THE PORTSMOUTH DIOCESAN TRUST
(Registered Charity No: 246871)

TRUSTEES' REPORT

AND

FINANCIAL STATEMENTS

31 AUGUST 2018

Haysmacintyre LLP
Chartered Accountants
Registered Auditors

THE PORTSMOUTH DIOCESAN TRUST

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

LEGAL AND ADMINISTRATIVE DETAILS

BOARD OF TRUSTEES	Appointed	Resigned
Bishop Philip Egan (Chairman)	11 October 2012	
Rev Mr Gerard Dailly	10 December 2015	
Rev Canon Michael Dennehy	18 July 2013	
Mr Michael Elks	14 September 2017	
Rev Mgr Jeremy Garratt	20 September 2018	
Rev Canon Dominic Golding	23 April 2009	20 September 2018
Rev Fr Mark Hogan	18 July 2013	
Mrs Alison Humphreys	10 October 2013	6 December 2018
Mrs Sue Masser	29 September 2016	
Mr Martin McCloskey	29 September 2016	
Rev Fr Jamie McGrath	18 July 2013	20 September 2018
Dr Anthony Murphy	29 September 2016	
Mr Alan Sendall	23 April 2009	2 May 2019
Rev Fr Paul James (PJ) Smith	20 September 2018	
Rev Fr Simon Thomson	10 December 2015	
Rev Canon Paul Townsend	18 July 2013	
Ms Louise Wilson	5 July 2018	30 May 2019

SECRETARY TO THE TRUSTEES Mr Hereward Drummond (appointed 7 December 2017)

CHARITY NUMBER 246871

ADMINISTRATIVE CENTRE
St Edmund House
Bishop Crispian Way
Portsmouth
PO1 3QA

BANKERS
Lloyds Bank Plc
2-4 Palmerston Road
Southsea
PO5 3QH

SOLICITORS
Blake Morgan
New Kings Court, Tollgate
Chandlers Ford
Eastleigh
SO53 3LG

AUDITORS
Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

INVESTMENT ADVISORS

Charles Stanley & Co Ltd
25 Luke Street
London
EC2A 4AR

Cazenove
12 Moorgate
London
EC2R 6DA

The Trustees present their Report together with the financial statements of The Portsmouth Diocesan Trust and subsidiary companies for the year ended 31 August 2018, which are prepared in accordance with the Charities SORP (FRS 102).

The Bishop and the Trustees remain mindful of the Roman Catholic Church's call over the last three decades to move from what can be perceived as being an inward-looking organisation, seeking to preserve the status quo, to one which looks outwards to bring the Good News of Jesus Christ to the society in which it lives. So, the Bishop has a vision of transforming the Diocese into an evangelising diocese, with a missionary-minded approach, one of evangelistic Catholicism in which the object of all diocesan activities is, within the terms of the Diocese's charitable objects, to make Jesus Christ better known and better loved in His Body, the Catholic Church. This approach has been called a New Evangelisation; that is one which involves the re-evangelisation of former Christian cultures and of Christians who have been disconnected from their faith with a new ardour, new methods of evangelisation and new expressions of the Faith once committed to the Apostles. Continued discernment will ensure that the Diocese's renewed missionary-focused efforts reflect an intention to re-evangelise the Diocese. Christ calls all women and men, and the vocation of lay people to holiness and mission in the midst of daily life is a central feature of the work of the Diocese. This demands a move from the mode of maintenance to that of mission and requires a radical reorientation of activity, which informs the operation of the parishes, schools and teams within the diocesan Framework for Collaboration.

GOVERNING INSTRUMENT

The Charity was constituted by a Trust Deed dated 4 September 1934 registered under Charity Number 246871. On 11 September 1934 its Trustees were incorporated under the Charitable Trustees Incorporation Act 1872 in the name of Portsmouth Roman Catholic Diocesan Trustees Registered. Following an Order of the Charity Commission dated 14 August 2002, this Trust Deed was revoked and a new Trust Deed dated 5 August 2002, was put in place by the Bishop and the Trustees, followed by a Deed of Variation dated 7 April 2004. On 20 July 2001, there was a Direction from the Charity Commission that all the charities of which the Trustees are Trustees except the Portsmouth Roman Catholic Priests Retirement Fund (Charity Number 1061194) and the charities holding real property in the Channel Islands, should be treated as a single charity for the purposes of registration and accounting under the Charities Act 1993.

TRUSTEES

These are set out on page 1.

KEY MANAGEMENT PERSONNEL

As well as the Trustees, the key management personnel are considered to be the Bishop, the Vicars General, the Episcopal Vicars for Vocation, Education and Evangelisation, the Oeconomus, the Secretary to the Trustees and the six Heads of Department. Of these, the Vicars General and the Episcopal Vicars, all of whom are Trustees, are also parish priests and are remunerated in the same way as all other priests of the Diocese in parish ministry, as is the Bishop and the Head of the Department for Vocation. The remuneration of the Oeconomus, Director of Schools, Diocesan Schools Commissioner and the Head of Department for Administration (from December 2018, Department for Support and Administration Services) is fixed by reference to similar roles in other dioceses and comparable religious charities. This was reviewed in April 2015 and will be due for external review in April 2020.

The Oeconomus is the Diocesan Finance Officer, appointed under the Canon Law of the Church, to administer the temporal goods of the diocese under the authority of the Bishop. The incumbent for the last 14½ years, Rev. Dr. Stephen Morgan, left the Diocese on 31 August 2018 to take up a new appointment at the University of Macau. At the same time, the Trustees began the process of recruiting a Chief Operating Officer and an appointment was made in May 2019.

GENERAL CHARITABLE OBJECTIVES

The objectives of the Charity include the following: -

The provision, maintenance and upkeep of churches, public chapels and presbyteries belonging to or connected with the Roman Catholic Church in the Diocese.

The provision, maintenance and carrying on of the religious services of the said Church in such churches and public chapels or other places of like character.

The provision, maintenance and upkeep of houses of study, halls and colleges for the education and training of priests and persons desirous of becoming priests of the said Church in the Diocese or elsewhere.

The provision, maintenance and upkeep of schools, academies and colleges for the general education both religious and secular or religious or secular of children and young persons, whether or not members of the said Church.

Generally, for any such charitable purpose or purposes as in the opinion of the Bishop may be calculated to lead to the advancement or maintenance of the Roman Catholic religion.

HISTORY AND ORGANISATION

The Diocese of Portsmouth was created on 19 May 1882 when the original administrative counties of Hampshire and Berkshire were separated from the Archdiocese of Southwark. It now comprises an area bounded by a line from Bournemouth in the west, north as far as the outskirts of Oxford, then following the south bank of the River Thames eastwards through Reading and Maidenhead to Windsor before turning south through Sandhurst and Aldershot to Havant, together with the Isle of Wight and the Channel Islands. The Diocese is divided into parishes, which at the period end numbered 91. Each is established and operates under the Church's 1983 Code of Canon Law which bestows on them separate canonical status. This explains their treatment in these Accounts, specifically the columnar approach and their separate classification as "Designated Funds". Canon Law requires that each parish must have a Finance Committee to assist the parish priest in the administration of the temporal goods of the parish. These parishes are grouped in 21 Pastoral Areas, each under the moderation of a priest who is designated as the Co-ordinating Pastor. In 2014, the parishes and pastoral areas were organised into 8 Deaneries, each under the oversight of a dean. Both Pastoral Areas and Deaneries exist to promote and co-ordinate pastoral activity at the service of the New Evangelisation across the Diocese. Since neither holds any temporal goods, their existence is not reflected in the presentation of these accounts.

The Charity is governed by the Trustees, with the Bishop as their chairman. The Trustees meet on a regular basis to further the mission of the Church in the Diocese, including attending to the financial, property, legal and administrative affairs of the Diocese. In accordance with Canon Law, a Diocesan Finance Council has been established. It consists of the same persons as are Trustees and meets at the same time as the Trustees.

Following the recommendations of a review group established by the Trustees in 2011, a new Diocesan structure became effective on 1 September 2013. This was revised in December 2018 to separate out responsibility for management of the temporal goods of the diocese from the Vicariate for Evangelisation, enabling it to focus directly on its primary purpose. The change also provides for the appointment of the Chief Operating Officer, reporting to the Moderator of the Curia and overseeing the Department for Support and Administration Services (renamed from the Department for Administration). In January 2019, in preparation for the appointment of the Chief Operating Officer, a review of curial support operations was begun.

The most important aspects of the curial structure, which are explained more fully below, are as follows:

- The Curia has been reorganised into a Framework for Collaboration, with three vicariates, that for Vocation, leading to that for Education, leading to that for Evangelisation, reflecting the threefold ministry of the Bishop who acts in the name of Our Lord Jesus Christ as priest, prophet and king
- Each Vicariate is headed by an Episcopal Vicar, who, together with the Vicars General, are the sole members of the Bishop's Council, all of whom have been appointed Trustees
- Each Vicariate has two departments, that for Vocation having those for Vocation and Clergy, that for Education having those for Schools and Educational Chaplaincies, and that for Evangelisation having those for Charity and New Evangelisation.
- There are three Trustees' committees, corresponding to the three vicariates, each being chaired by the Episcopal Vicar for that vicariate.
- The Finance, Audit and Risk Committee was established in December 2018 as an additional trustees' committee. Its purpose is to provide strategic oversight to the administration of the temporal goods of the diocese and its parishes: its land and buildings, money, investments and the discharge of its legal and contractual obligations. Previously the committee had been a sub-committee of the Evangelisation Committee.
- The Living our Faith Committee, formerly the Living our Faith Impact Committee, operates according to the aims and objectives of the Living Our Faith campaign between 2008 and 2012

- The Priests Retirement Fund Management Board continues as before, as the management board of a separate charity, the Portsmouth Roman Catholic Diocese Priests Retirement Fund
- The Safeguarding Commission, the Chancery and the Tribunal continue to operate independently of the Curia as before
- The Portsmouth Bamenda Committee, which promotes solidarity with the Archdiocese of Bamenda, Cameroon, West Africa, reports to the Department for New Evangelisation.

The authority of each committee is set out under terms of reference constituted in accordance with clause 12.2 of the Trust Deed. At present the three principal committees are composed solely of Trustees although non-Trustees with relevant expertise and experience may be invited to join them in future. The other committees have both Trustee and non-Trustee members.

The terms of reference of the Evangelisation Committee were renewed by the Trustees in September 2017 and for the Vocation committee in September 2018. Those for the Education committee are currently under review. Trustees have determined that the terms of reference for these committees are presented for review by the Trustees every three years.

THE FRAMEWORK FOR COLLABORATION

The Bishop has named the Diocesan curial structure referred to under History and Organisation 'The Framework for Collaboration' (the 'Framework'). The name derives from the Bishop's vision, drawing on the work of the Catholic philosopher and theologian Bernard Lonergan, of a collaborative framework of small teams discussing and devising policies and sponsoring strategies, as opposed to the traditional model, drawn from business corporations, of hierarchal structures of authority. The Framework mirrors the threefold ministry of the Bishop who acts in the name of Our Lord Jesus Christ as Priest, Prophet and King. Practically this has led to three Vicariates within the Framework: Vocation, Education and Evangelisation. These Vicariates represent three dynamically interrelated strands of Christian discipleship: call, formation and mission. The Framework brings dynamism and direction to all diocesan activities. The call of Christ invites the disciple to formation in Christian doctrine, life and spirituality, and in turn sends him or her out on mission.

The Vicariate for Vocation has the Department for Vocation and that for Clergy. The Department for Vocation has two areas of work, that of Discipleship and Vocation and that of Liturgy. Within the former are teams for spiritual formation (including Called and Gifted), marriage and family life, ecclesial movements, pastoral workers, consecrated life, the diaconate and priestly vocations. Within the latter are liturgical formation and pilgrimage. The Department for Clergy is responsible for the Bishop's support of clergy and for chaplaincies, except educational chaplaincies, and includes pastoral care services and institutional, ethnic and ecclesial chaplaincies.

The Vicariate for Education comprises the office of the Episcopal Vicar for Education, responsible for serving the Bishop in his oversight of Diocesan schools and academies, and independent schools. It also has the Department for Educational Chaplaincies, responsible for school, academy and university chaplaincies, as well as youth chaplaincies and youth mission. Following the 2017 General Election, what had been a clear direction in Public Policy to encourage Schools to convert to Academy Status became a much less directive approach under which Academisation was only being promoted for inadequate schools requiring improvement. This applied to only 2 of our 53 Schools. Against this background the Trustees halted the conversion programme in October 2017 and reorganised the Schools support into Catholic Academies and Schools Office.

The Vicariate for Evangelisation is divided into the Department for Charity and that for New Evangelisation. The Department for Charity coordinates the charitable outreach of the Diocese in its schools and parishes. It promotes justice, peace and social responsibility, the charities in our Diocese, the work of Caritas Diocese of Portsmouth and the ecclesial exchange with Bamenda. The Department of New Evangelisation promotes the work of New Evangelisation through the New Evangelisation Team (Diocesan Pastoral Council), the Social Research Unit, the formation of children and adults for mission, and the dialogues with fellow-Christians, with the other religions, and with the cultural sectors. It also includes the Jewish-Christian fellowship, outreach to people of goodwill ('Courtyard of the Gentiles') and promoting right relationships with the civil authorities.

The overall objective of the six Departments is to fulfil the vision priorities which the Bishop has set for the Diocese, these being:

1. To go out on mission to everyone
2. To convert Catholics

3. To be totally dependent on the Holy Spirit
4. To become outward-looking servants

Each Department has its own direction and policy. Each Department has a number of teams, each consisting of up to 12 volunteers, lay, religious and ordained. Teams devise strategies and develop projects to fulfil their priorities, based on their Departmental priorities. Collectively, teams contribute to the overall objective of fulfilling the Diocesan priorities.

The Bishop has appointed two Vicars General and three Episcopal Vicars to assist him in the governance of the Diocese. They comprise his Bishop's Council. Each of the Episcopal Vicars is in charge of one of the Vicariates mentioned above.

In the main the work of the Diocese is now conducted through the three Vicariates. Each has its corresponding Trustee committee chaired by the relevant Episcopal Vicar. As mentioned above, there are also the four other committees, the Finance, Audit & Risk Committee, the Living Our Faith committee, the Portsmouth Bamenda Committee and the Safeguarding Commission. The Safeguarding Commission, the Chancery and the Tribunal function independently of the Curia. The authority of each committee is set out under terms of reference constituted in accordance with clause 12.2 of the Trust Deed and renewed annually. A brief description of the terms of reference of each committee is set out below.

Another recommendation of the Review Group was that there should be a clear division between governance and management, with the Trustees setting the parameters and the Departments carrying out delegated executive responsibility. In part this recommendation is being implemented by the Trustees formulating policies and setting objectives, against which the Departments report at each Trustee meeting, with each Department also reporting to its respective Committee.

TRUSTEE COMMITTEES

<u>The Evangelisation Vicariate Committee</u>
The Committee is responsible for

- formulating policies and setting objectives for all matters within the Vicariate's responsibility,
- reviewing reports about those policies and objectives and
- providing oversight and taking decisions, on behalf of the Trustees, in relation to any matter within the Vicariate's responsibility or referred to it by the Trustees with the Bishop's approval.

The Committee comprises, first, one of the Vicars General and the Episcopal Vicar (the ex-officio members), who remain members while they hold those posts, secondly, three other Trustees, one clerical and two lay (they and the ex-officio members being the core members), and, thirdly, others, whether Trustees or not, those secondly and thirdly mentioned being appointed by the Trustees with the Bishop's approval and holding office for a maximum of two terms of five years each.

The Trustees reserve to themselves major policy decisions, major expenditure decisions and major contractual decisions.

The Committee must meet at least five times a year. Two core members, one of whom must be an ex-officio member, constitute a quorum. No resolution can be passed without a vote in favour from one of the ex-officio members. The minutes of each meeting must be produced to the Secretary to the Trustees within 14 days after the meeting.

<u>The Education Vicariate Committee</u>
The terms of reference of the Education Committee are similar to those of the Evangelisation Committee save as follows:

- The responsibilities of the Committee relate to the Vicariate for Education, not the Vicariate for Evangelisation
- The Committee includes one Vicar General, and the Episcopal Vicar for Education in place of that for Evangelisation.

<u>The Vocations Vicariate Committee</u>
The terms of reference of the Vocations Committee are similar to those of the Evangelisation Committee save as follows:

- The responsibilities of the Committee relate to the Vicariate for Vocations, not the Vicariate for Evangelisation
- The Committee includes the Episcopal Vicar for Vocation in place of that for Evangelisation
- The Committee provides Trustee oversight of matters relating to Clergy, Clergy formation, their welfare and other aspects of priestly life, be they retired or still in active Ministry

The Finance, Audit and Risk Committee
The terms of reference of the Finance, Audit and Risk Committee are similar to those of the Evangelisation Committee save as follows:

- The responsibilities of the Committee relate to the administration of the temporal goods of the Diocese and its Parishes, including finance and property, to audit and risk in these areas, and initial scrutiny of budgets and all matters relating to Finance, Governance and Risk; where appropriate making recommendations to the Trustees.
- The Committee includes both the Vicars General, in place of that for Evangelisation, and is chaired by one of them, the Moderator of the Curia. Additionally, one member should have appropriate financial experience and qualifications and one other the same in property.

The Portsmouth Bamenda Committee
The Committee is to promote in the Diocese knowledge of and solidarity with the people of the Archdiocese of Bamenda, approve grants to projects that provide assistance to the Archdiocese, and raise funds through the annual Bamenda collection and other campaigns at a more local level.

The Committee is to comprise one of the Trustees, and others appointed by the Trustees with the Bishop's approval.

Grants are to be made in accordance with an annual budget approved by the Committee. Any grant exceeding £25,000 must be approved by the Episcopal Vicar for Evangelisation. No grant may be made if the effect of making that grant, and all other approved but unpaid grants would reduce the Bamenda fund below £50,000.

The Committee must meet at least four times a year. The quorum for a meeting is the chairman, the Trustee member and three other members. No resolution can be passed without a vote in favour from the Trustee member. If required by the Trustees, the minutes of each meeting must be produced to the Trustees.

The Living our Faith Committee
This Committee is to provide oversight and take decisions, on behalf of the Trustees, in relation to all matters related to the management and disbursement of funds arising from the Living Our Faith Campaign.

The Committee comprises, first, three Trustees (the core members), and, secondly, others, whether Trustees or not, all being appointed by the Trustees with the Bishop's approval, all of whom hold office for a maximum of two terms of five years each.

The Trustees reserve to themselves major policy decisions, major expenditure decisions and major contractual decisions.

The Committee may authorise grants and loans of up to £250,000.

The Committee must meet at least four times a year. Two core members constitute a quorum. No resolution can be passed without a vote in favour from one of the core members. The minutes of each meeting must be produced to the Secretary to the Trustees within 14 days after the meeting.

The Safeguarding Commission
The Commission is to fulfil the functions outlined in the guidelines adopted by the Catholic Safeguarding Advisory Service (the National Guidelines). Its members are to be appointed by the Trustees with the Bishop's approval and their composition is to be in accordance with the National Guidelines.

TRUSTEE INDUCTION AND TRAINING

New Trustees are appointed either by the Bishop or by resolution of the Trustees with the approval of the Bishop and are provided with induction training prior to or following their appointment. The key points of the Trustee Induction and Training policy are:

- The Trustees will comprise, first, the Bishop, secondly, the Bishop's Trustees, that is to say, the Vicars General and the Episcopal Vicars for the time being, and, thirdly, Ordinary Trustees, others who are clergy or laity
- When an Ordinary Trustee is to be appointed, the Trustees must carry out a skills audit and must consider what methods of search for new Ordinary Trustees may be appropriate, having regard to the need to ensure inclusivity, diversity and transparency among the Trustees
- A subcommittee will obtain CVs, conduct interviews and make recommendations to the Trustees

- The Bishop is appointed at the first Trustees' meeting after his ordination. Vicars General and Episcopal Vicars are appointed under Canon law and are then appointed by the Bishop as the Bishop's Trustees for so long as they remain Vicars General or Episcopal Vicars. Normally Ordinary Trustees are appointed by the Trustees with the approval of the Bishop.
- Ordinary Trustees are initially appointed for a 5-year period, which can be extended for a further 5 years. An Ordinary Trustee may be reappointed but normally an Ordinary Trustee should not hold office for more than 10 years.

The programme for Trustee training.

- Induction training as mentioned above
- General refresher training at no more than two yearly intervals.
- Mandatory training on five specific topics
- Regular training sessions of 1½ hours twice yearly on topics suggested by the three principal committees

Trustees continue with regular semi-annual training organised through the retained lawyers.

AIMS, ACTIVITIES AND ACHIEVEMENTS

Throughout the year the Diocese has continued its work as a diocese in accordance with its charitable objects in the following areas:

The provision, maintenance and upkeep of churches, public chapels and presbyteries belonging to or connected with the Roman Catholic Church in the Diocese.

The Diocese continued to invest £700,000 in Fixed Assets, including repairing and maintaining the conditions of buildings including a number of heritage assets notable amongst these completion of the complete restoration, refurbishment of the Milner Hall, Winchester. The Milner Hall is believed to be the first church in England to be consecrated since the Reformation.

The Trustees are currently undertaking a review of a number of large Church sites which have become dilapidated in order to develop a plan for these important buildings. The Trustees are also continuing a rolling programme of repairs to Presbyteries; and for Clergy and Religious Institutes.

The provision, maintenance and carrying on of the religious services of the said Church in such churches and public chapels or other places of like character.

Throughout the year weekly Mass attendance remained steady at about 34,000 people and 274 persons over the age of seven (2017 307) were baptised or otherwise received into full communion with the Church. There were also around 300 adults under instruction. There were 1,719 baptisms of persons under the age of seven (2017 1,882) and 980 confirmations (2017 1197).

The provision, maintenance and upkeep of houses of study, halls and colleges for the education and training of priests and persons desirous of becoming priests of the said Church in the Diocese or elsewhere.

We have a total of 12 seminarians in five seminaries (St Mary's College, Oscott; Allen Hall, London; St John's College, Wonersh and the Beda College and the Venerable English College, Rome). Two seminarians were ordained deacon in June 2018 and we pray that they will be ordained priest in summer 2019. Several inquirers are in regular contact with the Vocations Director; 5 men attended a Discernment Selection Conference in March 2019.

Following the ordination of five permanent deacons 2018 there are now 13 men in formation for the permanent diaconate, three having begun their studies in September 2018. There are currently 3 prospective candidates for the selection conference on July 21st, due to start at Oscott in September 2019. There are also 3 due to begin the Propaedeutic Year in September 2019. 1 has transferred from Northampton Diocese.

The teams for Priestly Vocations and the Diaconate are actively pursuing strategies for the promotion of vocations. That for the Diaconate is also developing plans for the continuing formation of deacons and the welfare of deacons and their wives. The Department for Clergy is busy supporting active priests and those in retirement, including induction and

formation for newly ordained priests; a junior clergy group has been formed. The Diocese currently benefits from the priestly ministry of priests from overseas dioceses including those from Canada, Cameroon, Nigeria, India and the Philippines.

In September 2018 almost 250 pilgrims from the Diocese joined around 10,000 other Catholics in Liverpool for the National Eucharistic Pilgrimage and Congress – Adoremus 2018. Eucharistic Congresses are gatherings of clergy, religious and laity which promote an awareness of the central place of the Eucharist in the life and mission of the Church. Earlier in the year, in May, Bishop Philip led pilgrims at a Diocesan Eucharistic Conference held in Portsmouth in preparation for the national event.

The provision, maintenance and upkeep of schools and colleges for the general education both religious and secular or religious or secular of children and young persons, whether or not members of the said Church.

Based on the most recent annual census of 2018, 24,900 (2017 24,680) pupils attend Voluntary Aided Catholic schools and Catholic Academies within the Diocese, and a further 6,780 (2017 6,820) attend independent Catholic schools. 57% of the pupils in these schools and academies are baptised Catholics.

Staff from Catholic Academies and Schools Office (CASO) are working with representatives from the Schools Community in the Diocese as to the shape and resourcing of the future diocesan support provisions to both maintained and independent schools. Staff from CASO continue to provide support to schools in recruitment of Senior Leaders; Governors; Formation of Catholic Life and Communion in the Catholic School Community and providing guidance where that Catholic Life and Mission changes with Public Policy.

The Department for Educational Chaplaincies is supporting the five university chaplaincies at Portsmouth, Reading, Bournemouth, Southampton and Southampton Solent, and the various youth ministers throughout the Diocese which has been enhanced with the introduction of Youth Ambassadors from a number of parishes. Bishop Philip also extended an invitation to four missionaries from the fellowship of Catholic University Students known as Focus, a Catholic outreach organisation whose mission is to share the hope and joy of the Gospel with university students. Over 300 young people from across the Diocese gathered with Bishop Philip at Flame 2019 to experience a day of faith, fun and formation with a number of inspiring talks.

General charitable objectives:

The majority of the Framework Teams now contain volunteers. Team leaders have worked flexibly within the structure which has meant that some teams (e.g. those within the chaplaincy sub-department) are meeting as one large group rather than as several small teams.

In the Department for Vocation the teams for spiritual formation, (including Called and Gifted), marriage and family life, the diaconate, and priestly vocations are meeting regularly. In the Department for New Evangelisation, within the Vicariate for New Evangelisation, many of the teams within New Evangelisation, Formation for Mission, Communications, Bamenda and Dialogue & Proclamation are meeting regularly and are carrying out projects. Some of the more important developments are summarised below.

In June 2014 the Bishop issued a new policy document *Developing Pastoral Areas in the Light of the New Evangelisation*, the fruit of the Pastoral Area Review of the preceding months. The aim of the policy is, first, to clarify the relationship between Pastoral Areas (PAs) and parishes and, secondly to group the PAs into Deaneries or Regional Pastoral Areas (RPAs) for the strategic planning needed for the New Evangelisation. The Diocesan PAs have been grouped into eight RPAs or Deaneries.

A programme of administrative support visits was started at Easter 2012. The programme aims to help parishes provide a consistent approach to all administrative activities including accounting, gift aid, personnel and the care and maintenance of buildings. The positive feedback received from the parishes has rated this programme of reviews very highly, with 94 percent rating the reviews as excellent.

Health and Safety assessments of all diocesan functional properties, including churches and parish halls, were conducted between 2016 and early 2019. These assessments have been conducted in conjunction with Ellis Whittam, a Health and Safety consultancy recommended by the Diocesan insurers. A follow-up programme is underway to monitor progress in

maintaining and improving standards, and in addressing the log of identified issues. During 2018 the diocese was audited for Health & Safety compliance by, Keoghs, an insurance-focused law firm, as part of an assessment of all dioceses insured through Catholic Insurance Services. The Diocese performed better than average but there remains more to be done.

Trustees are not aware of any Serious Incidents not already separately reported to The Charity Commission under Serious Incident regulations.

LOOKING FORWARD

Significant progress continues to be made in realising the Bishop's vision of transforming the Diocese into an evangelising diocese, with a missionary-minded approach or one of evangelistic Catholicism, as is explained at the start of this report.

The first Diocesan 'Convocation of Clergy' in 20 years, for our priests and deacons in active ministry, was held in 2017. Following on from this Bishop Philip has continued to build upon the Divine Renovation approach presented by Fr. James Mallon and what the shift from maintenance to mission means. The basis of this is his vision of where he believes the Lord wants to lead us over the next decade or so. The four key priorities include:

- Mission to all - that more people hear the Gospel afresh and come to know, serve and love Jesus Christ in the saving communion of His Catholic Church
- Conversion of Catholics – that we assist all Catholics, especially those who are not yet practising, to reach a deeper personal relationship with Jesus Christ in the Holy Eucharist.
- Dependence on the Holy Spirit – that shifting from maintenance to mission, we trust more completely in God through prayer, imploring the Holy Spirit to inspire all of us to develop and realise new and innovative ministries and ways of Christian living.
- Outward looking service – that we help our parish and school communities to become outward-facing service-centres especially for those in need.

Arising from these four priorities these lead to three specific focuses or areas of attention:

- Focus on Youth
- Promoting Vocations
- Prioritising our resources

The over-arching priority is "Bringing people closer to Jesus Christ through his Church".

FUNDRAISING

The Living Our Faith campaign concluded in June 2010. Some pledges have been cancelled due to deaths or changed circumstances. The total now received amounts to £13,156,593. No significant further increase is expected.

The Trustees have dedicated these funds under four separate headings:
Clergy training and support £2,873,939
Parish and pastoral area lay formation £2,873,939
Renewing facilities £1,436,970
Parish local funds £5,843,184

The Trustees have approved disbursement of these funds in accordance with the campaign objectives, as follows:
Clergy support £2,464,420
Parish and pastoral area lay formation £2,277,792
Renewing facilities £819,461
Parish local funds £4,617,264

The Trustees expect to make further disbursements of Living Our Faith funds in the coming years, including meeting the cost of the Diocesan vocations promoter, clergy sabbaticals and the maintenance of students for the priesthood.

In 2014 the Trustees approved a proposal for the instigation of a follow-up campaign to the Living our Faith campaign, called Our Parishes' Future, its purpose being to seek continued financial support from existing donors and support from

those who have not yet given. 63 parishes took part, resulting in a projected increased parish offertory in those parishes of £3.5m over five years, equivalent to an average annual increase in each parish of around 20%.

The Diocese has not entered into any significant activities in respect to fundraising which have seen the appointment of a professional fundraiser or commercial participator or anyone else being appointed in the financial year; the key fund raising activities continue to concentrate at parish level on the normal weekly collections and supplementary second collections as requested by the Catholic Bishops Conference of England and Wales, taken in the Parish Churches across the diocese on a weekly basis on behalf of the Charity.

There have and will continue to be a large number of local parish based activities and initiatives to generate funds either for use directly within the Parish or alternatively for other third-party organisations and/or charities.

The fundraising in parishes is generally focussed directly on the local parish and those more directly connected with the parish, thereby ensuring the avoidance of any intrusion which could give rise to any complaints being levied directly on the Charity.

At this time the Charity has not made any formal requests to the Fundraising Regulator or considered that it needs to make or create a formal code of practice with regards to its fundraising activities.

FINANCIAL REVIEW

The Statement of Financial Activities is in the main summary of the financial activities of the Charity for the period. This shows a decrease in funds of £2,075,962 (2017 £323,655) on normal activities, with realised and unrealised investment gains of £3,321,574 (2017 £3,760,299) which includes the results of a desktop revaluation of our investment properties as at 31st August 2018. Included in income are legacies to the value of £783,025 (2017 £1,506,344).

Devolved Formula Capital funds continued to be transferred to the Diocese, to be held on behalf of the voluntary aided diocesan schools. At the period end, a total of £1,546,704 (2017 £1,672,386) was held for those schools.

Improving and maintaining the properties owned by the Charity is a major priority, with a total of £2,650,278 (2017 £3,006,561) spent on repairs and a further £674,621 (2017 £354,761) spent on capital projects during the period. £262,398 was received from the disposal of surplus land and buildings in the period (2017 £0).

To facilitate the funding of this expenditure on property, all parish funds are lodged centrally, thereby enabling interest free loans to be made to parishes undertaking these major expenditures, should these parishes not have sufficient financial resources available. In order to minimise the charges made by the Diocese's bankers in respect of the offset banking facilities, with effect from 1st March 2012, the Diocese has adopted a weekly sweeping system, whereby parish operating accounts are kept at a working balance of £10,000 in credit and all overdrawn accounts are eliminated.

The curial activities cover the work of the Bishop and the various departments which deal with vocation and clergy, schools and educational chaplaincies, and administration and new evangelisation. These are in the main funded by a levy on the income of the parishes.

The curial activities also include a number of restricted and designated funds, which are administered by the Curia for specific purposes. These are listed in the notes to the accounts.

Throughout the Charity, there are also fund-raising activities for outside charitable activities, which in the period amounted to £642,576 (2017 £666,315). This fundraising income is considered a conduit where the Diocese acts as agent for the third-party charities and has therefore been excluded from the Charity's accounts.

The financial statements give only a partial view of the activities of the Charity. There are many thousands of volunteers and contributors to the Charity, whose activities, together with those of the clergy and lay staff who work within the Diocese, extend far beyond and, in a dynamic way, give expression to the Charity's work in pursuance of its objects. As explained above the Framework for Collaboration depends on the participation of volunteers in each Department's teams, and in every parish volunteers provide help with both the parish's own needs and with its outreach to the local area.

DIOCESAN SCHOOL PROPERTIES

The Charity is the legal owner of 51 properties used as part of the sites occupied by 51 of the 43 voluntary aided Catholic schools and 11 Catholic Academies within the Diocese. These schools are "exempt" charities in their own right, and following the implementation of Charities Act 2006, now the Charities Act 2011, are now "excepted" and their transactions are included in these accounts. Parishes are, however, required to make contributions towards certain property and other costs and these are treated as Parochial Resources Expended. The nature of the occupation of these properties means that the Trustees do not have the power to dispose of the land and buildings until a school closes or is transferred, which in turn requires the approval of the school governors and the Secretary of State. Consequently, for the purposes of these Accounts, the land and buildings are not included at any value (see accounting policy (f)).

INVESTMENT POWERS

The Charity's investments are structured as units in The Diocese of Portsmouth Common Investment Fund (DOPIF). Until December 2018, implementation of the investment policy was overseen by the Evangelisation Committee. From this time, the role is undertaken by the Finance, Audit and Risk Committee, which meets periodically to monitor investments and to discuss with the investment managers their performance

The investment managers are also instructed that their choice of investments must take into account the ethical position of the Catholic Church, and this is monitored.

At their meeting on 13 February 2014 the Trustees resolved that for the next five years the Charity's investment portfolio should be managed as to 50% by Charles Stanley and Co and 50% by C. Hoare and Company. In March 2017, C. Hoare and Company sold their investment management business to Schroders Cazenove. The investment management team of Hoare's moved to Schroders Cazenove. At their meeting on 6th April 2017, the Trustees resolved to accept that they should move the management of the portfolio previously managed by Hoare's to Schroders Cazenove.

The fund comprises an investment portfolio which is managed by the diocesan investment managers. The performance of the investment portfolios is measured against a benchmark of CPI plus 4%. From inception in June 2015 the portfolio managed by Charles Stanley showed a return of 32.6% to August 2018 (benchmark 20.4%), and the portfolio managed by Hoare's/Cazenove showed a return of 25.8% to August 2018 (benchmark 20.9%).

RESERVES POLICY AND ASSET COVER FOR FUNDS

As at 31 August 2018, Curial reserves amounted to £4,238,315 with a deficit of £1,893,214 on those funds free from any restrictions or designations. This is a decrease of £2,556,115 in the unrestricted reserves in the year. These are the true free funds of the Charity, which are available for supporting any or all of the activities of the Charity. The Trustees' terms of designation of the principal designated funds are of sufficient breadth to provide support for a wide range of activities of the charity. The Trustees believe that notwithstanding the level of designated curial funds the level of free reserves is a concern and as explained below have adopted measures to eliminate the deficit over the next few years.

There are other amounts totalling around £6.1m, which have specific restrictions and designations, or are permanent endowments, that can only be utilised for the purpose for which the funds have been set up. The principal funds in these categories are: The Living Our Faith fund which was established to meet specific Diocesan and parish needs and which will be largely spent within the next three years.

The funds within parishes total around £66.2m, of which £38.3m is represented by the value of churches and other functional properties. This is an increase of around £4.7m for the year. These funds are held for the purposes of the activities of individual parishes, and designated for that use, taking into account the costs involved in maintaining their buildings in good condition.

The Trustees have addressed the issue of ensuring that the central budget is balanced and have adopted a policy of setting a five-year budget, to be updated annually. This budget was set with particular notice being taken of the likely lower rates of investment return over the next few years. Quarterly reports in the form of management accounts covering central diocesan expenditure are scrutinised by the Finance, Audit and Risk Committee. Until December 2018 the committee reported to the Evangelisation Committee, and directly to the Diocesan Trustees since that date.

RISK ASSESSMENT

The Trustees have assessed the major risks to which the Charity is exposed, in particular those relating to the operation and finances of the Charity. The Trustees have put in place insurances, checks, controls and procedures to mitigate those risks. However, in order to ensure the robustness of the management of those risks the Trustees adopted a risk assessment report identifying the risks to which the Diocese is exposed, the likelihood of their occurrence, their effect and the action to control them at their meeting on 30th April 2016, and the updated report was reviewed in June 2018 and on 2nd May 2019 .

Three risks assessed as being high concern and the plans and strategies that are in place to manage them include:

Central budget – inflation exceeds the increase in levy. The budget pressures arising from the need to promote Vocations, Evangelisation and compliance with increasing regulatory burdens, and also to adequately manage risk are such that in 2018 the Trustees have begun a process of detailed analysis of long-term liabilities.

Clergy – diminishing numbers. The encouragement of vocations has resulted in there now being eleven men studying for the priesthood, and there has been an increasing willingness of religious Congregations and overseas Dioceses to assist.

Laity – diminishing Mass attendance. New strategies for evangelisation have been adopted to realise the Bishop's vision of transforming the Diocese into an evangelising diocese with a missionary minded approach. The Trustees have noted that although the decline in Mass attendance has eased over the last ten years, this masks significant demographic change due to inward migration.

CONNECTED CHARITY

A connected charity is identified in Note 15.

PUBLIC BENEFIT

The Diocese is governed in accordance with the requirements of Christian belief as found in Sacred Scripture and Catholic Tradition. In preparing this report, the Trustees have had regard to the Charity Commission's guidance on public benefit and are cognisant of the requirement to demonstrate that the Charity provides such a public benefit through the fulfilment of its objectives.

All Trustees have received training on the public benefit requirement as set out in the Charity Commission's guidance on public benefit.

The Trustees believe that in the provision of places of worship, community activity and education, in the holding of services of public worship, in raising awareness and understanding of Catholic religious beliefs and practices, in the carrying out of pastoral work in parishes, schools, hospitals, prisons and universities and in the support of the Catholic Church in the Diocese of Bamenda in the Cameroon, the Charity meets this requirement and also fulfils its Gospel duty. The Trustees believe that the work of the Diocese benefits the public by bringing meaning to people's lives, by providing opportunities to strengthen their relationship with God, by providing a moral and ethical framework within which to lead their lives and by promoting community and social cohesion through its pastoral work.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The purpose of this statement is to distinguish the Trustees' responsibilities for the accounts from those of the auditors as stated in their report. The Charities Act 2011 requires the Trustees to prepare for each financial period financial statements which give a true and fair view of the Charity's financial activities during the period and of its financial position at the period end. In preparing the financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that this basis applies.

The Trustees are responsible for ensuring proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Charity and enable them to ensure that the financial statements comply with the Trust Deeds and the disclosure regulations. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

Approved by the Board of Trustees on 27 June 2019 and signed on its behalf by:

Rt. Rev Philip Egan (Trustee)

Rev Michael Dennehy (Trustee)

THE INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF

THE PORTSMOUTH DIOCESAN TRUST

Opinion

We have audited the financial statements of The Portsmouth Diocesan Trust for the year ended 31 August 2018 which comprise the consolidated Statement of Financial Activities, the consolidated Balance Sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 August 2018 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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

Haysmacintyre LLP
Statutory Auditors
June 2019

10 Queen Street Place
London
EC4R 1AG

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

PORTSMOUTH DIOCESAN TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds Curial £	Unrestricted Funds Parochial £	Restricted Funds £	Total 2018 £	2017 £
Income from:						
Donations and legacies						
Donations and Offertories		300	9,157,207	795,273	9,952,780	11,484,524
Legacies		59,205	723,667	153	783,025	1,506,344
Other		428,905	153,511	127,757	710,173	713,868
Other trading activities:						
Rent – miscellaneous lettings		-	1,168,884	10,695	1,179,579	1,341,279
Income of trading subsidiaries	16	-	338,456	-	338,456	270,482
Investment income						
Investment income and interest receivable	1	86,115	98,940	105,679	290,734	277,638
Rent – investment properties		21,900	530,202	-	552,102	605,740
Other incoming resources:						
Insurance Claims		-	59,412	-	59,412	137,726
Gain on disposal of tangible fixed assets		-	234,236	-	234,236	-
Total income		596,425	12,464,515	1,039,557	14,100,497	16,337,601
Expenditure on						
Raising funds						
Expenses of trading subsidiaries		-	358,254	-	358,254	256,633
Finance costs		61,941	-	-	61,941	79,075
Charitable activities						
Activities in furtherance of the Roman Catholic Faith		6,936,867	7,563,910	1,255,487	15,756,264	16,325,548
Total expenditure	2 & 3	6,998,808	7,922,164	1,255,487	16,176,459	16,661,256
Net (Outgoing)/Incoming Resources before transfers		(6,402,383)	4,542,351	(215,930)	(2,075,962)	(323,655)
Realised and Unrealised Gains on investments		581,705	2,586,553	153,316	3,321,574	3,760,299
Net income/(expenditure)		(5,820,678)	7,128,904	(62,614)	1,245,612	3,436,644
Transfers between Funds		268,068	(32,126)	(235,942)	-	-
Transfers - Schools Building Fund Levy		-	-	-	-	-
Transfers - Diocesan Levy		2,165,336	(2,165,336)	-	-	-
Net movement on funds		(3,387,274)	4,931,442	(298,556)	1,245,612	3,436,644
Reconciliation of funds						
Fund balances brought forward		5,501,325	59,498,949	4,183,318	69,183,592	65,746,948
Fund balances carried forward		£2,114,051	£64,430,391	£3,884,762	£70,429,204	£69,183,592

The statement of financial activities includes all gains and losses in the period. All operations are continuing and there are no discontinued operations in either year. The comparative year's Statement of Financial Activities is included in note 18.

THE PORTSMOUTH DIOCESAN TRUST

CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	Curial Funds £	Parochial Funds £	Year ended 31 August 2018 £	Year ended 31 August 2017 £
Fixed Assets					
Tangible assets	5	3,331,124	38,231,641	41,562,765	41,724,199
Investments	6	7,758,544	20,580,390	28,338,934	25,181,087
		11,089,668	58,812,031	69,901,699	66,905,286
Debtors: due after more than one year	7	337,636	-	337,636	445,081
Current Assets					
Debtors and prepayments	7	1,945,356	237,297	2,182,653	2,564,229
Cash at bank and in hand		43,779	1,517,624	1,561,403	3,250,316
		1,989,135	1,754,921	3,744,056	5,814,545
Creditors: due within one year	8	(2,763,604)	(451,446)	(3,215,050)	(3,557,899)
Net Current Assets		(774,469)	1,303,475	529,006	2,256,646
Creditors: due after more than one year	8	(339,137)	-	(339,137)	(423,421)
Parish Loan Accounts					
Due from parishes		5,068,025	(5,068,025)	-	-
Due to parishes		(11,143,408)	11,143,408	-	-
		(6,075,383)	6,075,383	-	-
NET ASSETS		£4,238,315	£66,190,889	£70,429,204	£69,183,592
Unrestricted Funds					
General Funds		(1,893,314)	-	(1,893,314)	662,801
Designated Funds	11	4,007,365	64,430,391	68,437,756	64,337,473
		2,114,051	64,430,391	66,544,442	65,000,274
Restricted Funds	10	2,082,078	1,027,326	3,109,404	3,407,573
Permanent Endowment Funds	9	42,186	733,172	775,358	775,745
RESERVES		£4,238,315	£66,190,889	£70,429,204	£69,183,592

Approved by the Trustees on 27 June 2019 and signed on their behalf by:

Rt Rev Philip Egan Rev Michael Dennehy

(Trustee) (Trustee)

The notes form part of these accounts.

THE PORTSMOUTH DIOCESAN TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

	2018	2017
Reconciliation of Net Incoming Resources to Cash Inflow from Operating Activities	**£**	**£**
Changes in resources before revaluations	(2,075,962)	(323,655)
Returns on investment	(290,734)	(277,638)
Depreciation	852,518	834,770
(Gain)/Loss on disposal of Tangible Fixed Assets	(234,236)	41,335
Decrease/(Increase) in debtors	489,021	(1,014,027)
(Decrease)/Increase in creditors	(427,133)	459,580
	£(1,686,526)	£(279,635)
Net cash inflow from operating activities	(1,686,526)	(279,635)
Cash flows from investing activities		
Returns on investment	290,734	277,638
Payments to acquire tangible fixed assets	(719,246)	(2,466,623)
Receipts from sales of tangible fixed assets	262,398	-
Payments to acquire investments	(1,848,553)	(2,682,403)
Receipts from sales of investments	2,012,280	5,926,381
Change in cash and cash equivalents in the year	(1,688,913)	775,358
Cash and cash equivalents at the beginning of the year	3,250,316	2,474,958
Cash and cash equivalents at the end of the year	£1,561,403	£3,250,316

THE PORTSMOUTH DIOCESAN TRUST

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 AUGUST 2018

The financial statements have been prepared in accordance with all statutory requirements and with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102) (Effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). The particular accounting policies adopted are described below. The financial statements are prepared under the historical cost convention, as modified to include certain tangible fixed assets at a valuation and fixed asset investments at market value. Figures are presented in sterling and rounded to the nearest pound.

The Portsmouth Diocesan Trust meets the definition of a public benefit entity under FRS102.

a) Basis of preparation

The financial statements represent the Portsmouth Diocesan Trust together with its wholly owned trading subsidiary companies (consolidated on a line by line basis) listed in note 16. Since the consolidated balance sheet is not materially different from the Trust balance sheet only a consolidated balance sheet and consolidated notes to the accounts have been presented.

b) General information

The Charity is registered in England and Wales (Charity Number 246871). Its registered office is St Edmund House, Bishop Crispian Way, Portsmouth, PO1 3QA.

c) Preparation of accounts on a going concern basis

Having considered future budgets and cash flows, the trustees confirm that they have no material uncertainties about the entity's ability to continue as a going concern for the foreseeable.

d) Legacies, Donations and Grants

Legacies and donations are recognised when receivable or when the Diocese becomes legally entitled to them and receipt is probable and they can reasonably be measured in financial terms. Receipts of property, investments or other gifts in kind are included at market value. Grants are recognised when receivable.

e) Investment Income

Investment income is accounted for as it accrues.

f) Taxation

As a registered charity, the Diocese is exempt from income tax, corporation tax and capital gains tax derived from its charitable activities. Recovery of tax deducted at source is credited to the category of income to which it relates.

g) Expenditure

Costs of raising funds comprise those costs associated with attracting voluntary income and the management of the Charity's investments.

Costs of charitable activities consist of all expenditure directly relating to the objects of the Charity. Support costs which cannot be directly allocated are apportioned between charitable activities and governance costs on the basis of the Trustee's estimate of the time spent on the relevant functions.

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Governance costs include expenditure on management and compliance with constitutional and statutory requirements together with an allocation of support costs.

Irrecoverable VAT is included with the category of expenses to which it relates.

h) Schools Building Programme

Any grants obtained on behalf of school governors are netted off against total costs and only the residual cost to the Diocese is included in the financial statements.

i) Tangible Fixed Assets

Prior to 1 January 1997 the cost of fixed assets was written off in the year of acquisition and no comprehensive cost records were maintained. In order to arrive at a reasonable valuation of parish property, taking into account age, type, condition and life expectancy, the Trustees considered that the then insured values should be discounted by 90% and in subsequent years be depreciated at 2% per annum, on the building value only. Properties acquired after 31 August 1996 are capitalised at their actual cost of acquisition.

The Diocese owns a number of properties that are occupied and run by independent charities in the form of Voluntary Aided Schools and Catholic Academies. The school properties (land and buildings) are vested in the name of the Trustees. The Trustees cannot take a unilateral decision to dispose of these properties. Disposal can only occur if the school governors and the Secretary of State for Education decide that all or part of a school site is no longer required for education. In most circumstances, where a disposal occurs, the Secretary of State or the local authority may be entitled to recoup any grant. Although no rights of ownership vest in the school governing body, most other rights and obligations, such as for the maintenance and repair of the school and its facilities, are passed to the governors. The Trustees therefore consider that there is no capital value to the Diocese in the stock of school buildings.

Thus these properties have not been capitalised. There is a potential value, or contingent asset, in the event of a closure of a school (either connected to a re-organisation or not). Such an asset is recognised only upon the occurrence of a closure/re-organisation and the site's development value becoming certain, such as upon the granting of planning permission. The recognition of this value is accounted for as an incoming resource in the year in which this value becomes measurable and certain.

Prior to 4 September 1934, the date of the original Trust Deed of the Charity, most parish properties were acquired on trusts related to individual parish missions and were formally brought under the legal control of the Trustees by virtue of Charity Commission schemes dated 4th and 7th February 1936. These assets are included in Parochial Funds.

There are a few properties held on trusts created after 1934 which are different from those in the 1934 and 2002 trust deeds. These assets are also included in Parochial Funds.

The estimated cost of furniture, equipment and motor vehicles held at 31 August 1996 has been capitalised in the financial statements. Subsequent additions in excess of £5,000 are capitalised at cost. Individual works of art, historical treasures and plate are not capitalised.

Depreciation is calculated by the straight line method to write off the cost/value less anticipated residual value, over the expected useful lives of assets as follows: -

Freehold property (excluding land)	50 years
Leasehold property	50 years or, if less, the term of the lease
Furniture and equipment	5 to 20 years

j) Significant judgements

In preparing these financial statements the trustees have had to make estimates and assumptions that affect the amounts recognised in these financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Key areas subject to judgement and estimation are as follows:

Fixed asset depreciation. Judgement is applied when assigning anticipated average lives to the fixed assets of the charity

k) Pensions

All eligible staff may join a personal pension scheme of their choice to which the Diocese makes a matching contribution of up to five per cent of salary. As a defined contribution scheme, no liability falls upon the Diocese, as employer, to make good a shortfall of funding other than contributions due.

l) Financial instruments

The Diocese only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

Investments

Investments are valued at fair value on the balance sheet date. Investment properties are stated at a Trustees' valuation, as advised by a qualified Chartered Surveyor. Gains/losses on investments are calculated as the difference between opening market value and closing market value after adjusting for additions and disposals during the period. No distinction is made between realised and unrealised gains in the financial statements.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method. The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and investments in stocks and shares. The measurement basis used for these financial instruments is detailed below

m) Parochial Funds

Each Parish is considered by Canon Law to be a juridical person with corresponding rights and obligations, including the holding and use of funds. The use of these parochial funds is the responsibility of the Parish Priest, Diocesan Finance Council and the Trustees in varying ways depending on the amount and significance of the funds. However, for the purposes of civil law parishes are not distinct legal entities and, unless there are distinct and express special trusts clearly evidenced in law, parochial funds are therefore shown as unrestricted but designated funds.

n) Permanent Endowment Funds

The capital of Permanent Endowment Funds must be maintained intact with any income arising being available for restricted or general charitable purposes of the Diocese, according to the terms of the original gift.

o) Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are funds set aside by the Trustees for specific purposes (see note 11).

Restricted funds are used for specific purposes as stated by the grantor. Expenditure which meets these criteria is charged to the fund (see note 10).

1. INVESTMENT INCOME AND INTEREST RECEIVABLE

	Year ended 31 August 2018 £	Year ended 31 August 2017 £
Arising on quoted investments	283,574	276,504
Bank interest	7,160	1,134
	£290,734	£277,638

2. CHARITABLE EXPENDITURE

	General Funds £	Designated Funds £	Restricted Funds £	Parochial Funds £	Year ended 31 August 2018 £	Year ended 31 August 2017 £
Activities in the furtherance of the Roman Catholic Church						
Curial and Diocesan	2,254,930	-	-	-	2,254,930	1,891,261
Clergy training	390,575	-	-	-	390,575	328,700
Educational purposes	555,403	-	254,508	-	809,911	1,399,516
Social purposes	-	126,536	204,773	-	331,309	284,878
Risk management	-	-	-	-	-	-
Parochial expenses	2,777,058	-	971,681	7,388,435	11,137,174	11,425,836
Administration Support costs:						
Personnel	460,533	-	-	-	460,533	516,194
Premises	44,821	-	-	-	44,821	98,969
Office expenses	79,888	-	-	-	79,888	67,524
Other expenses	45,303	-	-	-	45,303	48,084
Governance costs:						
Finance and Property department	99,507	-	-	-	99,507	96,762
Audit	56,800	-	-	-	56,800	77,200
Legal	45,513	-	-	-	45,513	90,624
Curial & Governance Review	-	-	-	-	-	-
Costs of generating Funds						
Subsidiaries	-	-	-	358,254	358,254	256,633
Finance costs	61,941	-	-	-	61,941	79,075
	£6,872,272	£126,536	£1,430,962	£7,746,689	£16,176,459	£16,661,256

For full comparative figures see Note 19 (a)

3. RESOURCES EXPENDED

	Personnel (incl. Clergy) £	Property £	Depreciation £	Other £	Total £
Analysis of costs					
Costs of generating funds	80,997	-	3,356	335,842	420,195
Charitable expenditure	4,966,788	1,924,644	849,162	7,813,850	15,554,444
Governance costs	42,013	-	-	159,807	201,820
	£5,089,798	£1,924,644	£852,518	£8,309,499	£16,176,459

Support costs have been directly charged to the relevant activity on the basis of use.

For full comparative figures see Note 19 (b)

	2018 £	2017 £
Governance costs include		
Auditors remuneration – Audit (including VAT)	£47,250	£45,870

4. STAFF

	Year ended 31 August 2018 £	Year ended 31 August 2017 £
The average number of total employees (not full time equivalents) of the Diocese during the period and their aggregate emoluments are shown below		
Staff Costs:		
Wages and salaries	3,107,744	3,136,221
Social security	197,527	179,702
Pension costs	45,733	47,666
Redundancy costs		76,673
	£3,351,044	£3,440,262

Monthly Average Number of Employees:	No	No
Departments	48	45
Parishes	217	232
	265	277

Employees with emoluments greater than £60,000:

	2018	2017
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1

Key management personnel received salary, benefits and pension contributions of £237,385 (2017: £206,399) during the year.

5. TANGIBLE FIXED ASSETS

	Freehold Buildings £	Leasehold Buildings £	Furniture & Equipment £	Total £
COST OR VALUATION				
At 1 September 2017	50,268,160	533,228	2,655,773	53,457,161
Additions	674,621	-	44,625	719,246
Disposals	(35,522)	-	-	(35,522)
Transfers to Investments	-	-	-	-
At 31 August 2018	50,907,259	533,228	2,700,398	54,140,885
DEPRECIATION				
At 1 September 2017	9,573,449	32,011	2,127,502	11,732,962
Charge for the period	771,256	16,815	64,447	852,518
On disposals	(7,360)	-	-	(7,360)
Transfers to Investments	-	-	-	-
At 31 August 2018	10,337,345	48,826	2,191,949	12,578,120
NET BOOK VALUE				
At 31 August 2018	£40,569,914	£484,402	£508,449	£41,562,765
At 31 August 2017	£40,694,711	£501,217	£528,271	£41,724,199

At 31 August 2018 the Charity had future minimum lease payments under non-cancellable operating leases as follows:

Land and Buildings	**2018** £	**2017** £
Not later than 1 year	25,000	25,000
Later than 1 year and not later than 5 years	100,000	100,000
Later than 5 years	100,000	125,000
Total	200,000	225,000

The Diocese also owns a number of properties, which are occupied and run by independent charities in the form of Voluntary Aided Schools and Catholic Academies. The Trustees consider that these properties have no capital value to the Charity – see Accounting Policy (f). The total re-instatement cost of these schools is approximately £300m. A list of the schools in the Diocese is set out on the Diocesan website (www.portsmouthdiocese.org.uk).

All fixed assets are used in direct furtherance of the Charity's objects.

6. INVESTMENTS

Fixed Assets	Investment Properties £	Quoted Investments £	Total £
Market value at 1 September 2017	14,764,251	10,416,836	25,181,087
Additions	7,721	1,840,832	1,848,553
Disposals	(208,223)	(1,804,057)	(2,012,280)
Transfer from Tangible Fixed Assets	-	-	-
Revaluation gains	2,897,699	423,875	3,321,574
Market value at 31 August 2018	£17,461,448	£10,877,486	£28,338,934

All quoted investments (other than cash) are quoted on a recognised UK Stock Exchange or are valued by reference to

investments listed on a recognised Stock Exchange. No figure for the cost of the investment properties owned at 1 January 1997 is available; the value at which they were first recognised in the accounts was £1,014,500.

7. DEBTORS	31 August 2018 £	31 August 2017 £
Due after more than one year		
School and other loans	£337,636	£445,081
Due within one year		
School and other loans	1,317,907	1,059,825
Legacies Receivable	80,750	481,261
Other debtors and prepayments	783,996	1,023,143
	£2,182,653	£2,564,229

8. CREDITORS	31 August 2018 £	31 August 2017 £
Due after more than two years		
School and other loans	£254,853	£339,137
Due between one and two years		
School and other loans	£84,284	£84,284
Due within one year		
School and other loans	2,123,457	2,403,461
PAYE	52,922	54,006
Other creditors and accruals	1,038,671	1,100,432
	£3,215,050	£3,557,899

9. PERMANENT ENDOWMENT FUNDS

	Balance at 1 September 2017 £	Net Incoming/ (Outgoing) Resources £	Movement On Investments £	Balance at 31 August 2018 £
Parochial Funds				
Properties	386,935	(7,429)	-	379,506
Other	136,669	-	4,228	140,897
St Mary's Mission	211,216	-	1,553	212,769
	734,820	(7,429)	5,781	733,172
Curial Funds	40,925	-	1,261	42,186
	£775,745	£(7,429)	£7,042	£775,358

For full comparative figures see Note 19 (c)

10. RESTRICTED FUNDS

	Balance at 1 September 2017	Incoming Resources	Resources Expended	Transfers	Movement On Investments	Balance at 31 August 2018
	£	£	£	£	£	£
CURIAL						
Social Welfare	148,835	5,201	-	-	6,068	160,104
Clergy Training	1,012,252	82,225	-	(231,616)	61,989	924,850
Bamenda Fund	113,992	99,068	(125,894)	-	2,011	89,177
Clergy Assistance	68,534	36,452	-	(36,452)	11,257	79,791
Lourdes Fund	165,955	4,095	(5,629)	-	4,776	169,197
Youth Funds	780	1	-	-	-	781
Vicariate Triple Trust	77,802	2,169	(7,902)	-	2,530	74,599
Edmund Rice Fund	290,830	7,719	(29,281)	-	9,004	278,272
School Building Fund	257,809	252,462	(225,228)	-	-	285,043
Other Restricted Funds	20,358	3,946	(5,570)	-	455	19,189
Diocesan Caritas	854	67,900	(67,679)	-	-	1,075
	2,158,001	561,238	(467,183)	(268,068)	98,090	2,082,078
PAROCHIAL						
Parish Fund Raising	242,393	439,798	(711,394)	32,126	-	2,923
Investment Funds	822,987	20,565	(53,020)	-	48,184	838,716
Foundation Masses	160,706	-	-	-	-	160,706
Caritas Jersey Ltd	23,486	17,956	(16,461)	-	-	24,981
	1,249,572	478,319	(780,875)	32,126	48,184	1,027,326
	£3,407,573	£1,039,557	£(1,248,058)	£(235,942)	£146,274	£3,109,404

For full comparative figures see note 19 (d)

CURIAL

Social Welfare Fund
This is a fund dating from 1952 for the promotion of Social Welfare generally.

Clergy Training Fund
A fund for the training of students to the priesthood, which is the recipient of a specific annual Diocesan collection for this purpose. A transfer is made to the General Fund from which the training costs are paid.

Bamenda Fund
A fund to provide assistance to the Diocese of Bamenda in Cameroon, Africa that is the recipient of a specific annual Diocesan collection. There is a Trustees' committee charged with monitoring and making the appropriate grants.

Clergy Assistance
This fund provides financial support for clergy in need and is the recipient of a specific annual Diocesan collection.

Youth Funds
Funds collected specifically for youth purposes including Lourdes Pilgrimages and Summer Schools.

Diocesan Caritas
Caritas Diocese of Portsmouth supports and promotes the love of neighbour in the parishes and schools of the Diocese.

10. RESTRICTED FUNDS (Continued)

CURIAL (Continued)

Vicariate Triple Trust
The purpose of the Trust is primarily to assist parishes in providing church furnishings.

Edmund Rice Fund
This donation was received in 2005, primarily for education purposes in Reading and surrounding areas, and the local pastoral area is developing support for appropriate chaplaincies in the area.

School Building Fund
This Fund was established in 2001, to provide a central fund to meet the governors' liabilities on expenditures in Voluntary Aided schools. The equalisation fund is targeted as half from all parishes on the mainland, whether feeder parishes or not, and the balance being raised by the schools from parental contributions.

Other Restricted Funds
Other restricted funds consist of donations and other contributions for specific purposes other than those listed above, each not exceeding a period end balance of £50,000.

PAROCHIAL

Parish Fund Raising
These are funds that parishes raise for separate funds and charities, and account for as a restricted fund.

Investment Funds
These are mainly legacies left specifically for expenditure within individual parishes or churches.

Foundation Masses
Legacies left for mass intentions of the deceased, are held as separate funds within the parishes.

Caritas Jersey Ltd
Caritas Diocese of Portsmouth supports and promotes the love of neighbour in the parish of Jersey.

11. DESIGNATED FUNDS

	Balance at 1 September 2017 £	Incoming Resources £	Transfers/ Resources Expended £	Movement On Investments £	Balance at 31 August 2018 £
CURIAL					
Education Fund	-	27,522	-	20,438	47,960
Insurance Risk Fund	(8,797)	-	-	-	(8,797)
Pastoral Development Fund	674,353	-	-	-	674,353
Living Our Faith Fund	4,172,970	1,767	(882,599)	1,711	3,293,849
	4,838,526	29,289	(882,599)	22,149	4,007,365
PAROCHIAL					
Living Our Faith Fund	1,450,582	55,890	(117,187)	-	1,389,285
Other Parochial Funds	58,048,365	12,408,625	(10,002,437)	2,586,553	63,041,106
	59,498,947	12,464,515	(10,119,624)	2,586,553	64,430,391
	£64,337,473	£12,493,804	£(11,002,223)	£2,608,702	£68,437,756

For full comparative figures see note 19 (e)

11. DESIGNATED FUNDS (Continued)

Education Fund
This fund is utilised for the support of schools and other educational purposes within the Diocese.

Insurance Risk Fund
This fund has been designated to assist parishes and others to comply with safety requirements.

Pastoral Development Fund
This fund has been set up from the proceeds of the sale of a surplus property and will be supplemented from further disposals where there are surplus funds generated, in order to aid parishes with their own developments.

Living Our Faith Fund
A programme was initiated in 2008 to raise funds (i) to provide the Diocese with sufficient funds to support independently the training of students for the priesthood and the continuing care of its ordained clergy in their ministry, to fund adult formation programmes and resources and various capital projects, and (ii) to provide parish funds to meet local needs.

12. ALLOCATION OF NET ASSETS

	Fixed Assets £	Investments £	Current Assets £	Current Liabilities £	Parish Loan Accounts £	31 August 2018 Total £
Permanent Endowment Funds						
Curial	-	40,701	1,485	-	-	42,186
Parochial	525,947	128,001	79,224	-	-	733,172
Restricted Funds						
Curial	-	3,160,782	(1,078,704)	-	-	2,082,078
Parochial	-	999,423	27,903	-	-	1,027,326
Unrestricted funds						
Curial	3,331,124	4,557,060	3,403,989	(3,102,739)	(6,075,383)	2,114,051
Parochial	37,705,694	19,452,967	1,647,795	(451,448)	6,075,383	64,430,391
Total Net Assets	£41,562,765	£28,338,934	£4,081,692	£(3,554,187)	£ -	£70,429,204

For full comparative figures see note 19 (f)

13. TRANSACTIONS WITH TRUSTEES

Certain of the Trustees are also priests within the Diocese. As priests they receive income from their office together with living accommodation, living expenses and reimbursement of costs incurred on behalf of their parish on the same basis as other priests within the Diocese. One Trustee is married to a retired priest within the Diocese who is entitled to receive a stipend for supply work undertaken in the Diocese. No Trustees receive any remuneration or benefits from their trusteeships. No Trustees were paid for providing professional services to the Diocese. Trustees were reimbursed for travel expenses incurred in their capacity as Trustees in the year in the sum of £1,409 (2017 £2,566). Donations totaling £11,400 (2017: £10,200) were received from trustees during the year.

14. CAPITAL COMMITMENTS

	31 August 2018 £	31 August 2017 £
Authorised and contracted for	£-	£-

15. CONNECTED CHARITY

The following charity is a connected charity of The Portsmouth Diocesan Trust:

Charity	Charity Number	Address
Portsmouth Roman Catholic Diocese Priests' Retirement Fund	1061194	St Edmund House Bishop Crispian Way Portsmouth PO1 3QA

16. TRADING SUBSIDIARIES

During the period the Diocese had wholly owned active subsidiary companies incorporated in England and Wales. They were as follows: -

The Portsmouth Diocesan Trading Co Limited (Company Number: 2746549)	-	General commercial trading on behalf of the Diocese.
Catholic Resource Centre Limited (Company Number: 3141601)	-	Sale of religious material.
City Centre Parish Gift Shop Ltd (Company Number 4861772)	-	Sale of religious and other material.
Our Lady of Peace Catholic Club Limited (Company Number: 3340552)	-	Management of licensed premises on behalf of Our Lady of Peace, Earley.
Waterside Fair Trading Limited (Company Number: 3454820)	-	Sale of religious and related material.

The results and assets and liabilities of the above companies are reported within the financial statements.

Portsmouth Roman Catholic Diocesan Trust Company Limited (Company Number: 9003096) acts as Member of Caritas Jersey Limited, a Jersey registered charitable company, whose results and assets and liabilities are reported within the financial statements.

Portsmouth Roman Catholic Diocesan Properties Limited (Company Number: 9611450) was incorporated on 28th May 2015 but was not active during the year.

16. TRADING SUBSIDIARIES (Continued)

A summary of the companies' trading results and balance sheets is set out below: -

Consolidated Profit and Loss Account For the Year Ended 31 August 2018	31 August 2018 £	31 August 2017 £
TURNOVER	251,864	270,482
Cost of sales	(75,707)	(94,439)
GROSS PROFIT	176,157	176,043
Administrative expenses	(129,664)	(154,823)
	46,493	21,220
Amount gifted to the Charity	(66,415)	(27,655)
Loans written off	-	-
Tax on profit on ordinary activities	-	-
(LOSS)/PROFIT AFTER TAXATION	(19,922)	(6,435)
Reserves brought forward	(39,731)	(33,296)
RESERVES CARRIED FORWARD	£(59,653)	£(39,731)

Included within turnover are sales to the Diocese amounting to £70,395 (2017 £38,234).

Consolidated Balance Sheet As At 31 August 2018	31 August 2018 £	31 August 2017 £
FIXED ASSETS		
Tangible assets	60,891	64,248
CURRENT ASSETS		
Stocks	14,330	86,612
Debtors	7,706	5,703
Cash at bank and in hand	70,838	58,022
	92,874	150,337
CREDITORS: Amounts falling due within one year	(46,917)	(87,815)
NET CURRENT ASSETS	45,957	62,522
CREDITORS: Amounts falling due after one year	-	-
NET ASSETS	£106,848	£126,770
Share capital	166,501	166,501
Reserves	(59,653)	(39,731)
SHAREHOLDERS' FUNDS	£106,848	£126,770

17. FINANCIAL INSTRUMENTS	2018 £	2017 £
Financial assets measured at fair value	10,877,486	10,416,836
Financial assets measured by amortised cost	1,655,543	1,504,906
Financial liabilities measured by amortised cost	2,462,594	2,826,882

Financial assets measured at fair value comprise listed investments.

Financial assets measured at amortised cost comprise school and other loans.

Financial liabilities measured at amortised cost comprise school and other loans.

18. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds Curial £	Unrestricted Funds Parochial £	Restricted Funds £	Total £
Incoming from:					
Donations and legacies					
Donations and Offertories		1,865,050	8,832,257	787,217	11,484,524
Legacies		52,519	1,442,825	11,000	1,506,344
Other		397,309	187,955	128,604	713,868
Other trading activities:					
Rent – miscellaneous lettings		-	1,330,779	10,500	1,341,729
Income of trading subsidiaries	16	-	270,482	-	270,482
Investment income					
Investment income and interest receivable	1	81,112	96,140	100,386	277,638
Rent – investment properties		39,833	565,907	-	605,740
Other incoming resources:					
Insurance Claims		-	137,726	-	137,726
Gain on disposal of tangible fixed assets		-	-	-	-
Total income		2,435,823	12,864,071	1,037,707	16,337,601
Expenditure on					
Raising funds					
Expenses of trading subsidiaries		-	256,633	-	256,633
Finance costs		79,075	-	-	79,075
Charitable activities					
Activities in furtherance of the Roman Catholic Faith		4,330,273	10,962,028	1,033,247	16,325,548
Total expenditure	2 & 3	4,409,348	11,218,661	1,033,247	16,661,256
Net (Outgoing)/Incoming Resources before transfers		(1,973,525)	1,645,410	4,460	(323,655)
Realised and Unrealised Gains on investments		513,094	2,910,744	336,461	3,760,299
Net income/(expenditure)		(1,460,431)	4,556,154	340,921	3,436,644
Transfers between Funds		151,156	11,004	(162,160)	-
Transfers - Schools Building Fund Levy		-	-	-	-
Transfers - Diocesan Levy		1,971,950	(1,971,950)	-	-
Net movement on funds		662,675	2,595,208	178,761	3,436,644
Reconciliation of funds					
Fund balances brought forward		4,838,650	56,903,741	4,004,557	65,746,948
Fund balances carried forward		£5,501,325	£59,498,949	£4,183,318	£69,183,592

19. COMPARATIVE FIGURES FOR THE YEAR ENDED 31 AUGUST 2017

(a) CHARITABLE EXPENDITURE	General Funds £	Designated Funds £	Restricted Funds £	Parochial Funds £	Total £
Activities in the furtherance of the Roman Catholic Church					
Curial and Diocesan	1,891,261	-	-	-	1,891,261
Clergy training	328,700	-	-	-	328,700
Educational purposes	445,752	533,838	419,926	-	1,399,516
Social purposes	-	100,165	184,713	-	284,878
Risk management	-	-	-	-	-
Parochial expenses	-	35,199	428,608	10,962,029	11,425,836
Administration Support costs:					
Personnel	516,194	-	-	-	516,194
Premises	98,969	-	-	-	98,969
Office expenses	67,524	-	-	-	67,524
Other expenses	48,084	-	-	-	48,084
Governance costs:					
Finance and Property department	96,762	-	-	-	96,762
Audit	77,200	-	-	-	77,200
Legal	90,624	-	-	-	90,624
Curial & Governance Review	-	-	-	-	-
Costs of generating Funds					
Subsidiaries	-	-	-	256,633	256,633
Finance costs	79,075	-	-	-	79,075
"Living Our Faith"/"Our Parish's Future" Appeal Costs	-	-	-	-	-
	£3,740,145	£669,202	£1,033,247	£11,218,662	£16,661,256

(b) RESOURCES EXPENDED

	Personnel (incl. Clergy) £	Property £	Depreciation £	Other £	Total £
Analysis of costs					
Costs of generating funds	99,785	-	4,257	231,666	335,708
Charitable expenditure	4,904,850	2,372,536	830,513	7,953,063	16,060,962
Governance costs	40,789	-	-	223,797	264,586
	£5,045,424	£2,372,536	£834,770	£8,408,526	£16,661,256

19. COMPARATIVE FIGURES FOR THE YEAR ENDED 31 AUGUST 2017

(c) PERMANENT ENDOWMENT FUNDS	Balance at 1 September 2016 £	Net Incoming/ (Outgoing) Resources £	Movement On Investments £	Balance at 31 August 2017 £
Parochial Funds				
Properties	392,214	(5,279)	-	386,935
Other	126,183	-	10,486	136,669
St Mary's Mission	207,428	-	3,788	211,216
	725,825	(5,279)	14,274	734,820
Curial Funds	36,886	-	4,039	40,925
	£762,711	£(5,279)	£18,313	£775,745

(d) RESTRICTED FUNDS	Balance at 1 September 2016 £	Incoming Resources £	Resources Expended £	Transfers £	Movement On Investments £	Balance at 31 August 2017 £
CURIAL						
Social Welfare	128,328	4,985	-	-	15,522	148,835
Clergy Training	918,217	94,125	-	(152,122)	152,032	1,012,252
Bamenda Fund	102,954	102,613	(104,021)	-	12,446	113,992
Clergy Assistance	36,709	41,534	-	(36,534)	26,825	68,534
Lourdes Fund	150,797	9,884	(6,565)	-	11,839	165,955
Youth Funds	1,948	380	(1,548)	-	-	780
Vicariate Triple Trust	69,561	2,078	-	-	6,163	77,802
Edmund Rice Fund	291,245	7,397	(29,749)	-	21,937	290,830
School Building Fund	371,497	255,883	(369,571)	-	-	257,809
Other Restricted Funds	19,614	5,348	(5,747)	-	1,143	20,358
Diocesan Caritas	5,786	61,901	(66,833)	-	-	854
	2,096,656	586,128	(584,034)	(188,656)	247,907	2,158,001
PAROCHIAL						
Parish Fund Raising	210,622	408,472	(389,697)	12,996	-	242,393
Investment Funds	765,322	18,214	(9,670)	-	49,121	822,987
Foundation Masses	160,706	-	-	-	-	160,706
Caritas Jersey Ltd	8,540	25,406	(23,960)	13,500	-	23,486
	1,145,190	452,092	(423,327)	26,496	49,121	1,249,572
	£3,241,846	£1,038,220	£(1,007,361)	£(162,160)	£297,028	£3,407,573

19. COMPARATIVE FIGURES FOR THE YEAR ENDED 31 AUGUST 2017

(e) DESIGNATED FUNDS

	Balance at 1 September 2016 £	Incoming Resources £	Transfers/ Resources Expended £	Movement On Investments £	Balance at 31 August 2017 £
CURIAL					
Education Fund	524,984	16,792	(593,129)	51,353	-
Insurance Risk Fund	(8,797)	-	-	-	(8,797)
Pastoral Development Fund	674,353	-	-	-	674,353
Living Our Faith Fund	4,622,551	44,497	(498,375)	4,297	4,172,970
	5,813,091	61,289	(1,091,504)	55,650	4,838,526
PAROCHIAL					
Living Our Faith Fund	1,620,125	57,749	(227,292)	-	1,450,582
Other Parochial Funds	55,283,616	12,806,322	(12,952,317)	2,910,744	58,048,365
	56,903,741	12,864,071	(13,179,609)	2,910,744	59,498,947
	£62,716,832	£12,925,360	£(14,271,113)	£2,966,394	£64,337,473

(f) ALLOCATION OF NET ASSETS AS AT 31 AUGUST 2017

	Fixed Assets £	Investments £	Current Assets £	Current Liabilities £	Parish Loan Accounts £	Total £
Permanent Endowment Funds						
Curial	-	39,950	975	-	-	40,925
Parochial	533,587	127,948	73,285	-	-	734,820
Restricted Funds						
Curial	-	3,132,420	(974,419)	-	-	2,158,001
Parochial	-	983,693	265,879	-	-	1,249,572
Unrestricted funds						
Curial	3,403,744	4,202,771	4,894,415	(3,661,986)	(3,337,617)	5,501,327
Parochial	37,786,868	16,694,305	1,999,491	(319,334)	3,337,617	59,498,947
Total Net Assets	£41,724,199	£25,181,087	£6,259,626	£(3,981,320)	£ -	£69,183,592