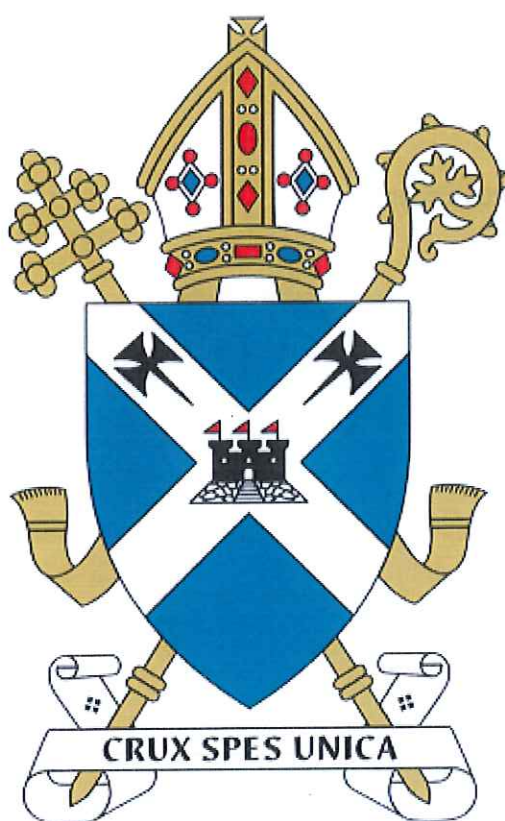


# ARCHDIOCESE OF ST ANDREWS & EDINBURGH

## ANNUAL REPORT and ACCOUNTS

For the year ended 31 December 2018



*Quare verum (ICAS)*

*Et cognoscetis veritatem et veritas liberabit vos (John 8:32)*

**ARCHDIOCESE OF ST ANDREWS & EDINBURGH**

**ANNUAL REPORT and ACCOUNTS**

**For the year ended 31 December 2018**

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## TRUSTEES' REPORT

The Trustees present their report and accounts for the year ended 31 December 2018.

### 1. Our charitable objectives are: -

- The advancement of the Roman Catholic Religion.
- The advancement of education.
- The relief of poverty.
- The cure or alleviation of human sickness or disease.

### 2. Activities undertaken to achieve these objectives

All of the apostolic work of the Archdiocese is rooted in life with Jesus Christ in both prayer and sacrament.

The fulfilment of our charitable aims finds priests, religious and lay people undertaking a range of apostolic works most often aimed at serving those in greatest need. We help provide:

- A network of 72 parishes across 10 local authority areas
- A network of 69 Catholic primary schools and 10 Catholic high schools
- Chaplains to 34 hospitals and three hospices
- Chaplains to three prisons and one young offender institution
- Chaplains to six universities

It is through this extensive network that we assist a significant number of beneficiaries: parishioners, families, the elderly, the young, the sick, the dying, the poor and those in prison. In addition, the Archdiocese through its network of parishes continues to support and assist the work of external agencies such as the Scottish Catholic International Aid Fund, Missio Scotland, the Society of St Vincent de Paul, the Apostleship of the Sea, Mary's Meals, the Sisters of the Gospel of Life and African Missions and Holy Places. All such beneficiaries are aligned with the charitable objectives of the Archdiocese.

### 3. Achievements & Performance

The estimated weekly Sunday Mass attendance across the Archdiocese is around 24,670. During 2018 there were 1,059 Baptisms (2017: 1,174) and 202 Marriages (2017: 222); there were no seminarians ordained to the priesthood during 2018, with seven seminarians in training for the priesthood and two others in training for the permanent diaconate at the end of 2018.

#### 3.1. Parishes

"A parish is a certain community of the Christian faithful stably constituted in a particular church, whose pastoral care is entrusted to a pastor (*parochus*) as its proper pastor (*pastor*) under the authority of the diocesan bishop," Code of Canon Law 515 §1.

The primary mechanism for fulfilling the charitable aims of the Archdiocese of St Andrews & Edinburgh is the local parish. It is the parish where the Gospel of Jesus Christ is proclaimed, the sacraments are administered, practical charity is performed and the young, in conjunction with the family and the local authority, are educated.

The Catholic Church envisages that a bishop serve his priests who, in turn, serve their lay people, forming them spiritually and intellectually, helping them to grow in holiness and equipping them to re-evangelise their local community.

Following Archbishop Cushley's pastoral letter "We Have Found the Messiah" in 2015, parish consultation meetings in 2015 & 2016 and discussion with the Council of Priests, in April 2018, Archbishop Cushley announced plans to merge parishes, reducing the number from 101 to 72, retaining most church buildings, closing only five. All of these mergers have been completed.

The newly merged parishes have been working to combine committees, finances and parish activities, using a variety of resources to support their new work together.



## TRUSTEES' REPORT

### 3.2. Education

The Archdiocese partners with local government and families in 10 Catholic high schools and 69 Catholic primary schools. Education Scotland's reports found these schools to be strong in all areas.

During November and December, an icon of "Jesus the Teacher" toured the Archdiocese marking the centenary of the 1918 Education Act which transferred Scotland's Catholic schools into the state sector. The tour began with hundreds of school pupils from across the Archdiocese gathering at St Mary's Metropolitan Cathedral in Edinburgh, Wednesday 21 November, to welcome the icon.

During 2018 we recruited a Religious Education Advisor, who provides support to teachers in these schools and is developing professional learning programmes to ensure that they remain accessible and relevant.

### 3.3. Practical Charity

A key focus for relieving poverty within the Archdiocese is the extensive parish network of Society of St Vincent de Paul conferences, who undertook 12,689 home visits to the poor and vulnerable; made 2,068 visits to the sick in hospital; assisted 1,613 families financially; supplied furniture to 2,392 families; and transported 4,522 people to Sunday Mass.

### 3.4. Pastoral Ministry

The chief pastor of the Archdiocese of St Andrews & Edinburgh is Archbishop Cushley whose authority derives from being a direct successor of Christ's Apostles in communion with the Holy See. He fulfils this role with the help and assistance of the lay faithful and clergy, including Vicars Episcopal for five areas of pastoral concern: Catechetics; Marriage and Families; Caritas, Justice and Peace; Ecumenism and Interfaith; and an Office for Clergy and Religious. Each Vicar Episcopal chairs a commission composed of several qualified lay volunteer Catholics, religious and clergy in the particular field entrusted to them. Over the past year each commission has continued to develop relevant programmes and events.

**The Catechetics Commission** have organised well attended training days for Extraordinary Ministers of Holy Communion; Altar Server; Lectors; Children's Liturgy Leaders; and, (with the Archdiocesan Youth Initiative), catechetical talks for young adults during Lent and Advent. Catechetical guides for weekly children's liturgy in parishes are produced.

The **Marriage & Family Life Commission** has refreshed the provision of marriage preparation across the Archdiocese with regular courses now available to engaged couples at the Gillis Centre, Edinburgh; they have worked closely with the Archdiocesan Pro-Life Office to establish pro-life groups in most parishes; and they have also co-operated with Fertility Care Scotland to better promote Natural Family Planning in parishes.

In November 2018, the **Caritas, Justice & Peace Commission** marked Pope Francis's World Day for the Poor by organising a pan-diocesan day of awareness and fundraising for the Sisters of Mercy and Missionaries of Charity, both of whom work with the homeless in Edinburgh. £23k was raised across the Archdiocese and distributed to these two charities. The Vicar Episcopal for Caritas, Justice & Peace is working with SPRED volunteers to give it a sustainable future and to extend SPRED's work to other parishes.

### 3.5. Archdiocese events

Beyond the core work of the Archdiocese in parishes and schools, a number of larger events were undertaken during 2018:

*3 June 2018: St Margaret's Pilgrimage, Dunfermline, Fife* - Hundreds of pilgrims joined together for an ecumenical service at Dunfermline Abbey, visits to the historic sites associated with St Margaret and the procession of the saint's relics before Holy Mass at St Margaret's RC Memorial Church.



## TRUSTEES' REPORT

*6-13 July 2018: Annual Archdiocesan Pilgrimage to Lourdes, France* - Over 250 pilgrims of all ages made the Archdiocesan pilgrimage to Lourdes, led by Archbishop Cushley. Seven volunteers received the Hospitalité Medal marking five years of service to the pilgrimage.

*6 September 2018: Bishop Robert Barron filled the Usher Hall, Edinburgh* - Bishop Robert Barron of Los Angeles addressed a packed Usher Hall in Edinburgh, encouraging us in "Proclaiming Christ in our Culture". The talk was live streamed to over 20,000 viewers, Bishop Barron's message was that the renewal of culture begins with the renewal of the Church, which means a return to Jesus Christ, "If we have not evangelised successfully it is because we have forgotten Jesus,"

*9 September 2018: Pilgrimage in honour of Venerable Margaret Sinclair, Edinburgh* - Hundreds of pilgrims made their way to St Patrick's in Edinburgh's Cowgate on Sunday 9 September 2018 to pray at the tomb of the Venerable Margaret Sinclair (1900-25) for her beatification. Margaret Sinclair was born in Cowgate, one of six children who grew up in poverty in a two-room basement. In 1923 Margaret entered a Convent and became Sister Mary Francis of the Five Wounds, where she helped the poor before dying of tuberculosis in 1925. She was declared Venerable by Pope Paul VI in 1978.

*6 October 2018: The Role of the Laity in the Church Today Conference, Edinburgh* - Professor Helen Alvaré, a leading lay voice in the Catholic Church, addressed a one-day Archdiocesan conference on the role of the laity in contemporary Catholicism.

### 3.6. Organisational Development

#### *Curia*

The role of the diocesan curia is to support that work of the Archbishop and, in keeping with the Catholic principle of subsidiarity, to provide assistance to parishes in those areas of service delivery which they may struggle to generate locally, such as safeguarding training, health and safety guidance, and financial guidance & support.

The curial offices of the Archdiocese include the chancery, communications, safeguarding, property, schools and finance departments.

During 2018 the structural changes in the Curia were completed with the appointment of an RE adviser for schools and a manager for the Chancery and Administration team. There have been a number of new appointments to existing posts follow retirements and moves to new jobs.

#### *Key Management Group*

Development of the Key Management Group continued during 2018 with a joint meeting of the Finance Committee and Trustees. At the time of publishing this report, the Canon Law Finance Committee and Charity Trustees (which have similar responsibilities set out, respectively, in Canon Law and Civil Law) are being combined so that all of our experienced volunteers meet together and can hear each other's views on the matters discussed, and so that their overlapping responsibilities can be clearly discharged without convoluted co-ordination.

#### *Mount Vernon Cemetery*

Opened in 1895, with 40,000 people now interred, there are plots available for continued interment. The cemetery roads were resurfaced in April 2018, and boundary wall repairs are now underway. Funds are being raised to renovate the "priests' circle".

## 4. Financial Review

These accounts have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Statement of Recommended Practice: Accounting and Reporting by Charities (the "SORP") preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102).

The notes to the accounts set out on pages 16 to 33 provide further details on the accounting policies used in preparing these accounts.



## TRUSTEES' REPORT

The year has resulted in a net deficit on funds of (£13,000) with a surplus of £1,121,000 attributable to the funds of the Parishes and a deficit of (£1,134,000) attributable to Curial funds.

Included within the net movement on curial funds is a realised loss on investments of (£68,000) and an unrealised loss on investments of (£1,215,000). Included within the net movement on parish funds is an unrealised loss on investments of (£1,000).

Total income has increased by £577,000 to £9,593,000 in the year. Donations and legacies increased by £739,000, other trading activities increased by £22,000 and investment income increased by £126,000, offset by a decrease in income from charitable activities of £339,000.

Total expenditure has decreased by £1,768,000 to £8,322,000 due to a reduction of £572,000 in the cost of Charitable Activities and a decrease of £36,000 in the cost of Raising Funds.

The cost of Parish charitable activities decreased by £83,000 compared to an increase in the cost of repairs and renovations during 2017; and the cost of Curial Charitable Activities decreased by £489,000 following the restructuring during 2017. Further details on the cost of Charitable Activities are set out in note 8 on page 23.

The main sources of income for Parishes is donations and legacies, which includes offertory and gift aid income as well as amounts received from special collections, given through the generosity of parishioners.

The funds which support the work of the curia are derived from investment income, an annual assessment / levy received from parishes, and a grant received from the Charleston Estate. Special collections are received by parishes and transferred to the curia for specific purposes, which are either utilised for internal purposes such as the Aged and Infirm and Clergy fund or distributed onward to the intended third party beneficiary.

Excluding gains or losses from investments and property sales, (and in 2017 the additional provision for retired priests), the underlying surplus on curia activities, including transfers from parishes, was £133,000, an improvement from the underlying deficit of (£395,000) in 2017. Curia resources remain under pressure to meet commitments to educate seminarians and deacons and provide support to retired clergy, as well as fulfil national responsibilities to the Bishops' Conference of Scotland, and administer the diocesan offices (Chancery, Property, Safeguarding, Finance, Schools, Communications).

During the year no major capital projects were undertaken.

### 4.1. Investments – Performance

The value of the Archdiocesan investment portfolios decreased during 2018 as follows.

<b>Market Value</b>	<b>FTSE All Share Index</b>	<b>Brewin Dolphin £'000</b>	<b>Standard Life £'000</b>	<b>Investec £'000</b>	<b>Shares held separately £'000</b>
At December 2018	3,675	2,385	6,292	6,486	87
At December 2017	4,222	2,659	6,797	7,604	84

The short-term uncertainties of stock market investments are acknowledged; however, the Trustees remain of the view that equities and stocks will provide real growth in income and capital in the long term.

### 4.2. Investment Policy

The Trustees have 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. The investment managers seek to achieve this by investing in a range of assets suitable for charitable monies, which take account of our ethical requirements. The Trustees have adopted an ethical investment policy based on the teaching of the Catholic Church, which is kept under review, the ethical policy lists activities which the investment portfolios must avoid.

### 4.3. Reserves

The total reserves of the Archdiocese at the end of 2018 amount to £50,700,000.

The balance of unrestricted reserves at the end of the year was £45,825,000, with £26,377,000 of this balance represented by tangible fixed assets and heritage assets. The amount of reserves represented by tangible



## TRUSTEES' REPORT

fixed assets and heritage assets is realisable only if these assets were to be sold. Unrestricted free reserves at the year-end were £19,448,000 (excluding tangible fixed assets and heritage assets). Curia unrestricted free reserves were £4,365,000 and Parish unrestricted free reserves were £15,083,000.

The balance of restricted reserves at the end of the year was £3,449,000 with £157,000 of these reserves represented by tangible fixed assets.

The balance of endowment reserves at the end of the year was £1,426,000 with no amount of tangible fixed assets included within the balance of this reserve.

It is the Trustees' objective to increase unrestricted funds in order to provide support to the parishes and the administration of the Archdiocese. During the year the unrestricted parish reserves increased by £1,118,000 and unrestricted curia reserves decreased by (£1,059,000). Excluding realised and unrealised losses on investments relating to the unrestricted funds of the curia of (£992,000), the unrestricted reserves of the curia would have decreased by (£67,000).

This underlying negative movement on curia unrestricted funds for the year arises as a result of the support provided by way of transfer of funds from the unrestricted to the restricted reserves of the curia, which in 2018 amounted to £486,000.

The transfer of £486,000 is made to meet the portion of the costs of the Ecclesiastical Students Fund, the Aged and Infirm Clergy Fund ("AICF") and the Special Collection Funds that could not be met during the year, wholly by assets of the respective restricted funds themselves or from income received specifically for the purposes of these restricted funds.

It is the intention of the Trustees to increase the reserves of the AICF over a period of time by implementing a number of fundraising measures to increase income for the AICF. Until such times as the AICF reserves have increased sufficiently to support the annual costs of the fund, the unrestricted reserves of the curia will continue to provide support to the AICF, principally from income derived from unrestricted investments.

During the year special collections were taken throughout the parishes of the Archdiocese for the benefit of the Aged and Infirm Clergy Fund resulting in special collection income of £99,000 (2017 - £118,000).

The restricted and endowment funds which have been given for specific purposes are detailed in notes 18 and 20 to the accounts.

### 4.4. Reserves Policy:

**General Funds** are maintained in order to respond to needs that arise in the Archdiocese, to hold property and to hold investments, with part of the investment income currently being used to support the AICF.

**Restricted Funds** (shown in notes 18 and 20). The balances required vary by fund and are kept under review. The AICF reserves need to be increased in order to meet expected future retirement costs.

**Endowment Funds.** The capital is maintained, and income is spent in accordance with the terms of the endowment. There has been some accumulation of income which is now being reviewed and spent.

## 5. Future Plans

The Archdiocese continues to promote the Gospel of Jesus Christ, in accordance with the teachings of the Catholic Church, and to carry out the mission of the Church throughout the Archdiocese of St Andrews & Edinburgh. This will be carried out through the continuation of current activities and ongoing development, including the work of the Vicars Episcopal and their commissions.

The Trustees and their advisors continue to monitor the financial position of the Archdiocese to ensure that the stewardship of resources and the availability of funds to meet commitments is managed for the long term welfare of the Archdiocese.

Capital expenditure will continue to be limited for all projects except for essential maintenance and health and safety projects. The Trustees, with their advisors and managers, continue to pursue and develop strategies to address the financial pressures previously mentioned. All areas of expenditure remain under scrutiny, seeking reductions where possible.



## TRUSTEES' REPORT

The requirements of OSCR and the Statement of Recommended Practice: Accounting and Reporting by Charities (the "SORP") FRS102 in conjunction with the requirements of Canon Law, continue to form the basis for the financial controls and governance of the Archdiocese.

### 6. Leadership, management and governance

The Archdiocese of St Andrews & Edinburgh ("the Archdiocese") was established by the Apostolic Letter *Ex Supremo* of Pope Leo XIII dated 4 March 1878, restoring the Catholic Hierarchy in Scotland, which had been extinct since 1603.

The Most Reverend Leo William Cushley is the Ordinary of the Archdiocese and is responsible for ensuring the good governance of the Catholic Church within the Archdiocese. The Archdiocese has charitable status and is a Designated Religious Charity under the Charities and Trustee Investment (Scotland) Act 2005. The charity is registered in Scotland with charity number SC008540.

#### 6.1. Management of Risks

Whilst risk management can limit risk it does not eliminate risk. The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operation and finances of the charity and are satisfied that the systems that are in place to mitigate exposure to these risks are operating effectively. The key risks identified by the Trustees, and steps being taken to mitigate them are set out below:

##### *Governance*

The Trustees consider that sound governance arrangements are central to the operations and activities of the Archdiocese.

During the review work being undertaken the Trustees want to ensure that the administrative structure remains fit for purpose, supports local parishes, provides an effective governance framework with sound financial systems and controls, and with processes and procedures that mitigate against identified risks. At the time of publishing this report, the Canon Law Finance Committee and Charity Trustees (which have similar responsibilities set out, respectively, in Canon Law and Civil Law) are about to be combined so that all of these experienced volunteers meet together and can hear each other's views on the matters discussed, and so that their overlapping responsibilities can be clearly discharged without convoluted co-ordination.

##### *Strategic Plan*

An expected reduction in the number of clergy over the next five years presents a number of challenges to the Archdiocese. During 2018 we have worked through the parish merger plan, reducing the number of parishes from 104 to 72 (most by merging parishes which were previously working in clusters). We continue to develop support to parishes from Religious Orders and from Priests seconded for medium term appointments, from Europe, India and Africa.

##### *Financial*

The Trustees recognise the financial pressures on the central finances of the curia and parishes and are committed to looking at ways to maintain and enhance financial sustainability, and to link this with the pastoral planning of the Archdiocese.

##### *Health & Safety*

Health and Safety legislation continues to place additional compliance requirements on the Archdiocese. This legislation, which is mandatory for all parishes and organisations, is likely to require additional resources to ensure compliance.

##### *Safeguarding*

During 2018 safeguarding training (and update training) has continued across the Archdiocese.

#### 6.2. Organisational Structure

As at 31 December 2018 the Archdiocese comprised 72 parishes located in various cities, towns and villages throughout its boundaries. A parish priest is appointed by and is accountable to the Archbishop and is responsible for a single or multiple parishes. Parishes are grouped into deaneries on a geographical basis. The Archbishop appoints a Dean from the parish priests in each deanery.

## TRUSTEES' REPORT

### 6.3. Constitution and Governance

The Central Funds Trust Deed dated 1939 governs the majority of the charity's moveable property, that is cash and other investments, furniture, equipment, vehicles and any other assets not comprising land and buildings. There is no overarching trust deed which governs heritable properties, that is land and buildings, and the majority of the heritable titles are held in the names of the Finance Committee.

The Trustees of the Archdiocese are,

- (a) the Archbishop and Vicar(s) General ex officio, and
- (b) such other person(s), whether clergy or lay persons and whether in an ex officio capacity or otherwise, as the Archbishop may from time to time, in his sole discretion, appoint on such terms and for such duration as he sees fit.

The purpose of (b) is to facilitate the appointment of lay persons as well as clergy to the role of trustee and thus enable the Archdiocese to take advantage of a wider range of skills, expertise and diversity among those exercising the function of charity trustees.

The Archdiocese utilises a committee structure to assist with administration and the Archbishop is a member of all committees. The following were the main committees used for administration purposes during the year ended 31 December 2018:

- Board of Trustees
- College of Consultors
- Council of Priests
- Management Committee of the Aged and Infirm Clergy Fund
- Management Committee of the Mission Fund and the Friendly Society
- Management Committee of the Sick Priests' Fund
- Finance Committee

### 6.4. Administrative Information

**Our name and address**      Archdiocese of St Andrews & Edinburgh  
 Archdiocesan Offices  
 Gillis Centre  
 100 Strathearn Road  
 Edinburgh, EH9 1BB

**Scottish Charity Number:**      SC008540

#### Trustees

The Trustees of the Archdiocese during the year ended 31 December 2018, and as at 24 June 2019 when the accounts were signed, were:-

Name	Appointed by	Trustee during the year	Trustee as at 24 June 2019
The Most Reverend Leo Archbishop Cushley	<i>ex officio</i>	✓	✓
Monsignor Patrick Burke VG	<i>ex officio</i>	✓	✓
Monsignor Allan Chambers VG	<i>ex officio</i>	✓	✓
Reverend Jeremy Bath ( <i>demitted 22/1/2018</i> )	Archbishop	✓	
Mr Alastair Lamond	Archbishop	✓	✓
Mrs Zelia Hope	Archbishop	✓	✓
Mr Nicholas Ruck Keene	Archbishop	✓	✓
Mrs Mary Buchan	Archbishop	✓	✓
Reverend R Kevin Murray ( <i>demitted 28/11/2018</i> )	Archbishop	✓	
Lord James Drummond Young	Archbishop	✓	✓
Very Rev Patrick Canon Boylan	Archbishop	✓	✓

**Chief Operating Officer**  
 Elspeth Atkinson



TRUSTEES' REPORT

**Solicitor**

Anderson Strathern LLP  
1 Rutland Court  
Edinburgh  
EH3 8EY

**Auditor**

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

**Bankers**

Bank of Scotland  
The Mound  
Edinburgh  
EH1 1YB

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

**Investment Advisors**

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

Standard Life Wealth Ltd  
Standard Life House  
30 Lothian Road  
Edinburgh  
EH2 2DH

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

**6.5. Key Policies**

*Management and Remuneration*

Archbishop Cushley and the Trustees are responsible for the management and administration of the Archdiocese.

The Curia assists the Archbishop in governing the Archdiocese and a number of senior managers support the Trustees in the management and administration of the charity. In addition, Monsignor Patrick Burke, as Moderator of the Curia, represented Archbishop Cushley and was delegated authority by the Trustees in relation to management of the Curia during the year.

The Chief Operating Officer, Elspeth Atkinson, is appointed by the Trustees to lead and manage the activities of the Curia. The Chief Operating Officer reports to the Moderator and is the line manager to other managers within the Curia.

The Trustees consider that the Trustees, and the senior managers of the Curia comprise the key management personnel of the charity, the Trustees are charged with direction and oversight, and Curia management with controlling, running and operating the charity on a day to day basis. Details of Trustee remuneration and expenses claimed are set out in note 6 to the accounts. Total remuneration of the key management personnel during 2018 was £208,000 (2017: £176,000).

The Trustees receive no remuneration for their services as Trustees. The Trustees who are clergy are housed, remunerated and reimbursed expenses for carrying out their ministry as clergy members of the Archdiocese, in the same way as other priests of the Archdiocese and in accordance with the Code of Canon Law. The remuneration of other key management personnel is considered and agreed by the Trustees.

The Trustees met 9 times during the year at which they were provided with reports and information relating to the governance, principal risks and finances of the Archdiocese for consideration and decision making purposes.

*Induction & Training*

The Archdiocese has an ongoing policy for the training of its Trustees and Curia staff to ensure that they are kept up to date with relevant legislation and management standards, through induction briefings and periodic updates for new matters.

*Retired clergy*

The Trustees' provide retirement benefits to retired Archdiocesan clergy in line with the rules of the Aged and Infirm Clergy Fund.



## TRUSTEES' REPORT

### *Grant Making*

Grants may be made to any parish which requires financial support, after a review by the relevant committees and the Trustees. The Trustees also award grants from the special collection Care Fund.

### *Parish Accounts*

The accounts of the parishes are included in the Archdiocesan Accounts in order to reflect the overall financial position of the Archdiocese as required by charity legislation. The Trustees wish to recognise the work of the parish priests and their finance committees and thank them for their co-operation and efforts in assisting with this obligation.

## **7. Conclusion**

The Trustees wish to thank all Archdiocesan personnel, clergy and laity, for their hard work during 2018 with a special word of thanks to the many volunteers for their continued involvement in the Archdiocese. Without this involvement the Archdiocese would not function as effectively as it does and it is hoped that this involvement will continue to grow and become even stronger in future.

**TRUSTEES' REPORT**

**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 2015 (FRS102);
- 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 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 accounts 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. 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.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditors**

The Auditors, Chiene & Tait, have expressed their willingness to continue in office.

**Approved by the Board of Trustees on 24 June 2019 and signed on its behalf by**



**Patrick Burke Vicar General  
Trustee**

24 June. 2019

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

**Opinion on accounts**

We have audited the accounts of the Archdiocese of St Andrews and Edinburgh for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018, 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).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' Annual Report, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ARCHDIOCESE OF ST ANDREWS & EDINBURGH (continued)**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees are responsible for the preparation of accounts which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the accounts**

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 objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

22 July 2019

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

STATEMENT OF FINANCIAL ACTIVITIES - for the year ended 31 December 2018

	Notes	Parishes			Curial				2018 Total Funds	2017 Total Funds
		Un- restricted Funds	Restricted Funds	Total Funds	Un- restricted Funds	Restricted Funds	Permanent Endowment Funds	Total Funds		
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£000
<b>INCOME AND ENDOWMENTS FROM:</b>										
Donations and legacies	2	5,953	555	6,508	391	123	-	514	7,022	6,283
Charitable activities	3	308	-	308	9	163	-	172	480	819
Other trading activities	4	1,015	-	1,015	-	-	-	-	1,015	993
Investments	5	138	-	138	791	61	57	909	1,047	921
Gains on disposal of Fixed assets		13	-	13	16	-	-	16	29	-
<b>TOTAL INCOME</b>		<b>7,427</b>	<b>555</b>	<b>7,982</b>	<b>1,207</b>	<b>347</b>	<b>57</b>	<b>1,611</b>	<b>9,593</b>	<b>9,016</b>
<b>EXPENDITURE ON:</b>										
Raising funds	7	(82)	-	(82)	(65)	(6)	(9)	(80)	(162)	(198)
Charitable activities	8, 9, 10	(5,560)	(225)	(5,785)	(1,312)	(1,020)	-	(2,332)	(8,117)	(8,689)
Loss on disposal of fixed assets		(43)	-	(43)	-	-	-	-	(43)	(3)
Provision for Retired Priests	17	-	-	-	-	-	-	-	-	(1,200)
<b>TOTAL EXPENDITURE</b>		<b>(5,685)</b>	<b>(225)</b>	<b>(5,910)</b>	<b>(1,377)</b>	<b>(1,026)</b>	<b>(9)</b>	<b>(2,412)</b>	<b>(8,322)</b>	<b>(10,090)</b>
<b>Net income/ (expenditure) before net gains/(losses) on investments</b>		<b>1,742</b>	<b>330</b>	<b>2,072</b>	<b>(170)</b>	<b>(679)</b>	<b>48</b>	<b>(801)</b>	<b>1,271</b>	<b>(1,074)</b>
Realised gains/(losses) on investments		-	-	-	(48)	(10)	(10)	(68)	(68)	(17)
Unrealised gains/ (losses) on investments	14	(1)	-	(1)	(944)	(133)	(138)	(1,215)	(1,216)	1,088
<b>NET INCOME/ (EXPENDITURE)</b>		<b>1,741</b>	<b>330</b>	<b>2,071</b>	<b>(1,162)</b>	<b>(822)</b>	<b>(100)</b>	<b>(2,084)</b>	<b>(13)</b>	<b>(3)</b>
<b>Transfers between funds:</b>										
Parish Assessment, levies and special collections	18, 19, 20	(623)	(327)	(950)	103	866	(19)	950	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>1,118</b>	<b>3</b>	<b>1,121</b>	<b>(1,059)</b>	<b>44</b>	<b>(119)</b>	<b>(1,134)</b>	<b>(13)</b>	<b>(3)</b>
<b>Reconciliation of funds:</b>										
Total funds brought forward	18, 19, 20 21, 22, 23	31,832	-	31,832	13,934	3,402	1,545	18,881	50,713	50,716
Total funds carried forward	20	32,950	3	32,953	12,875	3,446	1,426	17,747	50,700	50,713

The notes on pages 16 to 33 form part of these accounts.

ARCHDIOCESE OF ST ANDREWS & EDINBURGH

BALANCE SHEET - as at 31 December 2018

	Notes	2018	2017
		£'000	£'000
<b>Fixed assets</b>			
Tangible assets	12	25,481	25,912
Heritage assets	13	1,053	1,053
Investments	14	16,022	17,409
<b>Total fixed assets</b>		<b>42,556</b>	<b>44,374</b>
<b>Current assets</b>			
Debtors	15	886	834
Cash at bank and in hand - Curia		2,817	1,942
Cash at bank and in hand - Parishes		9,122	8,309
<b>Total current assets</b>		<b>12,825</b>	<b>11,085</b>
<b>Liabilities</b>			
<b>Creditors:</b> amounts falling due within one year	16	(381)	(446)
<b>Net current assets</b>		<b>12,444</b>	<b>10,639</b>
<b>Total assets less current liabilities</b>		<b>55,000</b>	<b>55,013</b>
<b>Provision for liabilities and charges</b>	17	(4,300)	(4,300)
<b>Total net assets</b>		<b>50,700</b>	<b>50,713</b>
<b>The funds of the charity:</b>			
Curial unrestricted funds – designated funds	19 / 22	284	117
Curial unrestricted funds – central fund	19 / 22	8,591	9,749
Curial unrestricted funds – revaluation	19 / 22	4,000	4,068
Parish unrestricted funds	19 / 22	32,950	31,832
<b>Total unrestricted funds</b>		<b>45,825</b>	<b>45,766</b>
Curial endowments	18 / 21	1,426	1,545
Curial restricted income funds	18 / 21	3,446	3,402
Parish restricted funds	18 / 21	3	-
<b>Total charity funds</b>	20 / 23	<b>50,700</b>	<b>50,713</b>

Approved by the Trustees on 24 June 2019

Leo Cushley  
Leo Cushley

Trustee

Patrick Burke  
Patrick Burke

Trustee

The notes on pages 16 to 33 form part of these accounts.



STATEMENT OF CASH FLOWS - for the year ended 31 December 2018

		2018 £'000	2017 £'000
<b>Cash flows from operating activities:</b>			
Net cash provided / (used in) by operating activities	Note 27	332	(536)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rent from investments		1,047	921
Proceeds from the sale of property, plant and equipment		375	40
Purchase of property, plant and equipment		(169)	(158)
Proceeds from the sale of investments		2,017	1,854
Purchase of investments		(1,402)	(2,048)
<b>Net cash provided by investing activities</b>		<b>1,868</b>	<b>609</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>2,200</b>	<b>73</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>10,511</b>	<b>10,438</b>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>12,711</b>	<b>10,511</b>
<b>Analysis of cash and cash equivalents</b>			
Cash at bank – current accounts - Curia	Page 14	2,817	1,942
Cash at bank – current accounts - Parishes	Page 14	9,122	8,309
Investments (cash held for re-investment)	Note 14	772	260
		<b>12,711</b>	<b>10,511</b>

The notes on pages 16 to 33 form part of these accounts.

## 1 Accounting Policies

### Basis of preparation

The Archdiocese of St Andrews and Edinburgh is recognised as a Scottish Charity (No. SC008540). Parishes are considered to be part of the charity, and accordingly parish income, expenditure, assets and liabilities are reflected in the accounts.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (the "SORP") preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity constitutes a public benefit entity as defined by FRS 102.

### Going concern

The accounts 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 accounts and are satisfied that no material uncertainties exist in respect of going concern.

### Significant judgements and estimation uncertainty

When applying the trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### (i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for carrying amounts of tangible assets.

#### (ii) Value of Heritage Assets

Heritage assets are included at what the Trustees consider to be reliable values, although it is acknowledged that these values themselves whilst derived from valuations for insurance purposes, or expert opinion, contain an element of subjectivity due to the unique nature of the heritage assets.

#### (iii) Value of Investment Properties

Investment properties are accounted for based on the Trustees' assessment of fair value which incorporates consideration of yields, comparative market values, and previous external valuations.

### Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

### 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.

### Other Donations and Legacies

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.



NOTES to the ACCOUNTS - for the year ended 31 December 2018

**1 Accounting Policies (continued)**

Legacy gifts are recognised on a case by case basis when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

**Grants**

Grants received, including capital grants, are reflected in the Statement of Financial Activities when relevant conditions for entitlement have been met, it is probable they will be received, and the amounts can be quantified with sufficient reliability. Where donors specify that grants are for particular purposes, this income is included in incoming resources within restricted funds when receivable. Where grants are made specifically for the performance of charitable activities in a period subsequent to the year-end they are deferred and excluded from the Statement of Financial Activities.

**Income from other trading activities**

Income from sales of goods, fundraising events, and letting of occasional surplus space is recognised when it is received.

**Income from Investments**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to parish or curial activities under the applicable expenditure headings in the Statement of Financial Activities. For further information on attribution to specific charitable activities please refer to note 9 below.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

**Allocation of support and governance costs**

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice, rather than day to day management, and are included within expenditure on Charitable Activities.

Governance costs and support costs relating to charitable activities have been directly allocated to Parish and Curial funds as set out in note 8, and apportioned by activity as set out in note 9 on the basis of an estimate of the time or resource expended on each activity.

**Irrecoverable VAT**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

**Costs of raising funds**

The costs of raising funds consists of investment management fees and parish fundraising costs.



NOTES to the ACCOUNTS - for the year ended 31 December 2018

1 Accounting Policies (*continued*)

**Charitable activities**

- Charitable activities include expenditure associated with meeting the Archdiocese's primary objectives and include grants made, governance costs and support costs as shown in note 8.
- 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, have been capitalised either at cost or, where no cost is available, at a reasonable estimate of value at the date of capitalisation. Depreciation is provided where appropriate 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.

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

**Heritage assets**

Assets that, in the opinion of the Trustees, meet the definition of heritage assets under the SORP 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 are disclosed in note 13 to the accounts.

**Depreciation**

**Heritable properties:-**

The SORP 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 depreciation charge is therefore immaterial and no charge has 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 is not less than the carrying value in the accounts.

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.

**Investment Properties**

The charity classifies land and buildings as investment properties when they are held to earn rentals or for capital appreciation or both. Investment properties are initially measured at cost which comprises purchase price and any directly attributable expenditure. Investments are subsequently remeasured to fair value at each reporting date with changes in fair value recognised in the Statement of Financial Activities. Fair value is assessed by the Trustees on the basis of investment valuations undertaken by qualified external valuers from time to time, yield in the form of income and/or capital appreciation, and market values of similar properties. In accordance with the SORP, depreciation is not provided on investment properties that are held as freehold investment properties.



**NOTES to the ACCOUNTS - for the year ended 31 December 2018**

**1 Accounting Policies (*continued*)**

**Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair values at the year end and their carrying value.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Pensions**

The Archdiocese operates a number of defined contribution pension schemes. Contributions to the scheme are charged to the Statement of Financial Activities and represent the contributions payable in the year. The assets of the scheme are held separately from those of the Archdiocese in an independently administered fund.

**Provisions for retired priests**

The Archdiocese accepts the responsibility to assist retired priests where possible under obligations arising from Canon Law.

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 note 24 to the accounts.

A provision is made against the unrestricted funds of the Archdiocese for the priests of the Archdiocese who are retired as described in note 17.

**Fund Accounting**

The nature and purpose of each restricted and designated fund is explained in note 24.

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 specific purposes. 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 charity, and must be spent in accordance with the terms of the endowment.

NOTES to the ACCOUNTS - for the year ended 31 December 2018

**2 Donations and legacies**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Donations	673	447
Legacies	900	397
Special collections income	552	480
Offertory collections and gift aid	4,333	4,384
Miscellaneous collections and donations	123	202
Grants received	441	373
	<u>7,022</u>	<u>6,283</u>

In 2018 of the income from donations and legacies, £678,000 (2017: £494,000) was attributable to restricted funds, £Nil (2017: £Nil) was attributable to endowment funds, with the balance of £6,344,000 (2017: £5,789,000) contributing to unrestricted funds.

**3 Income from charitable activities**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Gillis Centre income - <i>discontinued in 2017</i>	-	206
Café Camino (Cathedral) - <i>discontinued in 2017</i>	-	120
Other Cathedral complex income	-	28
Mount Vernon cemetery income	163	123
Church stall	298	312
Chaplaincy income	10	10
Courses and workbook income	9	20
	<u>480</u>	<u>819</u>

In 2018 of the income from charitable activities, £163,000 (2017: £123,000) was attributable to restricted funds, £nil (2017: £Nil) was attributable to endowment funds, with the balance of £317,000 (2017: £695,000) adding to unrestricted funds.

**4 Income from other trading activities**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Fundraising and parish hall and other property income	1,015	993
	<u>1,015</u>	<u>993</u>

In 2018 and 2017, all income from other trading activities was attributable to unrestricted funds.

**5 Investment Income**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Income from listed investments	580	563
Bank interest receivable	2	3
Other interest receivable	8	7
Rental income from investment properties	457	348
	<u>1,047</u>	<u>921</u>

In 2018 of the income from investments, £61,000 (2017: £64,000) was attributable to restricted funds, £57,000 (2017: £48,000) was attributable to endowment funds, with the balance of £929,000 (2017: £809,000) adding to unrestricted funds.



NOTES to the ACCOUNTS - for the year ended 31 December 2018

**6 Analysis of staff costs and numbers, trustee remuneration and expenses, and the cost of key management personnel**

	2018 £'000	2017 £'000
<b>Staff costs</b>		
<i>Curia</i>		
Wages and salaries	553	755
Social security costs	47	59
Pension costs	17	17
	<hr/> 617	<hr/> 831
<i>Parishes</i>		
Wages and salaries	445	510
	<hr/> 1,062	<hr/> 1,341
Redundancy payments	-	148
	<hr/> 1,062	<hr/> 1,489

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

	No	No
Average number of employees for curial and parish activities during the year:		
Head count	66	92
Full-time equivalent	35	53

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

During the year there were ten Trustees of the Archdiocese, with five of these being clergy. The Trustees of the Archdiocese receive no remuneration for their services as Trustees. All of the Trustees who are clergy of the Archdiocese of St Andrews & Edinburgh are housed, remunerated and reimbursed expenses for carrying out their ministry in the same way as other priests of the Archdiocese, in accordance with the Code of Canon Law.

Remuneration paid to the Trustees of the Archdiocese during the year was as follows:

	2018 £	2017 £
Most Reverend Leo Cushley	2,915	2,872
Right Reverend Monsignor Patrick Burke	2,915	2,872
Very Reverend Monsignor Allan Chambers	2,915	2,872
Reverend Kevin Murray (resigned 28/11/2018)	2,915	2,140
Reverend Jeremy Bath ( demitted 22/1/2018)	2,915	2,872
Reverend Patrick Canon Boylan (appointed 22/1/2018)	2,915	2,872

During the year, the total cost of accommodation and expenses provided and incurred by the clergy Trustees was £227,620 (2017: £230,034).

The key management personnel of the charity comprise the Trustees and a number of managers who work within the offices of the curia. The total remuneration and employment benefits of the key management personnel of the charity during the year was £208,295 (2017: £175,898).

During the year, the Archdiocese purchased 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. Those Trustees who are members of the clergy are entitled to assistance in their retirement as detailed in note 24.

NOTES to the ACCOUNTS - for the year ended 31 December 2018

7 Costs of raising funds

	2018 £'000	2017 £'000
Investment management fees	80	79
Parish fundraising costs	82	119
	<u>162</u>	<u>198</u>

In 2018, £67,895 (2017: £67,000) of investment management costs were attributable to unrestricted funds, £4,532 (2017: £4,000) were attributable to restricted funds, and £7,970 (2017: £8,000) were attributable to endowment funds.

Parish fundraising costs were all unrestricted in both 2018 and 2017.



## NOTES to the ACCOUNTS - for the year ended 31 December 2018

8 Charitable activities	2018 £'000	2017 £'000
<b>Direct charitable activities - Parish</b>		
Special collections remitted	225	154
Travel and car expenses	175	230
Repairs and renovations	1,485	1,348
Church costs	1,093	1,301
Hall costs	182	330
Priests' house costs	785	828
Insurance	243	231
Clergy & staff salaries and national insurance	711	678
Retreats and courses	177	120
Donations	153	93
	<hr/> 5,229	<hr/> 5,313
<b>Support costs of charitable activities - Parish</b>		
Depreciation and impairment	172	185
Professional and legal fees	22	24
Office and stationery	222	259
Interest payable	15	1
Miscellaneous	125	86
	<hr/> 556	<hr/> 555
<b>Total parish charitable activities</b>	<hr/> 5,785	<hr/> 5,868
In 2018, of the total expenditure on parish charitable activities £5,560,000 (2017: £5,714,000) was expenditure from unrestricted funds and £225,000 (2017: £154,000) was expenditure from restricted funds.		
<b>Curial and Diocesan charitable activities</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
<b>Direct charitable activities</b>		
Staff salaries and national insurance	116	98
Education of priests and students	190	176
Mission fund expenses	10	11
Grants paid (note 10)	34	27
Special collections	137	143
Religious education and chaplaincies	47	176
Mount Vernon cemetery costs	137	156
	<hr/> 671	<hr/> 787
<b>Support costs of charitable activities</b>		
Curial administration expenses	341	528
Curial property expenses	221	304
Depreciation and impairment	18	18
Care of sick and retired priests	421	410
Contribution to national assessments	119	133
Staff salaries and national insurance	501	600
Governance costs (see note 11)	38	39
Interest payable	2	2
	<hr/> 1,661	<hr/> 2,034
<b>Total Curial and Diocesan charitable activities</b>	<hr/> 2,332	<hr/> 2,821
<b>Total of charitable activity expenditure</b>	<hr/> 8,117	<hr/> 8,689

In 2018, of the total expenditure on Curial and Diocesan charitable activities, £1,312,000 (2017: £1,821,000) was expenditure from unrestricted funds and £1,020,000 (2017: £1,001,000) was expenditure from restricted funds.

NOTES to the ACCOUNTS - for the year ended 31 December 2018

9 Analysis of charitable expenditure

	2018 £'000	2017 £'000
Advancement of Religion	4,340	4,713
Advancement of Education	2,201	2,334
Relief of Poverty	960	1,002
Cure/alleviation of sickness/disease	616	643
	<u>8,117</u>	<u>8,692</u>

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 the following percentages determined by the trustees; Advancement of Religion 40% (2017; 40%), Advancement of Education 35% (2017; 35%), Relief of Poverty 15% (2017; 15%) and Cure/alleviation of sickness/disease 10% (2017; 10%). These percentages have been reviewed for reasonableness by the Trustees.

The charity also undertakes some of its charitable activities through grant making, as set out in note 10.

10 Grants Paid

The amounts payable in the year, which are included within charitable activities, comprise:

	2018 £'000	2017 £'000
<b>Grants to institutions</b>		
Scottish Churches Housing	5	5
Missionaries of Charity	12	5
St Catherine's Convent	12	-
Bethany Christian Trust	-	5
Lifeline	4	8
Other institutional grants	1	4
<b>Total Grants Paid (note 8)</b>	<u>34</u>	<u>27</u>

11 Governance costs

	2018 £'000	2017 £'000
Statutory audit fees	<u>38</u>	<u>39</u>

The remuneration paid to the auditor in respect of taxation advisory services amounted to £4,900 (2017: £3,780), and other services £8,616 (2017: £14,090).



## NOTES to the ACCOUNTS - for the year ended 31 December 2018

## 12 Tangible Fixed Assets

	Investment Properties £'000	Land and Heritable Properties £'000	Furnishings and Equipment £'000	Motor Vehicles £'000	Total £'000
<b>Cost or valuation</b>					
Balance brought forward	7,501	17,215	1,983	598	27,297
Additions	-	-	45	124	169
Disposals	(150)	(209)	(139)	(134)	(632)
Balance carried forward	7,351	17,006	1,889	588	26,834
<b>Depreciation and impairment</b>					
Balance brought forward	-	-	(957)	(428)	(1,385)
Charge for the year	-	-	(104)	(86)	(190)
Disposals	-	-	143	79	222
Balance carried forward	-	-	(918)	(435)	(1,353)
<b>Net Book Value</b>					
As at 31 December 2018	7,351	17,006	971	153	25,481
As at 31 December 2017	7,501	17,215	1,026	170	25,912

Investment properties were last independently valued by Ryden LLP, Chartered Surveyors, as at 31 December 2013 on the basis of open market value. The historic cost of the investment properties is £2,248,044 (2017: £2,248,044). In the opinion of the Trustees, having assessed the market for similar properties, the fair value of the investment properties as at 31 December 2018 is not materially different from the open market values provided by the external valuer at 31 December 2013.

The Archdiocese owns St Mary's Cathedral together with a large number of properties throughout the 72 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 heritable property portfolio was independently valued by Ryden LLP, Chartered Surveyors, as at 31 December 2013 for impairment review purposes and to inform the Trustees on current values. Having reviewed the investment and heritable property portfolio the Trustees are of the view that there is no significant difference in the carrying value of these properties at 31 December 2018.

## 13 Heritage Assets

	Parishes £'000	Curial £'000	Total £'000
<b>Valuation</b>			
At 1 January 2018 and at 31 December 2018	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 the SORP on the basis that they contribute to knowledge and culture through their retention and use, and are accessible to the public for viewing and/or research.

**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.

## NOTES to the ACCOUNTS - for the year ended 31 December 2018

13 Heritage Assets (*continued*)

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 2018.

## 14 Investments

	2018 £'000	2017 £'000
Fair value at beginning of year	17,149	15,884
Additions	1,402	2,048
Disposals	(2,085)	(1,871)
Unrealised (loss) / gain	(1,216)	1,088
Fair value at end of year	15,250	17,149
Cost at 31 December 2018	13,040	13,135

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

Investments at fair value comprised:

	2018 £'000	2017 £'000
Investments held in the UK	13,511	15,261
Investments held out with the UK	1,739	1,888
	15,250	17,149
Cash held for re-investment	772	260
	16,022	17,409

The investment portfolios include the following holdings which are greater than 5% of the portfolio valuation.

	2018 £'000	2017 £'000
SRI Fund for Charities	2,641	2,801

All investments are carried at their fair value. Investments in equities and fixed securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial stability of the charity is considered in the financial review and investment policy sections of the Trustees' Report.



NOTES to the ACCOUNTS - for the year ended 31 December 2018

**14 Investments (continued)**

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility yield. Markets fell during the year, with some volatility along the way, arising mainly from uncertainty over the UK relationship with the EU, the future of the Euro and the development of US policy under a new President. The Archdiocese continues to take a long- term approach to it's investment holdings as markets react to political and economic events in the short term.

The charity's investments are mainly traded in markets with good liquidity and high trading volumes. The charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges.

<b>15 Debtors</b>	<b>2018</b> £'000	<b>2017</b> £'000
Trade debtors	15	30
Other debtors	860	791
Prepayments	11	13
	<u>886</u>	<u>834</u>

<b>16 Creditors: amounts due within one year</b>	<b>2018</b> £'000	<b>2017</b> £'000
Accruals and other creditors	359	421
Taxation and social security	22	25
	<u>381</u>	<u>446</u>

**17 Provisions for liabilities and charges**

	<b>2018</b> £'000	<b>2017</b> £'000
<b>Provision for financial support of retired priests:</b>		
Provision brought forward as at 1 January	4,300	3,100
Additional provision during the year	-	1,200
	<u>4,300</u>	<u>4,300</u>
Provision carried forward at 31 December		

The Archdiocese has an obligation to provide financial support to its retired priests. The charity provides for this within its accounts on the basis of an actuarial valuation obtained from professional advisors of the total obligation that exists for those priests that were retired at 31 December 2018 of £4,300,000 (2017: £4,300,000).

The most recent formal actuarial valuation was undertaken at 31 December 2017.

## NOTES to the ACCOUNTS - for the year ended 31 December 2018

## 18 Endowment and Restricted Funds

	Balance at 1 January 2018	Incoming Resources	Outgoing Resources	Transfers Parish / Curia	Transfers Curia Funds	Realised & unrealised gains/ (losses)	Balance at 31 December 2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Endowment Funds	1,545	57	(9)	-	(19)	(148)	1,426
<b>Curia Restricted Funds:</b>							
Special collections	147	-	(158)	170	5	-	164
Care Fund	148	-	(12)	24	-	-	160
Ecclesiastical	163	-	(191)	31	159	-	162
Education fund							
Aged and Infirm	1,086	156	(367)	134	322	(64)	1,267
Clergy fund							
Taggart Bursary	13	-	-	-	-	-	13
Rev J C Barry Trust	16	-	-	-	-	-	16
Vocations	80	-	-	2	-	-	82
SPRED	-	-	-	-	19	-	19
Mission fund	612	11	(10)	-	5	(34)	584
Sick Priests fund	60	1	(2)	-	-	-	59
Margaret Sinclair fund	173	6	(24)	-	-	(14)	141
Friendly Society	59	-	-	-	(5)	-	54
Farquharson fund	17	-	-	-	-	-	17
Stipend fund	-	-	-	-	-	-	-
Mount Vernon	828	173	(262)	-	-	(31)	708
Total curial restricted funds	3,402	347	(1,026)	361	505	(143)	3,446
<b>Parish restricted funds, Special Collections:</b>							
Tfr'd to Curia	-	327	-	(327)	-	-	-
Other spl colls	-	225	(225)	-	-	-	-
Other rest'd funds	-	3	-	-	-	-	3
Total parish restricted funds	-	555	(225)	(327)	-	-	3

Details of the individual funds are set out in note 24.

## 19 Unrestricted Funds

	Balance at 1 January 2018	Incoming Resources	Outgoing Resources	Transfers Parish / Curia	Transfers Curia Funds	Realised & unrealised gains/ (losses)	Balance at 31 December 2018
<b>Designated:-</b>							
Development fund	24	-	-	-	-	-	24
Heritable prop. gains	93	-	-	-	-	-	93
Inv. Prop. Maint. Fund	-	-	-	-	167	-	167
	117	-	-	-	167	-	284
<b>Other unrestricted:</b>							
Curial central fund	9,749	1,207	(1,377)	589	(653)	(924)	8,591
Curial Reval'n fund	4,068	-	-	-	-	(68)	4,000
Total curial unrestricted funds	13,934	1,207	(1,377)	589	(486)	(992)	12,875
Parish unrestricted Funds	31,832	7,427	(5,685)	(623)	-	(1)	32,950

Details of the individual funds are set out in note 24.



## 20 Analysis of Net Assets between Funds

	Tangible Fixed Assets £'000	Heritage Assets £'000	Investments £'000	Net Current Assets/ (Liabilities) £'000	Total £'000
<b>Curia endowments:</b>					
Funds for Special Purposes	-	-	1,440	(14)	1,426
<b>Curia restricted funds:</b>					
Special collections	-	-	-	164	164
Care Fund	-	-	-	160	160
Ecclesiastical students fund	-	-	-	162	162
Aged and Infirm Clergy Fund	150	-	574	543	1,267
Taggart Bursary	-	-	-	13	13
Rev. J C Barry Trust	-	-	-	16	16
Vocations	-	-	-	82	82
SPRED	-	-	-	19	19
Mission Fund	-	-	561	23	584
Sick Priests Fund	-	-	50	9	59
Margaret Sinclair	-	-	129	12	141
Friendly Society	-	-	-	54	54
Farquharson Fund	-	-	-	17	17
Stipend Fund	-	-	-	-	-
Mount Vernon	7	-	521	180	708
	157	-	1,835	1,454	3,446
<b>Parish restricted funds</b>	-	-	-	3	3
<b>Unrestricted Funds:</b>					
<b>Designated Funds:</b>					
Development Fund	-	-	-	24	24
Gains on sale of Heritable Property	-	-	-	93	93
Investment Property Maintenance Fund	-	-	-	167	167
	-	-	-	284	284
<b>Other Unrestricted Funds:</b>					
Curial Central Fund	4,510	-	12,714	(8,633)	8,591
Revaluation Fund	3,636	364	-	-	4,000
Total curial unrestricted funds	8,146	364	12,714	(8,349)	12,875
Total parish unrestricted funds	17,178	689	33	15,050	32,950
<b>Total</b>	<b>25,481</b>	<b>1,053</b>	<b>16,022</b>	<b>8,144</b>	<b>50,700</b>

## NOTES to the ACCOUNTS - for the year ended 31 December 2018

## 21 Endowment and Restricted Funds – movements in 2017

	Balance at 1 January 2017	Incoming Resources	Outgoing Resources	Transfers Between Funds	Realised & Unrealised gains/ (losses)	Balance at 31 December 2017
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment Funds	1,532	48	(8)	(69)	42	1,545
<b>Curia Restricted Funds:</b>						
Special collections	130	-	(143)	160	-	147
Care Fund	148	3	(25)	20	2	148
Ecclesiastical Education fund	155	6	(168)	165	5	163
Aged and Infirm Clergy fund	966	37	(387)	457	13	1,086
Taggart Bursary	13	-	-	-	-	13
Rev J C Barry Trust	16	-	-	-	-	16
Mount Vernon	914	138	(265)	-	41	828
Vocations	78	-	-	2	-	80
SPRED	-	-	-	-	-	-
Mission fund	565	13	(10)	-	44	612
Sick Priests fund	60	-	-	-	-	60
Margaret Sinclair fund	161	5	(6)	-	13	173
Friendly Society	59	-	-	-	-	59
Farquharson fund	17	-	-	-	-	17
Stipend fund	1	-	(1)	-	-	-
Total curial restricted funds	3,283	202	(1,005)	804	118	3,402
Parish restricted funds	-	480	(154)	(326)	-	-

Details of the individual funds are set out in note 24.

## 22 Unrestricted Funds – movements in 2017

	Balance at 1 Jan 2017	Incoming Resources	Outgoing Resources	Transfers Between Funds	Realised & Unrealised Gains/ (Losses)	Balance as at 31 December 2017
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Designated funds:-</b>						
Development fund	200	-	(176)	-	-	24
Gains on sale of heritable property	93	-	-	-	-	93
	293	-	(176)	-	-	117
<b>Other unrestricted funds:</b>						
Curial central fund	10,233	1,331	(2,912)	190	907	9,749
Curial Revaluation fund	4,068	-	-	-	-	4,068
Total curial unrestricted funds	14,594	1,331	(3,088)	190	907	13,934
Parish unrestricted fund	31,307	6,955	(5,835)	(599)	4	31,832

Details of the individual funds are set out in note 24.



## 23 Analysis of Net Assets between Funds – comparative figures for 2017

	Tangible Fixed Assets £'000	Heritage Assets £'000	Invest- ments £'000	Net Current Assets/ (Liabilities) £'000	Total £'000
<b>Endowments:</b>					
Funds for Special Purposes	-	-	1,354	191	1,545
<b>Restricted Funds:</b>					
Special collections	-	-	-	147	147
Care Fund	-	-	66	82	148
Ecclesiastical students fund	-	-	163	-	163
Aged and Infirm Clergy Fund	150	-	638	298	1,086
Taggart Bursary	-	-	-	13	13
Rev. J C Barry Trust	-	-	-	16	16
Mount Vernon	-	-	553	275	828
Vocations	-	-	-	80	80
Mission Fund	-	-	595	17	612
Sick Priests Fund	-	-	50	10	60
Margaret Sinclair	-	-	143	30	173
Friendly Society	-	-	-	59	59
Farquharson Fund	-	-	-	17	17
Stipend Fund	-	-	-	-	-
	150	-	2,208	1,044	3,402
<b>Unrestricted Funds:</b>					
<b>Designated Funds:</b>					
Development Fund	-	-	-	24	24
Gains on sale of Heritable Property	-	-	-	93	93
	-	-	-	117	117
<b>Other Unrestricted Funds:</b>					
Curial Central Fund	4,791	-	13,553	(8,595)	9,749
Revaluation Fund	3,704	364	-	-	4,068
Total curial unrestricted funds	8,495	364	13,553	(8,478)	13,934
Total parish unrestricted funds	17,267	689	34	13,842	31,832
<b>Total</b>	<b>25,912</b>	<b>1,053</b>	<b>17,149</b>	<b>6,599</b>	<b>50,713</b>

## 24 Summary of Archdiocesan Funds

## Endowment Funds

- 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

- 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.
- Care Fund  
This fund is used to provide grants to further the charitable objectives of the Archdiocese.
- Ecclesiastical Education Fund  
This fund relates to the training of students for the priesthood.

NOTES to the ACCOUNTS - for the year ended 31 December 2018

**24 Summary of Archdiocesan Funds (*continued*)**

- 5 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.
- 6 Taggart Bursary  
This fund is to be used for four Edinburgh students in Rome or Spain to study at the Scots College.
- 7 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.
- 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 and works in tandem with the Friendly Society fund. The Mission fund is for the advancement of religion through the provision of support to priests who are qualifying beneficiaries, to assist them with the fulfilment of their active missionary work within the Archdiocese or elsewhere, and for the relief of priests who are qualifying beneficiaries who have some particular need for additional funds or resources.
- 12 Sick Priests Fund  
This fund is to be used for the convalescence 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  
Operated in tandem with the Mission Fund, the Friendly Society holds a discretionary fund for the advancement of religion through the provision of financial support to priests who are qualifying beneficiaries, or for the relief of priests who are qualifying beneficiaries who may have some particular need for additional funds or resources.
- 15 Farquharson Fund  
For the relief of retired priests who have been incardinated in the Archdiocese, and who have worked in the Archdiocese or who have worked abroad, and/or for purposes that reflect those of the Aged and Infirm clergy fund.
- 16 Stipend Fund  
This fund is used for redistribution of stipend money.

Designated Funds

- 17 Development Fund  
This fund represents amounts set aside for development projects.
- 18 Gains on Sale of Heritable Properties  
This fund represents the accumulated net gains realised on the disposal of property for future property costs.
- 19 Investment Property Maintenance Fund  
This fund represents disposal proceeds from the sale of Investment Properties. These monies to be retained to finance refurbishment and repair of other properties.



NOTES to the ACCOUNTS - for the year ended 31 December 2018

**25 Pension commitments**

The Archdiocese operates a number of defined contribution pension schemes. The assets of these 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 £17,000 in the year (2017: £17,000).

The liability and expense are allocated to the activities and funds of the charity in line with other staff costs as set out in notes 1 and 9.

**26 Capital and major repairs commitments**

2018	2017
£'000	£'000

Amount committed, but not provided in the accounts

61	228
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The above commitments are shown net of grant funding to be received.

**27 Reconciliation of net income to net cash outflow from operating activities**

2018	2017
£'000	£'000

Net (expenditure) for the year	(13)	(3)
Interest and investment income	(1,047)	(921)
Depreciation and impairment	190	203
Loss / (Gain) on disposals of investments	1,284	(1,071)
Loss on disposal of other fixed assets	35	3
(Increase) / (decrease in debtors	(52)	77
(Decrease) in creditors	(65)	(24)
Movement in provisions	-	1,200
Net cash used in operating activities	332	(536)

**28 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. No provision has been made in these accounts for the support that will be given to priests who are not yet retired.

For the year ended 31 December 2018 the total amount of funding provided for the care of the Aged and Infirm Clergy amounted to £367,000 (2017: £387,000).

Like many similar organisations the Archdiocese is subject to potential claims, however the financial risk cannot be reliably quantified at this stage and no provision has been made in these financial statements.

**29 Related party transactions**

**Trustees**

During the year there were five Trustees of the Archdiocese who are members of the clergy, and who, as either Parish Priests or Archbishop, are provided with accommodation and re-imbursed with expenses in the performance of their duties as Parish Priest or Archbishop.

Archbishop Cushley and Monsignor Burke, who are Trustees of the Archdiocese of St Andrews & Edinburgh, are also Trustees of the John Menzies of Pitfodels Trust (Charleston Estate), from which the Archdiocese receives a grant annually. The grant amount received from the Charleston Estate in the year ended 31 December 2018 was £350,000 (2017: £350,000).

NOTES to the ACCOUNTS - for the year ended 31 December 2018

Appendix 1

DETAILED INCOME and EXPENDITURE ACCOUNT

For the year ended 31 December 2018

	Total 2018 £'000	Total 2017 £'000
<b>Income</b>		
Investment income	1,047	921
Gillis Centre income	-	206
Special collections income	552	480
Legacies	900	397
Donations	673	447
Offertory collections and gift aid	4,333	4,384
Fundraising and hall rental	1,015	993
Church stall	298	312
Café Camino income	-	148
Grants received	441	373
Miscellaneous	123	202
Mount Vernon cemetery income	163	123
Chaplaincy income	10	10
Courses and workbooks	9	20
Gain on disposal of fixed assets	29	-
<b>Total income</b>	<b>9,593</b>	<b>9,016</b>
<b>Expenditure</b>		
<u>Direct charitable expenditure:</u>		
Staff costs	827	776
Special collections and donations	515	390
Education of priests and students	190	176
Grants paid	34	27
Mount Vernon cemetery costs	137	156
Property expenses	3,788	3,931
Religious education, chaplaincies and pastoral activities	47	283
Retreats and courses	177	120
Mission costs	10	11
Travel and car expenses	175	230
<u>Support costs of charitable activities:</u>		
Staff costs	501	600
Care of sick and retired priests	421	410
Contributions to national assessments	119	133
Miscellaneous	125	86
Administration expenses	363	552
Office and stationery	222	259
Property expenses	221	304
Depreciation and impairment	190	203
Interest payable	17	3
Loss on disposal of fixed assets	43	3
<u>Costs of generating funds</u>		
Investment managers' fees	80	79
Fundraising and church stall costs	82	119
<u>Governance costs</u>	38	39
<u>Provision for retired priests</u>	-	1,200
<b>Total expenditure</b>	<b>8,322</b>	<b>(10,090)</b>
<b>Net income/(expenditure) before net gains/(losses) on investments</b>	<b>1,271</b>	<b>(1,074)</b>



## Appendix 2

## DETAILED BALANCE SHEET

As at 31 December 2018

	Parish	Curial	Sub-total	Removed on consol.	2018	2017
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed assets</b>						
Tangible fixed assets	17,178	8,303	25,481	-	25,481	25,912
Heritage assets	689	364	1,053	-	1,053	1,053
Investments	33	15,989	16,022	-	16,022	17,409
Total fixed assets	17,900	24,656	42,556	-	42,556	44,374
<b>Current assets</b>						
Other debtors	742	298	1,040	(154)	886	834
Loans to parishes	-	893	893	(893)	-	-
Loans to Curia	7,570	-	7,570	(7,570)	-	-
Cash at bank	9,122	2,817	11,939	-	11,939	10,251
Total current assets	17,434	4,008	21,442	(8,617)	12,825	11,085
<b>Liabilities</b>						
Creditors: amounts due within one year						
Other creditors	(239)	(296)	(535)	154	(381)	(446)
Loans from parishes	-	(3,748)	(3,748)	3,748	-	-
Loans from Curia	(2,142)	-	(2,142)	2,142	-	-
Total current liabilities	(2,381)	(4,044)	(6,425)	6,044	(381)	(446)
Net current assets/(liabilities)	15,053	(36)	15,017	(2,573)	12,444	10,639
Creditors: amounts falling due after one year						
Loans from parishes	-	(3,822)	(3,822)	3,822	-	-
Provisions for liabilities and charges	-	(4,300)	(4,300)	-	(4,300)	(4,300)
Net assets	32,953	16,498	49,451	1,249	50,700	50,713
<b>Funds of the charity:</b>						
Curial Endowments	-	1,426	1,426	-	1,426	1,545
Curial Restricted	-	3,446	3,446	-	3,446	3,402
Curial Unrestricted	-	7,766	7,766	1,109	8,875	9,866
Curial Unrestricted – revaluation	-	3,860	3,860	140	4,000	4,068
Parish Restricted	3	-	3	-	3	-
Parish Unrestricted	32,950	-	32,950	-	32,950	31,832
Total charity funds	32,953	16,498	49,451	(1,249)	50,700	50,713

Balances between curial and parish are eliminated for the purposes of the full Archdiocesan balance sheet on page 14.

