

**DIOCESE OF LONDON**

**REPORT AND ACCOUNTS FOR 2006**

**OF**

**THE ANGOLA LONDON AND MOZAMBIQUE ASSOCIATION**

## ANNUAL REPORT 2006

### Financial Summary

Donations amounted to £89,348 (2005: £42,652) whilst grants totalling £98,017 were made (2005: £133,553).

The following table summarises the position of each fund over the year. Values include both restricted and unrestricted funds.

	<b>Value at 31 December 2006</b>	<b>Value at 31 December 2005</b>
General Fund and Special Projects	79,671	68,601
ALMA's Children	63,772	66,631
Lent Appeal 2003 – HIV/AIDS	9,935	22,777
ALMA Catechists' Appeal	10,646	7,303
Total	164,024	165,312

### Introduction

The ALMA partnership established by covenant, signed by the Bishops on 12 July 1998, also provided for a 'common fund into which all will contribute according to their ability and from which each partner will draw according to their needs.' In practice this has involved a General Fund consisting of (i) an unrestricted Common Fund and (ii) restricted donations for Special Projects in the three Dioceses of Angola, Niassa and Lebombo (northern and southern Mozambique respectively). Thus the Common Fund has generally been used by the Task Group, which administers ALMA on behalf of the Diocese of London, for building up the infrastructure required for genuine partnerships, e.g. paying the air fares of visitors to London from the Link Dioceses in Africa; contributing to the salaries and expenses of ALMA Link Officers in Angola and Niassa (with one in Lebombo under consideration); and also assisting with audit expenses in exceptional cases. These grants, like the special projects, are listed by Diocese in the accounts which follow.

This report highlights the main features in 2006 relating to the General Fund and Special Projects and also to three special funds established since the covenant was signed.

### General Fund and Special Projects

Donations more than doubled in 2006 to £82,950, compared to the previous year (£34,000). This was mainly due to additional fundraising to cover unanticipated costs relating to the Bishop of Angola's house, which enabled its completion and inauguration in December 2006, and a special anniversary fundraising event resulting in a doubling of the donations to the Nora Sturges Health Centre in Angola, compared to 2005.

While the accounts reveal a surplus of £11,070 in 2006 (set against a deficit of £25,613 in 2005), it is important to appreciate, from the notes to the Statement of Assets and Liabilities for the year ended 31 December 2006, that transfers totalling £21,685 had been approved but not made to the Diocese of Angola for the building of two schools. These would have had the effect of turning the surplus into a deficit a few days later.

The total held in the Common Fund rose to £34,033 as at the end of 2006, compared to £30,078 at the end of the previous year. This was because income during the year held up better than expected and certain planned expenditure had to be deferred. The Task Group adopted a new reserves policy in September 2006 to ensure that significant reserves are not built up beyond what is necessary for current or planned expenditure in the current and subsequent years. [The policy is reproduced below.]

Happily, transfers to the Diocese of Lebombo resumed in 2006 after resolution of certain accounting and auditing issues between the Dioceses of Lebombo and London.

### ALMA's Children

This fund was established in 1999 specifically for the promotion of education and the relief of poverty in the Link Dioceses, each being allocated one-third of the sums raised. Donations of £3,168 in 2006 were down on 2005 (£5,505). During 2006 a second instalment of £9,000 was sent to the Diocese of Niassa to support the building of the new primary school at All Saints, Nacala. Although the project was not completed in 2006, as originally anticipated, it is pleasing to report that the school was finished in the first half of 2007.

While the total of £63,772 held in this fund as at 31 December 2006 was barely reduced from the total a year earlier (2005: £66,631), this was set to change significantly with the resumption of transfers to the Diocese of Lebombo where a major project was under consideration for possible funding in 2007. Substantial funds were also allocated by the ALMA Task Group in December 2006 to other school projects in Angola and Niassa.

### Lent Appeal 2003 for HIV/AIDS

In 2006 £14,052 was transferred to the Diocese of Lebombo to fund a project to assist vulnerable and orphan children. It is anticipated that the remaining funds from this 2003 appeal will finally be disbursed in 2007.

### ALMA Catechists' Appeal

This fund was established in 2004 to help with the training of lay catechists in the Link Dioceses. In view of a Mission and Ministry Training and Development Programme for the Diocese of Angola, which was set up in 2005 and is reported on separately, the unrestricted donations to this fund (by far the majority) are split evenly between the Dioceses of Lebombo and Niassa.

Donations were maintained in 2006 (£3,050) at about the level for the previous year (2005: £3,147) because the great majority of payments are being made by monthly standing orders over a five year period. However, no grants were made during the year under review (cf. 2005: £8,805) because there was insufficient time between the date of Task Group approval of the allocations in December 2006 and the year end. Instead payments were made in the first quarter of 2007 to the Dioceses of Lebombo and Niassa.

### Personnel

It is appropriate to record here ALMA's deep appreciation of Hugh Watkin's seven years' faithful service as the first Link Officer; a post which he relinquished in 2006. His position has been taken over by Peter Southwood.

### Future Prospects

In November 2006 the London Diocesan Synod adopted the London Challenge 2 which commits the Diocese to making four capital investments including to 'raise £2,012,000 for development in Africa by 2012.' This is the new Diocesan commitment to the ALMA partnership, formally launched on 8 February 2007, and it clearly represents a very considerable challenge for the years ahead. However, it will not require us to double our income every year which is what was achieved in 2006 – a good base from which to start.

## ALMA Policy on Reserves

### *Definition*

The 'reserves' are those income funds that ALMA has, or can make available, to spend for specific or general charitable purposes once it has met its commitments and covered its other planned expenditure.

### *Policy*

In general ALMA aims to keep enough reserves for the current and subsequent year only.

### *ALMA General Fund and Special Projects:*

- restricted funds are normally forwarded to the linked Diocese in question within three months of receipt unless of such size and significance that payments need to be staged to ensure transparency and accountability in the use of such funds. Reserves, therefore, will normally exclude future stage payments held until the appropriate time for transfer to the linked Diocese.

-unrestricted funds (the 'Common Fund') consist of designated funds held for particular purposes and also sufficient funds held in reserve to meet cash flow requirements and reasonable contingencies.

### *ALMA's Children:*

-all unrestricted funds are designated for particular purposes, and transferred to the link Dioceses, in the year in which they are received unless payments need to be staged to ensure transparency and accountability in the use of such funds.

### *ALMA Catechists:*

-all unrestricted funds are to be designated for particular purposes, and transferred to the link Dioceses, in the year in which they are received unless payments need to be staged to ensure transparency and accountability in the use of such funds.

[As agreed by the Task Group on 18 September 2006.]