

**Catholic
Trust for
England
and Wales**

**Annual Report and Financial
Statements**

31 December 2008

Company Registration Number
4734592

Charity Registration Number
1097482

BUZZACOTT

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

Registered name	Catholic Trust for England and Wales
Charity registration number	1097482
Company registration number	4734592
Principal office	39 Eccleston Square London SW1V 1BX
Trustees	Rt Rev Malcolm McMahon OP (Chair) Mgr Michael McKenna (Vice-Chair) Mr Ben Andradi Ms Alison Cowdall Mr John Gibbs Mr Peter Lomas Canon Nicholas Rothon Mr Robin Smith Dr James Whiston
Company Secretary	Mgr Andrew Summersgill
Management Group	Mgr Andrew Summersgill – General Secretary Alexander DesForges – Director CCN Mgr Andrew Faley – Assistant General Secretary Laurence Fenton – Assistant General Secretary - Operations Aminata Kamara – Human Resources Manager Sarah Pearson – Finance Manager David Ryall – Assistant General Secretary Lorraine Welch – PA to the General Secretary Charles Wookey – Assistant General Secretary

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

Auditors Buzzacott LLP
12 New Fetter Lane
London
EC4A 1AG

Bankers HSBC plc
69 Pall Mall
London
SW1Y 5EY

Solicitors DLA Piper LLP
3 Noble Street
London
EC2V 7EE

Jose Perez
Rue Marques da Fronteira
1070-295 Lisboa
Portugal

Investment managers HSBC Investment Management Limited
78 St James Street
London
SW1A 1HL

Structure, Governance and Management

The trustees, who are the directors for the purposes of company law, have pleasure in presenting their annual report and the financial statements of the Catholic Trust for England and Wales (CaTEW) for the year ended 31 December 2008.

This report has been prepared in accordance with Part VI of the Charities Act 1993 and Schedule VI of the Companies Act 1985.

Constitution

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

Principal aims

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

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

Trustees

The retirement by rotation and re-election procedures for the trustees are set out in the Memorandum and Articles of Association. Additional trustees are sought through an extensive process of nomination in which candidates are evaluated against clear specifications. The selection process aims to ensure that the trustee board collectively has the skills and experience to properly fulfil its functions. In keeping with the Trust's objectives, it is a requirement that candidates are committed Catholics. In order to properly discharge their duties, trustees are provided with an induction. Background information on the charity's constitution, objects and finances, together with an introduction to the structure and workings of the Bishops' Conference and material explaining trustees' legal responsibilities, is provided. Where trustees identify a need for training to effectively carry out their duties, appropriate resources are identified and training provided.

There must be a minimum of eight trustees, but there is no maximum.

Structure, Governance and Management (continued)

Trustees (continued)

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

Details of grants and donations to other charities are set out in note 9 to the financial statements.

Trustees' responsibilities statement

The charity's trustees are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the year end and of its incoming resources and resources expended during that year. In preparing financial statements giving a true and fair view, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees, in his or her capacity as director of the charity confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Structure, Governance and Management (continued)

Risk assessment

The trustees annually assess the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. Those risks identified in the last report were addressed during the current year. The trustees believe that by monitoring reserve levels, ensuring controls exist over key financial systems, and examining the operational and business risks faced by the charity they are developing appropriate management strategies, and are establishing effective systems to mitigate risks.

Major risks that have been identified are:

External risks

- ◆ As CaTEW operates to a levy which has been reduced over the last two years, and operating costs are rising, it is necessary to find alternate sources of income to fund the ongoing work of the Bishops' Conference. An emphasis has been placed on a proactive fundraising project via the Faith in the Future re-launch in late 2008. Effective use of resources and achieving economies of scale are related areas which also continue to require addressing.

Property

- ◆ The agreed refurbishment of 38-40 Eccleston Square brings not only financial consequences, but operational risks and probable disruption whilst work is carried out.
- ◆ In addition, 114 West Heath Road could, in the short term, pose a financial risk to the Trust. During 2008, the property was leased out on a five year lease which secures income and reduces costs during the lease period.

Organisational structure

The governance of the charity is accomplished through the Annual General Meeting with the members, meetings of the Board and its constituent committees. The committees are:

The Finance Committee supports the Assistant General Secretary (AGS) Operations and the Finance Manager, implements and reviews budgets and sets the financial policy and direction of the Trust.

The Investments Sub-Committee supports the Assistant General Secretary (AGS) Operations and the Finance Manager, monitors performance and return on investments as well as the Trust's investment policy.

Structure, Governance and Management (continued)

Organisational structure (continued)

The Grants Sub-Committee supports the Assistant General Secretary (AGS) Operations and the Finance Manager, and reviews and applies the grant-making policy of the Trust.

The Fundraising Committee plans, oversees and manages all aspects of fundraising undertaken by or on behalf of the Trust.

The Publishing Committee monitors and facilitates publishing arrangements and the development of Colloquium (CaTEW) Limited with the aim of promoting the work of the Bishops and the Bishops' Conference.

The Personnel Committee provides strategic support to the Human Resources Manager in grievance and disciplinary procedures and ensures that the recommendations for staffing numbers and costs comply with the organisation's requirements in line with overall affordability.

The Premises Committee supports the AGS Operations in managing the properties of the Trust and all related property issues.

The Health and Safety Committee supports the AGS Operations in matters of health and safety and conducts and monitors risk management assessment and disaster recovery planning.

The Nominations and Legal Committee liaises with the Charity Commission on behalf of the Board and advises and instructs on the appointment of legal advisers and on matters of legal compliance, and looks to provide succession planning for trustees and selection and training of new trustees.

Subsidiary company

The charity has a wholly owned subsidiary company Colloquium (CaTEW) Limited. The company was incorporated on 15 April 2003. Its results are included in the consolidated financial statements presented with this report.

Relations with other Charitable Organisations

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

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

Structure, Governance and Management (continued)

Relations with other Charitable Organisations (continued)

As the administrative arm of the Bishops' Conference of England and Wales the Trust has close links with the Diocesan charities through which the annual assessments are made. These are principally through the Bishops themselves and also it is represented at the Conference of Diocesan Financial Secretaries. The Trust relates to the charities of religious congregations within the Conference of Religious, particularly through its provision of the administrative, legal, human resource and financial management for the Catholic Safeguarding Advisory Service (CSAS) (formerly the Catholic Office for the Protection of Children and vulnerable Adults (COPCA)). The Trust also relates closely to those agencies of the Bishops' Conference that exist as independent charities. The main ones being the Catholic Agency for Overseas Development (CAFOD), the Catholic Education Service, Caritas-Social Action, the Pontifical Mission Societies, the Catholic Agency for Racial Justice and the Apostleship of the Sea. The Trust provides office accommodation for the National Justice and Peace Network.

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

Objectives and Activities

The Trust exists to provide the administrative support and legal framework for the Bishops' Conference and to carry out its mandate. The Bishops' Conference meets in plenary session twice a year and its activities are continued through the meetings of the departments of the Bishops' Conference, a standing committee of the elected President and Vice-President, Bishop chairmen of departments and two other Bishops, and the Secretariat, agencies and offices of the Conference.

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

The Bishops' Conference through CaTEW employs staff to carry out the work of the Departments, which also rely heavily on the participation of volunteers who serve as committee members and advisers. Specific areas of the Church's work are co-ordinated and directed by agencies and offices. Some of these are supported within the Catholic Trust for England and Wales. At the present time these are: the Catholic Agency for the Support of Evangelisation (CASE) and the National Office for Vocation (NoV).

Objectives and Activities (continued)

The Catholic Safeguarding Advisory Service (CSAS) (formerly the Catholic Office for the Protection of Children and Vulnerable Adults (COPCA)) is now incorporated in the department of Christian Responsibility and Citizenship following the full acceptance of the recommendations of the Cumberlege Commission report and is jointly funded by the Bishops' Conference and the Conference of Religious.

Communicating the activities of the Bishops' Conference and its agencies and offices, as well as the Catholic Church both locally, nationally and internationally is co-ordinated by the Catholic Communications Network (CCN).

The Bishops' Conference Secretariat administers the Trust and this is co-ordinated by the General Secretary of the Conference who is the Company Secretary of the Trust.

When directed by the Bishops' Conference, CaTEW will continue to consolidate national Catholic organisations and to develop and manage the assets it has received for the benefit of the activities of the Bishops' Conference, its agencies and offices.

Income and Expenditure

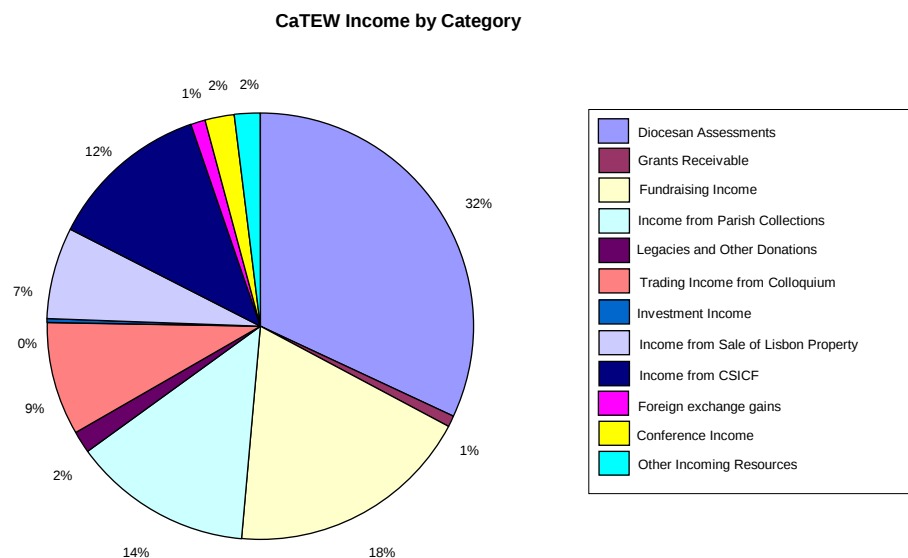
In 2008 the income of the Trust from all sources was £5,453,765. The main sources are assessments on the Dioceses of England and Wales mandated by the Bishops, parish collections agreed by the Bishops for the purposes of the Bishops' Conference and associated agencies and offices. The assessments mandated by the Conference are for the general workings of the Conference, subscriptions to the Ecumenical Instruments, Safeguarding and CSAS, and Youth work. Authorised parish collections received by CaTEW are taken on Home Mission Sunday (to support CASE), World Communications Day (to support CCN) and the Day for Life (to support the Linacre Centre and the pro-life activities of the Conference).

Other income is derived from investments, grants and property. During 2008 the Trust continued to develop the *Faith in the Future* fundraising capacity which during this year raised £1,005,519.

Objectives and Activities (continued)

Income and Expenditure (continued)

The income of the Trust is illustrated below:

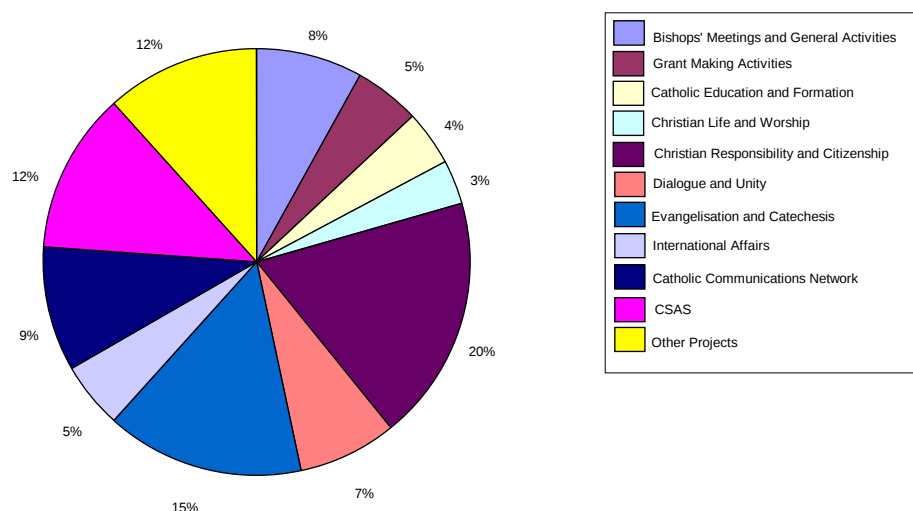


Total expenditure for the year was £4,181,509. The expenditure of the Trust in pursuing the activities of the Bishops' Conference is illustrated below in terms of the departments of the Conference, agencies, offices and other expenditure. It is analysed in detail in the accounts attached to this report:

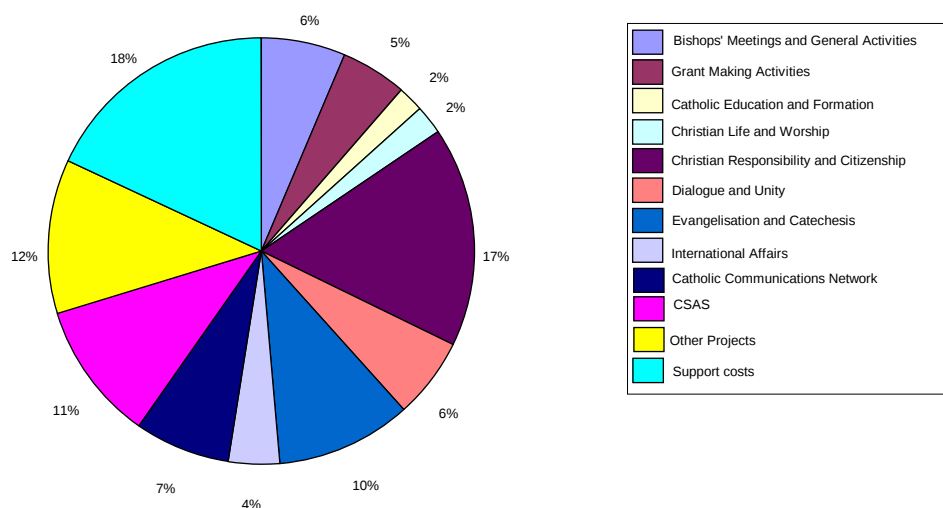
Objectives and Activities (continued)

Income and Expenditure (continued)

CaTEW Expenditure on charitable activities including allocated support costs



CaTEW Expenditure on charitable activities with support costs as one item



Objectives and Activities (continued)

Grant-Making Policy

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

- 1 Small grants to charities that attract their major funding from other sources;
- 2 Grants to organisations, charities and projects that have a national role recognised by the Bishops' Conference and are therefore considered as being part of the national ecclesiastical structures;
- 3 Grants to organisations, charities and projects that either contribute to the life and work of the Catholic community in more than one diocese and require significant funding or require initial funding in order to develop the work of the Bishops' Conference;
- 4 Grants for purposes associated with social communications and media;
- 5 Grants to fulfil the purposes of the Lisbon Trust Fund (a constituent charity of the Trust); and
- 6 Grants to fulfil the purposes of the Catholic Students International Chaplaincy Fund.

Achievements and performance

The activities of CaTEW are determined by the requirements of the Bishops' Conference of England and Wales, after having considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. CaTEW's activities are therefore more clearly described under the structures of the Conference outlined earlier.

Catholic Education and Formation

The main activity of the Department is focused through the meetings of the Bishops, agreeing policy direction with the Catholic Education Service (a distinct charity funded through a separate assessment from Dioceses). The Bishops of the Department, with the support of the CES have been engaged in debate with Government following the publication of the Education and Inspection Act 2006, on the role of Catholic schools and their contribution. The Department is also reviewing the National Project *Living and Sharing Our Faith*. The Department has supported the CES in the promotion of church schools with specific reference to the policy statement *Faith in the System*.

The National Office for Vocation is a specific office supported by CaTEW. During 2008 it continued its work of promoting a general culture of vocation and also nurturing specific vocations. In addition to the production of resources, the office has strengthened its involvement with organisations and events to encourage good practice in vocations promotions across the dioceses. The office continues to develop with the Catholic Communications Network a media strategy, to ensure that the priesthood and religious life are reported in a positive light.

Achievements and performance (continued)

Catholic Education and Formation (continued)

The office produces both internet-based and printed materials; these are particularly important to the smaller dioceses who may not have the resources to produce their own. The office continues to encourage young men to consider priesthood and the small book 'Catholic Priest, Today and Tomorrow' has been revised and filming at Oscott College for an online resource was completed.

The office co-ordinates national selection policy and 2008 saw the completion of the revised 'Handbook for Priestly Selection'. The office is charged with the maintenance of applicant databases and the induction of new Diocesan Vocations Directors to ensure careful selection of candidates.

Christian Life and Worship

The key area of work for the Department for Christian Life and Worship is the ongoing preparation for the publication of a new English Translation of the Roman Missal which will have a significant impact on the life of the Church and worship in England and Wales. Resources are expended on the consultation process among the Bishops on the translation and work on the preparation of catechetical materials to assist with the introduction of the Missal.

The Committee for Spirituality continues to network with those supporting Spirituality in England and Wales through an annual meeting and smaller regional meetings. It has also explored the possibilities of a Spirituality Coordinating role within dioceses.

A recent achievement of the Committee for Patrimony was the collaboration with English Heritage in the production of A Glimpse of Heaven which highlighted the quality of the Catholic Church architecture in England and Wales. This was enhanced in 2008 with production of an accompanying DVD. This material has also been highlighted on the Bishops' Conference website. The Committee continues to work with and offer advice to diocesan Historic Churches Committees.

Those working on a Syllabus for the Formation of Lay Liturgical Ministers have been considering how this work might best be supported so that those delivering it in dioceses will have resources to enable them to work competently and effectively.

Through the website of the Liturgy Office resources have been made available to parishes to explore the initiative of Pope Benedict XVI of the year of St Paul.

The staff of the Department are engaged in training and facilitating liturgical awareness throughout the Dioceses of England and Wales, to assist Diocesan liturgical commissions to provide their own resources to parishes and so promote a growing understanding of good liturgical principles in parish worship.

Achievements and performance (continued)

Christian Responsibility and Citizenship

The staff supported the Department Bishops in making significant progress in addressing their four strategic priorities during 2008.

Support of marriage and family life – In 2008 a multimedia *Home is a Holy Place* resource pack was produced to assist parishes in raising awareness of the graced, blessed and holy reality of marriage and family life. Thanks to a generous donation, sufficient copies were published to enable a pack to be made available free of charge to every parish in England and Wales. In March 2008 thirteen diocesan projects were approved for three-year funding from the Celebrating Family Fund, enabling the appointment of 11 new diocesan workers who will be strengthening networks of parish support for couples, parents and families. In July 2008 the Fund also provided places for 10 diocesan workers to commence Master's level studies in Leadership for Family Ministry and Faith Formation by distance learning at Dominican University, Chicago.

Support for marginalized and vulnerable people – The mutual support Network for Catholics working with Gypsies, Roma and Travellers, that had been developed by the Department continued to grow. A successful gathering was held in March 2008 with over 60 participants from across the country.

Caritas Social Action - The grant to Caritas Social Action Network' (CSAN) through the Department of Christian Responsibility and Citizenship was used to support CSAN's co-ordination and advocacy activities. The outcomes of these were:

- The development of special interest forums, viz Older People's Services, Schools Services, Migration and Trafficking
- Enabling staff of CSAN's member organisations to exchange best practice through the above forums
- Response to government consultation on the future of services for older people
- Liaising on behalf of Catholic adoption agencies during the changes resulting from the introduction of new legislation, with the Bishops and with government departments

The impact of the grant is that:

- Beneficiaries of CSAN's member organisations receive a service which is focused on best practice
- Directors and trustees of the adoption agencies are equipped with the information they require to make appropriate and prudential decisions

Achievements and performance (continued)

Christian Responsibility and Citizenship (continued)

Life issues and the dignity of the person – During 2008 a significant focus of work concerned the Human Embryology and Fertilization Bill. A detailed briefing pack was circulated to all parishes in England and Wales in January 2008, followed up with support for local meetings and significant lobbying efforts. The department also organized with the Wellcome Trust a high level debate on the question of hybrid embryo research attended by leading protagonists on both sides and broadcast by BBC Radio 4 in a special programme. The Healthcare Reference Group continued its work of supporting hospital chaplaincy and Catholics in Healthcare by organizing a major residential conference - Faith in Health - which took place in July 2008. Attended by over 150 healthcare professionals from across the country this focused on supporting vocation and professionalism in healthcare. It was an outstanding success and underlined the need for the Church to continue to take a more active and visible role in this arena. The group had also commissioned quantitative and qualitative research into attitudes within the NHS to religion and religious diversity and the results were presented at the conference. The Healthcare Reference Group also organized once again a stand at the NHS Confederation annual conference to promote the work. The Day for Life in 2008 focused on the issue of mental health. The materials provided were aimed to raise awareness, reduce stigma and promote good pastoral practice and were widely welcomed.

In addition department staff were involved during the year with advocacy work on behalf of the Bishops on the human embryology debates as noted above and also on charity law and public benefit, discrimination and equality law reform, the future of Catholic adoption agencies and faith based voluntary agencies.

The staff of the department with the Trust Human Resources Manager and others are also responsible for the Catholic Parliamentary Internship scheme, which placed 7 graduates in 2008/09 under this highly successful and innovative scheme.

Dialogue and Unity

The Department Bishops have pursued two major objectives during 2008:

- To develop deeper and more coherent bi-lateral dialogues with the Anglican Communion through the local Anglican – Roman Catholic Committee, the British Methodist – Roman Catholic Committee, the United Reformed – Roman Catholic Committee, the Catholic - Oriental Orthodox Forum, the Lutheran Church in England;
- To complete the writing of a teaching document on relations with Other Religions for possible publication during 2009;

Achievements and performance (continued)

Dialogue and Unity (continued)

- On-going formation of diocesan workers in the areas of ecumenism and relations with believers of other religions;
- Exploring dialogue with non-believers.

Funds have been used to drive a series of meetings to pursue the objectives described above. Work outcomes are measured primarily by the quality of relationships that lie at the heart of the Department's purpose and work on behalf of the Bishops. Consequently the outcomes can be described as:

- The development of relationships with other Christians and other Faith traditions;
- A consistent approach to Catholic truth and the truth held by the other traditions.

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

Evangelisation and Catechesis

During the year the staff have supported the management of the Catholic Agency to Support Evangelisation (CASE), and to support diocesan-based adult religious education advisers through a review of the nature and purpose of adult religious education within the Church in England and Wales.

CASE has continued to provide training and consultancy on evangelisation in many dioceses and in several educational contexts including youth ministry and leadership. It continues to respond to an increasing number of enquirers at the Catholic Enquiry Office and has developed two "Seekers' Centres", which it now supports. It has also developed a further web site, YFaith, for the support of older children. It has offered resources in specific new areas, such as using buildings for evangelisation, Theology of the Body, and evangelisation with our Catholic heritage and has published a Directory of Evangelisation Resources.

As a result there is a growing awareness of the meaning of evangelisation and a willingness within the Church to engage in it. Those who are already engaged, whether in parishes or new movements, feel supported in their work by knowing that there is an agency dedicated to resourcing them. The printed and online materials are widely appreciated by those who are evangelising. The Catholic Enquiry Office website performs a valuable service in answering a wide range of enquiries.

Future plans include developing a website for children, and plans to explore the potential for evangelisation of the interest in migrants. Also to respond with online and printed resources to opportunities arising in the media for evangelisation and to design new printed free materials for the Catholic Enquiry office.

Achievements and performance (continued)

Evangelisation and Catechesis (continued)

During 2008 the Bishops have continued to evaluate how best to support the needs of youth ministry within the Dioceses and a co-ordinator has appointed to carry out this work for one year. The Department has also continued to support the writing of national guidelines for the support of youth ministry by diocesan youth workers.

International Affairs

The Department Bishops continued work on their five main priorities: migration and asylum; the global common good, European issues, the environment and religious freedom. These themes have been identified by the bishops as priorities after a careful analysis of needs and resources. Progress continued in all these areas throughout the year. Some examples include the work of the Holy Land Coordination which gathered in Jerusalem and the West Bank for its annual meetings. This year the Bishops also met in Rome with Secretary of State Cardinal Bertone as well as Cardinal Sandri and Archbishop Mamberti to endorse the coordination and to discuss its strategy. The Friends of the Holy Land (FHL), a partnership between the Department and the Knights of the Holy Sepulchre underwent successful trials in two dioceses and will be launched in 2009. The FHL will enable the Department to increase its support for the Local Church and to raise awareness about the challenges it faces.

The Department document *The Mission of the Church to Migrants in England and Wales* was published in 2008. This represented the culmination of a process of pastoral reflection and consultation and will provide the framework for the Department's future work in this area.

Liaison with the European Bishops' conferences continued, mainly through the work of COMECE in Brussels and CCEE in St Gallen. One successful outcome was the hosting in Liverpool of the SECAM-CCEE meeting of European and African bishops. The Department also continued to work with the Zimbabwean Church. Cardinal Murphy-O'Connor and Bishop Hollis visited Harare in January and then welcomed Archbishop Ndlovu and Bishop Munyoni as guests when they came to London and Leeds in the autumn.

The objectives for 2009 include the national launch of the Friends of the Holy Land and increasing the Department's collaboration with Caritas Social Action on migration and asylum.

Catholic Communications Network (CCN)

CCN provides a communications service to Bishops, and the Bishops' Conference departments and agencies. The team responds to enquiries from all media and supports Bishops in communicating their objectives, offering advice and implementing agreed strategies.

Achievements and performance (continued)

Catholic Communications Network (CCN) (continued)

During 2008, the CCN communicated the Bishops' position on (among many other issues): the importance of Church Schools; end-of-life issues and assisted suicide; the Human Fertilisation and Embryology Bill and the mission of the Church to migrants in England and Wales. Building on links with the Vatican, the CCN also helped to clarify to the newswires the true meaning of the Holy Father's Christmas address to the Roman Curia, handled the media relations around the visit of Cardinal Tauran, President of the Pontifical Council for Inter-religious Dialogue, to the UK. The CCN is also working more closely with the Pontifical Council for Social Communications.

The CCN continues to promote specific projects of the Bishops' Conference, including Day for Life. It works closely with all departments in helping to devise the most appropriate communications strategy for their specific projects. It also provides a regular daily news service (national and religious press), support to diocesan communications, media training and media advice. During 2008 the CCN carried on with run media training for the Bishops' in England and Wales and relevant Diocesan staff, including Diocesan Communications Officers. It also ran media training for Seminarians at the English College in Rome, expert lay spokespeople and held several media briefings with religious, Catholic and secular correspondents around key areas of national interest, including education, bioethics, Catholic Adoption Agencies.

One of the most important innovations in 2008 was when CCN launched the Bishops' Conference website – www.catholicchurch.org.uk .

The website, run by a dedicated webmaster who was recruited in 2008, acts as the point of reference for all information on the Bishops' Conference of England and Wales, its departments, agencies and offices, while serving as a general portal to the Catholic Church in England and Wales, Catholicism in general and the Catholic Church worldwide. It also provides an effective online news and information service.

For World Youth Day 2008, the CCN devised a programme to train Communications Officers, nominated by their dioceses, to promote the values of the Gospel through the media within their local and regional communities. Over 33 World Youth Day Communications Officers were recruited and they continue to serve the Church in communications matters on a local, regional and national level. The English and Welsh Church breaks new ground in this area; the World Youth Day Communications programme is a first for young Catholics, other countries are looking to follow suit in the run up to Madrid 2011. The CCN was also responsible for the media management of the English and Welsh WYD story, working closely with local dioceses and bishops travelling to Sydney. It has produced a WYD England and Wales DVD which includes the video diaries of the young British pilgrims.

Achievements and performance (continued)

Catholic Communications Network (CCN) (continued)

The CCN also began a support group for Catholics working in the mainstream media, at the request of a senior news anchor. The evenings run bi-monthly at Allen Hall seminary - the 'Catholics in Media' chaplain is Fr Stephen Wang, Philosophy and Theology Lecturer at Allen Hall. They revolve around the Mass, a short talk and the opportunity to air ethical newsroom dilemmas within a supportive environment. The meetings have been a great success – drawing Catholics from the mainstream press, the BBC, ITN and public relations consultancies.

The CCN helped bring to fruition coverage of an innovative debate between scientists, ethicists, heads of medical charities and religious leaders at the Wellcome Collection in London to discuss the complex ethical issues around the Human Fertilisation and Embryology Bill.

The CCN is funded by the World Communications Day Collection and through careful strategic planning ensures that the Bishops' needs are met coupled with careful monitoring of expenditure. The World Communications Day 'parish packs' contain a letter from Bishop John Arnold, the Bishop with responsibility for media, a small postcard designed to highlight the key media stories from the previous year, homily notes for the day and for the first time in 2008, Gift Aid envelopes.

Activity in 2009, within budgetary constraints, will see the development of a new Bishops' Conference newsletter designed for parishes, the widening of our grassroots network and further media training for Bishops and seminarians; increased use of the Radio Studio for training and interviews; close collaboration with all departments to help ensure appropriate coverage of the Bishops' activities; managing the communications associated with the installation of a new Archbishop of Westminster and President of the Bishops' Conference.

Catholic Safeguarding Advisory Service (CSAS)

The *Safeguarding with Confidence* report was presented to the Spring plenary meeting at which the Bishops adopted the recommendations of the Implementation Group, which included the formation of the Catholic Safeguarding Advisory Service and the National Catholic Safeguarding Commission (NCSC) with effect from 1 July 2008. CSAS forms part of the Department for Christian Responsibility and Citizenship, which provides legal, administrative, financial and human resources support through the Trust. The NCSC directs the policy, formation and programme of CSAS. The NCSC was been established by and reports to both the Bishops' Conference and the Conference of Religious.

Achievements and performance (continued)

Catholic Safeguarding Advisory Service (CSAS) (continued)

CSAS was established in July with an emphasis on supporting the safeguarding activities within Dioceses and Religious Congregations. The first tangible manifestations of this support have come in the form of explanatory leaflets for all parish churches and helpful information cards for all those thousands of people who give up their time to work with the young and the vulnerable in our communities. In addition the long awaited "Parish Pack," an information pack to aid Parish Safeguarding Reps in their work, was completed and began being distributed at the end of the year. 2008 also saw the completion of the E Manual of national procedures now available on www.csasprocedures.uk.net

In October 2008 a successful National Conference was held focussing on the broader areas of safeguarding such as domestic abuse, vulnerable adults and the forthcoming Vetting & Barring scheme. Keynote speakers and workshops were of a consistently high calibre with Gary Fitzgerald (Action on Elder Abuse), Anna Bird (Mind), Adrian McAllister (independent Safeguarding Authority) and the excellent Geese Theatre Company's powerful portrayal of the impact of domestic abuse in both families and parish communities.

CSAS has continued to liaise with the DCSF, Home Office, Ministry of Justice, CRB and ISA to ensure that their developments reflect the needs of our communities and our arrangements and procedures comply with the highest standard expected. The CSAS Director is Chair of the Faith Sector Consultation Group and is a member of the Christian Forum for Safeguarding, working closely with colleagues across all Christian denominations to improve understanding and practice in this vital area.

Faith in the Future

Faith in the Future, the Bishops' Conference fundraising initiative, has continued its work throughout 2008. This year saw a number of new initiatives regarding the *Faith in the Future* fundraising strategy. In addition to the current fundraising strategy of small and medium sized social events, around which relationships are cultivated, a large ticket event, The Cardinal's Dinner, was held in October 2008 for approximately 150 people. In 2008 nine fundraising events took place.

2008 saw a new edition of the *Faith in the Future* fundraising brochure. This production involved the reassessment of existing fundraising priorities, the removal and addition of certain projects and the reduction from five, to four, key areas. The brochure, with a new format and branding, was launched at The Cardinal's Dinner in October and focuses on the four key areas: *Supporting Ministry* (Supporting Family Life, National Office for Vocation, St Luke's Centre: a Ministry of Wellness and Healing and Catholics in Healthcare), *Promoting Dialogue Between Religions* (A Culture of Dialogue and Working for Hope in the Middle East), *Faith in Action* (Catholic Education Service, Caritas Social Action Network, Young Catholics in Public Life, Environmental Justice and Formation for Lay Liturgical Ministry) and *Proclaiming the Good News* (Supporting Evangelisation, Catholic Communications Network and Public Affairs Advocacy).

Achievements and performance (continued)

Faith in the Future (continued)

The new brochure also contains a report, signed by Archbishop Peter Smith, detailing the work achieved since the launch of *Faith in the Future* in 2006.

In October 2008 a DVD detailing some of the projects funded through *Faith in the Future* was launched. This was commissioned as a fundraising tool and, with the brochure, is available on the 'donate' page of the Bishops' Conference website. It was also shown to all who attended The Cardinal's Dinner.

Faith in the Future is led by an Assistant General Secretary, has a full time Development Officer, part time consultant and a trustee of CaTEW has particular responsibility for fundraising. During August 2008 – February 2009 there was also a full time Fundraising Assistant, who is due to be replaced during spring 2009. At the end of 2008 £3.435 million had been raised in gifts and pledges to support the work of *Faith in the Future*; £2.445 million of which had been actually received, £990,000 to be received between 2009 and 2012.

Other activities

At the request of Cardinal Cormac Murphy-O'Connor and the Bishops of England and Wales, the relics of St Therese of Lisieux will be visiting England and Wales from 16 September to 16 October 2009. The relics will visit over 20 churches in England and Wales, and will be available for the public to visit. The Trust is offering administrative support to the visit.

Property Matters

The trustees have expended considerable time and resources addressing matters associated with the properties held for the use of the Bishops' Conference, its agencies and offices and investment or property holdings inherited from constituent charities. There are also overseas property holdings, not yet part of the Trust, of which the Bishops' Conference is the ultimate beneficiary. The Property Committee and the AGS Operations have worked with professional advisors to address issues relating to these properties with the intention of maximising the benefit to the Bishops' Conference.

Trust Administration

Following developments during 2007, the sale of a property in Portugal was completed and the proceeds have been transferred to the Trust. They are to be administered according to the requirements of a 1973 decree of the Holy See.

Achievements and performance (continued)

Trust Administration (continued)

The Catholic Students International Chaplaincy Fund transferred the assets and the liabilities of the Fund to the Trust as a restricted fund within the Trust for the purpose of making grants and funding contributions towards the spiritual and educational welfare of students (and particularly overseas students studying in the United Kingdom); the provision of assistance to poor students; and the advancement of the Catholic religion amongst students and others. This fund remains restricted for a five year period after which the assets and liabilities are available for use at the discretion of the Trust.

Financial review

The results for the year are shown on page 26. A detailed analysis of the results is provided on pages 8 to 10. The net movement in funds for the year was a surplus of £327,071 (2007 - £136,290).

The balance sheet shows total reserves of £10,080,278. Of this, £2,138,997 represents the net book value of the charity's tangible fixed assets and £1,270,000 represents the amount set aside for the major refurbishment and other reparation work at the principal office in Ecclestone Square. Restricted funds of £2,287,573 represent unexpended balances held on trust to be applied for specific purposes. General funds amount to £4,345,776 and are discussed in the following paragraphs.

Reserves policy

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

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

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

The value of CaTEW's reserves at 31 December 2008, following principles established by the Charity Commission, was £4,345,776. The trustees are of the opinion that these are adequate but not excessive and fall within the parameters set out in the above reserves policy.

Financial review (continued)

Investment policy

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

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

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

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

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

The trustees appreciate the importance of choosing a suitable long-term investment strategy and benchmark. The trustees' current investment strategy emphasises income generation as opposed to capital growth, with the aim being to produce an income yield of around 3%. Accordingly, the investment managers are instructed to report against appropriate benchmarks. The portfolio achieved an average income yield of 4.14% in 2008.

Plans for the future

The essential work (in order to comply with current health and safety and disability discrimination legislation) and partial refurbishment of 38-40 Eccleston Square continues from 2008 through to 2009 in line with an expected build cost of c.£1.6million. The work is expected to be completed during Summer 2009.

Following a decision by the Board of Trustees to seek planning permission for Quinta de Pera, a piece of land in Portugal of which the Trust is the beneficiary, the Trust has committed itself to approximately eighty thousand Euros in pursuit of planning permission which will result in a higher value on the future sale of the property.

Trustees' report 31 December 2008

Signed on behalf of the trustees

Trustee

Approved by the board on:

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

We have audited the financial statements on pages 26 to 50 which have been prepared under the historical cost convention, as modified by the inclusion of certain tangible fixed assets at a valuation and the inclusion of investment assets at market value, and the accounting policies set out on pages 29 to 31.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and independent auditors

As described on page 4 the trustees, who are also the directors of Catholic Trust for England and Wales for the purposes of company law, are responsible for the preparation of the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the trustees' report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read the trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

Basis of opinion (continued)

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- ◆ the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the group and the charitable company's state of affairs as at 31 December 2008 and of the incoming resources and resources expended, including income and expenditure, of the group in the year then ended;
- ◆ the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- ◆ the information given in the trustees' report is consistent with the financial statements.

Buzzacott LLP
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG

Consolidated statement of financial activities Year to 31 December 2008

	Notes	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Income and expenditure					
Incoming resources					
Incoming resources from generated funds					
. Voluntary income					
.. Transfer of net assets from Catholic Students International Chaplaincy Fund	1	—	662,244	662,244	—
.. Diocesan assessments	2	1,163,386	579,654	1,743,040	1,756,414
.. Other voluntary income	3	2,380	1,893,074	1,895,454	1,484,213
. Activities for generating funds	4	15,348	—	15,348	19,570
. Investment income	5	406,514	57,710	464,224	408,346
Incoming resources from charitable activities	6	85,273	38,387	123,660	54,150
Income from sale of Lisbon Property		—	383,494	383,494	92,154
Foreign exchange gains		58,433	—	58,433	—
Other incoming resources		23,606	84,262	107,868	114,904
Total incoming resources		1,754,940	3,698,825	5,453,765	3,929,751
Resources expended					
Costs of generating funds	7	106,075	316,468	422,543	235,504
Charitable activities					
. Bishops' Meetings, General Activities and Grant Making	10	485,765	—	485,765	459,057
. Catholic Education and Formation	11	50,918	103,798	154,716	213,113
. Christian Life and Worship	12	122,648	—	122,648	132,821
. Christian Responsibility and Citizenship	13	390,886	307,135	698,021	556,245
. Dialogue and Unity	14	162,268	117,767	280,035	310,985
. Evangelisation and Catechesis	16	54,326	508,383	562,709	635,064
. International Affairs	17	149,679	38,395	188,074	223,944
. Catholic Communications Network (CCN)	18	—	349,466	349,466	290,746
. Catholic Safeguarding Advisory Service (CSAS)	19	—	460,790	460,790	420,916
. Other Projects	20	—	434,780	434,780	305,023
Governance costs	21	21,962	—	21,962	27,747
Total resources expended		1,544,527	2,636,982	4,181,509	3,811,165
Net incoming resources before transfers and investment asset disposals		210,413	1,061,843	1,272,256	118,586
Transfers between funds	30	(357,812)	357,812	—	—
Net (outgoing) incoming resources before investment asset disposals		(147,399)	1,419,655	1,272,256	118,586
Realised losses on disposal of investments		(38,847)	—	(38,847)	(38,814)
Net (outgoing) incoming resources before unrealised (losses) gains on investments		(186,246)	1,419,655	1,233,409	79,772
Unrealised (losses) gains on investments		(906,338)	—	(906,338)	56,518
Net movement in funds		(1,092,584)	1,419,655	327,071	136,290
Fund balances brought forward at at 1 January 2008		8,885,289	867,918	9,753,207	9,616,917
Fund balances carried forward at 31 December 2008		7,792,705	2,287,573	10,080,278	9,753,207

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

Consolidated statement of financial activities Year to 31 December 2008

	2008 £	2007 £
Historical cost net movement in funds		
Net movement in funds (page 26)	327,071	136,290
Unrealised losses (gains) on investments	906,338	(56,518)
Difference between historical cost realised gains or losses and the actual realised gains or losses calculated on the revalued amounts	81,295	332,178
	1,314,704	411,950

Balance sheets 31 December 2008

	Notes	Group 2008 £	Group 2007 £	Charity 2008 £	Charity 2007 £
Fixed assets					
Tangible assets	24	2,138,997	2,653,663	2,138,997	2,653,663
Investments					
. Listed investments, investment in subsidiary company and investment property	25	5,572,701	5,106,112	5,597,701	5,131,112
. Programme related investments	26	1,399,628	1,409,586	1,399,628	1,409,586
		9,111,326	9,169,361	9,136,326	9,194,361
Current assets					
Debtors	27	209,252	264,588	204,404	263,473
Cash at bank and on deposit		1,978,714	1,578,909	1,942,631	1,541,148
		2,187,966	1,843,497	2,147,035	1,804,621
Creditors: amounts falling due within one year	28	(641,239)	(592,984)	(638,240)	(592,040)
Net current assets		1,546,727	1,250,513	1,508,795	1,212,581
Total assets less current liabilities		10,658,053	10,419,874	10,645,121	10,406,942
Creditors: amounts falling due after one year					
Deferred income	29	(577,775)	(666,667)	(577,775)	(666,667)
Total net assets		10,080,278	9,753,207	10,067,346	9,740,275
Represented by:					
Funds and reserves					
Restricted funds	30	2,287,573	867,918	2,287,573	867,918
Unrestricted funds					
. Designated funds	31	3,408,997	4,653,663	3,408,997	4,653,663
. General fund		4,345,776	4,193,694	4,370,776	4,218,694
. Non charitable trading funds		37,932	37,932	—	—
		10,080,278	9,753,207	10,067,346	9,740,275

Approved by the trustees
and signed on their behalf by:

Trustee

Approved on:

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of certain tangible fixed assets at a valuation and the inclusion of investment assets at market value, and in accordance with applicable Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Companies Act 1985 and the Statement of Recommended Practice on "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005.

Basis of consolidation

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

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

Cash flow

The financial statements do not include a cash flow statement because the group, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

Incoming resources

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

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

No separate statement of financial activities has been presented for the charity alone, as permitted by s230 of the Companies Act 1985 and paragraph 397 of SORP 2005. The Catholic Trust for England and Wales had total incoming resources of £5,453,765 (2007 - £3,929,751) and net incoming resources of £327,071 (2007 - £136,290).

Resources expended

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

- ◆ The costs of generating funds include fees paid to investment managers in connection with the management of the charity's listed investments, and staff costs and other direct costs associated with fundraising and the generation of voluntary income.

Resources expended (continued)

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

Tangible fixed assets

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

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

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

Assets in the course of construction are not depreciated until such a time as the completed asset is brought into use.

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

Listed investments, investment in subsidiary company and investment property

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

Programme related investments

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

Funds structure

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

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

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

Pension costs

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

1 Donation of net assets from the Catholic Students International Chaplaincy Fund

During the year, in accordance with a Resolution of Transfer dated 9 July 2007, the net assets of the Catholic Students International Chaplaincy Fund were donated to the charity. The donation, comprising a cash transfer of £662,244, was received on 17 March 2008.

Following the transfer on 17 March 2008, the Catholic Students International Chaplaincy Fund (formerly a registered charity) was wound up and removed from the Central Register of Charities.

2 Diocesan assessments

	Unrestricted	Restricted			Total 2008 £	Total 2007 £
	General £	Ecumenical Instruments £	Catholic Youth Services £	Safe- guarding & CSAS* £		
Arundel and Brighton	60,957	6,331	7,710	16,449	91,447	92,151
Birmingham	94,102	9,773	11,901	25,393	141,169	142,255
Brentwood	60,726	6,307	7,680	16,387	91,100	91,801
Cardiff	23,873	2,479	3,019	6,442	35,813	36,089
Clifton	38,939	4,044	4,925	10,507	58,415	58,865
East Anglia	21,208	2,203	2,682	5,723	31,816	32,060
Hallam	14,834	1,541	1,876	4,003	22,254	22,424
Hexham and Newcastle	72,430	7,523	9,161	19,545	108,659	109,495
Lancaster	29,320	3,045	3,708	7,912	43,985	44,324
Leeds	54,468	5,657	6,889	14,698	81,712	82,340
Liverpool	83,207	8,643	10,524	22,453	124,827	125,787
Menevia	232	24	29	63	348	350
Middlesbrough	20,860	2,167	2,638	5,629	31,294	31,534
Northampton	36,737	3,816	4,646	9,913	55,112	55,535
Nottingham	46,471	4,827	5,877	12,540	69,715	70,251
Plymouth	25,380	2,636	3,210	6,849	38,075	38,368
Portsmouth	57,713	5,994	7,299	15,574	86,580	87,246
Salford	81,469	8,463	10,304	21,984	122,220	123,160
Shrewsbury	57,017	5,922	7,211	15,386	85,536	86,194
Southwark	101,054	10,492	12,781	27,269	151,596	152,767
Westminster	175,571	18,235	22,207	47,377	263,390	265,415
Wrexham	2,318	241	293	625	3,477	3,503
	1,158,886	120,363	146,570	312,721	1,738,540	1,751,914
Contribution from Bishopric of the Forces	4,500	—	—	—	4,500	4,500
	1,163,386	120,363	146,570	312,721	1,743,040	1,756,414

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

*Catholic Safeguarding Advisory Service (CSAS) - see note 19.

3 Other voluntary income

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Legacies	—	24,990	24,990	28,619
General donations	2,380	—	2,380	2,851
Grants receivable	—	48,127	48,127	73,022
Donations towards the costs of				
. Evangelisation (CASE)	—	34,421	34,421	47,936
. Parliamentary Internship Programme	—	2,037	2,037	29,820
. Vocations	—	165	165	3,031
. Youth work	—	723	723	5,314
. Holy Land & Middle East	—	1,895	1,895	3,123
. Relics of St Therese	—	31,690	31,690	—
Donations received from <i>Faith in the Future</i> fundraising initiative	—	1,005,519	1,005,519	619,324
World Communications Day	—	235,856	235,856	268,119
Day for Life	—	324,468	324,468	307,888
Home Mission Sunday	—	183,183	183,183	95,166
Total	2,380	1,893,074	1,895,454	1,484,213

4 Activities for generating funds

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Trading income of subsidiary	15,348	—	15,348	19,570

5 Investment income

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Income from listed investments				
. UK fixed interest	73,382	—	73,382	36,170
. Overseas fixed interest	8,299	—	8,299	7,803
. UK equities	89,156	—	89,156	87,967
. Overseas equities	15,366	—	15,366	15,276
. Common investment funds	6,906	—	6,906	10,554
. Other listed investments	4,293	—	4,293	7,480
	<u>197,402</u>	<u>—</u>	<u>197,402</u>	<u>165,250</u>
Income from investment property				
. Rental income	<u>97,060</u>	<u>—</u>	<u>97,060</u>	<u>97,451</u>
Other rent receivable	<u>93,801</u>	<u>—</u>	<u>93,801</u>	<u>114,229</u>
Interest receivable				
. Bank interest	<u>18,251</u>	<u>57,710</u>	<u>75,961</u>	<u>31,416</u>
Total	<u>406,514</u>	<u>57,710</u>	<u>464,224</u>	<u>408,346</u>

6 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Conference income	<u>85,273</u>	<u>38,387</u>	<u>123,660</u>	<u>54,150</u>

7 Costs of generating funds

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Costs of generating voluntary income	—	—	—	8,214
Fundraising costs				
. Staff costs	—	62,872	62,872	51,302
. Other operating costs	—	218,567	218,567	71,268
. Allocated costs (Note 8)	—	35,029	35,029	27,904
	—	316,468	316,468	150,474
Investment management costs	102,945	—	102,945	72,159
Costs of trading subsidiary	3,130	—	3,130	4,657
Total	106,075	316,468	422,543	235,504

8 Support costs and allocation

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

	2008 Costs £	Basis of apportionment
Staff costs	323,800	Straight line
Premises costs – Eccleston Square	122,160	Head count
Premises costs – West Heath Road	48,759	Pro rata basis
Professional fees	43,275	Straight line
Other costs	172,789	Pro rata basis
	710,783	

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

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

	£
Costs of Generating funds (note 7)	35,029
Bishops' Meetings, General Activities and Grant Making (note 10)	61,814
Catholic Education and Formation (note 11)	76,785
Christian Life and Worship (note 12)	42,626
Christian Responsibility and Citizenship (note 13)	80,898
Dialogue and Unity (note 14)	44,062
Evangelisation and Catechesis (note 16)	178,927
International Affairs (note 17)	44,402
Catholic Communications Network (note 18)	76,877
Catholic Safeguarding Advisory Service (CSAS) (note 19)	65,363
Other Projects (note 20)	4,000
	710,783

9 Grant making activities in support of other bodies

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Category 1				
Churches Initiative Trust	3,000	—	3,000	3,000
Youth 2000	500	—	500	500
Glories and Majesty revealed	2,000	—	2,000	—
Standing Committee Discretionary Grants	18,300	—	18,300	2,402
Category 2				
National Board of Catholic Women	12,000	—	12,000	9,000
NBCW (Development Officer)	13,000	—	13,000	13,000
National Conference of Priests	14,500	—	14,500	11,000
National Council of Lay Associations	7,000	—	7,000	7,000
Catholic Chaplains in Higher Education	—	—	—	10,000
Joint Bio—Ethics Committee	—	3,870	3,870	3,870
CARITAS Social Action	56,000	—	56,000	56,000
Category 3				
Churches Committee Hospital Chaplaincy	2,500	—	2,500	4,000
Young Christian Workers (National)	—	—	—	1,900
Young Christian Workers (Chaplaincy)	—	—	—	9,948
Linacre Centre *	—	50,000	50,000	50,000
Union of Catholic Mothers	—	—	—	2,680
Category 4				
SIGNIS (OCIC)	1,566	—	1,566	1,374
Independent Catholic News	1,000	—	1,000	1,000
DCO's Forum	1,000	—	1,000	1,000
Churches Media Council	6,000	—	6,000	6,000
Diocesan Newspaper Editors' Forum	500	—	500	500
Category 5				
Lisbonian Society	5,000	—	5,000	4,000
History of English College Lisbon	3,000	—	3,000	16,000
Subscriptions				
Group for Evangelisation of CTE	750	—	750	1,000
Christian Enquiry Agency	1,250	—	1,250	1,000
Churches Legislation Advisory Service	22,556	—	22,556	5,728
Council of European Bishops' Conferences (CCEE)	7,698	—	7,698	7,573
Commission of the Bishops' Conference of the European Community (COMECE)	7,856	—	7,856	6,676
Other				
Hospices	—	116,021	116,021	87,215
Day for Life grants	—	—	—	15,000
Parliamentary Internships programme	—	43,982	43,982	32,978
Celebrating Family Fund Grants	—	283,091	283,091	—
Education travel grants	—	2,300	2,300	1,450
Joint Dialogue Group	—	—	—	63
Care not Killing Alliance	—	—	—	125,000
The Church in the Middle East	—	50,427	50,427	72,585
	186,976	549,691	736,667	570,442

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

10 Bishops' Meetings, General Activities and Grant Making

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Accommodation and other costs	236,975	—	236,975	206,166
Allocated support costs (note 8)	61,814	—	61,814	70,548
Grant making (note 9)	186,976	—	186,976	182,343
Total	485,765	—	485,765	459,057

11 Catholic Education and Formation

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Staff costs	4,027	40,743	44,770	52,061
Other operating costs	15,063	18,098	33,161	58,634
Allocated support costs (note 8)	31,828	44,957	76,785	102,418
Total	50,918	103,798	154,716	213,113

12 Christian Life and Worship

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Staff costs	46,381	—	46,381	42,168
Other operating costs	33,641	—	33,641	39,642
Allocated support costs (note 8)	42,626	—	42,626	51,011
Total	122,648	—	122,648	132,821

13 Christian Responsibility and Citizenship

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Staff costs	139,084	10,610	149,694	153,792
Other operating costs	178,904	74,652	253,556	331,633
Allocated support costs (note 8)	72,898	8,000	80,898	70,820
Grant making (note 9)	—	213,873	213,873	—
Total	390,886	307,135	698,021	556,245

14 Dialogue and Unity

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Staff costs	47,668	—	47,668	59,143
Other operating costs	35,555	—	35,555	37,481
Allocated support costs (note 8)	44,062	—	44,062	55,128
Subscriptions and ecumenical instruments (note 15)	34,983	117,767	152,750	159,233
Total	162,268	117,767	280,035	310,985

15 Subscriptions and ecumenical instruments

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Churches Together	—	117,767	117,767	120,363
CTBI Interfaith	3,737	—	3,737	4,152
CTBI Racial Justice	7,913	—	7,913	8,792
Churches Commission on Mission	22,941	—	22,941	25,490
Churches Commission for International Students	392	—	392	436
	34,983	117,767	152,750	159,233

16 Evangelisation and Catechesis

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Staff costs	6,784	204,506	211,290	251,153
Other operating costs	13,644	158,848	172,492	176,065
Allocated support costs (note 8)	33,898	145,029	178,927	207,846
Total	54,326	508,383	562,709	635,064

17 International Affairs

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Staff costs	70,824	32,503	103,327	136,220
Other operating costs	34,453	5,892	40,345	28,483
Allocated support costs (note 8)	44,402	—	44,402	59,241
Total	149,679	38,395	188,074	223,944

18 Catholic Communications Network

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Staff costs	—	180,055	180,055	152,733
Other operating costs	—	92,534	92,534	59,444
Allocated support costs (note 8)	—	76,877	76,877	78,569
Total	—	349,466	349,466	290,746

19 Catholic Safeguarding Advisory Service (CSAS)

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Staff costs	—	166,754	166,754	189,685
Other operating costs	—	228,673	228,673	153,188
Allocated support costs (note 8)	—	65,363	65,363	78,043
Total	—	460,790	460,790	420,916

20 Other Projects

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Staff costs	—	9,841	9,841	13,922
Other operating costs	—	11,547	11,547	16,563
Lisbon Trust	—	42,381	42,381	15,201
Safeguarding Implementation Group	—	14,374	14,374	—
Catholic Students International Chaplaincy Fund	—	16,819	16,819	—
Cumberlege Commission	—	—	—	49,524
Allocated support costs (note 8)	—	4,000	4,000	10,778
Grant making (note 9)	—	335,818	335,818	199,035
Total	—	434,780	434,780	305,023

21 Governance costs

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Auditors remuneration				
. Audit fees	15,688	—	15,688	15,100
. Other services	2,996	—	2,996	2,291
Trustees' expenses	2,324	—	2,324	4,475
Other governance costs	954	—	954	5,881
	21,962	—	21,962	27,747

22 Staff costs and trustees' remuneration

	2008 £	2007 £
Staff costs during the year were as follows:		
Wages and salaries	1,176,219	1,180,993
Social security costs	123,321	123,987
Other pension costs	46,912	59,039
Total staff costs	1,346,452	1,364,019

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

	2008 Average	2007 Average	2008 FTE	2007 FTE
General Secretariat	19	21	19	19
Catholic Communications Network	4	4	4	4
CSAS	6	5	6	5
National Office for Vocation	2	3	2	2
CASE	5	8	5	5
CYS	1	3	1	3
	37	44	37	38

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

	2008	2007
£60,001 – £70,000	1	—
£70,001 - £80,000	1	1
	2	1

Total employer contributions to money purchase schemes in respect of employees who earned £60,000 or more during the year amounted to £24,329.

None of the trustees received any remuneration for their services in the year (2007 – none). Travel expenses of £2,001 (2007 - £4,475) were reimbursed to four (2007 – three) trustees during the year.

22 Staff costs and trustees' remuneration (continued)

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

23 Taxation

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

24 Tangible fixed assets

Group and charity	Freehold properties £	Furniture, fittings and computer equipment £	Total £
Cost or valuation			
As at 1 January 2008	2,825,901	172,242	2,998,143
Additions	893,599	87,126	980,725
Reclassification as investment property (note 25)	(1,555,527)	—	(1,555,527)
As at 31 December 2008	<u>2,163,973</u>	<u>259,368</u>	<u>2,423,341</u>
Depreciation			
As at 1 January 2008	227,541	116,939	344,480
Charge for the year	23,906	45,202	69,108
Reclassification as investment property (note 25)	(129,244)	—	(129,244)
As at 31 December 2008	<u>122,203</u>	<u>162,141</u>	<u>284,344</u>
Net book values			
At 31 December 2008	<u>2,041,770</u>	<u>97,227</u>	<u>2,138,997</u>
At 31 December 2007	<u>2,598,360</u>	<u>55,303</u>	<u>2,653,663</u>

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

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

24 Tangible fixed assets (continued)

Capital commitments

During 2007, the trustees authorised major refurbishment work at the principal office in Eccleston Square. The cost, including legal and professional fees, was estimated at £2 million including VAT and the refurbishment commenced in the summer of 2008. At the year end, £1.2million was committed to by way of contractor and legal fees in order to complete the project during 2009.

25 Investments

	Group 2008 £	Group 2007 £	Charity 2008 £	Charity 2007 £
Investment properties (UK) (note a)	1,991,282	565,000	1,991,282	565,000
Listed investments (note b)	3,581,419	4,541,112	3,581,419	4,541,112
Investment in subsidiary company (UK) (note c)	—	—	25,000	25,000
	5,572,701	5,106,112	5,597,701	5,131,112

(a) Investment properties

Group and charity	Freehold land and buildings £
Valuation	
At 1 January 2008	565,000
Reclassification from tangible fixed assets (note 24)	1,426,282
At 31 December 2008	1,991,282

The property at 114 West Heath Road was previously classified as both an investment property and a tangible fixed asset in accordance with the building's usage. During the year ended 31 December 2008 the use of the building changed such that the whole property is now treated as an investment property. The basis of valuation is in line with the policy for all investment properties.

25 Investments (continued)

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

Group and charity	2008 £	2007 £
Listed investments		
Market value at 1 January 2008	4,074,042	4,423,395
Additions at cost	381,071	219,354
Disposal proceeds	(1,011,164)	(586,411)
Net investment (losses) gains	(945,185)	17,704
Market value at 31 December 2008	2,498,764	4,074,042
Cash held by investment managers for re-investment	1,082,655	467,070
	3,581,419	4,541,112
Cost of listed investments at 31 December 2008	2,687,150	3,274,795

All listed investments were dealt on recognised stock exchanges.

Listed investments held at 31 December 2008 comprised the following:

Group and charity	2008 £	2007 £
UK fixed interest	532,858	675,208
Overseas fixed interest	246,286	233,984
UK equities	1,168,200	2,090,600
Overseas equities	416,986	808,507
Common investment funds	105,765	124,690
Other listed investments	28,669	141,053
	2,498,764	4,074,042

At 31 December 2008 the following individual investment holdings were considered material in the context of the entire listed portfolio as at that date:

Holding	Market value of holding £	% of total portfolio %
Invesco Perpetual Income & Growth Income Units	193,568	7.75%
M&G Securities Limited Charifund	189,348	7.58%
M&G Securities - Charibond	147,705	5.91%
Franklin Templeton	141,828	5.67%
Liontrust First Income Fund Units	134,784	5.39%

25 Investments (continued)

(c) Investment in subsidiary company

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

The following is a summary of the financial statements of Colloquium (CaTEW) Limited for the year ended 31 December 2008, which have been included in the consolidated financial statements.

	2008 £	2007 £
Turnover	14,751	18,540
Cost of sales	(3,050)	(4,585)
Gross profit	11,701	13,955
Interest receivable	597	1,030
Administrative expenditure	(80)	(72)
Gift aid	(12,218)	(14,913)
Net profit for the year	—	—
Retained profit at 1 January 2008	12,932	12,932
Retained profit at 31 December 2008	12,932	12,932
Called up share capital	25,000	25,000
At 31 December 2008	37,932	37,932

26 Programme related investments

	2008 £	2007 £
Group and charity		
St Luke's Centre	1,000,000	1,000,000
Venerable English College, Rome	399,628	409,586
	1,399,628	1,409,586

St Luke's Centre

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

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

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

Venerable English College (VEC), Rome

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

26 Programme related investments (continued)

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

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

27 Debtors

	Group 2008 £	Group 2007 £	Charity 2008 £	Charity 2007 £
Prepayments and accrued income	111,354	158,773	111,354	158,773
Other debtors	97,898	105,815	84,324	104,700
Amount due from subsidiary undertaking	—	—	8,726	—
	209,252	264,588	204,404	263,473

28 Creditors: amounts falling due within one year

	Group 2008 £	Group 2007 £	Charity 2008 £	Charity 2007 £
Expense creditors	39,725	97,436	39,725	97,436
Building refurbishment creditors	221,293	—	221,293	—
Social security and other taxes	33,239	36,823	33,239	36,823
Accruals and deferred income	264,770	437,974	264,770	437,974
Other creditors	82,212	20,751	79,213	16,315
Amounts due to trading subsidiary	—	—	—	3,492
	641,239	592,984	638,240	592,040

29 Creditors: amounts falling due after one year

	Group 2008 £	Group 2007 £	Charity 2008 £	Charity 2007 £
Deferred income	549,439	666,667	549,439	666,667
Building refurbishment creditors	28,336	—	28,336	—
	577,775	666,667	577,775	666,667

A donation of £1,000,000 was received during 2007 to be used specifically over the course of a three year project. £117,227 is included within 'Accruals and deferred income' in note 28 (amounts falling due within one year) and the balance will be recognised in subsequent periods.

30 Restricted funds

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

Group and charity	At 1 January 2008 £	Incoming resources £	Resources expended £	Transfers between funds £	At 31 December 2008 £
Catholic Youth Reserve	53,926	1,944	—	—	55,870
Diocesan Reserve	101,137	3,594	(2,300)	—	102,431
Day for Life	112,759	329,082	(220,640)	4,000	225,201
Catholic Students International Chaplaincy Fund	—	675,919	(16,819)	—	659,100
Catholic Communications Network (CCN)	175,375	258,470	(349,466)	126,877	211,256
Office for Refugee Policy	10,100	45,456	(38,395)	—	17,161
Safeguarding Reserve	17,877	385,593	(460,790)	65,363	8,043
Relics of St Therese	—	31,939	(1,427)	—	30,512
Safeguarding Implementation Group	50,000	—	(14,374)	—	35,626
Lisbon Fund	104,163	405,632	(42,381)	—	467,414
Faith in the Future initiatives	182,508	453,657	(316,467)	32,534	352,232
Funds raised for other projects under Faith in the Future	(5,738)	556,036	(338,283)	(211,921)	94
CASE	—	250,966	(375,139)	124,173	—
National Office for Vocations	—	1,999	(103,799)	101,800	—
Internships	(761)	22,860	(86,495)	64,396	—
Youth work	29,242	149,744	(133,244)	42,587	88,329
Ecumenical Instruments	13,374	120,363	(117,767)	—	15,970
Other funds	23,956	5,571	(19,196)	8,003	18,334
	867,918	3,698,825	(2,636,982)	357,812	2,287,573

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

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

Catholic Youth Reserve

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

Diocesan reserve

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

30 Restricted funds (continued)

Day for Life

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

Catholic Students International Chaplaincy Fund

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

Catholic Communications Network (CCN)

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

Office for Refugee policy

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

Safeguarding Reserve

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

Relics of St Therese

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

Safeguarding Implementation Group

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

30 Restricted funds (continued)

Lisbon Fund

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

Faith in the Future initiatives

This represents monies raised under the *Faith in the Future* fundraising initiative as yet unallocated, or to fund the costs of the fundraising function.

Funds raised for other projects under Faith in the Future

This fund represents funds raised in pursuit of the aims of the Faith in the Future initiative and distributed to other parts of the Church or partners in the mission of the Catholic Church.

Catholic Agency to Support Evangelisation (CASE)

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

National Office for Vocations

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

Internships

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

Youth work

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

30 Restricted funds (continued)

Ecumenical Instruments

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

31 Designated funds

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

Group and charity	At 1 January 2008 £	Designated/ released in year £	At 31 December 2008 £
Tangible fixed assets fund	2,653,663	(514,666)	2,138,997
Repairs and maintenance fund	2,000,000	(730,000)	1,270,000
	4,653,663	(1,244,666)	3,408,997

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

The repairs and maintenance fund represents the amount set aside for the major refurbishment and other repair work at the principal office in Eccleston Square.

32 Analysis of net assets between funds

Group	General funds £	Designated funds £	Trading subsidiary £	Restricted funds £	Total 2008 £
Fund balances at 31 December 2008					
Are represented by:					
Fixed assets	—	2,138,997	—	—	2,138,997
Investments	5,544,028	1,270,000	—	158,301	6,972,329
Current assets	5,546	—	53,148	2,129,272	2,187,966
Creditors: amounts falling due within one year	(626,023)	—	(15,216)	—	(641,239)
Creditors: amounts falling due after one year	(577,775)	—	—	—	(577,775)
Total net assets	4,345,776	3,408,997	37,932	2,287,573	10,080,278
Accumulated unrealised losses on investments included in the above	(188,386)	—	—	—	(188,386)

33 Leasing commitments

Operating leases

At 31 December 2008, the charity had annual commitments under non-cancellable operating leases which expire as follows:

	Land and buildings		Equipment	
	2008	2007	2008	2007
	£	£	£	£
Operating leases which expire:				
Within one year	53,420	18,200	1,011	—
Within two to five years	—	—	8,174	6,597
	53,420	18,200	9,185	6,597

34 Contingent liability

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