

**ARCHDIOCESE OF ST ANDREWS AND EDINBURGH**

**ANNUAL REPORT and ACCOUNTS**

**For the year ended 31 December 2016**

ANNUAL REPORT and ACCOUNTS

For the year ended 31 December 2016

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**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 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.

**Trustees**

The Trustees of the Archdiocese during the year ended 31 December 2016 were:-

<b>Name</b>	<b>Position</b>	<b>Appointed by</b>
The Most Reverend Leo Archbishop Cushley	Trustee	<i>ex officio</i>
Monsignor Patrick Burke VG	Trustee	Archbishop
Monsignor Allan Chambers VG	Trustee	Archbishop (appointed 08/03/2016)
Reverend Jeremy Bath	Trustee	Archbishop (appointed 03/06/2016)
Mr Alastair Lamond	Trustee	Archbishop (appointed 17/02/2016)
Mrs Zelia Hope	Trustee	Archbishop (appointed 17/02/2016)
Mr Nicholas Ruck Keene	Trustee	Archbishop (appointed 04/03/2016)
Monsignor Alastair Canon Lawson	Trustee	Archbishop (resigned 03/06/2016)
Monsignor Philip Kerr	Trustee	Archbishop (resigned 03/06/2016)

At the point when the accounts were signed the Trustees were,

<b>Name</b>	<b>Position</b>	<b>Appointed by</b>
The Most Reverend Leo Archbishop Cushley	Trustee	<i>ex officio</i>
Monsignor Patrick Burke VG	Trustee	Archbishop
Monsignor Allan Chambers VG	Trustee	Archbishop (appointed 08/03/2016)
Reverend Jeremy Bath	Trustee	Archbishop (appointed 03/06/2016)
Mr Alastair Lamond	Trustee	Archbishop (appointed 17/02/2016)
Mrs Zelia Hope	Trustee	Archbishop (appointed 17/02/2016)
Mr Nicholas Ruck Keene	Trustee	Archbishop (appointed 04/03/2016)
Mrs Mary Buchan	Trustee	Archbishop (appointed 02/02/2017)
Reverend R Kevin Murray	Trustee	Archbishop (appointed 04/05/2017)
Lord James Drummond Young	Trustee	Archbishop (appointed 11/04/2017)

**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

TRUSTEES' REPORT

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

**Auditor**

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

**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

**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 primary mechanism for fulfilling the charitable aims of the Archdiocese of St Andrews & Edinburgh is the local parish.

"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.

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 Second Vatican Council (1962-65) 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.

The role of the diocesan curia is to support that work of the bishop 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 includes the chancery, pastoral agencies, communications, safeguarding, property and finance departments.

**TRUSTEES' REPORT**

**Objectives & Activities (contd.)**

**Achievements & Performance**

All of the apostolic work of the Archdiocese is rooted in life with Jesus Christ in both prayer and sacrament. It is estimated that the weekly Sunday Mass attendance is around 27,200 and during 2016 there were 1,231 Baptisms (2015: 1,426) and 239 Marriages (2015: 284), two seminarians were ordained to the priesthood, with a further six seminarians in training for the priesthood and three others in training for the permanent diaconate at the end of 2016.

The fulfilment of the charitable aims of the Archdiocese of St Andrews & Edinburgh finds priests, religious and lay people undertake a range of apostolic works most often aimed at serving those in greatest need. We help provide:

- A network of 104 parishes across 10 local authority areas
- A network of 70 Catholic primary schools and 10 Catholic high schools
- Chaplains to 39 hospitals and four 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 Internal 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.

Elsewhere, 2016 saw various initiatives throughout the Archdiocese of St Andrews & Edinburgh aimed at promoting the Catholic Church's Jubilee Year of Mercy (8 December, 2015 – 20 November, 2016). These included:

- Sanctuaries of Mercy: Eight parishes that are local hubs for pilgrims seeking the Sacrament of Confession.
- Evenings of Mercy: Eight evenings of recollection led by Archbishop Cushley with generous provision of the Sacrament of Confession available.
- The Light is on for You: A promotional campaign to encourage people to return to the Sacrament of Confession during Lent 2016.
- Media outreach: Archbishop Cushley led the Lenten Reflections marking the Year of Mercy on both EWTN – the global Catholic media network – and the Tablet magazine.
- Holy Year Pilgrimage: Archbishop Cushley led an Archdiocesan Pilgrimage to Rome to mark the close of the Holy Year in November 2016. At the closing ceremony of the Holy Year, the Archbishop received an apostolic letter from Pope Francis on behalf of the bishops of the world.

The pilgrimage to Rome also saw the Archdiocese receive global media attention with the launch of the Catholic App, another initiative created in response to Pope Francis's call to mercy. Developed in conjunction with Edinburgh-based technology firm, Musemantik, the interactive Catholic App allows users of Android and iPhones to find their nearest and soonest Confession and Holy Mass. The launch was followed by commercial interest from dioceses around the globe.

To promote the cause of beatification of Venerable Margaret Sinclair (1900-25), the Archdiocese commissioned Glasgow-based playwright, Stephen Callaghan, to create a dramatization of Venerable Margaret's life. The result was the one-woman play, The Margaret Sinclair Story, which starred MaryFrances Jennow and played to busy audiences at the Edinburgh Fringe Festival (6-12 August). Critically acclaimed, the play received a three-star review in The Scotsman. It is now touring around other dioceses including several Catholic schools.

Sunday 3 June 2016 saw the first ever annual Archdiocese Lourdes Day in Edinburgh which attracted over 400 pilgrims to the afternoon rosary procession from the Archbishop's residence to the Lourdes Grotto at the Gillis Centre.

Sunday 12 June 2016 witnessed over 2,000 pilgrims from across Scotland attend the St Margaret Pilgrimage in Dunfermline, in its second year since being restored to the Archdiocesan calendar.

TRUSTEES' REPORT

**Objectives & Activities - Achievements and Performance (contd.)**

Archbishop Cushley led a delegation of young people to World Youth Day 2016 in Kraków, Poland (25 July – 31 July) where he was also invited to lead three days of catechesis for young people drawn from across the English-speaking world on the theme of "Blessed are the merciful, for they will receive mercy (Mt 5:7)".

Many of these corporal works of mercy are undertaken by the 23 religious orders — 13 male and 10 female — who enhance the life of the Archdiocese. These include two organisations newly arrived in the Archdiocese, the Religious Sisters of Mercy of Alma and the Spiritual Family The Work, who are supporting the work of three parishes and the Curia.

On St Andrews Day 2016, Archbishop Cushley launched Caritas St Andrews & Edinburgh. A new department of the Curia, Caritas has been created to foster a range of anti-poverty initiatives at parish level.

**Developments**

*Parishes*

Since his installation in 2013, Archbishop Cushley has taken a period of time to consider the governance and the various structures and management of the Archdiocese and on Palm Sunday 2015 he published his pastoral letter "We Have Found the Messiah" which sets out the future outlook for the Archdiocese and enters the Archdiocese into a period of review and transition with one fixed goal: the more effective evangelisation of contemporary society within the Archdiocese of St Andrews & Edinburgh.

Over 30,000 copies of We Have Found the Messiah were distributed throughout the Archdiocese and within its nine pages, Archbishop Cushley has sought to respond to the mission of evangelisation entrusted to him by Pope Francis.

Despite inheriting a reduced number of priests and practising Catholics, the Archbishop proposed that a renewal of the Church is possible but only if Catholic communities are gathered closely around Jesus Christ in the Holy Eucharist. This, he said, requires a realistic assessment of the resources presently available to the Church at a local level.

In order to initiate that discussion at the local level, Archbishop Cushley undertook a 28-date tour of the Archdiocese during winter-spring 2015/16 to explain his vision for the Archdiocese and outline the next stage of the process. Each public meeting drew together people from a number of parishes that are already working together in a particular locality, these pastoral sub-units are known as "clusters", and in total over 7,000 people attended the meetings.

Easter 2017 saw Archbishop Cushley receive reports from the 28 pastoral sub-units of the Archdiocese of St Andrews & Edinburgh in response to his 2015 pastoral letter. The next stage of the process is for Archbishop Cushley to study and evaluate each local submission before making a draft proposal to each area regarding the way forward. The guiding principle in every case will be how best to generate a new evangelisation in all localities which has the Sunday Eucharist as its source and summit.

*Key Management Group*

The Key Management Group was expanded during 2016 with the appointment of a number of new Trustees, including a number of Lay Trustees. The new Trustees bring a wealth of experience and skills to enhance the governance and management of the Archdiocese and the process of expanding and enhancing the Key Management Group has continued into 2017.

*Mount Vernon*

During 2016 the Archdiocese informed the Office of the Scottish Charity Regulator ("OSCR") of a notifiable event which occurred at Mount Vernon Cemetery involving alleged fraudulent activities of an employee. Subsequent investigation by Police Scotland has led to an individual being charged with a number of cases of theft and fraud. The judicial process is currently ongoing with the outcome awaited.

The Archdiocese is aware that these activities had been ongoing for a period of time and is taking all steps possible to contact and provide pastoral care to those people who are affected, as well as introducing revised procedures and controls to strengthen the operations of the cemetery.

## TRUSTEES' REPORT

### 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 contained on pages 15 to 33 provide further details on the Accounting policies used in preparing these Accounts.

### **Financial**

The year has resulted in a positive Net Movement on Funds of £2,120,000 with £215,000 of the surplus attributable to the funds of the Parishes and £1,905,000 attributable to Curial funds.

Included within the net movement on curial funds is a realised gain on investments of £71,000 and an unrealised gain on the sale of investments of £1,568,000. Included within the net movement on parish funds is an unrealised gain on the sale of investments of £41,000.

Total income has increased by £125,000 to £8,957,000 in the year, due to an increase in Income from trading activities of £138,000 to £946,000 and investment income increasing by £109,000 to £890,000.

Total expenditure has increased by £450,000 to £8,517,000 due to an increase of £374,000 in the cost of Charitable Activities and an increase of £76,000 to £188,000 in the cost of Raising Funds.

The cost of Parish Charitable Activities has increased by £298,000 due mainly to an increase in the cost of repairs and renovations to parish properties of £383,000 and the cost of Curial Charitable Activities has increased by £76,000. Further details on the cost of Charitable Activities can be found in note 8 of the Notes to the Accounts.

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

Sources of Funds which support the work of the curia are derived from investment income, an annual assessment/levy received from parishes, a grant received from the Charleston Estate, some income from trading activities and special collections 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 from investments and property sales, the surplus on curia activities, including transfers from parishes, was £266,000, a significant improvement from a comparable deficit of £284,000 in 2015. This underlying surplus for 2016 has arisen as result of not filling a number of posts as they became vacant, increasing the level of assessment levied on parishes and recognising a number of one off donations and legacy items received or notified in the year. However, it continues to be the case that the curia resources remain under pressure to meet its commitments and responsibilities to educate an increasing number of seminarians and deacons and provide support to retired clergy, as well as fulfil its national responsibilities to the Bishops' Conference of Scotland, run and administer the diocesan offices and provide other diocesan services through various pastoral agencies.

During the year, land at Ballingry was sold with a resultant loss on the disposal of £1,000 and no major capital projects were undertaken.

### **Investments – Performance**

The value of the Archdiocesan investment portfolios increased during 2016 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 2016	3,873	2,421	6,275	7,064	124
At December 2015	3,444	2,259	5,836	5,854	54

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

**TRUSTEES' REPORT**

**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.

**Reserves**

The total reserves of the Archdiocese at the end of 2016 amount to £50,716,000.

The balance of unrestricted reserves at the end of the year is £45,901,000, with £26,903,000 of this balance represented by Tangible Fixed Assets and Heritage Assets. The amount of reserves represented by Tangible Fixed Assets and Heritage Assets is realisable only if these assets were to be disposed off. Excluding designated reserves of £293,000, and the amount of unrestricted reserves represented by Tangible Fixed Assets and Heritage Assets, the amount of unrestricted free reserves at the end of the year is £18,705,000.

The balance of restricted reserves at the end of the year is £3,283,000 with £150,000 of these reserves represented by tangible fixed assets.

The balance of endowment reserves at the end of the year is £1,532,000 with no amount of tangible fixed assets included within the balance of this reserve.

It is the Trustees' policy 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 £215,000 and unrestricted curia reserves increased by £552,000. However, excluding realised and unrealised gains on investments relating to the unrestricted funds of the curia of £1,280,000, the unrestricted reserves of the curia would have decreased by £728,000.

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 2016 amounted to £509,000 and other transfers to endowment funds and restricted funds of £664,000 and £155,000 respectively.

The transfer of £509,000 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. In addition £664,000 was transferred from unrestricted funds to endowments to achieve the required endowment fund balance following a review of the individual endowments, and a further £155,000 of investments was allocated and transferred to the ecclesiastical students fund to provide support for the training and education of seminarians in the future.

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 an additional special collection was taken throughout the parishes of the Archdiocese for the benefit of the Aged and Infirm Clergy Fund resulting in special collection income increasing threefold to £124,000.

The Restricted and Endowment Funds which have been given for specific purposes are detailed in notes 18 and 19 to the accounts.



## TRUSTEES' REPORT

### Principal risks and uncertainties

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.

Key risks identified by the Trustees, and steps being taken to mitigate them are set out below:

#### **Governance**

The Trustees are aware that sound governance arrangements are central to the operations and activities of the Archdiocese and are currently 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 and discussions on this are continuing.

A number of new Trustees have been appointed during 2016 and 2017, including a number of lay Trustees. During the review work currently being undertaken the Trustees remain aware of and will take the opportunity 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.

#### **Strategic Plan**

An expected reduction in the number of clergy over the next five years presents a number of challenges to the Archdiocese.

Archbishop Cushley through his pastoral letter 'We have found the Messiah' has set out clearly his vision and the current consultations and cluster meetings that are taking place, and subsequent proposals arising from these meetings will in time inform and give shape to the strategic pastoral plan for the future.

#### **Financial**

The Trustees are aware of 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 obligatory for all parishes and organisations, will likely involve additional resources to be committed to ensure compliance.

#### **Safeguarding**

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 requires 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.

**TRUSTEES' REPORT**

**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 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 with the consultation and evaluation process arising from this among parish clusters ongoing.

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.

It is likely that capital expenditure will continue to be limited for all projects for the foreseeable future 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.

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.

**Structure, Governance & Management**

**Organisational Structure**

During the year ended 31 December 2016 the Archdiocese comprised 104 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 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 2015:

- 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

During the year the Lease Committee and Mount Vernon Committee met as delegated by the Trustees to assist them as required.

**TRUSTEES' REPORT**

**Structure, Governance & Management (Cont'd)**

**Management and Remuneration Policy**

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, Rev. Kevin Murray, 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.

During 2017, Monsignor Patrick Burke was appointed Moderator of the Curia and a Chief Operating Officer, Elspeth Atkinson, was 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 they, the Moderator and the senior managers of the Curia, comprise the key management personnel of the charity as they are in charge of directing and 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 2016 was £220,000 (2015: £214,000).

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 6 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.

**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.

**Conclusion**

The Trustees wish to thank all Archdiocesan personnel, clergy and laity, for their hard work during 2015 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.

**Signed on behalf of the Trustees**



**Patrick Burke VG**  
**Trustee**

30 JUNE 2017

**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 2016 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 10, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

**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 2016, 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

3 July 2017

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 2016

	Notes	Parishes			Curial			2016 Total Funds £'000	2015 Total Funds £000
		Un- restricted Funds	Restricted Funds	Total Funds	Un- restricted Funds	Restricted Funds	Permanent Endowment Funds		
		£'000	£'000	£'000	£'000	£'000	£'000		
<b>INCOME AND ENDOWMENTS FROM:</b>									
Donations and legacies	2	4,974	572	5,546	608	54	-	662	6,219
Charitable activities	5	514	-	514	289	110	-	399	951
Other trading activities	3	946	-	946	-	-	-	946	808
Investments	4	106	-	106	680	55	49	784	781
Other income – gains on disposal of fixed assets		-	-	-	-	-	-	-	73
<b>TOTAL INCOME</b>		<b>6,540</b>	<b>572</b>	<b>7,112</b>	<b>1,577</b>	<b>219</b>	<b>49</b>	<b>1,845</b>	<b>8,832</b>
<b>EXPENDITURE ON:</b>									
Raising funds	7	115	-	115	62	4	7	73	112
Charitable activities	8, 9, 10	5,502	180	5,682	1,626	1,021	-	2,647	7,955
<b>TOTAL EXPENDITURE</b>		<b>5,617</b>	<b>180</b>	<b>5,797</b>	<b>1,688</b>	<b>1,025</b>	<b>7</b>	<b>2,720</b>	<b>8,067</b>
<b>Net income/ (expenditure) before net gains/(losses) on investments</b>		<b>923</b>	<b>392</b>	<b>1,315</b>	<b>(111)</b>	<b>(806)</b>	<b>42</b>	<b>(875)</b>	<b>765</b>
Gain on sale of investment properties		-	-	-	-	-	-	-	1,371
Realised gains/(losses) on investments		-	-	-	(6)	28	49	71	14
Unrealised gains/ (losses) on investments	14	41	-	41	1,286	187	95	1,568	(59)
<b>NET INCOME/ (EXPENDITURE)</b>		<b>964</b>	<b>392</b>	<b>1,356</b>	<b>1,169</b>	<b>(591)</b>	<b>186</b>	<b>764</b>	<b>2,091</b>
<b>Transfers between funds:</b>									
Parish Assessment, levies and special collections	18, 19, 20	(749)	(392)	(1,141)	(617)	1,094	664	1,141	-
<b>Other recognised gains/(losses)</b>									
Unrealised gains on revaluation of properties		-	-	-	-	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>215</b>	<b>-</b>	<b>215</b>	<b>552</b>	<b>503</b>	<b>850</b>	<b>1,905</b>	<b>2,091</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward	18, 19, 20	31,092	-	31,092	14,042	2,780	682	17,504	46,505
<b>Total funds carried forward</b>	<b>21</b>	<b>31,307</b>	<b>-</b>	<b>31,307</b>	<b>14,594</b>	<b>3,283</b>	<b>1,532</b>	<b>19,409</b>	<b>48,596</b>

All of the Archdiocese activities are continuing. The notes on pages 15 to 33 form part of these accounts

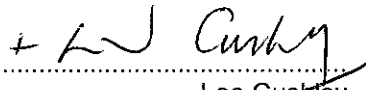
ARCHDIOCESE OF ST ANDREWS & EDINBURGH

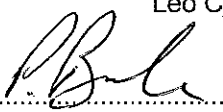
BALANCE SHEET

As at 31 December 2016

	Notes	2016		2015	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	12		26,000		26,073
Heritage assets	13		1,053		1,053
Investments	14		15,884		14,003
<b>Total fixed assets</b>			42,937		41,129
<b>Current assets</b>					
Debtors	15	911		763	
Cash at bank and in hand		10,438		10,256	
<b>Total current assets</b>		11,349		11,019	
<b>Liabilities</b>					
<b>Creditors:</b> amounts falling due within one year	16	(470)		(452)	
<b>Net current assets</b>			10,879		10,567
<b>Total assets less current liabilities</b>			53,816		51,696
<b>Provision for liabilities and charges</b>	17		(3,100)		(3,100)
<b>Total net assets</b>			50,716		48,596
<b>The funds of the charity:</b>					
Curial endowments	18		1,532		682
Curial restricted income funds	19		3,283		2,780
Curial unrestricted funds	20		10,526		9,974
Curial unrestricted funds – revaluation	20		4,068		4,068
Parish unrestricted funds	20		31,307		31,092
<b>Total charity funds</b>	21		50,716		48,596

Approved by the Trustees on 30 JUNE 2017

  
 .....  
 Leo Cusheley Trustee

  
 .....  
 Patrick Burke Trustee

The notes on pages 15 to 33 form part of these accounts.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

	Note	£'000	2016 £'000	£'000	2015 £'000
<b>Cash flows from operating activities:</b>					
Net cash (used in)/provided by operating activities	24		(370)		104
<b>Cash flows from investing activities:</b>					
Dividends, interest and rent from investments		890		781	
Proceeds from the sale of property, plant and equipment		159		536	
Purchase of property, plant and equipment		(296)		(213)	
Proceeds from the sale of investments		1,207		4,141	
Purchase of investments		(1,408)		(3,631)	
<b>Net cash provided by investing activities</b>			552		1,614
<b>Change in cash and cash equivalents in the reporting period</b>			182		1,718
<b>Cash and cash equivalents at the beginning of the reporting period</b>			10,256		8,538
<b>Cash and cash equivalents at the end of the reporting period</b>			10,438		10,256
<b>Analysis of cash and cash equivalents</b>					
Cash at bank – current account			9,847		9,666
Cash at bank – term deposits			591		590
			10,438		10,256

The notes on pages 15 to 33 form part of these accounts.



## NOTES to the ACCOUNTS

### For the year ended 31 December 2016

#### **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**

In the application of the company'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

NOTES to the ACCOUNTS (Contd.)

**For the year ended 31 December 2016**

**1 Accounting Policies (Contd.)**

**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.

Legacy gifts are recognised on a case by case basis following 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 specifically made 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. Grants 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.

NOTES to the ACCOUNTS (Contd.)

**For the year ended 31 December 2016**

**1 Accounting Policies (Contd.)**

**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.

**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.

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

**For the year ended 31 December 2016**

**1 Accounting Policies** (*Contd.*)

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 property when it is 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.

**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 22 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.

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

**For the year ended 31 December 2016**

**1 Accounting Policies (Contd.)**

**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.

**2 Donations and legacies**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Donations	621	534
Legacies	264	290
Special collections income	572	523
Offertory collections and gift aid	4,224	4,220
Miscellaneous collections and donations	143	131
Grants received	384	521
	-----	-----
	6,208	6,219
	=====	=====

In 2016 of the income from donations and legacies, £626,000 (2015:£587,000) was attributable to restricted funds, £Nil (2015: £Nil) was attributable to endowment funds, with the balance of £5,582,000 (2015: £5,632,000) adding to unrestricted funds.

**3 Income from other trading activities**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Fundraising and parish hall and other property income	946	808
	=====	=====

In 2016 and 2015, all income from other trading activities was attributable to unrestricted funds.

**4 Investment Income**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Income from listed investments	532	427
Bank interest receivable	4	3
Other interest receivable	3	1
Rental income from investment properties	351	350
	-----	-----
	890	781
	=====	=====

In 2016 of the income from investments, £55,000 (2015:£52,000) was attributable to restricted funds, £49,000 (2015: £50,000) was attributable to endowment funds, with the balance of £786,000 (2015: £679,000) adding to unrestricted funds.

NOTES to the ACCOUNTS (Contd.)

**For the year ended 31 December 2016**

<b>5 Income from charitable activities</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Gillis Centre income	221	254
Cathedral complex income	192	171
Mount Vernon cemetery income	110	157
Church stall	292	293
Chaplaincy income	53	55
Courses and workbook income	45	21
	-----	-----
	913	951
	=====	=====

In 2016 of the income from charitable activities, £110,000 (2015:£157,000) was attributable to restricted funds, £Nil (2015: £Nil) was attributable to endowment funds, with the balance of £803,000 (2015: £794,000) adding to unrestricted funds.

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

<b>Staff costs</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
<i>Curia</i>		
Wages and salaries	735	784
Social security costs	58	61
Pension costs	33	32
	-----	-----
	826	877
<i>Parishes</i>		
Wages and salaries	529	451
	-----	-----
	1,355	1,328
	=====	=====

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		
Head count	88	81
Full-time equivalent	54	52

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 nine Trustees of the Archdiocese, with six 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.

NOTES to the ACCOUNTS (Contd.)

**For the year ended 31 December 2016**

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

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

	<b>2016</b>	<b>2015</b>
	£	£
Most Reverend Leo Cushley	2,840	2,810
Right Reverend Monsignor Patrick Burke	2,840	2,810
Very Reverend Monsignor Allan Chambers	2,320	-
Reverend Jeremy Bath	1,645	-
Right Reverend Monsignor Alistair Canon Lawson	1,195	2,810
Right Reverend Monsignor Philip Kerr	1,195	2,810

During the year, the total cost of accommodation and expenses provided and incurred by the clergy Trustees was £172,236 (2015: £169,613).

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 £219,752 (2015: £213,926).

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 25.

**7 Costs of raising funds**

	<b>2016</b>	<b>2015</b>
	£'000	£'000
Investment management fees	73	62
Parish fundraising costs	115	50
	<u>188</u>	<u>112</u>

In 2016, £62,000 (2015: £50,000) of investment management costs were attributable to unrestricted funds, £4,000 (2015: £5,000) were attributable to restricted funds, and £7,000 (2015: £7,000) were attributable to endowment funds.

Parish fundraising costs were all unrestricted in both 2016 and 2015.

NOTES to the ACCOUNTS (Contd.)

**For the year ended 31 December 2016**

<b>8 Charitable activities</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
<b><i>Direct charitable activities - Parish</i></b>		
Special collections remitted	180	264
Travel and car expenses	228	208
Repairs and renovations	1,376	993
Church costs	1,276	1,345
Hall costs	234	147
Priests' house costs	772	834
Insurance	232	214
Retreats and courses	140	137
Donations	84	71
Clergy & staff salaries and national insurance	672	575
	<b>5,194</b>	<b>4,788</b>
<b><i>Support costs of charitable activities - Parish</i></b>		
Depreciation and impairment	188	254
Loss on disposal of fixed assets	3	-
Professional and legal fees	19	28
Office and stationery	226	233
Interest payable	2	2
Miscellaneous	50	79
	<b>488</b>	<b>596</b>
<b>Total parish charitable activities</b>	<b>5,682</b>	<b>5,384</b>
	<b>=====</b>	<b>=====</b>

In 2016, of the total expenditure on parish charitable activities £5,499,000 (2015: £5,120,000) was expenditure from unrestricted funds and £180,000 (2015: £264,000) was expenditure from restricted funds.

<b>Curial and Diocesan charitable activities</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
<b><i>Direct charitable activities</i></b>		
Staff salaries and national insurance	71	74
Education of priests and students	193	149
Mission fund expenses	29	21
Grants paid (note 10)	20	73
Special collections	174	147
Religious education and chaplaincies	260	235
Mount Vernon cemetery costs	67	52
	<b>814</b>	<b>751</b>
<b><i>Support costs of charitable activities</i></b>		
Curial administration expenses	407	339
Curial property expenses	237	208
Care of sick and retired priests	410	427
Contribution to national assessments	130	159
Staff salaries and national insurance	608	649
Governance costs (see note 11)	38	37
Loss on disposal of fixed assets	-	-
Interest payable	3	1
	<b>1,833</b>	<b>1,820</b>
<b>Total Curial and Diocesan charitable activities</b>	<b>2,647</b>	<b>2,571</b>
	<b>=====</b>	<b>=====</b>
<b>Total of charitable activity expenditure</b>	<b>8,329</b>	<b>7,955</b>
	<b>=====</b>	<b>=====</b>



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

**For the year ended 31 December 2016**

**8 Charitable activities (Contd)**

In 2016, of the total expenditure on Curial and Diocesan charitable activities £1,626,000 (2015: £1,580,000) was expenditure from unrestricted funds and £1,021,000 (2015: £991,000) was expenditure from restricted funds.

**9 Analysis of charitable expenditure**

	<b>2016</b> £'000	<b>2015</b> £'000
Advancement of Religion	4,419	4,375
Advancement of Education	2,354	2,142
Relief of Poverty	874	804
Cure/alleviation of sickness/disease	682	634
	<u>8,329</u>	<u>7,955</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% (2015; 40%), Advancement of Education 35% (2015; 35%), Relief of Poverty 15% (2015; 15%) and Cure/alleviation of sickness/disease 10% (2015; 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:

	<b>2016</b> £'000	<b>2015</b> £'000
<b>Grants to institutions</b>		
Net Ministries Scotland	10	-
Scottish Churches Housing	5	-
Little Sisters of the Poor	-	10
Lourdes pilgrimage	-	24
Sisters of Mercy	-	12
Lifeline	-	8
The Congregation of the Sisters of Nazareth	-	5
Other institutional grants	5	14
	<u>20</u>	<u>73</u>
	=====	=====
<b>Total Grants Paid (note 8)</b>		

**11 Governance costs**

	<b>2016</b> £'000	<b>2015</b> £'000
Statutory audit fees	38	37
	=====	=====

The remuneration paid to the auditor in respect of taxation advisory services amounted to £3,600 (2015: £3,900), and other services £11,193 (2015: £11,605).

NOTES to the ACCOUNTS (Contd.)

**For the year ended 31 December 2016**

**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	7,181	17,545	1,939	586	27,251
Additions	-	190	17	89	296
Disposals	-	(200)	-	(95)	(295)
Reclassification	320	(320)	-	-	-
Balance carried forward	7,501	17,215	1,956	580	27,252
<b>Depreciation and impairment</b>					
Balance brought forward	-	66	756	356	1,178
Charge for the year	-	-	99	108	207
Disposals	-	(66)	-	(67)	(133)
Balance carried forward	-	-	855	397	1,252
<b>Net Book Value</b>					
As at 31 December 2016	7,501	17,215	1,101	183	26,000
As at 31 December 2015	7,181	17,479	1,183	230	26,073

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 (2015: £1,912,789). In the opinion of the Trustees, having assessed the market for similar properties, the fair value of the investment properties as at 31 December 2016 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 104 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 2016.

Due to a change in use in the course of 2016, a heritable property was let to an external entity and has therefore been reclassified as investment property. In the opinion of the Trustees there is no significant difference between the previous carrying value and fair value.

NOTES to the ACCOUNTS (Contd.)

**For the year ended 31 December 2016**

**13 Heritage Assets**

	<b>Parishes</b> £'000	<b>Curial</b> £'000	<b>Total</b> £'000
<b>Valuation</b>			
At 1 January 2016 and at 31 December 2016	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.

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 2016.

**14 Investments**

	<b>2016</b> £'000	<b>2015</b> £'000
Fair value at beginning of year	14,003	12,526
Additions	1,408	3,631
Disposals	(1,136)	(2,095)
Unrealised gain	1,609	(59)
Fair value at end of year	15,884	14,003
Cost at 31 December 2016	12,580	12,185

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

Investments at fair value comprised:	<b>2016</b> £'000	<b>2015</b> £'000
Investments held in the UK	14,587	12,716
Investments held out with the UK	1,297	1,287
	15,884	14,003

NOTES to the ACCOUNTS (Contd.)

**For the year ended 31 December 2016**

**14 Investments (Contd)**

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

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
SRI Fund for Charities	2,594	2,278
	=====	=====

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.

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility yield. Whilst there has been some market volatility over the past year, arising mainly from the outcome of the UK European Union membership referendum and the US elections, this has had a mainly positive impact on the underlying value of stocks and shares and dividend returns in the year, largely as a result of the depreciation in the value of Sterling and a rally in commodity markets. The Archdiocese continues to take a long term approach to its 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>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	16	36
Other debtors	859	711
Prepayments	36	16
	-----	-----
	911	763
	=====	=====

<b>16 Creditors: amounts due within one year</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Accruals and other creditors	427	402
Deferred income	-	11
Taxation and social security	43	39
	-----	-----
	470	452
	=====	=====

## NOTES to the ACCOUNTS (Contd.)

For the year ended 31 December 2016
**17 Provision for liabilities and charges**

	<b>2016</b>	<b>2015</b>
	£'000	£'000
Provision for financial support of retired priests	3,100	3,100
	=====	=====

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 2016 of £3,100,000 (2015: £3,100,000).

The most recent formal actuarial valuation was undertaken at 31 December 2014. Key assumptions and movements in active and retired clergy have been assessed by the Trustees and they are satisfied that the overall value of the obligation has not materially changed since that date.

**18 Curial Endowments**

	<b>Balance</b>			<b>Revaluation,</b>		<b>Balance</b>
	<b>at 1</b>			<b>Realised</b>		<b>at 31</b>
	<b>January</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfers</b>	<b>Unrealised</b>	<b>December</b>
	<b>2016</b>	<b>Resources</b>	<b>Resources</b>	<b>Between</b>	<b>gains/</b>	<b>2016</b>
	£'000	£'000	£'000	Funds	(losses) on	£'000
Funds for special purposes	682	49	(7)	664	144	1,532
	=====	=====	=====	=====	=====	=====

Details of individual funds are set out in note 21.

A review of the endowment funds was carried out during the year and as a consequence a transfer of £664,000 from unrestricted funds to endowment funds was undertaken to reflect the endowment fund balance required at 31 December 2016, representing a number of individual endowments received by the Archdiocese in the past.

NOTES to the ACCOUNTS (Contd.)

**For the year ended 31 December 2016**

**19 Restricted Funds**

	Balance at 1 January 2016	Incoming Resources	Outgoing Resources	Transfers Between Funds	Revaluation, Realised and Unrealised gains/ (losses) on Investments	Balance at 31 December 2016
	£'000	£'000	£'000	£'000	£'000	£'000
<i>Curial:</i>						
Special collections	114	-	(246)	262	-	130
Care Fund	136	-	(18)	30	-	148
Ecclesiastical Education fund	-	-	(192)	347	-	155
Aged and Infirm Clergy fund	721	73	(352)	449	75	966
Taggart Bursary	11	2	-	-	-	13
Rev J C Barry Trust	16	-	-	-	-	16
Mount Vernon	879	120	(147)	-	62	914
Vocations	72	-	-	6	-	78
SPRED	23	-	(23)	-	-	-
Mission fund	570	14	(29)	(57)	67	565
Sick Priests fund	60	1	(1)	-	-	60
Margaret Sinclair fund	159	7	(16)	-	11	161
Friendly Society	2	-	-	57	-	59
Farquharson fund	17	-	-	-	-	17
Stipend fund	-	2	(1)	-	-	1
Total curial restricted funds	2,780	219	(1,025)	1,094	215	3,283
Parish restricted funds	-	572	(180)	(392)	-	-

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

NOTES to the ACCOUNTS (Contd.)

**For the year ended 31 December 2016**

**20 Unrestricted Funds**

	Balance as at 1 Jan 2016 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers Between Funds £'000	Realised and Unrealised Gains/ (Losses) £'000	Balance as at 31 December 2016 £'000
<b>Designated funds:-</b>						
Development fund	200	-	-	-	-	200
Gains on sale of heritable property	93	-	-	-	-	93
	-----	-----	-----	-----	-----	-----
	293	-	-	-	-	293
<b>Other unrestricted funds:</b>						
Curial central fund	9,681	1,577	(1,688)	(617)	1,280	10,233
Curial Revaluation fund	4,068	-	-	-	-	4,068
	-----	-----	-----	-----	-----	-----
Total curial unrestricted funds	14,042	1,577	(1,688)	(617)	1,280	14,594
	=====	=====	=====	=====	=====	=====
 Parish unrestricted fund	 31,092	 6,540	 (5,617)	 (749)	 41	 31,307
	=====	=====	=====	=====	=====	=====

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

NOTES to the ACCOUNTS (Contd.)

**For the year ended 31 December 2016**

**21 Analysis of Net Assets between Funds**

	<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>
<b>Endowments:</b>					
Funds for Special Purposes	-	-	1,291	241	1,532
<b>Restricted Funds:</b>					
Special collections	-	-	-	130	130
Care Fund	-	-	63	85	148
Ecclesiastical students fund	-	-	155	-	1550
Aged and Infirm Clergy Fund	150	-	631	185	966
Taggart Bursary	-	-	-	13	13
Rev. J C Barry Trust	-	-	-	16	16
Mount Vernon	-	-	512	402	914
Vocations	-	-	-	78	78
Mission Fund	-	-	551	14	565
Sick Priests Fund	-	-	50	10	60
Margaret Sinclair	-	-	131	30	161
Friendly Society	-	-	-	59	59
Farquharson Fund	-	-	-	17	17
Stipend Fund	-	-	-	1	1
	150	-	2,143	1,040	3,283
<b>Unrestricted Funds:</b>					
<b>Designated Funds:</b>					
Development Fund	-	-	-	200	200
Gains on sale of Heritable Property	-	-	-	93	93
	-	-	-	293	293
<b>Other Unrestricted Funds:</b>					
Curial Central Fund	3,751	-	12,430	(5,948)	10,233
Revaluation Fund	3,704	364	-	-	4,068
Total curial unrestricted funds	7,455	364	12,430	(5,655)	14,594
Total parish unrestricted funds	18,395	689	70	12,153	31,307
<b>Total</b>	<b>26,000</b>	<b>1,053</b>	<b>15,884</b>	<b>7,779</b>	<b>50,716</b>

**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.



NOTES to the ACCOUNTS (Contd.)

**For the year ended 31 December 2016**

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

- 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.  
  
The Mission fund has been restructured and will work in tandem with the Friendly Society fund. The Mission fund holds a general fund 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.  
  
During the year a transfer of £57,000 was made from the Mission Fund to the Friendly Society as part of the reorganisation of cash balances of the two funds into separate bank accounts, to streamline the management of the assets of the Mission Fund and Friendly Society in accordance with the purposes of the two funds.
- 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 has been restructured so as to hold 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 to be used for redistribution of stipend money.

NOTES to the ACCOUNTS (Contd.)

**For the year ended 31 December 2016**

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

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.

**22 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 £33,000 in the year (2015: £32,000).

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

**23 Capital and major repairs commitments**

	<b>2016</b>	<b>2015</b>
	£'000	£'000
Amount committed, but not provided in the accounts	316	240
	=====	=====

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

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

	<b>2016</b>	<b>2015</b>
	£'000	£'000
Net income/(expenditure) for the year	2,120	2,091
Interest and investment income	(890)	(781)
Depreciation and impairment	207	268
(Gain) on disposals of investments	(1,680)	(1,326)
Loss/(gain) on disposal of other fixed assets	3	(73)
Increase in debtors	(148)	(81)
Increase in creditors	18	6
	-----	-----
Net cash (used in)/provided by operating activities	(370)	104
	=====	=====

**25 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 2016 the total amount of funding provided for the care of the Aged and Infirm Clergy amounted to £352,000 (2015: £329,000).

NOTES to the ACCOUNTS (*Contd.*)

**For the year ended 31 December 2016**

**26 Related party transactions**

**Trustees**

During the year there were six 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 2016 was £350,000 (2015: £338,000).

During the year, the Archdiocese received £90,000 and was due a further £95,000, by donation from Monsignor Lawson who was a trustee until 3 June 2016.

Appendix 1

DETAILED INCOME and EXPENDITURE ACCOUNT

For the year ended 31 December 2016

	Total 2016 £'000	Total 2015 £'000
<b>Income</b>		
Investment income	890	781
Gillis Centre income	221	254
Special collections income	572	523
Legacies	264	290
Donations	621	534
Offertory collections and gift aid	4,224	4,220
Fundraising and hall rental	946	808
Church stall	292	293
Cathedral complex income	192	171
Grants received	384	521
Miscellaneous	143	131
Mount Vernon cemetery income	110	157
Chaplaincy income	53	55
Courses and workbooks	45	21
Gain on disposal of fixed assets	-	73
<b>Total income</b>	<b>8,957</b>	<b>8,832</b>
<b>Expenditure</b>		
<u>Direct charitable expenditure:</u>		
Staff costs	748	679
Special collections and donations	438	482
Education of priests and students	193	149
Grants paid	20	73
Mount Vernon cemetery costs	67	52
Property expenses	3,761	3,408
Religious education, chaplaincies and pastoral activities	384	330
Retreats and courses	140	137
Mission costs	29	21
Travel and car expenses	228	208
<u>Support costs of charitable activities:</u>		
Staff costs	608	649
Care of sick and retired priests	410	427
Contributions to national assessments	130	159
Miscellaneous	50	79
Administration expenses	407	353
Office and stationery	226	233
Property expenses	237	208
Depreciation and impairment	207	268
Interest payable	5	3
Loss on disposal of fixed assets	3	-
<u>Costs of generating funds</u>		
Investment managers' fees	73	62
Fundraising and church stall costs	115	50
<u>Governance costs</u>	<b>38</b>	<b>37</b>
<u>Provision for retired priests</u>	-	-
<b>Total expenditure</b>	<b>8,517</b>	<b>8,067</b>
<b>Net income/(expenditure) before net gains/(losses) on investments</b>	<b>440</b>	<b>765</b>

Appendix 2

DETAILED BALANCE SHEET

As at 31 December 2016

	Parish	Curial	Sub-total	Removed on consol.	2016	2015
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed Assets</b>						
Tangible Fixed Assets	17,338	8,662	26,000	-	26,000	26,073
Heritage Assets	689	364	1,053	-	1,053	1,053
Investments	70	15,814	15,884	-	15,884	14,003
<b>Total Fixed Assets</b>	<b>18,097</b>	<b>24,840</b>	<b>42,937</b>	<b>-</b>	<b>42,937</b>	<b>41,129</b>
<b>Current Assets</b>						
Other debtors	593	566	1,159	(248)	911	763
Loans to parishes	-	1,096	1,096	(1,096)	-	-
Loans to curial	7,488	-	7,488	(7,488)	-	-
Cash at bank	7,704	2,734	10,438	-	10,438	10,256
<b>Total current assets</b>	<b>15,785</b>	<b>4,396</b>	<b>20,181</b>	<b>(8,832)</b>	<b>11,349</b>	<b>11,019</b>
<b>Liabilities</b>						
Creditors: amounts due within one year						
Other creditors	(230)	(488)	(718)	248	(470)	(452)
Loans from parishes	-	(3,632)	(3,632)	3,632	-	-
Loans from curial	(2,345)	-	(2,345)	2,345	-	-
<b>Total current liabilities</b>	<b>(2,575)</b>	<b>(4,120)</b>	<b>(6,695)</b>	<b>6,225</b>	<b>(470)</b>	<b>(452)</b>
<b>Net current assets/(liabilities)</b>	<b>13,210</b>	<b>276</b>	<b>13,486</b>	<b>(2,607)</b>	<b>10,879</b>	<b>10,567</b>
Creditors: amounts falling due after one year						
Loans from parishes	-	(3,856)	(3,856)	3,856	-	-
Provisions for liabilities and charges	-	(3,100)	(3,100)	-	(3,100)	(3,100)
<b>Net assets</b>	<b>31,307</b>	<b>18,160</b>	<b>49,467</b>	<b>1,249</b>	<b>50,716</b>	<b>48,596</b>
<b>Funds of the charity:</b>						
Curial Endowments	-	1,532	1,532	-	1,532	682
Curial Restricted	-	3,283	3,283	-	3,283	2,780
Curial Unrestricted	-	9,277	9,277	1,249	10,526	9,974
Curial Unrestricted – revaluation	-	4,068	4,068	-	4,068	4,068
Parish Unrestricted	31,307	-	31,307	-	31,307	31,092
<b>Total charity funds</b>	<b>31,307</b>	<b>18,160</b>	<b>49,467</b>	<b>1,249</b>	<b>50,716</b>	<b>48,596</b>

Balances between curial and parish are eliminated for the purposes of the full Archdiocesan balance sheet on page 13.