

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

ANNUAL REPORT and ACCOUNTS

For the year ended 31 December 2012

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

ANNUAL REPORT and ACCOUNTS

For the year ended 31 December 2012

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THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

TRUSTEES' REPORT 2012

Reference & Administrative Details

The Roman Catholic Archdiocese of St Andrews & Edinburgh ("the Archdiocese") 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

His Eminence Keith Patrick Cardinal O'Brien was nominated Archbishop of the Archdiocese of St. Andrews and Edinburgh on 30th May 1985, and ordained as Archbishop on 5th August 1985.

His Eminence Keith Patrick Cardinal O'Brien, as Archbishop, assumed the office of Trustee, ex officio.

As Archbishop, His Eminence Keith Patrick Cardinal O'Brien named Monsignor Alistair Lawson and Monsignor Philip Kerr as Vicars General to assist him in the day to day governance of the Archdiocese. The holders of these positions assumed the office of Trustee ex officio.

The Trustees of the Archdiocese during the year ended 31 December 2012 were:-

Name	Position	Appointed by
His Eminence Keith Patrick Cardinal O'Brien	Trustee	Ex Officio
Monsignor Alistair Lawson	Trustee	Archbishop
Monsignor Philip J Kerr	Trustee	Archbishop

On 25 February 2013, the Cardinal Archbishop's resignation being definitively accepted by Pope Benedict XVI, the Roman Catholic Archdiocese of St Andrews and Edinburgh entered the period of interim governance known as *sede vacante*.

For the interim period of *sede vacante*, Pope Benedict XVI provided for the stable governance of the Archdiocese with the nomination of an Apostolic Administrator, Most Rev. Philip Tartaglia, Archbishop and Metropolitan of Glasgow, on 27 February 2013. The Apostolic Administrator's decree of nomination supplies him with the rights, offices and faculties of a diocesan bishop, within the norms of canon law. In the day to day governance of the Archdiocese, the Apostolic Administrator has named Rt Rev. Stephen Robson, titular bishop of Tunnuna, as his Delegate, to assist him in a way analogous to a vicar general. The Apostolic Administrator has also named Monsignor Alistair Lawson and Monsignor Philip Kerr as Delegates to assist him and Rt Rev. Stephen Robson in the governance of the Archdiocese. The Apostolic Administrator delegates powers to his Delegates as the need arises.

During the time of *sede vacante*, the offices of vicar general, which assist an Archbishop in his governance of the Archdiocese, cease.

The Most Rev. Philip Tartaglia, as the Apostolic Administrator, assumes the office of Trustee, ex officio.

In addition to himself, the Most Rev. Philip Tartaglia, as Apostolic Administrator, has named and appointed the following people as charity trustees of the Roman Catholic Archdiocese of St Andrews and Edinburgh on 24th April 2013.

Name	Position	Appointed by
Most Reverend Philip Archbishop Tartaglia	Trustee	Ex Officio
Right Reverend Stephen Robson	Trustee	Apostolic Administrator
Monsignor Alistair Lawson	Trustee	Apostolic Administrator
Monsignor Philip Kerr	Trustee	Apostolic Administrator
Helen Gardner-Swift	Trustee	Apostolic Administrator

These were the trustees at the time the financial statements were approved.

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

TRUSTEES' REPORT 2012

Reference & Administrative Details (contd.)

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

Structure, Governance & Management

Organisational Structure

During the year ended 31 December 2012 the Archdiocese comprised 105 parishes located in various cities, towns 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 and the Vicars General.

From 25 February 2013, when the Archdiocese entered a period of *sede vacante*, the offices of Vicar General and Vicar Episcopal ceased. Parish Priests during the period of *sede vacante* are accountable to the Apostolic Administrator and his Delegates.

TRUSTEES' REPORT 2012

Governance

The Archdiocese utilises a committee structure to administer its affairs, with the Archbishop automatically a member of all committees. The following are the main committees used for administration purposes during the year ended 31 December 2012:

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

From 25 February 2013, when the Archdiocese entered a period of *sede vacante*, all committees formally ceased to exist with the exception of the College of Consultors and the Finance Committee. Other committees meet as delegated by the trustees to assist them as required.

The Apostolic Administrator automatically became a member of all functioning committees from the date of his appointment on 27 February 2013.

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

During the year ended 31 December 2012 the Archbishop had overall responsibility for the management of the Archdiocese. From 27 February 2013 the Apostolic Administrator had 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 subsequently the Apostolic Administrator, and his advisors. Support is 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.

TRUSTEES' REPORT 2012

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.

In previous years, the Cardinal and his advisors have produced a Pastoral Plan for the Archdiocese called "Now is the favourable time". This attempts to address the falling numbers of clergy and religious persons in the Archdiocese by clustering parishes and revising Deanery boundaries. The consultation process was on going during 2012, however, has been put on hold during the period of *sede vacante*.

Financial Review

Financial

The year of 2012 resulted in an overall movement on funds of £1,358k. This includes a net surplus of £715k and unrealised investment gains of £643k.

Incoming resources have increased by £641k due mainly to an increase in voluntary income of £316k and a one-off gain to recognise the value of a parish house which had not previously been included in the valuation of properties. The improvement in voluntary income was due largely to increases in donations and legacies received, as well as an increase in offertory collections and gift aid. Income from investments increased by £73k and incoming resources from charitable activities increased by £74k, primarily due to receiving a one off insurance claim relating to a fire at Mount Vernon. These increases have been partly offset by a decrease in parish fundraising of £24k.

Expenditure in 2012 increased by £483k due to increases in charitable activity costs at both parish and curial level. At the parish level, increases in the costs related to running the churches throughout the Archdiocese have been partly offset by decreases in repair and renovation costs. At the curial level, there were increases in costs at Mount Vernon due to refurbishment and repairs following damage caused by a fire and small increases in curial administration and care of sick and retired priests.

The Archdiocese remains extremely grateful to the number of parishes who generously provide loans (often interest free). A small number of parish loans provided to the Archdiocese were reclassified as long term loans during 2012, which greatly assists the Curia in managing its cashflows and working capital requirements.

Developments

One major project commenced during 2012, to demolish and re-build a parish hall at St.Patrick's, Kilsyth. No other major projects were undertaken during the year.

A number of small and medium sized repair and maintenance projects were carried out during the year.

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

Investments – Performance

There has been an overall increase in the value of the investment portfolio during 2012. 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 and it is hoped that the markets will continue to provide stability for the immediate and long term future.

Market Value	FTSE All Share Index	Brewin Dolphin	Newton Management	Investec	Shares held separately
At December 2011	2,857.88	£1,990,870	£5,711,365	£3,329,365	£138,940
At December 2012	3,093.41	£2,190,600	£6,187,442	£3,471,479	£68,574
Percentage change in year	8.2%	10.0%	8.3%	4.3%	(49.4)%

The value of shares held separately decreased due to a savings bond being realised during 2012 and is now held as cash at bank.

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

TRUSTEES' REPORT 2012

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 Restricted and Endowment Funds given for specific purposes are detailed in notes 17 and 18 to the accounts.

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 are included in the Archdiocesan accounts in order to reflect the overall financial position of the Archdiocese as required by charity legislation. The Trustees extend their thanks to the Parish Priests and their finance committees for their co-operation and efforts in assisting with this obligation.

Risk Assessment

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

Governance

The trustees are aware of the need to review, update and document policies, procedures and guidance to enable the efficient and effective governance of the Archdiocese to continue. On an on-going basis the trustees have established a governance sub-group to consider various governance points and to produce and recommend to the trustees various governance documents for approval.

One of the key areas the trustees have been keen to address is the need to appoint more trustees, and to appoint some lay trustees. Whilst this did not take place during 2012, it has been enacted in the early part of 2013 where the number of trustees was increased from three to five, including the appointment of one lay trustee.

During 2012 a Director of Finance was appointed to lead the finance function of the Archdiocese. This is a new role within the Archdiocese, part of whose remit is to update the financial regulations and procedures of the Archdiocese where required and together with the governance sub-group, assist with the review and update of various governance documents.

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 the Archdiocese can hope to attain.

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. This in turn has prompted the need to review and limit capital expenditure across the Archdiocese.

TRUSTEES' REPORT 2012

Financial (contd.)

The strain on the central financial resources of the Archdiocese remains great however and the Archdiocese relies heavily on loans it receives from parishes in the Archdiocese to be able to fund capital projects.

Health & Safety

Health and Safety legislation continues to place additional compliance requirements on the Archdiocese. This legislation, which is obligatory for all parishes and organisations, will involve additional expenditure to ensure compliance.

Child Protection & Vulnerable Adult Policy

The Archdiocese, in conjunction with the other Scottish Dioceses, follows 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 and the Trustees expect that all people within the Church community of the Archdiocese comply with this policy and its guidelines to prevent the physical, sexual, emotional abuse or neglect of children, young people and adults at risk.

Strategic Plan

As already mentioned earlier in this report, the Cardinal and his advisors during 2012 were in the process of consulting to form a strategic plan to address the major problem of falling numbers of clergy, however, following the resignation of the Cardinal in February 2013, the creation of a new strategic plan has been put on hold until a new Archbishop has been appointed.

Future Plans

Future consideration of new pastoral plans has been put on hold until the appointment of a new Archbishop has taken place.

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. Whilst the Archdiocese has a large capital requirement over the next few years, it is proposed that capital expenditure will continue to be limited for all projects except essential maintenance and health and safety projects until the financial position is more stable. The Trustees and their advisors continue to pursue and develop 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 form the basis for the financial controls within the Archdiocese.

In conclusion, the Trustees wish to thank all the Archdiocesan personnel, both clergy and laity, for their hard work during 2012 with a special word of thanks 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.

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

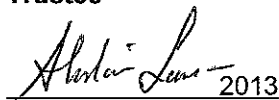
TRUSTEES' REPORT 2012

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

**Alistair Lawson
Trustee**

 2013

26/06/2013 .

We have audited the accounts of The Roman Catholic Archdiocese of St Andrews & Edinburgh for the year ended 31 December 2012 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 6, 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 2012 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

26 June 2013

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 2012

	Notes	Parishes			Curial				2012 Total Funds £'000	2011 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	5,522	508	6,030	529	36	-	565	6,595	6,065
Activities for generating Funds	3	786	-	786	-	-	-	-	786	810
Investment Income	4	102	-	102	527	64	52	643	745	672
Incoming resources from charitable activities	5	566	-	566	435	94	-	529	1,095	1,021
Other income – gains on disposal of fixed assets		11	-	11	-	-	-	-	11	23
TOTAL INCOMING RESOURCES		6,987	508	7,495	1,491	194	52	1,737	9,232	8,591
RESOURCES EXPENDED:										
Cost of generating funds										
Fundraising and other costs		95	-	95	-	-	-	-	95	36
Investment manager's fees		-	-	-	41	-	-	41	41	26
Charitable activities	7, 8	5,804	201	6,005	1,518	824	2	2,344	8,349	7,940
Governance costs	10	-	-	-	36	-	-	36	36	36
TOTAL RESOURCES EXPENDED		5,899	201	6,100	1,595	824	2	2,421	8,521	8,038
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		1,088	307	1,395	(104)	(630)	50	(684)	711	553
Gross transfers between funds:										
Parish Assessment, levies and special collections	18,19	(488)	(307)	(795)	303	576	(84)	795	-	-
NET INCOMING/(OUTGOING) RESOURCES AFTER TRANSFERS		600	-	600	199	(54)	(34)	111	711	553
Realised gains/(losses) on sale of investments		-	-	-	(5)	5	4	4	4	(275)
NET SURPLUS/(DEFICIT) FOR THE YEAR		600	-	600	194	(49)	(30)	115	715	278
Release from revaluation reserve on disposal of heritable property		-	-	-	-	-	-	-	-	(20)
Unrealised gains/(losses) on investments and investment properties	14	-	-	-	458	97	88	643	643	(214)
NET MOVEMENT ON FUNDS		600	-	600	652	48	58	758	1,358	44
Funds Brought Forward	17,18,19	26,971	-	26,971	11,207	3,510	2,303	17,020	43,991	43,947
FUNDS CARRIED FORWARD	20	27,571	-	27,571	11,859	3,558	2,361	17,778	45,349	43,991

All of the Archdiocese activities are continuing. The notes on pages 12 to 26 form part of these accounts.

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

BALANCE SHEET

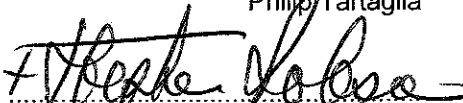
As at 31 December 2012

	Notes	2012	2011
		£'000	£'000
Fixed Assets			
Tangible fixed assets	12	24,827	24,539
Heritage assets	13	1,053	1,053
Investments	14	11,918	11,171
Total Fixed Assets		37,798	36,763
Current Assets			
Debtors	15	220	230
Cash at bank and in hand		8,198	8,031
Total Current Assets		8,418	8,261
Liabilities			
Creditors: amounts due within one year	16	(867)	(1,033)
Net current assets		7,551	7,228
Net Assets		45,349	43,991
The Funds of the Charity:			
Curial Endowments	17	2,361	2,303
Curial Restricted funds	18	3,558	3,510
Curial Unrestricted funds	19	11,859	11,207
Parish Unrestricted funds	19	27,571	26,971
Total Charity Funds	20	45,349	43,991

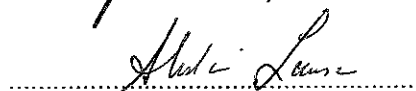
Approved by the Trustees on 26/06 2013



 Philip Tartaglia Trustee



 Stephen Robson Trustee



 Alistair Lawson Trustee



 Philip Kerr Trustee



 Helen Gardner-Swift Trustee

The notes on pages 12 to 26 form part of these accounts

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

CASH FLOW STATEMENT

For the year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Net cash inflow/(outflow) from operating activities	23	62	(28)
Returns on investments and servicing of finance			
Interest and investment income received		745	672
Net cash inflow from returns on investments and servicing of finance		745	672
Capital expenditure and financial investment			
Payments to acquire fixed assets		(272)	(47)
Payments to acquire investments		(5,153)	(7,199)
Receipts from the sale of fixed assets		22	135
Receipts from the sale of investments		5,053	6,888
Net cash outflow from capital expenditure and investments		(350)	(223)
Cash inflow before and after financing		457	421
Increase in cash in the year	24,25	457	421

The notes on pages 12 to 26 form part of these accounts

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS

For the year ended 31 December 2012

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 to these assets.

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2012

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.

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 2012

1 Accounting Policies (Contd.)

Pensions

The Archdiocese operates one defined contribution pension scheme. 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 21 and 26 to the accounts.

Fund Accounting

The nature and purpose of each restricted and designated fund is explained in note 20.

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	2012	2011
	<i>£'000</i>	<i>£'000</i>
Donations	714	391
Legacies	476	279
Special collections income	508	554
Offertory collections and gift aid	4,384	4,245
Miscellaneous collections and donations	188	135
Grants received	325	461
	6,595	6,065
	6,595	6,065
3 Activities for generating funds	2012	2011
	<i>£'000</i>	<i>£'000</i>
Fundraising and parish hall and other property income	786	810
	786	810
	786	810
4 Investment Income	2012	2011
	<i>£'000</i>	<i>£'000</i>
Income from listed investments	362	289
Bank interest receivable	7	11
Other interest receivable	4	7
Rental income from investment properties	372	365
	745	672
	745	672

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2012

5 Incoming resources from charitable activities	2012	2011
	<i>£'000</i>	<i>£'000</i>
Gillis Centre income	232	222
Cathedral complex income	218	263
Mount Vernon cemetery income	95	152
Mount Vernon insurance income	187	-
Church stall	318	318
Chaplaincy income	37	53
Courses and workbook income	8	13
	1,095	1,021
	1,095	1,021

6 Staff Costs	2012	2011
	<i>£'000</i>	<i>£'000</i>
<i>Diocese</i>		(as restated)
Wages and salaries	633	605
Social security costs	44	48
Pension costs	17	19
	694	672
Wages and salaries – parishes	434	430
	1,128	1,102
	1,128	1,102

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

	No	No
Average number of employees for curial and parish activities during the year (full-time equivalent)	54	55
	54	55

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.

During the year, the Trustees received further information regarding parish wages and salaries as well as the average number of employees. As a result, the prior year figures have been re-stated.

Three (2011: 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	2,600	2,582
Right Reverend Monsignor Alistair Lawson	2,600	2,582
Right Reverend Monsignor Philip J Kerr	2,600	2,582

The Trustees are also entitled to assistance in their retirement as detailed in note 26.

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 2012

7 Parish charitable activities	2012	2011
	£'000	£'000
<i>Direct charitable activities</i>		(as re-presented)
Special collections remitted	198	268
Travel and car expenses	210	238
Repairs and renovations	1,397	1,428
Church costs	1,441	1,302
Hall costs	249	188
Priests' house costs	980	966
Insurance	203	194
Retreats and courses	123	146
Donations	150	105
Staff salaries and national insurance	555	539
	<hr/>	<hr/>
	5,506	5,374
	<hr/>	<hr/>
<i>Support costs of charitable activities</i>		
Depreciation	167	163
Professional and legal fees	10	18
Office and stationery	239	225
Interest payable	1	-
Miscellaneous	82	40
	<hr/>	<hr/>
	499	446
	<hr/>	<hr/>
Total parish charitable activities	6,005	5,820
	<hr/> <hr/>	<hr/> <hr/>
 8 Diocesan charitable activities		
	2012	2011
	£'000	£'000
<i>Direct charitable activities</i>		(as re-presented)
Staff salaries and national insurance	59	63
Education of priests and students	182	208
Grants paid (note 11)	77	71
Special collections	159	157
Religious education and chaplaincies	286	304
Mount Vernon cemetery costs	191	48
	<hr/>	<hr/>
	954	851
	<hr/>	<hr/>
<i>Support costs of charitable activities</i>		
Curial administration expenses	291	252
Curial property expenses	251	217
Care of sick and retired priests	284	267
Contribution to national assessments	134	129
Staff salaries and national insurance	426	398
Interest payable	4	6
	<hr/>	<hr/>
	1,390	1,269
	<hr/>	<hr/>
Total Diocesan charitable activities	2,344	2,120
	<hr/> <hr/>	<hr/> <hr/>
 Total of notes 7 and 8	8,349	7,940
	<hr/> <hr/>	<hr/> <hr/>

The Trustees have re-presented the figures in notes 7 and 8 to more accurately reflect the split between direct and support costs at both the parish and curial level.

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2012

9 Charitable activities	2012	2011
	<i>£'000</i>	<i>£'000</i>
Advancement of Religion (40%)	3,491	3,176
Advancement of Education (35%)	2,818	2,779
Relief of Poverty (15%)	1,097	1,191
Cure/alleviation of sickness/disease (10%)	943	794
	-----	-----
	8,349	7,940
	=====	=====

Charitable activities include the direct costs of carrying out the charitable activities, along with the support costs. Support costs, where possible, have been apportioned between the associated charitable activities on the basis of estimated time spent on each activity, otherwise support costs 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	2012	2011
	<i>£'000</i>	<i>£'000</i>
Auditor's remuneration in respect of audit services	36	36
	=====	=====

The remuneration paid to the auditors in respect of other professional services amounted to £23,269 (2011: £32,305).

11 Grants Paid	2012	2011
	<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
Scottish Churches Housing	5	2
Lourdes pilgrimage	24	-
Marriage and family – Other	-	13
Scottish Marriage Care	29	28
Other institutional grants	9	-
	-----	-----
	67	46
	-----	-----
Grants to individuals		
Clergy – AICF	-	25
Adult Lay Formation	10	-
	-----	-----
	10	25
	-----	-----
Total Grants Paid (note 8)	77	71
	=====	=====

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2012

12 Tangible Fixed Assets	Investment Properties £'000	Land and Heritable Properties £'000	Furnishings and Equipment £'000	Motor Vehicle £'000	Total £'000
Asset cost or valuation					
Balance brought forward	6,107	17,162	1,582	471	25,322
Additions	-	192	144	136	472
Disposals	-	-	(2)	(136)	(138)
Balance carried forward	6,107	17,354	1,724	471	25,656
Depreciation					
Balance brought forward	-	-	401	382	783
Charge for the year	-	-	92	81	173
Disposal	-	-	(2)	(125)	(127)
Balance carried forward	-	-	491	338	829
Net Book Value					
As at 31 December 2012	6,107	17,354	1,233	133	24,827
As at 31 December 2011	6,107	17,162	1,181	89	24,539

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 (2011: £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 2012.

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2012

13 Heritage Assets

	Parishes £'000	Curial £'000	Total £'000
Valuation			
At 1 January 2012 and at 31 December 2012	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. The definition of heritage assets also excludes fixed assets held for functional purpose such as religious worship and as a result, altars, tabernacles, relics, vestments and crucifixes are not included in the above value.

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 2012.

14 Investments	2012 £'000	2011 £'000
Market value at beginning of year	11,171	7,981
Additions	5,153	7,199
Disposals	(5,049)	(3,795)
Unrealised gain/(loss)	643	(214)
Market value at end of year	11,918	11,171
Cost at 31 December 2012	10,645	10,512

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

Investments at market value comprised:-

Investments held in the UK	11,312	10,514
Investments held out with the UK	606	657
	11,918	11,171

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2012

14 Investments (contd.)

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

	£'000	
SRI Fund for Charities	2,221	
	=====	
15 Debtors	2012	2011
	£'000	£'000
Other debtors	220	230
	=====	=====
16 Creditors: amounts due within one year	2012	2011
	£'000	£'000
Bank overdraft	434	724
Accruals	138	72
Other creditors	295	237
	-----	-----
	867	1,033
	=====	=====

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2012

	Balance at 1 January 2012 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers Between Funds £'000	Realised and Unrealised (losses)/ gains on Investments £'000	Balance at 31 December 2012 £'000
17 Curial Endowments						
Funds for special purposes	2,303	52	(2)	(84)	92	2,361

18 Restricted Funds

Curial:

Special Collections	426	-	(266)	227	-	387
Ecclesiastical Education Fund	-	-	(168)	168	-	-
Aged and Infirm Clergy Fund	1,370	37	(253)	78	49	1,281
Taggart Bursary	-	5	-	-	-	5
Rev J C Barry Trust	16	-	-	-	-	16
Cathedraticum	-	-	(15)	15	-	-
Mount Vernon	701	103	(67)	-	22	759
Vocations	61	-	-	4	-	65
SPRED	22	-	-	-	-	22
Mission Fund	575	16	(13)	-	26	604
Sick Priests' Fund	59	2	(1)	-	-	60
Margaret Sinclair Fund	68	2	-	-	5	75
Friendly Society	3	-	-	-	-	3
Farquharson Fund	17	-	-	-	-	17
Stipend Fund	12	4	(6)	-	-	10
Porticus Trust	-	25	(25)	-	-	-
Adult Lay Formation	180	-	(10)	84	-	254
Total curial restricted funds	3,510	194	(824)	576	102	3,558
Parish restricted funds	-	508	(201)	(307)	-	-

ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2012

	As at 1	Incoming	Outgoing	Transfers	Realised	As at 31
19 Unrestricted Funds	Jan	Resources	Resources	Between	(Losses)/	Dec
	2012	£'000	£'000	Funds	Gains	2012
	£'000	£'000	£'000	£'000	£'000	£'000
Designated Funds:-						
Development Fund	135	-	-	-	-	135
Building Reserve Fund	158	-	-	-	-	158
Priests on Foreign Missions	4	-	(8)	4	-	-
Parish Support Fund	5	-	-	-	-	5
Gains on sale of heritable property	372	-	-	-	-	372
	674	-	(8)	4	-	670
Other Unrestricted Funds:						
Curial Central Fund	7,198	1,491	(1,587)	299	453	7,854
Curial Revaluation Fund	3,335	-	-	-	-	3,335
Total curial unrestricted funds	11,207	1,491	(1,595)	303	453	11,859
Parish unrestricted fund	26,971	6,987	(5,899)	(488)	-	27,571

ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2012

20 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	-	2,729	(868)	2,361
Restricted Funds:					
Special collections	-	-	-	387	387
Ecclesiastical Education Fund	-	-	-	-	-
Aged and Infirm Clergy Fund	250	-	557	474	1,281
Taggart Bursary	-	-	-	5	5
Rev. J C Barry Trust	-	-	-	16	16
Mount Vernon	-	-	389	370	759
Vocations	-	-	-	65	65
SPRED	-	-	-	22	22
Mission Fund	-	-	489	115	604
Sick Priest's Fund	-	-	50	10	60
Margaret Sinclair	-	-	83	(8)	75
Friendly Society	-	-	-	3	3
Farquharson Fund	-	-	-	17	17
Stipend Fund	-	-	-	10	10
Adult Lay Formation Fund	-	-	-	254	254
	250	-	1,568	1,740	3,558
Unrestricted Funds:					
Designated Funds:					
Development Fund	-	-	-	135	135
Building Reserve Fund	-	-	-	158	158
Parish Support Fund	-	-	-	5	5
Gains on sale of Heritable Property	-	-	-	372	372
	-	-	-	670	670
Other Unrestricted Funds:					
Curial Central Fund	4,760	-	7,621	(4,527)	7,854
Revaluation Fund	2,971	364	-	-	3,335
Total curial unrestricted funds	7,731	364	7,621	(3,857)	11,859
Total parish unrestricted funds	16,346	689	-	10,536	27,571
Total	24,827	1,053	11,918	7,551	45,349

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2012

20 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 Taggart Bursary
This fund is to be used for four Edinburgh students in Rome or Spain to study at the Scots College.
- 6 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.
- 7 Cathedraticum
This fund helps to meet the costs of the Cardinal's office.
- 8 Mount Vernon Fund
This fund is to be used for the maintenance of Mount Vernon Cemetery in Edinburgh.
- 9 Vocations Fund
This fund is to be used to meet expenses incurred in promoting vocations to the priesthood.
- 10 SPRED
This fund is to be used to provide assistance to allow disabled people to take their rightful place in the parish community.
- 11 Mission Fund
This fund is to be used for the benefit of Archdiocesan clergy.
- 12 Sick Priests Fund
This fund is to be used for the care of sick priests.
- 13 Margaret Sinclair Fund
This fund is for costs incurred in pressing the case for Margaret Sinclair to become canonised.
- 14 Friendly Society
This fund is to be used for the relief of poverty of Archdiocesan clergy.
- 15 Farquharson Fund
This fund is to be used for the benefit of Archdiocesan clergy.
- 16 Stipend Fund
This fund is to be used for redistribution of stipend money.
- 17 Porticus Trust
This fund receives grants to support particular activities and projects within the Archdiocese.

ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2012

20 Analysis of Net Assets between Funds (Contd.)

18 Adult Lay Formation

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

Designated Funds

19 Development Fund

This fund is for future capital projects of the Archdiocese.

20 Priests on Foreign Missions Fund

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

21 Parish Support Fund

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

22 Gains on Sale of Heritable Properties

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

23 Building Reserve Fund

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

21 Pension commitments

The Archdiocese operates one defined contribution pension scheme. The assets of the scheme 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 £17,016 in the year (2011: £18,744).

22 Capital and major repairs commitments

	2012	2011
	£'000	£'000
Amount contracted for but not provided in the accounts	556	326
	=====	=====

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 2012

23 Reconciliation of net surplus to net cash inflow/(outflow) from operating activities

	2012 £'000	2011 £'000
Net surplus for the year	715	278
Interest and investment income	(745)	(672)
Depreciation	173	181
Assets donated	(200)	-
(Gain)/loss on disposals of investments	(4)	275
Gain on disposal of other fixed assets	(11)	(23)
Decrease in debtors	10	89
Increase/(decrease) in creditors	124	(156)
	-----	-----
Net cash inflow/(outflow) from operating activities	62	(28)
	=====	=====

24 Reconciliation of net cash flow to movement in funds

	2012 £'000	2011 £'000
Increase in cash in the year	457	421
	-----	-----
Change in funds	457	421
Net funds at beginning of year	7,307	6,886
	-----	-----
Net funds at end of year	7,764	7,307
	=====	=====

25 Analysis of changes in funds

	At 1 January 2012 £'000	Cash flows £'000	At 31 Dec 2012 £'000
Cash at bank and in hand	8,031	167	8,198
Bank overdraft	(724)	290	(434)
	-----	-----	-----
	7,307	457	7,764
	=====	=====	=====

26 Contingent liability

In accordance with its responsibilities under Canon Law the Archdiocese provides support, accommodation and gratuities where appropriate to former priests of the Parish, through the operation of the restricted fund for the Aged and Infirm Clergy.

For the year ended 31 December 2012 the total amount of funding provided for the care of the Aged and Infirm clergy amounted to £253,000 (2011; £264,000).

Whilst it is expected that the commitments of the Aged and Infirm Clergy fund will increase in the near future, due to annual variations in the number 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.

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

DETAILED INCOME and EXPENDITURE ACCOUNT

For the year ended 31 December 2012

	Total 2012 £'000	Total 2011 £'000
Income		
Investment income	745	672
Gillis and AICF property income	232	222
Special collections income	508	554
Legacies	476	279
Donations	714	391
Offertory collections and gift aid	4,384	4,245
Fundraising and hall rental	786	810
Church stall	318	318
Cathedral complex income	218	263
Grants received	325	461
Miscellaneous	188	135
Mount Vernon cemetery income	95	152
Mount Vernon insurance income	187	-
Chaplaincy income	37	53
Courses and workbooks	8	13
Gain on disposal of fixed assets	11	23
Total income	9,232	8,591
Expenditure		
<u>Direct charitable expenditure:</u>		
Staff costs	614	602
Special collections expenditure	357	425
Education of priests and students	182	208
Grants paid	77	72
Mount Vernon cemetery costs	191	46
Property expenses	4,270	4,078
Religious education, chaplaincies and pastoral activities	286	304
Retreats and courses	123	146
Travel and car expenses	210	238
<u>Support costs of charitable activities:</u>		
Staff costs	426	398
Care of sick and retired priests	284	267
Contributions to national assessments	134	130
Donations	150	105
Miscellaneous	86	78
Administration expenses	291	232
Office and stationery	239	225
Property expenses	251	217
Depreciation	173	163
Interest payable	5	6
<u>Costs of generating funds</u>		
Investment managers' fees	41	26
Fundraising and church stall costs	95	36
<u>Governance costs</u>	36	36
Total expenditure	8,521	8,038
Net incoming resources for the year	711	553
Realised gains/(losses) on sale of investments and heritable property	4	(275)
Net surplus for the year	715	278

THE ROMAN CATHOLIC ARCHDIOCESE OF ST ANDREWS AND EDINBURGH

DETAILED BALANCE SHEET

As at 31 December 2012

	Parish £'000	Curial £'000	Sub-total £'000	Removed on consol £'000	2012 £'000	2011 £'000
Fixed Assets						
Tangible Fixed Assets	16,346	8,481	24,827	-	24,827	24,539
Heritage Assets	689	364	1,053	-	1,053	1,053
Investments	-	11,918	11,918	-	11,918	11,171
Total Fixed Assets	17,035	20,763	37,798	-	37,798	36,763
Current Assets						
Other debtors	118	254	372	(152)	220	230
Loans to parishes	-	3,160	3,160	(3,160)	-	-
Loans to curial	6,742	-	6,742	(6,742)	-	-
Cash at bank	7,206	992	8,198	-	8,198	8,031
Total current assets	14,066	4,406	18,472	(10,054)	8,418	8,261
Liabilities						
Creditors: amounts due within one year						
Other creditors	(210)	(809)	(1,019)	152	(867)	(1,033)
Loans from parishes	-	(3,613)	(3,613)	3,613	-	-
Loans from curial	(3,320)	-	(3,320)	3,320	-	-
Total current liabilities	(3,530)	(4,422)	(7,952)	7,085	(867)	(1,033)
Net current assets/(liabilities)	10,536	(16)	10,520	(2,969)	7,551	7,228
Creditors: amounts falling due after one year						
Loans from parishes	-	(3,129)	(3,129)	3,129	-	-
Net assets	27,571	17,618	45,189	160	45,349	43,991
Funds of the charity:						
Curial Endowments	-	2,361	2,361	-	2,361	2,303
Curial Restricted	-	3,558	3,558	-	3,558	3,510
Curial Unrestricted	-	11,699	11,699	160	11,859	11,207
Parish Unrestricted	27,571	-	27,571	-	27,571	26,971
Total charity funds	27,571	17,618	45,189	160	45,349	43,991

Balances between curial and parish are eliminated for the purposes of the full Archdiocesan balance sheet on page 10.