PORTSMOUTH ROMAN CATHOLIC DIOCESE
PRIESTS' RETIREMENT FUND

(Registered Charity Number: 1061194)

TRUSTEES' REPORT
AND
FINANCIAL STATEMENTS

31 DECEMBER 2016

haysmacintyre
Chartered Accountants
Registered Auditors
London
PORTSMOUTH ROMAN CATHOLIC DIOCESE PRIESTS’ RETIREMENT FUND

TRUSTEES’ ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

LEGAL AND ADMINISTRATIVE DETAILS

BOARD OF TRUSTEES

Bishop Philip Egan (Chairman)
Rev Gerard Dailly
Rev Canon Michael Dennehy
Rev Canon Dominic Golding
Mr Peter Hancock
Rev Mark Hogan
Mrs Alison Humphreys
Mrs Sue Masser
Mr Martin McCloskey
Rev Jamie McGraith
Dr Anthony Murphy
Mr Kevin Ryan
Mr Alan Sendall
Mrs Elizabeth Sinn
Rev Simon Thomson
Rev Canon Paul Townsend

Appointed 29 September 2016
Appointed 29 September 2016
Resigned 8 December 2016
Resigned 8 December 2016

SECRETARY TO THE TRUSTEES

Rev Mgr John Nelson

MANAGEMENT BOARD

Rev Thomas Gruffett (Chairman)
Rev Canon David Hopgood (Chairman)
Mrs Bernadette Brunning
Rev Philip Carroll
Mr Sean Hayes
Mgr John Nelson
Mr Alan Sendall
Rev Canon Paul Townsend
Mr Edward Whalley

Resigned 5 July 2016
Appointed 5 July 2016
Appointed 15 March 2016
Resigned 30 June 2017

PRINCIPAL OFFICE

St Edmund House
Bishop Crispian Way
Portsmouth
PO1 3QA

CHARITY REGISTRATION NO.

166194

GOVERNING INSTRUMENT

Trust Deed dated 12 December 1996

AUDITORS

haymacintyre
26 Red Lion Square
London
WC1V 6AY

SOLICITORS

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

PRINCIPAL BANKERS

Lloyds TSB Bank Plc
2-4 Palmerston Road
Southsea PO5 3GH

INVESTMENT MANAGERS

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

C Hoare & Co
37 Fleet Street
London
EC4P 4DQ
(to 16 February 2017)

Cazenove Capital Management
12 Moorgate
London
EC2R 6DA
(from 17 February 2017)
PORTSMOUTH ROMAN CATHOLIC DIOCESE PRIESTS' RETIREMENT FUND

TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

The Trustees present their Report together with the financial statements of Portsmouth Roman Catholic Diocese Priests' Retirement Fund for the year ended 31 December 2016, which are prepared in accordance with the Statement of Recommended Practice (SORP) (FRS102).

GOVERNING INSTRUMENT

Portsmouth Roman Catholic Diocese Priests' Retirement Fund is a registered charity. It is registered with the Charity Commission under number 1061194. The Fund is governed by its trust deed dated 12 December 1996.

OBJECTS

The Fund’s Trust Deed states its principal objects to be “.........the relief of retired Diocesan Priests or those Priests who are no longer able to carry out their pastoral duties of the Roman Catholic Church for whom the Roman Catholic Diocese of Portsmouth has a responsibility under Canon Law for the provision of housing maintenance and general charitable support.”

In fulfilment of the objectives of the Trust, it is the policy of the Fund to undertake the following:

- Provision for accommodation of retired priests is made, taking into account their views, needs and capabilities. They may be accommodated at subsidised rents in properties owned by the Fund. For Priests requiring residential or nursing home care, finance is provided by the Fund. Grants may also be paid to some retired Priests to supplement their income. All payments are at the discretion of the Trustees and are reviewed regularly.

- The Trustees seek appropriate professional advice when buying or selling properties. All properties, other than one investment property, are held for the direct charitable purposes.

ORGANISATION

The trust deed states that the administrative provisions set out and referred to in the certificate of incorporation of Portsmouth Roman Catholic Diocesan Trustees Registered shall apply.

In accordance with the Trust Deed the Trustees have established a Management Board, consisting of a chairman and six other members, to consider the needs of beneficiaries and the application of resources. The members of the Management Board are appointed by the Trustees.
TRUSTEE INDUCTION AND TRAINING

New Trustees are appointed either by the Bishop or by resolution of the Trustees with the approval of the Bishop and are provided with induction training prior to or following their appointment. At their meeting on 24th April 2014 the Trustees approved a policy for trustee appointments and terms of service. The key points of the policy are:

- The Trustees will comprise, first, the Bishop, secondly, the Bishop’s Trustees, that is to say, the Vicars General and the Episcopal Vicars for the time being, and, thirdly, Ordinary Trustees, others who are clergy or laity
- When an Ordinary Trustee is to be appointed, the Trustees must carry out a skills audit and must consider what methods of search for new Ordinary Trustees may be appropriate, having regard to the need to ensure inclusivity, diversity and transparency among the Trustees
- A subcommittee will obtain CVs, conduct interviews and make recommendations to the Trustees
- The Bishop is appointed at the first Trustees’ meeting after his ordination. Vicars General and Episcopal Vicars are appointed under Canon law and are then appointed by the Bishop as the Bishop’s Trustees for so long as they remain Vicars General or Episcopal Vicars. Normally Ordinary Trustees are appointed by the Trustees.
- One fifth of the Ordinary Trustees must retire each year. An Ordinary Trustee may be reappointed but normally an Ordinary Trustee should not hold office for more than 10 years.

At their meeting on 11 December 2014, the Trustees approved a programme for Trustee training. This programme involves:

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

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

ACTIVITIES

The Management Board advises the Trustees on the optimum long term strategy for the Fund. It is intended that a considerable degree of flexibility will be needed to provide for the varied needs of individual Priests. Two clear principles have been established:

- Sympathetically to respond to personal needs.
- To conserve the resources of the Fund for the demands for future years.

It is the aim of the board to provide the retired Priest with the accommodation that he chooses, within certain guidelines, in an area of his choice. However, normally, only properties situated within the Diocese are purchased. If a retired Priest wishes to live elsewhere, he may choose to rent his accommodation, and this may also be an alternative within the Diocese. If the rental payable is in excess of what would be charged for a house provided by the Fund, the retired Priest could be entitled to a grant from the Fund for the excess.
ACHIEVEMENTS

During 2016, one property was sold by the Fund and one investment property was re-designated as freehold property. Letting of the Fund-owned and rented properties is on the basis that the only maintenance for which the retired Priest is responsible, is interior decorations. However, if, when the property is purchased, it is in need of interior redecoration, the Fund meets the cost of carrying out this work.

Also, the Fund has leased from the Diocesan Trust three properties of which one was previously occupied as a presbytery, paying the open market rental, duly discounted to allow for the absence of agents’ fees, bad debts and voids.

During the year an average rental of £380 (2015: £334) per month was charged to the retired Priest. The rental is significantly lower than would have to be paid on the open market, but should be sufficient to meet, on a year by year basis, the cost to the Fund of repairs and decorations and the insurance of the building. The standard rent is being increased each year by the percentage increase in the Retail Price Index. The retired Priest is responsible for furnishing the house and for the running expenses. He may however apply to the Fund for a grant, if for some reason he cannot afford this expenditure.

In addition, there were nine (2015: six) Priests in Homes for the Elderly and the Fund made contributions totalling £199,455 (2015: £73,028) (net of contributions received from the Priests concerned) towards their residential fees. Each Priest is provided with the appropriate level of care on a case by case basis, as the need arises. Furthermore, grants have been made for specific purposes to Priests residing in the UK, France and Ireland. It is the policy of the fund to make grants to retired priests to top up their income to a minimum level of £16,600 (2015: £16,200) per annum. Applications for support approved during the year amounted to £85,168 (2015: £91,034). The Priests’ Retirement Fund pays the cost of a private health care scheme attributable to priests who have retired. The amount charged in these accounts is £14,900 (2015: £17,438).

FINANCIAL REVIEW

The Statement of Financial Activities on page 8 shows a surplus of net income of £109,950 (2015: £142,225). Included within that surplus is a gain of £269,242 (2015: £91,508) in the value of the investment assets of the Fund and a gain of £87,115 (2015: £46,713) in the value of the investment properties leaving a deficit in cash resources in the year of £246,407 (2015: surplus £4,004). In addition, during the year, there was a gain of £202,758 (2015: £228,714) on the revaluation of the freehold properties held by the Fund at the end of the previous year.

At 31 December 2016, the Fund had total Reserves of £6,345,479 (2015: £6,032,771) of which £2,898,967 (2015: £2,591,183) is represented by tangible fixed property assets which are necessary for the proper functioning of the Fund, and £3,297,010 (2015: £3,227,786) by Investments, including one Investment Property valued at £200,220 (2015: (two properties) £455,000). The balance of £149,502 (2015: £213,802) is held to finance the year’s expenditure and to contribute towards the purchase of additional properties for occupation by retired Priests.
RESERVES POLICY AND ASSET COVER FOR FUNDS

The free reserves of the charity at 31 December 2016 are £3,446,512 (2015: £3,441,588). The Trustees consider that the amounts available as free funds to be an adequate level of funding for anticipated day to day activities. The Trustees periodically review the demands for retirement properties and grants based on previous experience. The Trustees believe that the Fund should be able to finance increasing costs in the medium term but recognise the potential risks arising from the increased cost of providing care for retired priests in residential homes.

The Trustees hold the level of free reserves needed to generate the annual income required by the charity and to provide sufficient funds for the purchase of additional properties as required for retired priests.

INVESTMENT POWERS AND PERFORMANCE

The fund comprises an investment portfolio which is managed by the diocesan investment managers. The investment policy is determined by the Evangelisation Committee, which meets periodically to monitor investments and to discuss with the investment managers their performance. The investment managers are also instructed that their choice of investments must take into account the ethical position of the Catholic Church, and this is monitored.

At their meeting on 13 February 2014 the Trustees resolved that for the next five years the Charity’s investment portfolio should be managed as to 50% by Charles Stanley and Co and 50% by C. Hoare and Company. On 17 February 2017 the 50% managed by C. Hoare and Company was transferred to Cazenove Capital Management.

The performance of the Charles Stanley investment portfolio for the year to 31 December 2016 showed a total return of 16.89% against a benchmark return of 17.15%. The performance of the C Hoare portfolio shows a total return of 14.14% for the year to 31 December 2016 against a benchmark of 16.68%. The Trustees consider that the performance against benchmark to be satisfactory.

CONNECTED CHARITY

Portsmouth Diocesan Trust (Registered Charity Number 246871) is a connected charity of the Portsmouth Roman Catholic Diocese Priests’ Retirement Fund. The transactions between those connected charities are shown in note 5 to the financial statements.

FUTURE PLANS

The Trustees plan for the future is that, whenever a priest of the Diocese agrees with the Bishop that he will retire from active ministry, there will be sufficient resources available to support that priest with suitable accommodation together with the means to deal with health issues and day to day support. It is not the Trustees’ intention at this time to seek additional funds for this purpose, unless the periodical review highlights a problem.

PUBLIC BENEFIT

The Fund is governed in accordance with the requirements of Christian belief as found in Sacred Scripture and Catholic Tradition. The Trustees have had regard to the Charity Commission’s guidance on public benefit when exercising their powers and duties in carrying out the charity’s purposes and are cognisant of the requirement to demonstrate that the Charity provides such a benefit through the fulfilment of its objectives. All trustees have received training on the public benefit requirement as set out in the Charity Commission’s guidance on public benefit.

During the year the Fund has assisted 9 retired priests with their care home fees, has given grants to 25 priests and has provided accommodation, at discounted rents, to 16 retired priests. The Trustees believe that in the provision of care and support, of grants to assist with their living costs and of accommodation for the elderly and retired priests of the Portsmouth Diocese, the Charity meets this requirement and also fulfils its Gospel duty.
STATEMENT OF TRUSTEES’ RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by the Trustees on 14th September 2017 and signed as authorised on their behalf by:

+Philip

Bishop Philip Egan

(Trustee)

Rev Canon Dominic Golding

(Trustee)
INDEPENDENT AUDITORS’ REPORT TO THE TRUSTEES OF

PORTSMOUTH ROMAN CATHOLIC DIOCESE PRIESTS’ RETIREMENT FUND

We have audited the financial statements of Portsmouth Roman Catholic Diocese Priests’ Retirement Fund for the year ended 31 December 2016 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) including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’.

This report is made solely to the charity’s trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity’s Trustees those matters we are required to state to them in an 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 charity’s trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees’ Responsibilities (set out on page 6), the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council’s website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity’s affairs as at 31 December 2016 and of its net movement in funds, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees’ Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Haymacintyre
Chartered Accountants
Registered Auditors

14 September 2017

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

26 Red Lion Square
London
WC1V 6AY
PORTSMOUTH ROMAN CATHOLIC DIOCESE PRIESTS' RETIREMENT FUND

BALANCE SHEET

AS AT 31 DECEMBER 2016

<table>
<thead>
<tr>
<th>Tangible Fixed Assets</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold property</td>
<td>2</td>
<td>2,898,967</td>
<td>2,591,183</td>
</tr>
<tr>
<td>Investments</td>
<td>3</td>
<td>3,297,010</td>
<td>3,227,786</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6,195,977</td>
<td>5,818,969</td>
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</table>

<table>
<thead>
<tr>
<th>Current Assets</th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Debtors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Income tax recoverable</td>
<td></td>
<td>4,884</td>
<td>5,359</td>
</tr>
<tr>
<td>- Due from Portsmouth Diocesan Trust</td>
<td></td>
<td>108,761</td>
<td>210,063</td>
</tr>
<tr>
<td>- Prepayments/Accrued income</td>
<td></td>
<td>21,750</td>
<td>4,250</td>
</tr>
<tr>
<td></td>
<td></td>
<td>135,395</td>
<td>219,672</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>33,677</td>
<td>15,544</td>
</tr>
<tr>
<td></td>
<td></td>
<td>169,072</td>
<td>235,216</td>
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<table>
<thead>
<tr>
<th>Creditors: amounts falling due within one year</th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Interest free loans</td>
<td>(1,800)</td>
<td>(1,800)</td>
<td></td>
</tr>
<tr>
<td>Other creditors</td>
<td>(17,770)</td>
<td>(19,614)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(19,570)</td>
<td>(21,414)</td>
<td></td>
</tr>
</tbody>
</table>

| Net Current Assets                            | 149,502 | 213,802 |
| Total Assets                                  | £6,345,479 | £6,032,771 |

| Represented By:                               |        |        |
| Funds - unrestricted                         | £6,345,479 | £6,032,771 |

Approved by the Trustees on 14th September 2017 and signed as authorised on their behalf by:

Bishop Philip Egan
(Trustee)

Rev Canon Dominic Golding
(Trustee)
PORTSMOUTH ROMAN CATHOLIC DIOCESE PRIESTS' RETIREMENT FUND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2016

<table>
<thead>
<tr>
<th>INCOME FROM:</th>
<th>Notes</th>
<th>2016</th>
<th>£</th>
<th>2015</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations and legacies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gift aid (gross)</td>
<td></td>
<td>12,751</td>
<td></td>
<td>14,449</td>
<td></td>
</tr>
<tr>
<td>Covenants (gross)</td>
<td></td>
<td>805</td>
<td></td>
<td>863</td>
<td></td>
</tr>
<tr>
<td>Donations and legacies</td>
<td></td>
<td>9,470</td>
<td></td>
<td>143,402</td>
<td></td>
</tr>
<tr>
<td>Income from charitable activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent receivable</td>
<td></td>
<td>70,465</td>
<td></td>
<td>60,096</td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td></td>
<td>86,963</td>
<td></td>
<td>84,390</td>
<td></td>
</tr>
<tr>
<td>Surplus on sale of fixed assets</td>
<td></td>
<td>26,097</td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>206,551</td>
<td></td>
<td>303,200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURE ON:</th>
<th>Notes</th>
<th>2016</th>
<th>£</th>
<th>2015</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raising funds</td>
<td></td>
<td>21,315</td>
<td></td>
<td>17,065</td>
<td></td>
</tr>
<tr>
<td>Charitable activities</td>
<td></td>
<td>431,643</td>
<td></td>
<td>282,131</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>452,958</td>
<td></td>
<td>299,196</td>
<td></td>
</tr>
</tbody>
</table>

Net income/(expenditure) before gains on investment assets / properties | (246,407) | 4,004 |
Gain on investment assets / properties | 356,357 | 138,221 |
Net Income/(expenditure) | 109,950 | 142,225 |
Gain on revaluation / sale of freehold properties | 202,758 | 228,714 |

Total Funds Brought Forward at 1 January 2016 | 6,032,771 | 5,661,832 |
Total Funds Carried Forward at 31 December 2016 | £6,345,479 | £6,032,771 |

The notes of pages 10 to 13 form part of these financial statements
The financial statements have been prepared in accordance with the Charities (Accounts and Reports) Regulations, the Statement of Recommended Practice “Accounting and Reporting by Charities” (Charities SORP FRS102) and Financial Reporting Standards applicable in the UK and Republic of Ireland. The particular accounting policies adopted are described below. They are prepared on the historical cost basis of accounting as modified to include the revaluation of fixed assets including investments and freehold properties which are carried at market value. Figures are presented in sterling and rounded to the nearest pound.

The Portsmouth Roman Catholic Diocese Priests’ Retirement Fund meets the definition of a public benefit entity under FRS102.

General information
The Charity is registered in England and Wales (charity number: 1061194). The Charity’s registered office address is St Edmund House, Bishop Crispian Way, Portsmouth, PO1 3QA.

Preparation of the accounts on a going concern basis
The Trustees consider that there are no material uncertainties which would cast doubt on the Charity’s ability to continue as a going concern.

Significant judgements
The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity’s accounting policies. There are no significant areas where management have applied key judgements.

Income recognition
Legacies and donations are recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount receivable can be measured reliably. Income from Gift Aid and covenants is shown gross of tax reclaimable. Receipts of property, investments or other gifts in kind are included at market value.

Rent receivable and investment income is included when receivable and the amount can be measured reliably.

Expenditure
Expenditure is recognised once there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Costs of raising funds comprise investment management fees and investment property expenditure. Expenditure on charitable activities consists of all expenditure directly relating to the objects of the Fund. Certain central costs, which cannot be directly allocated, are apportioned between direct charitable expenditure and governance costs on the basis of the Trustees’ estimate of the time spent on the relevant functions.

Grants are charged to the statement of financial activities in the year in which the grant is awarded and the recipient has been notified.

Fixed Assets
Depreciation is provided at the following rates per annum in order to write off the cost of each asset, less any estimated residual value, over its useful economic life.

Freehold Buildings 2% on cost or valuation

No depreciation is provided on freehold land.

Freehold property is held at open market value. A revaluation is performed each year and the movement from the prior year value is accounted for within the statement of financial activities.

Fixed asset investments
Fixed asset investments are stated at market value.
PORTSMOUTH ROMAN CATHOLIC DIOCESE PRIESTS' RETIREMENT FUND

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2016

Investment Properties
Investment properties are held at open market value. A revaluation is performed each year and the movement from the prior year value is accounted for within the statement of financial activities as part of gains/(losses) on investment assets.

Gains and Losses
Gains/losses on investments are calculated as the difference between opening market value and closing market value after adjusting for additions and disposals during the period. No distinction is made between realised and unrealised gains in the financial statements.

Debtors
Short term debtors are measured at transaction price, less any impairment. Prepayments are measured at the amount prepaid net of trade discount due.

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

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments
The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and investments in stocks and shares.

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

Cash Flow Statement
The charity qualifies as a small charity under the Charities SORP (FRS102). A cash flow statement is therefore not required.
PORTSMOUTH ROMAN CATHOLIC DIOCESE PRIESTS' RETIREMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. EXPENDITURE

<table>
<thead>
<tr>
<th></th>
<th>Depreciation £</th>
<th>Grants £</th>
<th>Other Direct Costs £</th>
<th>2016 Total £</th>
<th>2015 Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Raising Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment management fees</td>
<td>-</td>
<td>-</td>
<td>19,635</td>
<td>19,635</td>
<td>11,958</td>
</tr>
<tr>
<td>Investment property costs</td>
<td>-</td>
<td>-</td>
<td>1,680</td>
<td>1,680</td>
<td>5,107</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>21,315</td>
<td>21,315</td>
<td>17,065</td>
</tr>
<tr>
<td><strong>Charitable activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision of accommodation</td>
<td>25,825</td>
<td>-</td>
<td>99,125</td>
<td>124,950</td>
<td>94,822</td>
</tr>
<tr>
<td>Grants and other support of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>priests</td>
<td>-</td>
<td>284,623</td>
<td>14,900</td>
<td>299,523</td>
<td>181,500</td>
</tr>
<tr>
<td>Support costs</td>
<td>-</td>
<td>-</td>
<td>873</td>
<td>873</td>
<td>807</td>
</tr>
<tr>
<td>Governance</td>
<td>-</td>
<td>-</td>
<td>6,297</td>
<td>6,297</td>
<td>5,002</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25,825</td>
<td>284,623</td>
<td>121,195</td>
<td>431,643</td>
<td>282,131</td>
</tr>
<tr>
<td><strong>Grants comprise:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants to Individuals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(number of grants 29 - (2015 - 26))</td>
<td></td>
<td></td>
<td></td>
<td>£284,623</td>
<td>£164,062</td>
</tr>
<tr>
<td><strong>Included in Governance Costs is:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auditors remuneration</td>
<td></td>
<td></td>
<td></td>
<td>£2,080</td>
<td>£2,040</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£25,825</td>
<td>£284,623</td>
<td>£142,510</td>
<td>£452,958</td>
<td>£299,196</td>
</tr>
</tbody>
</table>

Grants comprise:
Grants to Individuals
(number of grants 29 - (2015 - 26))

2. FREEHOLD PROPERTY

**COST / VALUATION**
At 1 January 2016 2,591,183
Transfer from Investment Properties 267,000
Additions 32,852
Disposals (169,000)
Revaluation 176,932

At 31 December 2016 2,898,967

**DEPRECIATION**
At 1 January 2016 -
Charge for the year 25,825
Eliminated on revaluation (25,825)

At 31 December 2016 -

**NET BOOK VALUE**
At 31 December 2016 £2,898,967
At 31 December 2015 £2,591,183

The properties were re-valued by the trustees on an open market value basis as at 31 December 2016.
PORTSMOUTH ROMAN CATHOLIC DIOCESE PRIESTS’ RETIREMENT FUND

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

3. INVESTMENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January 2016</td>
<td>£3,227,786</td>
<td>£3,408,128</td>
</tr>
<tr>
<td>Additions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposals</td>
<td>(20,133)</td>
<td>(2,979,756)</td>
</tr>
<tr>
<td>Transfer to Freehold Property</td>
<td>(267,000)</td>
<td>(203,000)</td>
</tr>
<tr>
<td>Gains</td>
<td>356,357</td>
<td>6,740</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 31 December 2016</td>
<td>£3,297,010</td>
<td>£3,227,786</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quoted Investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>£2,901,921</td>
<td>£2,559,858</td>
</tr>
<tr>
<td>Investment Property</td>
<td>£194,869</td>
<td>£212,928</td>
</tr>
<tr>
<td></td>
<td>£200,220</td>
<td>£455,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>£3,297,010</td>
<td>£3,227,786</td>
</tr>
</tbody>
</table>

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

The investment property was re-valued by the trustees on an open market value basis as at 31 December 2016.

4. TRANSACTIONS WITH TRUSTEES

No remuneration was paid to the Trustees, expenses of £Nil (2015: £Nil) were reimbursed.

5. CONNECTED CHARITY

The Portsmouth Diocesan Trust (registered charity number 246871) is a connected charity of the Portsmouth Roman Catholic Diocese Priests’ Retirement Fund. Its principal address is:-

St Edmund House
Bishop Crispian Way
Portsmouth
PO1 3QA

During the year, rents amounting to £34,566 (2015: £30,205) were paid in respect of properties owned by the Diocesan Trust.

A balance of £108,761 (2015: £210,063) was due from the Portsmouth Diocesan Trust to the Fund at 31 December 2016.