

Registered Charity No:  
278742 (England and Wales)

**THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2019**

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

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# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## 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 (Resigned 2 September 2019) Mrs Moira Goldstaub Mrs Marie Roberts Rev Nicholas Greef Peter Ledger Esq (Resigned 30 June 2020) Mr Edward Acton Rev James Hurst Mrs Christine Quinn</p> <p>The above are also the board of directors for The East Anglia Roman Catholic Diocese Trustee.</p>
<b>FINANCIAL SECRETARY:</b>	Matthew Fernandez-Graham
<b>ADVISORS:</b>	<p>Mr Nick Saffell (Property) Mrs Julie O'Connor (Schools)</p>
<b>ADMINISTRATIVE CENTRE:</b>	<p>The White House 21 Upgate 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

## REPORT OF THE TRUSTEES For the year ended 31 December 2019

### 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. A new primary school has received permission and is planned to be open in September 2022.

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. The Deed will be reviewed during 2020 to consider how it reflects the present state of civil and canon law.

### OBJECTIVE

The objective of the Diocese is set out in its Deed of Revocation and Appointment as

<b>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.</b>
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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 2019

The key aims for the year may be summarised as:

- Maintenance of parish life and communities
- Assisting parishes and 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.

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## REPORT OF THE TRUSTEES For the year ended 31 December 2019

### ACHIEVEMENTS AND PERFORMANCE FOR 2019

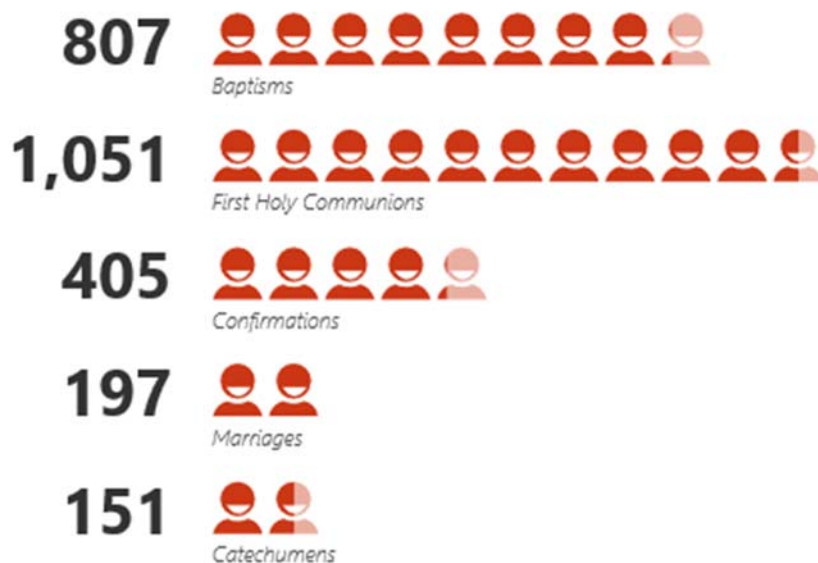
Significant charitable activities undertaken to achieve these objectives include:

- 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 7 priests, 1 deacon and 3 permanent deacons during 2019, a record year for this Diocese.
- 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
- A successful bid to the Department for Education to establish a new primary school in Peterborough and the opening in September 2019 of a voluntary aided primary school in Norfolk
- Administering school building programmes and providing advice to school governors.

70% of our parishes have now started to draw down funding for projects established as a result of the **Alive in Faith** appeal. These range in scope from refurbishment and repairs for church buildings, to installation of photovoltaic panels in schools, to supporting our young people and the elderly, to helping the homeless or to support family life. The total amount pledged to **Alive in Faith** stands at over £6.3 million.

The total Catholic population now stands at an estimated 108,000. Statistical indicators of the life of the Diocese are collated each year from all parishes. First Holy Communions remained stable at 1,051 (1,050 in 2018) as did Confirmations at 405 (396 in 2018). There was a decrease in baptisms from 1,005 in 2018 to 807 in 2019 and a fall in marriages from 242 to 197. Sunday Mass attendance is counted each September/October and was 22,975 which was a drop of 985 compared with 23,960 in 2018. This represents an average attendance rate of 22%.

## PASTORAL STATISTICS 2019



# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## REPORT OF THE TRUSTEES For the year ended 31 December 2019

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. Volunteer numbers will be included in future statistical surveys of parishes.

### **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. 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:

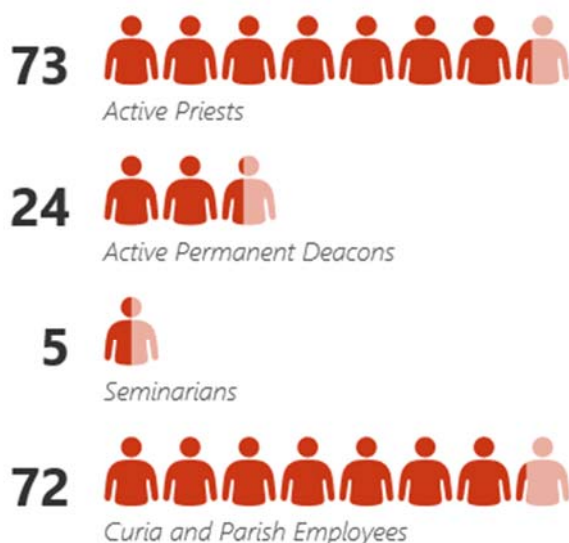
1. The **Finance Sub-Committee** chaired by the Vicar for Finance, meeting at least quarterly, to assess and monitor all major financial policies and activities, oversee the work of the auditors and our investment advisors and advise the Finance Board on appropriate action as required.
2. The **Buildings 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 and to oversee the process of Quinquennial Inspections of all church buildings, along with matters such as health and safety and to advise on the purchase or sale of property.
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. It has established the paid post of Clergy Welfare Coordinator, to be recruited in 2020.
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 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.

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## REPORT OF THE TRUSTEES For the year ended 31 December 2019

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, which acts as a planning body under the Ecclesiastical Exemption Order.

### PEOPLE IN PAID SERVICE IN THE DIOCESE



#### Diocesan Commissions

The following Commissions 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. A Diocesan Trustee has been appointed as a member to provide a link to the Board of Trustees. The Commission oversees the work of the Diocesan Safeguarding Coordinator.

##### *The Liturgy Commission*

This body advises the Diocese and individual parishes on matters relating to the celebration of Sacred Rites in churches, including musical, artistic and architectural matters pertaining to the Sacred Liturgy. It organises liturgical courses throughout the Diocese. Its members are advised by the Diocesan Director of Music.

##### *The Commission for Catechesis and Formation*

This body has particular responsibility for Sacramental Preparation, covering 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. It supports adult religious education, the formation of teachers in Catholic schools and organises the annual Newman Lectures on aspects of Catholicism.

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## REPORT OF THE TRUSTEES For the year ended 31 December 2019

### *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 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 promote Catholic Social Teaching by administering the Social Outreach aspects of the money raised for this purpose by the Alive in Faith campaign. It is a member of the Caritas Social Action Network (CSAN) which is an agency of the Catholic Bishops' Conference of England and Wales.

## **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.



# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## REPORT OF THE TRUSTEES For the year ended 31 December 2019

### **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. There was a workshop on Diocesan and Parish finances chaired by a Trustee in 2019. Specific training on safeguarding, investments and finances are planned for 2020.

### **ACHIEVEMENTS AND PERFORMANCE**

#### *Review of Year 2019*

The Diocese is successfully working to recruit, educate and train new priests and deacons. Seven priests, one deacon and three permanent deacons were ordained during 2019, a record year for this Diocese. A further two priests and two permanent deacons were on track to be ordained during 2020. This ensures that all parishes continue to have a parish priest and some larger and growing parishes now 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 is ongoing to provide appropriate retirement properties for priests due to retire in the coming years. During 2019, two retired priests moved into Diocesan properties, bought using funds from Alive in Faith. Plans to build a retirement property are presently on hold due to the Covid-19 pandemic. The planned appointment of a Clergy Welfare Coordinator will help the work of the Clergy Support Group in ensuring that the material and spiritual welfare needs of our clergy, particularly those who are sick or retired, continue to be met.

The rolling programme of improvement and maintenance works to Diocesan school buildings continued and at the end of 2019 approved works to commence amounted to £1,156,560 (2018: £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 two multi-academy trusts, designed to ensure the best future for Catholic schools and learners within the ever-changing educational policy landscape. In Norfolk and north Suffolk, the St John The Baptist Catholic Multi-Academy Trust became operational from 1 April 2016. In Suffolk and Cambridgeshire, 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. The launch of Caritas East Anglia during 2019 and the appointment of a Caritas Development Worker has given further impetus to our ongoing work on social outreach.

The Cathedral Narthex, which is managed as part of the Cathedral Complex by the Cathedral of St John the Baptist Trust (CSJBT) has continued to run at a loss. The CSJBT is a separate charity but it is dependent on annual donations from the Diocese in order to remain a Going Concern. The Diocese is committed to the future of the Cathedral Trust and a review is presently underway to determine measures to reduce the extent of the subsidy from the Diocese.

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## REPORT OF THE TRUSTEES For the year ended 31 December 2019

### 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 and the need for suitable accommodation where the number of priests increases in a parish as a result of growing congregations. Particular attention is being given to those churches that are presently on English Heritage's "At Risk" register and fundraising plans are in development. We remain grateful to all those who are generous in giving to the church for projects including building works and to those who remember the church in their wills.

##### *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 Clergy Support Group is designed to monitor and operate the diocesan Retirement Policy and will include a permanent Clergy Welfare Coordinator 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.

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 7 Seminarians at Seminaries both in the United Kingdom and abroad and 3 married men in formation for the permanent diaconate and 1 man exploring his vocation through a propaedeutic year in a parish.

### 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). Both of these charities can receive donations from the Diocesan Trust.

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## REPORT OF THE TRUSTEES For the year ended 31 December 2019

### **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, reducing the financial and administrative burden to the state of providing education. This programme includes two inter-denominational schools. Our Catholic schools are successful and popular with parents. The schools are not however Catholic-only communities. Many non-Catholic students attend these schools and the teaching staff are by no means exclusively Catholic. Across England, Catholic schools are amongst the most ethnically diverse in the country; some 22% more pupils come from minority ethnic backgrounds than the national average. Diversity of faith is found in our schools and they also reflect the cultural diversity of Catholicism which is present across the world and can be a place of refuge for children and families who have sacrificed and endured much to come to East Anglia.

We believe that every single person in East Anglia is a beneficiary of our work, we believe in the power of prayer to make a difference in every life, even for those who would never think of asking for our help or assistance. Through the grace of God, we hope to play our part in bringing souls to heaven. There can be no greater public benefit.

### **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 budgetary planning, data from the Office for National Statistics on inflation and average earnings across the economy.

### **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. The Risk Register is reviewed by the Finance Sub-Committee at each of its quarterly meetings.

#### **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:

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## REPORT OF THE TRUSTEES For the year ended 31 December 2019

- i. **Overspend on unrestricted funds** – The Trustees agreed that central Diocesan budgets for 2020 should be reduced by 10%. The impact of the Covid-19 pandemic on parish offertory has been assessed and further work on the budget to cope with this unprecedented situation is ongoing. The medium-term financial strategy depends on increases in offertory collections to balance the budget over the medium term.
- ii. **Inadequate financial controls in parishes leading to fraud or misappropriation of funds** – Updated guidance on financial controls has been issued to all parishes in the form of a revised Parish Handbook. A Finance Event in November 2019 was very well attended and further training for Parish Priests, Parish Treasurers and Parish Finance Committees will be provided, making use of new technology where possible.
- iii. **Reduction in the real value of offertory collections.** - Work to increase income levels has begun and will develop further during 2020 and 2021. Nine parishes are now able to receive donations via their website and two large parishes have been piloting contactless payments.

### **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 71% (2018: 78% ) of income and approximately 68% (2018: 58%) of expenditure with some 65% (2018: 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
- Special Parish Projects
- Social Outreach

During the year ended 31 December 2019, over £6.3 million was committed in pledges over five years, and £1,062,372 (2018: £1,130,646) income was recognised in the year. Expenditure in this year was £573,821 (2018: £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 was a complex campaign to conduct for the first time in a large rural and urban Diocese but nevertheless the cost is lower than typical costs in the charitable sector where the average figure is 20p.

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## REPORT OF THE TRUSTEES For the year ended 31 December 2019

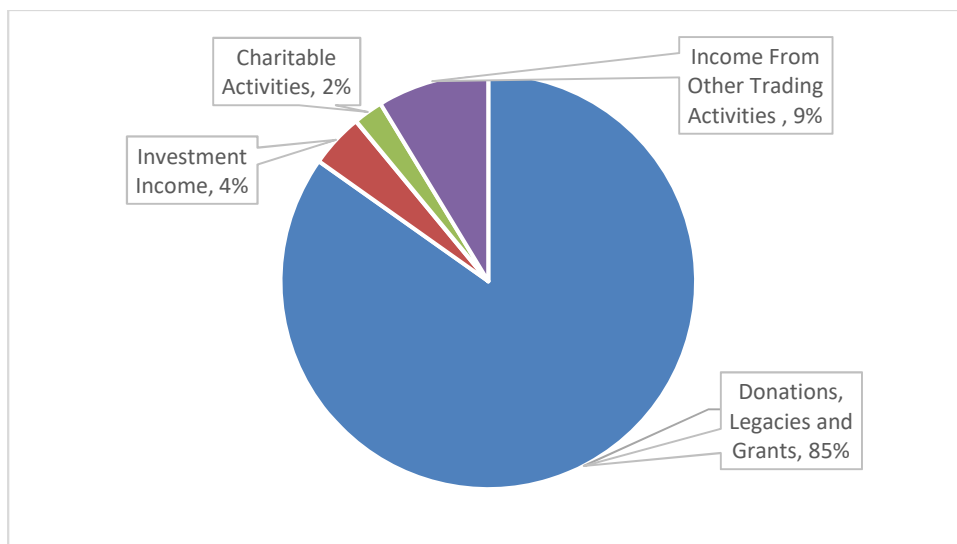
### *Fundraising:*

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. When pledges come to an end, donors are thanked in writing and have the option of renewing their pledge for a further period.

### **Financial Performance during the year**

The total income of the Diocese increased from £6.98m to £7.48m during the year. Total expenditure for the Diocese increased also, from £6.74m in 2018 to £7.33m in 2019. Costs of raising funds have decreased from £0.25m in 2018 to £0.23m in 2019. The Diocese's investment properties were revalued as at the year end with an increase to the valuation of £0.73m (2018 increase: £1.34m) and further work on the management of property that is rented out is ongoing, partly to distinguish more clearly between investment properties and property that are temporarily rented out for a variety of reasons. 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 2019**

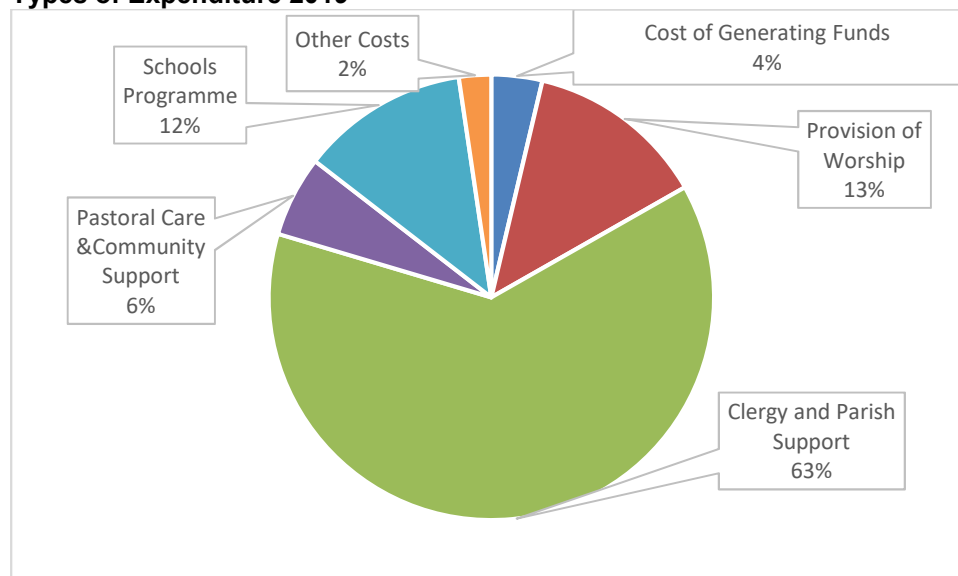


An analysis of all expenditure is given in note 6 and shown in the pie chart below.

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## REPORT OF THE TRUSTEES For the year ended 31 December 2019

### Types of Expenditure 2019



### General Diocesan Funds

The bulk of the expenditure in 2019 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 2019 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 has been reviewed 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 was part of the overall financial review and has resulted in a 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 2019, there was £1.82m held in the Schools' Consortium Fund. During 2019 the net movement in the fund amounted to approximately -£0.27m, leaving a balance on the fund of £1.55m. The Trustees will continue to review the allocation of designated funds to ensure that there is a proper balance of income to expenditure.

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## REPORT OF THE TRUSTEES For the year ended 31 December 2019

### **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 took 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 2019, the total of the Diocese's restricted funds amounted to £3.5m compared with £3.1m at the end of 2018. This is an increase from the previous year which is mainly due to an increase in restricted funds held by parishes.

### **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 £5.33m, with the bulk of monies amounting to £4.49m, 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 £5m, reflecting some major church restoration projects reaching completion this year.

### **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 11% going from £5.87m to £6.52m, reversing a decrease of 6.9% in the previous year.

An income return of 3.6% on the opening value of the portfolio is considered satisfactory by the Trustees considering their level of risk appetite and the present low interest rate environment. Investment performance and criteria will be reviewed with our investments managers by the Trustees in 2020.

For comparison, the total return on FTSE100 equities was 17.1% in 2019 (see [www.ig.com/uk](http://www.ig.com/uk)) and the FTSE All Share tracker rose by 14.19%. (see <https://www.londonstockexchange.com/indices/ftse-all-share>). The Bank of England Base Rate for interest rates was 0.75% throughout the year. It was cut to 0.1% on 19<sup>th</sup> March 2020. In the light of low interest rates on cash, the Trustees have been reviewing alternative counterparties for the investment of short-term cash, with security of the investment remaining the most important criterion.

### **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 overall medium risk.

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## REPORT OF THE TRUSTEES For the year ended 31 December 2019

### Reserves Policy

The Trustees reviewed the Reserves Policy during 2019. The policy of the Trustees is to ensure that the level of reserves are sufficient to deal with the risks faced by the Trust, but not so high as to bring into question why charitable income is not being spent in a timely manner. For parishes, individually and as a whole, the level of reserves should aim to be sufficient to cover at least one year's expenditure. For the Diocese centrally, the level of reserves should be sufficient to cover one year's expenditure, excluding schools' service expenditure (which could be supported from the designated schools fund in an emergency). They should be no higher than two years' expenditure. The Trustees apply these targets not only to the current actual level of reserves, but to predicted reserves looking up to 7 years' ahead for the Diocese centrally. The Trustees monitor actual and predicted reserves against this target at least annually when it reviews the annual accounts and take corrective action where necessary.

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 2019 the Diocese's reserves stood at £33.9m compared to £31.95m at 31 December 2018. Of this, £3.54m is restricted to particular uses and £4.52m has been designated by the Trustees for certain specific purposes.

Of the remaining reserves parochial funds amount to £22.1m (compared to £21.93m in 2018) 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 £8.14m which represents 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 increased from £2.54m to £3.71m which represents approximately 2 year's total unrestricted expenditure. This is considered necessary in order for the Diocese to continue supporting and advising the parishes and to cope with the uncertainties and risks posed by Covid-19.

### Response to Covid-19

In view of the developing Covid-19 situation, it was decided to close the Diocesan offices in March 2020. The government later instructed all places of worship to shut completely. Parish employees were placed on furlough leave, as were 2 employees working across the Diocese. Projections for future budgets and cashflow were made in May 2020, reflecting 3 possible scenarios, and were reviewed by Trustees, who agreed an updated budget for 2020. Work to assess the level of future income from offertory has resulted in revised budgets for 2021 and new projections for future years. The Diocese has appointed a Stewardship and Fundraising Coordinator to work with parishes to develop stewardship and encourage people to consider giving more of their "time, talents and treasure". The Diocesan Trustees also reviewed options presented by the Trustees of the Cathedral of St John the Baptist Trust to reduce the ongoing level of subsidy provided by the Diocese. This was in direct response to the historic level of subsidy which has had to be written off each year. Future plans for the Cathedral are being amended to reflect working in a Post Covid-19 environment.



# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## REPORT OF THE TRUSTEES For the year ended 31 December 2019

### TRUSTEES' RESPONSIBILITIES

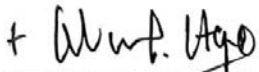
The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 2019 (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 ...1 October 2020.....



.....  
**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 2019

### Opinion

We have audited the financial statements of The Roman Catholic Diocese of East Anglia (the 'charity') for the year ended 31 December 2019 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019, 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.

### 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.

# 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 2019

### Other information (continued)

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 17, 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 2019

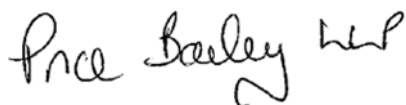
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

### Use of our report

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.



### PRICE BAILEY LLP

Chartered Accountants  
Statutory Auditors

Tennyson House  
Cambridge Business Park  
Cambridge  
CB4 0WZ

Date: 30 October 2020

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 2019

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Unrestricted Parochial funds £	2019 Total £	2018 Total £
<b>Income:</b>							
Donations, legacies and grants	2	538,216	-	1,215,236	4,493,523	6,246,975	5,921,049
Charitable activities	3	-	-	50,104	230,882	280,986	161,387
Income from other trading activities	4	(2,691)	-	102,653	399,010	498,972	606,277
Investments	5	206,649	27,940	7,591	209,310	451,490	292,907
<b>Total income</b>		<b>742,174</b>	<b>27,940</b>	<b>1,375,584</b>	<b>5,332,725</b>	<b>7,478,423</b>	<b>6,981,620</b>
<b>Expenditure:</b>							
Raising funds		-	(9,396)	209,855	29,820	230,279	247,515
Charitable activities:							
Provision of worship		336,507	21,195	9,622	1,870,205	2,237,529	876,614
Clergy and parish support		383,777	145,529	230,005	2,977,063	3,736,374	4,216,902
Pastoral care and community support		307,702	-	20,184	122,664	450,550	397,404
Schools Programme		337,307	340,475	-	-	677,782	843,697
Other costs		-	-	-	-	-	157,000
<b>Total expenditure</b>	<b>6</b>	<b>1,365,293</b>	<b>497,803</b>	<b>469,666</b>	<b>4,999,752</b>	<b>7,332,514</b>	<b>6,739,132</b>
<b>Net (expenditure) / income for the year before investment gains / losses</b>		<b>(623,119)</b>	<b>(469,863)</b>	<b>905,918</b>	<b>332,973</b>	<b>145,909</b>	<b>242,488</b>
Net gains / (losses) on investments		973,070	111,358	(94,431)	850,358	1,840,355	935,484
<b>Net income / (expenditure) for the year</b>		<b>349,951</b>	<b>(358,505)</b>	<b>811,487</b>	<b>1,183,331</b>	<b>1,986,264</b>	<b>1,177,972</b>
<b>Transfers between funds</b>	<b>17</b>	<b>820,739</b>	<b>500,349</b>	<b>(376,958)</b>	<b>(944,130)</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>1,170,690</b>	<b>141,844</b>	<b>434,529</b>	<b>239,201</b>	<b>1,986,264</b>	<b>1,177,972</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		2,539,942	4,375,677	3,107,447	21,927,269	31,950,335	30,772,363
<b>Total funds carried forward</b>		<b>3,710,632</b>	<b>4,517,521</b>	<b>3,541,976</b>	<b>22,166,470</b>	<b>33,936,599</b>	<b>31,950,335</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 24 to 41 form part of these accounts.

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## BALANCE SHEET AS AT 31 DECEMBER 2019

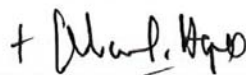
	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Tangible fixed assets	10	15,126,264	14,659,888
Investments	11	10,359,399	8,973,074
<b>Total fixed assets</b>		<b>25,485,663</b>	<b>23,632,962</b>
<b>Current assets</b>			
Debtors	12	1,549,807	949,331
Cash at bank and in hand		7,382,682	8,213,718
<b>Total current assets</b>		<b>8,932,489</b>	<b>9,163,049</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	13	(461,553)	(825,676)
<b>Net current assets</b>		<b>8,470,936</b>	<b>8,337,373</b>
<b>Total assets less current liabilities</b>		<b>33,956,599</b>	<b>31,970,335</b>
<b>Creditors:</b> amounts falling due after more than one year	13	(20,000)	(20,000)
<b>Total net assets</b>		<b>33,936,599</b>	<b>31,950,335</b>
<b>The Funds of the Trust:</b>			
Unrestricted:			
General		3,710,632	2,539,942
Designated	14	4,517,521	4,375,677
		8,228,153	6,915,619
Restricted:			
Diocese Permanent Endowment	15	120,584	129,440
Diocese restricted	15	3,421,392	2,978,007
		3,541,976	3,107,447
Unrestricted Parochial funds		22,166,470	21,927,269
<b>Total funds</b>		<b>33,936,599</b>	<b>31,950,335</b>

The notes on pages 24 to 41 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 1 October 2020 and signed on their behalf by:



.....  
Rev James Hurst (Trustee)



.....  
Bishop Alan Hopes (Trustee)

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
<b><u>Cash flows from operating activities:</u></b>			
<b>Net cash (used in) / provided by operating activities</b>	<b>18</b>	<b>(441,593)</b>	<b>(1,073,390)</b>
<b><u>Cash flows from investing activities:</u></b>			
Dividends, interest and rent from investments		451,490	292,907
Proceeds from sale of investments		1,132,047	678,191
Purchase of investments		(1,090,495)	(267,283)
Purchase of tangible fixed assets		(888,779)	(256,000)
Proceeds on sale of fixed assets		-	115,056
<b>Net cash (used in) / provided by investing activities</b>		<b>(395,736)</b>	<b>562,871</b>
<b><u>Cash flows financing activities:</u></b>			
Repayments of borrowing		-	(20,000)
Repayment of interest free loans to clergy		11,397	700
<b>Net cash used in financing activities</b>		<b>11,397</b>	<b>(19,300)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(825,932)</b>	<b>(529,819)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>8,333,446</b>	<b>8,863,265</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>19</b>	<b>7,507,514</b>	<b>8,333,446</b>

The notes on pages 24 to 41 form part of these financial statements.

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## Notes to the accounts for the year ended 31 December 2019

### 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), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

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) effective from 1 January 2019 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. In view of the Covid-19 pandemic, the Trustees have carefully considered future cash flows and the projected reserves position in detail for the years 2020 and 2021, with further projections up to 2026. In the light of these considerations, 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

## Notes to the accounts for the year ended 31 December 2019

### 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 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.
- Other costs as shown on the face of the Statement of Financial Activities are 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

## Notes to the accounts for the year ended 31 December 2019

### 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

## Notes to the accounts for the year ended 31 December 2019

### 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, investments are recorded at their fair value which is the market value as disclosed in note 11 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 2019

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

	Unrestricted General £	Funds Designated £	Restricted funds £	Parochial funds £	2019 Total £
Legacies	372,901	-	509	330,096	703,506
Donations including plate collections	165,315	-	1,189,170	3,892,077	5,246,562
Grants	-	-	25,557	271,350	296,907
<b>Total</b>	<b>538,216</b>	<b>-</b>	<b>1,215,236</b>	<b>4,493,523</b>	<b>6,246,975</b>

### 2b. INCOME FROM DONATIONS AND LEGACIES – PRIOR 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>

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

	Unrestricted General £	Funds Designated £	Restricted funds £	Parochial funds £	2019 Total £
Altar society and repository sales	-	-	-	80,705	80,705
Chaplaincies	-	-	-	39,911	39,911
Other	-	-	50,104	110,266	160,370
<b>Total</b>	<b>-</b>	<b>-</b>	<b>50,104</b>	<b>230,882</b>	<b>280,986</b>

### 3b. INCOME FROM CHARITABLE ACTIVITIES – PRIOR 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>

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## Notes to the accounts for the year ended 31 December 2019

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

	Unrestricted General £	Funds Designated £	Restricted funds £	Parochial funds £	2019 Total £
Parish hall and other rents received	(2,676)	-	23,397	239,258	259,979
Fundraising events	-	-	79,256	158,132	237,388
Sundry income	(15)	-	-	1,620	1,605
<b>Total</b>	<b>(2,691)</b>	<b>-</b>	<b>102,653</b>	<b>399,010</b>	<b>498,972</b>

### 4b. INCOME FROM OTHER TRADING ACTIVITIES – PRIOR 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>

### 5a. INVESTMENT INCOME – CURRENT YEAR

	Unrestricted General £	Funds Designated £	Restricted funds £	Parochial funds £	2019 Total £
Arising on quoted investments	176,064	27,940	7,591	-	211,595
Income from investment properties	21,445	-	-	199,159	220,604
Bank interest	9,140	-	-	10,151	19,291
<b>Total</b>	<b>206,649</b>	<b>27,940</b>	<b>7,591</b>	<b>209,310</b>	<b>451,490</b>

### 5b. INVESTMENT INCOME – PRIOR 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>

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## Notes to the accounts for the year ended 31 December 2019

### 6a. EXPENDITURE – CURRENT YEAR

	General Funds £	Designated Funds £	Restricted Funds £	Parochial Funds £	2019 Total £
<b>Cost of raising funds</b>					
Fundraising and social	-	-	209,855	29,820	239,675
Investment management fees	-	(9,396)	-	-	(9,396)
Investment property repairs	-	-	-	-	-
	-	(9,396)	209,855	29,820	230,279
Upkeep of buildings	171,602		9,622	1,506,706	1,687,930
Depreciation	-	21,195	-	363,499	384,694
Support costs (note 7a)	164,905	-	-	-	164,905
	<b>336,507</b>	<b>21,195</b>	<b>9,622</b>	<b>1,870,205</b>	<b>2,237,529</b>
<b>Clergy and parish support</b>					
Clergy and church costs	182,168	129,118	26,972	1,270,182	1,608,440
Education and training	36,704	16,411	130,803	-	183,918
Parish administration	-	-	72,230	1,706,681	1,779,181
Support costs (note 7a)	164,905	-	-	-	164,905
	<b>383,777</b>	<b>145,529</b>	<b>230,005</b>	<b>2,977,063</b>	<b>3,736,374</b>
<b>Pastoral Care and Community Support</b>					
Child protection	69,367	-	-	-	69,367
Youth service	110,935	-	-	-	110,935
Other commissions	44,947	-	-	-	44,947
Pilgrimages	-	-	-	64,655	64,655
Donations to charity	-	-	20,184	58,009	78,193
Support costs (note 7a)	82,453	-	-	-	82,453
	<b>307,702</b>	<b>-</b>	<b>20,184</b>	<b>122,664</b>	<b>450,550</b>
<b>Schools programme</b>					
Building programme	-	38,333	-	-	38,333
Direct support costs	-	302,142	-	-	302,142
Support costs (note 7a)	337,307	-	-	-	337,307
	<b>337,307</b>	<b>340,475</b>	<b>-</b>	<b>-</b>	<b>677,782</b>
Exceptional costs	-	-	-	-	-
<b>Total Expenditure</b>	<b>1,365,293</b>	<b>497,803</b>	<b>469,666</b>	<b>4,999,752</b>	<b>7,332,514</b>

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## Notes to the accounts for the year ended 31 December 2019

### 6b. EXPENDITURE – PRIOR 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

## Notes to the accounts for the year ended 31 December 2019

### 7a. SUPPORT COSTS – CURRENT YEAR

	Provision of worship £	Support of clergy £	Pastoral care and community support £	Schools programme £	2019 Total £
Office administration	115,974	115,974	57,987	237,219	527,154
Rates, insurance and utilities	3,017	3,017	1,509	6,172	13,717
Maintenance and repairs	11,564	11,564	5,782	23,653	52,563
Gift Aid expenses	166	166	83	340	755
Professional fees	11,800	11,800	5,900	24,137	53,637
Depreciation	7,391	7,391	3,695	15,117	33,594
Governance costs	7,803	7,803	3,902	15,962	35,470
Other	7,190	7,190	3,595	14,707	32,682
	<b>164,905</b>	<b>164,905</b>	<b>82,453</b>	<b>337,307</b>	<b>749,570</b>

### 7b. SUPPORT COSTS – PRIOR 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
	<b>139,214</b>	<b>145,480</b>	<b>73,942</b>	<b>313,571</b>	<b>672,207</b>

### 8. GOVERNANCE COSTS

	2019 Total £	2018 Total £
Auditors remuneration – audit services(incl VAT)	30,000	34,400
Auditors remuneration – other / accountancy (incl VAT)	5,470	12,460
	<b>35,470</b>	<b>46,860</b>



# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## Notes to the accounts for the year ended 31 December 2019

### 9. STAFF

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Staff costs:</b>		
Wages and salaries	838,095	902,561
Social security	55,747	59,365
Pension costs	65,584	54,808
	<u>959,426</u>	<u>1,016,734</u>
	<u><u>959,426</u></u>	<u><u>1,016,734</u></u>

The average number of employees during the year was:

	<b>2019</b>	<b>2018</b>
	<b>No</b>	<b>No</b>
Administration	24	22
Parish employees	47	50
	<u>71</u>	<u>72</u>
	<u><u>71</u></u>	<u><u>72</u></u>

In the year ended 31 December 2019, there were 2 employees (2018: 3 employees) who earned salaries within the range of £60,001-£70,000. Employer's pension costs for these employees was £14,221 (2018: £21,097).

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 £248,672 (2018: £235,894).

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## Notes to the accounts for the year ended 31 December 2019

### 10. TANGIBLE FIXED ASSETS

	Freehold Buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Valuation and cost</b>				
As at 1 January 2018	19,439,707	975,097	72,659	20,487,463
Additions	718,778	126,126	43,874	888,778
Disposals	-	-	(12,995)	(12,995)
At 31 December 2019	<u>20,158,485</u>	<u>1,101,223</u>	<u>103,538</u>	<u>21,363,246</u>
<b>Depreciation</b>				
As at 1 January 2018	4,795,250	963,781	68,544	5,827,575
Charge for year	381,459	28,054	8,774	418,287
Eliminated on disposal	-	-	(8,880)	(8,880)
At 31 December 2019	<u>5,176,709</u>	<u>991,835</u>	<u>68,438</u>	<u>(6,236,982)</u>
<b>Net book value</b>				
At 31 December 2018	<u>14,644,457</u>	<u>11,316</u>	<u>4,115</u>	<u>14,659,888</u>
At 31 December 2019	<u>14,981,776</u>	<u>109,388</u>	<u>35,100</u>	<u>15,126,264</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. 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 2019, the notional replacement value of the schools insured by the Diocese was £5.4m (2018: £5.4m). 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

	2019 £	2018 £
Balance at 1 January	8,973,074	8,115,940
Additions	1,090,495	267,283
Disposals at opening market value	(1,132,047)	(236,833)
Unrealised (losses) / gains during year	689,774	(468,438)
Movement in cash balances	5,103	(48,018)
Property revaluation	733,000	1,343,140
	<u>10,359,399</u>	<u>8,973,074</u>
Analysis of investments:		
Investment properties	3,716,000	2,983,000
Quoted investments	6,518,566	5,870,345
Cash	124,833	119,729
	<u>10,359,399</u>	<u>8,973,074</u>

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## Notes to the accounts for the year ended 31 December 2019

### 11. INVESTMENTS (continued)

	<b>2019</b>	<b>2018</b>
	£	£
Cost of quoted investments at 31 December	4,982,909	4,856,906
	<u>4,982,909</u>	<u>4,856,906</u>

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 September 2020 by Nick Saffel, FRICS FAAV, from Brown & Co and the Trustees consider the value provided in September 2020 not to be significantly different to investment property values as at 31 December 2019 since the valuation report does provide a valuation as at 31 December 2019. Therefore the revaluation has been used in these accounts as the Trustees consider that this is a realistic value for the properties. The original cost of the properties is unknown due to the length of time that these have been owned by the Diocese and therefore the original cost value is not disclosed in these accounts.

### 12. DEBTORS

	<b>2019</b>	<b>2018</b>
	£	£
Grants due on school projects	269,350	99,799
Gift aid receivable	710,000	785,000
Interest free car loans to clergy and staff	33,569	44,966
Other debtors and accrued income	485,921	19,566
Monies due from third parties	50,967	-
	<u>1,549,807</u>	<u>949,331</u>

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

### 13. CREDITORS

	<b>2019</b>	<b>2018</b>
	£	£
<b>Due within one year</b>		
Loans to Diocese from third parties	20,000	20,000
Collections to be paid out	58,246	69,359
Monies held on behalf of third parties	-	154,302
School project monies received in advance and		
Devolved Formula Funding held on behalf of schools	137,950	165,680
Due to The East Anglia Diocese Dependent Priests' Fund	45,790	36,595
Other creditors and accruals	199,567	379,740
	<u>461,553</u>	<u>825,676</u>
<b>Due after one year</b>		
Loans due in 2 to 5 years	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

## Notes to the accounts for the year ended 31 December 2019

### 14a. DESIGNATED FUNDS – CURRENT YEAR

	Balance at 1 January 2019 £	Net Income / (Expenditure) £	Transfers £	Gain / (Loss) on Investments £	Balance at 31 December 2019 £
Schools Consortium Fund	1,811,890	(318,121)	-	51,324	1,545,093
Ministerial Training Fund	304,281	(1,429)	-	59,871	362,723
Clergy Pension Fund	1,528,769	(129,118)	8,013	-	1,407,664
Fixed assets	698,036	(21,195)	492,336	-	1,169,177
Other funds	32,701	-	-	163	32,864
	<u>4,375,677</u>	<u>(469,863)</u>	<u>500,349</u>	<u>111,358</u>	<u>4,517,521</u>

### 14b. DESIGNATED FUNDS – PRIOR 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>

#### 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 2019

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

	Balance at 1 January 2019 £	Net income / (expenditure) £	Transfers £	Gains/ (losses) on Investments £	Balance at 31 December 2019 £
<b>Restricted Funds</b>					
Vocations Fund	107,563	(72,908)	72,908	538	108,101
Trust Funds	193,295	825	-	(100,869)	93,251
Parochial restricted funds	757,481	481,729	(738)	-	1,238,472
Alive in Faith	1,482,802	488,551	(449,128)	-	1,522,225
Other Funds	436,866	7,721	-	14,756	459,343
	<u>2,978,007</u>	<u>905,918</u>	<u>(376,958)</u>	<u>(85,575)</u>	<u>3,421,392</u>
Permanently Endowed Trust Funds	129,440	-	-	(8,856)	120,584
	<u>3,107,447</u>	<u>905,918</u>	<u>(376,958)</u>	<u>(94,431)</u>	<u>3,541,976</u>

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

#### 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 2019

### 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 £	2019 Total £
Unrestricted funds	-	4,976,475	(1,245,843)	(20,000)	3,710,632
Designated funds	1,169,177	1,098,875	2,249,469		4,517,521
Parish funds	13,957,087	3,854,952	4,354,431	-	22,166,470
Permanently endowed funds	-		120,584	-	120,584
Restricted funds	-	429,096	2,992,296	-	3,421,392
<b>Total net assets</b>	<b>15,126,264</b>	<b>10,359,399</b>	<b>8,470,937</b>	<b>(20,000)</b>	<b>33,936,599</b>

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

	Fixed Assets £	Net current Investments £	Long term Assets £	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
<b>Total net assets</b>	<b>14,659,888</b>	<b>8,973,074</b>	<b>8,337,373</b>	<b>(20,000)</b>	<b>31,950,335</b>

## THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

### Notes to the accounts for the year ended 31 December 2019

#### 17a. TRANSFERS – CURRENT YEAR

	General Fund £	Designated Funds £	Restricted Funds £	Parochial Funds £
Interest allocation between parishes and funds	(41,157)	8,013	-	33,144
Clergy pension charges	207,072	-	-	(207,072)
Levy on offertory income of parishes	770,940			(770,940)
Fixed assets	(116,116)	492,336	(376,220)	-
Other		-	(738)	738
<b>Total net assets</b>	<b>820,739</b>	<b>500,349</b>	<b>(376,958)</b>	<b>(944,130)</b>

#### 17b. TRANSFERS – PRIOR 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	-	-
Other	6,473	-	(6,473)	-
<b>Total net assets</b>	<b>257,579</b>	<b>717,219</b>	<b>(6,473)</b>	<b>(968,325)</b>

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

	2019 £	2018 £
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	<b>1,986,264</b>	<b>1,177,972</b>
<b>Adjustments for:</b>		
Depreciation charges	418,288	394,543
(Increase) in debtors	(611,873)	(374,389)
(Decrease) / increase in creditors	(364,123)	682,813
Dividends, interest and rents from investments	(451,490)	(292,907)
Loss / (gain) on sale of fixed assets	4,115	(4,736)
Unrealised (gain) / (loss) on investments	(689,774)	833,234
Revaluation of investment property	(733,000)	(1,343,140)
<b>Net cash (used in) / provided by operating activities</b>	<b>(441,593)</b>	<b>(1,073,390)</b>

# THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

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

### 19a ANALYSIS OF CHANGES IN NET DEBT

	1 January 2019 £	Cash Flows £	31 December 2020 £
Cash at bank and in hand	8,333,446	825,932	7,507,514
Interest free loans to clergy	44,966	(11,397)	33,569
Rope loan due < 1 year	(20,000)	-	(20,000)
Rope loan due > 1 year	(20,000)	-	(20,000)
	<b>8,338,412</b>	<b>814,535</b>	<b>7,501,083</b>

### 19b ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	7,382,682	8,213,718
Cash held in investment portfolio	124,832	119,728
<b>Total cash and cash equivalents</b>	<b>7,507,514</b>	<b>8,333,446</b>

### 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 £38,975 (2018: £34,462). The Bishop is a member of the Vatican's Congregation for Divine Worship, which necessitates travel to Rome and other cities abroad.

### 21. COMMITMENTS

	2019 £	2018 £
Contracted for building works in parishes	144,894	366,266
Authorised but not contracted for (Schools Buildings Programme)	1,065,505	760,980
	<b>1,210,399</b>	<b>1,127,206</b>

### 22. CONNECTED CHARITIES

The Roman Catholic Cathedral of East Anglia Preservation and Development Trust (Registered Charity No. I 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 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 £45,790 and is included in creditors (2018: £36,595).



## THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

### 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 2019 was calculated as approximately £80,979 (2018: £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 2019 to total £28,523 (2018: £28,523). 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

In the prior year the Trustees became aware of a significant misappropriation of funds by a former volunteer. The loss to the Diocese in 2018 was 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.

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

#### **Covid-19 Pandemic**

Following the balance sheet date, the Covid-19 pandemic meant that Catholic Churches were closed for public worship on Friday 20th March. They reopened for acts of collective worship on Saturday 4th July 2020. No cases of Covid-19 have been linked to any Catholic church in this Diocese, or indeed nationally. The operational and financial impact of the pandemic is assessed on a regular basis by parishes and by the Trustees and plans adjusted accordingly. Since the year end the value of quoted investments and cash held in the investment portfolio has decreased from £6,643,399 at 31 December 2019 to £6,081,483 at 28 September 2020. Whilst this represents around a 10% decrease in the value of the investment portfolio since the year end, this level of fluctuation is not unusual since the value of the portfolio as at 31 December 2018 was £5,990,074.