

**ARCHDIOCESE OF ST ANDREWS AND EDINBURGH**  
**(formerly the Roman Catholic Archdiocese of St Andrews and Edinburgh)**

**ANNUAL REPORT and ACCOUNTS**

**For the year ended 31 December 2014**

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**(Formerly the Roman Catholic Archdiocese of St Andrews and Edinburgh)**

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**FOREWORD FROM ARCHBISHOP CUSHLEY**

Beneath the high altar of St Margaret's Chapel – set within the grounds of our curial offices in Edinburgh -- you'll find the tomb of John Menzies of Pitfodels (1756–1843). The Menzies were an old Scots Catholic family with a sizable estate in rural Aberdeenshire. Widowed in 1805 and without heirs, John Menzies gave over much of the rest of his life and wealth to pursuing noble ends. This included the founding of a convent school for girls in Edinburgh, now the site of his burial, and the provision of generous charitable endowments which, incredibly, still fund much of the good work of our archdiocese today.

"He was one of the most accomplished gentlemen of his time, and his purse was open to the poor of all denominations," records one obituary, adding that he "died, as was to be expected, a true believer in the religion of his forefathers."

By all accounts, John Menzies was a wealthy man who acquired the Christian virtue of poverty. That is, he knew how to use the things of this world, which are gifts from God, as means to achieve higher things, and not as ends in themselves.

It is with a similar commitment to good stewardship that, on behalf of my fellow Trustees, I am happy to present to you the Annual Report of the Archdiocese of St Andrews & Edinburgh. Myself and the Trustees are keenly aware of our responsibility towards the highest standards of charitable governance. Such an approach is essential if we are to build solid and sustainable foundations upon which to pursue our primary purpose: the proclamation of the Gospel of Jesus Christ to contemporary Scottish society.

I would like to express gratitude to our auditors, Chiene + Tait, for their diligence in recent months and to the curial staff of the Archdiocese of St Andrews & Edinburgh for their hard work in preparing this report.

With every blessing,



✠ Leo Cushley  
Archbishop of St Andrews & Edinburgh

**TRUSTEES' REPORT**

**Reference & Administrative Details**

The 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 Catholic Hierarchy, which had been extinct since 1603.

The Most Reverend Leo William Cushley is the Archbishop of the Archdiocese and is responsible for ensuring the good governance of the Church in 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.

**Trustees**

The Trustees of the Archdiocese during the year ended 31 December 2014 were:-

<b>Name</b>	<b>Position</b>	<b>Appointed by</b>
The Most Reverend Leo Archbishop Cushley	Trustee	<i>ex officio</i>
Bishop Stephen Robson (resigned 1 January 2014)	Trustee	Archbishop
Monsignor Alistair Canon Lawson	Trustee	Archbishop
Monsignor Philip J Kerr	Trustee	Archbishop
Monsignor Patrick Burke	Trustee	Archbishop
Mrs Helen Gardner-Swift (resigned 22 April 2014.)	Trustee	Archbishop

**Address**

The principal address of the Archdiocese is:

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

## **TRUSTEES' REPORT**

### **Reference & Administrative Details (contd.)**

#### **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 Limited  
Forsyth House  
93 George Street  
Edinburgh EH2 3ES

### **Structure, Governance & Management**

#### **Organisational Structure**

During the year ended 31 December 2014 the Archdiocese comprised 105 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.

#### **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 registered charity name was changed from "The Roman Catholic Archdiocese of St Andrews and Edinburgh" to "Archdiocese of St Andrews & Edinburgh" with effect from 30 November 2014.

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 2014:

- College of Consultors
- Council of Priests
- Chapter of Canons
- Committee of Management 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
- Property Committee

The Gillis Management Committee, Lease Committee and Mount Vernon Committee meet as delegated by the Trustees to assist them as required.

Each parish operates under the leadership of the parish priest. Canon Law provides that each parish must have a Finance Committee to advise and assist the parish priest with the governance of the parish.

## **TRUSTEES' REPORT**

### **Structure, Governance & Management (contd.)**

#### **Management**

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. A review of the current Curia structure is being undertaken. In 2014, the post of Vice Chancellor was made a fulltime post and the Vice Chancellor was given specific responsibilities as regards governance and organisational management. A Director of Communications was appointed on 6 October 2014 to act as the Archbishop's spokesperson and to provide a media service for the Archdiocese.

In September 2014 the Archdiocese of St Andrews & Edinburgh was granted an A rated Sponsor Licence by the Department for UK Visas and Immigration. This license enables the Archdiocese to sponsor ministers of religion and religious workers from outside the EEA to work in the Archdiocese.

#### **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.

### **Objectives & Activities**

#### **Objectives**

The charitable 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.

#### **Activities**

The principal ways in which the objectives are fulfilled are by the provision of religious and pastoral services and education. Each of the 105 parishes uses its own resources, with guidance from the Archbishop and the Trustees, to advance religion through providing places of worship and facilitating religious practice. Support is also provided to parishes by the agencies and commissions of the Archdiocese. Throughout the Archdiocese, there are also many unpaid volunteers who assist with the promotion of the charitable objectives.

With the falling numbers of clergy, there has been an increase in the number of paid employees and volunteers assisting parish priests.

### **Achievements & Performance**

The Archdiocese promotes the Gospel of 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. It is difficult for a religious charity to accurately assess its achievements and performance as there are no practical indicators available to do this. Beneficiaries of the charity have included parishioners, those supported in Catholic education and those assisted through the agencies and commissions of the Archdiocese. There have also been the recipients of aid through the many causes supported by the Archdiocese through contribution to among others, SCIAF, Missio, Apostleship of the Sea and African Missions and Holy Places.

Since the installation of Archbishop Cushley in 2013, a period of time is being taken to consider the various structures, governance and management of the Archdiocese and at the start of 2015, the Archbishop published his Pastoral Letter "We Have Found the Messiah" which provides the way forward for the review of the Archdiocese.

## TRUSTEES' REPORT

### Financial Review

#### Financial

This year resulted in a deficit movement on funds of £2,231,000. This includes a net deficit for the year of £2,891,000, unrealised investment gains of £349,000 and unrealised gains on the revaluation of properties of £311,000. The net deficit has arisen as a result of making a provision in the year of £3,100,000 for the financial support provided to retired priests of the Archdiocese. As at 31 December 2014, the obligation to provide financial support to the retired priests of the Archdiocese was reviewed. This provision therefore reflects an actuarial valuation of the total obligation that exists for those priests that were retired at 31 December 2014.

Incoming resources have increased by £157,000 due to an increase on gains on the disposal of fixed assets of £99,000 and an increase in the income from activities for generating funds of £36,000 and increase in investment income of £30,000. There is a small decrease in Voluntary Income of £11,000 arising from reductions in donations, legacies and special collection income, offset by an increase in grant income.

Expenditure in 2014 increased by £2,886,000 as a result of making a provision for retired priests of £3,100,000 offset by a reduction in the loss on disposal of assets of £270,000, primarily due to the loss £279,000 incurred on the disposal of two properties in 2013 which had fallen into a dilapidated condition. The cost of providing charitable activities increased by £59,000.

Two properties have been recognised in the accounts for the first time as a result of a change of use leading to an unrealised gain on revaluation of properties being recorded of £311,000.

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 2014, which greatly assists the Curia in managing its cashflows and working capital requirements.

#### Developments

A new lighting system was installed in St Mary's Cathedral during the year with no other major projects undertaken.

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

The parish of St Paul's, Muirhouse was suppressed during the year which led to a change of use of the church, presbytery and hall. Prior to the end of the year these buildings were burnt down and the site was subsequently sold after the end of the year.

#### Investments – Performance

The value of the investment portfolio increased during 2014. New contributions of £488,000 were added to investments during the year and £88,000 of investments were divested from the portfolio during the year.

<i>Market Value</i>	<i>FTSE All Share Index</i>	<i>Brewin Dolphin £'000</i>	<i>Standard Life £'000</i>	<i>Investec £'000</i>	<i>Shares held separately £'000</i>
At December 2013	3,609	2,175	5,710	3,822	67
At December 2014	3,533	2,104	5,856	4,496	70

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.

## **TRUSTEES' REPORT**

### **Financial Review (contd.)**

#### **Reserves**

It is the Trustees' policy to increase 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, income is insufficient to meet commitments. The Restricted and Endowment Funds which have been given for specific purposes are detailed in notes 18 and 19 to the accounts.

During the year one of the funds previously reported as an endowment fund at the end of 2013 was reviewed and considered to be an unrestricted fund and a prior year adjustment has been included in these Accounts to reclassify the endowment and unrestricted funds as at 31 December 2013. The amount reclassified from endowment to unrestricted funds at 31 December 2013 was £1,151,000.

#### **Investments – 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. 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 Catholic Church.

#### **Retired clergy**

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

#### **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 extend their thanks to the parish priests and their finance committees for their co-operation and efforts in assisting with this obligation.

### **Risk Assessment**

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.

#### **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. The Trustees have established a Governance Folder which contains all relevant policies and procedures and which are kept under review.

The Trustees are seeking to put in place an overarching trust deed which will provide a modern basis for the administration of the charity. A draft trust deed was submitted to OSCR in August 2014 and discussions on the same are continuing with OSCR. The Trustees are also keen to address the need to appoint more Trustees, including lay trustees.



## **TRUSTEES' REPORT**

### **Risk Assessment (contd.)**

#### **Strategic Plan**

Archbishop Cushley through his pastoral letter 'We have found the Messiah' has set out clearly his vision and the challenges faced by the Archdiocese. There will now be a period of review and this will subsequently inform and give direction to the development of a strategic plan in due course.

#### **Financial**

The Archdiocese continues to rely heavily on the generosity of its members, and 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 with resulting increases in the cost base of the Archdiocese and the cost of providing for priests in their retirement.

The continuing cost of maintaining and repairing 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.

The strain on the central financial resources of the Archdiocese remains great and the Archdiocese has initiated a strategic review of its curia activities.

#### **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, has adopted the policy formulated by the Bishops' Conference of Scotland. 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 vulnerable adults. In the light of the review of these guidelines at the national level by the independent McLellan Commission, the Trustees will be considering the implementation of the recommendations made by the Commission, in order to update and improve its present practices in this regard.

### **Future Plans**

The Archdiocese continues to promote the Gospel of 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 the development of further plans to enable the work of the Church to be fulfilled. At the start of 2015, the Archbishop published his Pastoral Letter "We Have Found the Messiah" which provides the way forward for the review of the Archdiocese.

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.

Whilst the Archdiocese has a large capital requirement over the next few years, capital expenditure will continue to be limited for all projects except essential maintenance and health and safety projects

## **TRUSTEES' REPORT**

### **Future Plans (contd.)**

until the financial position is more stable. The Trustees, with their advisors and managers, continue to pursue and develop strategies to address the issues previously mentioned.

The requirements of OSCR and the SORP 2005 (Statement of Recommended Practice), in conjunction with the requirements of Canon Law, continue to form the basis for the financial controls and governance of the Archdiocese.

### **Conclusion**

The Trustees wish to thank all Archdiocesan personnel, both clergy and laity, for their hard work during 2014 with a special word of thanks given to the many volunteers for their continued involvement in the Archdiocese. Without this involvement the Archdiocese would not function effectively and it is hoped that this involvement will continue to grow and become even stronger in future.

### **Statement of Trustees Financial Responsibilities**

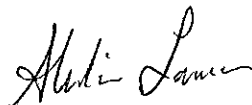
The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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. 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**

22 SEPTEMBER 2015

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

We have audited the accounts of the Archdiocese of St Andrews and Edinburgh for the year ended 31 December 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 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.

**Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, 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 accounts**

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 December 2014, 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' 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 LLP  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh EH3 6NL

25/9/ 2015

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

**ARCHDIOCESE OF ST ANDREWS & EDINBURGH**  
**(Formerly the Roman Catholic Archdiocese of St Andrews and Edinburgh)**

**STATEMENT OF FINANCIAL ACTIVITIES**

**For the year ended 31 December 2014**

	Notes	Parishes			Curial				2014 Total Funds £'000	2013 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		
<b>INCOMING RESOURCES:</b>										
Incoming resources from Generated Funds										
Voluntary income	2	4,985	477	5,462	416	121	-	537	5,999	6,010
Activities for generating funds	3	805	-	805	-	-	-	-	805	769
Investment income	4	110	-	110	559	63	54	676	786	756
Incoming resources from charitable activities	5	527	-	527	320	91	-	411	938	935
Other income – gains on disposal of fixed assets		108	-	108	-	-	-	-	108	9
<b>TOTAL INCOMING RESOURCES</b>		<b>6,535</b>	<b>477</b>	<b>7,012</b>	<b>1,295</b>	<b>275</b>	<b>54</b>	<b>1,624</b>	<b>8,636</b>	<b>8,479</b>
<b>RESOURCES EXPENDED:</b>										
Cost of generating funds										
Fundraising and other costs		74	-	74	-	-	-	-	74	83
Investment managers' fees		-	-	-	44	5	8	57	57	52
Charitable activities	7, 8	5,562	198	5,760	1,475	1,039	-	2,514	8,274	8,215
Governance costs	10	-	-	-	37	-	-	37	37	36
Other expenditure – loss on disposal of fixed assets		4	-	4	5	-	-	5	9	279
Provision for retired priests	17	-	-	-	3100	-	-	3,100	3,100	-
<b>TOTAL RESOURCES EXPENDED</b>		<b>5,640</b>	<b>198</b>	<b>5,838</b>	<b>4,661</b>	<b>1,044</b>	<b>8</b>	<b>5,713</b>	<b>11,551</b>	<b>8,665</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>895</b>	<b>279</b>	<b>1,174</b>	<b>(3,366)</b>	<b>(769)</b>	<b>46</b>	<b>(4,089)</b>	<b>(2,915)</b>	<b>(186)</b>
Gross transfers between funds:										
Parish Assessment, levies and special collections	18,19,20	(541)	(279)	(820)	623	197	-	820	-	-
<b>NET INCOMING/ (OUTGOING) RESOURCES AFTER TRANSFERS</b>		<b>354</b>	<b>-</b>	<b>354</b>	<b>(2,743)</b>	<b>(572)</b>	<b>46</b>	<b>(3,269)</b>	<b>(2,915)</b>	<b>(186)</b>
Realised gains on sale of investments		-	-	-	5	19	-	24	24	138
<b>NET DEFICIT FOR THE YEAR</b>		<b>354</b>	<b>-</b>	<b>354</b>	<b>(2,738)</b>	<b>(553)</b>	<b>46</b>	<b>(3,245)</b>	<b>(2,891)</b>	<b>(48)</b>
Unrealised gains on revaluation of properties		-	-	-	311	-	-	311	311	72
Unrealised gains/ (losses) on investments	14	-	-	-	356	19	(26)	349	349	1,193
<b>NET MOVEMENT ON FUNDS</b>		<b>354</b>	<b>-</b>	<b>354</b>	<b>(2,071)</b>	<b>(534)</b>	<b>20</b>	<b>(2,585)</b>	<b>(2,231)</b>	<b>1,217</b>
Funds brought forward as previously stated	18,19,20	29,302	-	29,302	13,339	3,399	2,309	19,047	48,349	47,132
Prior year adjustment	18,20	-	-	-	1,151	-	(1,151)	-	-	-
Funds brought forward as restated	18,19,20	29,302	-	29,302	14,490	3,399	1,158	19,047	48,349	47,132
<b>FUNDS CARRIED FORWARD</b>	21	<b>29,656</b>	<b>-</b>	<b>29,656</b>	<b>12,419</b>	<b>2,865</b>	<b>1,178</b>	<b>16,462</b>	<b>46,118</b>	<b>48,349</b>

All of the Archdiocese activities are continuing. The notes on pages 13 to 27 form part of these accounts.


**ARCHDIOCESE OF ST ANDREWS & EDINBURGH**  
(Formerly the Roman Catholic Archdiocese of St Andrews and Edinburgh)

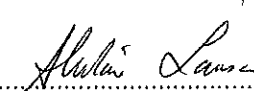
**BALANCE SHEET**

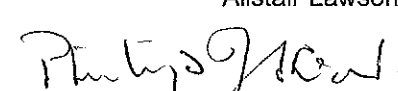
**As at 31 December 2014**

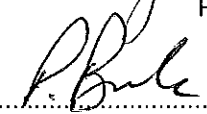
	Notes	2014	2013
		£'000	(restated) £'000
<b>Fixed Assets</b>			
Tangible fixed assets	12	27,252	26,627
Heritage assets	13	1,053	1,053
Investments	14	12,526	11,774
<b>Total Fixed Assets</b>		<b>40,831</b>	<b>39,454</b>
<b>Current Assets</b>			
Debtors	15	295	141
Cash at bank and in hand		8,538	9,148
<b>Total Current Assets</b>		<b>8,833</b>	<b>9,289</b>
<b>Liabilities</b>			
<b>Creditors:</b> amounts due within one year	16	(446)	(394)
Net current assets		8,387	8,895
<b>Provision for liabilities and charges</b>	17	(3,100)	-
<b>Net Assets</b>		<b>46,118</b>	<b>48,349</b>
<b>The Funds of the Charity:</b>			
Curial endowments	18	1,178	1,158
Curial restricted funds	19	2,865	3,399
Curial unrestricted funds	20	12,419	14,490
Parish unrestricted funds	20	29,656	29,302
<b>Total Charity Funds</b>	21	<b>46,118</b>	<b>48,349</b>

Approved by the Trustees on 22 SEPTEMBER 2015

  
 .....  
 Leo Cushey      Trustee

  
 .....  
 Alistair Lawson      Trustee

  
 .....  
 Philip Kerr      Trustee

  
 .....  
 Patrick Burke      Trustee

**CASH FLOW STATEMENT**

**For the year ended 31 December 2014**

	<b>Note</b>	<b>2014</b>	<b>2013</b>
		<b>£'000</b>	<b>£'000</b>
<b>Net cash outflow from operating activities</b>	24	(597)	(444)
<b>Returns on investments and servicing of finance</b>			
Interest and investment income received		786	756
<b>Net cash inflow from returns on investments and servicing of finance</b>		786	756
<b>Capital expenditure and financial investment</b>			
Payments to acquire fixed assets		(546)	(636)
Payments to acquire investments		(1,619)	(1,895)
Receipts from the sale of fixed assets		131	232
Receipts from the sale of investments		1,235	3,371
<b>Net cash (outflow)/inflow from capital expenditure and investments</b>		(799)	1,072
<b>(Decrease)/Increase in cash in the year</b>	25,26	(610)	1,384

The notes on pages 13 to 27 form part of these accounts.

## **NOTES to the ACCOUNTS**

### **For the year ended 31 December 2014**

#### **1 Accounting Policies**

##### **Basis of preparation**

The 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 accounts.

##### **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.

##### **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 results 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, 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.

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 December 2014**

**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 are disclosed in note 13 to the accounts.

**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 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 under FRS 11 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.

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.

**Pensions**

The Archdiocese operates one defined contribution pension scheme. 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.



**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 December 2014**

**1 Accounting Policies (Contd.)**

**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 27 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 21.

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

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

Restricted funds are derived from legacies, bequests and donations which were donated for 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.

<b>2 Voluntary income</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Donations	547	607
Legacies	68	110
Special collections income	477	558
Offertory collections and gift aid	4,254	4,196
Miscellaneous collections and donations	130	197
Grants received	523	342
	<b>5,999</b>	<b>6,010</b>
	<b>=====</b>	<b>=====</b>

<b>3 Activities for generating funds</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Fundraising and parish hall and other property income	805	769
	<b>=====</b>	<b>=====</b>

<b>4 Investment Income</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Income from listed investments	435	401
Bank interest receivable	4	4
Other interest receivable	9	5
Rental income from investment properties	338	346
	<b>786</b>	<b>756</b>
	<b>=====</b>	<b>=====</b>

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 December 2014**

<b>5 Incoming resources from charitable activities</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Gillis Centre income	249	271
Cathedral complex income	213	202
Mount Vernon cemetery income	89	96
Church stall	285	289
Chaplaincy income	59	54
Courses and workbook income	43	23
	-----	-----
	938	935
	=====	=====
<b>6 Staff Costs</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<i>Diocese</i>		
Wages and salaries	733	651
Social security costs	59	53
Pension costs	21	18
	-----	-----
	813	722
Wages and salaries – parishes	448	440
	-----	-----
	1,261	1,162
	=====	=====
No employee receives remuneration in excess of £60,000.	<b>No</b>	<b>No</b>
Average number of employees for curial and parish activities during the year (full-time equivalent)	53	52
	=====	=====

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 there were five Trustees of the Archdiocese, four of whom were 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:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Most Reverend Leo Cushley (appointed 21/09/2013)	-	-
Most Reverend Philip Tartaglia (appointed 27/04/2013, resigned 21/09/2013)	-	-
His Eminence Keith Patrick Cardinal O'Brien (resigned 25/02/2013)	-	410
Right Reverend Monsignor Alistair Canon Lawson	2,750	2,680
Right Reverend Monsignor Philip Kerr	2,750	2,680
Right Reverend Monsignor Patrick Burke (appointed 18/12/2013)	2,750	100
Bishop Stephen Robson (appointed 24/04/2013, resigned 01/01/2014)	-	1,850
Helen Gardner-Swift (appointed 24/04/2013, resigned 22/04/2014)	-	-

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 27.

NOTES to the ACCOUNTS (Contd.)

**For the year ended 31 December 2014**

**7 Parish charitable activities**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>Direct charitable activities</b>		
Special collections remitted	198	289
Travel and car expenses	216	212
Repairs and renovations	1,303	1,274
Church costs	1,340	1,397
Hall costs	223	225
Priests' house costs	896	993
Insurance	210	222
Retreats and courses	176	124
Donations	104	94
Clergy & staff salaries and national insurance	584	593
	5,250	5,423
<b>Support costs of charitable activities</b>		
Depreciation	184	171
Professional and legal fees	27	12
Office and stationery	246	242
Interest payable	2	2
Miscellaneous	51	80
	510	507
<b>Total parish charitable activities</b>	<b>5,760</b>	<b>5,930</b>

**8 Diocesan charitable activities**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>Direct charitable activities</b>		
Staff salaries and national insurance	63	54
Education of priests and students	168	124
Mission fund expenses	111	19
Grants paid (note 11)	43	79
Special collections	159	142
Religious education and chaplaincies	339	286
Mount Vernon cemetery costs	20	35
	903	739
<b>Support costs of charitable activities</b>		
Curial administration expenses	261	313
Curial property expenses	312	291
Care of sick and retired priests	350	306
Contribution to national assessments	137	135
Staff salaries and national insurance	546	491
Interest payable	5	10
	1,611	1,546
<b>Total Diocesan charitable activities</b>	<b>2,514</b>	<b>2,285</b>
<b>Total of notes 7 and 8</b>	<b>8,274</b>	<b>8,215</b>

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 December 2014**

<b>9 Charitable activities</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Advancement of Religion	4,470	4,479
Advancement of Education	2,293	2,237
Relief of Poverty	849	833
Cure/alleviation of sickness/disease	662	665
	<u>8,274</u>	<u>8,214</u>
	<u>=====</u>	<u>=====</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% (2013; 40%), Advancement of Education 35% (2013; 35%), Relief of Poverty 15% (2013; 15%) and Cure/alleviation of sickness/disease 10% (2013; 10%). These percentages have been reviewed for reasonableness by the Trustees.

<b>10 Governance costs</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Audit and accounting fees	37	36
	<u>=====</u>	<u>=====</u>

The remuneration paid to the auditor in respect of other professional services amounted to £7,020 (2013: £7,345).

<b>11 Grants Paid</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
The amounts payable in the year, which are included within charitable activities, comprise:		
<b>Grants to institutions</b>		
Scottish Churches Housing	-	10
L' Arche	-	20
Scottish Marriage Care	-	17
Lifeline	3	5
Sisters of the Gospel of Life	8	-
The Congregation of the Sisters of Nazareth	9	-
Other institutional grants	23	27
	<u>43</u>	<u>79</u>
	<u>=====</u>	<u>=====</u>
<b>Total Grants Paid (note 8)</b>		

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 December 2014**

**12 Tangible Fixed Assets**

	<b>Investment Properties £'000</b>	<b>Land and Heritable Properties £'000</b>	<b>Furnishings and Equipment £'000</b>	<b>Motor Vehicles £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>					
Balance brought forward	7,805	17,486	1,738	532	27,561
Additions	-	209	212	125	546
Disposals	-	-	(26)	(97)	(123)
Revaluation	36	275	-	-	311
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance carried forward	7,841	17,970	1,924	560	28,295
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
Balance brought forward	-	-	595	339	934
Charge for the year	-	-	98	107	205
Disposals	-	-	(26)	(70)	(96)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance carried forward	-	-	667	376	1,043
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>					
As at 31 December 2014	7,841	17,970	1,257	184	27,252
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2013	7,805	17,486	1,143	193	26,627
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Investment properties were 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 £1,912,789 (2013: £1,703,839).

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 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 2014.

**13 Heritage Assets**

	<b>Parishes £'000</b>	<b>Curial £'000</b>	<b>Total £'000</b>
<b>Valuation</b>			
At 1 January 2014 and at 31 December 2014	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.

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 December 2014**

**13 Heritage Assets (continued)**

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 2014.

**14 Investments**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Market value at beginning of year	11,774	11,918
Additions	1,619	1,895
Disposals	(1,216)	(3,232)
Unrealised gain	349	1,193
	=====	=====
Market value at end of year	12,526	11,774
	=====	=====
Cost at 31 December 2014	10,259	10,107
	=====	=====

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

Investments at market value comprised :-	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Investments held in the UK	11,327	10,802
Investments held out with the UK	1,199	972
	=====	=====
	12,526	11,774
	=====	=====

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

	<b>£'000</b>
SRI Fund for Charities	2,322
	=====

NOTES to the ACCOUNTS (Contd.)

**For the year ended 31 December 2014**

<b>15 Debtors</b>	<b>2014</b> £'000	<b>2013</b> £'000
Other debtors	295 =====	141 =====
<b>16 Creditors: amounts due within one year</b>	<b>2014</b> £'000	<b>2013</b> £'000
Accruals	278	112
Other creditors	168 -----	282 -----
	446 =====	394 =====
<b>17 Provision for liabilities and charges</b>	<b>2014</b> £'000	<b>2013</b> £'000
Provision for financial support of retired priests	3,100 -----	- -----
	3,100 =====	- =====

As at 31 December 2014 the obligation to provide financial support to the retired priests of the Archdiocese was reviewed. Subsequent to the year end an actuarial valuation was obtained from professional advisors of the total obligation that exists for those priests that were retired at 31 December 2014 of £3,100,000 and a provision for this amount was made as at 31 December 2014.

**18 Curial Endowments**

	Restated as at 01 January 2014 (restated) £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers Between Funds £'000	Revaluation, Realised and Unrealised gains/ (losses) on Investments £'000	Balance at 31 December 2014 £'000
Funds for special purposes	1,158 =====	54 =====	(8) =====	- =====	(26) =====	1,178 =====

The opening balance on 'curial endowment funds' was restated as follows to reflect the reclassification of an investment fund previously recorded as an endowment which upon review was considered and confirmed to be unrestricted in nature.

	£'000
Curial opening endowment funds as previously stated	2,309
Prior year adjustment	(1,151) -----
Curial opening endowment funds restated	1,158 =====

Details of individual funds are set out in note 21.

NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2014

19 Restricted Funds

	Balance as at 01 January 2014 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers Between Funds £'000	Revaluation, Realised and Unrealised gains/ (losses) on Investments £'000	Balance at 31 December 2014 £'000
<i>Curial:</i>						
Special collections	117	2	(233)	228	-	114
Care Fund	170	25	(37)	25	-	183
Ecclesiastical Education fund	-	1	(129)	128	-	-
Aged and Infirm Clergy fund	1,034	32	(334)	64	(12)	784
Taggart Bursary	5	6	-	-	-	11
Rev J C Barry Trust	16	-	-	-	-	16
Mount Vernon	817	104	(87)	-	19	853
Vocations	68	-	-	2	-	70
SPRED	79	-	(27)	-	-	52
Mission fund	665	19	(111)	-	19	592
Sick Priests fund	58	2	(3)	3	-	60
Margaret Sinclair fund	92	2	(2)	-	12	104
Friendly Society	1	-	-	1	-	2
Farquharson fund	17	-	-	-	-	17
Stipend fund	6	2	(4)	-	-	4
Porticus Trust	-	80	(77)	-	-	3
Adult Lay Formation	254	-	-	(254)	-	-
Total curial restricted funds	3,399	275	(1,044)	197	38	2,865
Parish restricted funds	-	477	(198)	(279)	-	-

Details of the individual funds are set out in note 21.



NOTES to the ACCOUNTS (Contd.)

**For the year ended 31 December 2014**

**20 Unrestricted Funds**

	Restated as at 01Jan 2014 (restated) £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers Between Funds £'000	Realised And Unrealised Gains/ (Losses) £'000	Balance at 31 December 2014 £'000
Designated funds:-						
Development fund	135	-	-	65	-	200
Building Reserve fund	158	-	-	(158)	-	-
Parish Support fund	5	-	-	(5)	-	-
Gains on sale of heritable property	93	-	-	-	-	93
	391	-	-	(98)	-	293
Other unrestricted funds:						
Curial central fund	10,592	1,295	(4,661)	721	361	8,308
Curial Revaluation fund	3,507	-	-	-	311	3,818
Total curial unrestricted funds	14,490	1,295	(4,661)	623	672	12,419
Parish unrestricted fund	29,302	6,535	(5,640)	(541)	-	29,656

**Prior year adjustments**

The opening balance on the 'Curial central fund' was restated as follows,

	£'000
Curial opening central fund as previously stated	9,441
Prior year adjustment (note 18)	1,151
Curia opening central fund restated	10,592

Details of the individual funds are set out in note 21.

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 December 2014**

<b>21 Analysis of Net Assets between Funds</b>	<b>Tangible Fixed Assets £'000</b>	<b>Heritage Assets £'000</b>	<b>Invest- ments £'000</b>	<b>Net Current Assets/ (Liabilities) £'000</b>	<b>Total £'000</b>
Endowments:-					
Funds for Special Purposes	500	-	1,392	(714)	1,178
Restricted Funds:					
Special collections	-	-	-	114	114
Care Fund	-	-	-	183	183
Aged and Infirm Clergy Fund	150	-	587	47	784
Taggart Bursary	-	-	-	11	11
Rev. J C Barry Trust	-	-	-	16	16
Mount Vernon	-	-	464	389	853
Vocations	-	-	-	70	70
SPRED	-	-	-	52	52
Mission Fund	-	-	499	93	592
Sick Priests Fund	-	-	50	10	60
Margaret Sinclair	-	-	112	(8)	104
Friendly Society	-	-	-	2	2
Farquharson Fund	-	-	-	17	17
Stipend Fund	-	-	-	4	4
Porticus	-	-	-	3	3
	150	-	1,712	1,003	2,865
Unrestricted Funds:					
Designated Funds:					
Development Fund	-	-	-	200	200
Gains on sale of Heritable Property	-	-	-	93	93
	-	-	-	293	293
Other Unrestricted Funds:					
Curial Central Fund	5,283	-	9,422	(6,397)	8,308
Revaluation Fund	3,454	364	-	-	3,818
Total curial unrestricted funds	8,737	364	9,422	(6,104)	12,419
Total parish unrestricted funds	17,865	689	-	11,102	29,656
<b>Total</b>	<b>27,252</b>	<b>1,053</b>	<b>12,526</b>	<b>5,287</b>	<b>46,118</b>

**NOTES to the ACCOUNTS** *(Contd.)*

**For the year ended 31 December 2014**

**21 Analysis of Net Assets between Funds** *(Contd.)*

Endowment Funds

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

Other Restricted Funds

- 2 Special Collections  
These funds represent the balance of collections taken up in the parishes of the Archdiocese for particular causes due to be remitted as at the year end.
- 3 Care Fund  
This fund is used to provide grants to further the charitable objectives of the Archdiocese.
- 4 Ecclesiastical Education Fund  
This fund relates to the training of students for the priesthood.
- 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.
- 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  
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.

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 December 2014**

**21 Analysis of Net Assets between Funds (Contd.)**

**18 Adult Lay Formation**

These funds previously represented amounts set aside by the Trustees to fund expenditure on lay people. During the year the Trustees transferred the balance on the fund back to unrestricted funds from where the originating transfer took place.

**Designated Funds**

**19 Development Fund**

This fund represents amounts set aside for development projects.

**20 Building Reserve Fund**

This fund previously represented amounts set aside for future building projects. During the year the balance on the fund was transferred to the Development fund.

**21 Parish Support Fund**

This fund previously represented amounts set aside by the Trustees for an administrative assistant for parishes. The balance on the fund was transferred to unrestricted funds of the Archdiocese during 2014.

**22 Gains on Sale of Heritable Properties**

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

**22 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 £21,343 in the year (2013: £17,797).

**23 Capital and major repairs commitments**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Amount contracted for but not provided in the accounts	114	275
	=====	=====

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

**24 Reconciliation of net deficit to net cash outflow from operating activities**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Net deficit for the year	(2,891)	(48)
Interest and investment income	(786)	(756)
Depreciation	205	189
Loss/(gain) on disposals of investments	(24)	(138)
(Gain)/loss on disposal of other fixed assets	(99)	270
(Increase)/decrease in debtors	(154)	79
Increase/(decrease) in creditors	52	(40)
Movement on provisions	3,100	-
	-----	-----
Net cash outflow from operating activities	(597)	(444)
	=====	=====

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 December 2014**

<b>25 Reconciliation of net cash flow to movement in funds</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
(Decrease)/increase in cash in the year	(610)	1,384
Change in funds	(610)	1,384
Net funds at beginning of year	9,148	7,764
Net funds at end of year	8,538	9,148
	=====	=====

<b>26 Analysis of changes in funds</b>	<b>At</b>	<b>Cash</b>	<b>At</b>
	<b>1 January</b>	<b>flows</b>	<b>31 Dec</b>
	<b>2014</b>	<b>2014</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	9,148	(610)	8,538
	-----	-----	-----
	9,148	(610)	8,538
	=====	=====	=====

**27 Contingent liability**

In accordance with its responsibilities under Canon Law the Archdiocese provides support, accommodation and gratuities where appropriate to retired clergy of the Archdiocese, 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 2014 the total amount of funding provided for the care of the Aged and Infirm Clergy amounted to £334,000 (2013: £300,000).

**28 Contingent Asset**

The Archdiocese is currently in negotiations relating to the recovery of dilapidations in respect of let properties. Details have not been disclosed on the basis that it may prejudice ongoing discussions and no reliable estimate can be assessed at this time.

**29 Related party transactions**

**Trustees**

There are four 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 2014 was £340,000 (2013: £316,000).

**30 Post Balance Sheet Events**

Subsequent to the year end, a church building was disposed of for £215,000 and in July 2015 the Archdiocese disposed of an investment property for £2,000,000. Also in July 2015 a legal claim in respect of an event occurring subsequent to the year end, and relating to one of its properties was raised against the Archdiocese. The Trustees are defending the claim in accordance with legal process and are of the view that a reliable estimate of the financial effect cannot be made.

**DETAILED INCOME and EXPENDITURE ACCOUNT**

**For the year ended 31 December 2014**

	<b>Total 2014 £'000</b>	<b>Total 2013 £'000</b>
<b>Income</b>		
Investment income	786	756
Gillis Centre income	249	271
Special collections income	477	558
Legacies	68	110
Donations	547	607
Offertory collections and gift aid	4,254	4,196
Fundraising and hall rental	805	769
Church stall	285	289
Cathedral complex income	213	202
Grants received	523	342
Miscellaneous	130	197
Mount Vernon cemetery income	89	96
Chaplaincy income	59	54
Courses and workbooks	43	23
Gain on disposal of fixed assets	108	9
<b>Total income</b>	<b>8,636</b>	<b>8,479</b>
<b>Expenditure</b>		
<u>Direct charitable expenditure:</u>		
Staff costs	715	671
Special collections and donations	461	525
Education of priests and students	168	124
Grants paid	43	79
Mount Vernon cemetery costs	20	35
Property expenses	3,846	3,983
Religious education, chaplaincies and pastoral activities	397	390
Retreats and courses	176	124
Mission costs	111	19
Travel and car expenses	216	212
<u>Support costs of charitable activities:</u>		
Staff costs	546	491
Care of sick and retired priests	350	306
Contributions to national assessments	137	135
Miscellaneous	51	80
Administration expenses	267	307
Office and stationery	246	242
Property expenses	312	291
Depreciation	205	189
Interest payable	7	12
Loss on disposal of fixed assets	9	279
<u>Costs of generating funds</u>		
Investment managers' fees	57	52
Fundraising and church stall costs	74	83
<u>Governance costs</u>	37	36
<u>Provision for retired priests</u>	3,100	-
<b>Total expenditure</b>	<b>11,551</b>	<b>8,665</b>
<b>Net outgoing resources for the year</b>	<b>(2,915)</b>	<b>(186)</b>
Realised (losses)/gains on sale of investments and heritable property	24	138
<b>Net deficit for the year</b>	<b>(2,891)</b>	<b>(48)</b>

**DETAILED BALANCE SHEET**

**As at 31 December 2014**

	Parish	Curial	Sub-total	Removed on consol.	2014	2013 (restated)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed Assets</b>						
Tangible Fixed Assets	17,865	9,387	27,252	-	27,252	26,627
Heritage Assets	689	364	1,053	-	1,053	1,053
Investments	-	12,526	12,526	-	12,526	11,774
<b>Total Fixed Assets</b>	<b>18,554</b>	<b>22,277</b>	<b>40,831</b>	<b>-</b>	<b>40,831</b>	<b>39,454</b>
<b>Current Assets</b>						
Other debtors	239	323	562	(267)	295	141
Loans to parishes	-	1,538	1,538	(1,538)	-	-
Loans to curial	7,266	-	7,266	(7,266)	-	-
Cash at bank	6,587	1,951	8,538	-	8,538	9,148
<b>Total current assets</b>	<b>14,092</b>	<b>3,812</b>	<b>17,904</b>	<b>(9,071)</b>	<b>8,833</b>	<b>9,289</b>
<b>Liabilities</b>						
Creditors: amounts due within one year						
Other creditors	(203)	(510)	(713)	267	(446)	(394)
Loans from parishes	-	(3,512)	(3,512)	3,512	-	-
Loans from curial	(2,787)	-	(2,787)	2,787	-	-
<b>Total current liabilities</b>	<b>(2,990)</b>	<b>(4,022)</b>	<b>(7,012)</b>	<b>6,566</b>	<b>(446)</b>	<b>(394)</b>
<b>Net current assets/(liabilities)</b>	<b>11,102</b>	<b>(210)</b>	<b>10,892</b>	<b>(2,505)</b>	<b>8,387</b>	<b>8,895</b>
Creditors: amounts falling due after one year						
Loans from parishes	-	(3,754)	(3,754)	3,754	-	-
Provisions for liabilities and charges	-	(3,100)	(3,100)	-	(3,100)	-
<b>Net assets</b>	<b>29,656</b>	<b>15,213</b>	<b>44,869</b>	<b>1,249</b>	<b>46,118</b>	<b>48,349</b>
<b>Funds of the charity:</b>						
Curial Endowments	-	1,178	1,178	-	1,178	1,158
Curial Restricted	-	2,865	2,865	-	2,865	3,399
Curial Unrestricted	-	11,170	11,170	1,249	12,419	14,490
Parish Unrestricted	29,656	-	29,656	-	29,656	29,302
<b>Total charity funds</b>	<b>29,656</b>	<b>15,213</b>	<b>44,869</b>	<b>1,249</b>	<b>46,118</b>	<b>48,349</b>

Balances between curial and parish are eliminated for the purposes of the full Archdiocesan balance sheet on page 11.