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Registered Charity No:  
278742 (England and Wales)

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**THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2018**

**THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA  
ANNUAL REPORT AND ACCOUNTS 2018**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>CHARITY NUMBER</b>	278742 (England and Wales)
<b>BOARD OF TRUSTEES:</b>	<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>
<b>FINANCIAL SECRETARY:</b>	Lt Col John Pitt/Matthew Fernandez-Graham
<b>ADVISORS:</b>	<p>Mr Nick Saffell (Property) Mrs Julie O'Connor (School Buildings)</p>
<b>ADMINISTRATIVE CENTRE:</b>	<p>The White House 21 Ugate Poringland Norwich Norfolk NR14 7SH</p>
<b>BANKERS:</b>	<p>National Westminster Bank Plc 45 London Street Norwich NR2 1HX</p>
<b>SOLICITORS:</b>	<p>Mills and Reeve 1 St. James Court Whitefriars Norwich NR3 1RU</p>
<b>AUDITORS:</b>	<p>Price Bailey Tennyson House Cambridge Business Park Cambridge CB4 0WZ</p>
<b>INVESTMENT MANAGEMENT:</b>	<p>Rathbones 1 Curzon Street London W1J 5FB</p>

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA ANNUAL REPORT AND ACCOUNTS 2018

## REPORT OF THE TRUSTEES For the year ended 31 December 2018

### CONSTITUTION AND COMPOSITION

On March 13th 1976, by decree "Quod Ecumenicum", Pope Paul VI formed the Roman Catholic Diocese of East Anglia from the Counties of Cambridge, Peterborough, Norfolk and Suffolk, from the Diocese of Northampton.

For the purposes of civil law, 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 Catholic 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.

### OBJECTIVE

The objective of the Diocese is 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.**

This overall objective is accomplished through the network of parishes and schools throughout the Diocese, seeking to involve the community as a whole, and furthering ecumenical relationships.

### KEY OBJECTIVES FOR 2018

The key aims for the year may be summarised as:

- Maintenance of parish life and communities
- Assisting school governing bodies in the financing and control of major building projects and grant recovery
- To expand the number of Catholic schools to reflect increased demand for Catholic education
- Application of funds raised by the Alive in Faith campaign to support the training of new priests and deacons, and to make provision for priests who are retiring and engaging in a variety of parish projects.

The achievement of these aims furthers the progress of the Diocese by increasing the number of clergy able to support the Catholic population of East Anglia, increasing the number of children able to access Catholic education and reaching out to the wider community, particularly the marginalised and vulnerable.

Measures used to assess success include whether funding bids are successful, progress on parish projects and statistics on the Catholic population in East Anglia.

### ACHIEVEMENTS AND PERFORMANCE FOR 2018

Significant charitable activities undertaken 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 and deacons, which resulted in the ordination of 5 deacons and 1 priest during 2018
- Encouraging local communities to make use of parish facilities
- Participation in community life through our Catholic schools including support of religious education, leadership and management in our schools



## THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA ANNUAL REPORT AND ACCOUNTS 2018

- Bids to the Department for Education to establish new primary schools in Cambridgeshire and work with Norfolk County School to establish a voluntary aided primary school in Norfolk
- Administering school building programmes and providing advice to school governors.

30 parishes have now started or completed projects funded through the *Alive in Faith* appeal. These range in scope from refurbishment of church buildings, to installation of photovoltaic panels, to supporting our young people to helping the homeless. The total amount pledged to *Alive in Faith* stands at over £6.3 million.

The total Catholic population now stands at 107,690. Indicators of the healthy life of the Diocese include 1,005 baptisms, 1,050 First Holy Communions, 396 Confirmations and 242 marriages. Sunday Mass attendance is counted each September/October and was 23,960, representing an average attendance rate of 22%.

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

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 continue to develop 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 essential to the continued health and mission of the Catholic Church.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Organisation and Control**

##### **The Diocesan Finance Board**

The governing document of the Diocese is a Deed of Revocation and Appointment dated 2 October 1979. 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 expenditure.

The Diocesan Finance Board is assisted in its decision-making process by four other bodies:

1. The **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.
2. The **Buildings 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 ROMAN CATHOLIC DIOCESE OF EAST ANGLIA ANNUAL REPORT AND ACCOUNTS 2018

3. 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 Diocesan Priests and with particular reference to the application of funds raised for Retired Priests by the Alive in Faith campaign.
4. The **Diocesan Schools' Service Commission** oversees education and schools' matters on behalf of the Trustees. 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. 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.

In addition, 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.

### **Other Bodies**

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

#### *The Safeguarding Commission*

This is a professional body that implements national procedures regarding the safeguarding of children, young people and adults at risk within the Diocese. It has an independent chair. The Commission oversees the work of the Diocesan Safeguarding Coordinator.

#### *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 reaching 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 Commission for Dialogue and Unity*

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 Commission*

The Director of the 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 Services



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Commission. The work of the Director of the 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 within the Diocese as a whole, within individual parishes and in the diocesan schools.

### *New Evangelisation Commission*

This Commission aims to support the strengthening and development of 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.

### **Management**

Day to day control of the charity is exercised by the Bishop, supported by the Director of Finance and Resources who is a paid 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 is 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.

### **Appointment and Training of Trustees**

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. Procedures are in place to ensure that new trustees have appropriate skills to fulfil their legal duties as trustees and are adequately informed of their responsibilities prior to appointment. All trustees are provided with opportunities for further training and development.

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## ANNUAL REPORT AND ACCOUNTS 2018

### ACHIEVEMENTS AND PERFORMANCE

#### *Review of Year 2018*

The Diocese is successfully working to recruit, educate and train new priests and deacons. Five deacons and one priest were ordained during 2018. A further seven priests and three deacons were on track to be ordained during 2019. This will ensure that all parishes continue to have a parish priest and that some larger parishes can also have an Assistant Priest for the first time. The money raised from Alive in Faith is now the main source of funding to train our seminarians.

Work began to purchase or build appropriate retirement properties for priests due to retire in the coming years. It is anticipated that 2 priests will move into Diocesan properties, funded from Alive in Faith, in the next 12 months.

The rolling programme of improvement and maintenance works to Diocesan school buildings continued and at the end of 2018 Diocesan funds amounting to £366,226 were committed towards work in progress and in addition approved works still to commence amounted to £760,980. Further projects are also being planned for future years and will reflect the funding available for these works. 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 1 April 2016. The Our Lady of Walsingham Multi-academy Trust was formed in 2017.

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. One social outreach grant for £10,000 was paid out this year from Alive in Faith.

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 continued efforts are 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 are 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 kept under review to ensure that buildings are put to best use. A further consideration is the number of priests available to provide pastoral care in the existing parishes.

##### *Priests*

Meeting the needs of the increasing numbers of priests reaching retirement age or retiring on the grounds of ill health is a significant challenge for the Diocese. 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 ensures 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



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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.

A reduction in the total number of priests may necessitate the merging of parishes with a potential effect on building requirements. However, efforts across the Diocese have resulted in an increase in the number of vocations to the priesthood, the permanent diaconate and the religious life. There are currently 12 Seminarians at Seminaries both in the United Kingdom and abroad. During 2018 the Diocese benefited from the ordination of 5 deacons and 1 priest and it is anticipated that a further 3 deacons and a total of 7 priests will be ordained during 2019.

### **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 attitude 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 Director of Finance and Resources and the Director of Schools. Senior Education Staff are paid on a scale with increments based on performance assessment, which is in line with national practice within the education sector. 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, informed by data from the Office for National Statistics on inflation and average earnings across the economy.



# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

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### PRINCIPAL RISKS

A Risk Assessment is presented to the Trustees each year for review and approval. This covers all perceived risks, not just financial ones.

#### **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 was sent to the Trustees in 2017 with the recommendation that savings were to be made across all major cost centres. This has not produced the anticipated results. The recently appointed Director of Finance and Resources has begun a fresh review with a view to balancing the budget over the medium term
- ii. Inadequate financial controls in parishes leading to fraud or misappropriation of funds – a review of the guidance on financial controls to parishes is currently underway. Once this review has been completed, further training for Parish Priests, Parish Treasurers and Parish Finance Committees will be provided
- iii. Inadequate insurance cover – identified in property quinquennial reviews and insurers are to be informed to raise level of rebuild costs accordingly
- iv. Long term financial planning – a medium term financial strategy is being devised by the new Director of Finance and Resources to ensure sustainability over the longer term.

### FINANCIAL REVIEW

#### *Funding of Diocesan Activities*

Although it benefits from enthusiastic and faithful volunteers, priests and members of religious orders, the Diocese of East Anglia is not financially well off. It has limited reserves or investments of its own, receives relatively small amounts through legacies and donations and has historically been reliant on raising income from its parishes. This it does by levying charges or quotas based on 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 78% of income and approximately 58% of expenditure with some 69% 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 ended in June 2017 when the administration of funds raised passed to a newly formed Alive in Faith Stewardship Committee which controls and administers the continued inflow of funds from pledges as well as 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

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- Special Parish Projects
- Social Outreach

During the year ended 31 December 2018, £6,349,824 was committed in pledges over five years, and £1,130,646 income was recognised in the year. Expenditure in this year was £346,610. Overall, **Alive in Faith** is aiming to raise £6.3 million over a five year period. In line with other diocesan campaigns, we anticipate an investment of 16p to raise £1, once the campaign has completed. This is lower than typical costs in the charitable sector where the average figure is 20p.

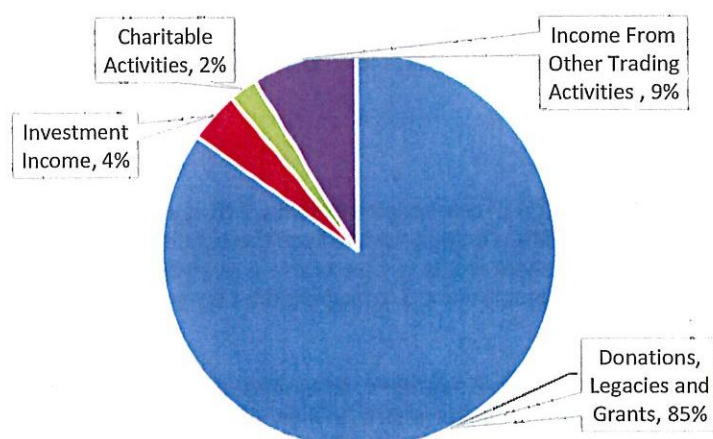
### *Fundraising:*

The Diocese employed CCS, a professional fundraising company, to plan and execute their general and detailed fundraising 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 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, though 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 were 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.

### Financial Performance during the year

The total income of the Diocese increased slightly from £6.72m to £6.98m during the year. Total expenditure for the Diocese increased also, from £6.43m in 2017 to £6.71m in 2018. Costs of raising funds have decreased from £0.58m in 2017 to £0.25m in 2018 as the Diocese front-loaded the costs of fundraising for **Alive in Faith**. The Diocese's investment properties were revalued during the year, resulting in an increase to the valuation of £1.3m. These fixed assets are held within designated and parochial funds as appropriate. An analysis of all income is shown in notes 2 to 5 of these accounts and shown in the pie chart below.

### Sources of Income 2018

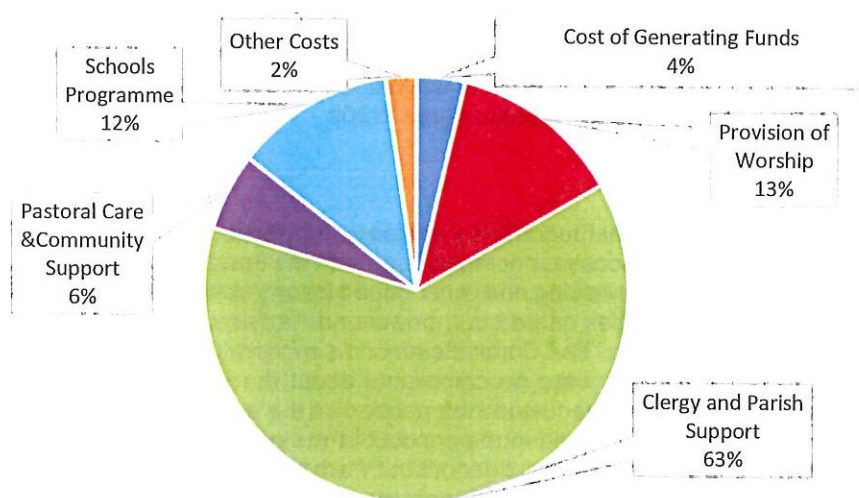




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An analysis of all expenditure is given in note 6 and shown in the pie chart below.

## Types of Expenditure 2018



## General Diocesan Funds

The bulk of the expenditure in 2018 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.

## 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 2018 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

The schools' levy has historically stood at 20% of offertory collections. This system 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 being 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 2018, there was £2.36m held in the Schools' Consortium Fund. During 2018 the net movement in the fund amounted to approximately -£0.54m, leaving a balance on the fund of £1.82m. The Trustees will continue to review the allocation of designated funds to ensure that there is a proper

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balance of income to expenditure.

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

During 2017, 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 2018, the total of the Diocese's restricted funds amounted to £3.11m. This is an increase from the previous year which is mainly due to *Alive in Faith*.

### **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 £5.44m, with the bulk of monies amounting to £4.61m, 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 £3.92m.

### **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 decreased by 6.9% going from £6.3m to £5.87m, reversing an increase of 5.7% in the previous year.

An income return of 2.09% on the opening value of the portfolio is considered satisfactory by the Trustees when compared to the performance of other relevant indices and the present low interest rate environment.

For comparison, the total return on FTSE100 equities was -12.5% in 2018 and the FTSE All Share tracker fell by 8.9%. The Bank of England Base Rate for interest rates was 0.5% for most of the year and then increased to 0.75% in August 2018.

### **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, are currently Rathbones.

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 2018 the Diocese's reserves stood at £31.98m compared to £30.77m at 31 December 2017. Of this, £3.11m is restricted to particular uses and £4.38m has been designated by the Trustees for certain specific purposes.



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Of the remaining reserves parochial funds amount to £21.93m (compared to £20.84m in 2017) of which £13.96m 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 £7.97m which represents between just over 1 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 unrestricted reserves amounted to £3.26m of which £0.698m was represented by fixed assets which have now been transferred to designated funds, leaving free reserves of £2.56m. 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.



# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA ANNUAL REPORT AND ACCOUNTS 2018

## TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The East Anglia Roman Catholic Diocese Trust for the purposes of company law) 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).

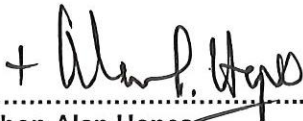
The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Trustees on ..... 25<sup>th</sup> September 2019

+   
.....  
Bishop Alan Hopes  
Trustee

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA ANNUAL REPORT AND ACCOUNTS 2018

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

For the year ended 31 December 2018

### Opinion

We have audited the financial statements of The Roman Catholic Diocese of East Anglia (the 'charity') for the year ended 31 December 2018 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 2018, 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 ANNUAL REPORT AND ACCOUNTS 2018**

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

**For the year ended 31 December 2018**

### **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

**THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA  
ANNUAL REPORT AND ACCOUNTS 2018**

an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

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

**For the year ended 31 December 2018**

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](http://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: ..... *25 September 2019* .....

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**  
**ANNUAL REPORT AND ACCOUNTS 2018**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**For the year ended 31 December 2018**

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Unrestricted Parochial funds £	2018 Total £	2017 Total £
<b>Income:</b>							
Donations, legacies and grants	2	175,689	-	1,132,501	4,612,859	5,921,049	5,828,437
Charitable activities	3	-	-	-	161,387	161,387	166,920
Income from other trading activities	4	(5,319)	-	81,708	529,888	606,277	470,752
Investments	5	107,812	26,267	18,999	139,829	292,907	257,252
<b>Total income</b>		<b>278,182</b>	<b>26,267</b>	<b>1,233,208</b>	<b>5,443,963</b>	<b>6,981,620</b>	<b>6,723,361</b>
<b>Expenditure:</b>							
Raising funds		29,336	6,675	185,180	26,324	247,515	581,368
Charitable activities:							
Provision of worship		370,278	-	-	506,336	876,614	812,895
Clergy and parish support		563,270	195,340	300,448	3,157,844	4,216,902	3,802,199
Pastoral care and community support		279,260	-	41,206	76,938	397,404	357,753
Schools Programme		313,570	530,127	-	-	843,697	821,930
Other costs		-	-	-	157,000	157,000	55,000
<b>Total expenditure</b>	6	<b>1,555,714</b>	<b>732,142</b>	<b>526,834</b>	<b>3,924,442</b>	<b>6,739,132</b>	<b>6,431,145</b>
<b>Net (expenditure) / income for the year before investment gains / losses</b>		<b>(1,277,532)</b>	<b>(705,875)</b>	<b>706,374</b>	<b>1,519,521</b>	<b>242,488</b>	<b>292,216</b>
Net (losses) / gains on investments		(286,072)	(73,586)	11,520	(59,518)	(407,656)	441,358
Revaluation gain on property		748,500	-	-	594,640	1,343,140	-
<b>Net income / (expenditure) for the year</b>		<b>(815,104)</b>	<b>(779,461)</b>	<b>717,894</b>	<b>2,054,643</b>	<b>1,177,972</b>	<b>733,574</b>
<b>Transfers between funds</b>	17	<b>257,579</b>	<b>717,219</b>	<b>(6,473)</b>	<b>(968,325)</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>(557,525)</b>	<b>(62,242)</b>	<b>711,421</b>	<b>1,086,318</b>	<b>1,177,972</b>	<b>733,574</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		3,097,467	4,437,919	2,396,026	20,840,951	30,772,363	30,038,789
<b>Total funds carried forward</b>		<b>2,539,942</b>	<b>4,375,677</b>	<b>3,107,447</b>	<b>21,927,269</b>	<b>31,950,335</b>	<b>30,772,363</b>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.  
The notes on pages 22 to 38 form part of these accounts.



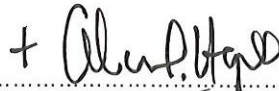
**THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA  
ANNUAL REPORT AND ACCOUNTS 2018**

**BALANCE SHEET AS AT 31 DECEMBER 2018**

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Tangible fixed assets	10	14,659,888	14,908,751
Investments	11	8,973,074	8,115,940
<b>Total fixed assets</b>		<b>23,632,962</b>	<b>23,024,691</b>
<b>Current assets</b>			
Debtors	12	949,331	575,642
Cash at bank and in hand		8,213,718	8,695,519
<b>Total current assets</b>		<b>9,163,049</b>	<b>9,271,161</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	13	(825,676)	(1,483,489)
<b>Net current assets</b>		<b>8,337,373</b>	<b>7,787,672</b>
<b>Total assets less current liabilities</b>		<b>31,970,335</b>	<b>30,812,363</b>
<b>Creditors: amounts falling due after more than one year</b>	13	(20,000)	(40,000)
<b>Total net assets</b>		<b>31,950,335</b>	<b>30,772,363</b>
<b>The Funds of the Trust:</b>			
Unrestricted:			
General		2,539,942	3,097,467
Designated	14	4,375,677	4,437,919
		6,915,619	7,535,386
Restricted:			
Diocese Permanent Endowment	15	129,440	136,825
Diocese restricted	15	2,978,007	2,259,201
		3,107,447	2,396,026
Unrestricted Parochial funds		21,927,269	20,840,951
<b>Total funds</b>		<b>31,950,335</b>	<b>30,772,363</b>

The notes on pages 22 to 38 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 25 September 2019 and signed on their behalf by:

  
Bishop Alan Hopes (Trustee)

  
Rev David Bagstaff (Trustee)

**THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA  
ANNUAL REPORT AND ACCOUNTS 2018**

**STATEMENT OF CASH FLOWS  
AS AT 31 DECEMBER 2018**

	Notes	2018 £	2017 £
<b><u>Cash flows from operating activities:</u></b>			
Net cash (used in) / provided by operating activities	18	(1,073,390)	342,544
<b><u>Cash flows from investing activities:</u></b>			
Dividends, interest and rent from investments		292,907	318,492
Proceeds from sale of investments		678,191	1,245,731
Purchase of investments		(267,283)	(686,496)
Purchase of tangible fixed assets		(256,000)	(382,894)
Proceeds on sale of fixed assets		115,056	-
Net cash (used in) / provided by investing activities		562,871	494,833
<b><u>Cash flows financing activities:</u></b>			
Repayments of borrowing		(20,000)	(120,073)
Interest free loans to clergy		700	24,764
Net cash used in financing activities		(19,300)	(95,309)
Change in cash and cash equivalents in the year		(529,819)	742,068
Cash and cash equivalents at the beginning of the reporting period		8,863,265	8,121,197
Cash and cash equivalents at the end of the reporting period	19	8,333,446	8,863,265

The notes on pages 22 to 38 form part of these financial statements.

**Notes to the accounts for the year ended 31 December 2018**

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## ANNUAL REPORT AND ACCOUNTS 2018

### 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 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 ANNUAL REPORT AND ACCOUNTS 2018

## Notes to the accounts for the year ended 31 December 2018

### 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 Charity 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 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.
- Other costs as shown on the face of the Statement of Total Recognised Gains and Losses is explained in more detail in note 24.

#### 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 ANNUAL REPORT AND ACCOUNTS 2018

## Notes to the accounts for the year ended 31 December 2018

### 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 type 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 ANNUAL REPORT AND ACCOUNTS 2018

## Notes to the accounts for the year ended 31 December 2018

### 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  
ANNUAL REPORT AND ACCOUNTS 2018**

**Notes to the accounts for the year ended 31 December 2018**

**2a. INCOME FROM DONATIONS AND LEGACIES – CURRENT YEAR**

	Unrestricted General £	Funds Designated £	Restricted funds £	Parochial funds £	2018 Total £
Legacies	-	-	2,002	183,581	185,583
Donations including plate collections	175,689	-	1,086,127	4,356,199	5,618,015
Grants			44,372	73,079	117,451
<b>Total</b>	<b>175,689</b>	<b>-</b>	<b>1,132,501</b>	<b>4,612,859</b>	<b>5,921,049</b>

**2b. INCOME FROM DONATIONS AND LEGACIES – PRIOR YEAR**

	Unrestricted General £	Funds Designated £	Restricted funds £	Parochial funds £	2017 Total £
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
<b>Total</b>	<b>140,229</b>	<b>-</b>	<b>1,474,321</b>	<b>4,213,887</b>	<b>5,828,437</b>

**3a. INCOME FROM CHARITABLE ACTIVITIES – CURRENT YEAR**

	Unrestricted General £	Funds Designated £	Restricted funds £	Parochial funds £	2018 Total £
Altar society and repository sales	-	-	-	130,381	130,381
Chaplaincies	-	-	-	31,006	31,006
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161,387</b>	<b>161,387</b>

**3b. INCOME FROM CHARITABLE ACTIVITIES – PRIOR YEAR**

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

**THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA  
ANNUAL REPORT AND ACCOUNTS 2018**

Notes to the accounts for the year ended 31 December 2018

**4a. INCOME FROM OTHER TRADING ACTIVITIES – CURRENT YEAR**

	Unrestricted General £	Funds Designated £	Restricted funds £	Parochial funds £	2018 Total £
Parish hall and other rents received	(583)	-	20,189	271,388	290,994
Fundraising events	-	-	47,217	258,499	305,716
Sundry income	-	-	14,302	-	14,302
Sale of fixed assets	(4,736)	-	-	-	(4,736)
<b>Total</b>	<b>(5,319)</b>	<b>-</b>	<b>81,708</b>	<b>529,887</b>	<b>606,276</b>

**4b. INCOME FROM OTHER TRADING ACTIVITIES – PRIOR YEAR**

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

**5a. INVESTMENT INCOME – CURRENT YEAR**

	Unrestricted General £	Funds Designated £	Restricted funds £	Parochial funds £	2018 Total £
Arising on quoted investments	86,360	26,267	18,999	-	131,626
Income from investment properties	14,875	-	-	135,478	150,353
Bank interest	6,577	-	-	4,351	10,928
<b>Total</b>	<b>107,812</b>	<b>26,267</b>	<b>18,999</b>	<b>139,829</b>	<b>292,907</b>

**5b. INVESTMENT INCOME – PRIOR YEAR**

	Unrestricted General £	Funds Designated £	Restricted funds £	Parochial funds £	2017 Total £
Arising on quoted investments	68,185	27,423	4,386	-	99,994
Income from investment properties	12,700	-	-	138,025	150,725
Bank interest	1,388	-	-	5,145	6,533
<b>Total</b>	<b>82,273</b>	<b>27,423</b>	<b>4,386</b>	<b>143,170</b>	<b>257,252</b>



**THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA  
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**Notes to the accounts for the year ended 31 December 2018**

**6a. EXPENDITURE – CURRENT YEAR**

	General Funds £	Designated Funds £	Restricted Funds £	Parochial Funds £	2018 Total £
<b>Cost of raising funds</b>					
Fundraising and social	-	-	184,956	26,324	211,280
Investment management fees	24,553	6,675	224	-	31,452
Investment property repairs	4,783	-	-	-	4,783
	<b>29,336</b>	<b>6,675</b>	<b>185,180</b>	<b>26,324</b>	<b>247,515</b>
<b>Provision of worship</b>					
Upkeep of buildings	231,064	-	-	138,151	369,215
Depreciation	-	-	-	368,185	368,185
Support costs (note 7a)	139,214	-	-	-	139,214
	<b>370,278</b>	<b>-</b>	<b>-</b>	<b>506,336</b>	<b>876,614</b>
<b>Clergy and parish support</b>					
Clergy and church costs	387,960	173,575	26,022	1,087,836	1,675,393
Education and training	36,096	21,765	205,200	-	263,061
Parish administration	-	-	62,960	2,070,008	2,132,968
Support costs (note 7a)	139,214	-	6,266	-	145,480
	<b>563,270</b>	<b>195,340</b>	<b>300,448</b>	<b>3,157,844</b>	<b>4,216,902</b>
<b>Pastoral Care and Community Support</b>					
Child protection	67,999	-	-	-	67,999
Youth service	101,171	-	-	-	101,171
Other commissions	36,148	-	-	-	36,148
Pilgrimages	-	-	-	22,775	22,775
Donations to charity	-	-	41,206	54,163	95,369
Support costs (note 7a)	73,942	-	-	-	73,942
	<b>279,260</b>	<b>-</b>	<b>41,206</b>	<b>76,938</b>	<b>397,404</b>
<b>Schools programme</b>					
Building programme	-	206,916	-	-	206,916
Direct support costs	-	323,211	-	-	323,211
Support costs (note 7a)	313,570	-	-	-	313,570
	<b>313,570</b>	<b>530,127</b>	<b>-</b>	<b>-</b>	<b>843,697</b>
Exceptional costs	-	-	-	157,000	157,000
<b>Total Expenditure</b>	<b>1,555,714</b>	<b>732,142</b>	<b>526,834</b>	<b>3,924,442</b>	<b>6,739,132</b>

**THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA  
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Notes to the accounts for the year ended 31 December 2018

**6b. EXPENDITURE – PRIOR YEAR**

	General Funds £	Designated Funds £	Restricted Funds £	Parochial Funds £	2017 Total £
<b>Cost of raising funds</b>					
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
	<u>26,853</u>	<u>6,107</u>	<u>520,773</u>	<u>27,635</u>	<u>581,368</u>
<b>Provision of worship</b>					
Upkeep of buildings	156,594	-	-	163,415	320,009
Depreciation	-	-	-	363,737	363,737
Support costs (note 7b)	129,149	-	-	-	129,149
	<u>285,743</u>	<u>-</u>	<u>-</u>	<u>527,152</u>	<u>812,895</u>
<b>Clergy and parish support</b>					
Clergy and church costs	128,029	78,461	28,844	1,240,452	1,475,786
Education and training	34,118	21,523	-	-	55,641
Parish administration	-	-	282,468	1,859,155	2,141,623
Support costs (note 7b)	129,149	-	-	-	129,149
	<u>291,296</u>	<u>99,984</u>	<u>311,312</u>	<u>3,099,607</u>	<u>3,802,199</u>
<b>Pastoral Care and Community Support</b>					
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 (note 7b)	68,910	-	-	-	68,910
	<u>243,480</u>	<u>-</u>	<u>56,205</u>	<u>58,068</u>	<u>357,753</u>
<b>Schools programme</b>					
Building programme	-	134,024	-	-	134,024
Direct support costs	-	385,700	-	-	385,700
Support costs (note 7b)	302,206	-	-	-	302,206
	<u>302,206</u>	<u>519,724</u>	<u>-</u>	<u>-</u>	<u>821,930</u>
Exceptional costs	-	-	-	55,000	55,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,000</u>	<u>55,000</u>
<b>Total Expenditure</b>	<u><u>1,149,578</u></u>	<u><u>625,815</u></u>	<u><u>888,290</u></u>	<u><u>3,767,462</u></u>	<u><u>6,431,145</u></u>

**THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA  
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**Notes to the accounts for the year ended 31 December 2018**

**7a. SUPPORT COSTS – CURRENT YEAR**

	Provision of worship £	Support of clergy £	Pastoral care and community support £	Schools programme £	2018 Total £
Office administration	97,268	97,268	52,970	234,038	481,544
Rates, insurance and utilities	3,588	3,588	1,793	7,336	16,305
Maintenance and repairs	4,458	4,458	2,229	9,119	20,264
Gift Aid expenses	210	210	105	429	954
Professional fees	9,152	9,152	4,576	18,721	41,601
Depreciation	5,799	5,799	2,899	11,862	26,359
Governance costs	10,309	10,309	5,155	21,087	46,860
Other	8,430	14,696	4,215	10,979	38,320
	<u>139,214</u>	<u>145,480</u>	<u>73,942</u>	<u>313,571</u>	<u>672,207</u>

**7b. SUPPORT COSTS – PRIOR 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	8,140	36,259	76,959
	<u>129,149</u>	<u>129,149</u>	<u>68,910</u>	<u>302,206</u>	<u>629,414</u>

**8. GOVERNANCE COSTS**

	2018 Total £	2017 Total £
Auditors remuneration – audit services	34,400	32,750
Auditors remuneration – other / accountancy	12,510	15,940
	<u>46,910</u>	<u>48,690</u>



# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## Notes to the accounts for the year ended 31 December 2018

### 9. STAFF

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

	2018	2017
	£	£
<b>Staff costs:</b>		
Wages and salaries	902,561	811,648
Social security	59,365	59,714
Pension costs	54,808	62,767
	<u>1,016,734</u>	<u>934,129</u>

The average number of employees during the year was:

	2018	2017
	No	No
Administration	22	23
Parish employees	50	46
	<u>72</u>	<u>69</u>

In the year ended 31 December 2018, there were 3 employees (2017: 3 employees) who earned salaries within the range of £60,001-£70,000. Employer's pension costs for these 3 employees was £21,097 (2017: £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 in note 20. The total employee benefits of key management personnel during the year were £235,894 (2017: £232,003).

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## Notes to the accounts for the year ended 31 December 2018

### 10. TANGIBLE FIXED ASSETS

	Freehold Buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Valuation and cost</b>				
As at 1 January 2018	19,312,769	960,952	72,659	20,346,380
Additions	241,855	14,145	-	256,000
Disposals	(114,917)	-	-	(114,917)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	19,439,707	975,097	72,659	20,487,463
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
As at 1 January 2018	4,415,766	960,952	60,911	5,437,629
Charge for year	384,081	2,829	7,633	394,543
Eliminated on disposal	(4,597)	-	-	(4,597)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	4,795,250	963,781	68,544	5,827,575
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 December 2017	14,897,003	-	11,748	14,908,751
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	14,644,457	11,316	4,115	14,659,888
	<hr/>	<hr/>	<hr/>	<hr/>

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. 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 £520,000 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 2018, the notional replacement value of the schools insured by the Diocese was £5.4m (2017: £10.2m). This value is reducing as more of the Diocese's schools join Multi-Academy Trusts, which make their own insurance arrangements.

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

	2018 £	2017 £
Balance at 1 January	8,115,940	7,738,356
Additions	267,281	686,496
Disposals at opening market value	(236,833)	(804,373)
Unrealised (losses) / gains during year	(468,438)	461,060
Movement in cash balances	(48,016)	34,401
Revaluation	1,343,140	-
	<hr/>	<hr/>
	8,973,074	8,115,940
	<hr/>	<hr/>
Analysis of investments:		
Investment properties	2,983,000	1,639,862
Quoted investments	5,870,344	6,308,332
Cash	119,730	167,746
	<hr/>	<hr/>
	8,973,074	8,115,940
	<hr/>	<hr/>



# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## Notes to the accounts for the year ended 31 December 2018

### 11. INVESTMENTS (continued)

	2018 £	2017 £
Cost of quoted investments at 31 December	4,856,906	4,781,229

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). Investment properties were valued in April 2019 by Nick Saffel, FRICS FAAV, from Brown & Co and the value was not considered to be significantly different to investment property values as at 31 December 2018. Therefore the valuation has been used in these accounts as the Trustees consider that this is a realistic value for the properties.

### 12. DEBTORS

	2018 £	2017 £
Grants due on school projects	99,799	143,681
Tax due on covenants	785,000	360,000
Interest free car loans to clergy and staff	44,966	45,666
Other debtors and accrued income	19,566	26,295
	949,331	575,642

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

### 13. CREDITORS

	2018 £	2017 £
<b>Due within one year</b>		
Loans to Diocese from third parties	20,000	20,000
Collections to be paid out	69,359	107,861
Monies held on behalf of third parties	154,302	113,579
School project monies received in advance and Devolved Formula Funding held on behalf of schools	165,680	385,182
Due to The East Anglia Diocese Dependent Priests' Fund	36,595	126,212
Other creditors and accruals	379,740	730,655
	825,676	1,483,489
<b>Due after one year</b>		
Loans due in 2 to 5 years	20,000	40,000
	20,000	40,000

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## Notes to the accounts for the year ended 31 December 2018

### 14a. DESIGNATED FUNDS – CURRENT YEAR

	Balance at 1 January 2018 £	Net Income / (Expenditure) £	Transfers £	Loss on Investments £	Balance at 31 December 2018 £
Schools Consortium Fund	2,356,856	(520,974)	10,937	(34,929)	1,811,890
Priests' Training Fund	91,544	(91,544)	-	-	-
Ministerial Training Fund	354,428	(11,490)	-	(38,657)	304,281
Clergy Pension Fund	1,602,554	(82,031)	8,246	-	1,528,769
Fixed assets	-	-	698,036	-	698,036
Other funds	32,537	164	-	-	32,701
	<u>4,437,919</u>	<u>(705,875)</u>	<u>625,675</u>	<u>(73,586)</u>	<u>4,375,677</u>

### 14b. DESIGNATED FUNDS – PRIOR 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>

#### 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 2018

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

	Balance at 1 January 2018 £	Net income / (expenditure) £	Transfers £	Gains/ (losses) on Investments £	Balance at 31 December 2018 £
<b>Restricted Funds</b>					
Priests' Training Fund	84,882	(122,003)	37,121	-	-
Vocations Fund	107,027	536	-	-	107,563
Trust Funds	207,092	2,143	(6,473)	(9,467)	193,295
Parochial restricted funds	660,681	96,800	-	-	757,481
Alive in Faith	735,887	784,036	(37,121)	-	1,482,802
Other Funds	463,632	(55,138)	-	28,372	436,866
	<u>2,259,201</u>	<u>706,374</u>	<u>(6,473)</u>	<u>18,905</u>	<u>2,978,007</u>
Permanently Endowed Trust Funds	136,825	-	-	(7,385)	129,440
	<u>2,396,026</u>	<u>706,374</u>	<u>(6,473)</u>	<u>11,520</u>	<u>3,107,447</u>

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

	Balance at 1 January 2017 £	Net income / (expenditure) £	Transfers £	Gains/ (losses) on Investments £	Balance at 31 December 2017 £
<b>Restricted Funds</b>					
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
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
	<u>1,521,982</u>	<u>680,306</u>	<u>642</u>	<u>56,271</u>	<u>2,259,201</u>
Permanently Endowed Trust Funds	131,071	5,754	-	-	136,825
	<u>1,653,053</u>	<u>686,060</u>	<u>642</u>	<u>56,271</u>	<u>2,396,026</u>

### 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.

### Trust Funds

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

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## Notes to the accounts for the year ended 31 December 2018

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

#### Clergy Pension Fund

This consists of 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 £	2018 Total £
Unrestricted funds	-	6,597,470	(4,037,528)	(20,000)	2,539,942
Designated funds	698,036	471,014	3,206,627	-	4,375,677
Parish funds	13,961,852	851,318	7,114,099	-	21,927,269
Permanently endowed funds	-	129,440	-	-	129,440
Restricted funds	-	923,832	2,054,175	-	2,978,007
Total net assets	14,659,888	8,973,074	8,337,373	(20,000)	31,950,335

### 16b. ALLOCATION OF THE CHARITY NET ASSETS – PRIOR 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	4,493,651	-	20,840,951
Permanently endowed funds	-	136,825	-	-	136,825
Restricted funds	-	1,370,427	888,774	-	2,259,201
Total net assets	14,908,751	8,115,940	7,787,672	(40,000)	30,772,363

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## Notes to the accounts for the year ended 31 December 2018

### 17a. TRANSFERS – CURRENT YEAR

	General Fund £	Designated Funds £	Restricted Funds £	Parochial Funds £
Interest allocation between parishes and funds	(37,985)	19,183	-	18,802
Clergy pension charges	210,969	-	-	(210,969)
Levy on offertory income of parishes	776,158	-	-	(776,158)
Fixed assets	(698,036)	698,036	-	-
Move trust fund balances	6,473	-	(6,473)	-
Total net assets	<u>257,579</u>	<u>717,219</u>	<u>(6,473)</u>	<u>(968,325)</u>

### 17b. TRANSFERS – PRIOR YEAR

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	<u>945,720</u>	<u>21,770</u>	<u>392</u>	<u>(967,882)</u>

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

	2018 £	2017 £
Net income / (expenditure) for the reporting period (as per the Statement of Financial Activities)	1,202,972	733,574
Adjustments for:		
Depreciation charges	394,543	389,031
Losses / (gains) on investments	(441,358)	(441,358)
Decrease / (increase) in debtors	(374,389)	325,835
(Decrease) / increase in creditors	(682,813)	115,015
Dividends, interest and rents from investments	(292,907)	(318,493)
Gain on sale of fixed assets	(4,736)	-
Unrealised loss / (gain) on investments	468,438	(461,060)
Revaluation of investment property	(1,343,140)	-
Net cash (used in) / provided by operating activities	<u>(1,073,390)</u>	<u>342,544</u>

### 19 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	8,213,718	8,695,519
Cash held in investment portfolio	119,728	167,746
Total cash and cash equivalents	<u>8,333,446</u>	<u>8,863,265</u>

## Notes to the accounts for the year ended 31 December 2018



## THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

### 20. TRANSACTIONS WITH TRUSTEES

The 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 Hopes in relation to travel and subsistence and health insurance amounting to a total of £34,462 (2017: £24,228). The Bishop is a member of the Vatican's Congregation for Divine Worship, which necessitates travel to Rome and other cities abroad.

### 21. COMMITMENTS

	2018 £	2017 £
Contracted for building works	366,226	318,069
Authorised but not contracted for (Schools Buildings Programme)	760,980	992,076
	<u>1,127,206</u>	<u>1,310,145</u>

### 22. CONNECTED CHARITIES

The Roman Catholic Cathedral of East Anglia Preservation and Development Trust (Registered Charity No. 1087277) 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 its 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 £36,595 and is included in creditors (2017: £126,212).

### 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 2018 was calculated as approximately £80,979 (2017: £80,979). The Diocese currently has no plans to leave the scheme, so this contingent liability has not been provided for in the accounts. The Diocese is committed to making contributions into the scheme up to 31 January 2025 calculated at 31 December 2018 to total £28,523 (2017: £25,893). This is a commitment and not a creditor and therefore is not provided for in the accounts but has been recognised as a defined contribution scheme when the payments are made.

### 24. POST BALANCE SHEET EVENTS

The Trustees have become aware of a significant misappropriation of funds by a former volunteer. The loss to the Diocese in 2018 is approximately £157,000 and this has been disclosed as exceptional expenditure due to its size. A further loss of approximately £55,000 was discovered in the financial year ended 31 December 2017 and this has also been separately disclosed in the accounts.

As this is a criminal matter it is now being dealt with by the Police and has been fully disclosed to the Charity Commission. The insurers have agreed to pay £50,000 to cover some of this loss.