/2015) (resigned 18/10/2016)
Mr Stephen McNulty (T) (appointed 11/02/2015) (resigned 13/05/2015)
Rev. Mgr. Canon Bernard Massey VG (T) (appointed 11/02/2015)
Rev. Deacon Paul White (T) (appointed 13/02/2015)

This committee is composed of 4 Trustees with the Chief Operating Officer, the Diocesan Surveyor, the Diocesan Financial Administrator and the Health and Safety Officer in attendance. The committee generally meets six times a year and oversees all aspects of Health and Safety.

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

Safeguarding Commission

This has 1 priest, 1 deacon and 7 lay members with extensive experience in the whole area of safeguarding. The Safeguarding Coordinator is in attendance. It meets 6 times per year. It gives advice to the Bishop and Board 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.

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 a number of 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.

SENIOR MANAGEMENT TEAM

Mr Nicholas Tarr – Diocesan Secretary (resigned 31/10/2015)
Mrs Lyn Murray – Chief Operating Officer (appointed 14/03/2016)
Mrs Colleen Collett – Director of Schools and Colleges
Mrs Jane Dziadulewicz – Safeguarding Coordinator (resigned 25/12/2015)
Mr Liam Ring – Safeguarding Coordinator (appointed 01/01/2016)
Ms Margaret Marshall – Diocesan Financial Administrator (resigned 06/05/2016)
Miss Janet Parker – Diocesan Financial Administrator (appointed 25/02/2016)
Mr Derek Salmon – Diocesan Surveyor, Head of Property Department
Rev. Christopher Whitehead – Director of Adult Education and Evangelisation

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.

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.

Department for School and Colleges

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

REPORT FROM THE TRUSTEES

Finance Department

This deals with a multitude of financial and administrative aspects of the work of the Diocese. It not only coordinates the central finances and budgets of the Diocese but it also collects all parish 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

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

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

The following charities have not been activated:-

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

Subsidiary Company

On the 26th 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.

REPORT FROM THE TRUSTEES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England & Wales requires us to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, we are required to:

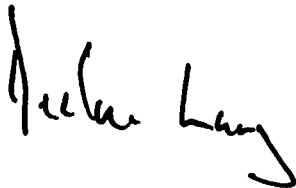
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

We are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable 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 October 2016.

Approved by the Trustees on the 18th October 2016 and signed on their behalf by:



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

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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 was £2,522k compared to £6,468k in 2014. This included profit on the sale of buildings of £256k (2014: £5,608k). Charitable expenditure was £1,891k (2014: £1,357k). These costs are recovered by means of a levy on the parishes and the investment income received on Curial deposits.

Overall, Curial Funds increased in the year by £748k (2014: increase £6,007k) including losses on fixed asset investments of £85k (2014: £80k gain).

Total Curial Funds at 31 December 2015 were £19,480k (2014: £18,732k) of which £14,626k (2014: £13,934k) were unrestricted. Total Curial Funds include £915k (2014: £882k) net balances due from parishes.

Parochial Funds

The unrestricted offertory and donations (including legacies) income for the year was £5,595k (2014: £5,564k).

The charitable expenditure by the parishes rose by 5% to £7,015k (2014 £6,667k). In addition to the revenue costs £1,788k (2014: £853k) of expenditure on the refurbishment of the Cathedral roof was capitalised.

Overall Parish Funds increased in the year by £2,038k (2014: £533k) including gains of £192k on fixed asset investments (2014: £19k gain). Total Parish Funds at 31 December 2015 amounted to £24,686k (2014: £22,648k) of which £22,866k (2014: £20,852k) was unrestricted. Freehold land and buildings account for £14,501k (2014: £12,952k) 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 also in the purchase of real property of any nature or tenure. In the case of property held as permanent endowments, no investment may be made in any manner not authorised by or without such consent required by the instrument creating the permanent endowment and no sale or exchange of real property shall be made without the consent of the Charity Commissioners.

Investment Policy and Performance

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% 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:

	2015	2014
	£'000	£'000
Total Funds	44,166	41,380
Less: Permanent Endowment Funds	(795)	(800)
Restricted Funds	(5,726)	(5,794)
Designated Funds	(2,925)	(2,925)
Tangible Fixed Assets	(15,854)	(14,137)
 Free Reserves of the Charity	<u>18,866</u>	<u>17,724</u>

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. In particular, 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 risen by £1,142k during the year. The free reserves represent 29 months of recurring unrestricted expenditure (2014: 27 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 current level of reserves reflects the benefits of some recent one-off transactions such as the sale of Woodchester Convent during 2013 and the former Christ College school site in 2014. The Trustees are also taking into account significant future capital expenditures such as the major refurbishment works at the Cathedral.

The parochial free reserves form £8.4m (2014: £7.9m) of the total £18.9m (2014: £17.7m). It should also be noted that whilst the balance sheet shows "cash at bank and short term deposits" of £24.3m (2014: £26.3m), this balance includes sale proceeds of £5.7m (2014: £6.5m) held for future schools building projects and other funds held for restricted purposes.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFTON DIOCESAN TRUST FOR THE YEAR ENDED 31 DECEMBER 2015

We have audited the financial statements of The Clifton Diocesan Trust for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at: www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2015, and of its 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.

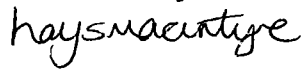
REPORT FROM THE TRUSTEES

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

haysmacintyre
Statutory Auditor



18th October 2016

26 Red Lion Square
London
WC1R 4AG

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015**

STATEMENT OF FINANCIAL ACTIVITIES (SOFA) FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Unrestricted Funds		Restricted Funds		Endowment Funds		Total Funds		Total Funds 2015 £'000	Total Funds 2014 £'000
		Curial £'000	Parochial £'000	Curial £'000	Parochial £'000	Curial £'000	Parochial £'000	Curial £'000	Parochial £'000		
Income and endowments from:											
Donations and legacies		1,278	5,595	197	292	-	-	1,475	5,887	7,362	6,295
Charitable activities	3	48	1,960	1	-	-	-	49	1,960	2,009	1,045
Other trading activities	4	267	1,305	-	-	-	-	267	1,305	1,572	1,263
Investments	5	417	112	58	2	-	-	475	114	589	532
Other		256	-	-	-	-	-	256	-	256	5,609
Total income and endowments		2,266	8,972	256	294	-	-	2,522	9,266	11,788	14,744
Expenditure on:											
Raising funds		39	164	-	-	-	-	39	164	203	200
Charitable activities	6	1,701	6,746	190	269	-	-	1,891	7,015	8,906	8,024
Other		-	-	-	-	-	-	-	-	-	79
Total expenditure		1,740	6,910	190	269	-	-	1,930	7,179	9,109	8,303
Net gains/(losses) on investments		(75)	193	(6)	-	(4)	(1)	(85)	192	107	99
Net income/(expenditure)		451	2,255	60	25	(4)	(1)	507	2,279	2,786	6,540
Transfers between funds	18	241	(241)	-	-	-	-	241	(241)	-	-
Net movement in funds		692	2,014	60	25	(4)	(1)	748	2,038	2,786	6,540
Total funds brought forward		13,934	20,852	4,183	1,611	615	185	18,732	22,648	41,380	34,840
Total funds carried forward		14,626	22,866	4,243	1,636	611	184	19,480	24,686	44,166	41,380

The net movement in funds above arises entirely from continuing activities. Comparative figures for 2014 by fund can be found in note 2.

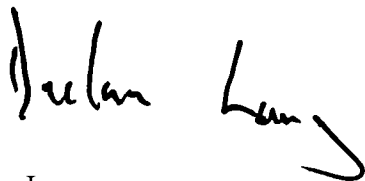
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2015			2014		
		Curial £'000	Parochial £'000	Total £'000	Curial £'000	Parochial £'000	Total £'000
FIXED ASSETS							
Tangible fixed assets	8	1,353	14,501	15,854	1,323	12,972	14,295
Investments	9	8,177	2,574	10,751	5,689	2,427	8,116
		<u>9,530</u>	<u>17,075</u>	<u>26,605</u>	<u>7,012</u>	<u>15,399</u>	<u>22,411</u>
CURRENT ASSETS							
Debtors	10	924	125	1,049	850	127	977
Cash at bank and in hand		15,629	8,694	24,323	18,155	8,153	26,308
		<u>16,553</u>	<u>8,819</u>	<u>25,372</u>	<u>19,005</u>	<u>8,280</u>	<u>27,285</u>
LIABILITIES							
Creditors: amounts falling due within one year	11	(1,596)	(265)	(1,861)	(8,087)	(149)	(8,236)
Due from Curia/Parishes		55	-	55	6	(6)	-
Due to Curia/Parishes		-	(55)	(55)	-	-	-
Loans (to Parish)/ from Curia		181	(181)	-	280	(280)	-
NET CURRENT ASSETS		<u>15,193</u>	<u>8,318</u>	<u>23,511</u>	<u>11,204</u>	<u>7,845</u>	<u>19,049</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,723</u>	<u>25,393</u>	<u>50,116</u>	<u>18,216</u>	<u>23,244</u>	<u>41,460</u>
Creditors: amounts falling due after more than one year	12	(5,922)	(28)	(5,950)	(80)	-	(80)
Loans (to Parish)/ from Curia		679	(679)	-	596	(596)	-
NET ASSETS		<u>19,480</u>	<u>24,686</u>	<u>44,166</u>	<u>18,732</u>	<u>22,648</u>	<u>41,380</u>

FUNDS		2015			2014		
		Curial £'000s	Parochial £'000s	Total £'000s	Curial £'000s	Parochial £'000s	Total £'000s
RESTRICTED FUNDS							
Permanent endowment funds	13	611	184	795	615	185	800
Restricted income funds	14	4,243	1,636	5,879	4,183	1,611	5,794
		<u>4,854</u>	<u>1,820</u>	<u>6,674</u>	<u>4,798</u>	<u>1,796</u>	<u>6,594</u>
UNRESTRICTED FUNDS							
General fund	15	10,501	8,365	18,866	11,009	7,880	18,889
Designated funds	15	4,125	14,501	18,626	2,925	12,972	15,897
		<u>14,626</u>	<u>22,866</u>	<u>37,492</u>	<u>13,934</u>	<u>20,852</u>	<u>34,786</u>
TOTAL FUNDS		<u>19,480</u>	<u>24,686</u>	<u>44,166</u>	<u>18,732</u>	<u>22,648</u>	<u>41,380</u>

Approved and authorised for issue by the Board of Trustees on the 18th October 2016 and signed on their behalf by:



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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £'000	2014 £'000
Cash flow from operating activities:			
<i>Net cash provided by (used in) operating activities:</i>	20	1,770	368
Cash flows from investing activities:			
Dividends, interest and rents from investments		589	532
Proceeds from the sale of property, plant and equipment		539	5,617
Purchase of property, plant and equipment		(2,356)	(873)
Proceeds from the sale of investments		-	1,336
Purchase of investments		(2,528)	(2,336)
<i>Net cash provided by (used in) investing activities</i>		<u>(3,756)</u>	<u>4,276</u>
Cash flows from financing activities:			
Repayments of borrowing		(2)	(4)
Cash inflows from new borrowing		3	-
Receipt of endowment		-	-
<i>Net cash provided by (used in) financing activities</i>		<u>1</u>	<u>(4)</u>
Change in cash and cash equivalents in the reporting period		(1,985)	4,640
Cash and cash equivalents at the beginning of the reporting period		26,308	21,668
<i>Cash and cash equivalents at the end of the reporting period</i>		<u>24,323</u>	<u>26,308</u>

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 date of transition to FRS 102 was 1 January 2014 and in preparing the financial statements, the Trustees have considered whether the accounting policies required by the standard require the restatement of comparative information. There have been no numerical changes as a result of the transition to FRS 102, the reserves position is unadjusted from the previously reported position.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments.

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 considered to be 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.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (CONTINUED)

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.

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

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (CONTINUED)

the purposes of these financial statements any cost of new building is written off to the Statement of Financial Activities in the year in which it is incurred.

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

The Diocese of Clifton includes 45 (2014: 45) maintained schools, 17 Academies (2014: 17) and 9 independent schools (2014: 9). Details of the Diocesan Schools are listed in the Clifton Diocesan Directory.

Taxation

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

Tangible Fixed Assets

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

(i) Freehold Land

Functional land, (i.e. land used for the primary purpose of the Charity), is included in the financial statements at original cost or where this is not available at an estimate of its historic cost or in the case of donated land, at its fair value at the date of receipt.

(ii) Freehold Buildings

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

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

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

(iii) Fixtures, Fittings and Equipment

The costs of Churches and the Cathedral include all fixtures and fittings and organs which form part of the fabric of the building. All other fixtures, fittings and equipment are included in the financial statements at cost.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (CONTINUED)

The insured value of buildings' contents not capitalised is £23.5 million (2014: £23.6 million).

(iv) Works of Art and Historic Treasures

Individual works of art, historic treasures and plate are not capitalised, as historic cost information is not available. Because of the many locations over which these assets are dispersed and their specialist nature, obtaining reliable information to estimate their cost would be both time consuming and expensive. The Trustees believe that the cost of carrying out such an exercise would outweigh the benefit of this information to the user of the accounts.

(v) Motor Vehicles

Motor vehicles have been capitalised and included in the financial statements at their historical cost or in the case of donated assets, at an estimate of the value at the date of acquisition.

Depreciation

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

Churches built prior to 1941 and the Cathedral	1%	(100 years)
Churches built 1941 and after	1.333%	(75 years)
All Other Freehold Buildings	2%	(50 years)
Motor Vehicles	20%	(5 years)
Fixtures, Fittings and Equipment	33⅓% - 10%	(3 to 10 years)

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.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (CONTINUED)

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 2014

	Unrestricted Funds		Restricted Funds		Endowment Funds		Total Funds		Total Funds 2014 £'000s
	Curial £'000s	Parochial £'000s	Curial £'000s	Parochial £'000s	Curial £'000s	Parochial £'000s	Curial £'000s	Parochial £'000s	
Income and endowments from:									
Donations and legacies	47	5,564	251	433	-	-	298	5,997	6,295
Charitable activities	81	964	-	-	-	-	81	964	1,045
Other trading activities	104	1,159	-	-	-	-	104	1,159	1,263
Investments	316	151	61	4	-	-	377	155	532
Other	3,373	1	2,235	-	-	-	5,608	1	5,609
Total income and endowments	3,921	7,839	2,547	437	-	-	6,468	8,276	14,744
Expenditure on:									
Raising funds	-	200	-	-	-	-	-	200	200
Charitable activities	1,169	6,395	188	272	-	-	1,357	6,667	8,024
Other	79	-	-	-	-	-	79	-	79
Total expenditure	1,248	6,595	188	272	-	-	1,436	6,867	8,303
Net gains/(losses) on investments	63	17	10	-	7	2	80	19	99
Net income/(expenditure)	2,736	1,261	2,369	165	7	2	5,112	1,428	6,540
Transfers between funds	894	(776)	1	(119)	-	-	895	(895)	-
Net movement in funds	3,630	485	2,370	46	7	2	6,007	533	6,540
Total funds brought forward	10,304	20,367	1,813	1,565	608	183	12,725	22,115	34,840
Total funds carried forward	13,934	20,852	4,183	1,611	615	185	18,732	22,648	41,380

NOTES TO THE FINANCIAL STATEMENTS

3. INCOME FROM CHARITABLE ACTIVITIES

	2015			2014		
	Curial £'000	Parochial £'000	Total £'000	Curial £'000	Parochial £'000s	Total £'000
Government grants	-	948	948	-	-	-
Rental income	49	1,012	1,061	81	964	1,045
	<u>49</u>	<u>1,960</u>	<u>2,009</u>	<u>81</u>	<u>964</u>	<u>1,045</u>

4. INCOME FROM OTHER TRADING ACTIVITIES

	2015			2014		
	Curial £'000	Parochial £'000	Total £'000	Curial £'000	Parochial £'000	Total £'000
Social Clubs	-	190	190	-	195	195
Repository	-	254	254	-	255	255
Fundraising events	-	209	209	-	367	367
Other fundraising	-	146	146	-	-	-
Chaplaincy stipends	-	32	32	-	31	31
Management charges	104	-	104	104	-	104
Other income	163	474	637	-	311	311
	<u>267</u>	<u>1,305</u>	<u>1,572</u>	<u>104</u>	<u>1,159</u>	<u>1,263</u>

5. INVESTMENT INCOME AND INTEREST RECEIVABLE

	2015 £'000	2014 £'000
Income on UK Listed Investments	235	183
Income on UK Investment Properties	44	53
Interest on UK Cash held at Bank	310	296
	<u>589</u>	<u>532</u>

NOTES TO THE FINANCIAL STATEMENTS

6. CHARITABLE EXPENDITURE

PAROCHIAL EXPENDITURE	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total Expenditure 2015 £'000s	Total Expenditure 2014 £'000s
Direct Costs					
Clergy Stipend, Pension, NIC and Parish Sisters	415	-	-	415	419
Employees' Salary, Pension and NIC	570	-	-	570	550
Housekeeping	307	-	-	307	298
Vehicles	163	-	-	163	157
Repairs and maintenance	1,284	-	-	1,284	1,658
Utilities and Council Tax	705	-	-	705	745
Church and other expenses	980	-	-	980	679
School expenses	-	-	-	-	12
Administration	325	-	-	325	302
Sundry expenses	352	-	-	352	313
Depreciation	410	-	-	410	396
Grants and use of restricted donations	220	269	-	489	390
Total Direct Costs	5,731	269	-	6,000	5,919
Indirect Costs					
Allocated Curial support costs	853	-	-	853	748
Cost of raising funds	162	-	-	162	200
Total Indirect Costs	1,015	-	-	1,015	948
Total Parochial Expenditure	6,746	269	-	7,015	6,867
CURIAL EXPENDITURE					
	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total Expenditure 2015 £'000s	Total Expenditure 2014 £'000s
Direct Costs					
Education	382	-	-	382	337
Marriage, Family and Pastoral	199	-	-	199	176
Ecumenical	34	-	-	34	33
Music and Liturgy	101	-	-	101	57
Clergy Training and Welfare	259	174	-	433	366
Bishop's Office	174	-	-	174	167
Schools Buildings	280	-	-	280	46
Grants and Gifts	26	12	-	38	20
Total Direct Costs	1,455	186	-	1,641	1,202
Support Costs					
Property Expenses	356	-	-	356	253
Alexander House (Head Office)	48	-	-	48	52
Insurance	248	-	-	248	204
Human Resources	16	-	-	16	14
National Catholic Fund	81	-	-	81	45
Finance and Administration	307	-	-	307	332
Depreciation	(1)	4	-	3	29
Trustees' Expenses	4	-	-	4	5
Audit Fees	29	-	-	29	29
Legal Fees	11	-	-	11	19
Total Support Costs	1,099	4	-	1,103	982
LESS Support Costs allocated to Parishes	(853)	-	-	(853)	(748)
Total Curial Expenditure	1,701	190	-	1,891	1,436

NOTES TO THE FINANCIAL STATEMENTS

7. EMPLOYEE COSTS

Employee Costs are analysed as follows:	Curial	Parochial	2015	2014
	£'000	£'000	£'000	£'000
Salaries	865	496	1,361	1,368
Pension and Life Insurance Contributions	49	12	61	52
Employer's National Insurance Contributions	73	12	85	85
	<hr/>	<hr/>	<hr/>	<hr/>
	987	520	1,507	1,505
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The average number of employees during the year was 140 (2014: 136).

Two employees had emoluments, excluding pension contributions, within the band £60,000 - £70,000 (2014: Two).

The total remuneration for key management employees in 2015 was £336k (2014: £362k).

In 2015 two employees received termination payments totalling £19k (2014: £2.5k).

Employee costs include £3,739 for holiday pay not taken during 2015.

None of the Trustees received remuneration for their work as Trustees. Expenses totalling £4,517 (2014: £1,527) 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.

NOTES TO THE FINANCIAL STATEMENTS

8. TANGIBLE FIXED ASSETS

	CURIAL				PAROCHIAL				DIOCESE TOTAL £000
	Freehold Land Buildings £000	Freehold Land Buildings £000	Motor Vehicles £000	Fixtures, Fittings and Equipment £000	Freehold Land Buildings £000	Freehold Land Buildings £000	Motor Vehicles £000	Fixtures, Fittings and Equipment £000	
COST									
As at 1 January 2015	340	1,370	-	11	565	21,723	47	67	22,402
Additions	-	337	-	-	81	1,936	-	-	2,017
Disposals	(63)	(241)	-	-	-	-	-	-	-
As at 31 December 2015	277	1,466	-	11	646	23,659	47	67	24,419
DEPRECIATION									
As at 1 January 2015	-	390	-	7	-	9,336	34	59	9,429
Charge for the year	-	22	-	4	-	480	5	4	489
Disposals	-	(22)	-	-	-	-	-	-	-
As at 31 December 2015	-	390	-	11	-	9,816	39	63	9,918
NETBOOKVALUE									
As at 31 December 2015	277	1,076	-	-	646	13,843	8	4	14,501
As at 31 December 2014	340	980	-	3	565	12,387	13	7	12,972

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 (2014: £nil). The Trustees consider that the market value of the property is substantially in excess of this amount.

NOTES TO THE FINANCIAL STATEMENTS

9. **FIXED ASSET INVESTMENTS**

	2015	2014
	£'000	£'000
Listed Investments	9,081	6,711
UK Investment Properties	1,670	1,405
	<u> </u>	<u> </u>
	10,751	8,116
	<u> </u>	<u> </u>
 Listed Investments – Unit Fund		
	2015	2014
	£'000	£'000
Market Value brought forward	6,711	5,611
Additions at Cost	4,617	2,336
Fees	(46)	(32)
Sale Proceeds from Disposals	(2,022)	(1,336)
Realised gain / (loss)	(21)	(21)
Unrealised Appreciation	(158)	153
	<u> </u>	<u> </u>
Market Value carried forward	9,081	6,711
	<u> </u>	<u> </u>
Book Cost carried forward	8,388	5,860
	<u> </u>	<u> </u>

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

NOTES TO THE FINANCIAL STATEMENTS

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

UK Investment Properties

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

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

	2015	2014
	£'000	£'000
Valuation Brought Forward	1,405	1,405
Revaluation to Estimated Open Market Value	265	-
	<hr/>	<hr/>
Valuation Carried Forward	1,670	1,405
	<hr/> <hr/>	<hr/> <hr/>

Realised Gains / (Losses) on Fixed Asset Investments

	2015	2014
	£'000	£'000
On Listed Investments	(21)	(21)
On Investment Properties	-	-
	<hr/>	<hr/>
	(21)	(21)
	<hr/> <hr/>	<hr/> <hr/>

Unrealised Gains on Fixed Asset Investments

	2015	2014
	£'000	£'000
On Listed Investments	(158)	153
On Investment Properties	265	-
	<hr/>	<hr/>
	107	153
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£'000	£'000
Education Funding Agency (EFA) Grants	338	509
Income Tax Recoverable	120	125
Prepayments and Other Debtors	591	343
	1,049	977
	1,049	977

Prepayments and other debtors include £14,630 (2014: £16,689) in respect of loans to priests to purchase cars, on which no interest is payable, and which are repayable within four years.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£'000	£'000
Deposit Fund Balances Held on Behalf of Connected Charities	75	97
Loans	8	7
Proceeds of Sale of School Site Payable	-	6,471
Sundry Creditors and Accruals	1,778	1,661
	1,861	8,236
	1,861	8,236

Loans falling due within one year are unsecured.

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

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

	2015	2014
	£'000	£'000
Proceeds of Sale of School Site Payable	5,737	-
Sundry Creditors	213	80
	5,950	80
	5,950	80

The Trustees have decided to reclassify the proceeds of sale of school site payable creditor as an amount falling due after more than one year following a review of payments made during 2015.

NOTES TO THE FINANCIAL STATEMENTS

13. ENDOWMENT FUNDS

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

	Movement in Funds			Balance at 31 December 2015 £'000
	Balance at 1 January 2015 £'000	Income £'000	Expenditure, Gains, Losses and Transfers £'000	
Heavens Fund	119	-	5	124
Young Fund	64	-	-	64
Clifton Mission Benefactors Fund	122	-	-	122
Bishop's Maintenance Fund	147	-	-	147
Clergy Training Fund (note 17)	100	-	1	101
The Lady Herbert of Lea Fund	27	-	-	27
Barnes Trust	16	-	-	16
Lucy Sharp Fund	18	-	-	18
Hensler Fund	14	-	-	14
Sundry Parochial Funds	110	-	(1)	109
Sundry Curial Funds	63	-	(10)	53
	<hr/>	<hr/>	<hr/>	<hr/>
	800	-	(5)	795
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Some of the endowments are for specific purposes as follows:

- The Heavens Fund is for the maintenance and education of Catholic orphan girls.
- The Young Fund is to assist widows and distressed ladies.
- Clifton Mission Benefactors Fund is to say masses for certain individuals.
- Bishop's Maintenance Fund income is to be applied for the maintenance of the Bishop of Clifton.
- The Lady Herbert of Lea Fund is for the benefit of St. Osmund's Parish, Salisbury.
- The Barnes Trust is for the benefit of the Sacred Heart Parish, Tisbury.
- The Lucy Sharp Fund is for the benefit of the parishes of St. John's and St. Mary's in Bath, and St. Joseph's in Bridgwater.
- The Hensler Fund is for the benefit of the Cathedral Parish.

NOTES TO THE FINANCIAL STATEMENTS

14. RESTRICTED FUNDS

	Balance at 1 January 2015 £'000	Movement in Funds		Balance at 31 December 2015 £'000
		Income £'000	Expenditure, Gains, Losses and Transfers £'000	
Parochial				
Tisbury Parsons Fund	15	-	-	15
Tisbury Jesuit Fund	178	-	-	178
Other Parochial Funds	1,418	294	(269)	1,443
	<u>1,611</u>	<u>294</u>	<u>(269)</u>	<u>1,636</u>
Curial				
Priests' Retirement Fund (note 16)	636	31	-	667
Clergy Training Fund (note 17)	-	52	(52)	-
Infirm Priests' Society Fund	283	-	(1)	282
Youth Development Fund	10	1	-	11
Restricted Fixed Assets Fund	158	-	(4)	154
Education Fund	2,235	-	-	2,235
Curial Trust Funds	577	45	(12)	610
Other Curial Funds	284	3	(3)	284
	<u>4,183</u>	<u>132</u>	<u>(72)</u>	<u>4,243</u>
Total Restricted Funds	<u>5,794</u>	<u>426</u>	<u>(341)</u>	<u>5,879</u>

Restricted funds are restricted for a particular purpose:

- 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 Jesuits Fund is to be used for the benefit of the people, buildings and activities of rural parishes of the Diocese
- The Infirm Priests' Society 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 restricted fixed assets fund represents includes funds donated to assist in the purchase of the Diocesan administrative offices in Bristol (Alexander House)
- The Education Fund includes proceeds from education land sales which are restricted for future education use
- Curial Trust Funds comprises a number of small specific Trusts relating to individual parishes or parishioner groups
- Other Parochial funds comprise special collections, legacies and donations for specific projects within the parishes
- Other Curial funds comprise special collections, legacies and donations for specific projects within the parishes

NOTES TO THE FINANCIAL STATEMENTS

15. UNRESTRICTED (INCLUDING DESIGNATED) FUNDS

	Balance at 1 January 2015 £'000	Movement in Funds Income Expenditure, Gains, Losses and Transfers		Balance at 31 December 2015 £'000
		£'000	£'000	
UNRESTRICTED FUNDS				
General Parochial Funds	7,880	6,955	(6,469)	8,365
General Curial Funds	9,844	2,233	(1,576)	10,501
	-----	-----	-----	-----
Total Unrestricted Funds	17,724	9,188	(8,045)	18,866
	=====	=====	=====	=====

The Trustees have designated the following amounts for specific purposes:

DESIGNATED FUNDS				
Fixed Asset Fund – Parochial	12,972	2,017	(489)	14,501
Fixed Asset Fund – Curial	1,165	33	2	1,200
Clergy Welfare Fund	9	-	-	9
Priests Retirement Fund (note 19)	719	-	-	719
St Thomas More Secondary School	1,995	-	-	1,995
Other Curial Funds	202	-	-	202
	-----	-----	-----	-----
	17,062	2,050	(487)	18,626
	-----	-----	-----	-----
Total Unrestricted and Designated Funds	34,786	11,238	(8,532)	37,492
	=====	=====	=====	=====

The Curial and Parochial Fixed Asset Funds represent the net book value of tangible fixed assets less the net book value of tangible fixed assets included in restricted funds.

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

Other Curial funds represent sundry funds designated for specific purposes.

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.

NOTES TO THE FINANCIAL STATEMENTS

16. PRIESTS' RETIREMENT FUND

	Balance at 1 January 2015 £'000	Movement in Funds		Balance at 31 December 2015 £'000
		Income £'000	Expenditure, Gains, Losses and Transfers £'000	
Restricted Fund	636	31	-	667
Designated Fund	719	-	-	719
	<u>1,355</u>	<u>31</u>	<u>-</u>	<u>1,386</u>

The Priests' Retirement Fund is a fund to support priests currently in retirement. It is distributed by way of discretionary grants.

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

17. CLERGY TRAINING FUND

	Balance at 1 January 2015 £'000	Movement in Funds		Balance at 31 December 2015 £'000
		Income £'000	Expenditure, Gains, Losses and Transfers £'000	
Endowed Fund	100	-	1	101
Restricted Fund	-	52	(52)	-
	<u>100</u>	<u>52</u>	<u>(51)</u>	<u>101</u>

The Clergy Training Fund finances the training and ongoing formation of Diocesan priests.

NOTES TO THE FINANCIAL STATEMENTS

18. TRANSFERS

	Unrestricted		Restricted/Endowed		Total 2015 £'000
	Curial £'000	Parochial £'000	Curial £'000	Parochial £'000	
Allocated overheads	(853)	853	-	-	-
Parish Share	1,687	(1,687)	-	-	-
Interest on Diocesan loans	(24)	24	-	-	-
Other transfers	(569)	569	-	-	-
	241	(241)	-	-	-
	241	(241)	-	-	-

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

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.

Interest on loans - charged on Diocese loans to parishes.

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Tangible Fixed Assets	15,701	153	-	15,854
Fixed Asset Investments	9,370	770	611	10,751
Net Current Assets	12,634	10,693	184	23,511
Long Term Liabilities	(213)	(5,737)	-	(5,950)
	37,492	5,879	795	44,166
	37,492	5,879	795	44,166

NOTES TO THE FINANCIAL STATEMENTS

20. NOTES TO THE CASH FLOW STATEMENT

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

	2015 £'000	2014 £'000
Net income/(expenditure) for the reporting period	2,786	6,540
Depreciation charges	515	416
(Gains)/losses on investments	(107)	(99)
Dividends, interest and rents from investments	(589)	(532)
Loss/(profit) on the sale of fixed assets	(256)	(5,609)
(Increase)/decrease in debtors	(73)	33
Increase/(decrease) in creditors	(506)	(381)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	1,770	368
	<hr/> <hr/>	<hr/> <hr/>

b. Reconciliation of net cash flow to movement in net funds

	2015 £'000	2014 £'000
Increase in cash in the year	(1,984)	4,640
Cash outflow from repayment of loan	1	4
New loans received	(3)	-
	<hr/>	<hr/>
Increase in Net Funds in the Year	(1,986)	4,644
Net Funds Brought Forward	26,301	21,657
	<hr/>	<hr/>
Net Funds Carried Forward	24,315	26,301
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

20. NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

c. Analysis of changes in net funds

	At 1 Jan 2015 £'000	Cash Flow £'000	At 31 Dec 2015 £'000
Short Term Deposits	27,624	(1,958)	25,666
Cash at bank and in hand	(1,316)	(27)	(1,343)
	-----	-----	-----
Net Cash at Bank and Short Term Deposits	26,308	(1,985)	24,323
Loans Due for Repayment Within One Year	(7)	(1)	(8)
	-----	-----	-----
	26,301	(1,986)	24,315
	=====	=====	=====

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 considered to be liquid resources.