

**DIOCESE OF LONDON**

**REPORT AND ACCOUNTS FOR 2008**

**OF**

**THE ANGOLA LONDON AND MOZAMBIQUE ASSOCIATION**

## ANNUAL REPORT 2008

### Financial Summary

Donations amounted to £208,088 (2007: £97,424) whilst grants totalling £109,894 were made (2007: £151,791).

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

	<b>Value at 31 December 2008</b>	<b>Value at 31 December 2007</b>
General Fund and Special Projects	79,210	69,491
ALMA's Children	33,796	43,134
Diocesan Lent Appeals for ALMA to 2012	100,529	NIL
ALMA Catechists' Appeal	3,300	3,811
ALMA Crisis Appeal (Ash Wednesday)	NIL	NIL <sup>(i)</sup>
<b>Total</b>	<b>216,835</b>	<b>116,436</b>

(i) Value at 20 February 2008.

### Introduction

The ALMA partnership established by covenant, signed by the Bishops on 12 July 1998, was renewed on its tenth anniversary at a service held at St Paul's Cathedral on 13 July 2008. The covenant 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, Niassa and, from 2008, Lebombo; 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 2008 relating to the General Fund and Special Projects and also to two special funds established since the covenant was signed. In addition there is a report on the first of a series of Diocesan Lent Appeals for ALMA.

### General Fund and Special Projects

Donations increased by 39% in 2008 to £96,006, compared to the previous year (£68,952). This was mainly due to a generous donation from an individual to furnish the Bishop of Angola's house. The level of grants made during the year, totalling £87,477, was slightly down on the previous year when £91,650 was allocated. Milange school in Niassa was completed in 2008 and also the new health clinic in Messumba, Niassa. The building of a new classroom at St Michael's School, Negage in the Diocese of Angola began late in the year as a result of funding provided by St Paul's, Winchmore Hill.

Administrative expenditure increased during the year mainly because, for the first time, paid administrative support totalling £2,321 was used to handle the greatly increased level of correspondence arising from the Diocesan Lent Appeal.

The increased income in the year and similar level of grants led to a surplus for 2008 of £9,719, compared to a deficit of £10,180 in 2007.

The total held in the Common Fund was hardly changed at £38,055 by the end of 2008, compared to £38,230 at the end of the previous year. It had been expected to fall steeply in 2008 due to increased expenditure on ALMA Link Officers, especially with the welcome appointment of the first Link Officer in the Diocese of Lebombo. However, the donations to the Common Fund during the year actually exceeded the grants made.

### 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 £5,652 in 2008 were up on 2007 (£3,952). During the year grants totalling £17,417 were made to our Link Dioceses (2007: £27,651) including a contribution to the completion of Milange school, referred to under Special Projects, and also the Chihunzuine Education and Health Project in the Diocese of Lebombo. The latter was officially opened by the Archbishop of Cape Town in January 2009.

The total of £33,796 held in this fund as at 31 December 2008 was down from the total a year earlier (2007: £43,134).

### Diocesan Lent Appeals for ALMA to 2012

The first Diocesan Lent Appeal in 2008 had a target of £75,000 for the building of three primary schools in our Link Dioceses. It went very well and £102,144 had been received by the year-end. Accumulated interest will be added in due course. While no grants were made during the year the higher income than expected will prove very helpful because the fall in the value of the pound against the US dollar has considerably increased the budgeted costs of building the primary schools in our Link Dioceses.

### 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 rose in 2008 to £4,286, compared to the previous year (2007: £1,738), due to the launch of a new five year Catechists' Appeal at the Readers' Quinquennial Eucharist at St Paul's Cathedral on 19 November 2008. This new appeal for our partner Dioceses of Lebombo and Niassa is intended to cover the period 2009 to 2013 and continue ALMA's support for the training of lay catechists in the vital role they fulfil in the church.

Grants of £5,000 from the previous Catechist Appeal were made in 2008 (2007: £8,915) split evenly between Lebombo and Niassa. Once a claim for tax recovery has been made the residual funds from the 2004 to 2008 Appeal should be sufficient to cover remaining commitments to the two Link Dioceses under that scheme.

It is well worth recording that the service booklet for the Reader Re-Licensing at St Paul's noted that the Catechist Appeal 2004-2008 had raised at least £32,454.84 to resource Catechist training. The new Appeal may be hard pressed to do as well in these more stringent financial times but even small sums sustained over a long period should make a real difference in Mozambique.

### Future Prospects

The London Challenge 2, which was formally launched on 8 February 2007, committed the Diocese to 'raise £2,012,000 for development in Africa by 2012.'

In 2008 £208,088 in donations and £6,191 in interest was raised from the ALMA Funds. To this must be added income of £5,812 from the Mission & Ministry Fund (Diocese of Angola) which is reported separately making a total of £220,091 to 31 December 2008.

If this is then added to the total income of £169,951 raised from 8 February to 31 December 2007, a grand total of £390,042 is arrived at so far towards our target of £2.012 million, which is 19% of the total. Just as important, though, remains the task of building our capacity to administer this increased income and form project partnerships to deliver the aid effectively to our partners in the Gospel.

## 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.]