

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

Registered Charity No: 278742

**ANNUAL REPORT &
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

31 DECEMBER 2008

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

REGISTERED CHARITY

BOARD OF TRUSTEES:

The trustees who have served during the year and since the year end are as follows:

The Rt Rev Michael Evans
Mgr Anthony Rogers
Mgr Richard Wilson (Resigned 3 April 2008)
Rev Peter Leeming
Mgr Philip Shryane
Mrs Geraldine Anne Parry
Mrs Moira Goldstaub
Robert Meakin Esq (From 3 April 2008)
Mrs Marie Roberts (From 3 April 2008)
Rev Nicholas Greef (From 4 December 2008)

The above are also the board of directors for The East Anglia Roman Catholic Diocese Trustee.

SECRETARY:

Mr John Pitt

FINANCIAL ADMINISTRATOR:

Mr John Pitt

ADVISORS:

Mr Nick Saffell (Property)
Mr Andrew Firth (School Buildings)

ADMINISTRATIVE CENTRE:

The White House
21 Ugate
Poringland
Norwich
Norfolk NR14 7SH

BANKERS:

National Westminster Bank Plc
45 London Street
Norwich
NR2 1HX

SOLICITORS:

Mills and Reeve
1 St. James Court
Whitefriars
Norwich NR3 1RU

AUDITORS:

haysmacintyre
Fairfax House
15 Fulwood Place
London
WC1V 6AY

INVESTMENT MANAGEMENT:

Barclays Wealth
Barclays Bank Plc
1 Churchill Place
London
EC14 5HP

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2008

STRUCTURE GOVERNANCE AND MANAGEMENT

Constitution And Composition

The Roman Catholic Diocese of East Anglia was established under a Deed of Revocation and Appointment dated 2 October 1979. It is a registered charity (Reg. No. 278742) and is made up of 54 parishes in the counties of Cambridgeshire, Peterborough, Suffolk and Norfolk. It also encompasses 24 voluntary aided schools and 2 inter-denominational church schools.

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

Trustees

These are set out on page 1. 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. Towards the end of 2007 enhanced procedures were established with a view to ensuring that new trustees were adequately informed prior to induction and that all trustees were provided with opportunities for further training and development.

Risk Review

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

Organisation And Control

The Diocese is governed by its Board of Trustees, which consists of 9 trustee members (currently comprising the Bishop, 3 Priests and 5 lay trustees) and their advisors. These members meet at least quarterly, under the chairmanship of the Bishop and sitting as the Diocesan Finance Board. The Board of Trustees is responsible for formulating the strategies and policies for the Diocese as a whole, including the approval of significant parish expenditure and building works, parish loans, the appointment of Diocesan staff and advisors and the exercise of financial management of its own income and expenditures.

The Finance Board is assisted in its decision making process by a sub-committee called the Diocesan Buildings Sub-Committee. This Sub-Committee, which is chaired by a Trustee and includes members of the Diocesan Finance Board and advisors, deals mainly with schools, 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.

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

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

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

Day to day control of the charity is exercised by the Bishop, supported by the Diocesan Financial Administrator who is a member of staff with responsibility for implementing and managing the strategies and policies agreed by the Diocesan Finance Board.

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 2008

OBJECTIVES AND ACTIVITIES

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

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

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

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

These overseas relationships have been further developed during 2007 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" were put in place during 2006, particularly to highlight and clarify the roles undertaken by so many willing parishioners. Such roles include parish treasurers, committee members, flower arrangers and lay ministers. The numbers of volunteers far outweigh paid employees and are the substance of the Catholic Church.

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

- Maintenance of parish life and communities
- Advancement of the Roman Catholic Religion
- Review of effectiveness of central services
- Assisting school governing bodies in the financing and control of major building projects and grant recovery.

Strategies implemented to achieve these objectives include:

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

Activities

Funding of Diocesan Activities

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

The activities of the Diocese are largely undertaken through its parishes. Of the overall Diocesan finances, parishes account for over 79% of income and approximately 74% of expenditure with some 78% 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.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

OBJECTIVES AND ACTIVITIES (Continued)

Activities (continued)

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

The Liturgical Commission

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

The Commission for Evangelisation

This body is responsible for developing the outward aspect of diocesan life, as well as adult religious education, CCRS, parish sacramental programmes including RCIA, Baptism, First Reconciliation and First Communion, Confirmation & Marriage, training and ongoing formation of catechists and co-ordination of key catechists.

The Ecumenical Commission

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

Justice and Peace Commission

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

The Diocesan Youth Service

The Director of Diocesan Youth Service works with the Bishop to coordinate and organise a variety of diocesan youth events including the World Youth Day pilgrimage, the annual pilgrimage to Taize and diocesan youth days, festivals, celebrations and camps. This work is supported by a Diocesan Youth Commission and a Diocesan Youth Council of 16 – 21 year olds.

ACHIEVEMENTS AND PERFORMANCE

Review of Year 2008

The rolling programme of improvement and maintenance works to Diocesan school buildings continued and at the end of 2008 Diocesan funds of £608,000 were committed towards work in progress plus approved works still to commence by the year 2010. Projects are also being planned into 2011 and 2012 but there is an awareness that funds available are likely to reduce as the effects of the economic downturn inhibit public spending and there is a potential for offertory collections also to diminish reducing diocesan income. The results of work completed so far have justified the effort devoted to this program and the commitment of funds to it.

2008 saw the further development of plans for new buildings at Haverhill and Diss. The fall in property values has not so far impacted on these plans but where the sale of property is related to the overall cost of such projects, the potential for financial limitations will be closely monitored. This is particularly the case in Diss where the demand for building land, even with planning consent for development, has decreased considerably. A decline in building costs is unlikely to compensate fully although this is under constant review. The Haverhill project is still on course and has almost raised sufficient funding for the works planned. Other major refurbishment has taken place at North Walsham during the year and there were a number of remedial works carried out arising from subsidence and other structural defects.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

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 value of equities and Government Bonds fell by 13% in total. The performance of the portfolio was satisfactory when compared with the performance of the relevant indices. An income return of 3.7% on the opening value of the portfolio is also considered satisfactory by the Trustees.

FINANCIAL REVIEW

Total incoming resources of the Diocese increased from £5.56m in 2007 to £5.72m in 2008. This was mainly due to the increase in voluntary income from £4.14m to £4.49m. This includes parish offertory income (excluding gift aid tax claims) of £2.51m in 2008, compared to £2.44m in 2007.

Total resources expended increased from £4.7m in 2007 to £5.3m in 2008. This was mainly due to expenditure on the maintenance and upkeep of parochial buildings increasing from £0.99m to £1.24m and expenditure on clergy and parish support increasing from £2.58m to £2.74m. Schools' programme costs, which depends on the number of projects ongoing, increased from £0.34m to £1.24m.

General Diocesan Funds

The bulk of the expenditure of £492,000 in 2008 classified under this head, relates to the activities of the various Diocesan commissions, the work of the Diocesan Marriage Tribunal, the upkeep of the Bishop's residence and Central Administrative Offices and the funding of the chaplaincy costs at the University of East Anglia. The main sources of funding for these expenditures are from investment and bank interest, quota charges to parishes based upon a percentage (8%) of offertory collections and administration charges to parishes and funds for handling investments and recovering tax on gift aid and covenants. The activities of the Commissions and the Diocesan Marriage Tribunal are briefly outlined below.

Designated Funds – General Comments

The main funds included under this heading are the Schools' Consortium Funds. The balances on these funds at the end of December 2008 are shown in Note 11 to the accounts. The Schools Funds obtain most of their income from levies on parishes. The majority of the expenditure on the designated funds relates to schools' activities. Comments on the activities of the Schools' Consortium Funds are included below.

Designated Funds – Schools

Prior to 1993 schools' funding was organised within groups of parishes formed into parish consortia centred around Norwich, Bury St Edmunds, Ipswich, Cambridge and Peterborough. By 1993 parish school funds were overdrawn and the Diocese agreed to centralise control of expenditure and introduce a schools' levy on parishes which would be sufficient to eliminate the existing schools' debt and provide funds for future commitments. The new schools' levy was introduced gradually over a two year period and now stands at 20% of offertory collections (collected in two half yearly instalments). The income is channelled into a central fund (Schools Consortium Fund) to cover the capital and repair costs of 26 schools, as well as a host of other expenditure commitments such as schools' insurance premiums, Schools Commission expenses etc. This system, allied to a system of Cash Limit controls, ensures that sufficient funds are generated to meet the future needs of schools, and to spread costs evenly throughout the Diocese.

Surplus funds are transferred to a Schools Reserve Fund to meet contingencies and any future adverse changes in funding legislation by central government.

By the beginning of 2008, there was some £1.62m held in the two Schools' Funds. During 2008 investment income, increases on investments and parish quota charges amounted to approximately £490,000 and resources expended (mainly on school building works and support costs) amounted to approximately £430,000, leaving a net balance on the two funds of approximately £1.68m.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

FINANCIAL REVIEW (Continued)

Restricted Funds

The main funds represented under this heading and their respective fund balances are outlined in Note 12 to the accounts. This note shows that at the end of December 2008, the total of the Diocese's restricted funds amounted to £1.8m, with the Clergy Pension Fund showing the largest balance, i.e. £775,000.

Parochial Funds

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

The financial statements show total parochial income of £4.52m, with the bulk of moneys, amounting to £3.7m, from "voluntary income".

On the expenditure side, Note 5 to the accounts provides an analysis of charitable expenditure. This shows total costs of over £3.92m, with £1.24 being spent on the upkeep of buildings.

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, Gerrard Limited (now Barclays Wealth) were appointed to undertake both of these roles.

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

Reserves Policy

Notes 11 to 13 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 2008 the Diocese's reserves stood at £22.5. Of this £1.8m is restricted to particular uses and £1.7m has been designated by the Trustees for certain specific purposes.

Of the remaining reserves parochial funds amount to £17.7m of which £10.8m is represented by fixed assets in the form of churches and other property which are required for the purposes of the Diocese and which could not be realised without undermining its work. This leaves free parochial reserves of £6.9m which represents nearly 2 year's total parochial expenditure and levy charges. This level of reserves is considered necessary by the Trustees to enable the parishes to conduct their work in an orderly and efficient manner as well as providing income through investments to supplement the amounts received by donations.

General reserves amount to £1.3m of which £70,000 is represented by fixed assets leaving free reserves of £1.23m. This is considered necessary in order for the Diocese to continue supporting and advising the parishes. The Trustees aim to maintain the Diocese's overall free reserves at least at the present level to continue to provide the support necessary for the Diocese to fulfil its objects.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

PLANS FOR THE FUTURE

Future Developments

Buildings

There is a continuing need to review the demographic location of the Catholic population in the Diocese to ensure that churches are best situated to serve their needs. Annual reviews of mass attendance in parishes is an important tool in measuring which churches and buildings may need expansion or new buildings and those where use of a church or building is not justified. An overriding criterion is the avoidance of expenditure which cannot be justified. The diocesan estate is therefore under constant review both for short term and longer term plans to maximize building use.

Priests

Meeting the needs of the increasing numbers of priests reaching retirement age or retiring on the grounds of ill health is the main task of the Clergy Welfare Group. The work of the group is intensifying to ensure that adequate provision is made. The Group is working in conjunction with the Sick & Retired Priests' Fund to ensure a complete and comprehensive network.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The purpose of this statement is to distinguish the trustees' responsibilities for the accounts from those of the auditors as stated in their report. The Charities Act 1993 requires the trustees to prepare for each financial year financial statements which give a true and fair view of the charity's financial activities during the year and of its financial position at the year end. In preparing the financial statements the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that this basis applies.

The trustees are responsible for ensuring proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Diocese and enable them to ensure that the financial statements comply with the Trust Deed and the disclosure regulations. They are also responsible for safeguarding the assets of the Diocese and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

Approved by the Board of Trustees on 1 October 2009

The Rt Rev Michael Evans
Trustee

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA**

We have audited the financial statements of The Roman Catholic Diocese of East Anglia for the year ended 31 December 2008 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with the regulations made under the Charities Act 1993. 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.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2008 and of its incoming resources and application of resources in the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

haysmacintyre
Registered Auditors

Fairfax House
15 Fulwood Place
London
WC1V 6AY

ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	Unrestricted Funds		Restricted Funds	Parochial Funds	2008 Total	2007 Total
		General £	Designated £	£	£	£	£
Incoming Resources							
Incoming Resources from							
Generated Funds:							
Voluntary income	1	103,741	-	682,409	3,703,166	4,489,316	4,142,420
Activities for generating funds	2	3,563	-	5,234	368,226	377,023	360,575
Investment income	3	384,579	8,264	19,390	223,477	635,710	551,071
Incoming Resources from							
Charitable Activities	4	-	-	-	175,183	175,183	166,773
Profit on sale of fixed assets		-	-	-	47,942	47,942	344,570
Total Incoming Resources		491,883	8,264	707,033	4,517,994	5,725,174	5,565,409
Resources Expended							
Costs of Generating Funds	5	5,728	2,941	72,038	46,322	127,029	112,424
Charitable Activities:							
Provision of worship		46,131	-	175,614	1,326,113	1,547,858	1,296,359
Clergy and parish support		124,513	-	195,570	2,425,804	2,745,887	2,585,666
Pastoral care and community							
Support		134,814	-	71,565	127,075	333,454	299,964
Schools programme		128,913	387,258	-	-	516,171	342,739
Governance Costs		52,136	-	-	-	52,136	59,799
Total Resources Expended		492,235	390,199	514,787	3,925,314	5,322,535	4,696,951
Net (Outgoing)/Incoming Resources Before Transfers							
		(352)	(381,935)	192,246	592,680	402,639	868,458
Transfers	14	62,371	507,959	(213,490)	(356,840)	-	-
NET (OUTGOING)/INCOMING RESOURCES							
		62,019	126,024	(21,244)	235,840	402,639	868,458
OTHER RECOGNISED GAINS AND LOSSES							
Realised on investments		(11,675)	(3,518)	(7,093)	(7,483)	(29,769)	121,991
Unrealised on investments		(247,194)	(61,722)	(116,852)	(105,090)	(530,858)	63,364
NET MOVEMENT OF FUNDS							
		(196,850)	60,784	(145,189)	123,267	(157,988)	1,053,813
Funds brought forward		1,502,075	1,647,379	1,952,020	17,564,240	22,665,714	21,611,901
FUNDS CARRIED FORWARD							
		£1,305,225	£1,708,163	£1,806,831	£17,687,507	£22,507,726	£22,665,714

The analysis between Permanent Endowment Funds and Restricted Funds is given in the Balance Sheet. During the year, there were no movements, other than gains on investments, on Permanent Endowment Funds and the amounts involved are considered to be insufficiently material to warrant separate disclosure in the Statement of Financial Activities.

All operations are continuing and there were no discontinued operations in either year.

The notes form part of these accounts.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008		2007	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	7		10,867,978		10,410,080
Investments	8		4,415,891		4,997,759
			<u>15,283,869</u>		<u>15,407,839</u>
CURRENT ASSETS					
Debtors	9	516,834		1,104,944	
Cash at bank and in hand		9,449,638		8,690,517	
		<u>9,966,472</u>		<u>9,795,461</u>	
CREDITORS: Amounts falling due within one year	10	<u>(2,742,615)</u>		<u>(2,537,586)</u>	
Net Current Assets			<u>7,223,857</u>		<u>7,257,875</u>
NET ASSETS			<u>£22,507,726</u>		<u>£22,665,714</u>
FUNDS					
Unrestricted					
- General			1,305,225		1,502,075
- Designated	11		1,708,163		1,647,379
			<u>3,013,388</u>		<u>3,149,454</u>
Restricted					
- Diocese Permanent Endowment	12	116,152		125,222	
- Diocese Restricted	12	1,690,679		1,826,798	
		<u>1,806,831</u>		<u>1,952,020</u>	
Parochial Funds			17,687,507		17,564,240
			<u>£22,507,726</u>		<u>£22,665,714</u>

Approved by the Trustees on 1 October 2009 and signed on their behalf by:

The Rt Rev Michael Evans
Trustee

Mgr. Anthony Rogers
Trustee

The notes form part of these accounts.

ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	2008		2007	
	£	£	£	£
Net Cash Flow from Operating Activities				
Net incoming resources		402,639		868,458
Depreciation		267,564		248,538
Profit on sale of fixed assets		(47,942)		(344,570)
Investment income and interest received		(495,025)		(417,431)
Decrease in debtors		617,410		285,223
Increase in creditors		51,348		669,168
		<u>795,994</u>		<u>1,309,386</u>
Returns on Investments and Servicing of Finance				
Investment income and interest received		465,725		417,431
Capital Expenditure and Financial Investment				
Purchase of investment securities	(592,747)		(259,013)	
Sale and maturity of investment securities	613,988		603,341	
Purchase of tangible fixed assets	(581,129)		(506,929)	
Sale of tangible fixed assets	57,290		377,132	
		<u>(502,598)</u>		<u>214,531</u>
Increase in cash		<u>£759,121</u>		<u>£1,941,348</u>
		<u>At 1 January 2008</u>	<u>Cash flows</u>	<u>At 31 December 2008</u>
		<u>£</u>	<u>£</u>	<u>£</u>
Cash and bank balances		<u>£8,690,517</u>	<u>£759,121</u>	<u>£9,449,638</u>
Reconciliation of net cash flow to movement in net funds			2008	2007
			£	£
Increase in cash			759,121	1,941,348
Cash flow on interest free loans to Diocese			184,489	33,799
Movement on interest free loans to Schools			-	(14,904)
Cash flow on interest free car loans to clergy			3,245	(55)
			<u>946,855</u>	<u>1,960,188</u>
Net funds at 1 January 2008			<u>8,097,572</u>	<u>6,137,384</u>
Net funds at 31 December 2008			<u>£9,044,427</u>	<u>£8,097,572</u>
Analysis of Net Funds	At 1 January 2008	Cash flows	Other Movements	At 31 December 2008
	£	£	£	£
Cash at bank and in hand	8,690,517	759,121	-	9,449,638
Interest free loans to Diocese	(604,818)	184,489	-	(420,329)
Interest free car loans to clergy	11,873	3,245	-	15,118
	<u>£8,097,572</u>	<u>£946,855</u>	<u>£-</u>	<u>£9,044,427</u>

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2008

The financial statements have been prepared in accordance with the Statement of Recommended Practice (Accounting and Reporting by Charities) issued in March 2005. The financial statements comply with all statutory requirements and the requirements of the charity's governing document. The particular accounting policies adopted are described below. The financial statements are prepared under the historical cost convention, as modified to include certain tangible fixed assets at a valuation and fixed asset investments at market value.

a) Legacies, Donations and Grants

Legacies and donations are recognised when receivable or when the Diocese becomes legally entitled to them and they can reasonably be measured in financial terms. Receipts of property, investments or other gifts in kind are included at market value.

Grants are recognised when receivable.

b) Investments and Investment Income

Quoted investments are valued at their middle price on the balance sheet date. Investment properties are stated at a Trustees' valuation. Investment income is accounted for as it accrues.

c) Resources Expended

Costs of generating funds comprise those costs associated with attracting voluntary income and the management of the Charity's investments.

Costs of charitable activities consists of all expenditure directly relating to the objects of the Charity. Support costs which cannot be directly allocated are apportioned between charitable activities and governance costs on the basis of the Trustees' estimate of the time spent on the relevant functions.

Governance costs include expenditure on management and compliance with constitutional and statutory requirements together with an allocation of support costs.

Irrecoverable VAT is included with the category of expenses to which it relates.

d) Tangible Fixed Assets

Prior to 1 January 1997 the cost of fixed assets was written off in the year of acquisition and no comprehensive cost records were maintained. In order to arrive at a reasonable valuation of parish property, taking into account age, type, condition and life expectancy, the Trustees considered that insured values at that date should be discounted by 90% and in subsequent years be depreciated at 2% per annum. Properties acquired after 1 January 1997 are capitalised at their actual cost of acquisition. The freehold buildings are retained at the carrying value resulting from the valuation made in 1997 and this valuation will not be updated.

The estimated cost of furniture, equipment and motor vehicles held at 1 January 1997 has been capitalised in the financial statements. Subsequent additions are capitalised at cost.

Individual works of art, historical treasures and plate are not capitalised as they have long lives and are considered to be worth preserving indefinitely.

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 ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

STATEMENT OF ACCOUNTING POLICIES (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

d) Tangible Fixed Assets (Continued)

The Diocese has 26 voluntary aided and 2 inter-denominational church schools, which are constituted as separate charities. The school properties (land and buildings) are vested in the name of the Diocesan trustees. 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 and therefore these properties have not been capitalised.

e) 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.

f) 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.

g) Designated Funds

Details of the funds designated by the trustees are set out in note 11.

h) Restricted Funds and Permanently Endowed Funds

Details of funds subject to legal restriction are set out in note 12.

i) 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.

j) Pensions

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 is a multi-employer scheme where it is not possible to separately identify the assets and liabilities of participating employers. For the purposes of FRS17 Retirement Benefits, the scheme is therefore treated as a defined contribution scheme.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2008

1. VOLUNTARY INCOME	2008	2007
	£	£
Legacies	128,208	99,453
Donations including plate collections	4,238,920	3,970,415
Grants	122,188	72,552
	<u>£4,489,316</u>	<u>£4,142,420</u>
2. ACTIVITIES FOR GENERATING FUNDS		
Parish hall and other rents received	216,388	202,649
Fundraising events	160,635	157,926
	<u>£377,023</u>	<u>£360,575</u>
3. INVESTMENT INCOME		
Arising on quoted investments	134,175	126,673
Income from investment properties	140,685	133,640
Bank interest	360,850	290,758
	<u>£635,710</u>	<u>£551,071</u>
4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES		
Altar society and repository sales	118,610	116,192
Chaplaincies	56,573	50,581
	<u>£175,183</u>	<u>£166,773</u>

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2008

5. RESOURCES EXPENDED

	General Funds £	Designated Funds £	Restricted Funds £	Parochial Funds £	2008 Total £	2007 Total £
Cost of generating funds						
Fundraising and social	-	-	67,370	39,161	106,531	90,825
Investment management fees	5,728	2,941	4,668	7,161	20,498	21,599
	<u>5,728</u>	<u>2,941</u>	<u>72,038</u>	<u>46,322</u>	<u>127,029</u>	<u>112,424</u>
Provision of worship						
Upkeep of buildings	960	-	175,614	1,060,320	1,236,894	991,096
Depreciation	-	-	-	265,793	265,793	246,767
Support costs allocated	45,171	-	-	-	45,171	58,496
	<u>46,131</u>	<u>-</u>	<u>175,614</u>	<u>1,326,113</u>	<u>1,547,858</u>	<u>1,296,359</u>
Clergy and parish support						
Clergy and church costs	49,587	-	118,911	1,117,581	1,286,079	1,230,461
Education and training	29,755	-	76,659	-	106,414	96,304
Parish administration	-	-	-	1,308,223	1,308,223	1,200,405
Support costs allocated	45,171	-	-	-	45,171	58,496
	<u>124,513</u>	<u>-</u>	<u>195,570</u>	<u>2,425,804</u>	<u>2,745,887</u>	<u>2,585,666</u>
Pastoral Care and Community Support						
Child protection	34,522	-	-	-	34,522	27,498
Youth service	43,204	-	-	-	43,204	46,654
Other commissions	34,503	-	3,509	-	38,012	37,896
Pilgrimages	-	-	-	987	987	23,446
Donations paid	-	-	68,056	126,088	194,144	135,222
Support costs allocated	22,585	-	-	-	22,585	29,248
	<u>134,814</u>	<u>-</u>	<u>71,565</u>	<u>127,075</u>	<u>333,454</u>	<u>299,964</u>
Schools programme						
Building programme	-	240,178	-	-	240,178	23,615
Direct support costs	38,572	147,080	-	-	185,652	202,131
Support costs allocated	90,341	-	-	-	90,341	116,993
	<u>128,913</u>	<u>387,258</u>	<u>-</u>	<u>-</u>	<u>516,171</u>	<u>342,739</u>
Governance costs						
Audit and accounting fees	29,551	-	-	-	29,551	30,550
Support costs allocated	22,585	-	-	-	22,585	29,249
	<u>52,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,136</u>	<u>59,799</u>
Total Resources Expended	<u>£492,235</u>	<u>£390,199</u>	<u>£514,787</u>	<u>£3,925,314</u>	<u>£5,322,535</u>	<u>£4,696,951</u>

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

5. RESOURCES EXPENDED (continued)

Analysis and allocation of support costs:

	Provision of worship £	Support of clergy £	Pastoral care & community support £	Schools programme £	Governance costs £	Total £
Office administration	28,985	28,985	14,493	57,970	14,493	144,926
Rates, insurance and utilities	2,889	2,889	1,444	5,777	1,444	14,443
Maintenance and repairs	5,881	5,881	2,941	11,762	2,941	29,406
Gift Aid expenses	515	515	257	1,030	257	2,574
Professional fees	3,559	3,559	1,780	7,118	1,780	17,796
Depreciation	354	354	177	708	177	1,770
Other	2,988	2,988	1,493	5,976	1,493	14,938
	<u>£45,171</u>	<u>£45,171</u>	<u>£22,585</u>	<u>£90,341</u>	<u>£22,585</u>	<u>£225,853</u>

Governance costs includes:	2008 £	2007 £
Auditors remuneration - Audit	30,187	29,551
- Other	3,795	1,704
	<u>£33,982</u>	<u>£31,255</u>

6. STAFF

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

	2008 £	2007 £
Staff costs:		
Wages and salaries	489,935	503,410
Social security	53,995	53,427
Pension costs	6,504	6,819
	<u>£550,434</u>	<u>£563,656</u>
Number of full time equivalent employees:	No.	No.
Administration	10	10
Parish employees	22	23
	<u>32</u>	<u>33</u>

No employee earned £60,000 or more during the year.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

7. TANGIBLE FIXED ASSETS	Freehold Buildings £	Furniture and Equipment £	Motor vehicles £	Total £
Valuation and cost				
At 1 January 2008	11,961,971	785,207	145,045	12,892,223
Additions	653,760	81,050	-	734,810
Disposals	(11,541)	-	-	(11,541)
At 31 December 2008	<u>12,604,190</u>	<u>866,257</u>	<u>145,045</u>	<u>13,615,492</u>
Depreciation				
At 1 January 2008	1,573,006	785,207	123,930	2,482,143
Charge for the year	244,804	16,210	6,550	267,564
Disposals	(2,193)	-	-	(2,193)
At 31 December 2008	<u>1,815,617</u>	<u>801,417</u>	<u>130,480</u>	<u>2,747,514</u>
Net Book Value				
At 31 December 2008	<u>£10,788,573</u>	<u>£64,840</u>	<u>£14,565</u>	<u>£10,867,978</u>
At 31 December 2007	<u>£10,388,965</u>	<u>£-</u>	<u>£21,115</u>	<u>£10,410,080</u>

The Diocese also owns a number of schools which the Trustees consider that their ownership is that of a custodianship and so have not been capitalised. For insurance purposes, the Diocese's insurers allow a notional reinstatement value of £500,000 for each school, irrespective of size. This sum purports to represent 10% of the governors' responsibilities for the external fabric of school buildings, based upon a notional value of £3m plus for each school's buildings. In 2008, the notional replacement value of the schools insured by the Diocese was £12.036m.

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

8. INVESTMENTS	2008 £	2007 £
Balance at 1 January 2008	4,997,759	5,156,732
Additions	592,747	259,013
Disposals at opening market value	(643,757)	(481,350)
Unrealised gains during year	(530,858)	63,364
At 31 December 2008	<u>£4,415,891</u>	<u>£4,997,759</u>
Analysis of investments:		
Investment properties	1,406,850	1,336,400
Quoted investments	3,009,041	3,661,359
	<u>£4,415,891</u>	<u>£4,997,759</u>
Cost of quoted investments at 31 December 2008	<u>£3,016,417</u>	<u>£3,090,302</u>
Market value of individual holdings greater than 5%		
	£	£
Lloyds TSB Bank 4% 17/11/11	176,948	-
Network Rail Infra 4.875% MTN 27/11/11	176,451	-
6¼% Treasury Stock 2010	313,119	299,676
	<u>£466,518</u>	<u>£299,676</u>

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

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

9. DEBTORS	2008	2007
	£	£
Grants due on school projects	64,671	780,297
Tax due on covenants	306,000	296,000
Interest free car loans to clergy	15,118	11,873
Other debtors and accrued income	131,045	16,774
	<u>£516,834</u>	<u>£1,104,944</u>

The interest free car loans to clergy are repayable over a term of 3 years. The interest free loans to the schools have no set repayment dates but are reviewed on an annual basis.

10. CREDITORS	2008	2007
	£	£
Interest free loans to diocese from third parties	420,329	604,818
Collections to be paid out	92,343	84,325
Monies held on behalf of third parties	349,487	339,994
School project monies received in advance and Devolved Formula Funding held on behalf of schools	1,268,566	1,000,335
Due to the East Anglian Diocesan Sick and Retired Clergy Fund	377,991	244,561
Other creditors	233,899	263,553
	<u>£2,742,615</u>	<u>£2,537,586</u>

11. DESIGNATED FUNDS	Balance at 1 January 2008	Net Incoming Resources	Transfers	Gains on Investments	Balance at 31 December 2008
	£	£	£	£	£
Schools Consortium Funds	1,620,081	(381,935)	507,065	(65,240)	1,679,971
Other funds	27,298	-	894	-	28,192
	<u>£1,647,379</u>	<u>£(381,935)</u>	<u>£507,959</u>	<u>£(65,240)</u>	<u>£1,708,163</u>

Schools' Consortium Funds

A quota is levied on all parishes to finance the Diocese's schools building programme and other schools costs. Expenditure is paid from a central fund. Transfers represent quotas received from parishes.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

12. RESTRICTED FUNDS AND PERMANENTLY ENDOWED FUNDS

	Balance at 1 January 2008 £	Net Incoming Resources £	Transfers £	Gains/ (losses) on Investments £	Balance at 31 December 2008 £
Restricted Funds					
Ministerial Training Fund	702,096	(49,865)	34,553	(83,639)	603,145
Trust Funds	143,827	3,492	2,745	3,626	153,690
Norwich Cathedral Fund	115,962	-	(123,694)	-	(7,732)
Clergy Pension Fund	643,505	(97,768)	229,368	-	775,105
Parochial restricted funds	-	359,587	(359,587)	-	-
Children's Society Fund	68,892	2,258	-	-	71,150
Other Funds	152,516	(24,995)	3,125	(35,325)	95,321
	<u>1,826,798</u>	<u>192,709</u>	<u>(213,490)</u>	<u>(115,338)</u>	<u>1,690,679</u>
Permanently Endowed Trust Funds	125,222	(463)	-	(8,607)	116,152
	<u>£1,952,020</u>	<u>£192,246</u>	<u>£(213,490)</u>	<u>£(123,945)</u>	<u>£1,806,831</u>

Ministerial Training Fund

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.

Norwich Cathedral Fund

This fund consists of donations received towards the upkeep of Norwich Cathedral. The fund has gone into deficit this year due to timing differences.

Clergy Pension Fund

Contributions from parochial funds to fund pensions for clergy.

Parochial Restricted Funds

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

Children's Society Fund

These funds were transferred from the Catholic Children's Society, East Anglia when it ceased its activities and are to be used for the financing of child protection work.

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.

THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2008

13. ALLOCATION OF THE CHARITY NET ASSETS

	Fixed Assets £	Investments £	Net current Assets £	Total £
Unrestricted funds	69,943	1,684,937	1,258,508	3,013,388
Parish funds	10,798,035	2,107,075	4,782,397	17,687,507
Permanently endowed funds	-	116,152	-	116,152
Restricted funds	-	507,727	1,182,952	1,690,679
	<u>£10,867,978</u>	<u>£4,415,891</u>	<u>£7,223,857</u>	<u>£22,507,726</u>
Unrealised losses included in the above on quoted investment assets		<u>£(7,376)</u>		

14. TRANSFERS

	General Fund £	Designated Funds £	Restricted Funds £	Parochial Funds £
Interest allocation between parishes and funds	(177,098)	48,003	36,404	92,691
Levy on offertory income of parishes	199,469	-	24,933	(224,402)
Clergy Pension Levy	-	-	208,454	(208,454)
Parish assessments (Schools Levy)	-	499,956	-	(499,956)
Restricted funds spent on fixed assets	-	-	(359,587)	359,587
Grants to parishes	-	-	(123,694)	123,694
Other	40,000	(40,000)	-	-
	<u>£62,371</u>	<u>£507,959</u>	<u>£(213,490)</u>	<u>£(356,840)</u>

15. TRANSACTIONS WITH TRUSTEES

A majority of trustees of the Diocese are also parish priests in the Diocese. As priests they receive income from their parishes together with living accommodation, living expenses and reimbursement of costs incurred on behalf of their parish and the Diocese on the same basis as other priests within the Diocese. They do not receive any remuneration or benefits from their trusteeship. No expenses were reimbursed to trustees during the year (2007: £Nil).

16. COMMITMENTS

	2008 £	2007 £
Contracted for	£ -	£ -
Authorised but not contracted for (Schools Buildings Programme)	<u>£588,000</u>	<u>£286,000</u>

17. CONNECTED CHARITIES

The Roman Catholic Diocese of East Anglia Childrens' Society (Registered Charity No. 1002289) was set up to support poor, handicapped or homeless children or orphans. In 2007, the funds of the Society were transferred to the Diocese when it ceased its activities and have been included in these accounts as a restricted fund to be used for the financing of child protection work.

18. 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 30 September 2007, was calculated as £26,214. The Diocese currently has no plans to leave the scheme, so this contingent liability has not been provided for in the accounts.