

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

CONTENTS

	Page
Reference and Administrative Details	3
Report of the Trustees	4 - 12
Statement of Trustees' Responsibilities	12
Auditors' Report	13 - 15
Statement of Financial Activities	16
Balance Sheet	17
Statement of Cash Flows	18
Notes to the Financial Statements	19 - 36

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

REFERENCE AND ADMINISTRATIVE DETAILS

CHARITY NUMBER	278742 (England and Wales)
BOARD OF TRUSTEES:	<p>The trustees who have served during the year and since the year end are as follows:</p> <p>Bishop Alan Hopes Rev David Bagstaff Mgr Anthony Rogers Rev Peter Leeming Mgr Philip Shryane Mrs Moira Goldstaub Mrs Marie Roberts Rev Nicholas Greef Peter Ledger Esq</p> <p>The above are also the board of directors for The East Anglia Roman Catholic Diocese Trustee.</p>
FINANCIAL SECRETARY:	Lt Col John Pitt
ADVISORS:	<p>Mr Nick Saffell (Property) Mrs Julie O'Connor (School Buildings)</p>
ADMINISTRATIVE CENTRE:	<p>The White House 21 Ugate Poringland Norwich Norfolk NR14 7SH</p>
BANKERS:	<p>National Westminster Bank Plc 45 London Street Norwich NR2 1HX</p>
SOLICITORS:	<p>Mills and Reeve 1 St. James Court Whitefriars Norwich NR3 1RU</p>
AUDITORS:	<p>Price Bailey Tennyson House, Cambridge Business Park, Cambridge CB4 0WZ</p>
INVESTMENT MANAGEMENT:	<p>Barclays Wealth Barclays Bank Plc 1 Churchill Place London EC14 5HP</p> <p>Rathbones 1 Curzon Street London W1J 5FB</p>

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

REPORT OF THE TRUSTEES For the year ended 31 December 2017

STRUCTURE GOVERNANCE AND MANAGEMENT

Constitution and Composition

The Roman Catholic Diocese of East Anglia was established under a Deed of Revocation and Appointment dated 2 October 1979. It is a registered charity (Reg. No. 278742) and is made up of 50 parishes in the counties of Cambridgeshire, Peterborough, Suffolk and Norfolk. It also encompasses 24 voluntary aided schools and 2 inter-denominational church schools.

The East Anglia Roman Catholic Diocese Trustee was incorporated on 1 February 1979 and was appointed as the Custodian Trustee of the Diocese on 2 October 1979 under the terms of a Deed of Revocation and Appointment.

Trustees

These are set out on page 3. The power to appoint trustees is vested in the Bishop of the Diocese. Trustees are recruited following recommendations received from existing trustees and/or other members of the Diocese. This process is under review to ensure that potential Trustees have an appropriate skills set for their responsibilities. Towards the end of 2013 enhanced procedures were established with a view to ensuring that new trustees were adequately informed prior to induction and that all Trustees were provided with opportunities for further training and development.

Risk Review

The Trustees have assessed the major risks to which the Diocese is exposed and are satisfied that systems are in place to mitigate our exposure to the major risks.

The major risks and strategies for managing these risks are as follows:

- i. Overspend on annual current account – a financial review has been sent to the Trustees with the recommendation that savings have to be made across all major cost centres;
- ii. Inadequate financial controls in parishes leading to fraud or misappropriation of funds – closer effective financial controls to be exercised by the parish priest and parish councils;
- iii. Inadequate insurance cover – identified in property quinquennial reviews and to inform insurers to raise level of rebuild costs accordingly

Organisation and Control

The Diocese is governed by its Board of Trustees, which consists of 8 trustee members comprising the Bishop, 3 Priests and 4 lay trustees and their advisors. These members meet at least quarterly, under the chairmanship of the Bishop and sitting as the Diocesan Finance Board. The Board of Trustees is responsible for formulating the strategies and policies for the Diocese as a whole, including the approval of significant parish expenditure and building works, parish loans, the appointment of Diocesan staff and advisors and the exercise of financial management of its own income and expenditures.

The Finance Board is assisted in its decision-making process by two sub-committees: a Finance Sub-Committee chaired by the Vicar for Finance, meeting at least quarterly, to assess and monitor all major financial policies and activities and advise the Finance Board on appropriate action as required, a Diocesan Buildings Sub-Committee and a Retired Clergy Support Group. The Finance Sub-Committee, which is chaired by a Trustee and includes members of the Diocesan Finance Board and advisors, deals mainly with curial and parochial property matters. The Sub-Committee has certain delegated powers under its terms of reference, meets quarterly and reports directly to the Finance Board. Its main function is to agree, monitor and review the details of parish building and repair projects, through its agreed expenditure approval procedures. The Clergy Support Group is chaired by the Vicar General with one Lay Member who is a Diocesan Trustee, the Vicar Judicial and one Diocesan Parish Priest. Its role is to advise the Trustees on the management and care for Retired

REPORT OF THE TRUSTEES (Continued)

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

For the year ended 31 December 2017

Diocesan Priests and with particular reference to the application of funds raised for Retired Priests by the Alive in Faith campaign.

Expenditure on churches involving reordering requires consultation with the Arts and Architecture Committee of the Liturgy Commission, whilst expenditure on churches which are listed requires consultation with the Diocese's Historic Churches Committee.

On education and schools' matters the Finance Board is assisted by a Commission, the Diocesan Schools Service Commission. This Commission is chaired by a member of the Clergy, includes the Bishop and the Diocesan Director of Schools Service and reports directly to the Finance Board.

Organisation and Control (continued)

The Schools Service Commission is assisted by a group of members called the Schools' Projects Review Group. This body meets as and when required and initiates, monitors and reviews the financial control procedures implemented by the Diocese in respect of current and planned school building projects.

Day to day control of the charity is exercised by the Bishop, supported by the Diocesan Financial Secretary who is a member of staff with responsibility for implementing and managing the strategies and policies agreed by the Diocesan Finance Board. In addition, the Director of Schools Service is also responsible for day to day control of the schools programme.

At parish level, the parish priest, assisted by his finance committee, is responsible for all aspects of administration.

OBJECTIVES AND ACTIVITIES

The objectives of the Diocese are set out in its Deed of Revocation and Appointment as the advancement of the Roman Catholic Religion in the Diocese and for the service and support whether in the Diocese or outside the Diocese of charitable works and objects promoted by the Roman Catholic Church.

These objectives are accomplished through the network of parishes and schools throughout the Diocese, seeking to involve the community as a whole, and furthering ecumenical relationships.

Through its parishes, funds are raised by way of voluntary collections and donations to assist the work of organisations such as CAFOD, the Apostleship of the Sea and the Catholic Association for Racial Justice.

Overseas, twinning arrangements are in place with countries such as Cambodia and those within the Holy Land, providing funding to assist in the development of projects for the needy and underprivileged.

These overseas relationships continued to develop during 2016 as more individual parishes have established twinning relationships with particular overseas localities. These relationships have been particularly strengthened through reciprocal visits.

The Diocese could not meet its objectives without the significant contribution provided by its volunteers. "Volunteer Agreements" have been in place since 2006, particularly to highlight and clarify the roles undertaken by so many willing parishioners. Such roles include parish treasurers, committee members, flower arrangers and lay ministers. The numbers of volunteers far outweigh paid employees and are the substance of the Catholic Church.

REPORT OF THE TRUSTEES (Continued)

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

For the year ended 31 December 2017

The objectives and aims for the year may be summarised as:

- Maintenance of parish life and communities
- Advancement of the Roman Catholic Religion
- Review of effectiveness of central services
- Assisting school governing bodies in the financing and control of major building projects and grant recovery.
- Application of funds raised by the Alive in Faith campaign to the respective areas for which such funds have been and continue to be raised.

Strategies implemented to achieve these objectives include:

- The continued maintenance and improvement of places of worship and other parish facilities
- Continued recruitment, education and training of priests
- Encouraging local communities to make use of parish facilities
- Participation in community including support of religious education, leadership and management in our schools
- Supporting the community through the establishment of Commissions listed under Activities below
- Administering school building programmes and providing advice to school governors.

Activities

Funding of Diocesan Activities

The Diocese of East Anglia is not wealthy. It has limited reserves or investments of its own, receives relatively small amounts through legacies and donations and has no means of raising income other than from its parishes. This it does by levying charges or quotas based as a percentage of parish offertory collections. The income which it receives is used to pay for the organisation and administration of all Diocesan activities, for the repairs and adaptations to its schools, for the training of future Diocesan priests and for all those services which are given to parishes without charge. Comments on some of these Diocesan activities, which are highlighted in the SOFA under "General Funds", "Designated Funds", or "Parochial Funds", are included below.

The activities of the Diocese are largely undertaken through its parishes. Of the overall diocesan finances, parishes account for over 83% of income and approximately 71% of expenditure with some 70% of the Diocesan charity's net assets being held at parochial level. The work of the parishes involves amongst other things the pastoral care of the Roman Catholic and general community of the parish and maintenance and upkeep of places of worship.

Alive in Faith

This fund-raising campaign started in February 2015 supported by the professional fund-raising company, CCS. The actual campaign phase will end in June 2017 when the administration of funds raised will be passed to a newly formed Stewardship Committee which will control and administer the continued inflow of funds from pledges and the disbursement of funds to the stated objectives. There are four primary aims to provide funding for the following:

- Training of future priests
- Support of retired clergy
- Special Parish Projects
- Social Outreach

During the year ended 31 December 2017, £5,100,430 was committed in pledges over five years, and £1,277,152 income was recognised in the year. The costs over this period was £555,783. Overall, **Alive in Faith** is aiming to raise £6.1 million over the next five years. In line with other diocesan campaigns, we anticipate an investment of 12p to raise £1, once the campaign has completed. This is lower than typical costs in the charitable sector where the average figure is 20p.

REPORT OF THE TRUSTEES (Continued)

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

For the year ended 31 December 2017

Fundraising:

The Diocese employed CCS, a professional fundraising company to plan and execute the general and detailed fund raising campaign. The Diocese is not registered with the Fundraising Regulator or any other voluntary scheme for regulating fund-raising and is not bound by any voluntary standard for fund-raising in respect of the fundraising activities carried out however an Advisory Committee was formed which monitored the progress and activities of the campaign. The Committee met on a monthly basis during the setting up and execution of the campaign. There were no complaints about the aims or objectives of the campaign, a small number of people requested information on the way in which the money was to be raised and total transparency was ensured in the conduct of the campaign. The campaign was specifically based on personal contact with potential donors but Parish Priests were active in ensuring that only those who were considered likely to wish to participate were approached. The voluntary nature of pledges was always emphasised and there was no unreasonable persistent approaches or undue pressure put upon people for the purpose of soliciting or otherwise procuring money or other property on behalf of the charity.

The following bodies assist the Trustees in the furtherance of the charity objectives:

The Liturgical Commission

This body advises the Diocese and individual parishes on matters relating to the celebration of Sacred Rites in churches. It also advises on matters of church architecture and organises liturgical courses throughout the Diocese.

The Commission for Evangelisation

This body is responsible for developing the outward aspect of diocesan life, as well as adult religious education, Catholic Certificate of Religious Studies, parish sacramental programmes including Rite of Christian Initiation of Adults, Baptism, First Reconciliation and First Communion, Confirmation & Marriage, training and ongoing formation of catechists and co-ordination of key catechists.

The Ecumenical Commission

This Commission is appointed by the Bishop to advise him on all ecumenical matters relating to the Diocese. Members of the Commission are appointed on a Deanery basis with one lay and one clerical member from each of the seven Deaneries. Members of the Commission represent the Diocese on a number of inter-church bodies at local, county and national level. The Commission has an important educational role and organises days of reflection and of study on a Diocesan and Deanery basis.

Justice and Peace Commission

This Commission was established to advise the Bishop and the Diocese on matters of justice and peace. It organises study days and vigils of prayer to encourage all to seek justice and peace and to exchange relevant information.

The Diocesan Youth Service

The Director of Diocesan Youth Service works with the Bishop to coordinate and organise a variety of diocesan youth events including the World Youth Day pilgrimage every two years and diocesan youth days, festivals, celebrations and camps. This work is supported by a Diocesan Youth Commission and a Diocesan Youth Council of 16 – 21 year olds. The work of the Director of Diocesan Youth Service has been augmented by a Youth Mission entitled "Ignite" with the aim of enhancing the development of youth activity throughout the Diocese. This latter group is intended to be developed with the mission of taking the Catholic message out to the youth of the Diocese using events both within the Diocese as a whole, within individual parishes and in the diocesan schools.

REPORT OF THE TRUSTEES (continued)

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

For the year ended 31 December 2017

New Evangelisation Commission

This Commission was formed in 2015 with the aim of regenerating the Catholic Faith within the Diocese. In addition to encouraging and facilitating the return of Catholics who have lost contact with the Church to regular communion, the Commission is also engaged in promoting the Church amongst non-Catholics.

Caritas East Anglia

This group has been formed to administer the Social Outreach aspects of the money raised for this purpose by the Alive in Faith campaign

ACHIEVEMENTS AND PERFORMANCE

Review of Year 2017

The rolling programme of improvement and maintenance works to Diocesan school buildings continued and at the end of 2017 Diocesan funds amounting to £311,920 were committed towards work in progress plus approved works still to commence. Further projects are also being planned into 2018 and 2019 but there is an awareness that funds available are likely to reduce as the effects of the economic downturn inhibit public spending and there is a potential for offertory collections also to diminish reducing diocesan income. In parallel with the building programme, the Diocese has also been active in the formation of multi-academy trusts, designed to conform to Government policy. The first of these was the St John The Baptist Catholic Multi-academy Trust which became operational from 1st April 2016. The Our Lady of Walsingham Multi-academy Trust was formed in 2017 and further trusts are planned.

Several parishes have completed major refurbishments of churches and other parish buildings. With the funds raised by Alive in Faith and allocated to Parish Projects, several parishes are using this money to carry out repairs and refurbishments to their buildings.

The Cathedral Narthex, which is managed as part of the Cathedral Complex by the Cathedral of St John The Baptist Trust has continued to run at a loss. The CSJBT is a separate charity but its losses are underwritten by the Diocese. The Narthex continues to run at a loss despite economy measures and every effort is being made to reduce the current losses with the ultimate aim of breaking even.

PLANS FOR THE FUTURE

Future Developments

Buildings

There is a continuing need to review the demographic location of the Catholic population in the Diocese and the availability of priests to ensure that churches are best situated to serve their needs. Annual reviews of mass attendance in parishes is an important tool in measuring which churches and buildings may need expansion or new buildings and those where use of a church or building is not justified. An overriding criterion is the avoidance of expenditure which cannot be justified. The diocesan estate is therefore under constant review both for short term and longer-term plans to maximise building use. A further consideration is the numbers of priests available to provide pastoral care in the existing parishes. A reduction in the number of priests may necessitate the merging of parishes with a potential effect on building requirements but an increase in the number of vocations has assuaged this assessment. There are currently 12 Seminarians at Seminaries both in the United Kingdom and abroad.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

For the year ended 31 December 2017

Priests

Meeting the needs of the increasing numbers of priests reaching retirement age or retiring on the grounds of ill health is a pressing concern. A diocesan retirement policy which takes account of the diverse needs of retiring priests in terms of both accommodation and income has been agreed. In the longer term, provision for residential care of individual priests who require it must also be planned. The retirement policy takes account of individual priests' personal financial resources and ensure that all and any State benefits to which individuals may be entitled are factored in on a case by case basis. The formation of the Retired Clergy Support Group is designed to monitor and operate the diocesan Retirement Policy and will include a permanent Welfare Officer to ensure the day to day management of Retired Priests and their needs. The success of this will rely heavily on individual priests making personal arrangements in their financial affairs to ensure that in the event of a need for residential care, the transition is made smoothly. In addition to diocesan resources, the East Anglia Diocese Dependent Priests' Fund is an independent charity designed to provide additional financial assistance where required which is beyond the scope of either the State Benefits or the diocesan policy.

CONNECTED CHARITIES

The Diocese is connected to two independent charities whose objectives are complementary to the diocesan objectives. These are the Cathedral of St John The Baptist Trust (Reg No 1152820) and the East Anglia Diocese Dependent Priests' Fund (Reg No 1102707).

PUBLIC BENEFIT

The Trustees confirm that they comply with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

The Catholic Church in East Anglia not only provides for the religious needs of the Catholic population but plays a full role in participating with other churches, faiths and public organisations in promoting an ethos and attitudes among the general population which are designed to encourage and develop mutual cooperation, social cohesion and dialogue for the benefit of the community as a whole and in particular the poor and most vulnerable. Within the Christian community, the Diocese and parishes are active in inter-faith activities working to increase the common interest.

The Diocese makes a significant contribution to education in East Anglia by its financial contribution, fund-raising and voluntary contributions as governors and in other roles. This programme includes two inter-denominational schools.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The key management personnel consist of the Trustees, the Financial Secretary and the Director of Schools. Senior Education Staff are paid on a scale with increments based on performance assessment, which is in parallel with Public Sector national pay scales within the education field. The charity's other key management personnel have been recruited by public advertising at a salary fixed by local market forces at the time of recruitment. Annual increases for Curia Staff have been granted on a discretionary basis, using data from the National Audit Office based on salary increases in the private sector.

PRINCIPAL RISKS

A Financial Risk Assessment is presented to the Trustees each year for approval. Since most of the diocesan activity involves financial criteria, this has been regarded as sufficient in the past, however with effect from 2017, this has been expanded to cover all perceived risks in addition to financial as noted earlier in this report.

REPORT OF THE TRUSTEES (continued)

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

For the year ended 31 December 2017

FINANCIAL REVIEW

The total income of the Diocese decreased slightly £6.74m to £6.72m during the year. Total expenditure for the Diocese decreased also, from £6.51m in 2016 to £6.43m in 2017. Costs of raising funds have increased from £0.7m in 2016 to £0.58m in 2017. **Alive in Faith** is a significant endeavour. The Diocese has front-loaded the cost of fundraising. In line with other diocesan campaigns, we anticipate an investment of 12p to raise £6.1m, once the campaign has completed. This is lower than typical costs in the charitable sector where the average figure is 20p. An analysis of this expenditure is given in note 6 of the Financial Statements.

General Diocesan Funds

The bulk of the expenditure in 2017 classified under this heading relates to the activities of the various Diocesan commissions, the work of the Diocesan Marriage Tribunal, the upkeep of the Bishop's residence and Central Administrative Offices and the funding of the chaplaincy costs at the University of East Anglia.

The main sources of funding for these expenditures are from investment and bank interest, quota charges to parishes based upon a percentage (8%) of offertory collections and administration charges to parishes and funds for handling investments and recovering tax on gift aid and covenants. The activities of the Commissions and the Diocesan Marriage Tribunal are briefly outlined below.

Designated Funds – General Comments

The main funds included under this heading are the Schools' Consortium Funds. The balances on these funds at the end of December 2016 are shown in Note 14 to the financial statements. The Schools' Consortium Funds obtain most of their income from levies on parishes. The majority of the expenditure on the designated funds relates to the schools' activities. Comments on the activities of the Schools' Consortium Funds are included below.

Designated Funds - Schools

Prior to 1993 schools' funding was organised within groups of parishes formed into parish consortia centred around Norwich, Bury St Edmunds, Ipswich, Cambridge and Peterborough. By 1993 parish school funds were overdrawn and the Diocese agreed to centralise control of expenditure and introduce a schools' levy on parishes which would be sufficient to eliminate the existing schools' debt and provide funds for future commitments. The new schools' levy was introduced gradually over a two year period and stood at 20% of offertory collections until June 2017. This system was changed in July 2017 and is under review as part of an overall analysis of diocesan expenditure designed to reduce the deficit on the overall diocesan current account. A review of budgetary procedures is a part of the overall financial review and will eventually result in the rolling budget for schools over a 3 year period will be used to allocate funds as agreed by the Trustees.

Surplus funds have been transferred to a Schools Reserve Fund to meet contingencies and any future adverse changes in funding legislation by central government. In view of the rising expenditure in other areas of the Diocese, a rigid application of the 20% levy has been reviewed along with the other levies, to ensure that diocesan income is applied to meet expenditure in all areas of the diocesan operation.

At the beginning of 2017, there was £3.08m held in the Schools' Consortium Fund. During 2017 the net movement in the fund amounted to approximately -£0.28m, leaving a balance on the fund of £2.8m. The Trustees will review the allocation of designated funds to ensure that there is a proper balance of income to expenditure.

REPORT OF THE TRUSTEES (continued)

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

For the year ended 31 December 2017

Designated Funds –Priests' Training Fund, Ministerial Training Fund and Clergy Pension Fund

During 2016, a review of the previous restrictions on these funds was carried out and as a result, a transfer from restricted funds to designated funds has taken place. The balances now held in designated funds can be seen in note 14 to the accounts.

Restricted Funds

The main funds represented under this heading and their respective fund balances are outlined in Note 15 to the accounts. This note shows that at the end of December 2017, the total of the Diocese's restricted funds amounted to £2.42m.

Parochial Funds

As can be seen from the SOFA, the bulk of the Diocese's activities are undertaken through its parishes whose work principally takes the form of the provision of religious services and the maintenance and upkeep of presbyteries, churches and parish halls.

The financial statements show total parochial income of £4.89m, with the bulk of moneys, amounting to £4.21m, from "donations, legacies and grants". On the expenditure side, Note 6 to the accounts provides an analysis of charitable expenditure. This shows total costs of £3.77m.

Investment Performance

The performance target required by the Trustees is that the portfolio should perform in line with the relevant indexes. During the year the overall value of the charity's quoted portfolio increased by 5.70% going from £5.97m. to £6.32m

An income return of 3.14% on the opening value of the portfolio is considered satisfactory by the Trustees when compared to the performance of other relevant indices. In view of the low interest rates currently achievable on cash deposits, the portfolio is being reviewed to achieve better returns on investments than is currently the case.

Investment Powers and Policy

The Trustees are empowered to invest any monies authorised by law for the investment of trust monies from time to time with the consent of the Bishop. This means that the provisions of the Trustees' Act 2000 apply. In 1999 an Order was made under Section 26 of the Charities Act 1993 which empowered the Trustees to appoint an investment manager and to appoint a corporate body as the Trustees' Nominee to hold the investments of the charity. By using a Nominee, transfers of stock can be dealt with more rapidly with the advent of reduced settlement periods. The Diocese's Investment Managers, Barclays Wealth were appointed to undertake both of these roles along with Rathbones also being appointed as investment advisers during the year.

The Trustees intend that the real value of the investments be maintained and enhanced over the long term. The Trustees have selected a balanced portfolio of medium risk.

Reserves Policy

Notes 14 to 16 of the financial statements set out details of the various funds of the Diocese and an analysis of the assets attributable to them. These assets are sufficient to meet the charity's obligations on a fund by fund basis. At 31 December 2017 the Diocese's reserves stood at £30.93m. Of this, £2.4m is restricted to particular uses and £4.4m has been designated by the Trustees for certain specific purposes.

REPORT OF THE TRUSTEES (continued)

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

For the year ended 31 December 2017

Of the remaining reserves parochial funds amount to £20.75m of which £14.91m is represented by fixed assets in the form of churches and other property which are required for the purposes of the Diocese and could not be realised without undermining its work. This leaves free parochial reserves of £5.84m which represents between 1 - 2 year's total parochial expenditure and levy charges. This level of reserves is considered necessary by the Trustees to enable the parishes to conduct their work in an orderly and efficient manner as well as providing income through investments to supplement the amounts received by donations.

General reserves amount to £3.31m of which £0.68m is represented by fixed assets leaving free reserves of £2.13m. This is considered necessary in order for the Diocese to continue supporting and advising the parishes. The Trustees aim to maintain the Diocese's overall free reserves at least at the present level to continue to provide the support necessary for the Diocese to fulfil its objects.

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 2015 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records 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 Board of Trustees on 1st October 2018

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Bishop Alan Hopes
Trustee

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

For the year ended 31 December 2017

Opinion

We have audited the financial statements of The Roman Catholic Diocese of East Anglia (the 'charity') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2017, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA (CONTINUED)

For the year ended 31 December 2017

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA (CONTINUED)

For the year ended 31 December 2017

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Price Bailey LLP

PRICE BAILEY LLP

Chartered Accountants
Statutory Auditors

Tennyson House,
Cambridge Business Park,
Cambridge,
CB4 0WZ

Date: 29 October 2018

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

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 December 2017

	Notes	Unrestricted Funds General £	Designated £	Restricted funds £	Unrestricted Parochial funds £	2017 Total £	2016 Total £
Income:							
Donations, legacies and grants	2	140,229	-	1,474,321	4,213,887	5,828,437	5,602,897
Charitable activities	3	-	-	10,362	156,558	166,920	128,795
Income from other trading activities	4	5,745	-	85,281	379,726	470,752	428,992
Investments	5	82,273	27,423	4,386	143,170	257,252	261,637
Other: Surplus on sale of assets		-	-	-	-	-	321,765
Total income		228,247	27,423	1,574,350	4,893,341	6,723,361	6,744,086
Expenditure:							
Raising funds		26,853	6,107	520,773	27,635	581,368	744,554
Charitable activities:							
Provision of worship		285,743	-	-	527,152	812,895	918,616
Clergy and parish support		291,296	99,984	311,312	3,154,607	3,857,199	3,808,413
Pastoral care and community support		243,480	-	56,205	58,068	357,753	364,881
Schools Programme		302,206	519,724	-	-	821,930	673,712
Total expenditure	6	1,149,578	625,815	888,290	3,767,462	6,431,145	6,510,176
Net (expenditure) / income for the year before investment gains / losses		(921,331)	(598,392)	686,060	1,125,879	292,216	233,910
Net (losses) / gains on investments		282,979	73,003	56,271	29,105	441,358	741,993
Net income / (expenditure) for the year		(638,352)	(525,389)	742,331	1,154,984	733,574	975,903
Transfers between funds	17	945,720	21,520	642	(967,882)	-	-
Net movement in funds		307,368	(503,869)	742,973	187,102	733,574	975,903
Reconciliation of funds:							
Total funds brought forward		2,790,099	4,941,788	1,653,053	20,653,849	30,038,789	29,062,886
Total funds carried forward		3,097,467	4,437,919	2,396,026	20,840,951	30,772,363	30,038,789

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

The notes on pages 19 to 36 form part of these accounts.

BALANCE SHEET AS AT 31 DECEMBER 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible fixed assets	10	14,908,751	14,914,887
Investments	11	8,115,940	7,738,356
Total fixed assets		23,024,691	22,653,243
Current assets			
Debtors	12	575,642	926,241
Cash at bank and in hand		8,695,519	7,987,852
Total current assets		9,271,161	8,914,093
Liabilities			
Creditors: amounts falling due within one year	13	(1,483,489)	(1,468,547)
Net current assets		7,787,672	7,445,546
Total assets less current liabilities		30,812,363	30,098,789
Creditors: amounts falling due after more than one year	13	(40,000)	(60,000)
Total net assets		30,772,363	30,038,789
The Funds of the Trust:			
Unrestricted:			
General		3,097,467	2,790,099
Designated	14	4,437,919	4,941,788
		7,535,386	7,731,887
Restricted:			
Diocese Permanent Endowment	15	136,825	131,071
Diocese restricted	15	2,259,201	1,521,982
		2,396,026	1,653,053
Unrestricted Parochial funds		20,840,951	20,653,849
Total funds		30,772,363	30,038,789

The attached notes on pages 19 to 36 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 1st October 2018. and signed on their behalf by:

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Bishop Alan Hopes (Trustee)

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2017

	Notes	2017 £	2016 £
<u>Cash flows from operating activities:</u>			
Net cash (used in) / provided by operating activities	18	342,544	205,860
<u>Cash flows from investing activities:</u>			
Dividends, interests and rent from investments		318,492	261,637
Proceeds from sale of investments		1,245,731	2,380,192
Purchase of investments		(686,496)	(2,281,819)
Purchase of tangible fixed assets		(382,894)	(752,039)
Proceeds on sale of fixed assets		-	321,765
Net cash (used in) / provided by investing activities		494,833	(70,264)
<u>Cash flows financing activities:</u>			
Repayments of borrowing		(120,073)	(93,660)
Interest free loans to clergy		24,764	(27,399)
Net cash used in financing activities		(95,309)	(121,059)
Change in cash and cash equivalents in the year		742,068	14,537
Cash and cash equivalents at the beginning of the reporting period		8,121,197	8,106,660
Cash and cash equivalents at the end of the reporting period	19	8,863,265	8,121,197

The notes on pages 19 to 36 form part of these accounts.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

1 ACCOUNTING POLICIES

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014, and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Charity constitutes a public benefit entity as defined by FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements are prepared in pounds sterling and rounded to the nearest pound.

(b) Going Concern

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. As such, the trustees continue to adopt the going concern basis in preparing these financial statements.

(c) Funds structure

Restricted Funds and Permanently Endowed Funds

The Charity has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose. Details of funds subject to legal restriction are set out in note 15.

Unrestricted and Parochial Funds

Each parish is considered by canon law to be a juridical person with corresponding rights and obligations, including the holding and use of funds. The use of these parochial funds is the responsibility of the parish priest, Diocesan Finance Board, College of Consultors and the Bishop in varying ways depending on the amount and significance of the funds. Whilst they have certain characteristics of restricted funds, they are considered to be unrestricted, but designated.

Unrestricted income funds comprise of funds which the trustees are free to use for any purpose in the furtherance of the charitable objectives.

Designated Funds

Details of the funds designated by the trustees are set out in note 14.

(d) Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

1 ACCOUNTING POLICIES (continued)

Legacies, Donations and Grants

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the charity. Where legacies have been notified to the or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Grants are recognised when receivable.

Investments and Investment Income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio. Income from Government Securities is recognised when it is received. Income accrued and not received on these securities at 31 December is included in the market value of the investments held.

Rental income under operating leases is charged to the profit and loss accounts on a straight line basis over the terms of the lease.

(e) Expenditure

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

- Costs of raising funds includes fees and charges for the management of the investment portfolio and fundraising costs.
- Expenditure on charitable activities includes direct, governance and support costs attributable to the four main activities of the charity being provision of worship, clergy and parish support, pastoral care and community support and the schools programme.

Gains and Losses

Unrealised 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 year.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

1 ACCOUNTING POLICIES (continued)

Schools Building Programme

The Diocese assists schools undertaking major projects by meeting the costs and claiming grants on behalf of the schools. These grants are netted off against the cost and only the net costs to the Diocese are included in the financial statements.

(f) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. These costs are apportioned between charitable activities on the basis of the Trustees' estimate of time spent on the relevant functions.

(g) Taxation and Irrecoverable VAT

The Diocese is a registered charity and is exempt from corporate taxes, to the extent of operating within its charitable objectives. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

(h) Tangible fixed assets

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

Freehold buildings	50 years
Furniture, equipment and motor vehicles	5 years

The need for any impairment of a fixed asset write-down is considered if there is concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate.

The Diocese has 23 voluntary aided and 2 inter-denominational church schools, which are constituted as separate charities. This number will change as two senior schools have opted for Academy status and are now self-financing. It is likely that some other schools may also opt for free school status. The school properties (land and buildings) are vested in the name of the Diocesan trustees and for this reason will continue to contribute to capital improvement costs. The Diocesan trustees cannot take a unilateral decision to dispose of these properties. Disposal can only occur if the school governors and the Secretary of State for Education decide that all or part of a school site is no longer required for education. In most circumstances, where a disposal occurs, the Secretary of State or the local authority may be entitled to recoup grant. Although no rights of ownership vest in the school governing body, most other rights and obligations, such as for the maintenance and repair of the school and its facilities, are passed to the governors. The trustees therefore consider that, for the purposes of these financial statements, the nature of their ownership is that of a custodianship, however these properties have been purchased and written off in the Diocesan accounts for the amounts that the Diocese contributed in the past and the costs involved have not been separately identified and are not considered material in the overall context of the accounts.

Investment Properties

Investment properties are valued by the trustees at fair value and are not depreciated. The statement of financial activities includes the net gains and losses arising on the revaluation and disposals throughout the year.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

1 ACCOUNTING POLICIES (continued).

(i) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the mid-market quoted price (the difference between mid-market and bid price is deemed not to be material). The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(j) Debtors

Sundry debtors are recognised at the settlement amount due. Prepayments are valued at the amount repaid net of any trade discounts due.

(k) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(l) 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.

(m) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Fixed assets are recorded at depreciated historical cost or revaluation and all other assets and liabilities are recorded at cost which is their fair value.

(n) Pension

Pension contributions to a defined contribution pension scheme are charged to the statement of financial activities as they occur. These contributions are invested separately from the Charity's assets. Certain staff are members of a Pensions Trust personal pension scheme growth plan to which they make contributions. The Diocese contributes an additional amount to the employee's contribution. The scheme has been treated as a defined contribution scheme as disclosed in note 23.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

2a. INCOME FROM DONATIONS AND LEGACIES – CURRENT YEAR

	Unrestricted Funds		Restricted funds	Parochial funds	2017 Total
	General	Designated			
	£	£	£	£	£
Legacies	-	-	29,621	232,464	262,085
Donations including plate collections	140,229	-	1,412,491	3,923,853	5,476,573
Grants	-	-	32,209	57,570	89,779
Total	140,229	-	1,474,321	4,213,887	5,828,437

2b. INCOME FROM DONATIONS AND LEGACIES – PRIOR YEAR

	Unrestricted Funds		Restricted funds	Parochial funds	2016 Total
	General	Designated			
	£	£	£	£	£
Legacies	172,338	-	175,000	169,119	516,457
Donations including plate collections	119,395	-	1,099,830	3,801,519	5,020,744
Grants	-	-	16,225	49,471	65,696
Total	291,733	-	1,291,055	4,020,109	5,602,897

3a. INCOME FROM CHARITABLE ACTIVITIES – CURRENT YEAR

	Unrestricted Funds		Restricted funds	Parochial funds	2017 Total
	General	Designated			
	£	£	£	£	£
Altar society and repository sales	-	-	10,362	109,690	120,052
Chaplaincies	-	-	-	46,868	46,868
Total	-	-	10,362	156,558	166,920

3b. INCOME FROM CHARITABLE ACTIVITIES – PRIOR YEAR

	Unrestricted Funds		Restricted funds	Parochial funds	2016 Total
	General	Designated			
	£	£	£	£	£
Altar society and repository sales	-	-	3,070	99,953	103,023
Chaplaincies	-	-	-	25,772	25,772
Total	-	-	3,070	125,725	128,795

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

4a. INCOME FROM OTHER TRADING ACTIVITIES – CURRENT YEAR

	Unrestricted Funds		Restricted funds	Parochial funds	2017 Total
	General	Designated			
	£	£	£	£	£
Parish hall and other rents received	5,745	-	4,883	245,010	255,638
Fundraising events	-	-	80,398	134,716	215,114
Total	5,745	-	85,281	379,726	470,752

4b. INCOME FROM OTHER TRADING ACTIVITIES – PRIOR YEAR

	Unrestricted Funds		Restricted funds	Parochial funds	2016 Total
	General	Designated			
	£	£	£	£	£
Parish hall and other rents received	439	-	2,120	223,518	226,077
Fundraising events	-	-	63,342	139,573	202,915
Total	439	-	65,462	363,091	428,992

5a. INVESTMENT INCOME – CURRENT YEAR

	Unrestricted Funds		Restricted funds	Parochial funds	2017 Total
	General	Designated			
	£	£	£	£	£
Arising on quoted investments	68,185	27,723	4,386	-	99,994
Income from investment properties	12,700	-	-	138,025	150,725
Bank interest	1,388	-	-	5,145	6,533
Total	82,273	27,723	4,386	143,170	257,252

5b. INVESTMENT INCOME – PRIOR YEAR

	Unrestricted Funds		Restricted funds	Parochial funds	2016 Total
	General	Designated			
	£	£	£	£	£
Arising on quoted investments	53,930	5,898	10,869	-	70,697
Income from investment properties	19,787	-	-	155,309	175,096
Bank interest	10,382	-	-	5,462	15,844
Total	84,099	5,898	10,869	160,771	261,637

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

6a. EXPENDITURE – CURRENT YEAR

	General Funds £	Designated Funds £	Restricted Funds £	Parochial Funds £	2017 Total £
Cost of raising funds					
Fundraising and social	-	-	520,773	27,635	548,408
Investment management fees	24,253	6,107	-	-	30,360
Investment property repairs	2,600	-	-	-	2,600
	26,853	6,107	520,773	27,635	581,368
Provision of worship					
Upkeep of buildings	156,594	-	-	163,415	320,009
Depreciation	-	-	-	363,737	363,737
Support costs	129,149	-	-	-	129,149
	285,743	-	-	527,152	812,895
Clergy and parish support					
Clergy and church costs	128,029	78,461	28,844	1,295,452	1,530,786
Education and training	34,118	21,523	-	-	55,641
Parish administration	-	-	282,468	1,859,155	2,141,623
Support costs	129,149	-	-	-	129,149
	291,296	99,984	311,312	3,154,607	3,857,199
Pastoral Care and Community Support					
Child protection	68,111	-	-	-	68,111
Youth service	69,501	-	-	-	69,501
Other commissions	36,958	-	-	-	36,958
Pilgrimages	-	-	-	23,081	23,081
Donations to charity	-	-	56,205	34,987	91,192
Support costs	68,910	-	-	-	68,910
	243,480	-	56,205	58,068	357,753
Schools programme					
Building programme	-	134,024	-	-	134,024
Direct support costs	-	385,700	-	-	385,700
Support costs	302,206	-	-	-	302,206
	302,206	519,724	-	-	821,930
Total Expenditure	1,149,578	625,815	888,290	3,767,462	6,431,145

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

6b. EXPENDITURE – PRIOR YEAR

	General Funds £	Designated Funds £	Restricted Funds £	Parochial Funds £	2016 Total £
Cost of raising funds					
Fundraising and social	-	-	681,438	39,779	721,217
Investment management fees	18,768	2,124	2,344	-	23,236
Investment property repairs	101	-	-	-	101
	18,869	2,124	683,782	39,779	744,554
Provision of worship					
Upkeep of buildings	182,417	-	-	207,943	390,360
Depreciation	-	-	-	377,101	377,101
Support costs	141,833	-	-	-	141,833
	324,250	-	-	585,044	909,294
Clergy and parish support					
Clergy and church costs	158,769	-	95,595	1,234,069	1,488,433
Education and training	33,560	-	235,496	-	269,056
Parish administration	-	-	-	1,899,769	1,899,769
Support costs	141,833	-	-	-	141,833
	334,162	-	331,091	3,133,838	3,799,091
Pastoral Care and Community Support					
Child protection	43,462	-	-	-	43,462
Youth service	82,795	-	-	-	82,795
Other commissions	42,939	-	-	-	42,939
Pilgrimages	-	-	-	28,847	28,847
Donations to charity	-	-	41,299	49,961	91,260
Support costs	75,252	-	-	-	75,252
	244,448	-	41,299	78,808	364,555
Schools programme					
Building programme	-	121,419	-	-	121,419
Direct support costs	-	243,111	-	-	243,111
Support costs	328,152	-	-	-	328,152
	328,152	364,530	-	-	692,682
Total Expenditure	1,249,881	366,654	1,056,172	3,837,469	6,510,176

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

7a. SUPPORT COSTS – CURRENT YEAR

	Provision of worship £	Support of clergy £	Pastoral care and community support £	Schools programme £	2017 Total £
Office administration	77,859	77,859	43,265	194,337	393,320
Rates, insurance and utilities	3,224	3,224	1,612	6,594	14,654
Maintenance and repairs	9,050	9,050	4,525	18,511	41,136
Gift Aid expenses	415	415	207	848	1,885
Professional fees	6,045	6,045	3,023	12,366	27,479
Depreciation	5,564	5,564	2,782	11,381	25,291
Governance costs	10,712	10,712	5,356	21,910	48,690
Other	16,280	16,280	8,139	36,259	76,958
	129,149	129,149	68,910	302,206	629,414

7b. SUPPORT COSTS – PRIOR YEAR

	Provision of worship £	Support of clergy £	Pastoral care and community support £	Schools programme £	2016 Total £
Office administration	89,878	89,878	49,274	218,921	447,951
Rates, insurance and utilities	3,138	3,138	1,569	6,418	14,263
Maintenance and repairs	27,718	27,718	13,859	56,696	125,991
Gift Aid expenses	774	774	387	1,583	3,518
Professional fees	3,535	3,535	1,768	7,231	16,069
Depreciation	4,976	4,976	2,488	10,178	22,618
Governance costs	10,141	10,141	5,070	20,743	46,095
Other	1,673	1,673	837	6,382	10,565
	141,833	141,833	75,252	328,152	687,070

8. GOVERNANCE COSTS

	2017 Total £	2016 Total £
Auditors remuneration – audit services	32,750	35,700
Auditors remuneration – other / accountancy	15,940	10,395
	48,690	46,095

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

9. STAFF

The average number of employees of the Diocese during the year and their aggregate emoluments are shown below:

	2017	2016
	£	£
Staff costs:		
Wages and salaries	811,648	710,323
Social security	59,714	153,021
Pension costs	62,767	51,264
	<u>934,129</u>	<u>914,608</u>

The average number of employees during the year was:

	2017	2016
	No	No
Administration	23	16
Parish employees	46	47
	<u>69</u>	<u>63</u>

In the year ended 31 December 2017, there were 3 employees who earned salaries within the range of £60,001-£70,000. In 2016, there were no employees who earned more than £60,000. Employers pension costs for these 3 employees was £20,570.

The Charity considers its key management personnel to comprise the trustees, the Financial Secretary and the two Schools Officers. No trustee received any remuneration or benefits during the year, except as disclosed above. The total employee benefits of key management personnel during the year were £232,003 (2016: £119,016).

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

10. TANGIBLE FIXED ASSETS

	Freehold Buildings £	Furniture and equipment £	Motor vehicles £	Total £
Valuation and cost				
As at 1 January 2017	18,929,875	960,952	72,659	19,963,486
Additions	382,894	-	-	382,894
Disposals	-	-	-	-
At 31 December 2017	<u>19,312,769</u>	<u>960,952</u>	<u>72,659</u>	<u>20,346,380</u>
Depreciation				
As at 1 January 2017	4,034,369	960,952	53,278	5,048,599
Charge for year	381,398	-	7,633	389,031
Eliminated on disposal	-	-	-	-
At 31 December 2017	<u>4,415,766</u>	<u>960,952</u>	<u>60,911</u>	<u>5,437,630</u>
Net Book Value				
At 31 December 2017	<u>14,897,003</u>	<u>-</u>	<u>11,748</u>	<u>14,908,751</u>
At 31 December 2016	<u>14,895,506</u>	<u>-</u>	<u>19,381</u>	<u>14,914,887</u>

The Diocese also owns a number of schools of which the Trustees consider that their ownership is that of a custodianship however these properties have been purchased and written off in the Diocesan accounts for the amounts that the Diocese contributed in the past and the costs involved have not been separately identified and are not considered material in the overall context of the accounts. For insurance purposes, the Diocese's insurers allow a notional reinstatement value of £500,000 for each school, irrespective of size. This sum purports to represent 10% of the governors' responsibilities for the external fabric of school buildings, based upon a notional value of £3m plus for each school's buildings. In 2017, the notional replacement value of the schools insured by the Diocese was £10.2m (2016: £10.2m).

Apart from a small proportion used for management and administration, all fixed assets are used in direct furtherance of the charity's objects.

11. INVESTMENTS

	2017 £	2016 £
Balance at 1 January	7,738,356	6,917,132
Additions	686,496	2,281,819
Disposals at opening market value	(804,373)	(1,638,199)
Unrealised (losses) / gains during year	461,060	746,740
Movement in cash balances	34,401	(569,136)
	<u>8,115,940</u>	<u>7,738,356</u>
Analysis of investments:		
Investment properties	1,639,862	1,639,862
Quoted investments	6,308,332	5,965,149
Cash	167,746	133,345
	<u>8,115,940</u>	<u>7,738,356</u>

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

11. INVESTMENTS (continued)

Cost of quoted investments at 31 December	4,781,229	4,894,005
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All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value. Investment sales and purchases are recognised at the date of trade cost (that is their transaction value).

12. DEBTORS

	2017 £	2016 £
Grants due on school projects	143,681	329,350
Tax due on covenants	360,000	360,000
Interest free car loans to clergy	45,666	70,430
Legacies due	-	122,060
Other debtors and accrued income	26,295	44,401
	<u>575,642</u>	<u>926,241</u>

The interest free car loans to clergy and staff are repayable over a term of 3 years.

13. CREDITORS

	2017 £	2016 £
Due within one year		
Loans to diocese from third parties	20,000	120,073
Collections to be paid out	107,861	121,948
Monies held on behalf of third parties	113,579	92,903
School project monies received in advance and Devolved Formula Funding held on behalf of schools	385,182	338,698
Due to The East Anglia Diocese Dependent Priests' Fund	126,212	448,441
Other creditors	730,655	346,484
	<u>1,483,489</u>	<u>1,468,547</u>
Due after on year		
Loans due in 2 to 5 years	40,000	60,000
	<u>40,000</u>	<u>60,000</u>

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

14a. DESIGNATED FUNDS – CURRENT YEAR

	Balance at 1 January 2017 £	Net Income / (Expenditure) £	Transfers £	Gains on Investments £	Balance at 31 December 2017 £
Schools Consortium Fund	2,819,314	(509,669)	12,510	34,701	2,356,856
Priests' Training Fund	91,544	-	-	-	91,544
Ministerial Training Fund	326,009	(10,424)	541	38,302	354,428
Clergy Pension Fund	1,672,546	(78,461)	8,469	-	1,602,554
Other funds	32,375	162	-	-	32,537
	<u>4,941,788</u>	<u>(598,392)</u>	<u>21,520</u>	<u>73,003</u>	<u>4,437,919</u>

14b. DESIGNATED FUNDS – PRIOR YEAR

	Balance at 1 January 2016 £	Net Income / (Expenditure) £	Transfers £	Gains on Investments £	Balance at 31 December 2016 £
Schools Consortium Fund	3,079,943	(360,953)	38,829	61,495	2,819,314
Priests' Training Fund	-	-	91,544	-	91,544
Ministerial Training Fund	-	-	326,009	-	326,009
Clergy Pension Fund	-	-	1,672,546	-	1,672,546
Other funds	32,178	197	-	-	32,375
	<u>3,112,121</u>	<u>(360,756)</u>	<u>2,128,928</u>	<u>61,495</u>	<u>4,941,788</u>

Schools Consortium Funds

This represents the running costs of the Diocese's schools building programme and other schools costs. Transfers represent the funds share of investment income.

Priests' and Ministerial Training Funds

Income is used to help pay seminarians' college fees and training expenses, diaconate expenses and training costs of lay ministers. In the prior year, a transfer has been made between restricted and designated funds (note 17b).

Clergy Pension Fund

Contributions from parochial funds to fund pensions for clergy. In the prior year, a transfer has been made between restricted and designated funds (note 17b).

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

15a. RESTRICTED FUNDS AND PERMANENTLY ENDOWED FUNDS – CURRENT YEAR

	Balance at 1 January 2017 £	Net income / (expenditure) £	Transfers £	Gains/ (losses) on Investments £	Balance at 31 December 2017 £
Restricted Funds					
Priests' Training Fund	227,008	(142,376)	250	-	84,882
Vocations Fund	106,733	294	-	-	107,027
Trust Funds	176,311	2,223	-	28,558	207,092
Clergy Pension Fund	-	-	-	-	-
Parochial restricted funds	461,291	199,390	-	-	660,681
Alive in Faith	14,518	721,369	-	-	735,887
Other Funds	536,121	(100,594)	392	27,713	463,632
	<hr/> 1,521,982	<hr/> 680,306	<hr/> 642	<hr/> 56,271	<hr/> 2,259,201
Permanently Endowed Trust Funds	131,071	5,754	-	-	136,825
	<hr/> 1,653,053	<hr/> 686,056	<hr/> 642	<hr/> 56,271	<hr/> 2,396,026

15b. RESTRICTED FUNDS AND PERMANENTLY ENDOWED FUNDS – PRIOR YEAR

	Balance at 1 January 2016 £	Net income / (expenditure) £	Transfers £	Gains/ (losses) on Investments £	Balance at 31 December 2016 £
Restricted Funds					
Priests' Training Fund	2,154	23,726	201,128	-	227,008
Ministerial Training Fund	537,930	(8,272)	(597,536)	67,878	-
Vocations Fund	105,520	1,213	-	-	106,733
Trust Funds	171,836	2,014	-	2,461	176,311
Clergy Pension Fund	1,714,986	(67,659)	(1,647,327)	-	-
Parochial restricted funds	351,322	109,969	-	-	461,291
Alive in Faith	(86,122)	100,640	-	-	14,518
Other Funds	353,319	152,653	417	29,732	536,121
	<hr/> 3,150,945	<hr/> 314,284	<hr/> (2,043,318)	<hr/> 104,807	<hr/> 1,521,982
Permanently Endowed Trust Funds	126,335	-	-	4,736	131,071
	<hr/> 3,277,280	<hr/> 314,284	<hr/> (2,043,318)	<hr/> 104,807	<hr/> 1,653,053

Priests' Ministerial Training and Vocation Funds

Income is used to help pay seminarians' college fees and training expenses, diaconate expenses and training costs of lay ministers.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

15b. RESTRICTED FUNDS AND PERMANENTLY ENDOWED FUNDS (continued)

Trust Funds

These funds consist of donations and other income which have been invested, the income generated being spent on the relevant specific purposes.

Clergy Pension Fund

Contributions from parochial funds to fund pensions for clergy

Parochial Restricted Funds

This fund consists of donations received by parishes towards specific projects. Transfers represent amounts spent on fixed assets.

Alive in Faith and Other Funds

This fund consists of donations and other contributions for specific purposes other than those listed above.

Permanently Endowed Trust Funds

Certain parish and other funds are permanently endowed. The income arising on these funds is credited to General or Restricted Funds in accordance with the terms of the original endowment.

16a. ALLOCATION OF THE CHARITY NET ASSETS – CURRENT YEAR

	Fixed Assets £	Investments £	Net current Assets £	Long term Creditors £	2017 Total £
Unrestricted funds	950,569	4,219,570	2,405,247	(40,000)	7,535,386
Parish funds	13,958,182	2,389,118	4,493,650	-	20,840,951
Permanently endowed funds	-	136,825	-	-	136,825
Restricted funds	-	1,370,431	888,770	-	2,259,201
Total net assets	14,908,751	8,115,944	7,787,667	(40,000)	30,772,363

16b. ALLOCATION OF THE CHARITY NET ASSETS – PRIOR YEAR

	Fixed Assets £	Investments £	Net current Assets £	Long term Creditors £	2016 Total £
Unrestricted funds	815,358	4,040,297	2,936,232	(60,000)	7,731,887
Parish funds	14,099,529	2,303,826	4,250,494	-	20,653,849
Permanently endowed funds	-	131,071	-	-	131,071
Restricted funds	-	1,263,162	258,820	-	1,521,982
Total net assets	14,914,887	7,738,356	7,445,546	(60,000)	30,038,789

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

1. THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA (THE DIOCESE)

1.1. The Diocese

1.1.1. The Diocese is a charitable company limited by guarantee.

1.1.2. The Diocese is a company registered in England.

1.1.3. The Diocese is a company with no shareholders.

1.1.4. The Diocese is a company with no directors.

1.1.5. The Diocese is a company with no officers.

1.1.6. The Diocese is a company with no members.

1.1.7. The Diocese is a company with no subsidiaries.

1.1.8. The Diocese is a company with no branches.

1.1.9. The Diocese is a company with no associates.

1.1.10. The Diocese is a company with no related parties.

1.1.11. The Diocese is a company with no significant transactions.

1.1.12. The Diocese is a company with no significant assets.

1.1.13. The Diocese is a company with no significant liabilities.

1.1.14. The Diocese is a company with no significant income.

1.1.15. The Diocese is a company with no significant expenses.

1.1.16. The Diocese is a company with no significant profits.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

17a. TRANSFERS – CURRENT YEAR

	General Fund £	Designated Funds £	Restricted Funds £	Parochial Funds £
Interest allocation between parishes and funds	(36,090)	21,770	392	13,928
Levy on offertory income of parishes	981,810	-	-	(981,810)
Total net assets	945,720	21,770	392	(967,882)

17b. TRANSFERS – PRIOR YEAR

	General Fund £	Designated Funds £	Restricted Funds £	Parochial Funds £
Interest allocation between parishes and funds	(86,253)	38,829	26,450	20,974
Levy on offertory income of parishes	1,018,587	-	-	(1,018,587)
Reallocation of Priest training fund	(292,542)	91,544	200,998	-
Reallocation of Ministerial training fund	272,211	326,009	(598,220)	-
Reallocation of Clergy pension fund	-	1,672,546	(1,672,546)	-
Total net assets	912,003	2,128,928	(2,043,318)	(997,613)

During the year ended 31 December 2016, a review of the restrictions on the Priests' Training fund, the Ministerial Training fund and the Clergy Pension fund was carried out and as a result, a transfer between restricted and designated funds has taken place.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

18 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	733,574	975,903
Adjustments for:		
Depreciation charges	389,031	398,915
Losses / (gains) on investments	(441,358)	(741,993)
Decrease / (increase) in debtors	325,835	667,776
(Decrease) / increase in creditors	115,015	235,401
Dividends, interest and rents from investments	(318,493)	(261,637)
Gain on sale of fixed assets	-	(321,765)
Unrealised gains on investments	(461,060)	(746,740)
Net cash (used in) / provided by operating activities	342,544	205,860

19 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	8,695,519	7,987,852
Cash held in investment portfolio	167,746	133,345
Total cash and cash equivalents	8,863,265	8,121,197

20. TRANSACTIONS WITH TRUSTEES

A majority of trustees of the Diocese are also parish priests in the Diocese. As priests they receive income from their parishes together with living accommodation, living expenses and reimbursement of costs incurred on behalf of their parish and the Diocese on the same basis as other priests within the Diocese. They do not receive any remuneration or benefits from their trusteeship.

During the year expenses were paid to third parties on behalf of Bishop Alan Hope in relation to travel and subsistence and health insurance amounting to a total of £24,228 (2016: £51,709).

21. COMMITMENTS

	2017 £	2016 £
Contracted for building works	318,069	23,580
Authorised but not contracted for (Schools Buildings Programme)	992,076	653,703
	1,310,145	677,283

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Notes to the accounts for the year ended 31 December 2017

22. CONNECTED CHARITIES

The Roman Catholic Cathedral of East Anglia Preservation and Development Trust (Registered Charity No. 1 087277) was set up to apply the income and the capital of the Trust to charitable purposes connected with the Cathedral.

The Cathedral of Saint John the Baptist Trust (Registered Company No. 8491913, Registered Charity No. 1152820) was incorporated on 27 February 2013 and took over the running of the Narthex at the Cathedral from July 2013.

The East Anglia Diocese Dependent Priests' Fund is a registered company (1102707) and charity (no 5055534) and the main activity is to provide financial support to sick and dependent priests in the diocese of East Anglia. Administrative support is provided to The East Anglia Diocese Dependent Priests' Fund free of charge, and funds of The East Anglia Diocese Dependent Priests' Fund are held by the Diocese on their behalf. Interest is receivable on these funds held. The balance due to The East Anglia Diocese Dependent Priests' Fund at the year end is £126,212 and is included in creditors (2016: £448,440).

23. PENSIONS

The Diocese participates in the Pensions Trust's Growth Plan. The scheme is a multi-employer pension plan which is a money purchase scheme with guaranteed benefits. The Diocese would have a liability if it ceased to participate in the scheme, which at 31 December 2017 was calculated as approximately £26,000 (2016: £31,000) repayable in annual instalments by 2023. The Diocese currently has no plans to leave the scheme, so this contingent liability has not been provided for in the accounts and has therefore been recognised as a defined contribution scheme when the payments are made.

