

**THE ROMAN CATHOLIC ARCHDIOCESE
OF ST ANDREWS AND EDINBURGH**

ANNUAL REPORT and ACCOUNTS

For the year ended 31 December 2011

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

ANNUAL REPORT and ACCOUNTS

For the year ended 31 December 2011

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THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

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Reference & Administrative Details

The Roman Catholic Archdiocese of St Andrews & Edinburgh was established by the Apostolic Letter "Ex Supremo" of Pope Leo XIII dated 4 March 1878, being the date of the restoration of the Roman Catholic Hierarchy, which had been extinct since 1603.

Trustees

The Trustees of the Archdiocese during the year to 31 December 2011 and at the time the financial statements were approved were:-

Name	Title	Appointed by
His Eminence Keith Patrick Cardinal O'Brien	Archbishop	His Holiness the Pope
Right Reverend Monsignor Alistair Lawson	Senior Vicar General	Archbishop
Right Reverend Monsignor Philip J Kerr	Vicar General	Archbishop
Right Reverend Stephen Robson (appointed 9 June 2012)	Auxiliary Bishop	Archbishop

The holders of these positions ex officio assume the office of Trustees.

Address

The principal address of the Archdiocese is the location of its administrative offices.

Archdiocesan Offices
Gillis Centre
100 Strathearn Road
Edinburgh, EH9 1BB

Bankers

Bank of Scotland
The Mound
Edinburgh
EH1 1YB

Royal Bank of Scotland
36 St Andrew Square
Edinburgh
EH2 2YB

Solicitor

Anderson Strathern LLP
1 Rutland Court
Edinburgh
EH3 8EY

Auditor

Chiene + Tait
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Investment Advisors

Brewin Dolphin Securities Ltd
48 St Vincent Street
Glasgow
G2 5TS

Newton Investment Management Limited
Capital House
2 Festival Square
Edinburgh
EH3 9SU

Investec Wealth Management Limited
Forsyth House
93 George Street
Edinburgh
EH2 3ES

Scottish Charity Number: SC008540

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Structure, Governance & Management

Organisational Structure

The Archdiocese is comprised of 111 parishes located in various cities, town and villages throughout its boundaries. A Parish Priest, who is appointed by and is accountable to the Archbishop, is responsible, in terms of the Code of Canon Law, for a single or multiple Parishes. Parishes are grouped into Deaneries on a geographical basis. The Archbishop appoints one of the Parish Priests in each Deanery as "Vicar Episcopal". There are regular meetings of the 6 Vicars Episcopal with the Archbishop as well as meetings of the individual Vicar Episcopal with him and the Vicars General.

Governance

The Archdiocese utilises a committee structure to administer its affairs. The Archbishop is automatically a member of all committees. The following are the main committees used for administration purposes:

- College of Consultors
- Episcopal Council
- Council of Priests
- Finance Committee
- Fabric & Planning Committee
- Secretaries' Committee
- Chapter of Canons

Each Parish operates under the leadership of the Parish Priest. Canon Law dictates that each Parish must have a Finance Committee to advise and assist the Parish Priest with its governance.

Management

The Archbishop has overall responsibility for the management of the Archdiocese. On a day-to-day basis various Senior Managers administer the affairs of the Archdiocese.

Induction & Training

The Archdiocese has an ongoing policy for the training of its Trustees and Senior Managers. They are all kept fully informed of legislation changes which affect the charity. The emphasis is that the Senior Managers are continually trained and they in turn convey this training to the Trustees and staff.

Objectives & Activities

Objectives

The objectives of the Archdiocese are: -

1. The advancement of the Roman Catholic Religion.
2. The advancement of education.
3. The relief of poverty.
4. The cure or alleviation of human sickness or disease.

Mission Statement

The aim of the Archdiocese is to foster a spirit of unity within our Archdiocesan family so that we can all grow together in the love of God and services to our neighbour.

Activities

In order to achieve the objectives of the Archdiocese, each parish uses its own resources with guidance from the Archbishop and his advisors. Support and direction are also provided by the agencies and commissions of the Archdiocese.

In the current climate with falling numbers of clergy and religious orders, there has been an increase in the number of paid employees. However, throughout the Archdiocese, there are many unpaid volunteers who occupy various positions to promote its objectives.

It is Archdiocesan policy to provide funding and expertise where possible so that the social and pastoral services required in the parish can be provided.

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Achievements & Performance

It is very difficult for a Religious Charity to assess its achievements and performances as there are no practical indicators and measures to use. The only relevant measure is the number of souls saved and that is an immeasurable statistic.

The Cardinal and his advisors have produced a Pastoral Plan for the Archdiocese called "Now is the favourable time". This is attempting to address the falling numbers of clergy and religious persons in the Archdiocese by clustering parishes and revising Deanery boundaries. The consultation process, with all persons within the Archdiocese, is ongoing.

Financial Review

The Trustees are responsible for the contents of the accounts, which are prepared by the Archdiocese and audited by Chiene + Tait.

The accounts for the year ended 31 December 2011 are presented in accordance with the legislation governing the reporting of charities under the provisions of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and comply in every material respect with the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities (2005).

Financial

The year of 2011 has resulted in an overall surplus of £44k, however this includes unrealised investment losses of £214k. Grant Income was lower due to the completion of a number of projects for which funding was largely received in 2010. Offertory collections and legacies increased slightly offsetting lower investment income and donations. Funding the Papal Visit accounted for the higher than normal special collections in 2010.

Expenditure in 2011 decreased significantly mainly due to a number of major repair projects which were undertaken in 2010 coming to completion either in the prior year or early in 2011.

The Archdiocese remains extremely grateful to the number of parishes who generously provide loans (often interest free).

In accordance with FRS 30 and as disclosed in note 28 to the financial statements a prior year adjustment has been accounted for to recognise identified heritage assets.

Developments

All of the major projects reported in the previous year's Annual Report and Accounts have been completed and no new major repair or other significant projects have been started or undertaken during 2011. A number of small and medium sized repair and maintenance projects were carried out during the year.

As with prior years, it has been necessary that a number of capital projects have been put on hold until there is an upturn in our income and cash-flow streams.

Investments – Performance

Excluding the transfer into Investments of the National Contingency Investment Fund, there has been a modest reduction in the value of the investment portfolio. The short-term uncertainties of stock market investments should be acknowledged, but equities remain the long-term champions of real growth in income and capital. It is hoped that the market will continue to recover from its severe drop in 2008 and that 2012 will bring some stability for the immediate and long term future.

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<i>Market Value</i>	<i>FTSE All Share Index</i>	<i>Brewin Dolphin</i>	<i>Newton Management</i>	<i>Investec</i>	<i>Shares held separately</i>
At December 2010	3,062.85	£2,232,295	£5,681,852	-	£66,665
At December 2011	2,857.88	£1,990,870	£5,711,365	£3,329,365	£138,940
Percentage change in year	(6.7%)	(10.8%)	0.5%	-	108.4%

The three major portfolios have had a mixed performance during 2011, however when combined, their overall performance has outperformed the reduction in the FTSE All Share Index.

Reserves

It is Archdiocesan policy to increase our Unrestricted Funds in order to provide support to the parishes and the administration of the Archdiocese. As with previous years, it is essential that provision is made for the future, as at present our income is insufficient to meet our commitments. Our Endowment and Restricted Funds given for specific purposes are detailed in notes 18 and 19 to the accounts.

John Calder Trust

The primary purpose of the John Calder Trust has been fulfilled, as a result of The Grail Organisation in Scotland having been discontinued, wound up and removed from the Scottish Charity Register maintained by the Office of the Scottish Charity Regulator. Consequently, the trust estate of the John Calder Trust has been made over to the general funds of the Roman Catholic Archdiocese of St Andrews and Edinburgh, but specifically to help fund the ongoing formation of the lay faithful within the Archdiocese. Subsequently, the trust estate funds of the John Calder Trust are reported within the Curial Endowment Funds of the Roman Catholic Archdiocese of St Andrews and Edinburgh.

Investments – Policy

The Trustees have the power to invest in such stocks, shares, investments and property as they see fit. It is the Trustees' policy to invest in the Stock Market to obtain a balanced return combining capital and income growth to protect the real value of both capital and income. These investments will seek to achieve this by investing in a range of assets suitable for the investment of charitable monies, which will take account of our ethical requirements. The Trustees will not invest in anything that is contrary to the moral and ethical teachings of the Roman Catholic Church.

Grant Making

It is Archdiocesan policy to award grants to all retiring Archdiocesan clergy in addition to a monthly retirement allowance.

Grants may be made to any parish, which requires financial support, after a review by the relevant committees.

Parish Accounts

The Parish Accounts have again been included in the Archdiocesan accounts in order to reflect the overall financial position of the Archdiocese. This is a requirement of charity legislation. It has been achieved only by a great deal of extra work and the co-operation of most of the Parish Priests.

Risk Assessment

The Trustees have assessed the major risks to which the charity is exposed and systems have been established to mitigate them:

Financial

The Roman Catholic Church being a charitable institution is totally reliant on the generosity of its members.

As in previous recent years, the problem of falling Mass attendance combined with the current difficult and uncertain economic climate could seriously diminish the level of income which we can hope to attain.

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In addition, the reduction in the numbers of clergy means that the utilisation of the laity at both parish and diocesan level will inevitably increase the cost base of the Archdiocese. The continuing escalation of costs to maintain and repair our church properties is an ongoing expense which, in many cases, has to be borne by the Archdiocese.

In turn this has prompted the need for the production of a capital budget to cover the whole Archdiocese, which is still to be realised. The strain on our financial resources has become so great that, currently we have insufficient liquid funds to meet all of our capital requirements. We are only able to fund the capital projects by utilising the loans we have received from some of the parishes in the Archdiocese.

Health & Safety

As indicated in previous reports the legislation, which is applicable to all organisations, is actively being imposed on the Archdiocese. The Health and Safety legislation, which is obligatory for all parishes and organisations and which has been implemented and is on-going, will involve additional expenditure to ensure compliance. The Archdiocese continues to monitor and review this policy in the light of new legislation.

Child Protection & Vulnerable Adult Policy

The Archdiocese, in conjunction with the other Scottish Dioceses, complies with the policy formulated by the Episcopal Conference of Scotland and the Scottish Government. This sets out the guidelines for all organisations and individual volunteers throughout Scotland. It is again stressed that this must be complied with rigidly as any failure to comply with the standards could cause irreparable damage to an individual, the diocese and the church as a whole.

Strategic Plan

As already mentioned earlier in the report, the Cardinal and his advisors are consulting to form a strategic plan to address the major problem of falling numbers of clergy.

Future Plans

Pastoral

Following the production of the Archdiocesan programme "Together in Hope", ongoing consultation is in progress.

The Trustees and their advisors will continue to monitor the financial position of the Archdiocese to ensure that funds are available to meet their commitments. As indicated in the accounts, the Archdiocese has a large capital requirement over the next few years. It is proposed that the moratorium, which is currently in place, will continue for all expenditure except essential maintenance until the financial position is more stable. The Finance Committee is actively pursuing strategies to address the issues previously mentioned. The requirements of OSCR (Office of Scottish Charity Regulator) and the SORP 2005 (Statement of Recommended Practice) will continue to be the basis for the financial controls within the Archdiocese.

Financial

In conclusion, the Trustees wish to thank all the Archdiocesan personnel both clergy and laity for their hard work in 2011. A special word of thanks is given to the many volunteers throughout the Archdiocese for their continued involvement. Without this involvement the Archdiocese would not function and it is hoped that it will continue to become even stronger in the future.

Statement of Trustees Financial Responsibilities

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

The law applicable to charities in Scotland requires the trustees to prepare accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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Statement of Trustees' Financial Responsibilities (Contd.)

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 and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the terms of the charity's Founding Deed. The applicable law also sets out the trustees' responsibilities for the preparation and content of the trustees Annual Report. 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.

SIGNED ON BEHALF OF THE TRUSTEES

+ Keith Patrick Cardinal O'Brien

KEITH PATRICK O'BRIEN
Senior Trustee

3/10 2012

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS & EDINBURGH**



We have audited the accounts of The Roman Catholic Archdiocese of St Andrews & Edinburgh for the year ended 31 December 2011 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the 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 auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 5, the trustees are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2011 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 and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the accounts; or
- proper accounting records have not been kept; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

CHIENE + TAIT
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh EH3 6NL

AG 14002R 2012

Chiene + Tait is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2011

	Notes	Parishes			Curial				2011 Total Funds £'000	Restated 2010 Total Funds £000
		Un- restricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Un- restricted Funds £'000	Restricted Funds £'000	Permanent Endowment Funds £'000	Total Funds £'000		
INCOMING RESOURCES:										
Incoming Resources from Generated Funds										
Voluntary Income	2	5,000	684	5,684	325	56	-	381	6,065	6,958
Activities for generating Funds	3	1,073	-	1,073	-	-	-	-	1,073	967
Investment Income	4	83	-	83	465	76	48	589	672	783
Incoming resources from charitable activities	5	344	-	344	261	153	-	414	758	742
Other income – gains on disposal of fixed assets		23	-	23	-	-	-	-	23	-
TOTAL INCOMING RESOURCES		6,523	684	7,207	1,051	285	48	1,384	8,591	9,450
RESOURCES EXPENDED:										
Cost of generating funds										
Fundraising and other costs		283	-	283	-	-	-	-	283	293
Investment manager's fees		-	-	-	25	1	-	26	26	21
Charitable activities	7, 8	5,175	398	5,573	1,299	819	2	2,120	7,693	9,751
Governance costs	10	-	-	-	36	-	-	36	36	38
TOTAL RESOURCES EXPENDED		5,458	398	5,856	1,360	820	2	2,144	8,038	10,103
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		1,065	286	1,351	(309)	(535)	46	(798)	553	(653)
Gross transfers between funds:										
Parish Assessment, levies and special collections										
Other	19,20	(438)	(286)	(724)	69	655	-	724	-	-
NET INCOMING/(OUTGOING) RESOURCES AFTER TRANSFERS		627	-	627	(240)	120	46	(74)	553	(653)
Realised losses on sale of investments and heritable property		-	-	-	(159)	(75)	(41)	(275)	(275)	(21)
NET SURPLUS/(DEFICIT) FOR THE YEAR		627	-	627	(399)	45	5	(349)	278	(674)
Release from revaluation reserve on disposal of heritable property		(20)	-	(20)	-	-	-	-	(20)	-
Unrealised (losses)/gains on investments and investment properties	14,15	-	-	-	(130)	(27)	(57)	(214)	(214)	1,066
NET MOVEMENT ON FUNDS		607	-	607	(529)	18	(52)	(563)	44	392
Funds Brought Forward as previously stated	18,19,20	25,675	-	25,675	11,372	3,492	2,355	17,219	42,894	42,502
Prior year adjustment	28	689	-	689	364	-	-	364	1,053	1,053
Funds Brought Forward as restated	18,19,20	26,364	-	26,364	11,736	3,492	2,355	17,583	43,947	43,555
FUNDS CARRIED FORWARD	21	26,971	-	26,971	11,207	3,510	2,303	17,020	43,991	43,947

All of the Archdiocese activities are continuing. The notes on pages 11 to 25 form part of these accounts.

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

BALANCE SHEET

As at 31 December 2011

	Notes	2011 £'000	Restated 2010 £'000
Fixed Assets			
Tangible fixed assets	12	24,539	24,803
Heritage assets	13	1,053	1,053
Investments	14	11,171	7,981
National Contingency Investment fund	15	-	3,323
Total Fixed Assets		<u>36,763</u>	<u>37,160</u>
Current Assets			
Debtors	16	230	319
Cash at bank and in hand		8,031	7,657
Total Current Assets		<u>8,261</u>	<u>7,976</u>
Liabilities			
Creditors: amounts due within one year	17	(1,033)	(1,189)
Net current assets		<u>7,228</u>	<u>6,787</u>
Net Assets		<u>43,991</u>	<u>43,947</u>
The Funds of the Charity:			
Curial Endowments	18	2,303	2,355
Curial Restricted funds	19	3,510	3,492
Curial Unrestricted funds	20	11,207	11,736
Parish Unrestricted funds	20	26,971	26,364
Total Charity Funds	21	<u>43,991</u>	<u>43,947</u>

Approved by the Trustees on 3/10 2012

Keith Patrick O'Brien

 Keith Patrick O'Brien Trustee

Alistair Lawson

 Alistair Lawson Trustee

Philip J Kerr

 Philip J Kerr Trustee

The notes on pages 11 to 25 form part of these accounts

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

CASH FLOW STATEMENT

For the year ended 31 December 2011

	Note	2011 £'000	2010 £'000
Net cash inflow/(outflow) from operating activities	24	(28)	(1,140)
Returns on investments and servicing of finance			
Interest and investment income received		672	783
Net cash inflow from returns on investments and servicing of finance		672	783
Capital expenditure and financial investment			
Payments to acquire fixed assets		(47)	(170)
Payments to acquire investments		(7,199)	(1,088)
Receipts from the sale of fixed assets		135	42
Receipts from the sale of investments		6,888	1,168
Net cash inflow from capital expenditure and investments		449	735
Cash inflow/(outflow) before and after financing		421	(405)
Increase/(decrease) in cash in the year	25,26	421	(405)

The notes on pages 11 to 25 form part of these accounts

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS

For the year ended 31 December 2011

1 Accounting Policies

Basis of preparation

The Roman Catholic Archdiocese of St Andrews and Edinburgh is recognised as a Scottish Charity (No. SC008540) and the accounts are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, on an accruals basis and comply in every material respect with the Statement of Recommended Practice - Accounting and Reporting by Charities (2005) and the Charities Accounts (Scotland) Regulations 2006 (as amended). Parishes are considered to be part of the charity, and accordingly parish income, expenditure, assets and liabilities are reflected in the financial statements.

Going concern

The financial statements have been prepared on a going concern basis. The trustees have assessed the Charity's ability to continue as a going concern and have reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Offertory and Special Collections Income

Offertory and Special Collections Income is credited to the Statement of Financial Activities in the year in which it is receivable.

Donations and Legacies

Legacies are credited to the Statement of Financial Activities in the year in which they are receivable.

Grants

Grants are credited to the Statement of Financial Activities in the year in which they are receivable.

Income from Investments

Dividends and interest are credited to the Statement of Financial Activities in the year in which they are receivable.

Activities for generating funds

Activities for generating funds are credited to the Statement of Financial Activities in the year in which they are receivable.

Resources expended

Expenditure is recognised when a liability is incurred. Grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

- Costs of generating funds are those associated with generating incoming resources and charitable activities costs are those expended on meeting the Archdiocese's objectives.
- Charitable activities include expenditure associated with meeting the Archdiocese's primary objectives and include both the direct costs and the support costs relating to these activities.
- Governance costs are those of a constitutional, strategic, or statutory nature with respect to the general running of the Archdiocese, rather than day to day management.
- Costs directly attributable to Charitable activities and Governance, are allocated to the appropriate activity. Support costs, including staff costs, which cannot be directly attributed to an activity are allocated on the basis of an estimate of the time or resource expended on each activity.

Tangible Fixed Assets

All fixed assets, other than investment properties, are included in the accounts at their historical cost or estimation of their value in use, less depreciation which is provided in equal annual instalments over the estimated useful lives of the assets.

Certain assets which are inalienable and historic have not been capitalised or depreciated. While these assets are functional, due to their nature, cost information is unavailable and conventional valuation techniques cannot be applied. Consequently, no reliable value can be attributed these assets.

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2011

1 Accounting Policies (Contd.)

Heritage assets

Assets that, in the opinion of the Trustees, meet the definition of Heritage Assets under Financial Reporting Standard 30 ("FRS 30"), where appropriate, relevant and reliable valuation information is available, have been included in the balance sheet.

Depreciation is not charged on heritage assets as they are maintained in good condition and therefore considered to have indefinite useful lives.

Further details of the assets themselves are disclosed in note 13 to the financial statements.

Following the adoption of FRS 30 a prior year adjustment was made, further details of which are contained in note 28.

Depreciation

Heritable properties:-

Financial Reporting Standard (FRS) 15 requires all assets to be depreciated over their estimated economic life, taking account of any residual value of the assets. Heritable properties are considered to have a high residual value and a useful economic life in excess of 50 years. The heritable depreciation charge is therefore immaterial and no charge has therefore been made.

Where no charge for depreciation is made and where the useful economic life exceeds 50 years an impairment review should be carried out on an annual basis. Such a review has been performed and the Trustees are satisfied that the value of the properties under FRS 11 is not less than the carrying value in the financial statements.

Depreciation has been charged on the other fixed assets as follows:-

Furnishings and equipment	-	25% per annum on a straight line basis
Motor Vehicles	-	25% per annum on a straight line basis

These rates are calculated to write off the cost, less estimated residual value of each asset evenly over its expected useful life. Land valued in the accounts is not depreciated.

Items of equipment are capitalised where the purchase price exceeds £3,000.

Investment Properties

Investment properties are included in the balance sheet at open market value. In accordance with SSAP 19, depreciation is not provided on investment properties that are held as freehold investment properties. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot reasonably be separately identified or quantified.

Investments

In order to comply with the Statement of Recommended Practice investments are included in the Balance Sheet at market value at the year end, the unrealised gain or loss for the year being applied to the relevant fund. Gains or losses arising on the realisation of investments are applied to the income and expenditure account in the year in which the investments are realised.

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2011

1 Accounting Policies (Contd.)

Pensions

The Archdiocese operates three defined contribution pension schemes. Contributions to the scheme are charged to the Statement of Financial Activities. In addition, the Archdiocese accepts the responsibility to assist retired priests where possible under obligations arising from Canon Law. In accordance with this responsibility the Archdiocese provides accommodation and gratuities where appropriate. Amounts paid in respect of these obligations are financed by special collections and the Archdiocesan reserves, but are ultimately unfunded. Further details are included in notes 22 and 27 to the accounts.

Fund Accounting

The nature and purpose of each restricted and designated fund is explained in note 21.

Unrestricted funds represent the funds which the Trustees are free to use in accordance with the charitable objects.

Designated funds are unrestricted funds designated for particular purposes by the Trustees.

Restricted funds are derived from legacies, bequests and donations which were donated for purposes and which form the restricted funds of the Archdiocese. The Trustees may only use these restricted funds for the purpose for which they were given.

Endowment funds are invested in investments, the income from which is used for the normal operation of the Trust, and must be spent in accordance with the terms of the endowment.

2 Voluntary income	2011	2010
	<i>£'000</i>	<i>£'000</i>
Donations	391	534
Legacies	279	214
Special collections income	554	694
Offertory collections and gift aid	4,245	4,184
Miscellaneous collections and donations	135	114
Grants received	461	1,218
	<hr/>	<hr/>
	6,065	6,958
	=====	=====
3 Activities for generating funds	2011	2010
	<i>£'000</i>	<i>£'000</i>
Fundraising and parish hall and other property income	1,073	967
	<hr/>	<hr/>
	1,073	967
	=====	=====
4 Investment Income	2011	2010
	<i>£'000</i>	<i>£'000</i>
Income from listed investments	289	270
Bank interest receivable	11	9
Other interest receivable	7	10
National Contingency Investment Fund income	-	97
Rental income from investment properties	365	397
	<hr/>	<hr/>
	672	783
	=====	=====

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2011

5 Incoming resources from charitable activities	2011	2010
	<i>£'000</i>	<i>£'000</i>
Gillis Centre income	222	231
Mount Vernon cemetery income	152	150
Church stall	318	287
Chaplaincy income	53	62
Courses and workbook income	13	12
	-----	-----
	758	742
	=====	=====

6 Staff Costs	2011	2010
	<i>£'000</i>	<i>£'000</i>
<i>Diocese</i>		
Wages and salaries	605	604
Social security costs	48	50
Pension costs	19	14
	-----	-----
	672	668
Wages and salaries – parishes	669	684
	-----	-----
	1,341	1,352
	=====	=====

No employee receives in excess of £60,000 remuneration.

	No	No
Estimated average monthly number of employees for curial and parish activities during the year (full-time equivalent)	63	62
	-----	-----

The above numbers include lay men and women and religious sisters who were employed on a full-time basis but excludes parish priests. Priests who perform administrative duties for the Archdiocese do not receive remuneration for their services.

Three (2010: Three) Trustees in respect of their work as Parish Priests have received remuneration from the Archdiocese during the year. The Archbishop in respect of his work as Archbishop of the Archdiocese has received remuneration from the Archdiocese during the year. During the year no expenses were reimbursed to the Trustees incurred in attending Trustees' meetings. The Archdiocese has insurance to protect the Archdiocese from loss arising from neglect or default of its Trustees and insurance to indemnify the Trustees against the consequences of neglect or default on their part.

Trustees received remuneration from the Archdiocese during the year as follows:

	£	£
His Eminence Keith Patrick Cardinal O'Brien	2,582	2,455
Right Reverend Monsignor Alistair Lawson	2,582	2,455
Right Reverend Monsignor Philip J Kerr	2,582	2,455

The Trustees are also entitled to assistance in their retirement as detailed in note 27.

This remuneration is permitted under the provisions of Canon Law.

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2011

7 Parish charitable activities	2011	2010
	<i>£'000</i>	<i>£'000</i>
<i>Direct charitable activities</i>		
Special collections remitted	268	408
Travel and car expenses	238	206
Repairs and renovations	1,428	2,552
Church costs	1,055	1,198
Hall costs	188	221
Priests' house costs	966	931
Insurance	194	191
Staff salaries and national insurance	539	551
	<hr/>	<hr/>
	4,876	6,258
	<hr/>	<hr/>
<i>Support costs of charitable activities</i>		
Depreciation	163	172
Loss on disposal of motor vehicles	-	14
Retreats and courses	146	150
Professional and legal fees	18	11
Office and stationery	225	227
Interest payable	-	1
Donations	105	119
Miscellaneous	40	92
	<hr/>	<hr/>
	697	786
	<hr/>	<hr/>
Total parish charitable activities	5,573	7,044
	<hr/> <hr/>	<hr/> <hr/>
8 Diocesan charitable activities		
<i>Direct charitable activities</i>		
Staff salaries and national insurance	63	68
Education of priests and students	208	219
Grants paid (note 11)	71	134
Special collections	157	174
Mount Vernon cemetery costs	48	18
	<hr/>	<hr/>
	547	613
	<hr/>	<hr/>
<i>Support costs of charitable activities</i>		
Curial administration expenses	252	207
Curial property expenses	217	817
Care of sick and retired priests	267	249
Religious education and chaplaincies	304	285
Contribution to national assessments	129	129
Staff salaries and national insurance	398	388
Interest payable	6	19
	<hr/>	<hr/>
	1,573	2,094
	<hr/>	<hr/>
Total Diocesan charitable activities	2,120	2,707
	<hr/> <hr/>	<hr/> <hr/>
Total of notes 7 and 8	7,693	9,751
	<hr/> <hr/>	<hr/> <hr/>

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2011

9 Charitable activities	2011	2010
	<i>£'000</i>	<i>£'000</i>
Advancement of Religion (40%)	3,062	3,900
Advancement of Education (35%)	2,679	3,413
Relief of Poverty (15%)	1,148	1,463
Cure/alleviation of sickness/disease (10%)	766	975
	-----	-----
	7,655	9,751
	=====	=====

Charitable activities includes the direct costs of carrying out the charitable activities, along with the support costs. The support costs have been apportioned between the main charitable activities on the basis of time spent on each activity. All costs connected with charitable activities have been allocated to the four principal charitable objectives based on percentages determined by the trustees. These percentages are reviewed for reasonableness by the trustees on an annual basis.

10 Governance costs	2011	2010
	<i>£'000</i>	<i>£'000</i>
Auditor's remuneration in respect of audit services	36	38
	=====	=====

The remuneration paid to the auditors in respect of other professional services amounted to £32,305 (2010: £26,058).

11 Grants Paid	2011	2010
	<i>£'000</i>	<i>£'000</i>
The amounts payable in the year, which are included within charitable activities, comprise:		
Grants to institutions		
To fund the running of parishes	3	3
St Ninian's Day Parade	-	65
Marriage and family	13	20
Other institutional grants	30	30
	-----	-----
	46	118
	-----	-----
Grants to individuals		
Clergy – AICF	25	16
	-----	-----
	25	16
	-----	-----
Total Grants Paid (note 8)	71	134
	=====	=====

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2011

12 Tangible Fixed Assets	Investment Properties £'000	Land and Heritable Properties £'000	Furnishings and Equipment £'000	Motor Vehicle £'000	Total £'000
Asset cost, valuation or revalued amount					
Balance brought forward	6,107	17,303	1,580	441	25,431
Additions	-	(11)	21	37	47
Disposals	-	(130)	(19)	(7)	(156)
Balance carried forward	6,107	17,162	1,582	471	25,322
Depreciation					
Balance brought forward	-	-	331	297	628
Charge for the year	-	-	89	92	181
Disposal	-	-	(19)	(7)	(26)
Balance carried forward	-	-	401	382	783
Net Book Value					
As at 31 December 2011	6,107	17,162	1,181	89	24,539
As at 31 December 2010	6,107	17,303	1,249	144	24,803

Investment properties were independently valued by Ryden LLP, Chartered Surveyors, as at 30 April 2009 on the basis of open market value. The historic cost of the investment properties is £1,683,437 (2010: £1,683,437).

The Archdiocese owns St Mary's Cathedral together with a large number of properties throughout the 111 parishes. Most of the buildings are regarded as inalienable or historic assets, and while functional, no reliable cost information is available nor conventional valuation techniques possible. As a result, these properties are therefore excluded from the values above.

The non-adjoined property portfolio was independently valued by Ryden LLP, Chartered Surveyors, as at 30 April 2009 on the existing use basis.

Although the heritable and investment properties were independently valued by Ryden LLP at 30 April 2009, the Trustees are of the view that there is no significant difference in the carrying values of these properties at 31 December 2011.

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2011

13 Heritage Assets

	Parishes £'000	Curial £'000	Total £'000
Valuation			
At 1 January 2011(as previously reported)	-	-	-
Prior year adjustment	689	364	1,053
At 31 December 2011	689	364	1,053

There were no additions or disposals of heritage assets in the last five years.

The Trustees consider the following to fall within the definition of heritage assets under Financial Reporting Standard 30.

Artworks and artefacts and historic treasures

The Archdiocese is in possession of a variety of artworks, artefacts and historic treasures which have been commissioned or donated to the Diocese and Parishes over many years, and are held for both their historical and artistic significance. Their significance derives from association with the history of the Archdiocese, the Roman Catholic Church in Scotland, or Scottish art in general.

The Trustees have assessed where practicable the charity's heritage assets and have accounted for these assets where, in their opinion, reliable values are available. Other items identified have not been included because the Trustees consider that no reliable values can be attributed.

Management, preservation, valuation

Departments within the Archdiocesan Curia advise the Trustees and have responsibility for ensuring that the heritage assets are appropriately catalogued, maintained in good condition and covered by insurance. The condition and completeness of the heritage assets is reviewed periodically and is ongoing and reasonable access to the public is available on request. It is not the general policy of the Diocese to dispose of heritage assets and acquisitions are not currently made.

The heritage assets were valued in accordance with the accounting policies in note 1 as at 31 December 2011. These values are not considered to be materially different from values at 31 December 2009.

14 Investments

	2011 £'000	2010 £'000
Market value at beginning of year	7,981	7,261
Additions	7,199	1,089
Disposals	(3,795)	(1,190)
Unrealised (loss)/gain	(214)	821
Market value at end of year	11,171	7,981
Cost at 31 December 2011	10,512	6,375

All investments are listed and dealt on a recognised stock exchange.

Investments at market value comprised:-

Investments held in the UK	10,514	7,607
Investments held out with the UK	657	374
	11,171	7,981

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2011

14 Investments (contd.)

Investments include the following investments which are greater than 5% of the portfolio valuation.

	£'000
SRI Fund for Charities	941
Goldman Sachs AM Sterling Liquid Resources	1,600
	=====

15 National Contingency Investment Fund

This fund is administered by the Dioceses of Scotland. Each Diocese's annual contribution increases in line with the rate of inflation. This investment, which is repayable on demand, was set up to provide funds which would be available to meet future Diocesan needs. These figures relate to the Archdiocesan Contribution. Thirteen annual contributions have been paid. The investment was disposed of in May 2011 and the proceeds reinvested in the main portfolio.

	2011 £'000	2010 £'000
Market value at 1 January 2011	3,323	3,078
Disposals	(3,323)	-
Unrealised gain	-	245
	-----	-----
Market value at 31 December 2011	-	3,323
	=====	=====
Cost at 31 December 2011	-	1,741
	=====	=====

16 Debtors	2011 £'000	2010 £'000
Other debtors	230	319
	=====	=====

17 Creditors: amounts due within one year	2011 £'000	2010 £'000
Bank overdraft	724	771
Accruals	72	88
Other creditors	237	330
	-----	-----
	1,033	1,189
	=====	=====

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2011

	Balance at 1			Transfers	Realised and Unrealised (losses)/ gains on	Balance at 31
18 Curial Endowments	January 2011	Incoming Resources	Outgoing Resources	Between Funds	Investments	December 2011
	£'000	£'000	£'000	£'000	£'000	£'000
Funds for special purposes	2,355	48	(2)	-	(98)	2,303
19 Restricted Funds						
<i>Curial:</i>						
Special Collections	401	-	(231)	256	-	426
Ecclesiastical Education Fund	-	(1)	(167)	168	-	-
Aged and Infirm Clergy Fund	1,560	51	(264)	66	(43)	1,370
Rev J C Barry Trust	16	-	-	-	-	16
Cathedraticum	-	-	(13)	13	-	-
Mount Vernon	665	169	(111)	-	(22)	701
Vocations	60	-	(1)	2	-	61
SPRED	22	-	-	-	-	22
Mission Fund	601	16	(17)	-	(25)	575
Sick Priests' Fund	59	1	(1)	-	-	59
Margaret Sinclair Fund	75	6	(1)	-	(12)	68
Friendly Society	4	-	(1)	-	-	3
Farquharson Fund	17	-	-	-	-	17
Stipend Fund	12	4	(4)	-	-	12
Portico Fund	-	39	(9)	(30)	-	-
Adult Lay Formation	-	-	-	180	-	180
Total curial restricted funds	3,492	285	(820)	655	(102)	3,510
Parish restricted funds	-	684	(398)	(286)	-	-

ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2011

20 Unrestricted Funds	Restated	Incoming Resources	Outgoing Resources	Transfers Between Funds	Realised	Dec 2011
	As at 1				And unrealised	
	Jan 2011	Resources	Resources	Funds	(Losses)/ Gains	2011
	£'000	£'000	£'000	£'000	£'000	£'000
Designated Funds:-						
Development Fund	135	-	-	-	-	135
Building Reserve Fund	158	-	-	-	-	158
Priests on Foreign Missions	8	-	(4)	-	-	4
Parish Support Fund	5	-	-	-	-	5
Adult Lay Formation Fund	180	-	-	(180)	-	-
National Contingency Fund	3,323	-	-	(3,323)	-	-
Gains on sale of heritable property	372	-	-	-	-	372
	<u>4,181</u>	<u>-</u>	<u>(4)</u>	<u>(3,503)</u>	<u>-</u>	<u>674</u>
Other Unrestricted Funds:						
Curial Central Fund	4,220	1,051	(1,356)	3,572	(289)	7,198
Curial Revaluation Fund	3,335	-	-	-	-	3,335
	<u>11,736</u>	<u>1,051</u>	<u>(1,360)</u>	<u>69</u>	<u>(289)</u>	<u>11,207</u>
Parish unrestricted fund	<u>26,364</u>	<u>6,523</u>	<u>(5,458)</u>	<u>(438)</u>	<u>(20)</u>	<u>26,971</u>
Curial opening unrestricted funds as previously stated	11,372					
Prior year adjustment (notes 13 and 28)	<u>364</u>					
Curial opening unrestricted funds restated	<u>11,736</u>					
Parish opening unrestricted funds as previously stated	25,675					
Prior year adjustment (notes 13 and 28)	<u>689</u>					
Parish opening unrestricted funds restated	<u>26,364</u>					

ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2011

21 Analysis of Net Assets between Funds	Tangible Fixed Assets £'000	Heritage Assets £'000	Invest- ments £'000	Net Current Assets/ (Liabilities) £'000	Total £'000
Endowments:-					
Funds for Special Purposes	500	-	2,504	(701)	2,303
Restricted Funds:					
Special collections	-	-	-	426	426
Ecclesiastical Education Fund	-	-	-	-	-
Aged and Infirm Clergy Fund	250	-	511	609	1,370
Rev. J C Barry Trust	-	-	-	16	16
Mount Vernon	-	-	365	336	701
Vocations	-	-	-	61	61
SPRED	-	-	-	22	22
Mission Fund	-	-	517	58	575
Sick Priest's Fund	-	-	50	9	59
Margaret Sinclair	-	-	78	(10)	68
Friendly Society	-	-	-	3	3
Farquharson Fund	-	-	-	17	17
Stipend Fund	-	-	-	12	12
Portico Fund	-	-	-	-	-
Adult Lay Formation Fund	-	-	-	180	180
	250	-	1,521	1,739	3,510
Unrestricted Funds:					
Designated Funds:					
Development Fund	-	-	-	135	135
Building Reserve Fund	-	-	-	158	158
Priests on Foreign Missions Fund	-	-	-	4	4
Parish Support Fund	-	-	-	5	5
Gains on sale of Heritable Property	-	-	-	372	372
	-	-	-	674	674
Other Unrestricted Funds:					
Curial Central Fund	4,767	-	7,146	(4,715)	7,198
Revaluation Fund	2,971	364	-	-	3,355
Total curial unrestricted funds	7,738	364	7,146	(4,041)	11,207
Total parish unrestricted funds	16,051	689	-	10,231	26,971
Total	24,539	1,053	11,171	7,228	43,991

ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2011

21 Analysis of Net Assets between Funds (Contd.)

Endowment Funds

1 Funds for Special Purposes

These funds have been given to the Archdiocese for the exclusive benefit of certain clearly defined specific purposes, relating to the charity's general charitable objectives.

Other Restricted Funds

2 Special Collections

These funds represent the balance of collections taken up in the parishes of the Archdiocese for particular causes due to be remitted as at the year end.

3 Ecclesiastical Education Fund

This fund relates to the training of students for the priesthood.

4 Aged and Infirm Clergy Fund

This fund is for the care and support of clergy who have retired from active service due to age or ill-health.

5 Rev J C Barry Trust

This fund is to be used to send Edinburgh students to the Holy Land, preferably to study on a recognised course.

6 Cathedraticum

This fund helps to meet the costs of the Cardinal's office.

7 Mount Vernon Fund

This fund is to be used for the maintenance of Mount Vernon Cemetery in Edinburgh.

8 Vocations Fund

This fund is to be used to meet expenses incurred in promoting vocations to the priesthood.

9 SPRED

This fund is to be used to provide assistance to allow disabled people to take their rightful place in the parish community.

10 Mission Fund

This fund is to be used for the benefit of Archdiocesan clergy.

11 Sick Priests Fund

This fund is to be used for the care of sick priests.

12 Margaret Sinclair Fund

This fund is for costs incurred in pressing the case for Margaret Sinclair to become a saint.

13 Friendly Society

This fund is to be used for the relief of poverty of Archdiocesan clergy.

14 Farquharson Fund

This fund is to be used for the benefit of Archdiocesan clergy.

15 Stipend Fund

This fund is to be used for redistribution of stipend money.

16 Portico Fund

This fund is to be used to meet the expense of employment and self development of the Episcopal Delegate.

ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2011

21 Analysis of Net Assets between Funds (Contd.)

17 Adult Lay Formation

These funds represent amounts set aside by the Trustees to fund expenditure on lay people.

Following a review during the year the Trustees considered that this fund is restricted and it was therefore transferred in full from designated funds prior to the year end.

Designated Funds

18 Development Fund

This fund is for future capital projects of the Archdiocese.

19 Priests on Foreign Missions Fund

These funds represent amounts set aside by the Trustees for expenditure on priests on foreign missions.

20 Parish Support Fund

This fund represents amounts set aside by the Trustees for administrative assistant for parishes.

21 Gains on Sale of Heritable Properties

This fund represents the accumulated net gains realised on the disposal of property.

22 National Contingency Investment Fund

This fund represents the market value of investments, purchased with annual sums set aside from income, to provide the Archdiocese with a reserve fund which could be readily utilised at the Trustees' discretion. Interest generated is allocated to the designated building reserve fund. This investment was disposed of in May 2011 and reinvested in the general portfolio.

23 Building Reserve Fund

This fund represents amounts set aside by the Trustees for future building projects.

22 Pension commitments

The Archdiocese operates three defined contribution pension schemes. The assets of the schemes are held separately from those of the Archdiocese in independently administered funds. The pension cost charge represents contributions payable by the Archdiocese to the funds and amounted to £18,744 in the year (2010: £14,390).

23 Capital and major repairs commitments

	2011	2010
	£'000	£'000
Amount contracted for but not provided in the accounts	326	381
	-----	-----
	326	381
	=====	=====

The above commitments are shown net of grant funding to be received.

ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2011

24 Reconciliation of net incoming (ougoing)/resources before unrecognised gains and exceptional item to net cash inflow/(outflow) from operating activities	2011	2010
	<i>£'000</i>	<i>£'000</i>
Net surplus/(deficit) for the year	278	(674)
Interest and investment income	(672)	(783)
Depreciation	181	180
Loss on disposals of investments	275	21
(Gain)/loss on disposal of other fixed assets	(23)	14
Decrease in debtors	89	25
(Decrease)/increase in creditors	(156)	77
	-----	-----
Net cash inflow/(outflow) from operating activities	(28)	(1,140)
	=====	=====
25 Reconciliation of net cash flow to movement in funds	2011	2010
	<i>£'000</i>	<i>£'000</i>
Increase/(decrease) in cash in the year	421	(405)
	-----	-----
Change in funds	421	(405)
Net funds at beginning of year	6,886	7,291
	-----	-----
Net funds at end of year	7,307	6,886
	=====	=====

26 Analysis of changes in funds	At	Cash	At
	1 January	flows	31 Dec
	2011	£'000	2011
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Cash at bank and in hand	7,657	374	8,031
Bank overdraft	(771)	47	(724)
	-----	-----	-----
	6,886	421	7,307
	=====	=====	=====

27 Contingent liability

In accordance with its responsibilities under Canon Law the Diocese provides accommodation and gratuities where appropriate to former priests of the Parish. Due to annual variations in the numbers of parish priests qualifying for assistance, together with a variable age of retirement, it is not possible to assess and quantify reliably future commitments to this expenditure, and accordingly no provision has been made in these financial statements.

28 Prior year adjustment

As disclosed in note 13, the Archdiocese has a collection of assets which are held for both their historical and artistic significance. These have been considered by the Trustees in view of the requirements of FRS30 and where appropriate and relevant valuation information is available, have been included in the balance sheet at valuation. As this represents a change in accounting policy, prior year opening reserves have been restated by £1,053,000 in this regard.

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

DETAILED INCOME and EXPENDITURE ACCOUNT

For the year ended 31 December 2011

	Total 2011 £'000	Total 2010 £'000
Income		
Investment income	672	783
Gillis and AICF property income	222	231
Special collections income	554	694
Legacies	279	214
Donations	391	534
Offertory collections and gift aid	4,245	4,184
Fundraising and hall rental	1,073	967
Church stall	318	287
Grants received	461	1,218
Miscellaneous	135	114
Mount Vernon cemetery income	152	150
Chaplaincy income	53	62
Courses and workbooks	13	12
Gain on disposal of fixed assets	23	-
Total income	8,591	9,450
Expenditure		
<u>Direct charitable expenditure:</u>		
Staff costs	602	619
Special collections expenditure	425	582
Education of priests and students	208	219
Grants paid	72	134
Mount Vernon cemetery costs	46	18
Property expenses	3,831	5,093
Travel and car expenses	238	206
<u>Support costs of charitable activities:</u>		
Staff costs	398	388
Care of sick and retired priests	267	249
Religious education, chaplaincies and pastoral activities	304	285
Retreats and courses	146	150
Contributions to national assessments	130	129
Donations	105	119
Miscellaneous	78	92
Administration expenses	620	617
Property expenses	217	817
Interest payable	6	20
Loss on disposal of motor vehicles	-	14
<u>Costs of generating funds</u>		
Investment managers' fees	26	21
Fundraising and church stall costs	283	293
<u>Governance costs</u>	36	38
Total expenditure	8,038	10,103
Net incoming/(outgoing) resources for the year	553	(653)
Realised losses on sale of investments and heritable property	(275)	(21)
Net surplus/(deficit) for the year	278	(674)

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

DETAILED BALANCE SHEET

As at 31 December 2011

	Parish £'000	Curial £'000	Sub-total £'000	Removed on consol £'000	2011 £'000	Restated 2010 £'000
Fixed Assets						
Tangible Fixed Assets	16,051	8,488	24,539	-	24,539	24,803
Heritage Assets	689	364	1,053	-	1,053	1,053
Investments	-	11,171	11,171	-	11,171	7,981
NCIF	-	-	-	-	-	3,323
Total Fixed Assets	16,740	20,023	36,763	-	36,763	37,160
Current Assets						
Other debtors	141	236	377	(147)	230	319
Loans from parishes	-	3,201	3,201	(3,201)	-	-
Loans from curial	6,653	-	6,653	(6,653)	-	-
Cash at bank	7,021	1,010	8,031	-	8,031	7,657
Total current assets	13,815	4,447	18,262	(10,001)	8,261	7,976
Liabilities						
Creditors: amounts due within one year						
Other creditors	(133)	(1,047)	(1,180)	147	(1,033)	(1,189)
Loans from parishes	-	(6,653)	(6,653)	6,653	-	-
Loans from curial	(3,451)	-	(3,451)	3,451	-	-
Total current liabilities	(3,584)	(7,700)	(11,284)	10,251	(1,033)	(1,189)
Net current assets/(liabilities)	10,231	(3,253)	6,978	250	7,228	6,787
Net Assets	26,971	16,770	43,741	250	43,991	43,947
Funds of the charity:						
Curial Endowments	-	2,303	2,303	-	2,303	2,355
Curial Restricted	-	3,510	3,510	-	3,510	3,492
Curial Unrestricted	-	10,957	10,957	250	11,207	11,736
Parish Unrestricted	26,971	-	26,971	-	26,971	26,364
Total charity funds	26,971	16,770	43,741	250	43,991	43,947

Balances between curial and parish are eliminated for the purposes of the full Archdiocesan balance sheet on page 9.