

**Catholic
Trust for
England
and Wales**

Annual Report and Financial Statements

31 December 2011

Company Registration Number
4734592

Charity Registration Number
1097482

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Reference and administrative details of the charity, its trustees and advisers

Registered name	Catholic Trust for England and Wales
Charity Registration number	1097482
Company registration number	4734592
Principal office	39 Eccleston Square London SW1V 1BX
Website	www.catholic-ew.org.uk
Trustees	Rt Rev Malcolm McMahon OP (Chair) Mgr Michael McKenna (Vice-Chair) Mr Ben Andradi Ms Alison Cowdall Mr John Gibbs Mr Richard King Mr Peter Lomas Mr William Moyes (appointed 28 June 2011) Mgr John Nelson Mr Nigel Newton (appointed 28 June 2011) Mr Michael Prior Canon Nicholas Rothon Mr Robin Smith Ms Elizabeth Walmsley Dr James Whiston
Company Secretary	Mgr Marcus Stock
Management Group	Mgr Marcus Stock – General Secretary Alexander DesForges – Director CCN Mgr Andrew Faley – Assistant General Secretary Michaela Kelly – Head of Human Resources Sarah Pearson – Head of Finance David Ryall – Assistant General Secretary Lorraine Welch – PA to the General Secretary Charles Wookey – Assistant General Secretary
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

Reference and administrative details of the charity, its trustees and advisers

Bankers

HSBC plc
69 Pall Mall
London
SW1V 5EY

Solicitors

DLA Piper LLP
3 Noble Street
London
EC2V 7EE

Jose Perez
Rue Marques da Fronteira
1070-295 Lisboa
Portugal

Kate Banerjee
Jones Myers Solicitors
The Pearl Building
22 East Parade
Leeds
LS1 5BZ

Investment Managers

Williams de Broe
Austin Friars House
2 – 6 Austin Friars
London
EC2N 2HD

Trustees' report 31 December 2011

Structure, Governance and Management

The trustees, who are the directors for the purposes of company law, present their annual report and the financial statements of the Catholic Trust for England and Wales (CaTEW) for the year ended 31 December 2011.

This report has been prepared in accordance with Part VI of the Charities Act 1993 and Schedule 415 of the Companies Act 2006.

Constitution

The Catholic Trust for England and Wales was incorporated as a company limited by guarantee on 15 April 2003 and is registered as a charity. The Trust's governing document is the Memorandum and Articles of Association.

Principal aims

The Trust promotes the Catholic religion principally, but not exclusively, in England and Wales. CaTEW has brought together predecessor charities that existed to support the work of the Catholic Church in these countries. It supports the charitable, financial and legal activities of the Catholic Bishops' Conference of England and Wales, its agencies and offices.

Trustees

The retirement by rotation, and re-election procedures for the trustees are set out in the Memorandum and Articles of Association. There must be a minimum of eight trustees, but there is no maximum.

The trustee selection process aims to ensure that the trustee board collectively has the skills and experience to properly fulfil its functions. Trustees are sought through an extensive process of nomination in which candidates are evaluated against clear specifications.

In keeping with the Trust's objectives, it is a requirement that candidates are committed Catholics. In order to properly discharge their duties, trustees are provided with an induction. Background information on the charity's constitution, objects and finances, together with an introduction to the structure and workings of the Trust and material explaining trustees' legal responsibilities, is provided. Where trustees identify a need for training to effectively carry out their duties, appropriate resources are identified and training provided.

Trustees serving throughout the year and at the date on which this report was signed are shown on page 1.

Trustees' responsibilities statement

The trustees (who are also directors of Catholic Trust for England and Wales for the purposes of company law) 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.)

Company law required trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees 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;

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- ◆ state whether applicable UK 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- ◆ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Organisational structure

The governance of the charity is accomplished through the Annual General Meeting with the members, meetings of the Board of Trustees and its constituent committees. The day to day management of the charity is delegated to the Management Group, detailed on page 1 of this report, and is supervised through the constituent committee meetings.

Risk assessment

The trustees annually assess the major risks to which the charity is exposed, in particular those relating to specific operational areas of the charity, its investments and its finances by identifying and ranking risks in terms of their potential impact and likelihood. The trustees believe that by monitoring reserve levels, ensuring controls exist over key financial systems, and examining the operational and business risks faced by the charity they are developing appropriate management strategies, and are establishing effective systems to mitigate these risks.

Major risks that have been identified are:

- As CaTEW operates to a static levy and operating costs are rising, it is necessary to find alternate sources of income to fund the ongoing work of the Bishops' Conference. It is also imperative that the organisation is run as effectively and efficiently as possible and therefore a review of the administrative function of the Bishops' Conference should be undertaken.

Subsidiary companies

The charity has three wholly owned subsidiary companies: Colloquium (CaTEW) Limited, The Papal Visit Limited and The Papal Visit 2010 Limited.

Colloquium (CaTEW) Limited was incorporated on 15 April 2003. Colloquium collects royalties from the sale of publications by the Bishops' Conference.

The Papal Visit Limited was incorporated on 18 May 2010 as a company limited by guarantee. The Papal Visit Limited is also a registered charity, its purpose being to promote the advancement of the Roman Catholic religion through the support of the Visit of Pope Benedict XVI to Great Britain in 2010.

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The Papal Visit 2010 Limited was incorporated on 18 May 2010, its purpose being to enter into commercial agreements on behalf of The Papal Visit Limited. The Papal Visit 2010 Limited is a wholly owned subsidiary of The Papal Visit Limited, with the Catholic Trust for England and Wales being its ultimate parent undertaking.

All three subsidiary companies results are included in the consolidated financial statements presented with this report.

Relations with other Charitable Organisations

At the request of the Bishops' Conference of England and Wales and with the agreement of the Irish Episcopal Conference and the Bishops' Conference of Scotland, CaTEW assumed the corporate trusteeship of the Anscombe Bioethics Centre (previously the Linacre Centre for Healthcare Ethics) (Registered Charity Number 274327) on 27 February 2006.

On behalf of the three Bishops' Conferences mentioned above, the Trust acquired premises for the St Luke's Centre (Registered Charity Number 1111058), a wellness centre for priests and religious, and acts as the landlord for the centre.

As the administrative arm of the Bishops' Conference of England and Wales, the Trust has close links with the Diocesan charities, through which the annual assessments are made. The Trust relates to the charities of religious congregations within the Conference of Religious, particularly through its provision of the administrative, legal, human resource and financial management for the Catholic Safeguarding Advisory Service (CSAS). The Trust also relates closely to those agencies of the Bishops' Conference that exist as independent charities. The main ones being the Catholic Agency for Overseas Development (CAFOD), the Catholic Education Service, Caritas-Social Action Network, the Pontifical Mission Societies, the Catholic Agency for Racial Justice and the Apostleship of the Sea. The Trust provides office accommodation for the National Justice and Peace Network, Churches Together in Britain and Ireland and the Catholic Medical Association.

Objectives and Activities

In order to fulfil its charitable aims and objectives, the activities of CaTEW are determined by the requirements of the Bishops' Conference of England and Wales.

The Catholic Bishops' Conference of England and Wales is a permanent body within the organisation of the Catholic Church that brings together the Bishops of England and Wales. As a Conference the Bishops "jointly exercise certain pastoral functions for the Christian faithful... in order to promote the greater good which the Church offers to humanity, especially through forms and programs of the apostolate fittingly adapted to the circumstances of time and place" (cf. *Code of Canon Law* can 447).

The departments of CaTEW identify the present broad areas of activity for the Bishops in supporting the Dioceses of England and Wales and witnessing to the Gospel in the contemporary world: Catholic Education and Formation, Christian Life and Worship, Christian Responsibility and Citizenship, Dialogue and Unity, Evangelisation and Catechesis and International Affairs.

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Public Benefit

Through the work of the agencies, departments and projects set out below, the Trust, in line with the Church's teachings, looks to ensure the moral and spiritual well being of the individual, and to help discern the common good, being what is best for all in society.

As well as the promotion of Catholicism and the application of the Gospel's teachings to the modern day world, the Trust supports people to live out their faith through guidance at a local level as well as advancement and direction of national policy.

The details of individual projects which are of public benefit can be found further below in the report.

As well as working on behalf of existing Catholics, the Church is open to and welcomes Catholics and non-Catholics alike. The work of the Trust contributes to the sum of public knowledge by publishing items which impact on Catholic life and detailing the work of the Trust on its website and via its media service and resources, both of which are freely available to all.

The trustees have referred to the Charity Commissioners' general guidance on Public Benefit when reviewing their aims and objectives in planning their future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Catholic Education and Formation

The main activity of the Department is focused through the meetings of the Bishops, agreeing policy direction with the Catholic Education Service (CES), which is a distinct charity funded through a separate assessment from Dioceses.

The Bishops of the Department have continued to highlight the role of Catholic schools and their contribution to society in debate with Government and other agencies. The Department has continued to support the revision of the Curriculum Directory for Religious Education in Catholic Schools.

The Department has supported the CES in the promotion of Church schools and Higher Education Institutions in the light of fast changing Government legislation. Following the departure of their long-serving Director, Ms Oona Stannard, the Department has supported and given advice to the CES as they take this opportunity to reflect upon their core mission and identity.

The Department continues to support the work of the National Office for Vocation through its Director and new staff structure. The National Office for Vocation (NOV), works in collaboration with local and national agencies to support the promotion of 'vocation' within the Catholic community. This includes the calling to marriage, to single life, to the diaconate as well as priesthood and consecrated life. The office continues to develop its media strategy to show Christian values and vocation in action and the real and relevant place it can have in society today.

The Department also continues to support the training and ongoing formation of priests and permanent deacons.

Christian Life and Worship

The Department for Christian Life and Worship advises the Bishops' Conference on matters relating to liturgy, music and architecture.

The preparation for the publication of a new English Translation of the Roman Missal remained a key area of work for the department both on the publication of the text and the process of its implementation. The introduction of the new text

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Christian Life and Worship (continued)

in 2011 has been a major landmark in the life of the Church in England and Wales and will affect the life of every Catholic parishioner.

The website of the Liturgy Office offers a wide range of liturgical resources for parishes and individuals. Achievements include the growing provision of liturgical documents online as a reference for those engaged in liturgical formation, and the annual liturgical calendar.

Supporting material and resources will now be developed to help dioceses deliver the various modules of the syllabus for the formation of lay liturgical ministers.

Christian Responsibility and Citizenship

During 2011 the department made significant progress in addressing its three strategic priorities. These are: support of marriage and family life, support of marginalized and vulnerable people, and the promotion of life issues and the dignity of the person.

Support of marriage and family life –

The work of the Marriage and Family Life Project Office benefitted from a staffing level of 2.1 FTE until the end of November, supplemented by three short-term internship placements from the University of Notre Dame London Programme, two in the Spring and one in the Autumn. During 2011, two part-time staff were dedicated to the support of 13 funded diocesan capacity-building projects, particularly the capture and communication of their work in support of marriage and family life before the close of the funding period. In support of this goal two training days were organized for diocesan staff in April and June, the first on film-making techniques, the second on new media communication opportunities. In the Spring of 2011 two internship placements were dedicated to the Passing on the Faith project work, particularly working towards the development of a Catholic toddler group strategy and the promotion of the Catholic Grandparents Association. Additional work on Passing on the Faith throughout the year included the Project Officer's attendance at and monitoring of the outcomes of pilot conversations between homes, parishes and schools in the dioceses of Liverpool, Middlesbrough and Plymouth. In June the Project Office reported to the Committee for Marriage and Family Life on a stakeholder review of its work between 2005-2010 which included proposals for the future focus of CaTEW's efforts to support marriage and family life. In August the Project Office celebrated the graduation of 8 diocesan staff from an MA programme in Leadership for Family Ministry and Faith Formation. In September the autumn internship placement focused on the creation of an online retrospective resource to mark the 30th anniversary of the publication of Familiaris Consortio. In November the first national conference for providers of marriage preparation in the Catholic Church in England and Wales took place, sponsored by the Committee for Marriage and Family Life. Further work was accomplished this year on promoting Family Groups as a means of parish and community renewal.

Support for marginalized and vulnerable people –

Caritas Social Action (CSAN) receives a grant from the Department of Christian Responsibility and Citizenship was used to support CSAN's co-ordination and advocacy activities in furtherance of this strategic aim. The key outcomes of CSAN's work this year have included:

- Conferences involving representatives of CSAN member charities, politicians and other stakeholders to explore the role of Catholic social action in civil society.
- Effective political advocacy at regional and national level on social action issues including disability, benefits, domestic abuse, legal aid and victim support.

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- A series of social action workshops as part of the Home Mission *Crossing the Threshold* Programme.
- Parliamentary events to facilitate relationships between CSAN member charities and decision makers.
- New engagement at diocesan level with a view to developing local networks.
- Continued sharing of best practice through specialist forums including a Directors Forum.
- Development of CSAN's media presence including online and new media.

The impact of this grant is that:

- Robust support and sharing of expertise between CSAN member charities.
- A strong, public and coherent Catholic voice on issues affecting the marginalised and vulnerable in England and Wales.
- The promotion of social action and Catholic Social Teaching amongst the Catholic community and within the dioceses.
- Increased influence with decision makers for CSAN and its member charities.

Mental Health Project - During 2011 a series of local projects aimed at developing community-based support in diverse ways for those with mental health needs have unfolded with the support of a small grants programme administered by the Bishops' Mental Health Project. In February recipients gathered for an awards presentation in central London which provided an opportunity to begin developing a network of those in the Catholic Church with a special interest and expertise in this area of ministry. Besides strengthening this network and monitoring the progress of the small grants programme the project worker has further developed an online resource for pastoral mental health care, extensively researched to identify Catholic chaplains in mental health care and planned a conference for 2012 to share the outcomes and good practices of the funded projects.

Deepening social engagement - Following a decision made by the Bishops in Conference in November 2010, the department and caritas social action network were mandated to develop a project "Deepening social engagement" to explore ways of enhancing the contribution of the Catholic community to emerging social needs and challenges. Three events were held in early 2011 to give initial impetus to this major programme of work, which has been mandated by the Bishops to Caritas social action network to lead. They were a conference on 1st February 2011 in Liverpool attended by 200 people involved in catholic social action across the country. A second seminar created a dialogue between ideas behind the "Big society" and catholic social teaching. A third public conference in London in April 2011 took forward the learning and proposed ideas for further development.

Life issues and the dignity of the person –

As in previous years the department has organised the Catholic Parliamentary and public affairs internship programme, placing 7 interns – 4 in parliament and 3 in Church offices. The scheme has developed a strong reputation and each year attracts high calibre applications.

In addition department staff were involved during the year with advocacy work on behalf of the Bishops on various human rights issues. The most intensive activity concerned proposals announced by the government in the autumn of 2011 regarding the change in the definition of marriage to include same-sex relationships.

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This work has been enhanced by the pro-bono contribution of experts working with department staff on key issues, and the growing effectiveness of links with Westminster and Whitehall through the public policy officer. In 2011 we also **Christian Responsibility and Citizenship (continued)**

arranged a series of seminar discussions for civil servants and parliamentarians

The theme of the Day for Life in 2011 was Joy in Living. Materials produced for parishes as in previous years were well received, and the collection held raised significant sums to assist support the work of the Anscombe Bioethics centre and other pro-life initiatives supported by the Church

Dialogue and Unity

The department was sad to learn of the death of Bishop Michael Evans who for many years was involved in the work of the department.

Mgr Andrew Faley resigned as Secretary to the department after many years of faithful service though he remains as the Chair for the Committee for Christian Unity until a replacement for Bishop Evans is found and as a member of the department. Fr Robert Byrne CO was appointed in his place.

The department continued to develop ecumenical bi-lateral dialogues through various bodies:

- The Anglican – Roman Catholic Committee (ARC) which is to be reconstituted in 2012, and is co-Chaired by Archbishop Longley.
- The British Methodist –Roman Catholic Committee which was co-Chaired by Bishop Evans.
- The United Reformed – Roman Catholic Committee which finished its five year term.
- The Baptist Union of Great Britain and the Catholic – Oriental Forum

The Department has continued to provide on-going formation for diocesan workers in ecumenism and relations with other religions. The Department has also continued to explore dialogue with non-believers.

Funds have been used to facilitate the objectives of ecumenism and dialogue. Work outcomes are measured primarily by the quality of relationships that lie at the heart of the Department's purpose and work on behalf of the bishops.

Consequently the outcomes can be described as:

- the development of relationships with other Christians and other religions;
- maintaining a consistent approach to Catholic truth and the truth held by the other religious traditions.

Work over the past year has benefited participants by strengthening relationships and deepening understanding on core issues.

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Evangelisation and Catechesis

The Department has supported the Bishops in their management of the 'Legacy' of the Papal Visit (2010), especially by providing guidance for the production of resources for the Home Mission initiatives with the Catholic Communications Network.

The Department continues to support and carry forward an initiative to explore the production of an adult catechism to develop theological literacy among adult Catholics.

The Department has worked in relationship with the Catholic Youth Ministry Federation (CYMFed) and has supported its publication, in March 2012, of the vision document *Called to a Noble Adventure*, as well as the 'Flame' Congress for young Catholics. The Department has continued to support CYMFed in its oversight of national and international youth ministry matters including Youth Sunday. The Department has also begun to work more closely with the National Office for Vocation who now coordinate World Youth Day for the Church in England and Wales.

The Department has worked with the Bible Society to produce and test study resources based on the Post-Synodal Apostolic Exhortation *Verbum Domini*.

International Affairs

The Department for International Affairs retains its five major themes: migration (through the Office for Migration Policy); environmental justice; European affairs and Comece; religious freedom and the Global Common Good. Some of that work is summarised below:

The Office for Migration Policy (OMP) has worked extensively on the grave problems caused by human trafficking. Over the last year the OMP has developed a growing partnership with a number of those Catholic agencies involved in this area and with the Metropolitan Police's specialist unit. The focus has been on helping develop further engagement by increasing awareness of the extent of trafficking and to enhance collaboration between the Church and statutory authorities so that a more comprehensive approach to awareness raising, prevention, pastoral care and the reintegration of victims can take place. That process also has an international dimension through the Pontifical Councils for Justice and Peace and Migrants. The OMP has also worked extensively with the UK Border Agency (UKBA) on the application of the points-based system, especially in relation to the needs of dioceses.

The Department continues to promote the importance of religious freedom by supporting the witness of local churches, especially in the Middle East. That support finds expression in a number of ways. For example, the Friends of the Holy Land (FHL) organisation has continued to expand and thus increase its practical support to Christian communities. Following the successful conference in July, chaired jointly by the Archbishop Vincent Nichols and Archbishop Rowan Williams, the FHL has become an ecumenical organisation with the two archbishops serving as patrons. The Department also continues to support the Holy Land Coordination.

Regionally, the Department works closely the bishops' conferences in Southern Africa, especially in Zimbabwe where the Department Chairman addressed the ZCBC spring plenary.

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Catholic Communications Network (CCN)

CCN provides a communications service for the Bishops, the Bishops' Conference departments and agencies. The team responds to enquiries from all media and supports Bishops in communicating their objectives, offering advice and implementing agreed strategies. CCN also houses the Home Mission Desk and the Catholic Faith Centre, for people enquiring about the Catholic Faith.

The CCN is funded by the World Communications Day, one of three mandatory national collections, with an annual contribution from an independent donor for the website and digital development. The Home Mission Desk is also funded by an annual mandatory national collection. The Catholic Faith Centre is funded by a large number of individual donors.

Archbishop of Cardiff George Stack continues to be bishop with special responsibilities for communications. Bishop Kieran Conry is chair of the Department of Evangelisation and Catechesis, which oversees the Home Mission Desk and the Catholic Faith Centre. While the CCN has a role within all Bishops' Conference departments, it also reports into this department.

In 2011, as in previous years, the CCN communicated the Bishops' position on a range of issues both ad intra and ad extra, advising on the most appropriate way of communicating to the identified target audience. The CCN continued to promote specific projects of the Bishops' Conference, including Day for Life. The CCN works closely with all departments in helping to devise the most appropriate communications strategy for their specific projects. It also provides a regular daily news service (national and religious press), support to diocesan communications, media training and media advice. During 2011, the CCN continued to train Bishops' in England & Wales and other selected spokespeople for media appearances. It also ran several media briefings for religious and mainstream correspondents and continued to run a support group for Catholics working in the mainstream media.

Much of 2011 was concerned with capitalising on the success of the Papal Visit, for which CCN took on all media responsibility. CCN built on the good relations with broadcasters and publishers developed during the Papal Visit by collaborating on a number of programmes and features.

The Home Mission Desk played a leading role in building on the legacy of the Papal Visit: this included the launch of the Newman lecture, delivered by Frank Cottrell-Boyce in 2011; the provision of a range of Diocesan resources; planning for a national Catholic Faith Card; Little Way Week; Crossing the Threshold for lapsed Catholics.

Research commissioned for the anniversary of the Papal Visit demonstrated that the success of the visit continued to be felt a year on with the majority interested in and supportive of the Church's role in society, but issues about abuse remained.

Safeguarding played a major role in 2011, with a number of high profile stories concerning Religious Orders demonstrating the need for a One Church approach, with Religious Orders integrated into the Diocesan structures. The director of CCN was asked by the Holy See to take responsibility for the media direction of the first international conference on Safeguarding to be held by the Catholic Church in Rome in 2012.

The other areas of focus were the establishment of the Ordinariate in England and Wales; the introduction of the new translation of the Missal; World Youth Day in Madrid. These were all successfully handled by CCN with negative reporting minimised in the first two instances. For World Youth Day, over 50 young people were media trained for Madrid and now form a resource for the Dioceses to use in their communications.

Ready for launch in 2012, considerable work was done on the Bishops' Conference website in 2011. Good practice from the Papal Visit website was incorporated into the updated Bishops' website, enabling easier navigation, improved

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Catholic Communications Network (CCN) (continued)

presentation of the Church's activities and greater interactivity. Plans are also progressing for detailed databases with a view eventually to move the Catholic Directory online. The next 12 months will see an initial launch, further improvements and increased use as Bishops' Conference communication continues its strategy of disintermediation.

Close collaboration will continue, under the guidance of the President, Archbishop Vincent Nichols, and general secretary, Mgr Marcus Stock, of the Bishops' Conference, with all departments to help ensure appropriate coverage of the Bishops' activities and the promotion of the Gospel in wider society.

Catholic Safeguarding Advisory Service (CSAS)

One vital aspect of CSAS work as set out in "Safeguarding with Confidence" Report of the Cumberlege Commission is to ensure the Church's policies on safeguarding are kept up to date with the best secular practice whilst being accessible to all within the Church. To comply with this CSAS initiated a cycle of reviews for all policy areas.

In 2011 a review commenced of the National Policy for Creating a Safe Environment to take account of developments in such as use of mobile phone technology, social networking sites, internet "pornography" and also issues of concern when working with vulnerable adults.

The review of the National Organisational Structures Policy referred to in 2010 as completed has given rise to 10 recommendations which were being implemented throughout 2011. This included introducing national standards in regard to:-

- Training for priests;
- Training for Commission members;
- Effective communication between those with safeguarding responsibilities in the Dioceses (Trustees, Commission Chairs, Bishops etc).

Throughout 2011 a significant series of consultation exercises and events were held to determine how best to support safeguarding within the Religious. CSAS were commissioned by the Conference of Religious and the National Catholic Safeguarding Commission to lead this work

A proposed best practice model was developed, premised on a "One Church" approach and building on the strength of the structure already in place within Dioceses. This will be presented formally to the Conferences of the Religious and of Bishops in 2012 for their endorsement. Work continued in developing a dialogue with survivor support organisations and individual survivors as to how best to respond pastorally to survivors of abuse in a Church setting to effect healing, justice and reconciliation. This is a most sensitive and difficult area of work but has resulted in a draft document for further work entitled "Towards Healing."

In June 2011 we organised, co-ordinated and hosted the Anglophone Conference which took place in Rome. We attracted 55 delegates from 20 countries who enjoyed thought provoking inputs including:-

- Learning from Research – Dr Karen Terry of John Jay College of Criminal Justice;
- Learning from Survivors – Colm O'Gorman, Psychotherapist, Author and Survivor of Abuse;
- Learning from Practice – Dr Joe Sullivan, Forensic Psychologist.

Auditing safeguarding within the Dioceses has continued throughout 2011 as has management and servicing of the National Preliminary Enquiry and Review Protocols.

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Grant-Making Policy

A significant part of the support offered by the Bishops' Conference to national initiatives is through the grants that are made by the Trust. The Trustees have therefore agreed a grant making policy to be applied by the Grants Committee.

Many of the bodies receiving grants from CaTEW have been established or promoted by the Bishops' Conference and are Charitable Trusts. The subscriptions to the Ecumenical Instruments are transferred to Churches Together in Britain and Ireland, a charitable Trust established as part of the ecumenical relations between the Churches in these countries.

Achievements and performance

Faith in the Future

Faith in the Future, the Trust's fundraising initiative, has continued its work throughout the year.

Faith in the Future is led by an Assistant General Secretary, has one development officer, a part time consultant, and a trustee of CaTEW has particular responsibility for fundraising. At the end of 2011 £4.2 million had been raised in gifts and pledges to support the work of *Faith in the Future*; £4.1 million of which had been actually received, £111,000 to be received in 2012.

Papal Visit

The Papal State Visit of Pope Benedict XVI to the United Kingdom in September 2010 brought many blessings to this country. It was a historic visit, the first ever official State Visit by a Pope to the UK. The Papal visit gave an unprecedented opportunity to strengthen ties between the UK and the Holy See on action to tackle poverty and climate change as well as the important role of faith in creating strong and cohesive communities

Income reported in 2011 relates to donations received late in respect of the Papal Visit, and royalty income. Expenditure incurred represents wrap up costs associated with the event.

It is anticipated that with no further trading the Papal Visit companies will be wound up during 2012.

Income and Expenditure

In 2011 the income of the Trust from all sources was £5,184,166. The main sources are assessments on the Dioceses of England and Wales mandated by the Bishops, and parish collections agreed by the Bishops for the purposes of the Bishops' Conference and associated agencies and offices. Authorised parish collections received by CaTEW are taken on Home Mission Sunday (to support Evangelisation work), World Communications Day (to support CCN) and the Day for Life (to support the Anscombe Bioethics Centre and the pro-life activities of the Conference).

During 2011, £82,921 was raised by way of individual donations and national collections towards the Papal Visit along with £1,050 of other voluntary income raised in support of this activity.

Other income is derived from investments, grants and property. During 2011 the Trust continued to develop the *Faith in the Future* fundraising capacity which during this year raised £789,099.

Total expenditure for the year was £4,033,038. The expenditure of the Trust is analysed in detail in the accounts attached to this report.

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Achievements and performance (continued)

CaTEW employs staff to carry out the work of the Departments, which also rely heavily on the participation of volunteers who serve as committee members and advisers.

Financial review

The results for the year are shown on page 18. A detailed analysis of the results is provided on pages 23 to 40. The net movement in funds for the year was a surplus of £1,024,247 (2010 - £595,778).

The balance sheet shows total reserves of £12,069,510. Restricted funds of £2,257,280 represent unexpended balances held on trust to be applied for specific purposes. A further £8,467,051 has been set aside as designated funds as it is either tied up in fixed assets or designated for a specific future use and so not freely available. Designated funds include £4,449,148 which represents the net book value of the charity's tangible fixed assets, £1,991,282 which represents the value of the investment properties, £1,369,628 which represents the value of the programme related investments, and £656,994 which represents funds held for use at the discretion of the General Secretary for project work. The remaining funds amounting to £1,345,179 are the general funds or 'free' reserves as defined by the Charity Commission and are discussed in the following paragraphs.

Reserves policy

CaTEW's operational policy is to try to ensure that it has adequate free reserves to meet its continuing charitable obligations and day-to-day working capital requirements.

CaTEW is reliant upon Diocesan assessments for a significant proportion of its income, which are agreed annually by the Bishops' Conference.

Currently, CaTEW aims to have the equivalent of up to one year's unrestricted expenditure approximately £1,400,000 in free reserves as defined by the Charity Commission. This level will be kept under review to ensure that there are sufficient reserves to meet new initiatives from the Bishops.

The value of CaTEW's free reserves at 31 December 2011, following principles established by the Charity Commission, was £1,345,179 or eleven months of expenditure. The trustees are of the opinion that these reserve levels are adequate.

Investment policy

The trustees have adopted a general statement of an ethical investment policy:

The Catholic Church's understanding of Ethical Investment is drawn from a series of "social encyclicals" which followed from Pope Leo XIII's own encyclical letter *Rerum Novarum* of 1891. That document set out to restore in contemporary industrial society the priority of the human over the economic, and the spiritual and moral over the material.

In the management of investments both Charity Law and Church teaching apply.

Under Charity Law, the trustees must seek to obtain the best financial return possible consistent with commercial prudence. Following the Church's teaching, the trustees also seek to maintain an ethical investment policy through a process of making value judgements about the products, services and corporate practices as well as their financial efficacy. Their judgements and decisions to invest or disinvest, and of seeking to change through shareholder action, reflect particularly that teaching which promotes the dignity and sanctity of human life and the importance of society in general.

Trustees' report 31 December 2011

Financial review (continued)

This has been communicated to the investment managers of the Trust and, through regular meetings with them and periodic assessment by the Finance Investment Sub-Committee, its implementation is kept under review.

The trustees appreciate the importance of choosing a suitable long-term investment strategy and benchmark. The trustees' current investment strategy emphasises income generation as opposed to capital growth, with the aim being to produce an income yield of 3.5%. Accordingly, the investment managers are instructed to report against appropriate benchmarks. The portfolio achieved an average income yield of 3.3% in 2011.

Plans for the future

During 2012, it is planned that the strategic review will continue with a re-profiling of the priority work areas of the Bishops in order to refocus the work of the Trust towards these areas.

Signed on behalf of the trustees



Mgr Michael McKenna

Trustee

Approved by the board on: 05/07/12

Independent auditors' report 31 December 2011

Independent auditors' report to the members of Catholic Trust for England and Wales

We have audited the financial statements of the Catholic Trust for England and Wales for the year ended 31 December 2011 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company and charitable company's members 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, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2011 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report 31 December 2011

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures or trustees' remunerations specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

K.S. - LSE LLP

Senior Statutory Auditor

8/8/2012

Date

Devonshire House
60 Goswell Road
London
EC1M 7AD

For and on behalf of Kingston Smith LLP, Statutory Auditors

**Consolidated Statement of Financial Activities
(including Income and Expenditure Account)**

31 December 2011

	Notes	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Income and expenditure					
Incoming resources					
Incoming resources from generated funds					
. Voluntary income					
.. Diocesan assessments	1	1,667,847	284,050	1,951,897	1,667,848
.. Other voluntary income	2	721,382	1,737,326	2,458,708	1,374,109
..Other voluntary income – Papal Visit	3	—	83,971	83,971	9,858,979
. Activities for generating funds	4	103,847	15,291	119,138	1,692,847
. Investment income	5	317,079	—	317,079	343,164
Incoming resources from charitable activities	6	26,004	38,020	64,024	116,594
Other incoming resources		—	189,349	189,349	143,058
Total incoming resources		2,836,159	2,348,007	5,184,166	15,196,599
Resources expended					
Costs of generating funds	7	25,477	237,226	262,703	1,496,246
Charitable activities					
. Bishops' Meetings, General Activities and Grant Making	9	529,707	—	529,707	534,779
. Catholic Education and Formation	10	40,009	56,245	96,254	80,360
. Christian Life and Worship	11	106,545	—	106,545	112,121
. Christian Responsibility and Citizenship	12	238,314	325,736	564,050	699,795
. Dialogue and Unity	13	80,918	103,000	183,918	226,859
. Evangelisation and Catechesis	14	18,435	169	18,604	30,823
. International Affairs	15	192,898	41,259	234,157	223,228
. Catholic Communications Network (CCN)	16	—	589,102	589,102	458,581
. Catholic Safeguarding Advisory Service (CSAS)	17	65,012	315,095	380,107	397,928
. Papal Visit	18	—	30,507	30,507	10,208,042
. Other Projects	19	86,992	932,687	1,019,679	459,309
Governance costs	20	17,705	—	17,705	41,149
Total resources expended		1,402,012	2,631,026	4,033,038	14,969,220
Net incoming resources before transfers and investment asset disposals		1,434,147	(283,019)	1,151,128	227,379
Transfers between funds	29	(453,555)	453,555	—	—
Net (outgoing) incoming resources before investment asset disposals		980,592	170,536	1,151,128	227,379
Realised gains (losses) on disposal of investments		34,293	—	34,293	71,495
Net incoming (outgoing) resources before unrealised gains (losses) on investments		1,014,885	170,536	1,185,421	298,874
Unrealised gains (losses) gains on investments		(161,174)	—	(161,174)	296,904
Net movement in funds		853,711	170,536	1,024,247	595,778
Fund balances brought forward at at 1 January 2011		8,958,519	2,086,744	11,045,263	10,449,485
Fund balances carried forward at 31 December 2011		9,812,230	2,257,280	12,069,510	11,045,263

All of the charity's activities were derived from continuing operations during the above two financial periods.

The statement of Financial Activities includes all gains and losses recognised in the current and preceding year.

Balance sheets 31 December 2011

	Notes	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Fixed assets					
Tangible assets	23	4,449,148	3,449,235	4,449,148	3,449,235
Investments					
. Listed investments, investment in subsidiary companies and investment property	24	5,252,526	5,706,464	5,277,526	5,731,464
. Programme related investments	25	1,369,628	1,379,628	1,369,628	1,379,628
		<u>11,071,302</u>	<u>10,535,327</u>	<u>11,096,302</u>	<u>10,560,327</u>
Current assets					
Debtors	26	304,637	2,324,885	298,949	271,109
Cash at bank and on deposit		3,522,275	7,698,484	3,470,881	7,657,854
		<u>3,826,912</u>	<u>10,023,369</u>	<u>3,769,830</u>	<u>7,928,963</u>
Creditors: amounts falling due within one year	27	(2,828,704)	(7,379,675)	(2,952,742)	(7,323,201)
Net current assets		<u>998,208</u>	<u>2,643,694</u>	<u>817,088</u>	<u>605,762</u>
Total assets less current liabilities		<u>12,069,510</u>	<u>13,179,021</u>	<u>11,913,390</u>	<u>11,166,089</u>
Creditors: amounts falling due after one year					
Deferred income and other creditors	28	—	(2,133,758)	—	(133,758)
Total net assets		<u>12,069,510</u>	<u>11,045,263</u>	<u>11,913,390</u>	<u>11,032,331</u>
Represented by:					
Funds and reserves					
Restricted funds	29	2,257,280	2,086,744	2,114,098	2,086,744
Unrestricted funds					
. Designated funds	30	8,467,051	6,820,145	8,467,051	6,820,145
. General fund		1,307,247	2,100,442	1,332,241	2,125,442
. Non charitable trading funds		37,932	37,932	—	—
		<u>12,069,510</u>	<u>11,045,263</u>	<u>11,913,390</u>	<u>11,032,331</u>

Approved by the trustees and authorised for issue on 05/07/12

Mgr Michael McKenna



Trustee

Approved on: 05/07/12

Company registration number: 4734592

Consolidated Cash Flow Statement for the period ended 31 December 2011

	Notes	2011 £	2010 £
Net cash (outflow)/inflow from operating activities	a	(3,508,553)	4,375,809
Return on investments			
Interest received		30,280	48,349
Dividends received		80,598	60,848
Capital expenditure and financial investment		(1,151,591)	(132,081)
Purchase of tangible fixed assets		818,191	1,109,290
Sale of Investments			
Purchase of Investments		(491,134)	(1,096,424)
Financing			
Debt due beyond a year:			
New loan repayable in 2012		-	2,000,000
Repayment of programme related investment		10,000	10,000
(Decrease)/Increase in Cash at bank		<u>(4,176,209)</u>	<u>6,375,791</u>

Notes to the cash flow statement

(a) reconciliation of net movement on funds to net cash (outflow)/inflow from operating activities

	2011 £	2010 £
Net incoming resources before investment asset disposals	1,151,128	227,379
Less: Investment income received	(110,878)	(109,197)
Depreciation	115,678	99,624
(Increase)/decrease in debtors	2,020,248	(2,062,574)
Increase/(decrease) in creditors	(6,684,729)	6,220,577
Net cash outflow	<u>(3,508,553)</u>	<u>4,375,809</u>

(b) Analysis of net cash resources

	1 January 2011 £	cashflow £	31 December 2011 £
Cash at bank and on deposit	<u>7,698,484</u>	<u>(4,176,209)</u>	<u>3,552,275</u>

Principal Accounting Policies 31 December 2011

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of certain tangible fixed assets at a valuation and the inclusion of investment assets at market value, and in accordance with applicable Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006 and the Statement of Recommended Practice on "Accounting and Reporting by Charities" (SORP 2005).

Basis of consolidation

The consolidated financial statements represent the transactions and financial position of the charity and its wholly owned subsidiaries. The charity has taken advantage of the exemption afforded in S230 of the Companies Act 1985 and has not presented its own statement of financial activities.

The results of the wholly owned subsidiary company Colloquium (CaTEW) Limited, Papal Visit Limited and Papal Visit 2010 Limited have been included on a line by line basis within the group financial statements of the charity excluding inter group transactions.

No separate statement of financial activities has been presented for the charity alone, as permitted by s408 of the Companies Act 2006 and paragraph 397 of SORP 2005. The Catholic Trust for England and Wales had total incoming resources of £5,184,166 (2010 – £13,869,127) and net incoming resources of £1,024,247 (2010 – £595,778).

Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Where income is received specifically for application in a future accounting period it is carried forward as deferred income in the balance sheet and recognised as income in that future accounting period.

Incoming resources are not recognised as income where the charity acts solely as a collection agent and has no control over the application of those funds.

Resources expended

Resources expended are included in the statement of financial activities on an accruals basis, inclusive of irrecoverable VAT, and comprise the following:

- ◆ The costs of generating funds include fees paid to investment managers in connection with the management of the charity's listed investments, and staff costs and other direct costs associated with fundraising and the generation of voluntary income.
- ◆ Charitable activities comprise expenditure on the charity's primary charitable purposes as analysed on the face of the statement of financial activities. This includes grants payable in support of other charitable organisations, which are included in the statement of financial activities when approved for payment. Provision is made for grants approved but unpaid at the year end.
- ◆ Governance costs comprise the costs directly attributable to the organisational procedures and necessary legal procedures for compliance with statutory requirements.
- ◆ Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment. The costs are allocated to each charitable activity heading on the basis described in note 8.

Tangible fixed assets

All assets costing more than £500 and with an expected useful life of more than one year are capitalised.

Depreciation is provided at the following rates per annum in order to write the assets off over their estimated useful lives:

Principal Accounting Policies 31 December 2011

- ◆ Freehold buildings 1% reducing balance
- ◆ Furniture and equipment 25% on cost

A full years' depreciation is charged in the year of acquisition and none in the year of disposal. Where assets have been transferred from predecessor charities they have been initially recognised at the agreed value on transfer. In most cases this was the book value at the time of transfer. These assets are depreciated in equal instalments over the remainder of their useful life, measured from the time of their original acquisition. The Trustees review the valuation of the building annually for impairment in its value.

Listed investments, investment in subsidiary companies and investment property

Fixed asset investments including investment property and excluding the investment in the trading subsidiary, are included in the financial statements at their market value as at the balance sheet date. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise. The investment in the subsidiary companies is included in the financial statements at cost.

Programme related investments

These are shown in the balance sheet at cost. Any gain or loss arising from disposal or impairment is credited or charged to the statement of financial activities.

Funds structure

The charity holds restricted funds, representing monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

The remainder, and greater part, of the charity's funds are unrestricted, and can be used at the discretion of the trustees in furtherance of the charity's objectives. These funds are divided between funds designated by the trustees for specific purposes and funds available for general use.

Further details of the charity's funds are given in the notes to the financial statements.

Pension costs

Contributions in respect of defined contribution schemes are recognised in the statement of financial activities in the year in which they are payable to the scheme.

Leasing

Rental payable under operating leases are charges against income on a straight line basis over the lease term.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to statement of financial activities.

Notes to the financial statements 31 December 2011

1 Diocesan assessments

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Arundel and Brighton	87,492	14,941	102,433	87,492
Birmingham	135,064	23,065	158,129	135,064
Brentwood	87,159	14,884	102,044	87,159
Cardiff	34,265	5,851	40,116	34,265
Clifton	55,888	9,544	65,433	55,888
East Anglia	30,439	5,198	35,637	30,439
Hallam	21,291	3,636	24,927	21,291
Hexham and Newcastle	103,959	17,753	121,712	103,959
Lancaster	42,083	7,186	49,269	42,083
Leeds	78,177	13,350	91,528	78,177
Liverpool	119,428	20,395	139,823	119,428
Menevia	333	57	389	333
Middlesbrough	29,940	5,113	35,053	29,940
Northampton	52,728	9,004	61,732	52,728
Nottingham	66,700	11,390	78,091	66,700
Plymouth	36,427	6,221	42,648	36,427
Portsmouth	82,835	14,146	96,980	82,835
Salford	116,933	19,969	136,902	116,933
Shrewsbury	81,837	13,975	95,812	81,837
Southwark	145,044	24,769	169,813	145,045
Westminster	251,997	43,034	295,031	251,998
Wrexham	3,327	568	3,895	3,327
	1,663,347	284,050	1,947,397	1,663,348
Contribution from Bishopric of the Forces	4,500		4,500	4,500
	1,667,847	284,050	1,951,897	1,667,848

Diocesan assessments are contributions from dioceses to support the work of the Bishop's Conference.

Notes to the financial statements 31 December 2011

2 Other voluntary income

	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Legacies	—	8,825	8,825	44,727
Grants	3,109	200,000	203,109	—
General donations	718,273	—	718,273	2,456
Donations towards the costs of				
. Ordinarariate of Our Lady of Walsingham	—	99,772	99,772	—
. Communications	—	636	636	—
. Evangelisation	—	22,644	22,644	31,104
. Parliamentary Internship Programme	—	226	226	1,500
. Safeguarding	—	—	—	3,249
. Vocations	—	4,750	4,750	505
. Prison Chaplaincy Project	—	24,375	24,375	—
. Youth work	—	—	—	515
. Holy Land & Middle East	—	1,397	1,397	10,205
. Relics of St Therese	—	8,029	8,029	343
Donations received from <i>Faith in the Future</i> fundraising initiative	—	789,099	789,099	610,584
World Communications Day	—	175,348	175,348	239,754
Day for Life	—	303,431	303,431	283,740
Home Mission Sunday	—	98,793	98,793	145,427
Total	721,382	1,737,326	2,458,708	1,374,109

3 Other voluntary income – Papal Visit

	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Donations towards the costs of				
. Papal Visit	—	1,050	1,050	6,240,035
Donations from Papal Visit major donors and the national collection	—	82,921	82,921	3,618,944
Total	—	83,971	83,971	9,858,979

4 Activities for generating funds

	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Trading income of subsidiaries	103,847	15,291	119,138	1,692,847

Notes to the financial statements 31 December 2011

5 Investment income

	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Income from listed investments				
. Fixed interest	27,365	—	27,365	45,031
. UK equities	62,204	—	62,204	42,151
. Overseas equities	7,567	—	7,567	7,072
. Common investment funds	4,278	—	4,278	3,910
. Other listed investments	6,549	—	6,549	7,715
	107,963	—	107,963	105,879
Income from investment property				
. Rental income	109,700	—	109,700	133,967
Other rent receivable	96,501	—	96,501	100,000
Interest receivable				
. Bank interest	2,915	—	2,915	3,318
Total	317,079	—	317,079	343,164

6 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Conference income	26,004	38,020	64,024	116,594

Notes to the financial statements 31 December 2011

7 Costs of generating funds

	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Papal Visit fundraising costs	—	—	—	52,308
Faith in the Future fundraising costs				
. Staff costs	—	49,720	49,720	17,901
. Other operating costs	—	133,639	133,639	39,794
. Allocated costs (Note 8)	—	30,431	30,431	33,017
	—	213,790	213,790	90,712
Investment management costs	23,168	—	23,168	22,168
Costs of trading subsidiary				
. Colloquium	2,309	—	2,309	3,586
. Papal Visit 2010 Limited	—	23,436	23,436	1,327,472
Total	25,477	237,226	262,703	1,496,246

8 Support costs and allocation

Support costs and the basis of their allocation were as follows:

	2011 Costs £	Basis of apportionment
Staff costs	323,493	Pro rata basis
Premises costs – Eccleston Square	146,410	Head count
Other costs	175,509	Pro rata basis
	645,412	

No support costs have been allocated to governance costs as the amounts involved would be immaterial.

The above costs have been allocated to each charitable activity as follows:

	£
Costs of Generating funds (note 7)	30,431
Bishops' Meetings, General Activities and Grant Making (note 9)	82,134
Catholic Education and Formation (note 10)	25,093
Christian Life and Worship (note 11)	26,561
Christian Responsibility and Citizenship (note 12)	82,564
Dialogue and Unity (note 13)	28,107
Evangelisation and Catechesis (note 14)	1,365
International Affairs (note 15)	57,248
Catholic Communications Network (note 16)	130,448
Catholic Safeguarding Advisory Service (CSAS) (note 17)	65,012
Other Projects (note 19)	116,449
	645,412

Notes to the financial statements 31 December 2011

9 Bishops' Meetings, General Activities and Grant Making

	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Accommodation and other costs	298,130	—	298,130	304,461
Allocated support costs (note 8)	82,134	—	82,134	76,021
Foreign exchange gains/(losses)	1,118	—	1,118	(1,536)
Grant making:				
MACSAS	2,000	—	2,000	2,000
Caritas Social-Action Network	56,000	—	56,000	56,000
National Board of Catholic Women	9,800	—	9,800	9,800
NBCW (Development Officer)	13,000	—	13,000	13,000
National Conference of Priests	877	—	877	9,000
National Council of Lay Associations	7,600	—	7,600	7,600
Churches Committee Hospital Chaplaincy	4,000	—	4,000	4,000
SIGNIS (OCIC)	1,766	—	1,766	1,776
DCO's Forum	900	—	900	1,575
Churches Media Council	6,300	—	6,300	6,300
Diocesan Newspaper Editors' Forum	250	—	250	250
Lisbonian Society	5,000	—	5,000	4,500
Subscriptions				
Churches Legislation Advisory Service	18,000	—	18,000	18,000
Council of European Bishops' Conferences (CCEE)	8,453	—	8,453	8,697
Commission of the Bishops' Conference of the European Community (COMECE)	14,379	—	14,379	13,335
Total	529,707	—	529,707	534,779

10 Catholic Education and Formation

	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Staff costs	1,726	34,173	35,899	37,160
Other operating costs	13,190	22,073	35,263	22,489
Allocated support costs (note 8)	25,093	—	25,093	20,711
Total	40,008	56,245	96,253	80,360

11 Christian Life and Worship

	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Staff costs	52,135	—	52,135	50,559
Other operating costs	27,849	—	27,849	34,805
Allocated support costs (note 8)	26,561	—	26,561	26,757
Total	106,545	—	106,545	112,121

Notes to the financial statements 31 December 2011

12 Christian Responsibility and Citizenship

	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Staff costs	152,464	29,279	181,743	172,663
Other operating costs	27,581	78,222	105,803	140,149
Allocated support costs (note 8)	58,269	24,295	82,564	82,664
Grant making:				
Day for Life grants	—	88,000	88,000	211,386
Linacre Centre *	—	50,000	50,000	50,000
Joint Bio-ethics	—	3,870	3,870	3,870
Parliamentary Internship grants	—	52,070	52,070	39,063
Total	238,314	325,736	564,050	699,795

* CaTEW assumed the sole trusteeship of the Linacre Centre on 27 February 2006

13 Dialogue and Unity

	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Staff costs	30,762	—	30,762	61,237
Other operating costs	22,048	—	22,048	26,533
Allocated support costs (note 8)	28,107	—	28,107	33,089
Subscriptions and ecumenical instruments	—	103,000	103,000	106,000
Total	80,918	103,000	183,918	226,859

14 Evangelisation and Catechesis

	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Staff costs	1,726	—	1,726	3,716
Other operating costs	344	169	513	8,536
Grants: CYMFED	15,000	—	15,000	15,000
Allocated support costs (note 8)	1,365	—	1,365	3,571
Total	18,435	169	18,604	30,823

15 International Affairs

	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Staff costs	85,264	40,785	126,049	125,321
Other operating costs	50,387	473	50,860	47,550
Allocated support costs (note 8)	57,248	—	57,248	50,357
Total	192,899	41,259	234,158	223,228

Notes to the financial statements 31 December 2011

16	Catholic Communications Network (CCN)				
		Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
	Staff costs	—	324,450	324,450	240,758
	Other operating costs	—	134,204	134,204	104,384
	Allocated support costs (note 8)	—	130,448	130,448	113,439
Total	—	589,102	589,102	458,581	
17	Catholic Safeguarding Advisory Service (CSAS)				
		Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
	Staff costs	—	230,704	230,704	230,538
	Other operating costs	—	84,391	84,391	106,507
	Allocated support costs (note 8)	65,012	—	65,012	60,883
Total	65,012	315,095	380,107	397,928	
18	Papal Visit				
		Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
	Staff costs	—	7,213	7,213	220,239
	Other operating costs	—	23,294	23,294	9,987,803
	Total	—	30,507	30,507	10,208,042

Notes to the financial statements 31 December 2011

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Other Projects

	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Staff costs	—	112,227	112,227	78,007
Other operating costs	—	207,704	207,704	94,677
Ordinariate of Our Lady of Walsingham	—	349,772	349,772	—
Lisbon Trust	—	7,730	7,730	5,960
Papal Visit	—	—	—	—
Relics of St Therese	—	—	—	—
Safeguarding Implementation Group	—	37,016	37,016	20,544
Catholic Students International Chaplaincy Fund	—	20,000	20,000	20,000
Allocated support costs (note 8)	86,992	29,457	116,449	71,776
Grant making:				
Celebrating Family Fund Grants	—	130,781	130,781	158,345
Living and Dying well grant	—	13,000	13,000	—
Priest's Training grant	—	25,000	25,000	—
Social Teaching grants	—	—	—	10,000
Total	86,992	932,687	1,019,679	459,309

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Governance costs

	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Auditors remuneration				
. Audit fees	15,530	—	15,530	25,030
. Other fees	—	—	—	13,543
Trustees' expenses	2,175	—	2,175	2,576
Other governance costs	—	—	—	—
	17,705	—	17,705	41,149

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Staff costs and trustees' remuneration

	2011 £	2010 £
Staff costs during the year were as follows:		
Wages and salaries	1,261,187	1,324,701
Social security costs	132,981	136,991
Other pension costs	66,356	48,975
Total staff costs	1,460,524	1,510,667

Notes to the financial statements 31 December 2011

21 Staff costs and trustees' remuneration (continued)

Staff numbers per function, calculated on both an average basis and on a full time equivalent (FTE) basis, were as follows:

	2011 Average	2010 Average	2011 FTE	2010 FTE
General Secretariat	23	23	21	27
Catholic Communications Network	7	6	7	6
CSAS	5	5	5	5
National Office for Vocation	2	1	2	1
	37	35	35	39

The number of employees earning £60,000 per annum or more (including benefits) during the year was:

	2011	2010
£60,001 – £70,000	1	1
£70,001 - £80,000	1	1
	2	2

Total employer contributions to money purchase schemes in respect of employees who earned £60,000 or more during the year amounted to £22,392 (2010 - £21,953).

None of the trustees received any remuneration for their services in the year (2010 – none). Travel expenses of £2,175 (2010 - £2,576) were reimbursed to four (2010 – four) trustees during the year.

Trustees' indemnity insurance was purchased during the year. The premium is shared with other organisations and the amount attributable to the charity is not separately identified.

22 Taxation

The Catholic Trust for England and Wales is a registered charity and therefore is not liable to corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the financial statements 31 December 2011

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Tangible fixed assets

Group and charity	Freehold properties £	Furniture, fittings and computer equipment £	Total £
Cost or valuation			
As at 1 January 2011	3,539,371	286,153	3,825,524
Additions	1,037,982	77,609	1,115,591
Disposals	-	(32,972)	(32,972)
As at 31 December 2011	4,577,353	330,790	4,908,143
Depreciation			
As at 1 January 2011	187,117	189,172	376,289
Charge for the year	44,155	71,523	115,678
Disposals	-	(32,972)	(32,972)
As at 31 December 2011	231,272	227,723	458,995
Net book values			
At 31 December 2011	4,346,081	103,067	4,449,148
At 31 December 2010	3,352,254	96,981	3,449,235

As permitted under FRS 15, the charity has continued to adopt a policy of not revaluing its tangible fixed assets. The book value of freehold properties is based upon book value at the time of transfer from predecessor charities in 2003.

It is likely that there are material differences between the open market values of the charity's freehold properties and their book values. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of the trustees, is not justified in terms of the benefits to the users of the accounts.

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Investments

	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Investment properties (UK) (note a)	1,991,282	1,991,282	1,991,282	1,991,282
Listed investments (note b)	3,261,244	3,715,182	3,261,244	3,715,182
Investment in subsidiary companies (UK) (note c)	—	—	25,000	25,000
	5,252,526	5,706,464	5,277,526	5,731,464

Notes to the financial statements 31 December 2011

(a) Investment properties

Group and charity	Freehold land and buildings £
Valuation	
At 1 January 2011 and 31 December 2011	1,991,282

(b) Listed investments and cash held for re-investment

Group and charity	2011 £	2010 £
Listed investments		
Market value at 1 January 2011	3,320,127	3,217,177
Additions at cost	697,297	843,841
Disposal proceeds	(818,191)	(1,109,290)
Net investment (losses)/gains	(126,881)	368,399
Market value at 31 December 2011	3,072,352	3,320,127
Cash held by investment managers for re-investment	188,892	395,055
	3,261,244	3,715,182
 Cost of listed investments at 31 December 2011	 2,774,251	 2,748,650

All listed investments were dealt on recognised stock exchanges.

Listed investments held at 31 December 2011 comprised the following:

Group and charity	2011 £	2010 £
UK fixed interest	771,475	937,572
Overseas holdings	667,090	860,670
UK equities	1,451,739	1,258,660
Property funds	83,874	103,545
Other listed investments	98,174	159,680
	3,072,351	3,320,127

At 31 December 2011 the following individual investment holdings were considered material in the context of the entire listed portfolio as at that date:

Holding	Market value of holding £	% of total portfolio %
Invesco Perpetual Income & Growth Income Units	174,020	5.66%

Notes to the financial statements 31 December 2011

(c) Investment in subsidiary companies

The charity holds 100% of the issued share capital of Colloquium (CaTEW) Limited. This holding was acquired on incorporation of the company on 15 April 2003. Colloquium (CaTEW) Limited is a publishing company registered in England and Wales.

The following is a summary of the financial statements of Colloquium (CaTEW) Limited for the year ended 31 December 2011, which have been included in the consolidated financial statements.

	2011 £	2010 £
Turnover	103,847	50,179
Cost of sales	2,270	(3,438)
Gross profit	101,577	46,741
Interest receivable		—
Administrative expenditure	(39)	(147)
Gift aid	(101,538)	(46,594)
Net profit for the year	-	—
Retained profit at 1 January 2011	12,932	12,932
Retained profit at 31 December 2011	12,932	12,932
Called up share capital	25,000	25,000
At 31 December 2011	37,932	37,932

The charity is the sole member of Papal Visit Limited, a company limited by guarantee and registered charity incorporated in England and Wales. The company was incorporated on 18 May 2010.

The following is a summary of the consolidated financial statements of Papal Visit Limited (including the company's 100% owned trading subsidiary, Papal Visit 2010 Limited, a company registered in England and Wales) for the year ended 31 December 2011, which have been included in the consolidated financial statements.

	2011 £	2010 £
Incoming resources		
Donations	54,774	9,405,156
Activities for Generating Funds	15,291	1,642,668
Incoming Resources from charitable activities	10,966	7,972
Other incoming resources	86,767	18,699
Total Incoming Resources	167,798	11,074,495
Resources expended		
Cost of generating voluntary income	22,369	1,379,781
Charitable activities	2,247	9,674,227
Governance costs	-	20,487
Total resources expended	24,616	11,074,495
Funds at 31 December 2011	143,182	—

Notes to the financial statements 31 December 2011

25 Programme related investments

	2011	2010
Group and charity	£	£
St Luke's Centre	1,000,000	1,000,000
Venerable English College, Rome	369,628	379,628
	1,369,628	1,379,628

St Luke's Centre

The St Luke's Centre was purchased by CaTEW in 2006 to provide a Wellness Centre for Priests operated by the St Luke's Institute of Maryland, USA.

It is a project to minister to our priests and religious women and men who so generously give of themselves to serve others.

After an initial two year rent free period, this asset had started to generate rental income from August 2008. This is not at a commercial level.

Venerable English College (VEC), Rome

This investment relates to funds advanced from a constituent charity, the Lisbon Trust Fund, in 1987 and 1993 totalling £428,700, to give financial support to the college.

The college is a seminary for the training of priests for the dioceses of England and Wales.

The VEC agreed to begin repayment of these monies at the rate of £10,000 per annum, commencing 1 January 2006. The rate of repayment will be reviewed after 10 years and the loan is interest free.

26 Debtors

	Group 2011	Group 2010	Charity 2011	Charity 2010
	£	£	£	£
Prepayments and accrued income	122,462	394,664	104,162	56,548
Other debtors	182,175	1,930,221	91,871	164,937
Amount due from subsidiary undertaking	—	—	102,916	49,624
	304,637	2,324,885	298,949	271,109

27 Creditors: amounts falling due within one year

	Group 2011	Group 2010	Charity 2011	Charity 2010
	£	£	£	£
Expense creditors	30,499	136,085	30,499	67,360
Social security and other taxes	35,643	139,846	35,643	43,002
Accruals and deferred income	384,647	6,901,779	376,647	396,889
Other creditors	377,915	201,965	202,359	195,756
Loan from Society of Jesus	2,000,000			
Amounts due to subsidiary undertakings	—	—	2,307,595	6,620,194
	2,828,704	7,379,675	2,952,742	7,323,201

Notes to the financial statements 31 December 2011

28 Creditors: amounts falling due after one year

	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Deferred income	—	133,758	—	133,758
Loan from Society of Jesus	—	2,000,000	—	—
	—	2,133,758	—	133,758

The subsidiary, Papal Visit Limited, was granted a loan from the Society of Jesus Trust of 1929 for Roman Catholic Purposes (registered charity number 230165) of £2,000,000 for a 18 month duration, with the loan being repayable in May 2012. Interest is not payable on the loan.

29 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances held on trust to be applied for specific purposes.

Group and charity	At 1 January 2011 £	Incoming resources £	Resources expended £	Transfers between funds £	At 31 December 2011 £
Catholic Youth Reserve	5,736	—	—	—	5,736
Diocesan Reserve	100,173	—	—	—	100,173
Day for Life	303,045	303,431	207,985	—	398,491
Olympic Chaplaincy Fund	—	5,000	48,565	51,000	7,435
Priests' Training Fund	—	200,000	123,504	—	76,496
Prison Chaplaincy Project	—	27,950	16,266	—	11,684
Ordinariate of our Lady of Walsingham	—	349,772	349,772	—	—
Religious restructuring project	—	12,000	4,456	—	7,544
Catholic Students International Chaplaincy Fund	612,374	—	20,000	—	592,374
Catholic Communications Network (CCN)	244,927	205,072	589,102	171,474	32,371
Office for Refugee Policy	—	—	41,259	41,259	—
Safeguarding Reserve	—	59,062	315,095	256,033	—
Relics of St Therese	446	—	—	—	446
Safeguarding Implementation Group	—	34,050	37,016	2,966	—
Lisbon Fund	463,671	—	7,730	—	455,941
Faith in the Future *	333,701	802,375	535,062	(194,211)	406,803
CASE	—	121,474	—	(121,474)	—
National Office for Vocations	—	13,250	56,245	42,995	—
Internships	2,032	15,226	105,469	88,211	—
Youth work	—	—	169	169	—
Ecumenical Instruments	—	—	103,000	103,000	—
Other funds	20,509	2,350	16,388	12,133	18,604
Charity restricted funds	2,086,614	2,151,012	2,577,083	453,555	2,114,098
Papal Visit	130	196,995	53,943	—	143,182
Group Restricted funds	2,086,744	2,348,007	2,631,026	453,555	2,257,280

Notes to the financial statements 31 December 2011

29 Restricted funds (continued)

The transfers from general funds to the restricted funds during the year represent additional funds required to assist in the support of various projects. Fund transfers within CASE and Faith in the future represent the allocation of monies to other project work.

The purposes of the main funds (where not apparent from their title) are:

Catholic Youth Reserve

A reserve held previously by the National Catholic Fund for expenditure associated with young people.

Diocesan reserve

A fund to assist dioceses which are in financial need. Small grants have been made from this fund to subsidise home to school transport in remote areas of England and Wales.

Day for Life

An annual Day for Life is celebrated in England and Wales to promote the sanctity of human life. The parish collection taken on the day funds the Bishops' Conference contribution to the Linacre Centre for Healthcare Ethics, the production of pro-life materials and other designated charities as determined annually.

Olympic Chaplaincy reserve

This fund consists of donations made towards and expenditure in support of the contribution of the Catholic Church to the 2012 Olympic Games.

Priests' Training Fund

This fund represents the balance of grant monies received to be used explicitly for the education of seminarians in England and Wales and at the discretion of the Bishops' Conference to support those dioceses most in need of funds for the training of future priests.

Prison Chaplaincy reserve

This fund represents monies collected to support the post of the Catholic Bishops' Prison Advisor within the conference secretariat. This role supports the Dioceses in ensuring the pastoral needs of Catholics in prison are properly met and that the Church is engaged with the Prison Service at national level.

Ordinariate of Our Lady of Walsingham

This was established to collect monies (including a levy agreed by the Bishops) to support the set up costs of the Ordinariate of Our Lady of Walsingham. During the year, the Ordinariate registered as a company and charity in its own right, therefore funds collected were transferred to the new entity.

Religious Restructuring project

This fund represents monies received in order to implement the restructuring of the Religious Safeguarding Commissions.

Catholic Students International Chaplaincy Fund

This fund was transferred by the Catholic Students International Chaplaincy Fund as a restricted fund within the Trust for grant making purposes. The funds remain restricted for five years after the signing of the Trust deed after which point the use of the funds are at the discretion of the Trust.

Notes to the financial statements 31 December 2011

Catholic Communications Network (CCN)

This office of the Bishops' Conference is funded almost entirely by proceeds from the World Communications Day collection in England and Wales specifically for Catholic communications.

Office for Refugee policy

The reserve relates to the balance of a grant from CAFOD, to support the Bishops in addressing the pastoral, social and cultural implications of asylum, trafficking and migration. Funding for this office is one of the elements of the Trust's fundraising policy.

Safeguarding Reserve

This denotes reserves accrued under expenditure for safeguarding activities, including CSAS.

Relics of St Therese

At the request of Cardinal Cormac Murphy-O'Connor and the Bishops of England and Wales, the relics of St Therese of Lisieux visited England and Wales between 16 September and 16 October 2009. This fund represents monies donated to contribute towards the cost of the visit of the relics to England and Wales.

Safeguarding Implementation Group

This fund represents monies set aside to fund the cost of the Safeguarding Implementation Group, who were appointed by the Bishops to review the recommendations of the Cumberlege Commission report, Safeguarding with Confidence.

Lisbon Fund

This fund was inherited from the Lisbon Trust Fund for the purposes of maintaining a property owned by the English College Lisbon to fulfil the requirements of the Holy See on the closure of the seminary. The sale of the property completed during 2008 and the proceeds are to be administered according to the requirements of a 1973 decree of the Holy See.

Faith in the Future initiatives

This represents monies raised under the *Faith in the Future* fundraising initiative as yet unallocated, or to fund the costs of the fundraising function, and funds raised in pursuit of the aims of the Faith in the Future initiative and distributed to other parts of the Church or partners in the mission of the Catholic Church.

Papal Visit

This fund represents donations received towards and the costs incurred in relation to the visit of His Holiness Pope Benedict XVI to the United Kingdom.

Catholic Agency to Support Evangelisation (CASE)

To collect and distribute funds for the Catholic Agency to Support Evangelisation. This is largely funded from the Home Mission Sunday Collection and other donations. The trustees allocate resources from general funds to meet the requirements of this priority area for the Bishops' Conference.

National Office for Vocations

The National Office for Vocations was established in 2002 with a two-fold remit - to develop the Vatican II understanding of vocation in the Church and to promote particular vocations especially priesthood. The trustees allocate resources from general funds to meet the budget requirements of this priority area for the Bishops' Conference.

Notes to the financial statements 31 December 2011

29 Restricted funds (continued)

Internships

In 2002, the Catholic Parliamentary Internship Programme was created to enable graduates to be placed, each year, with Christian MPs at Westminster. The programme includes part time study at Heythrop College, exposure to the work of the Catholic Church at national and international level and regular spiritual guidance. Funding for this programme is one of the elements of the Trust's fundraising policy. The programme has been expanded to graduates being placed both with MPs in Brussels, and executive staff within other agencies of the Bishops' Conference.

Youth work

To collect and distribute that part of the national Youth Sunday collection that the Bishops' Conference allocates through a Diocesan Assessment to Catholic Youth work.

Ecumenical Instruments

To receive Diocesan contributions to the subscriptions made, on behalf of the Catholic Church in England and Wales, to the Ecumenical Instruments in Britain and Ireland.

30 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for a specific purpose:

Group and charity	At 1 January 2011 £	Designated/ released in year £	At 31 December 2011 £
Tangible fixed assets fund	3,449,235	999,912	4,449,147
Investment property fund	1,991,282		1,991,282
Programme related investments fund	1,379,628	(10,000)	1,369,628
Bishops' Initiative Fund	—	637,793	637,793
Secretariat fund	—	19,201	19,201
	6,820,145	1,646,906	8,467,051

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets held as part of the unrestricted funds. A decision was made to separate this fund from the general fund of the charity in recognition of the fact that the tangible fixed assets are essential to the day to day work of the charity and as they are not regarded as realisable with ease in order to meet contingencies.

The investment properties fund and programme related investments fund represents the value of investment properties and programme related investments. A decision was made to separate these funds from the general fund of the charity in recognition that they are not realisable with ease.

The repairs and maintenance fund represents the amount set aside for the major refurbishment and other repair work at the principal office in Eccleston Square. This has been released in the year as the refurbishment work has now been completed in the year.

Notes to the financial statements 31 December 2011

The Bishops' Initiative fund represents a donation given in support of strategic social welfare, family life and leadership initiatives, to be allocated as the Bishops from time to time determine.

The Secretariat fund represents monies set aside in order to complete the restructure of the secretariat and administrative function of the charity.

31 Analysis of net assets between funds

Group	General funds £	Designated funds £	Trading subsidiary £	Restricted funds £	Total 2011 £
Fund balances at 31 December 2011					
Are represented by:					
Fixed assets	—	4,449,148	—	—	4,449,148
Investments	1,555,936	4,017,903	—	1,048,315	6,622,154
Current assets	36,368	—	141,694	3,648,850	3,826,912
Creditors: amounts falling due within one year	(285,057)	—	(103,762)	(2,439,885)	(2,828,704)
Total net assets	1,307,247	8,467,051	37,932	2,257,280	12,069,510

32 Leasing commitments

Operating leases

At 31 December 2011, the charity had annual commitments under non-cancellable operating leases which expire as follows:

	Land and buildings		Equipment	
	2011	2010	2011	2010
	£	£	£	£
Operating leases which expire:				
Within one year	—	—	2,011	—
Within two to five years	13,084	13,084	4,598	8,620
	13,084	13,084	6,609	8,620

33 Contingent liability

As a result of the sale of the Alto Villa of the English College in Portugal, there is a possible tax liability of a maximum of €110,000 which could arise should the Portuguese tax authorities deem the proceeds of the sale of this property as taxable. An application has been made to the tax authorities for confirmation that the proceeds arising from the property sale are not taxable given the legal status of the English College under Portuguese law. The application has requested that the tax authorities give clarification of the situation before the end of 2009. Given the uncertainty regarding the potential tax liability, the trustees deem the likelihood of any payment to the Portuguese tax authorities occurring as being low.