

**Catholic
Trust for
England
and Wales**

Annual Report and Financial Statements

31 December 2010

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 (appointed 14 July 2010) Mr Peter Lomas Mgr John Nelson (appointed 14 July 2010) Mr Michael Prior (appointed 14 July 2010) Canon Nicholas Rotherham Mr Robin Smith Ms Elizabeth Walmsley (appointed 14 July 2010) Dr James Whiston
Company Secretary	Fr Marcus Stock
Management Group	Fr Marcus Stock – General Secretary Alexander DesForges – Director CCN Mgr Andrew Faley – Assistant General Secretary Laurence Fenton – Assistant General Secretary Operations (deceased 29 December 2010) Michaela Kelly – Human Resources Manager Sarah Pearson – Finance Manager 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 2010

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 2010.

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. Due to the generosity of donors in the run up to the Papal Visit, the trustees are expecting a decrease in fundraising donations receivable in 2011. It is therefore imperative that the organisation is run as effectively and efficiently as possible.

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.

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.

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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 our aims and objectives in planning our 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 of England and Wales (CESEW), which is a distinct charity funded through a separate assessment from the Dioceses.

The Bishops of the Department, with the support of the CESEW have engaged in debate with Government on the role of Catholic schools and their contribution to society. The Department has asked that the Curriculum Directory for Religious Education in Catholic Schools be revised and updated. The Department has supported the CESEW in the promotion of Church schools and Higher Education Institutions in the light of new Government legislation relating to Academies, Curriculum and Initial Teacher Training.

The Department continues to support the work of the National Office for Vocation through its newly-appointed Director and staff. 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 remains 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 in 2011 will be 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.

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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 2010 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. During the year the Bishops also reviewed and reaffirmed these strategic aims.

Following the Cumberlege review on child protection in the Church, it was recommended that the work of the Catholic Safeguarding Advisory Service (CSAS) become part of the department. During the year the work of CSAS became further integrated with the completion of a joint project on domestic abuse. The presence of CSAS in the department also helps towards the goal of instilling a culture of safeguarding.

Support of marriage and family life –

In 2010 the capacity of the Marriage and Family Life Project Office increased significantly, both as a result of grant-funding, which enabled staffing levels to increase from 1.1 FTE to 2.1 FTE until 2012, and as a result of a new collaboration with the University of Notre Dame's internship program, through which two students were hosted in 2010. Two new part-time staff, MFL Communications Officer and MFL Projects Advisor were appointed from September to support the identification and dissemination of emerging good practices arising from the Bishops' diocesan marriage and family life funded projects. The internship scheme provided dedicated support during the Spring and Autumn terms, to the Catholic Marriage Preparation Survey 2010 which ran from January to December. In support of the *Passing on the Faith* initiative, a Project Office working group devised and began testing a pilot process for clarifying the roles and responsibilities of families, parishes and schools, in collaboration with the dioceses of Liverpool, Middlesbrough and Plymouth. Also in support of *Passing on the Faith*, the Project Office commenced meetings with '1277', an ecumenical Church toddler strategy group and with the Catholic Grandparents Association with a view to developing work in these areas in 2011. In March the Project Office facilitated a cohort of pastoral leaders to attend an international conference on the Domestic Church at the Catholic University of Leuven. In May the Project Office collaborated with FAMILIAS, the association of diocesan coordinators of family life ministry, in highlighting the role of families in fostering vocations to the priesthood and religious life. Diocesan capacity-building was supported in the autumn through a series of training events addressing fundraising, reflective practice and volunteer management. During the year the Project Officer has continued to coordinate an inter-agency team on domestic abuse, culminating in the launch of the CEDAR (Catholics Experiencing Domestic Abuse Resources) resource in November. The Project Officer has also dedicated time this year to the appointment and continuing supervision of a Mental Health Development Worker.

Support for marginalized and vulnerable people –

Caritas Social Action - A grant to Caritas Social Action Network' (CSAN) 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. In addition, in November 2010 the Bishops Conference mandated CSAN with a key role in a major programme Deepening Social Engagement. By the end of 2010 the outcomes of these were:

- The growth of special interest forums, viz Older People's Services, Schools Services, fundraising
- Enabling staff of CSAN's member organisations to exchange best practice through the above forums
- Producing a mapping exercise on social action within the Catholic community in England and Wales

The impact of this grant is that:

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- beneficiaries of CSAN's member organisations receive a service which is focused on best practice.
- Directors and trustees of the diocesan care agencies and those run by religious orders are better equipped with the information they require to make appropriate and prudential decisions.
- The Bishops and all engaged in social action within the Church are in a much better position to assess unmet need to reflect on how best to enhance the contribution of the Catholic community to deeper social engagement.

The department through a grant to the Catholic Association for Racial Justice (CARJ) also continued to support a Network for Catholics working with Gypsies, Roma and Travellers with regular bulletins and an annual gathering in March 2010.

Mental Health Project - With funds allocated by the Bishops from the Day for Life collection, a project was established in 2010 to develop and disseminate best practice in the pastoral care of those with mental health needs. A project worker was recruited and in October 2010 a grant application process was completed to sponsor local projects judged by experts to offer innovative ways of supporting those with mental health needs, their families and carers, as well as identifying unmet need where the Church can play a role. A governance group was established with mental health experts to oversee the work and advice on the grant awards.

Life issues and the dignity of the person –

During 2010 a significant focus of work concerned the support of Catholics working in healthcare and also the spiritual care of the dying.

A major conference was held in June 2010 at Liverpool Hope University for healthcare professionals "Beginnings and endings; caring for the whole person". This highly successful event was attended by over 180 participants from across the country. It also coincided with the publication of a Practical Guide to the Spiritual care of the Dying person. This was prepared by an expert group within the Healthcare Reference Group and published by CTS. The Guide received excellent reviews and has already been translated into Spanish, Arabic and Italian. The Healthcare reference group continued its work of supporting hospital chaplaincy. The Day for Life in 2010 was on the theme of death and pastoral materials were made available in parishes and on the website in July 2010. The materials provided were aimed to raise awareness and promote good pastoral practice and were widely welcomed.

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 the Equality Bill on which a range of government consultations took place in 2010 and which closely involved Department Bishops and staff.

Activity in this and other areas concerning Westminster and Whitehall were greatly assisted during 2010 by Richard Kornicki CBE as the Bishops Conference Parliamentary Co-ordinator. Working with a new policy officer funded by the Bishops *Faith in the Future* initiative, the capacity for policy and advocacy work was significant and its impact clear in forging closer links with both civil servants and parliamentarians, for whom a series of regular seminar discussions continued in 2010.

The department is also responsible for the Catholic Parliamentary Internship scheme, which placed 7 graduates in 2010-11 under this highly successful and innovative scheme.

The department also organized a private seminar held in Schroders bank with Archbishop Nichols in March 2010 attended by senior figures in the financial sector, and subsequently worked with the Lord Mayor of the City of London in organizing a Conference on 4th October 2010 at the Mansion House on Trust in the City.

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During the year department Bishops and staff were also involved in preparing materials in advance of the General Election.

Dialogue and Unity

The Department continued to develop ecumenical bi-lateral dialogues through the English Anglican – Roman Catholic Committee, the British Methodist – Roman Catholic Committee, the United Reformed – Roman Catholic Committee, the Baptist Union of Great Britain and the Catholic - Oriental Orthodox.

The Department completed the writing of the Bishops' teaching document on relations with other religions *Meeting God in Friend and Stranger*, published in April.

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

Funds have been used to drive a series of meetings to pursue the objectives described above. 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 of the core issues.

Evangelisation and Catechesis

The Department has supported the Bishops in their preparation for the Papal Visit, especially by providing guidance for the production of resources for the Home Mission initiatives with the Catholic Communications Network.

The Department has supported an initiative to explore the production of an adult catechism to develop theological literacy among adult Catholics.

The Department has continued to develop relations with the Catholic Youth Ministry Federation (CYMFed) and has supported its production of the vision document *Called to a Noble Adventure*. The Department has continued to support CYMFed in its oversight of national and international youth ministry matters including Youth Sunday and World Youth Day 2011.

The Department has liaised with Bible Society to produce resources for adult Catholics based on the Post-Synodal Apostolic Exhortation *Verbum Domini*.

International Affairs

The Department for International Affairs retains its focus on five major themes: migration (through the Office for Migration Policy); environmental justice; European affairs and COMECE; religious freedom and the Global Common Good.

The work on religious freedom, especially through support for the local churches in the Middle East occupied much of the Department's resources during 2010, principally through the Holy Land Coordination, as well as associated projects elsewhere in the region. During 2011 this support will develop a greater ecumenical dimension particularly through a

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partnership between the Archbishops of Canterbury and Westminster, part of which will involve a major conference in July 2011. The Friends of the Holy Land association has continued its expansion during the year and this looks set to continue over the next year. Both these significant developments arose as a result of the remarkable apostolic visit of Pope Benedict XVI.

The Office for Migration Policy (OMP) worked extensively with other organisations to end the detention of children for immigration purposes. In a positive development the Coalition government has now committed itself to ending the practise. The OMP also created a national forum for those involved in diocesan migration work. During 2011 the OMP will work extensively on the scourge of human trafficking to provide a more integrated pastoral response for those who have been trafficked into England and Wales. This will take place in collaboration with a broad range of partners, including the statutory authorities.

Elsewhere the Department continued to work in solidarity with the Zimbabwean bishops and this will continue into 2011.

Catholic Communications Network (CCN)

CCN provides a communications service to 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.

The CCN is funded by the World Communications Day Collection, with an annual contribution from an independent donor for the website and digital development Archbishop-elect of Cardiff George Stack took on the responsibility of bishop with special responsibilities to communications. He remains in that role subject to any changes brought about once he is installed as Archbishop of Cardiff.

In 2010, 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 2010, 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. 2010 also saw the integration of the Home Mission Desk into CCN and all of the work delivered covers Home Mission as well as Communications.

However, 2010 was dominated by one event: the Papal Visit to the UK. The director to the CCN was asked by the Holy See to be the media director for the Papal Visit and the team took the lead on all planning and delivery of media operations, liaising with UK, local and Scottish government, broadcasters, all media outlets, events planning companies, police and all individual events' hosts (from St Mary's Twickenham to Westminster Abbey) on planning and delivery.

It should also be noted that this planning and delivery role was undertaken while managing, on a daily basis, the fall-out from emerging sex abuse scandals across the world which dominated the build-up to the Papal Visit. This gives a flavour of both the quantity and the quality of the work delivered by CCN in 2010. In all ways, it was an extraordinary year and one that achieved tremendous results under the most considerable pressure to which a media office can be subjected.

Activity in 2011 will focus on the legacy of the Pope's Visit, with Home Mission taking a leading role in this. The other areas of focus are the establishment of the Ordinariate and the introduction of the New Translation of the Missal. Close collaboration will continue, under the guidance of the President, Archbishop Vincent Nichols, and General Secretary, Fr

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Marcus Stock, 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)

In 2009 a survey was commissioned by the government to identify how prepared faith organisations were in terms of implementing the Vetting & Barring Scheme. Of all Churches contacted, the CCPAS, who conducted the research, concluded that the Catholic Church in England and Wales was best prepared.

Assisting the Dioceses, Religious Congregations and Catholic charities to comply with this mandatory piece of legislation, has been a major task for CSAS over the past 12 months.

With a new Government elected in May, aspects of the scheme are currently being "remodelled."

It is because of the importance of having robust "One Church" national procedures in place that CSAS has initiated a rolling programme of reviewing the current national procedures. In 2010 all Safer Recruitment and Selection Policies and Procedures have been reviewed. This has resulted in more user-friendly documentation, easier to follow guidance, and compliance with all current legislation and best practice guidance.

In addition a review of the National Organisation Structures Policy has been completed regarding diocesan safeguarding structures. A similar review for religious safeguarding structures is underway

In April 2010 CSAS organised a unique safeguarding event in Birmingham inviting a small group of people from across England and Wales to Oscott College to explore the concept of a "culture of safeguarding" and develop a vision for the future of safeguarding in the Catholic Church in England and Wales. What made this event unique was the mix of people who came together for the two days, all of whom brought very different experiences and perspectives to the discussion. The group included Abuse Survivors, Conference of Religious Members, National Catholic Safeguarding Commission Member, Parents, Parishioners, Priest, Provincial, Safeguarding Co-ordinator/Officer and Representative, Seminarian, Youth Worker and Bishop.

We know from evidence and experience that various forms of domestic abuse are prevalent in all parts of society. Violence, intimidation and control within marriage, exploitation of elderly relatives for financial gain, and parents threatened by their own children occur in many places in England and Wales on a daily basis. It goes without saying therefore that individuals within our Catholic communities will also be experiencing this.

Together with Caritas and Marriage and Family Life, with input from the National Board of Catholic Women, CSAS has been exploring how we might provide support both to those suffering in these circumstances and to those that would seek to ease that suffering. In 2010 CEDAR (Catholics Experiencing Domestic Abuse Resources) launched a website (www.cedar.uk.net). This contains a variety of resources including advice and guidance on how to help or access help; podcasts for use in awareness raising sessions; model presentations for specific events, workshops or discussion groups and so on.

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.

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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 2010 £4.1 million had been raised in gifts and pledges to support the work of *Faith in the Future*; £3.5 million of which had been actually received, £600,000 to be received between 2011 and 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 enormous success of the Visit is thanks to many people who, on behalf of the Dioceses and Bishops' Conferences, HM Government, the Royal Household, the Holy See, the Church of England, Parliament, Local Authorities and Police forces, statutory and voluntary services, event production companies, transport providers, broadcasters, publishers and media outlets worked tirelessly in the months leading to it.

Tribute must be paid to the joint leadership of Lord Patten and Archbishop Nichols in relentlessly pursuing a coherent preparation of the visit. In particular in providing an organisational structure with the appropriate responsibilities being assumed and carried out; agreeing a financial framework for expenditure to be shared between the Church and different elements of local, national and UK Government; and securing the agreement of the Holy See and HM Government to adapt the usual programme of both an Apostolic Journey and a State Visit to guarantee the unique status of the Visit.

The early advice from the Holy See and one of the important lessons of the Pastoral Visit of Pope John Paul II in 1982 was to have a clear programme for a Papal Visit. On that occasion it was the celebration of the Sacraments. For Pope Benedict's visit we sought to engage with the life of the Church and British society to demonstrate the presence of faith and to celebrate people of faith contributing to the life of our countries.

The Royal Household was completely accommodating in making arrangements for the Audience with HM The Queen and the State Reception at Holyroodhouse. The Queen's representatives accompanied the Holy Father at every step of the journey, led by the Duke of Edinburgh. Firstly Black Rod and then the Yeoman Usher were meticulous in planning the Pope's address in Westminster Hall. The Prime Minister's office ensured that political leaders made calls on the Pope, that the Official Dinner was appropriately hosted and the Prime Minister willingly bade the Pope farewell from Birmingham Airport.

The Archbishop of Canterbury welcomed the Pope to Lambeth Palace and accompanied him as closely as possible throughout the visit, either personally or through his representatives. The Dean and Chapter of Westminster Abbey were gracious hosts to the Pope and to the Christian churches for Evening Prayer so that all came together in what are without doubt historic events. This alongside the moments of profound prayer, tangible contemplation and celebration in Bellahouston Park, Westminster Cathedral, Hyde Park and Cofton Park and a personal pause for Pope Benedict in the rooms of Cardinal Newman at the Birmingham Oratory. On each of these occasions the local Bishops were welcoming and accommodating hosts.

The larger events of the Visit were complemented by meetings with Religious, and with people of faith at Twickenham,

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with schoolchildren and young people in Twickenham and on the Piazza of Westminster Cathedral, with older people at St Peter's, with the Anglican and Catholic Diocesan Bishops in Lambeth Palace and the Bishops' Conferences at Oscott College.

Police estimates are that in the region of 200,000 to 250,000 lined the route from Parliament Square to Hyde Park on the Saturday afternoon and that the area around Parliament and Westminster Abbey was more or less filled to capacity on Friday evening, given that the grassed area in the Square was closed to the public. In Edinburgh around 100,000 took part in the St Ninian's Day Parade on Prince's Street, and around 30,000 to 40,000 people gathered along the route towards the Birmingham Oratory on Sunday.

The estimates of numbers are that around 65,000 people were present in Bellahouston Park, close to 80,000 in Hyde Park and around 50,000 in Cofton Park

There were many people involved at a day to day level and each part of the Visit involved close working relationships between local and national Government, the police and statutory services, the Church and other partners.

The success was due largely to the Pope himself, whose demeanour and words were attractive and compelling, probably confounding the expectations of many, including some of the spontaneous forays from the programme and into the waiting crowds.

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 and Expenditure

In 2010 the income of the Trust from all sources was £13,869,127. The main sources are Donations towards the cost of the Papal Visit, 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 2010, £3,618,944 was raised by way of individual donations and national collections towards the Papal Visit along with £6,240,035 of other voluntary income raised in support of this activity.

Other income is derived from investments, grants and property. During 2010 the Trust continued to develop the *Faith in the Future* fundraising capacity which during this year raised £610,584.

Total expenditure for the year was £13,641,748. The expenditure of the Trust is analysed in detail in the accounts attached to this report.

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.

Achievements and performance

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 £595,778 (2009 - £369,207).

Trustees' report 31 December 2010

The balance sheet shows total reserves of £11,045,263. Restricted funds of £2,086,744 represent unexpended balances held on trust to be applied for specific purposes. A further £6,820,145 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 £3,449,235 which represents the net book value of the charity's tangible fixed assets, £1,991,282 which represents the value of the investment properties, and £1,379,628 represents the value of the programme related investments. The remaining funds amounting to £2,138,374 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 2010, following principles established by the Charity Commission, was £2,138,374 or eighteen months of expenditure. The trustees are of the opinion that these are more than adequate but have expenditure plans within 2011 to ensure that reserve levels are within the parameters set out in the above reserves policy.

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.

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.

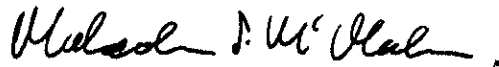
The trustees appreciate the importance of choosing a suitable long-term investment strategy and benchmark. The trustees' current investment strategy emphasises income generation as opposed to capital growth, with the aim being to produce an income yield of 3.5%. Accordingly, the investment managers are instructed to report against appropriate benchmarks. The portfolio achieved an average income yield of 2.8% in 2010.

Trustees' report 31 December 2010

Plans for the future

During 2011, it is planned that a strategic review will be undertaken in order to revisit those priority work areas of the Bishops and to refocus the work of the Trust towards these areas.

Signed on behalf of the trustees



Rt Rev Malcolm McMahon OP

Trustee

Approved by the board on: 28/06/11

Independent auditors' report 31 December 2010

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 2010 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 2010 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 2010

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.

V.S. Smith LLP
.....

12.7.11.....

Devonshire House
60 Goswell Road
London
EC1M 7AD

Neil Finlayson

Senior Statutory Auditor

Date

For and on behalf of Kingston Smith LLP, Statutory Auditors

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

31 December 2010

	Notes	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Income and expenditure					
Incoming resources					
Incoming resources from generated funds					
. Voluntary income					
.. Diocesan assessments	1	1,667,848	—	1,667,848	1,667,848
.. Other voluntary income	2	47,183	1,326,926	1,374,109	1,420,310
.. Other voluntary income – Papal Visit	3	—	9,858,979	9,858,979	100,000
. Activities for generating funds	4	1,692,847	—	1,692,847	17,620
. Investment income	5	343,164	—	343,164	284,637
Incoming resources from charitable activities	6	84,943	31,651	116,594	43,019
Other incoming resources		48,593	94,465	143,058	130,320
Total incoming resources		3,884,578	11,312,021	15,196,599	3,663,754
Resources expended					
Costs of generating funds	7	1,353,226	143,020	1,496,246	259,463
Charitable activities					
. Bishops' Meetings, General Activities and Grant Making	9	534,779	—	534,779	516,547
. Catholic Education and Formation	10	39,056	41,304	80,360	135,501
. Christian Life and Worship	11	112,121	—	112,121	127,035
. Christian Responsibility and Citizenship	12	265,619	434,176	699,795	547,385
. Dialogue and Unity	13	120,859	106,000	226,859	231,561
. Evangelisation and Catechesis	14	8,959	21,864	30,823	449,345
. International Affairs	15	193,592	29,636	223,228	259,224
. Catholic Communications Network (CCN)	16	—	458,581	458,581	353,805
. Catholic Safeguarding Advisory Service (CSAS)	17	60,883	337,045	397,928	360,651
. Papal Visit	18	315,196	9,892,846	10,208,042	—
. Other Projects	19	29,994	429,315	459,309	408,095
Governance costs	20	20,662	20,487	41,149	21,647
Total resources expended		3,054,946	11,914,274	14,969,220	3,670,259
Net incoming resources before transfers and investment asset disposals		829,632	(602,253)	227,379	(6,505)
Transfers between funds	29	(516,897)	516,897	—	—
Net (outgoing) incoming resources before investment asset disposals		312,735	(85,356)	227,379	(6,505)
Realised gains (losses) on disposal of investments		71,495	—	71,495	1,811
Net incoming (outgoing) resources before unrealised gains (losses) on investments		384,230	(85,356)	298,874	(4,694)
Unrealised gains (losses) gains on investments		296,904	—	296,904	373,901
Net movement in funds		681,134	(85,356)	595,778	369,207
Fund balances brought forward at 1 January 2010		8,277,385	2,172,100	10,449,485	10,080,278
Fund balances carried forward at 31 December 2010		8,958,519	2,086,744	11,045,263	10,449,485

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 2010

	Notes	Group 2010 £	Group 2009 £	Charity 2010 £	Charity 2009 £
Fixed assets					
Tangible assets	23	3,449,235	3,416,778	3,449,235	3,416,778
Investments					
. Listed investments, investment in subsidiary companies and investment property	24	5,706,464	5,350,931	5,731,464	5,375,931
. Programme related investments	25	1,379,628	1,389,628	1,379,628	1,389,628
		<u>10,535,327</u>	<u>10,157,337</u>	<u>10,560,327</u>	<u>10,182,337</u>
Current assets					
Debtors	26	2,324,885	262,311	271,109	260,786
Cash at bank and on deposit		7,698,484	1,322,693	7,657,854	1,281,351
		<u>10,023,369</u>	<u>1,585,004</u>	<u>7,928,963</u>	<u>1,542,137</u>
Creditors: amounts falling due within one year	27	(7,379,675)	(1,025,706)	(7,323,201)	(1,020,772)
Net current assets		2,643,694	559,298	605,762	521,365
Total assets less current liabilities		13,179,021	10,716,635	11,166,089	10,703,702
Creditors: amounts falling due after one year					
Deferred income	28	(2,133,758)	(267,150)	(133,758)	(267,150)
Total net assets		<u>11,045,263</u>	<u>10,449,485</u>	<u>11,032,331</u>	<u>10,436,552</u>
Represented by:					
Funds and reserves					
Restricted funds	29	2,086,744	2,172,100	2,086,744	2,172,100
Unrestricted funds					
. Designated funds	30	6,820,145	6,846,116	6,820,145	6,846,116
. General fund		2,100,442	1,393,337	2,125,442	1,418,336
. Non charitable trading funds		37,932	37,932	—	—
		<u>11,045,263</u>	<u>10,449,485</u>	<u>11,032,331</u>	<u>10,436,552</u>

Approved by the trustees and authorised for issue on 28/06/11

Malcolm A. McMahon

Rt Rev Malcolm McMahon OP

Trustee

Approved on: 28/06/11

Company registration number: 4734592

Consolidated Cash Flow Statement for the period ended 31 December 2010

	Notes	2010 £	2009 £
Net cash (outflow)/inflow from operating activities	a	4,481,688	89,309
Return on investments			
Interest received		3,318	13,561
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(132,081)	(1,366,373)
Sale of Investments		1,109,290	4,565,872
Purchase of Investments		(1,096,424)	(3,968,407)
Financing			
Debt due beyond a year:			
New loan repayable in 2012		2,000,000	—
Repayment of programme related investment		10,000	10,000
Increase in Cash at bank		6,375,791	656,038

Notes to the cash flow statement

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

	2010 £	2009 £
Net incoming resources before investment asset disposals	227,379	(6,505)
Less: Investment income received	(3,318)	(13,561)
Depreciation	99,624	88,592
(Increase)/decrease in debtors	(2,062,574)	(53,059)
Increase/(decrease) in creditors	6,220,577	73,842
Net cash outflow	4,481,688	89,309

(b) Analysis of net cash resources

	1 January 2010 £	cashflow £	31 December 2010 £
Cash at bank and on deposit	1,322,693	6,375,791	7,698,484

Principal Accounting Policies 31 December 2010

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 £13,869,127 (2009 – £3,663,754) and net incoming resources of £595,778 (2009 – £369,207).

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 7.

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 2010

- ◆ 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 2010

1 Diocesan assessments

	<u>Unrestricted</u>	
	Total 2010 £	Total 2009 £
Arundel and Brighton	87,492	87,492
Birmingham	135,064	135,064
Brentwood	87,159	87,159
Cardiff	34,265	34,265
Clifton	55,888	55,888
East Anglia	30,439	30,439
Hallam	21,291	21,291
Hexham and Newcastle	103,959	103,959
Lancaster	42,083	42,083
Leeds	78,177	78,177
Liverpool	119,428	119,428
Menevia	333	333
Middlesbrough	29,940	29,940
Northampton	52,728	52,728
Nottingham	66,700	66,700
Plymouth	36,427	36,427
Portsmouth	82,835	82,835
Salford	116,933	116,933
Shrewsbury	81,837	81,837
Southwark	145,045	145,045
Westminster	251,998	251,998
Wrexham	3,327	3,327
	<u>1,663,348</u>	<u>1,663,348</u>
Contribution from Bishopric of the Forces	4,500	4,500
	<u>1,667,848</u>	<u>1,667,848</u>

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

Notes to the financial statements 31 December 2010

2 Other voluntary income

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Legacies	44,727	—	44,727	9,500
General donations	2,456	—	2,456	5,765
Donations towards the costs of				
. Ad Limina	—	—	—	48,428
. Evangelisation	—	31,104	31,104	33,234
. Parliamentary Internship Programme	—	1,500	1,500	3,046
. Safeguarding	—	3,249	3,249	—
. Vocations	—	505	505	283
. Ecumenical Instruments	—	—	—	3,000
. Youth work	—	515	515	—
. Holy Land & Middle East	—	10,205	10,205	2,205
. Relics of St Therese	—	343	343	11,669
Donations received from <i>Faith in the Future</i> fundraising initiative	—	610,584	610,584	545,141
World Communications Day	—	239,754	239,754	285,558
Day for Life	—	283,740	283,740	299,553
Home Mission Sunday	—	145,427	145,427	172,928
Total	47,183	1,326,926	1,374,109	1,420,310

3 Other voluntary income – Papal Visit

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Donations towards the costs of				
. Papal Visit	—	6,240,035	6,240,035	100,000
Donations from Papal Visit major donors and the national collection	—	3,618,944	3,618,944	—
Total	—	9,858,979	9,858,979	100,000

4 Activities for generating funds

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Trading income of subsidiaries	1,692,847	—	1,692,847	17,620

Notes to the financial statements 31 December 2010

5 Investment income

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Income from listed investments				
. Fixed interest	45,031	—	45,031	58,317
. UK equities	42,151	—	42,151	24,551
. Overseas equities	7,072	—	7,072	5,411
. Common investment funds	3,910	—	3,910	4,038
. Other listed investments	7,715	—	7,715	12,083
	105,879	—	105,879	104,400
Income from investment property				
. Rental income	133,967	—	133,967	93,340
Other rent receivable	100,000	—	100,000	73,336
Interest receivable				
. Bank interest	3,318	—	3,318	13,561
Total	343,164	—	343,164	284,637

6 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Conference income	84,943	31,651	116,594	43,019

7 Costs of generating funds

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Papal Visit fundraising costs	—	52,308	52,308	—
Faith in the Future fundraising costs				
. Staff costs	—	17,901	17,901	67,142
. Other operating costs	—	39,794	39,794	110,681
. Allocated costs (Note 7)	—	33,017	33,017	61,561
	—	90,712	90,712	239,384
Investment management costs	22,168	—	22,168	18,056
Costs of trading subsidiary				
. Colloquium	3,586	—	3,586	2,022
. Papal Visit 2010 Limited	1,327,472	—	1,327,472	—
Total	1,353,226	143,020	1,496,246	259,462

Notes to the financial statements 31 December 2010

8 Support costs and allocation

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

	2010 Costs £	Basis of apportionment
Staff costs	272,568	Pro rata basis
Premises costs – Eccleston Square	141,461	Head count
Premises costs – West Heath Road	2,462	Pro rata basis
Other costs	155,794	Pro rata basis
	572,285	

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 6)	33,017
Bishops' Meetings, General Activities and Grant Making (note 8)	76,021
Catholic Education and Formation (note 9)	20,711
Christian Life and Worship (note 10)	26,757
Christian Responsibility and Citizenship (note 11)	82,664
Dialogue and Unity (note 12)	33,089
Evangelisation and Catechesis (note 13)	3,571
International Affairs (note 14)	50,357
Catholic Communications Network (note 15)	113,439
Catholic Safeguarding Advisory Service (CSAS) (note 16)	60,883
Other Projects (note 18)	71,776
	572,285

Notes to the financial statements 31 December 2010

9 Bishops' Meetings, General Activities and Grant Making

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Accommodation and other costs	304,461	—	304,461	252,323
Allocated support costs (note 7)	76,021	—	76,021	70,545
Foreign exchange (losses)/gains	(1,536)	—	(1,536)	18,818
Grant making:				
Churches Initiative Trust	—	—	—	3,000
INFORM	—	—	—	1,992
Student Cross	—	—	—	1,000
MACSAS	2,000	—	2,000	2,000
Standing Committee Discretionary Grants	—	—	—	9,970
Category 2				
Caritas Social-Action Network	56,000	—	56,000	56,000
National Board of Catholic Women	9,800	—	9,800	9,000
NBCW (Development Officer)	13,000	—	13,000	13,000
National Conference of Priests	9,000	—	9,000	19,000
National Council of Lay Associations	7,600	—	7,600	7,600
Category 3				
Churches Committee Hospital Chaplaincy	4,000	—	4,000	4,000
Young Christian Workers (National)	—	—	—	7,200
Category 4				
SIGNIS (OCIC)	1,776	—	1,776	1,750
DCO's Forum	1,575	—	1,575	—
Churches Media Council	6,300	—	6,300	6,300
Diocesan Newspaper Editors' Forum	250	—	250	500
Category 5				
Lisbonian Society	4,500	—	4,500	—
Subscriptions				
Churches Legislation Advisory Service	18,000	—	18,000	15,000
Council of European Bishops' Conferences (CCEE)	8,697	—	8,697	8,410
Commission of the Bishops' Conference of the European Community (COMECE)	13,335	—	13,335	9,139
Total	534,779	—	534,779	516,547

10 Catholic Education and Formation

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Staff costs	3,716	33,444	37,160	34,886
Other operating costs	14,629	7,860	22,489	24,735
Allocated support costs (note 7)	20,711	—	20,711	75,880
Total	39,056	41,304	80,360	135,501

Notes to the financial statements 31 December 2010

11 Christian Life and Worship

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Staff costs	50,559	—	50,559	49,944
Other operating costs	34,805	—	34,805	26,803
Allocated support costs (note 7)	26,757	—	26,757	50,288
Total	112,121	—	112,121	127,035

12 Christian Responsibility and Citizenship

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Staff costs	145,724	26,939	172,663	152,407
Other operating costs	59,472	80,677	140,149	115,119
Allocated support costs (note 7)	60,423	22,241	82,664	131,611
Grant making:				
Day for Life grants	—	211,386	211,386	52,040
Linacre Centre *	—	50,000	50,000	50,000
Joint Bio-ethics	—	3,870	3,870	3,870
Parliamentary Internship grants	—	39,063	39,063	42,338
Total	265,619	434,176	699,795	547,385

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

13 Dialogue and Unity

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Staff costs	61,237	—	61,237	37,719
Other operating costs	26,533	—	26,533	24,329
Allocated support costs (note 7)	33,089	—	33,089	50,349
Subscriptions and ecumenical instruments	—	106,000	106,000	119,164
Total	120,859	106,000	226,859	231,561

14 Evangelisation and Catechesis

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Staff costs	3,716	—	3,716	220,398
Other operating costs	1,672	6,864	8,536	61,511
Grants: CYMFED	—	15,000	15,000	
Allocated support costs (note 7)	3,571	—	3,571	167,436
Total	8,959	21,864	30,823	449,345

Notes to the financial statements 31 December 2010

15	International Affairs	Unrestricted	Restricted	2010	2009
		funds	funds	Total	Total
		£	£	£	£
	Staff costs	96,084	29,237	125,321	104,351
	Other operating costs	47,151	399	47,550	93,051
	Allocated support costs (note 7)	50,357	—	50,357	61,822
	Total	193,592	29,636	223,228	259,224

16	Catholic Communications Network (CCN)	Unrestricted	Restricted	2010	2009
		funds	funds	Total	Total
		£	£	£	£
	Staff costs	—	240,758	240,758	190,246
	Other operating costs	—	104,384	104,384	67,325
	Allocated support costs (note 7)	—	113,439	113,439	96,234
	Total	—	458,581	458,581	353,805

17	Catholic Safeguarding Advisory Service (CSAS)	Unrestricted	Restricted	2010	2009
		funds	funds	Total	Total
		£	£	£	£
	Staff costs	—	230,538	230,538	203,308
	Other operating costs	—	106,507	106,507	106,820
	Allocated support costs (note 7)	60,883	—	60,883	50,523
	Total	60,883	337,045	397,928	360,651

18	Papal Visit	Unrestricted	Restricted	2010	2009
		funds	funds	Total	Total
		£	£	£	£
	Staff costs	—	220,239	220,239	—
	Other operating costs	315,196	9,672,607	9,987,803	—
	Total	315,196	9,892,846	10,208,042	—

Notes to the financial statements 31 December 2010

19	Other Projects	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
	Staff costs	—	78,007	78,007	79,039
	Other operating costs	—	94,677	94,677	95,182
	Lisbon Trust	—	5,960	5,960	13,078
	Papal Visit	—	—	—	12,959
	Relics of St Therese	—	—	—	22,981
	Safeguarding Implementation Group	—	20,544	20,544	25,465
	Catholic Students International Chaplaincy Fund	—	20,000	20,000	21,132
	Allocated support costs (note 7)	29,994	41,782	71,776	68,898
	Grant making:				
	Celebrating Family Fund Grants	—	158,345	158,345	66,761
	Education travel grants	—	—	—	2,600
	Social Teaching grants	—	10,000	10,000	—
	Total	29,994	429,315	459,309	408,095

20	Governance costs	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
	Auditors remuneration				
	. Audit fees	15,330	9,700	25,030	13,815
	. Other fees	2,756	10,787	13,543	—
	Trustees' expenses	2,576	—	2,576	4,062
	Other governance costs	—	—	—	3,770
		20,662	20,487	41,149	21,647

21	Staff costs and trustees' remuneration	2010 £	2009 £
	Staff costs during the year were as follows:		
	Wages and salaries	1,324,701	1,335,797
	Social security costs	136,991	132,231
	Other pension costs	48,975	50,666
	Total staff costs	1,510,667	1,518,694

Staff costs and trustees' remuneration (continued)

Notes to the financial statements 31 December 2010

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

	2010 Average	2009 Average	2010 FTE	2009 FTE
General Secretariat	23	23	27	23
Catholic Communications Network	6	5	6	5
CSAS	5	5	5	5
National Office for Vocation	1	1	1	1
CASE	0	4	0	4
CYS	0	1	0	1
	35	39	39	39

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

	2010	2009
£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 £21,953 (2009 - £21,953).

None of the trustees received any remuneration for their services in the year (2009 – none). Travel expenses of £2,576 (2009 - £3,412) were reimbursed to four (2009 – five) 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 2010

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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 2010	3,463,687	229,756	3,693,443
Additions	75,684	56,397	132,081
Disposals	-	-	-
As at 31 December 2010	3,539,371	286,153	3,825,524
Depreciation			
As at 1 January 2010	153,669	122,996	276,665
Charge for the year	33,448	66,176	99,624
Disposals	-	-	-
As at 31 December 2010	187,117	189,172	376,289
Net book values			
At 31 December 2010	3,352,254	96,981	3,449,235
At 31 December 2009	3,310,018	106,760	3,416,778

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 2010 £	Group 2009 £	Charity 2010 £	Charity 2009 £
Investment properties (UK) (note a)	1,991,282	1,991,282	1,991,282	1,991,282
Listed investments (note b)	3,715,182	3,359,649	3,715,182	3,359,649
Investment in subsidiary companies (UK) (note c)	—	—	25,000	25,000
	5,706,464	5,350,931	5,731,464	5,375,931

Notes to the financial statements 31 December 2010

(a) Investment properties

Group and charity	Freehold land and buildings £
Valuation	
At 1 January 2010 and 31 December 2010	1,991,282

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

Group and charity	2010 £	2009 £
Listed investments		
Market value at 1 January 2010	3,217,177	2,498,748
Additions at cost	843,841	3,968,407
Disposal proceeds	(1,109,290)	(3,625,689)
Net investment (losses) gains	368,399	375,711
Market value at 31 December 2010	3,320,127	3,217,177
Cash held by investment managers for re-investment	395,055	142,472
	3,715,182	3,359,649
Cost of listed investments at 31 December 2010	2,748,650	2,868,827

All listed investments were dealt on recognised stock exchanges.

Listed investments held at 31 December 2010 comprised the following:

Group and charity	2010 £	2009 £
UK fixed interest	937,572	1,384,264
Overseas holdings	1,258,660	613,703
UK equities	860,670	1,042,925
Common investment funds	103,545	42,960
Other listed investments	159,680	133,325
	3,320,127	3,217,177

At 31 December 2010 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	184,483	5.6

Notes to the financial statements 31 December 2010

(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 2010, which have been included in the consolidated financial statements.

	2010 £	2009 £
Turnover	50,179	17,620
Cost of sales	(3,438)	(1,934)
Gross profit	46,741	15,686
Interest receivable	—	—
Administrative expenditure	(147)	(88)
Gift aid	(46,594)	(15,598)
Net profit for the year	—	—
Retained profit at 1 January 2010	12,932	12,932
Retained profit at 31 December 2010	12,932	12,932
Called up share capital	25,000	25,000
At 31 December 2010	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 period ended 31 December 2010, which have been included in the consolidated financial statements.

	2010 £
Incoming resources	
Donations	9,405,156
Activities for Generating Funds	1,642,668
Incoming Resources from charitable activities	7,972
Other incoming resources	18,699
Total Incoming Resources	11,074,495
Resources expended	
Cost of generating voluntary income	1,379,781
Charitable activities	9,674,227
Governance costs	20,487
Total resources expended	11,074,495
Funds at 31 December 2010	—

Notes to the financial statements 31 December 2010

25 Programme related investments

	2010	2009
	£	£
Group and charity		
St Luke's Centre	1,000,000	1,000,000
Venerable English College, Rome	379,628	389,628
	1,379,628	1,389,628

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 2010	Group 2009	Charity 2010	Charity 2009
	£	£	£	£
Prepayments and accrued income	394,664	91,928	56,548	91,928
Other debtors	1,930,221	170,383	164,937	156,753
Amount due from subsidiary undertaking	—	—	49,624	12,105
	2,324,885	262,311	271,109	260,786

27 Creditors: amounts falling due within one year

	Group 2010	Group 2009	Charity 2010	Charity 2009
	£	£	£	£
Expense creditors	136,085	59,814	67,360	58,394
Building refurbishment creditors	—	125,318	—	125,318
Social security and other taxes	139,846	51,054	43,002	51,054
Accruals and deferred income	6,901,779	651,288	396,889	646,352
Other creditors	201,965	138,234	195,756	139,654
Amounts due to subsidiary undertakings	—	—	6,620,194	—
	7,379,675	1,025,706	7,323,201	1,020,772

Notes to the financial statements 31 December 2010

28 Creditors: amounts falling due after one year

	Group 2010 £	Group 2009 £	Charity 2010 £	Charity 2009 £
Deferred income	133,758	267,150	133,758	267,150
Loan from Society of Jesus	2,000,000	—	—	—
	2,133,758	267,150	133,758	267,150

A donation of £1,000,000 was received during 2007 to be used specifically over the course of a three year project. £232,515 is included within 'Accruals and deferred income' in note 25 (amounts falling due within one year) and the balance will be recognised in subsequent periods. £133,758 is included in 'deferred income' (amounts falling after one year).

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 2010 £	Incoming resources £	Resources expended £	Transfers between funds £	At 31 December 2010 £
Catholic Youth Reserve	5,736	—	—	—	5,736
Diocesan Reserve	100,173	—	—	—	100,173
Day for Life	348,770	283,740	329,465	—	303,045
Catholic Students International Chaplaincy Fund	632,374	—	20,000	—	612,374
Catholic Communications Network (CCN)	213,997	262,715	458,581	226,796	244,927
Office for Refugee Policy	82	—	29,636	29,554	—
Safeguarding Reserve	—	71,992	337,045	265,053	—
Relics of St Therese	103	343	—	—	446
Safeguarding Implementation Group	3,818	3,249	20,544	13,477	—
Lisbon Fund	471,845	—	8,174	—	463,671
Faith in the Future *	281,689	610,584	403,330	(155,242)	333,701
Papal Visit	80,124	9,885,649	9,965,643	—	130
CASE	—	176,796	—	(176,796)	—
National Office for Vocations	—	4,733	41,304	36,571	—
Internships	1	1,500	104,711	105,242	2,032
Youth work	14,497	515	21,864	6,852	—
Ecumenical Instruments	5,709	—	106,000	100,290	—
Other funds	13,182	10,205	67,977	65,100	20,509
	2,172,100	11,312,021	11,914,274	516,897	2,086,744

Notes to the financial statements 31 December 2010

The transfers from general funds to the restricted funds during the year represent additional funds required to assist in the support of various projects.

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.

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.

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.

Notes to the financial statements 31 December 2010

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.

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.

Notes to the financial statements 31 December 2010

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 2010 £	Designated/ released in year £	At 31 December 2010 £
Tangible fixed assets fund	3,416,778	32,457	3,449,235
Investment property fund	1,991,282	—	1,991,282
Programme related investments fund	1,389,628	(10,000)	1,379,628
Ad Limina	48,428	(48,428)	—
	6,846,116	(25,971)	6,820,145

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.

The Ad Limina fund represented monies set aside for funding the five yearly review of the Bishops and Diocesan work with His Holiness the Pope which took place in February 2010.

31 Analysis of net assets between funds

Group	General funds £	Designated funds £	Trading subsidiary £	Restricted funds £	Total 2010 £
Fund balances at 31 December 2010					
Are represented by:					
Fixed assets	—	3,449,235	—	—	3,449,235
Investments	2,612,272	3,370,910	—	1,102,910	7,086,092
Current assets	—	—	89,445	9,933,924	10,023,369
Inter-fund loan		—	—		
Creditors: amounts falling due within one year	(511,830)		(51,513)	(6,816,332)	(7,379,675)
Creditors: amounts falling due after one year	—	—	—	(2,133,758)	(2,133,758)
Total net assets	2,100,442	6,820,145	37,932	2,086,744	11,045,263

Notes to the financial statements 31 December 2010

32 Leasing commitments

Operating leases

At 31 December 2010, the charity had annual commitments under non-cancellable operating leases which expire as follows:

	Land and buildings		Equipment	
	2010 £	2009 £	2010 £	2009 £
Operating leases which expire:				
Within one year	—	—	—	1,591
Within two to five years	13,084	13,084	8,620	8,620
	13,084	13,084	8,620	10,211

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.

34 Post balance sheet events

In April 2011, the charity purchased a property for £980,000 for the charity's own use.