

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

Company Limited by Guarantee Number 7151646
Registered Charity number 1134449

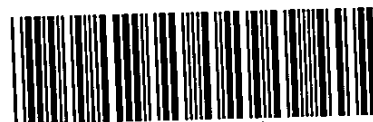
ANNUAL REPORT AND ACCOUNTS

for the year ended

31ST MARCH 2011

(This report and accounts also include the period from 9th February 2010 to 31st March 2010 for which there were no transactions).

FRIDAY



AQM32YYN
A46 04/11/2011 184
COMPANIES HOUSE

Willson House
25 Derby Road
Nottingham
NG1 5AW

Telephone. 0115 953 9800
Facsimile 0115 953 9805

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

Legal and administrative information

| | |
|--------------------------|---|
| Charity number | 1134449 |
| Registered Office | Willson House 25 Derby Road Nottingham NG1 5AW |
| Directors | Right Reverend M.P. McMahon OP, KC*HS, BSc, BD, MTh (appointed 9 th February 2010) Reverend Monsignor T. McGovern Prot Ap VG (appointed 8 th March 2010) Reverend Monsignor Canon D. Forde (appointed 9 th February 2010) Reverend Canon E. Jarosz (appointed 9 th February 2010) Reverend K. F. Lee BSc, MBA, MIEE, MCMI (appointed 9 th February 2010, resigned 31 st March 2011) Reverend T. M. Moore (appointed 8 th March 2010) Reverend P. J. Guest BA, STL, PhL, VG (appointed 8 th March 2010) Reverend C. P. Thomas M Eng PhD STL (appointed 18 th March 2011) Mr M. Abbott MRICS (appointed 8 th March 2010) Miss K. Cohoon LIB (appointed 8 th March 2010) Sir Colin Corness MA, Hon DBA (appointed 8 th March 2010) Mr M. Linnett FCA (appointed 8 th March 2010) Mr D. Wilson (appointed 14 th April 2011) |

On 1st April 2010 the Diocese of Nottingham was transferred to Nottingham Roman Catholic Diocesan Trustees, a company limited by guarantee, Company number 7151646 and Charity number 1134449. The existing Trustees of the Diocese (the Nottingham Roman Catholic Diocesan Trustees Registered) and the Observers at Trustees' meetings became the Directors of this company.

The former trust, Nottingham Roman Catholic Diocesan Trustees (234064) remains in existence.

The closing figures of the former trust are shown for comparative purposes throughout this report and accounts.

Moderator of the Curia and Episcopal Vicar for Finance and Administration

Rev. Ka Fai Lee BSc, MBA, MIEE, MCMI (until 7th March 2011)
Rev. C. P. Thomas M.Eng PhD STL (from 7th March 2011)

Financial Secretary of the Diocese and Secretary to the Directors

Mr E. S. Poyser BA, FCA

Director of the Diocesan Education Service

Mr E. J. Hayes MEd, KSG (to 31st August 2010)
Ms Gail Neill BA (Hons) (from 1st September 2010)

Bankers

Lloyds TSB plc
Old Market Square
Nottingham NG1 6FD

Solicitors

Massers
15 Victoria Street
Nottingham NG2 6BT

Auditors

Higson & Co
Statutory Auditors
White House
Wollaton Street
Nottingham NG1 5GF

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

Legal and administrative information (continued)

| | |
|----------------------------|--|
| Accountants | Kirk Hughes Medlock Willson House 25 Derby Road Nottingham NG1 5AW |
| Investment Managers | Barclays Wealth 1 Churchill Place London E14 5HP |
| Property Advisers | Spencer Birch 8 Clarendon Street Nottingham NG1 5HQ |
| Insurers | Catholic Church Insurance Association Oakley House Mill Street Buckinghamshire HP20 1BN |

Committees of the Board of Directors

Management and Finance Committee

Voting members

Right Reverend M.P. McMahon OP, KC*HS, BSc, BD, MTh
Sir Colin Corness MA Hon DBA
Mr M Linnett FCA
Rev Ka Fai Lee BSc, MBA, MIEE, MCMI (until 31st March 2011)
Rev C P. Thomas M Eng, PhD, STL (from 7th March 2011)

Non voting members

Rev. M Brett VF
Rev J Sherrington
Rev C P Thomas M Eng, PhD, STL (until 7th March 2011)

Building and Sites Committee

Voting members

Right Reverend M.P. McMahon OP, KC*HS, BSc, BD, MTh
Rev Monsignor Canon T McGovern Prot Ap, VG
Mr M Abbott MRCIS
Miss K Cohoon LIB
Rev Ka Fai Lee BSc, MBA, MIEE, MCMI (until 31st March 2011)
Rev C P Thomas M Eng, PhD, STL (from 7th March 2011)

Non voting members

Rev M Brett VF
Rev J Kyne VF
Rev. P. McBrien

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

Committees of the Board of Directors - cont.

Sick and Retired Priest Fund Grants Committee

Voting members

Rev Monsignor Canon T. McGovern Prot Ap VG

Rev P J Guest BA, STL, PhL, VG

Rev T M Moore (from 28th September 2011)

Non voting member

Rev Monsignor B Dazeley (Bishop's Chaplain for Sick and Retired Priests)

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Directors' Report for the year ended 31st March 2011

The Directors present their report and the accounts for the year ended 31 March 2011. The Directors who served during the year and up to the date of this report are set out on page 1.

The name of the charity is the "Nottingham Roman Catholic Diocesan Trustees"

The charity was responsible for the financial and administrative affairs of the Diocese of Nottingham for the year ended 31st March 2011 and is referred to as "the Diocese" in this report and accounts. The existing charitable trust formerly responsible for the Diocese will continue for a period while arrangements are made to transfer all of the assets of the Diocese into the new company. When the necessary regulations come into effect, the Directors of the company propose to re-register the company as a Charitable Incorporated Organisation under the Charities Act 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Diocese as a charitable company, limited by guarantee, is governed by its Memorandum and Articles of Association. The Directors are the members of the company. Major decisions are made by the Directors. Other decisions may be delegated to committees or to individual members of staff. Under the Articles the Bishop may require that decisions with which he disagrees be not put into effect.

The affairs of the Diocese are conducted in accordance both with the national law of the United Kingdom and with the Canon Law of the Catholic Church. The Directors are responsible for the management of the charity under the national law. They also act as the Finance Committee of the Diocese under Canon Law. Under Canon Law the College of Consultors of the Diocese must be consulted before any major acts of administration and before any substantial alienation of property. The Financial Secretary has been appointed Financial Administrator of the Diocese under Canon Law.

The Diocese co-operates with other Catholic dioceses and those of the Church of England. In particular, it contributes, with other Catholic dioceses, to a number of national organisations set up by the Catholic Bishops Conference of England and Wales, principally, the Catholic Trust of England and Wales, the Catholic Education Service and the Catholic Safeguarding Advisory Service (formerly the Office for the Protection of Children and Vulnerable Adults).

Risk management

The Directors have identified the major risks to which the Diocese is exposed and have established systems to mitigate exposure to those risks.

Re-organisation

During the year the Directors have wound up the remaining smaller trusts, which have outlived their usefulness. The support of the Charity Commission over this and over the incorporation is gratefully acknowledged.

Sick and Retired Priests Fund

The Charity has been appointed to be the trustees of the Sick and Retired Priests Fund from the 1st April 2010 and its accounts have been consolidated with the accounts of the Diocese. The Management Body of the fund remains in existence to support the work of the Bishop's Chaplain for Sick and Retired Priests. This fund maintains its separate identity as a charity (number 510119) in order to emphasise its special status.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Directors' Report for the year ended 31st March 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Nottingham Lourdes Fund

The Trustees of the separate Nottingham Lourdes Fund resolved on 5th December 2010, that its assets be transferred to the Diocese with effect from 1st April 2011. These assets have been accepted and credited to a new Restricted Fund to be known as the Lourdes Pilgrimage Fund. The terms of this fund, which are identical to those of the Nottingham Lourdes Fund, are as follows.

"The advancement of Christian Religion and relief of sickness and for that purpose to provide for and assist poor, sick, handicapped and infirm persons of all ages, and in particular to provide for and assist financially and otherwise any such persons wishing to make a pilgrimage to Lourdes."

OBJECTIVES AND ACTIVITIES

The Diocese of Nottingham comprises the major part of the East Midlands. It extends to the north from Marple Bridge on the outskirts of Manchester and south to Lutterworth, east to the Lincolnshire coast, and west to Burton-on-Trent. It includes the following civil administrative areas:

Counties - Nottinghamshire (other than the district of Bassetlaw), Derbyshire (other than the areas of Bamford, Chesterfield, Clowne, Dronfield, Eckington, Hathersage and Staveley), Leicestershire (other than those areas of Stamford and Market Harborough which are South of the River Welland), Lincolnshire (including the City of Lincoln but excluding the area East of the River Nene), Staffordshire (the area of Burton on Trent North of the River Trent)

Unitary Area Authorities - North Lincolnshire, North East Lincolnshire, Rutland

Cities - Nottingham, Derby and Leicester

Metropolitan Boroughs - Stockport (the area of Marple Bridge East of the River Etherow and the River Goyt).

The objects of the Diocese are

- (1) The advancement of the Roman Catholic religion in the area of the Roman Catholic Diocese of Nottingham as determined under the laws of the Roman Catholic Church and in accordance with them.
- (2) The advancement of any charitable purpose supported by the Roman Catholic Church in any part of the world

Grants are made by the Diocese to other charities in furtherance of its objectives. The chief of these are to the Diocesan Sick and Retired Priests Fund, the Housekeepers Retirement Fund and the Diocesan Youth Service.

Much of the work of the Diocese takes place in the Parishes by volunteers.

ACHIEVEMENTS AND PERFORMANCE

The following statistics illustrate the situation of the Diocese as at the date shown

Year to 31st December 2011 2010 2009 2008 2007

| | | | | | |
|-------------------------------|---------|---------|---------|---------|---------|
| Estimated Catholic Population | 145,616 | 131,558 | 129,200 | 137,128 | 124,293 |
| Mass Attendance | 31,905 | 32,262 | 32,432 | 33,307 | 32,981 |
| Baptisms | 2,008 | 2,066 | 2,100 | 2,039 | 1,947 |
| Receptions | 206 | 218 | 212 | 212 | 231 |
| First Communions | 1,717 | 1,875 | 1,728 | 1,921 | 1,914 |
| Confirmations | 1,093 | 813 | 1,078 | 1,069 | 842 |
| Marriages | 365 | 364 | 383 | 338 | 402 |
| Deaths | 1,595 | 1,624 | 1,713 | 1,634 | 1,748 |

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Directors' Report for the year ended 31st March 2011

| <u>As at 5th October</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Diocesan Priests: | | | | | | |
| On active work in the Diocese | 83 | 82 | 85 | 86 | 91 | 91 |
| On active work outside the Diocese | 1 | 1 | 1 | 1 | 1 | 1 |
| On active work abroad | 4 | 5 | 4 | 4 | 3 | 4 |
| Chaplains to the Forces | 1 | 1 | 1 | 2 | 2 | 2 |
| Temporarily on sick leave | 1 | 1 | 1 | 1 | 1 | 1 |
| Retired | 31 | 31 | 34 | 33 | 34 | 32 |
| Other Priests. | | | | | | |
| Priests from other dioceses | 10 | 10 | 1 | 7 | 7 | 6 |
| Foreign Chaplains | 8 | 8 | 9 | 9 | 9 | 9 |
| Regular Priests | <u>45</u> | <u>45</u> | <u>45</u> | <u>46</u> | <u>46</u> | <u>48</u> |
| Total Priests | <u>184</u> | <u>184</u> | <u>181</u> | <u>189</u> | <u>194</u> | <u>194</u> |
| Deacons | | | | | | |
| On active work in the Diocese | 38 | 38 | 38 | 33 | 33 | 34 |
| On active work outside the Diocese | 2 | 2 | 2 | 1 | - | 2 |
| Retired | <u>3</u> | <u>3</u> | <u>3</u> | <u>1</u> | <u>1</u> | <u>1</u> |
| Total Deacons | <u>43</u> | <u>43</u> | <u>43</u> | <u>35</u> | <u>34</u> | <u>37</u> |
| Places of Worship: | | | | | | |
| Parish Churches | 112 | 112 | 112 | 112 | 114 | 115 |
| Other public Churches and Chapels | 40 | 40 | 40 | 40 | 40 | 43 |
| Mass Centres other than Chapels | 8 | 8 | 8 | 8 | 8 | 10 |
| Convents | <u>32</u> | <u>28</u> | <u>28</u> | <u>28</u> | <u>28</u> | <u>29</u> |
| Total Places of Worship | <u>192</u> | <u>188</u> | <u>188</u> | <u>188</u> | <u>190</u> | <u>197</u> |
| Catholic Schools. | | | | | | |
| Primary | 69 | 69 | 69 | 69 | 69 | 69 |
| Secondary | 17 | 17 | 17 | 17 | 17 | 17 |
| Independent (all) | <u>3</u> | <u>3</u> | <u>3</u> | <u>4</u> | <u>4</u> | <u>4</u> |
| Total Catholic Schools | <u>89</u> | <u>89</u> | <u>89</u> | <u>90</u> | <u>90</u> | <u>90</u> |

During the year a secondary school has been closed and a Joint Faith school with the Diocese of Lincoln (Church of England) has been opened

Additional information about the life of the Diocese is available in the Diocesan Year Book.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Directors' Report for the year ended 31st March 2011

FINANCIAL REVIEW

The accounts of the Diocese distinguish between the Parishes of the Diocese and the Curia, which performs its central administration. The income of the Diocese is mainly from Parish collections, donations, legacies, grants and specific fundraising activities. The Curia is funded by the income from its investments, from interest on its own and from shared interest on the Parishes' cash balances and from the Diocesan Quota, which is a levy on the Parishes of the Diocese authorised by Canon Law.

Taking the Parishes' and the Curia's Unrestricted Funds together there is a surplus of Net Incoming Resources particularly from the Parishes' Funds. The Curia's underlying result is to make a small surplus each year. During the year the Catholic National Mutual, the insurer of the Diocese and of which it is a shareholder, has made substantial donations to the Diocese to offset its share of the cost of the visit of Pope Benedict XVI to the United Kingdom in September 2010.

Funding

The Directors are of the opinion that its assets are available and adequate to fulfil its obligations and to provide prudently for future expenditure. Further specific comment is made about the Sick and Retired Priests Fund below.

It is the policy of the Directors that the unrestricted liquid reserves of the Diocese be between one and three years of its normal expenditure. As a separate juridical person under Canon Law each parish is responsible for determining its own reserves policy. Again the Directors expect that this be between one and three years of its normal expenditure and in any case not less than the cost of its outstanding maintenance.

Grants

Grateful thanks are made to the Directors of the Sir Harold Hood Charitable Trust for grants to individuals, to the Master of the Guild of Our Lady of Ransom for a grant for poor parishes and to an individual for making a substantial grant for the Cathedral choristers. Many other individuals and organisations have made grants to parishes which have not been brought to the attention of the Directors and are therefore not formally mentioned here. Nevertheless both these and generous legacies have been very gratefully received and the thanks of the Directors are recorded for those who have made these kind gifts.

Education Service

The Diocese's Diocesan Education Service is substantially funded by a charge on the schools of the Diocese, based upon the number of pupils in each school.

Investments

The listed investments are almost entirely managed by a firm of Investment Managers, in accordance with an ethical policy approved by the Directors, in order to maximise the total return from them on a medium risk basis. With very few exceptions, these investments are held in the name of the Investment Manager's nominee company, on behalf of the Diocese. The gain on investments during the year was £158 thousand (2010 £823 thousand). The value of the listed and unlisted investments at the end of the year was £5,341 thousand (2010 £5,047 thousand).

Interest rates

During the year interest rates remained at historically low levels. As a net saver this has severely reduced the income of the Diocese. The Directors considered how best to make up the shortfall and, following consultation of the parishes, the Diocesan Quota was increased for the year.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Directors' Report for the year ended 31st March 2011

FINANCIAL REVIEW (continued)

Sick and Retired Priests Fund

During the year a review was undertaken of the Sick and Retired Priests Fund. Although on an ongoing basis the income of the fund, including a substantial grant from the Diocese, is adequate to meet its needs the Trustees are aware of a large number of priests approaching the age of 75 at which a parish priest is required to offer his resignation to the Bishop. Although the resignation does not have to be accepted it is prudent to provide for the additional grants which may become payable. Had provision been made on a traditional Pension Scheme basis the fund would be regarded as being in substantial deficit. Accordingly, consideration is being given to increasing the resources of this fund.

The Papal Visit in September 2010

The costs of the very successful visit of Pope Benedict XVI to the United Kingdom in 2010 have been funded by substantial donors, by a special second collection, by a substantial payment from the Catholic National Mutual insurance company (of which the Diocese is a shareholder) and by loans.

English Heritage Review

During the year a professional review was undertaken of the Churches of the Diocese the cost of which was shared with English Heritage. This review has assisted the Diocese in identifying historic churches and valuable contents.

PLANS FOR FUTURE PERIODS

Administrative changes include the appointment of Ms Gail Neill as Director of the Diocese's well respected Diocesan Education Service from 1st September 2010.

Internal control is being developed in order to improve the financial information available to the Company. At the same time consideration will be given about how the Curia can better support the parishes of the Diocese.

The Gift Aid office has been taken in to the Curia offices with effect from 1st April 2011.

The Diocese has co-operated with other English and Welsh dioceses in the development of "Church Marketplace", an on-line purchasing consortium.

A number of the Diocesan Catholic Schools have or are actively taking steps to become academies under the government's plans.

A new company has been set up to run the Diocesan Education Service and for other purposes to support the schools of the Diocese.

PUBLIC BENEFIT.

"Faith alone will not save us without good works. We must also have hope and charity" (From The Catechism of Christian Doctrine). The mere believing of the truths of faith without any effect on our lives is valueless for eternal salvation. "The second commandment of all is to love thy neighbour as thyself" (Mark XII 31, referring to Leviticus XIX.18).

In preparing the following the Directors have had regard to Charity Commission guidance on public benefit. The following refers to some principal activities of the Diocese for public benefit.

Seeking new followers
evangelising

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Directors' Report for the year ended 31st March 2011

PUBLIC BENEFIT (continued)

Provision of places of worship

the provision and maintenance of buildings used for religious practice, including churches and meeting rooms used for related activities e.g. religious instruction for children, the conducting of religious ceremonies e.g. the celebration of Masses as well as marriages, funerals and the provision of the sacraments generally, the maintenance of public churchyards and cemeteries, the provision and maintenance of religious or devotional artefacts and items used in religious services, rituals or practices, religious stained glass windows, other religious works of art within places of worship, 'passive advancement' (leaving religious buildings open for people to enter and benefit from personal spiritual contemplation)

Raising awareness and understanding of religious beliefs and practices

advancing religious doctrine and tenets of the Catholic faith, producing and promoting religious books, information for the public, including providing religious resource centres and libraries, promoting the study of religious teachings and practices and scriptures, promoting religious narratives and/or doctrines through producing and performing musical liturgy, providing religious instruction and supervision, providing and supporting schools and educational establishments which provide education in accordance with the principles and practices of the Catholic Faith, support of religious office holders for acting as such, promoting prayer, praise and study

Religious devotional acts

visiting the sick and administering sacraments to the sick and dying

Missionary and outreach work

the provision of prison, hospital and university chaplaincy, prison and hospital visiting, pastoral work, cultural and community activities provided either in the place of worship or in the buildings attached, gifts to schools, hospitals and relief of poverty in areas of need, developing understanding regarding peace and human rights

Religious communication

sermons and religious seminars, talks, meetings and conferences, street and door-to-door communications

Retreat and pilgrimage:

provision of property for retreats, organising the holding of long or short stay retreats, organising open pilgrimages where the pilgrimage is part of the public worship

Advancing religion generally

ecumenical meetings and conferences.

Other

Specific reference is made to the use of Parish Halls by the public, family retreats, support of St Philip's (and other) multi faith centres, direct support of schools and hospitals in Africa and youth work (not limited to Catholics) and funding by the Mission Fund of young people to go to Africa to work in hospitals and in schools

By way of illustration, the Diocese was delighted to be able to support Kathleen Lindop, a University of Leeds medical student and Tim Brogan, a young teacher, for mission work in Tanzania in a hospital and in Gambia in a school respectively. Each has produced a report of their thoroughly worthwhile work and the Directors wish them every success in their chosen careers

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Directors' Report for the year ended 31st March 2011

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Directors are aware.

- there is no relevant audit information of which the charity's auditors are unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

The law applicable to charities in England and Wales requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Directors are required to:

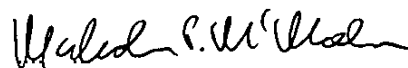
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Directors 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 applicable law and provisions of the trust deeds. The Directors are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities

AUDITORS

A resolution proposing the reappointment of Higson & Co will be put to the Members of the charity

On behalf of the Board



Bishop of Nottingham and Chairman of the Board of Directors

Dated 3 November 2011

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

We have audited the financial statements of Nottingham Roman Catholic Diocesan Trustees for the year ended 31st March 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

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

Opinion on other matter prescribed by the Companies Act 2006

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

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us' or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Wallwork BA ACA
(Senior Statutory Auditor)
For and on behalf of Higson & Co
Statutory Auditor
Dated 3 November 2011

White House
Wollaton Street
Nottingham
NG1 5GF

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Statement of Financial Activities - year ended at 31st March 2011

| | Notes | PARISH Restricted £000s | CURIA | | Total | Memo Only 2010 £000s |
|---|-------|-------------------------------|-----------------------|--|-----------------|----------------------------|
| | | | Unrestricted £000s | Restricted & Endowment Total £000s | 2011 £000s | |
| Income and Expenditure Account | | | | | | |
| Statement of Total Recognised Gains and Losses | | | | | | |
| INCOMING RESOURCES | 2 | | | | | |
| Incoming resources from generated funds. | | | | | | |
| Voluntary income | | 6,945 | 8 | 283 | 7,236 | 7,496 |
| Activities for generating funds | | 626 | - | - | 626 | 657 |
| Investment income | | 172 | 251 | 185 | 608 | 640 |
| Incoming resources from charitable activities | | 367 | 580 | - | 947 | 992 |
| Other incoming resources. | | 273 | - | - | 273 | 67 |
| Total Incoming Resources | | 8,383 | 839 | 468 | 9,690 | 9,852 |
| RESOURCES EXPENDED | 2 | | | | | |
| Costs of generating funds | | 110 | - | - | 110 | 98 |
| Costs of generating voluntary income | | - | 16 | 11 | 27 | 23 |
| Investment management costs | | 7,485 | 1,477 | 560 | 9,522 | 9,179 |
| Charitable activities | | - | 50 | - | 50 | 50 |
| Governance costs | | - | - | - | - | - |
| Total Resources Expended | | 7,595 | 1,543 | 571 | 9,709 | 9,350 |
| Net Incoming Resources before transfers | | 788 | (704) | (103) | (19) | 502 |
| TRANSFERS | 3 | | | | | |
| Gross transfers between funds | | (1,100) | 1,126 | (26) | - | - |
| Net income/(expenditure) for the year | | (312) | 422 | (129) | (19) | 502 |
| Other Recognised Gains & Losses: | 7 | | | | | |
| Gains/(losses) on investment assets | | - | (594) | 162 | (432) | 823 |
| Net Movement of Funds | | (312) | (172) | 33 | (451) | 1,325 |
| Funds Brought Forward | | 37,763 | 5,098 | 6,269 | 49,130 | 46,661 |
| Prior Year Adjustments | | - | - | - | - | 1,144 |
| Funds Carried Forward | | £ 37,451 | £ 4,926 | £ 6,302 | £ 48,679 | £ 49,130 |

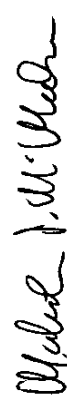
All recognised Gains and Losses for the year to 31st March 2011 are included in the Statement of Financial Activities
None of the Charity's activities were acquired or discontinued during the year, except as noted in the Directors' Report The notes form part of these accounts

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES

Balance sheet as at 31st March 2011

| | <u>PARISH</u> | <u>CURIA</u> | | | <u>Total</u> | <u>Memo</u> |
|--|-----------------------------------|-------------------------------------|---|------------------------------|-----------------------------|----------------------------------|
| <u>Note</u> | <u>Restricted</u> <u>£000s</u> | <u>Unrestricted</u> <u>£000s</u> | <u>Restricted &</u> <u>Endowment</u> <u>£000s</u> | <u>Total</u> <u>£000s</u> | <u>2011</u> <u>£000s</u> | <u>Only 2010</u> <u>£000s</u> |
| FIXED ASSETS | | | | | | |
| 6 | 25,623 | 2,946 | - | 2,946 | 28,569 | 26,353 |
| 7 | - | 286 | 5,054 | 5,340 | 5,340 | 5,047 |
| 7 | 1,848 | 415 | - | 415 | 2,263 | 4,322 |
| | 27,471 | 3,647 | 5,054 | 8,701 | 36,172 | 35,722 |
| Long term assets | | | | | | |
| 8 | - | 1,593 | - | 1,593 | 1,593 | 1,607 |
| Current assets | | | | | | |
| 9 | 90 | 177 | - | 177 | 267 | 156 |
| | 1,852 | 10,203 | 1,248 | 11,451 | 13,303 | 14,171 |
| | 1,942 | 10,380 | 1,248 | 11,628 | 13,570 | 14,327 |
| Liabilities | | | | | | |
| 10 | (110) | (361) | - | (361) | (471) | (326) |
| Net current assets/ (liabilities) | | | | | | |
| | 1,832 | 10,019 | 1,248 | 11,267 | 13,099 | 14,001 |
| Total assets less current liabilities | | | | | | |
| | 29,303 | 15,259 | 6,302 | 21,561 | 50,864 | 51,330 |
| 11 | (725) | (1,460) | - | (1,460) | (2,185) | (2,200) |
| Intra- diocesan balances | | | | | | |
| | (1,858) | 1,858 | - | 1,858 | - | - |
| | 10,731 | (10,731) | - | (10,731) | - | - |
| 12 | 8,873 | (8,873) | - | (8,873) | - | - |
| Net assets | | | | | | |
| | £ 37,451 | £ 4,926 | £ 6,302 | £ 11,228 | £ 48,679 | £ 49,130 |
| Funds of the charity | | | | | | |
| | 37,763 | 5,098 | 6,269 | 11,367 | 49,130 | 46,658 |
| | - | - | - | - | - | 1,147 |
| | 37,763 | 5,098 | 6,269 | 11,367 | 49,130 | 47,802 |
| | (312) | (172) | 33 | (139) | (451) | 1,325 |
| | £ 37,451 | £ 4,926 | £ 6,302 | £ 11,228 | £ 48,679 | £ 49,130 |

Approved by the Board of Directors on 3 November 2011

 Bishop of Nottingham

The notes form part of these accounts

Company Registration Number - 7151646

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes and Accounting Policies for the year ended 31st March 2011

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year except as stated.

1.1 Basis of Accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005)

1.2 Funds

The accounts distinguish between those funds which are unrestricted income funds, and those which are restricted funds and special trusts. The unrestricted income funds are either general and may be used for any charitable purpose permitted under the Trust Deed or may be designated by the Directors to a particular purpose, if so designated the designation may be later removed by them. At present there are no funds which have been so designated. The restricted funds and special trusts are required to be used for a specific purpose. The Diocese acts as trustees of them.

The accounts further distinguish between the Parishes and the Curia. Under national law all of the affairs of the Diocese, including those of the Parishes, are those of the charity and are the responsibility of its Directors. Under Canon Law each Parish is a "Juridical Person" and its funds are required to be held separately for each Parish. Accordingly the funds described as Parishes' funds are restricted.

1.3 Incoming resources

Incoming resources are included in the Statement of Financial Activities on the basis of the amounts receivable for the year. Legacies are included when there is sufficient certainty of receipt. Investment income is included when it is received.

Donations to the parishes which are net of income tax are recognised when they are received. Any income tax reclaimed from the Inland Revenue is credited when it is recovered.

1.4 Resources expended

Resources expended are recognised in the Statement of Financial Activities when a legal or constructive obligation has arisen.

1.5 Investments

Investments held as fixed assets (other than property investments) are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

1.6 Taxation

As a registered charity, the charity is exempt from taxation on its income and gains arising out of its charitable activities.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes and Accounting Policies for the year ended 31st March 2011 (continued)

1.7 Tangible Fixed Assets

Investment land and buildings are stated in the accounts at the Directors' valuation either using historical insurance values or subsequent revaluations as the basis.

Functional land and buildings held by the Parishes at 31 March 1996 and those held by the Curia at 31 March 1999 were re-valued, excluding land, using insurance values as the basis. Properties purchased since that time are included at cost, including land. As stated in note 6 the value of land and buildings used by the schools of the Diocese has not been included in the financial statements for the reason noted therein.

The contents of the buildings held by the parishes at 31st March 1996 have been included from that date using insurance values as the basis.

Functional tangible fixed assets acquired since those dates have been included at their cost or subsequent valuation.

Depreciation rates have been applied as follows in order to write off the assets concerned by equal annual instalments over their estimated useful lives:

| | |
|------------------------------|-----------------|
| Land | No depreciation |
| Buildings | 2% |
| Contents of parish buildings | 10% |
| Other fixed assets | 10% |

A number of the churches and other buildings owned by the Diocese are listed by the appropriate listing authority. In many cases property is held subject to covenants restricting its use for the Catholic Church or other condition under which it was transferred to the Diocese. Some of the parishes hold historic artefacts, which it is not practical to value. No adjustment has been made to the values at which the Tangible Fixed Assets are stated in the accounts in respect of any of these.

1.8 Pension Schemes

The Diocese operates a defined contribution pension scheme for its clergy and has designated a Stakeholder defined contribution pension scheme for its staff. It also contributes to the Teachers Pensions Association for certain members of the Diocesan Education Service. Although the Teachers Pensions Association is a defined benefits pension scheme, any actuarial shortfall in the scheme will be made up by increasing future contribution rates. Accordingly no provision has been made for any shortfall at the Balance Sheet date, nor will the Diocese be able to benefit from overfunding.

1.9 Grants received

The grants received for expenditure which is capitalised are credited by equal annual instalments to the Statement of Financial Activities, over the same period as the related expenditure is depreciated subject to a maximum of 50 years. The amounts not yet credited in this way are carried forward in the balance sheet as a long-term liability. Grants received towards revenue expenditure are credited to income. All grants are included from the date on which they become receivable.

1.10 Comparative Figures

As noted earlier the Diocese was transferred from Nottingham Roman Catholic Diocesan Trustees Registered to Nottingham Roman Catholic Diocesan Trustees, a company limited by guarantee. The closing figures of the transferring charity are shown for comparative purposes.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES**Notes & Accounting Policies for the year ended 31st March 2011 (continued)**

| | Memo only | |
|---|------------------|--------------|
| | Total | Total |
| | 2011 | 2010 |
| | £000s | £000s |
| 2. Parishes | | |
| <u>INCOMING RESOURCES</u> | | |
| <u>Voluntary income:</u> | | |
| Regular Collections | 4,227 | 4,227 |
| Restricted Income | 640 | 543 |
| Donations | 653 | 618 |
| Grants received | 36 | 107 |
| Legacies | 211 | 424 |
| Gift aid refunds | 687 | 669 |
| Other income | 491 | 548 |
| Totals | 6,945 | 7,136 |
| <u>Activities for generating funds</u> | | |
| Fundraising | 626 | 657 |
| <u>Investment Income</u> | | |
| Interest | - | 2 |
| Rents Receivable | 172 | 153 |
| Totals | 172 | 155 |
| <u>Incoming resources from charitable activities</u> | | |
| Repository Income | 319 | 315 |
| Chaplaincy | 48 | 66 |
| Totals | 367 | 381 |
| <u>Other incoming resources</u> | | |
| Profit on sale of property | 273 | 67 |
| TOTAL INCOMING RESOURCES | 8,383 | 8,396 |
| <u>RESOURCES EXPENDED</u> | | |
| <u>Costs of generating voluntary income</u> | | |
| Fundraising | 110 | 98 |
| <u>Charitable activities</u> | | |
| Restricted expenditure | 629 | 534 |
| Church & Hall costs | 1,698 | 1,761 |
| Presbytery & Housekeeping | 865 | 921 |
| Insurance | 206 | 197 |
| Major Maintenance | 1,272 | 1,160 |
| Clergy Payments | 369 | 355 |
| Staff costs | 469 | 501 |
| Office expenses | 279 | 277 |
| Travel, Conferences, Retreats | 212 | 214 |
| School Contributions | 106 | 265 |
| Repository Expenditure | 228 | 209 |
| Donations | 212 | 164 |
| Depreciation | 640 | 621 |
| Miscellaneous | 300 | 291 |
| Totals | 7,485 | 7,470 |
| Total Resources Expended | 7,595 | 7,568 |
| <u>Net Incoming Resources before Transfers</u> | £ 788 | £ 828 |

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2011 (continued)

| | <u>Unrestricted Funds £000s</u> | <u>Restricted & Endowment Funds £000s</u> | <u>Total 2011 £000s</u> | <u>Memo Only Total 2010 £000s</u> |
|--|---|---|---------------------------------|---|
| 2. Curia | | | | |
| <u>INCOMING RESOURCES</u> | | | | |
| <u>Voluntary income:</u> | | | | |
| Donations | 8 | 90 | 98 | 98 |
| Collections | - | 107 | 107 | 94 |
| Legacies | - | 86 | 86 | 168 |
| Totals | 8 | 283 | 291 | 360 |
| <u>Investment income</u> | | | | |
| Rents Receivable | 51 | 2 | 53 | 45 |
| Dividends | 9 | 171 | 180 | 167 |
| Interest | 191 | 12 | 203 | 273 |
| Totals | 251 | 185 | 436 | 485 |
| <u>Incoming resources from charitable activities</u> | | | | |
| Insurance commission | 130 | - | 130 | 114 |
| Diocesan Tribunal | 8 | - | 8 | 8 |
| Year book | 26 | - | 26 | 6 |
| Lourdes Pilgrimage | 4 | - | 4 | - |
| Marriage & Family Life Commission | 2 | - | 2 | 21 |
| Clergy Ongoing Formation | 9 | - | 9 | - |
| Diocesan Education Service - Schools Income | 383 | - | 383 | 426 |
| Other income | 18 | - | 18 | 1 |
| Totals | 580 | - | 580 | 611 |
| Total incoming resources | 839 | 468 | 1,307 | 1,456 |
| <u>RESOURCES EXPENDED</u> | | | | |
| <u>Investment management costs</u> | 16 | 11 | 27 | 23 |
| <u>Charitable activities</u> | | | | |
| Diocesan Education Service - Direct costs | 80 | - | 80 | 87 |
| Office and travel costs | 173 | 7 | 180 | 164 |
| Grants made | 108 | - | 108 | 131 |
| Staff costs | 502 | - | 502 | 507 |
| Clergy costs | 65 | 227 | 292 | 304 |
| Professional fees | 70 | - | 70 | 63 |
| Clergy Students fees | - | 174 | 174 | 112 |
| Child protection | 57 | - | 57 | 57 |
| CaTEW/Catholic Education Service | 100 | - | 100 | 94 |
| Property maintenance | 67 | - | 67 | 44 |
| Depreciation | 64 | - | 64 | 35 |
| Chambers Trust Grant to Youth Service | - | 95 | 95 | - |
| Amount payable in lieu of rent | - | - | - | 17 |
| Contribution to costs of Papal visit | 107 | - | 107 | - |
| Miscellaneous | 84 | 57 | 141 | 94 |
| Totals | 1,477 | 560 | 2,037 | 1,709 |
| Governance costs | 50 | - | 50 | 50 |
| Total resources expended | 1,543 | 571 | 2,114 | 1,782 |
| <u>Net incoming/outgoing resources before transfers</u> | £(704) | £(103) | £(807) | £(326) |

Governance costs includes audit fees of £10,575 (2010 £10,575) No amounts were paid to the auditor other than for the audit fees

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES**Notes & Accounting Policies for the year ended 31st March 2011 (continued)**

| 2. Curia (continued) | Memo Only | |
|--|------------------|--------------|
| | 2011 | 2010 |
| Curia | £000s | £000s |
| Grants and payments to related organisations. | | |
| Housekeepers Retirement Fund | 20 | 20 |
| Nottingham Priests Together | 2 | |
| Ecumenical Commission | - | 10 |
| University Chaplaincies | 13 | 17 |
| Vocations Office | 21 | 29 |
| Clergy Ongoing Formation | 6 | 11 |
| Liturgical Commission | 5 | 5 |
| Diocesan Youth Service | 30 | 30 |
| Travelling People Mission | 10 | 9 |
| Marriage Care | 2 | 6 |
| Vicar for Religious | 4 | 4 |
| Sick and Retired Priests' Grants | 221 | 227 |
| Catholic Trust of England and Wales | 72 | 67 |
| Catholic Education Service | 28 | 27 |
| Poor and Needy Parishes Fund to parishes (Intradiocesan) | 17 | 1 |
| Justice and Peace Commission | 15 | 15 |
| Mission Fund | - | 1 |
| Lenten Station Masses | - | 2 |
| Sick and Retired Priests Fund (Intradiocesan) | 90 | 70 |
| Chambers Trust Grant to the Diocesan Youth Service (Intradiocesan) | 95 | - |

The Housekeepers Retirement Fund and the Diocesan Youth Service are connected with the Diocese as they have some trustees who are Directors of the Diocese. The Diocese has been appointed to be the trustees of the Sick and Retired Priests Fund.

In addition to the grant shown above, the Diocesan Youth Service occupies property at Crich which is owned by the Diocese and for which rent is not charged. The property was purchased by the Diocese from the the Youth Service Trustees for £415 thousand in 2002 at an open market valuation by Messrs Chesterton Plc.

The Clergy Students fees and grants have been charged to the Ecclesiastical Education Fund or Clergy Formation Fund. (The two funds have been merged during the year).

Both the Catholic Trust of England and Wales and the Catholic Education Service are organs of the Catholic Bishops' Conference of England and Wales. The Bishop who is the Chairman of the Board of Directors of the Diocese is also Chairman of both bodies.

The Clergy Formation Fund, the Poor and Needy Parish Funds, the Mission Fund, the Lenten Station Masses Fund are Restricted Funds of the Diocese.

The grants to sick and retired priests have been charged generally to the Sick and Retired Priests Fund. Because the Sick and Retired Priests Fund is a separately constituted charity, donations and legacies received by the Diocese for the purpose of looking after the Sick and Retired Diocesan Priests are immediately granted on to that charity. Grants made from the Sick and Retired Priests Fund are for various amounts usually between £5 and £10 thousand per annum and approved by the Trustees on the basis of need. The assets of this fund are not sufficient to provide for all the Priests requiring support and the fund, therefore, relies on voluntary income and from a grant from the Diocese. Additional provision is made by some Priests contributing jointly with the Diocese to a registered pension scheme.

The Charity Commission has established a scheme authorising the payment during the year of £95,000 by the Trustees of the Chambers Trust to the Youth Service Trustees.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2011 (continued)

3. Transfers between funds

| | PARISH | | | CURIA | | |
|--|---------------------------------------|---------------------------------|---|---|---------------------------------|---|
| | Restricted Funds £000s | Total 2010 £000s | Unrestricted Funds £000s | Restricted & Endowment Funds £000s | Total 2011 £000s | Memo only 2010 £000s |
| <u>Diocesan Quota</u> | (977) | (857) | 977 | - | 977 | 857 |
| <u>Donations from Parishes</u> | | | | | | |
| Poor and Needy Parishes Fund | (5) | - | - | 5 | 5 | - |
| <u>Interest received on loans to Parishes</u> | (27) | (34) | 27 | - | 27 | 34 |
| <u>Interest paid on Parishes' set-off accounts</u> | 72 | 87 | (72) | - | (72) | (87) |
| <u>Sick and Retired Priest Fund Grant</u> | - | - | (90) | 90 | - | - |
| <u>Poor & Needy Parishes</u> | | | | | | |
| Grant from Sale of Property, Grimsby St Pius | - | (31) | - | - | - | 31 |
| <u>Transfer of Nott'm Univ. Chaplaincy</u> | (284) | - | 284 | - | 284 | - |
| <u>Grants to Parishes</u> | | | | | | |
| Poor & Needy Parishes Fund | - | - | - | - | - | - |
| Guild of Our Lady of Ransom Grants | | 17 | - | (17) | (17) | (17) |
| Belper | 4 | - | - | - | - | - |
| Barton on Humber | 1 | - | - | - | - | - |
| Leicester, Sacred Heart | 4 | - | - | - | - | - |
| Mansfield, Forest Town | 4 | - | - | - | - | - |
| Shirebrook | 4 | - | - | - | - | - |
| Foundation Masses | - | 4 | - | - | - | (4) |
| Countess of Loudon (Swadlincote) | - | 94 | - | - | - | (94) |
| Hanlon (Hucknall) | - | 48 | - | - | - | (48) |
| Knighton (Leicester St Thomas) | - | 79 | - | - | - | (79) |
| Stamford | - | 13 | - | - | - | (13) |
| Lutterworth | - | 2 | - | - | - | (2) |
| Osgodby (Market Rasen) | 46 | 4 | - | (61) | (61) | (4) |
| Osgodby Property (Market Rasen) | 15 | - | - | - | - | - |
| Thomas Eyre (Hassop) | - | 9 | - | - | - | (9) |
| Hadfield | 40 | - | - | (40) | (40) | - |
| Chambers Estate | 3 | - | - | (3) | (3) | - |
| Totals | £(1,100) | £(565) | £ 1,126 | £ (26) | £1,100 | £ 565 |

During the year the Directors agreed that the Nottingham University Chaplaincy, formerly treated as Parishes' investment property, should be transferred to Curia functional property

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2011 (continued)

4. Directors' Remuneration

No Director received remuneration as a director during the year. The Priests of the Diocese, including the Bishop, in their capacity as such, receive a fixed payment and retain Mass offerings, stole fees and Christmas and Easter collections, unless they choose not to do so. A director who is a priest may be eligible for a grant from the Nottingham Diocese Sick and Retired Priest Fund, which is included in the figures below if applicable.

The amounts shown below are the amounts received by the directors in their capacity as Priests of the Diocese

| | <u>2011</u> |
|---|------------------------|
| | <u>£000s</u> |
| Right Reverend M. McMahon OP | 10 |
| Reverend Monsignor T. McGovern VG | 10 |
| Reverend Monsignor D. Forde | 8 |
| Reverend Canon E. Jarosz | 9 |
| Reverend K. F. Lee BSc, MBA, MIEE, MCMI | 7 |
| Reverend M. Moore | 10 |
| Reverend J. Guest BA, STL, PhL, VG | 9 |
| Reverend C. P. Thomas M.Eng PhD, STL | 7 (for the whole year) |

The Diocese has purchased Directors and Officers Liability Insurance for its members.
The Diocese re-imburses directors for expenses incurred in that capacity.

5. Staff and Clergy costs

The following amounts have been charged in the accounts

| | <u>2011</u> | <u>Memo Only</u> |
|--|---------------------|-------------------------|
| | <u>£000s</u> | <u>2010</u> |
| | | <u>£000s</u> |
| <u>Parishes</u> | | |
| Staff costs | 469 | 469 |
| Clergy payments | 369 | 401 |
| <u>Curia</u> | | |
| Staff costs | 502 | 507 |
| Payments to individual Priests not in Parishes | 53 | 59 |

The average number of staff (excluding clergy) on a full time equivalent basis employed in the year was as follows

| | <u>2011</u> | <u>Memo Only</u> |
|----------|--------------------|-------------------------|
| | <u>2011</u> | <u>2010</u> |
| Parishes | 79 | 72 |
| Curia | 16 | 21 |

There are no employees with emoluments above £60,000 (2010:1) and pension contributions for such employees total Nil (2010: £5 thousand under a defined benefit pension scheme)

Priests are "Office holders" and are not employees of the Diocese and are therefore not included in the above analysis. The numbers of Priests, excluding the Bishop, analysed according to the work which they do is included in the Directors' Report.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2011 (continued)

6. Tangible Fixed Assets

| <u>Parishes</u> | <u>Freehold land & Building £000s</u> | <u>Contents £000s</u> | <u>Total 2011 £000s</u> |
|---|---|---------------------------|---------------------------------|
| Cost or Valuation at 1st April 2010 | 30,559 | 1,325 | 31,884 |
| Additions | 1,282 | 40 | 1,322 |
| Disposals | (18) | (1) | (19) |
| Transfers | 19 | (4) | 15 |
| Total as at 31st March 2011 | 31,842 | 1,360 | 33,202 |
| Depreciation as at 1st April 2010 | 5,683 | 1,261 | 6,944 |
| Disposals | (4) | (1) | (5) |
| Charge for the year | 624 | 16 | 640 |
| Transfers | 4 | (4) | - |
| Total as at 31st March 2011 | 6,307 | 1,272 | 7,579 |
| Net Book Value - 31st March 2011 | £ 25,535 | £ 88 | £ 25,623 |
| Net Book Value - 31st March 2010 | £ 24,876 | £ 64 | £ 24,940 |

| <u>Curia</u> | <u>Freehold land & Buildings Unrestricted £000s</u> | <u>Other Fixed Assets £000s</u> | <u>Freehold land & Buildings Restricted & Endowment £000s</u> | <u>Total £000s</u> |
|--|---|---|---|------------------------|
| Cost or valuation at 1st April 2010 | 1,635 | 64 | 19 | 1,718 |
| Additions | 142 | - | - | 142 |
| Disposals | - | - | - | - |
| Transfers | 1,469 | 4 | (19) | 1,454 |
| Cost or valuation at 31st March 2011 | 3,246 | 68 | - | 3,314 |
| Depreciation as at 1st April 2010 | 241 | 59 | 4 | 304 |
| Disposals | - | - | - | - |
| Charge for the year | 59 | 5 | - | 64 |
| Transfers | - | 4 | (4) | - |
| Total as at 31st March 2011 | 300 | 68 | - | 368 |
| Net Book Value at 31st March 2011 | £ 2,946 | £ - | £ - | £ 2,946 |
| Net Book Value at 31st March 2010 | £ 1,394 | £ 5 | £ 15 | £ 1,414 |

The Directors have not included in the accounts the value of the land and buildings occupied by the schools of the Diocese. They have no day to day control over their use and no expectation of the Diocese being able to dispose of them beneficially should their use as schools cease.

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2011 (continued)

7. Investments

Parish Investment Properties

| | Total | Memo Only |
|---------------------------------------|----------------|------------------|
| | 2011 | 2010 |
| | £000s | £000s |
| Carrying value at 1st April 2010 | 2,132 | 2,132 |
| Transfer to Curia functional property | (284) | |
| Carrying value at 31st March 2011 | £ 1,848 | £ 2,132 |

Curia Listed and Unlisted Investments

| | | |
|-----------------------------------|----------------|----------------|
| Carrying value at 1st April 2010 | 5,047 | 2,470 |
| Additions at cost | 140 | 1,247 |
| Net disposal proceeds | (5) | (173) |
| Transfer from other funds | - | 680 |
| Net gains/(losses) | 158 | 823 |
| Carrying value at 31st March 2011 | £ 5,340 | £ 5,047 |

The additions at cost and net disposal proceeds include transfers between funds carried out at market value.

Analysed by Type:

| | 2011 | Memo Only |
|--------------------|----------------|------------------|
| | Market | 2010 |
| | Value | Market |
| | £000s | Value |
| | £000s | £000s |
| Fixed Interest | 1,648 | 1,987 |
| Index Linked | 346 | - |
| Equities | 3,113 | 2,911 |
| Property | 134 | - |
| Alternative assets | - | 76 |
| Cash | 99 | 73 |
| | £ 5,340 | £ 5,047 |

Analysed by Fund:

| | 2011 | Memo Only |
|------------------------|----------------|------------------|
| | Market | 2010 |
| | Value | Market |
| | £000s | Value |
| | £000s | £000s |
| Unrestricted | 286 | 230 |
| Restricted & Endowment | 5,054 | 4,817 |
| | £ 5,340 | £ 5,047 |

Curia Investment Properties

| | | |
|-----------------------------------|--------------|----------------|
| Carrying value at 1st April 2010 | 2,190 | 2,190 |
| Loss on revaluation | (590) | - |
| Transfer to Functional property | (1,185) | - |
| Carrying value at 31st March 2011 | £ 415 | £ 2,190 |

Total Gains/Losses on Investments

| | | |
|--|---------------|--------------|
| Net gains/ (losses) on Investment property | (590) | - |
| Net gains/ (losses) on listed and unlisted investments | 158 | 823 |
| | £(432) | £ 823 |

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES**Notes & Accounting Policies for the year ended 31st March 2011 (continued)****8. Curia debtors due after 1 year**

| | Total | Memo |
|--|----------------|----------------|
| | 2011 | only |
| | £000s | £000s |
| Inter-Diocesan Fuel Management Ltd (see note 14) | 1,432 | 1,432 |
| Loans for Schools | 87 | 95 |
| Loans to Clergy | 74 | 80 |
| | £ 1,593 | £ 1,607 |

9. Debtors and prepayments due within 1 year

| Parish | Total | Memo |
|--------------------------------|--------------|--------------|
| | 2011 | only |
| | £000s | £000s |
| Sundry debtors and prepayments | 90 | 112 |
| | £ 90 | £ 112 |
| Curia | | |
| Stock | 7 | 7 |
| Prepayments | 170 | 37 |
| | £ 177 | £ 44 |

10. Creditors due within 1 year

| Parish | Total | Memo |
|------------------------|--------------|--------------|
| | 2011 | only |
| | £000s | £000s |
| Creditors and accruals | 110 | 80 |
| | £ 110 | £ 80 |
| Curia | | |
| Creditors and accruals | 361 | 246 |
| | £ 361 | £ 246 |

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2011 (continued)

11. Creditors due after 1 year

Parish

Grants, which have been received or are receivable, in respect of new building work are written back to the Parishes' Funds over the estimated life of the building, which is taken as 50 years
The amounts not yet written back are carried forward as a long term liability

| | Total | Memo only |
|---|--------------|------------------|
| | 2011 | Total |
| | £000s | 2010 |
| | | £000s |
| Grants brought forward at 1 April 2010 | 746 | 764 |
| Amounts received in year | 6 | - |
| Amounts written back in year | (27) | (18) |
| Grants carried forward at 31 March 2011 | £ 725 | £ 746 |

Curia

Inter-Diocesan Fuel Management Ltd (see note 14)
Amounts deposited with Curia

| | |
|----------------|----------------|
| 1,390 | 1,390 |
| 70 | 67 |
| £ 1,460 | £ 1,457 |

12. Amounts owed to and from Parishes by the Curia

Each parish is required to hold amounts in excess of its immediate requirements in a separately designated account with the Curia. Out of this, loans are made to Parishes for approved building projects at an interest rate which is currently 3% for existing projects and 6% for new ones. The balance is deposited with the money market. The interest earned is partly retained by the Curia and partly passed on to the Parishes which hold such amounts held with the Curia, pro rata to those amounts and to the periods for which they are held.

In view of the continuing uncertainty in the financial markets the policy of only holding deposits in UK clearing banks has been continued.

13. Summary of Restricted and Permanent Endowment Fund Movements.

Curia

| Restricted and Endowment Funds | 1st April 2010 | Incoming Resources | Resources Expended | Transfers | Investment Movements | 31st March 2011 |
|---------------------------------------|-----------------------|---------------------------|---------------------------|------------------|-----------------------------|------------------------|
| | £000s | £000s | £000s | £000s | £000s | £000s |
| Ecclesiastical Education Fund | 3,214 | - | - | (3,214) | - | - |
| Clergy Formation Fund | 893 | 256 | (225) | 3,214 | 139 | 4,277 |
| Poor & Needy Parishes | 385 | 42 | - | (12) | 3 | 418 |
| Mission Fund | 71 | 1 | - | - | - | 72 |
| *Foundation Masses | 104 | 4 | (4) | 1 | 1 | 106 |
| Lenten Masses | 9 | - | (1) | - | - | 8 |
| James Heneage | 45 | 1 | (12) | - | - | 34 |
| **Sick and Retired Priests Fund | 1,314 | 161 | (229) | 90 | 15 | 1,351 |
| Holy Ghost Housekeepers | 40 | 1 | (5) | - | - | 36 |
| *Osgodby | 57 | 2 | - | (61) | 2 | - |
| *Hadfield | 38 | - | - | (40) | 2 | - |
| **Chambers Trust | 99 | - | (95) | (4) | - | - |
| Total | £ 6,269 | £ 468 | £ (571) | £ (26) | £ 162 | £ 6,302 |

* these funds are regarded as being in whole or part permanent endowment funds

** these funds are separately constituted trusts of which the Diocese is or was Trustee

NOTTINGHAM ROMAN CATHOLIC DIOCESAN TRUSTEES
Notes & Accounting Policies for the year ended 31st March 2011 (continued)

13. Summary of Restricted and Endowment Fund Movements (continued)

The Cuna Restricted funds are for the following purposes

| | |
|-------------------------------|--|
| Ecclesiastical Education Fund | For the education of future priests |
| Clergy Formation Fund | For the education of future priests and deacons, their on-going formation and to provide for an office to foster vocations |

During the year the above two funds have been merged by scheme of the Charity Commission under the name Clergy Formation Fund for the purposes of the existing Clergy Formation Fund

| | |
|--------------------------------------|--|
| Poor and Needy Parishes Fund | For support of poor and needy parishes |
| Mission Fund | For support and assistance to the overseas missions |
| Holy Ghost Fathers Housekeepers Fund | To support housekeepers formerly employed by the Holy Ghost Fathers |
| Osgodby Mass House Chantry | Mass House and a Recoupment account |
| James Heneage Fund | Income to be used for the maintenance of the Chapel at Hainton Hall |
| Chambers Trust and Priory School | Education of RC boys and maintenance of buildings in Eastwood and Wirksworth During the year permission has been received to make a transfer of £95 thousand to the Youth Service Trustees |
| Lenten Station Masses Fund | To be used for the Bishop's charitable purposes within the Trust Deed |
| Hadfield Trust | Recoupment account |

During the year the following funds were transferred to the Parishes or other beneficiary indicated Osgodby Mass House and recoupment account (Market Rasen), Hadfield recoupment account (Hadfield), RC Mission at Spalding (Spalding), Chambers Trust (Youth Service Trustees and Eastwood) and Priory School (Eastwood) These transfers were made with Charity Commission approval where necessary

14. Inter-Diocesan Fuel Management Ltd

The Diocese owns 1 share out of 9 issued and fully paid ordinary shares of Inter-Diocesan Fuel Management Ltd (IFM) This company was set up in conjunction with 8 other Catholic dioceses in order to purchase electricity and gas for Diocesan properties The profits of IFM are covenanted to the participating dioceses under deed The sum due to IFM at 31st March 2011, is £1,390 thousand (2010 £1,390 thousand) In addition to this, at 31st March 2011, debtors due within one year include the amount of £1,432 thousand (2010 £1,432 thousand) This represents payments made on account to IFM by the Curia on behalf of the parishes and which are recoverable from IFM

The amount due to IFM at 31st March 2011 for fuel consumed but not yet charged is estimated at £55 thousand (2010 £33 thousand), and is included in the Parishes' Current Liabilities

15. Contingent Assets

The estimated value of legacies to which the Charity will be entitled but which have not been included as Incoming resources at 31st March 2011 is £225 thousand (2010 £105 thousand)

16. Commitments

Capital commitments at 31st March 2011 amounted to £1,677 thousand, (2010 £2,461 thousand)