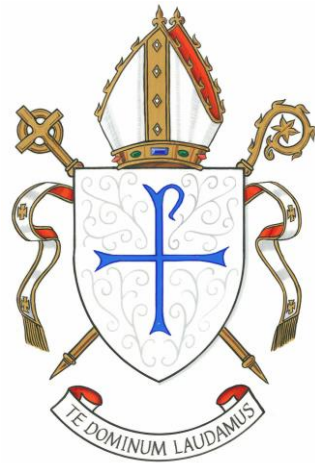


REGISTERED CHARITY NUMBER: SC010576



**Report of the Trustees and
Audited Financial Statements for the Year Ended 31 December 2019
for
the Roman Catholic Diocese of Galloway**

The Roman Catholic Diocese of Galloway

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The Roman Catholic Diocese of Galloway

FOREWORD

At the heart of the Diocese there are a great many volunteers who do so much good work. For the Diocese of Galloway to function and to carry out its mission of proclaiming the gospel and ministering to the poor, the goodwill of so many is involved. The people of the Diocese working in harmony with the priests and deacons put the gospel into practice for the spiritual and temporal good of many. A debt of gratitude is owed to all those who work in their parishes and throughout the Diocese with a selfless concern for others.

The efforts of all those in parishes is sustained and aided by the employees of the Diocesan Curia who are to be commended for their professionalism and for their commitment in ensuring best practice is adopted by all. In presenting the Annual Report for 2019 I wish to acknowledge that beyond the facts and figures there are many individuals to whom the Diocese must be grateful and that much of the good they do cannot be measured and is often unnoticed. May I express my thanks to all in the Diocese who are an inspiration in their service of God and their service to others.

Right Reverend William Nolan, Bishop of Galloway

The Roman Catholic Diocese of Galloway

Report of the Trustees for the Year Ended 31 December 2019

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2019. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives of the Roman Catholic Diocese of Galloway are as follows:

- The advancement of the Roman Catholic religion
- The advancement of education
- The relief of poverty
- The relief of illness or disease

The Diocese of Galloway exists to serve the People of God in the districts of North, South and East Ayrshire and Dumfries and Galloway. We do this through our priests and parish communities. We have formed close relationships with local communities, including with schools, whether Catholic or non-denominational, and offer chaplaincy support in a variety of ways. The diocese also provides a primary school and secondary school Religious Education Advisor. In addition, local priests and designated deacon chaplains also visit hospitals and prisons on a frequent basis.

Through our parish communities, we receive donations and take up special collections throughout the year for the work of the Church and to assist with the relief of poverty, the provision of education, and the relief of illness both at home and abroad. Some individual parishes also have unique programmes of support for areas in need in poorer countries.

Volunteers

During 2019, the Diocese offered pastoral provision to individuals and communities through its network of parishes. The Diocese and its parishes rely heavily upon the efforts of many hundreds of volunteers who give generously of their time and talents. We are assisted greatly in the provision of religious services, general administration, safeguarding duties and fundraising by people throughout the Diocese. Parishes do not only look inwardly to their own needs, but their many volunteers give help to the sick, elderly, homeless and disadvantaged in their local areas.

The Trustees wish to record their sincere gratitude for the assistance received by the priests and deacons, the volunteers and for the generosity of all parishioners.

The Roman Catholic Diocese of Galloway

Report of the Trustees for the Year Ended 31 December 2019

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Diocese in the form of their parish communities undertook a variety of charitable activities throughout 2019.

The number of individuals participating in the parishes varied from week to week, but on the weekend designated for the annual census, the total Mass attendance in the Diocese was 6,534.

Children and adults celebrated the Sacraments of Initiation in many of the parish communities, and the numbers which were noted in the annual parish returns for baptisms of children were 318, baptisms of adults and reception of adults into full communion 18, confirmations (children and adults) 395. In addition, 56 marriages were celebrated over the year.

Bishop Nolan continued his practice of pastoral visitation throughout the Diocese, including visiting each parish, where he would celebrate the Vigil and Sunday Masses. He also made pastoral visits to the primary schools where he would meet with pupils and staff, and attended a variety of events in the four denominational secondary schools located in the Diocese. During Prisoners' Week he visited Dumfries prison where he celebrated Mass, met members of the prison staff, and had tea with the prisoners.

In September the relics of St Therese of Lisieux visited the Diocese, with celebrations in Ayr and Dumfries. Over 4000 people turned out to visit the relics and to participate in prayer and devotion. The replica statue of Our Lady of Aberdeen also visited St Margaret's Cathedral, Ayr, as part of a programme of prayer throughout the eight Diocese of Scotland, and Mass was celebrated at St John's Tower, Ayr, for the first time since 1560.

Communication in the Diocese was promoted by the diocesan website, the diocesan Facebook page, and the diocesan newsletter, the Galloway News, which is published quarterly and is distributed throughout the Diocese.

The annual pilgrimage to St Ninian's cave in Whithorn took place on the last Sunday in August where pilgrims from all across the Diocese, and indeed Scotland, gathered on the beach and in the local parish church to celebrate Mass in honour of St Ninian. Bishop Nolan was the principal celebrant at Mass on the beach which is historically the place of St Ninian's arrival in Scotland and where he established the first Christian community in the country.

The diocesan pilgrimage to Lourdes was led by Bishop Nolan in July. The 185 pilgrims included 39 young people from the Youth for Lourdes team who assisted the sick pilgrims. In February the Youth for Lourdes helpers celebrated the 50th anniversary of the group with a Mass with Bishop Nolan in the cathedral.

Galloway Catholic Youth continued to function supporting the young people of the Diocese, and events included participating in the National Youth Pilgrimage to St Andrews.

The Diocese assists in the education of our young people by providing materials and support in schools. We have representatives on the local authority education committees and assist teachers who wish to participate in the CREDL (Certificate in Religious Education by Distance Learning), offered by Glasgow University.

Our Rite of Christian Initiation of Adults (RCIA) teams work to encourage and support adults seeking initiation into the Christian community and assist them towards full membership of the Church. The number of adults who celebrated the Rite of Election with Bishop Nolan in St Margaret's Cathedral, Ayr, during Lent was 15.

There are five deacons ministering within the Diocese. Deacons conduct liturgies such as baptisms, weddings and funerals. They preach occasionally, visit the sick and the housebound, are involved in hospital chaplaincy, and take part in many parish groups.

The Roman Catholic Diocese of Galloway

Report of the Trustees for the Year Ended 31 December 2019

ACHIEVEMENT AND PERFORMANCE

Charitable activities (continued)

Continuing to prepare individuals and parishes for future pastoral provision remains an important aspect of diocesan planning. The four deaneries of the Diocese remained committed to addressing the process known as 'Embracing Change', and as part of this Embracing Change process, the North Ayrshire Deanery Spirituality Group invited David Wells, a renowned catechist and author, to lead a day on Pope Francis' Apostolic Exhortation "Gaudete et Exsultate". This document was also the basis for an adult faith formation process throughout the Diocese which involved over 200 people reflecting and sharing in small parish or deanery groups.

The ongoing formation of clergy during 2019 included two overnight assemblies with input from colleagues in the Church of Scotland and the Scottish Episcopal Church, as well as shared clergy input and input from two women parishioners from the Diocese. There were also Days of Recollection for the clergy held in Lent and Advent.

The Diocese has two seminarians studying in the Pontifical Scots College, Rome.

During the year, Fr Joseph Boland celebrated his 50th anniversary of ordination, and Fr Gilmour Ommer, retired priest of the Diocese, celebrated his 90th birthday.

2019 saw the Sisters of Charity leave the Diocese after having served here for many years. Bishop Nolan acknowledged their service by a Mass of Thanksgiving.

One church property was sold, the church building in Stewarton. This building was a chapel of ease of the parish of Our Lady of Mount Carmel, Kilmarnock, from where the pastoral needs of the Stewarton people will continue to be met.

Safeguarding

A significant element of the work of the diocesan Safeguarding Team was focused on responding to the external audit of the Diocese's safeguarding culture and practice undertaken in February 2019. The audit is published on the diocesan website. Among those interviewed by the Audit Team were survivors of abuse. We recognise and are grateful for their courage in coming forward.

The second element of mandatory training focusing on 'prevention of abuse' has been rolled out to those involved in regulatory work.

Over two thirds of Parish Safeguarding Coordinators attended a training day in October on the Impact of Trauma.

The Roman Catholic Diocese of Galloway

Report of the Trustees for the Year Ended 31 December 2019

ACHIEVEMENT AND PERFORMANCE

INVESTMENT PERFORMANCE

Diocesan current asset investments

An additional £800,000 was invested across 2 of the 3 portfolios held with Barclays Investment Solutions Limited during the year. The yield across the three portfolios averaged at 3% with growth of 14% (unrealised). The closing value as at 31st December 2019 across the portfolios was £5,668,455 (2018: £4,249,208).

Parochial current asset investments

The performance of parochial investments held by St Mary's, Largs and St Mary's, Irvine mirrored the strong market performance. The closing value of these investments as at 31st December 2019 was £661,077 (2018: £582,236). St Mary's, Largs withdrew £25,000 from its portfolio during the year. Other than that, there were no further amounts invested or withdrawn.

Gains on the sale and revaluation of all current asset investments totalled £743,909 (2018: £343,480 loss).

FINANCIAL REVIEW

Financial position at the end of the accounting period

The Trustees report a net increase in funds of £1,784,029 (2018 - £172,487 decrease). Funds carried forward total £14,843,008 (2018 - £13,058,979). The favourable position at the end of the year has arisen primarily as a result of two factors. Firstly, the diocese received 2 very generous bequests during the financial year totalling £558,962. Secondly, there was a £998,519 gain on current and fixed asset investments as at the balance sheet date. Of this total, £937,046 is unrealised investment gains. The market performed strongly during the year with growth at 14%.

As with the prior year, during 2019, parishes were encouraged to transfer bank balances over £50k to the Diocese to be lodged in the Parochial Investment Fund (PIF). A total of £287k was transferred from parish funds to the Diocese. Deposits in the PIF currently earn 2% interest per annum as opposed to minimal amounts of credit interest awarded by the banks. The interest due on deposits is reviewed by the Trustees on a regular basis.

Revaluation of Property

During 2008, the Diocese had its non-church portfolio of property professionally valued and included within the accounts. This exercise meant that all detached parochial properties, excluding churches, i.e. parish halls, presbyteries and other parochial properties not physically joined to each other or the church, and diocesan properties were valued by Shepherd Chartered Surveyors on 1st December 2008 at £4,743,862 and incorporated into the 2008 financial statements. Heritage assets - churches and attached buildings - have not been capitalised due to their incomparable nature and the lack of reliability which could be placed upon conventional valuation methods.

The values of all detached properties are depreciated on an annual basis and reviewed to ensure that the figures remain realistic. During 2013, a more thorough, in-house review of the properties was undertaken and diocesan finance and estates staff revalued the properties in light of the current market trends. The Trustees considered a full revaluation exercise of these assets during 2018 however, they felt that the cost of such an exercise would outweigh any potential benefits. The Trustees are satisfied that the carrying value of land and buildings as at 31st December 2019 does not differ materially from the fair value of the assets at the end of the reporting period.

The Roman Catholic Diocese of Galloway

Report of the Trustees for the Year Ended 31 December 2019

FINANCIAL REVIEW (continued)

Investment policy and objectives

The Diocese currently holds 4 investment portfolios:

1. Number 1 Account - a portfolio of stocks and shares held to provide an income stream to cover the costs of running the Diocese
2. Number 2 Account - a portfolio of stocks and shares held to cover the deposits of parishes in the Parochial Investment Fund
3. Students Fund - a modest portfolio of stocks and shares held to cover the costs of seminarians
4. CNET4 - a 6.802% share of the Provision for Future Contingencies Fund. Income from this fund is used to defray the cost of providing for the needs of sick and retired clergy.

All funds are managed on a discretionary basis by professional independent investment managers and stockbrokers. The first 3 funds listed are managed by Barclays Investment Solutions Limited and the fourth is managed by Brewin Dolphin. All investments are liquid. All portfolios held with Barclays have a moderate risk profile.

The Diocese seeks not to invest in equities directly or mainly involved in the manufacture and/or the supply of goods and services which would be in conflict with the teachings of the Gospel and the social teachings of the Catholic Church. The Diocese looks to invest in equities which do not contravene the dignity of the human person, the sanctity of human life and the imperative of peace on earth.

Reserves policy

The Trustees have forecast the level of free reserves required to ensure the charity's continuance in future years. The Trustees regard around 30% of diocesan current asset investments (£1.56m) at 31 December 2019 as free reserves, but consider the retention of the remaining investments as an essential source of income. Whilst the current level of reserves may prove sufficient for the immediate future, it is the Trustees view that it is prudent to ensure that there are sufficient free reserves to provide for financial flexibility over the longer term.

The diocese has a General Fund, a Designated Fund, a Parochial Fund and two Restricted Funds.

The General Fund is available for use at the discretion of the Trustees in furtherance of the general objectives of the diocese and its parishes.

The Designated Fund is monies held in the Catholic National Endowment Trust (CNET4). The investments held here have been purchased with sums set aside from income to provide the Diocese with a separate reserve fund which could be readily utilised at the Trustees' discretion. At present, income from the CNET4 investment portfolio is used to defray the costs of retired clergy.

The Parochial Fund is available for use at the discretion of the Trustees and parish priests, in furtherance of the general objectives of the parishes. Parochial funds are disclosed separately within the Statement of Financial Activities, the Balance Sheet and the notes to the financial statements.

Restricted Funds are funds which are to be used in accordance with specific instructions imposed by the donor. These include bank accounts and investment portfolios for the Retired Priests Fund and the Students Fund. These funds are disclosed separately within the Statement of Financial Activities, the Balance Sheet and the notes to the financial statements.

Retired Priests Fund

The fund is used for the benefit of priests who have retired from full time active ministry, whether by age or infirmity. Assistance is usually by way of a monthly allowance and/or accommodation costs. From time to time, the Diocese makes one-off payments or provide help on an individual basis as not all retired priests avail themselves of a monthly payment or require accommodation from the Diocese. The current income is insufficient to meet current costs, and general funds are used to top up the underlying account.

The Roman Catholic Diocese of Galloway

Report of the Trustees for the Year Ended 31 December 2019

FINANCIAL REVIEW (continued)

Students Fund

The fund is used for the education of students in seminaries, mostly in connection with fees, and a small personal allowance for maintenance and travel.

The balances held in reserves as at 31 December 2019 were:

	£
Unrestricted funds	
General fund	6,815,944
Designated fund	1,622,097
Parochial funds	5,121,572
Restricted funds	
Retired Priests fund	786,656
Students fund	<u>496,739</u>
Total funds	<u>14,843,008</u>

Review of Pensions

The Diocese operates a Group Personal Pension Scheme with both Standard Life and Nucleus for priests. This is available to priests under the age of fifty at commencement of entry to the scheme. The Diocese also offers support to all of its retired priests on an individual basis, and will seek to continue in these schemes in the future. Whilst there is no formal pension scheme beyond the Standard Life and Nucleus schemes, the Diocese recognises its moral obligation to ensure the well-being of its retired priests and holds funds designated for this purpose. In addition, income from the designated funds held in CNET 4 has been used to defray the sums expended on retired clergy. We will seek to continue this practice.

The Diocese has always used the services of an Independent Financial Advisor to give advice to the members of both schemes.

All eligible diocesan staff are auto-enrolled in the People's Pension scheme in line with legal requirements as set out by the Pensions Regulator.

Going concern

The impact of Covid-19 saw church closures from mid-March, 2020. Despite this, the diocese continued fully function and launched a number of successful online initiatives such as the live streaming of daily Mass from a number of parishes and other use of social media to keep in touch with parishioners, especially the elderly and housebound. Phase 3 of the Scottish Government's relaxation of restrictions allowed public worship to be reintroduced from mid-July with social distancing measures in place and a maximum of 50 people in attendance. During the period of closure, it is estimated that parish ordinary income has fallen by approximately £500k based on the same period for 2019 (1 January to 31 August). Church closures also impacted on parish ordinary expenditure which has reduced by approximately £260k when compared to the same period last year. Reductions in spend are due to reduced parish activity during lockdown, reductions in utility bills and any remedial works being pushed back. Parish current account bank balances have reduced by £198k from August 2019 to August 2020; £162k from January 2020 to August 2020. However, a number of actions have been taken to try and remedy the financial impact of closure. These include the set-up of an online parish offertory allowing parishioners to donate at a central point to their own parish and encouraging parishioners to set up standing orders and complete Gift Aid declarations. A text campaign to raise funds for local foodbanks has also been successful with funds distributed across the diocese.

Investment portfolio valuations fell in line with the market by 16% to the end of March 2020. However, by 31st August, portfolio valuations had recovered to within 4% of the opening value on 1st January. As at 31st August, 2020, portfolios held at Barclays Wealth were valued at £5.4 million. At the end of June 2020, the diocesan share of the CNET4 portfolio was valued at £1.5 million.

However, the Trustees do not consider the fall in income or investment valuations to impact on the charity's ability to continue as a going concern.

The Roman Catholic Diocese of Galloway

Report of the Trustees for the Year Ended 31 December 2019

FINANCIAL REVIEW (continued)

FUTURE PLANS

The Trustees of the Diocese will continue to be aware of, and seek to implement, the objectives and aims as detailed above. The pastoral focus of the Diocese will remain the process entitled 'Embracing Change'. This seeks to present a vision of collaborative ministry and to encourage lay participation and responsibility in the local parish communities and beyond.

The Diocese will continue to make available, to the best of its ability, the provision of the sacraments, support religious education of both children and adults, and facilitate opportunities for supporting the poor and needy both locally and internationally.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Roman Catholic Diocese of Galloway was established by the Apostolic Letter "Ex Supremo" of Pope Leo XIII dated 4th March 1878 being the date of the restoration of the Roman Catholic Hierarchy which had been extinct since 1603.

The Diocese of Galloway is recognised by the Office of the Scottish Charity Regulator (OSCR) as having Designated Religious Charity status. (Scottish Charity number SC010576.)

Recruitment and appointment of new Trustees

There were no changes to the Trustees during the financial year. All Trustees are serving members of the clergy in the Diocese.

Organisational and governance structure

Canon Law

The Diocese is governed by the Bishop of Galloway in accordance with provisions of the Code of Canon Law. In this, the Bishop is supported by the curia which consists of 'those institutions and persons which assist the bishop in the governance of the whole Diocese, especially in guiding pastoral action, in caring for the administration of the Diocese and in exercising judicial power' (Code of Canon Law, c.469).

There are three bodies prescribed by canon law as the principal advisory bodies to the Bishop:

- The Council of Priests: this is a 'group of priests which, representing the presbyterium,... assists the bishop in the governance of the Diocese according to the norm of law to promote as much as possible the pastoral good of the of portion of the people of God entrusted to him' (Code of Canon Law, c.495). This group consists of priests chosen by the Bishop and others elected. The Council of Priests meet five times a year and the Bishop is obliged to have consulted with his Council before making certain decisions, for example the closure of a church.

- The College of Consultors: this group is appointed by the Bishop and must be consulted upon matters of major significance to the Diocese. The College of Consultors meets as and when is necessary as determined by the Bishop.

- The Finance Committee: this is made up of the Trustees and lay advisers and meets bi-monthly to discuss and give advice on financial, estates and major administrative matters, including advice on setting remuneration of staff.

In addition to the three bodies prescribed by canon law, the priests of the Diocese meet in deaneries on a regular basis to discuss relevant matters.

The Roman Catholic Diocese of Galloway

Report of the Trustees for the Year Ended 31 December 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Civil Law

Civil law determines that the Trustees of the Diocese are the owners of all heritable property and have control over the assets of the component parts of the charity, including parishes. The church however, also abides by The Code of Canon Law and as such, parish funds are regarded as being separate from diocesan curial funds and are shown separately within the financial statements. Day to day administration of the curial funds is carried out by the senior officers who report to the Trustees and appropriate committees. Administration of the parochial funds is the responsibility of each parish priest who is assisted in this task by a parish finance committee, as required by Canon Law. Parishes are required to submit an Annual Financial Return to the Diocese setting out the income and expenditure for the year. These are then consolidated in the financial statements, respecting the separate canonical status of parochial funds.

The Trustees of the Diocese, who are all serving clergy, meet 4 times a year to discuss and take decisions on matters of significance.

Induction and training of new Trustees

We have identified and prepared material for inducting new Trustees and assisting with the ongoing development of existing Trustees.

Related parties

The Diocese is associated with the following bodies which are connected to, or supported by, the diocese:

- The Bishops' Conference of Scotland
- The Pontifical Scots College, Rome
- The Scottish Catholic International Aid Fund (SCIAF)
- SPRED Galloway

Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees receive regular reports of the charity's activities.

The Trustees have identified various areas of potential risk including those associated with health and safety. The Diocese continues to work closely with our insurers and are involved in ongoing statutory testing of electric and gas installations. The diocese has engaged C-MIST to complete a rolling programme of parish health and safety reviews and compile a handbook for parishes.

The principal risks and uncertainties facing the Diocese relate primarily to the age and potential cost of repair of buildings, the declining number of parishioners, the availability of priests and the demographic of the current clergy. The Diocese has reviewed its ability to provide for a reducing number of parishioners spread over a considerable geographical area covering the whole of Ayrshire and Dumfries and Galloway. By doing so, we hope to be able to continue with a parish presence for as long as possible in as many areas as possible, but we recognise that some consolidation will be inevitable, even in the short term.

Trustees' expenses

All of the Trustees are clergy of the Roman Catholic Diocese of Galloway. They are housed and remunerated by the Diocese and are reimbursed expenses for carrying out their ministry in the same way as other priests.

No Trustee received any remuneration or expenses from the charity in connection with their duties as Trustees during the year. No Trustee had any beneficial interest in any contract with the charity.

The Roman Catholic Diocese of Galloway

**Report of the Trustees
for the Year Ended 31 December 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Auditor

On 7 September 2020, Group Audit Service Limited trading as Campbell Dallas Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

SC010576

Principal address

Candida Casa
8 Corsehill Road
Ayr
Ayrshire
KA7 2ST

Trustees

Right Rev W Nolan	Bishop of Galloway
Reverend W.R. McFadden	Vicar General
Canon M.D. Poland	

Director of Finance

Suzanne Maxton, BA (Hons), FCPFA

Auditors

Azets Audit Services (formerly Campbell Dallas)
Chartered Accountants and Registered Auditors
3 Wellington Square
Ayr
Ayrshire
KA7 1EN

Solicitors

McSparran McCormick
19 Waterloo Street
Glasgow
G2 6AH

Advisors

Investment Advisors

Barclays Investment Solutions Limited
1 Churchill Place
Canary Wharf
London
E14 5HP

True Potential Wealth Management LLP
Newburn House
Gateway West
Newburn Riverside
Newcastle Upon Tyne
NE15 8NX

The Roman Catholic Diocese of Galloway

**Report of the Trustees
for the Year Ended 31 December 2019**

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Advisors

Investment Advisors

Rathbone Investment Management Limited
George House
50 George Square
Glasgow
G2 1EH

Brewin Dolphin
Atria One
144 Morrison Street
Edinburgh
EH3 8BR

Bankers

Bank of Scotland
123 High Street
Ayr
KA7 1QP

SCOPE OF THE FINANCIAL STATEMENTS

The financial statements include the assets, liabilities and transactions of the following:

Diocesan funds (restricted, designated and unrestricted)

Diocesan funds are used to support the Bishop in providing diocesan services, to meet the costs of the central administration and to support the parishes of the diocese.

Parochial funds

The parochial funds are administered by the parish priests, with guidance from the Diocese, and are used to carry out the work of the Church within local areas and to help fund the Diocese.

Approved by order of the board of trustees on 15th September, 2020, and signed on its behalf by:



.....
Right Reverend William Nolan, Bishop of Galloway - Trustee

The Roman Catholic Diocese of Galloway

Statement of Trustees Responsibilities for the Year Ended 31 December 2019

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland, the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution requires the trustees to prepare financial statements 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant audit information of which the Diocese' auditors are unaware, and each Trustee has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant audit information, and to establish that the Diocese' auditors are aware of that information.

The Roman Catholic Diocese of Galloway

Independent Auditors Report to the Trustees of the Roman Catholic Diocese of Galloway for the Year Ended 31 December 2019

Opinion

We have audited the financial statements of the Roman Catholic Diocese of Galloway (the ‘charity’) for the year ended 31 December 2019 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity’s affairs as at 31 December 2019, 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Roman Catholic Diocese of Galloway

Independent Auditors Report to the Trustees of the Roman Catholic Diocese of Galloway for the Year Ended 31 December 2019

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements


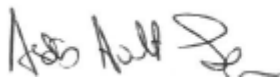
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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.



Stephen Wilkie (Senior Statutory Auditor)
For and behalf of Azets Audit Services
Chartered Accountants and Statutory Auditor

3 Wellington Square
Ayr
KA7 1EN

Azets Audit Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

The Roman Catholic Diocese of Galloway

Statement of Financial Activities
for the Year Ended 31 December 2019

	Notes	Diocesan funds £	Parochial funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	948,230	2,014,217	54,499	3,016,946	2,596,118
Charitable activities						
Charitable activities	5	19,755	119,957	-	139,712	144,970
Further incoming resources		84,540	252,394	60,126	397,060	518,411
Other trading activities	3	-	308,765	-	308,765	315,911
Investment income	4	183,199	69,630	12,124	264,953	233,679
Total		1,235,724	2,764,963	126,749	4,127,436	3,809,089
EXPENDITURE ON						
Raising funds	6	33,078	2,214	2,963	38,255	13,206
Charitable activities						
Administration costs	7	391,487	1,101,729	54,279	1,547,495	1,463,684
Property costs		14,039	192,787	16,299	223,125	227,586
Parish house management		-	325,826	-	325,826	322,868
Church management		-	527,336	-	527,336	822,483
Hall management		-	222,296	-	222,296	237,662
Special collections		34,561	213,375	-	247,936	263,534
Payments to parishes		55,008	-	-	55,008	40,585
Other	9	6,360	-	148,289	154,649	141,357
Total		534,533	2,585,563	221,830	3,341,926	3,532,965
Net gains/(losses) on investments		595,163	91,477	57,269	743,909	(343,480)
NET INCOME/(EXPENDITURE)		1,296,354	270,877	(37,812)	1,529,419	(67,356)
Transfers between funds	19	233,568	(337,777)	104,209	-	-
Other recognised gains/(losses)						
Gains/(losses) on revaluation of fixed assets		254,610	-	-	254,610	(105,131)
Net movement in funds		1,784,532	(66,900)	66,397	1,784,029	(172,487)
RECONCILIATION OF FUNDS						
Total funds brought forward		6,653,509	5,188,472	1,216,998	13,058,979	13,231,466
TOTAL FUNDS CARRIED FORWARD		8,438,041	5,121,572	1,283,395	14,843,008	13,058,979

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The Roman Catholic Diocese of Galloway

Balance Sheet
At 31 December 2019

	Notes	Diocesan funds £	Parochial funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
FIXED ASSETS						
Tangible assets	12	761,180	2,971,338	743,395	4,475,913	4,573,865
Investments	13	<u>1,622,097</u>	<u>-</u>	<u>-</u>	<u>1,622,097</u>	<u>1,367,486</u>
		2,383,277	2,971,338	743,395	6,098,010	5,941,351
CURRENT ASSETS						
Debtors: amounts falling due within one year	14	33,865	-	9,374	43,239	29,896
Debtors: amounts falling due after more than one year	14	11,350	-	-	11,350	15,550
Investments	15	5,225,762	661,077	442,693	6,329,532	4,831,444
Cash at bank and in hand		<u>855,184</u>	<u>1,490,130</u>	<u>92,289</u>	<u>2,437,603</u>	<u>2,444,578</u>
		6,126,161	2,151,207	544,356	8,821,724	7,321,468
CREDITORS						
Amounts falling due within one year	16	(21,397)	(973)	(4,356)	(26,726)	(153,840)
NET CURRENT ASSETS		<u>6,104,764</u>	<u>2,150,234</u>	<u>540,000</u>	<u>8,794,998</u>	<u>7,167,628</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,488,041	5,121,572	1,283,395	14,893,008	13,108,979
PROVISIONS FOR LIABILITIES	18	(50,000)	-	-	(50,000)	(50,000)
NET ASSETS		<u>8,438,041</u>	<u>5,121,572</u>	<u>1,283,395</u>	<u>14,843,008</u>	<u>13,058,979</u>
FUNDS						
Unrestricted funds:	19					
- General Fund					6,815,944	5,286,023
- Designated Fund					<u>1,622,097</u>	<u>1,367,486</u>
					8,438,041	6,653,509
Parochial funds					5,121,572	5,188,472
Restricted funds:						
- Retired Priests Fund					786,656	819,651
- Students Fund					<u>496,739</u>	<u>397,347</u>
					1,283,395	1,216,998
TOTAL FUNDS					<u>14,843,008</u>	<u>13,058,979</u>

The Roman Catholic Diocese of Galloway

**Balance Sheet (continued)
At 31 December 2019**

The financial statements were approved by the Board of Trustees on 15th September, 2020, and were signed on its behalf by:



.....
Right Reverend William Nolan, Bishop of Galloway - Trustee



.....
Reverend William McFadden, Vicar General -Trustee

The Roman Catholic Diocese of Galloway

**Cash Flow Statement
for the Year Ended 31 December 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	A	691,675	34,020
Interest paid		<u>(58,732)</u>	<u>(46,465)</u>
Net cash provided by (used in) operating activities		<u>632,943</u>	<u>(12,445)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(31,685)	(91,941)
Purchase of current asset investments		(2,153,912)	(1,303,622)
Disposal of current asset investments		1,431,728	678,277
Movement in cash held		(31,996)	9,450
Interest received		57,190	40,642
Dividends received		<u>207,762</u>	<u>193,032</u>
Net cash provided by (used in) investing activities		<u>(520,913)</u>	<u>(474,162)</u>
Cash flows from financing activities:			
New personal loans granted		-	(13,400)
Personal loans repaid		<u>4,200</u>	<u>3,800</u>
Net cash provided by (used in) financing activities		<u>4,200</u>	<u>(9,600)</u>
Change in cash and cash equivalents in the reporting period		116,230	(496,207)
Cash and cash equivalents at the beginning of the reporting period	B	<u>2,321,373</u>	<u>2,817,580</u>
Cash and cash equivalents at the end of the reporting period	B	<u>2,437,603</u>	<u>2,321,373</u>

The Roman Catholic Diocese of Galloway

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2019**

A. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019	2018
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,529,419	(67,356)
Adjustments for:		
Depreciation charges	129,637	125,325
(Gain)/losses on investments	(743,909)	343,480
Interest received	(57,190)	(40,642)
Interest paid	58,732	46,465
Dividends received	(207,762)	(193,032)
Increase in provision	-	20,000
Donation of fixed assets	-	(130,000)
Increase in debtors	(13,343)	(20,116)
Decrease in creditors	(3,909)	(50,104)
	<u>691,675</u>	<u>34,020</u>
Net cash provided by (used in) operating activities	<u>691,675</u>	<u>34,020</u>

B. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Cash in hand	2,269	2,763
Notice deposits (less than 3 months)	2,435,334	2,441,815
Overdrafts included in bank loans and overdrafts falling due within one year	<u>-</u>	<u>(123,205)</u>
Total cash and cash equivalents	<u>2,437,603</u>	<u>2,321,373</u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements for the Year Ended 31 December 2019

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. The charity also pays special attention to the recent Covid-19 outbreak and the associated impact on the charity. The main risks faced include:

- Reduced future income due to church closures;
- Reduction in investment value; and
- Priests, parishioners and staff contracting the virus.

The charity is following Government guidance concerning all aspects of the pandemic to ensure best practice precautions are applied. Although it is not possible to reliably estimate the length or severity of the outbreak, at the date of signing, the trustees have reviewed the current and future position and believe they have sufficient funding even if there is a downturn resulting from the pandemic. As such, the trustees consider that it is appropriate to prepare the financial statements on the going concern basis.

Parishes

The financial statements incorporate the activities of the parishes within the Diocese, the central support activities, youth services and other centres of religious activities.

Income

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

Expenditure

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

Charitable expenditure comprises those costs incurred by the Diocese in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Diocese and include the audit fees and costs linked to the strategic management of the Diocese.

Other resources expended

Other resources expended includes those costs of both training students to become priests and the provision of pensions to retired priests, and professional fees incurred.

The notes form part of these financial statements

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements for the Year Ended 31 December 2019

1. ACCOUNTING POLICIES – continued

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly and other costs are apportioned on a usage basis where applicable.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- 2% on cost
Improvements to property	- 20% on cost
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 15% on cost

Heritable property was initially shown in the balance sheet at cost, consisting of Candida Casa - the Bishop's residence and pastoral offices - and houses occupied by some of our retired priests. This did not include any properties relating to the parishes of the Diocese. To rectify this, in December 2008, the Diocese instructed Shepherd Chartered Surveyors to carry out valuations on the Diocesan property portfolio, excluding Heritage assets, once ownership had been established.

This resulted in the revaluation of the properties already held within the balance sheet and the introduction of a number of parish houses and halls which had previously not been included due to difficulties in valuation.

Heritage Assets

The Diocese holds a number of heritage assets in the form of churches and attached church halls and parish houses which are held in support of the Diocese of Galloway's objectives of the advancement of religion, education and the relief of poverty.

The Trustees consider that, owing to the incomparable nature of the churches, conventional valuation approaches lack sufficient reliability and that, even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the Diocese and the users of the accounts. As a result, no value is reported for these assets within the Diocese balance sheet.

Due to the nature and age of the parish buildings, it is recognised that substantial repair costs may be expected in a number of circumstances.

Fixed asset investments

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

The charity maintains various types of funds as follows:

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Diocese and the Parishes.

Designated funds are funds held in the Catholic National Endowment Trust No. 4 Account, CNET 4. The investments held here have been purchased with sums set aside from income to provide the Diocese with a reserve fund which could be readily utilised at the Trustees' discretion.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. These include bank accounts and investment portfolios for the Retired Priests fund and the Students fund. These funds are disclosed separately within the Statement of Financial Activities and the notes to the financial statements.

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements
for the Year Ended 31 December 2019

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	2019	2019	2019	2019	2018
	Unrestricted				
	Diocesan	Parochial	Restricted	Total	Total
	£	£	£	£	£
Parish levies	292,049	-	-	292,049	300,033
Church collections	-	1,321,387	-	1,321,387	1,351,292
Donations	25,360	74,009	25,775	125,144	106,405
Covenants and tax repayments	160	217,455	1,413	219,028	183,080
Grants	-	5,300	-	5,300	2,000
Special collections	57,945	226,416	27,311	311,672	311,355
Bishop Hay Trust	13,754	-	-	13,754	12,945
Organ restoration fund	-	13,465	-	13,465	-
Bequests	558,962	47,252	-	606,214	255,277
Building fund collections	-	67,833	-	67,833	63,503
Church boxes	-	1,371	-	1,371	4
Mass stipends	-	3,615	-	3,615	9,789
Funeral collections	-	12,352	-	12,352	-
Car park income	-	747	-	747	-
Club income	-	22,905	-	22,905	-
Whithorn bus	-	110	-	110	435
	<u>948,230</u>	<u>2,014,217</u>	<u>54,499</u>	<u>3,016,946</u>	<u>2,596,118</u>

3. OTHER TRADING ACTIVITIES

	2019	2019	2019	2019	2018
	Unrestricted				
	Diocesan	Parochial	Restricted	Total	Total
	£	£	£	£	£
Hall & fundraising income	-	197,666	-	197,666	170,225
Church fundraising	-	111,099	-	111,099	145,686
	<u>-</u>	<u>308,765</u>	<u>-</u>	<u>308,765</u>	<u>315,911</u>

4. INVESTMENT INCOME

	2019	2019	2019	2019	2018
	Unrestricted				
	Diocesan	Parochial	Restricted	Total	Total
	£	£	£	£	£
Income from investments	137,460	14,579	12,124	164,163	142,737
CNET 4 dividend disbursement	43,600	-	-	43,600	50,300
Interest receivable	2,139	43	-	2,182	57
Interest from parochial investments	-	55,008	-	55,008	40,585
	<u>183,199</u>	<u>69,630</u>	<u>12,124</u>	<u>264,953</u>	<u>233,679</u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements
for the Year Ended 31 December 2019

5. INCOME FROM CHARITABLE ACTIVITIES

Incoming Resources from Charitable Activities

	2019	2019	2019	2019	2018
	Unrestricted				
	Diocesan	Parochial	Restricted	Total	Total
	£	£	£	£	£
Hospitals & schools chaplaincy	15,953	990	-	16,943	19,738
Primary RE income	3,594	-	-	3,594	2,478
Income from stalls, sale of candles	-	80,366	-	80,366	86,233
Rents	208	238,601	-	38,809	36,521
	<u>19,755</u>	<u>119,957</u>	<u>-</u>	<u>139,712</u>	<u>144,970</u>

Further Incoming Resources

	2019	2019	2019	2019	2018
	Unrestricted				
	Diocesan	Parochial	Restricted	Total	Total
	£	£	£	£	£
CIS Ltd membership award	14,850	-	-	14,850	7,349
Other income	968	19,407	-	20,375	39,159
Rebates & refunds	56,840	41,752	161	98,753	125,754
Taggart Bursaries	-	-	59,965	59,965	-
Sale of land and property	-	116,187	-	116,187	293,164
Canon Law Society reimbursement	10,856	-	-	10,856	10,324
Repayment of misappropriated funds	-	-	-	-	17,750
Priests' pension contributions	1,026	-	-	1,026	1,236
Solar panel income	-	269	-	269	1,141
Subsidies	-	-	-	-	2,000
Parish celebration income	-	1,579	-	1,579	-
Pilgrimage income	-	61,473	-	61,473	19,560
World Youth Day income	-	2,000	-	2,000	-
Youth income	-	9,727	-	9,727	974
	<u>84,540</u>	<u>252,394</u>	<u>60,126</u>	<u>397,060</u>	<u>518,411</u>

6. RAISING FUNDS

Investment management costs

	2019	2019	2019	2019	2018
	Unrestricted				
	Diocesan	Parochial	Restricted	Total	Total
	£	£	£	£	£
Portfolio management fees	<u>33,078</u>	<u>2,214</u>	<u>2,963</u>	<u>38,255</u>	<u>13,206</u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements
for the Year Ended 31 December 2019

7. CHARITABLE ACTIVITIES COSTS

Administration Costs	2019		2019	2019	2018
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial			
	£	£	£	£	£
Priest salaries	-	64,044	-	64,044	66,192
Parish salaries	-	82,669	-	82,669	58,793
ER's National Insurance	11,987	-	-	11,987	10,623
National Commissions	48,989	-	-	48,989	65,348
Bishop's house expenses	4,234	-	-	4,234	2,616
Retired housekeepers & domestics fund	5,865	-	-	5,865	5,865
Pastoral office expenses	141,200	-	-	141,200	138,834
Supply costs	-	22,265	-	22,265	22,112
Other fees to religious charities	1,600	-	23,951	25,551	28,808
Courses and retreat expenses	6,507	26,949	-	33,456	31,686
Primary RE expenses	1,786	-	-	1,786	490
Post and stationery	7,724	85,671	208	93,603	89,111
Priest pension costs	5,670	-	-	5,670	5,494
Diocesan levy	-	292,049	-	292,049	300,033
Stall supplies	-	38,878	-	38,878	45,305
Donations	18,110	95,184	-	113,294	104,330
Telephone	2,977	37,659	427	41,063	35,395
Organ fund expenses	-	509	-	509	-
Minibus hire	-	400	-	400	-
Parish development and education	-	-	-	-	2,498
Youth Fund expenses	2,064	13,799	-	15,863	4,535
World Youth Day expenses	-	40	-	40	-
Sundry expenses	10,289	39,540	960	50,789	82,929
Parish travel expenses	-	83,936	-	83,936	86,339
Bishop's salary	2,988	-	-	2,988	2,915
Bishop's travel expenses	4,919	-	-	4,919	5,502
Bishops' Conference of Scotland travel	1,566	-	-	1,566	-
Chaplaincy	4,381	-	-	4,381	3,881
Diocesan heat and light	4,451	-	887	5,338	5,726
Staff pension costs	10,727	-	-	10,727	23,967
Pilgrimage expenses	3,400	59,740	-	63,140	16,043
Galloway newsletters	6,436	-	-	6,436	5,650
Honorarium and gift expenses	-	4,675	-	4,675	-
Deacon's expenses	-	1,476	-	1,476	-
Subsidies	-	4,000	-	4,000	-
IT costs	9,659	259	-	9,918	18,188
GDPR compliance costs	6,120	-	-	6,120	4,200
Health and safety reports	1,080	-	-	1,080	-
Funeral donations	-	9,480	-	9,480	945
Club expenses	-	17,666	-	17,666	9,579
Parish events and hospitality	-	8,264	-	8,264	-
Scottish Child Abuse Inquiry costs	14,850	-	-	14,850	-
Misappropriation of parish funds	-	-	-	-	17,750
Bank interest and charges	650	3,005	69	3,724	5,879
Depreciation					
Land and buildings	15,400	67,359	15,297	98,056	95,099
Improvements to property	16,405	-	12,480	28,885	27,110
Fixtures and fittings	1,298	172	-	1,470	1,837
Motor vehicles	-	28	-	28	38
Computer equipment	1,197	-	-	1,197	1,241
Governance costs					
Audit	13,000	-	-	13,000	13,000
Professional fees	3,958	42,013	-	45,971	17,798
	391,487	1,101,729	54,279	1,547,495	1,463,684

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements
for the Year Ended 31 December 2019

7. CHARITABLE ACTIVITIES COSTS - continued

Property Costs	2019		2019	2019	2018
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial			
	£	£	£	£	£
Insurances	3,012	93,468	4,306	100,786	105,207
General and water rates	3,416	44,835	3,690	51,941	50,440
Grounds and security costs	3,701	54,293	735	58,729	65,557
Equipment purchase	-	-	-	-	94
Other property expenses	3,910	191	7,568	11,669	6,288
Demolition costs	-	-	-	-	-
	<u>14,039</u>	<u>192,787</u>	<u>16,299</u>	<u>223,125</u>	<u>227,586</u>

Parish House Management	2019		2019	2019	2018
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial			
	£	£	£	£	£
Food and newspapers	-	78,260	-	78,260	80,480
Heat and light	-	67,515	-	67,515	65,284
Repairs and maintenance	-	103,899	-	103,899	86,779
Equipment purchase - parish houses	-	25,934	-	25,934	37,636
Cleaning materials and wages	-	50,218	-	50,218	52,689
	-	<u>325,826</u>	-	<u>325,826</u>	<u>322,868</u>

Church Management	2019		2019	2019	2018
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial			
	£	£	£	£	£
Heat and light	-	143,435	-	143,435	126,441
Routine costs	-	78,811	-	78,811	88,869
Cleaning materials and wages	-	18,889	-	18,889	12,262
Repairs and maintenance	-	239,865	-	239,865	442,308
Equipment purchase	-	36,240	-	36,240	132,866
Fundraising expenses	-	10,096	-	10,096	19,737
	-	<u>527,336</u>	-	<u>527,336</u>	<u>822,483</u>

Hall Management	2019		2019	2019	2018
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial			
	£	£	£	£	£
Heat and light	-	53,013	-	53,013	53,499
Cleaning materials and wages	-	17,716	-	17,716	16,153
Hall keeper	-	35,217	-	35,217	34,889
Repairs and maintenance	-	77,684	-	77,684	63,374
Equipment purchases	-	9,562	-	9,562	40,067
Fundraising expenses	-	29,104	-	29,104	29,680
	-	<u>222,296</u>	-	<u>222,296</u>	<u>237,662</u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements
for the Year Ended 31 December 2019

7. CHARITABLE ACTIVITIES COSTS - continued

Special Collections	2019		2019	2019	2018
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial			
Special collections	<u>34,561</u>	<u>213,375</u>	<u>-</u>	<u>247,936</u>	<u>263,534</u>

Payments to Parishes	2019		2019	2019	2018
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial			
Interest on parochial deposits	<u>55,008</u>	<u>-</u>	<u>-</u>	<u>55,008</u>	<u>40,585</u>

8. GOVERNANCE COSTS

Governance Costs	2019		2019	2019	2018
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial			
Audit fee	13,000	-	-	13,000	13,000
Legal and professional fees	3,958	42,013	-	45,971	17,798
	<u>16,958</u>	<u>42,013</u>	<u>-</u>	<u>58,971</u>	<u>30,798</u>

9. OTHER

	2019		2019	2019	2018
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial			
Students allowances & travel	-	-	5,976	5,976	6,139
Student fees	-	-	42,857	42,857	40,631
Payments to retired priests	<u>6,360</u>	<u>-</u>	<u>99,456</u>	<u>105,816</u>	<u>94,587</u>
	<u>6,360</u>	<u>-</u>	<u>148,289</u>	<u>154,649</u>	<u>141,357</u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements
for the Year Ended 31 December 2019

10. TRUSTEES' REMUNERATION AND BENEFITS

Trustees were remunerated during the year as serving clergy but not in their office as Trustee. All of the Trustees are serving clergy, and in addition to their responsibilities as Trustees, are actively involved in carrying out the objectives of the Diocese. Accordingly, all Trustees benefitted from accommodation costs and other associated expenditure included within charitable activities expenditure.

	2019 £	2018 £
Salaried Clergy		
The Right Reverend William Nolan - Bishop of Galloway	2,988	2,915
Canon Martin D. Poland - Trustee	2,988	2,915
The Reverend William R McFadden - Vicar General	2,988	2,915
	<u>8,964</u>	<u>8,745</u>

Trustees' benefits

The Trustees benefitted from the following expenditure:

	2019 £	2018 £
Travel	16,236	15,111
Housekeeping	9,948	9,928
Training	3,864	1,271
Accommodation - market value rent	16,400	16,400
Fuel - utilities	8,257	4,908
Housekeeper	6,195	3,881
Council Tax	4,272	4,055
Telephone	150	150
	<u>65,322</u>	<u>55,704</u>

During the year, Diocesan funds were used to pay for Trustees Indemnity Insurance, the premium being included within the general insurance costs. This insurance protects the Diocese from loss arising from the neglect or defaults of its Trustees, employees or agents, or to indemnify the Trustees or other officers against the consequences of any neglect or default on their part.

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements
for the Year Ended 31 December 2019

11. STAFF COSTS

Staff costs were as follows:

	2019	2018
	£	£
Salaries and wages	178,843	159,503
Social security costs	8,502	8,919
Pension costs	24,394	21,672
	<u>211,739</u>	<u>190,094</u>

Staff costs relate to curial staff and staff working in parishes.

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

	2019	2018
Head count		
Diocesan - Finance	2	2
Diocesan - Administration	2	2
Diocesan - Estates	0	0
Parochial	27	34
	<u>31</u>	<u>38</u>

The full time equivalent number of diocesan staff is 2.9.

It should be noted that priests actively working within the diocese are not classed as employees of the charity. Staff working in parishes are employees of the parish and not the Diocese.

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements
for the Year Ended 31 December 2019

12. TANGIBLE FIXED ASSETS

	Land and buildings £	Improvements to property £	Fixtures and fittings £
COST			
At 1 January 2019	4,940,767	137,941	17,957
Additions	-	31,685	-
At 31 December 2019	<u>4,940,767</u>	<u>169,626</u>	<u>17,957</u>
DEPRECIATION			
At 1 January 2019	454,519	60,629	10,609
Charge for year	98,055	28,885	1,470
At 31 December 2019	<u>552,574</u>	<u>89,514</u>	<u>12,079</u>
NET BOOK VALUE			
At 31 December 2019	<u>4,388,193</u>	<u>80,112</u>	<u>5,878</u>
At 31 December 2018	<u>4,486,248</u>	<u>77,312</u>	<u>7,348</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2019	2,000	13,433	5,112,098
Additions	-	-	31,685
At 31 December 2019	<u>2,000</u>	<u>13,433</u>	<u>5,143,783</u>
DEPRECIATION			
At 1 January 2019	1,887	10,589	538,233
Charge for year	29	1,198	129,637
At 31 December 2019	<u>1,916</u>	<u>11,787</u>	<u>667,870</u>
NET BOOK VALUE			
At 31 December 2019	<u>84</u>	<u>1,646</u>	<u>4,475,913</u>
At 31 December 2018	<u>113</u>	<u>2,844</u>	<u>4,573,865</u>

Included in cost or of land and buildings is freehold land of £38,000 (2018 - £38,000)

If land and buildings had not been revalued they would have been included at the following historical cost: -

	2019 £	2018 £
Cost	<u>4,812,848</u>	<u>4,812,848</u>

The Roman Catholic Diocese of Galloway

**Notes to the Financial Statements
for the Year Ended 31 December 2019**

12. TANGIBLE FIXED ASSETS - continued

Aggregate depreciation	<u>872,816</u>	<u>774,760</u>
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Freehold land and buildings were revalued on 1st December 2013 on an open market basis by the then Diocesan Estates Manager. The Trustees considered a full revaluation exercise of the non-heritage assets (unattached church houses and halls) during 2018 however, they felt that the cost of such an exercise would outweigh any potential benefits. The previous full revaluation exercise in 2008 cost c.£25,000 and the Trustees did not consider spending this amount of money to be a good use of charitable funds. The Trustees are satisfied that the carrying value of land and buildings as at 31st December 2019 does not differ materially from the fair value of the assets at the end of the reporting period.

13. FIXED ASSET INVESTMENTS

National Contingency Investment Fund (CNET 4)		Listed investments
		£
MARKET VALUE		
At 1 January 2019		1,367,487
Revaluations		<u>254,610</u>
At 31 December 2019		<u>1,622,097</u>
 NET BOOK VALUE		
At 31 December 2019		<u>1,622,097</u>
At 31 December 2018		<u>1,367,486</u>

The fund is administered on behalf of the Diocese by independent advisors, Brewin Dolphin.

All of the funds within the portfolio are in listed investments.

	2019	2018
	£	£
Cost of diocesan share at 31st December 2019	<u>568,408</u>	<u>568,408</u>

The investment was set up to provide funds which would be available to meet future diocesan needs. The diocese intends to utilise at least part of the income from this fund to defray the cost of providing for the needs of sick and retired clergy.

As at 31st December 2019, the Diocese of Galloway held a 6.802% share of the total value of the investment. The financial statements to 31st December 2019 include the sum of £43,600 received from this source. The investment is available on demand.

All investments are listed UK securities.

There are no investments held at 31st December 2019 which are over 5% of the total market value of the portfolio.

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements
for the Year Ended 31 December 2019

14. DEBTORS

	2019 £	2018 £
Amounts falling due within one year:		
Prepayments and accrued income	<u>43,239</u>	<u>29,896</u>
Amounts falling due after more than one year:		
Personal loans	<u>11,350</u>	<u>15,550</u>
Aggregate amounts	<u>54,589</u>	<u>45,446</u>

15. CURRENT ASSET INVESTMENTS

	2019 £	2018 £
Listed investments	5,576,301	4,181,284
Parochial investments	651,097	580,021
Cash funds held	<u>102,134</u>	<u>70,139</u>
	<u>6,329,532</u>	<u>4,831,444</u>

	2019 Cost £	2019 Market Value £	2018 Cost £	2018 Market Value £
Roman Catholic Diocese of Galloway	<u>4,659,332</u>	<u>5,137,441</u>	<u>3,781,819</u>	<u>3,797,829</u>
TOTAL GENERAL FUNDS	<u>4,659,332</u>	<u>5,137,441</u>	<u>3,781,819</u>	<u>3,797,829</u>
Parochial Funds	<u>513,115</u>	<u>651,097</u>	<u>532,549</u>	<u>580,021</u>
TOTAL PAROCHIAL FUNDS	<u>513,115</u>	<u>651,097</u>	<u>532,549</u>	<u>580,021</u>
Students Fund	<u>390,945</u>	<u>438,864</u>	<u>382,483</u>	<u>383,455</u>
TOTAL RESTRICTED FUNDS	<u>390,945</u>	<u>438,864</u>	<u>382,483</u>	<u>383,455</u>
TOTAL INVESTMENTS	<u>5,563,392</u>	<u>6,227,402</u>	<u>4,696,851</u>	<u>4,761,305</u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements
for the Year Ended 31 December 2019

15. CURRENT ASSET INVESTMENTS - continued

GENERAL FUNDS

	GENERAL Investment	FUND Cash	Funds c/fwd
Opening market value	3,797,829	63,250	3,861,079
Dividends received	-	137,460	137,460
Funds transferred from diocese	-	800,000	800,000
Dividends transferred to bank	-	(135,759)	(135,759)
Portfolio management fees	-	(32,181)	(32,181)
Purchases	2,001,078	(2,001,078)	-
Disposals	(1,256,633)	1,256,633	-
Gain on disposal	55,520	-	55,520
Unrealised gain on revaluations	539,643	-	539,643
	<hr/>	<hr/>	<hr/>
Closing market value	<u>5,137,437</u>	<u>88,325</u>	<u>5,225,762</u>

PAROCHIAL FUNDS

	PAROCHIAL Investment	FUND Cash	Funds c/fwd
Opening market value	580,021	2,215	582,236
Dividends received	-	14,578	14,578
Portfolio management fees	-	(2,214)	(2,214)
Withdrawal and transfer to parish	-	(25,000)	(25,000)
Purchases	30,320	(30,320)	-
Disposals	(50,721)	50,721	-
Gain on disposal	488	-	488
Unrealised gain on revaluation	90,989	-	90,989
	<hr/>	<hr/>	<hr/>
Closing market value	<u>651,097</u>	<u>9,980</u>	<u>661,077</u>

RESTRICTED FUNDS

	STUDENTS Investment £	FUND Cash £	Funds c/fwd £
Opening market value	383,455	4,674	388,129
Dividends received	-	12,124	12,124
Dividends transferred to bank	-	(11,832)	(11,832)
Portfolio management fees	-	(2,997)	(2,997)
Purchases	122,514	(122,514)	-
Disposals	(124,374)	124,374	-
Gain on disposal	5,467	-	5,467
Unrealised gain on revaluation	51,802	-	51,802
	<hr/>	<hr/>	<hr/>
Closing market value	<u>438,864</u>	<u>3,829</u>	<u>442,693</u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements
for the Year Ended 31 December 2019

15. CURRENT ASSET INVESTMENTS - continued
TOTAL FUNDS

	TOTAL Investment £	FUNDS Cash £	Funds c/fwd £
Opening market value	4,761,305	70,139	4,831,444
Dividends received	-	164,162	164,162
Funds transferred from diocese	-	800,000	800,000
Withdrawal and transfer to parish	-	(25,000)	(25,000)
Dividends transferred to bank	-	(147,591)	(147,591)
Portfolio management fees	-	(37,392)	(37,392)
Purchases	2,153,912	(2,153,912)	-
Disposals	(1,431,728)	1,431,728	-
Gain on disposal	61,475	-	61,475
Unrealised gain on revaluation	682,434	-	682,434
	<u>6,227,398</u>	<u>102,134</u>	<u>6,329,532</u>
Closing market value			

LISTED INVESTMENTS - GENERAL AND RESTRICTED FUNDS

Investment assets held in the UK and those outside the UK are as follows:

	Market Value £
Cash and short maturity bonds	301,533
Developed government bonds	173,886
Investment grade bonds	251,536
High yield emerging markets bonds	225,389
Developed market equities	4,086,542
Emerging market equities	705,031
Alternative	421,784
Other	163,831
	<u>6,329,532</u>

All of the funds within the portfolios are in listed investments.

There are no investments held at 31st December 2019 which are over 5% of the total market value of the combined portfolios.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Bank loans and overdrafts (see note 17)	-	123,205
Social security and other taxes	2,936	3,698
Accrued expenses	<u>23,790</u>	<u>26,937</u>
	<u>26,726</u>	<u>153,840</u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements
for the Year Ended 31 December 2019

17. LOANS

An analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year on demand:		
Bank overdraft	<u>-</u>	<u>123,205</u>

18. PROVISIONS FOR LIABILITIES

	2019 £	2018 £
Provisions	<u>50,000</u>	<u>50,000</u>

A provision for retirement costs was established in 2017. This figure has been agreed by the Trustees as being the best estimate of amounts due which have not previously been accounted for. No monies were added to the provision during 2019.

Retirement provision	£
Balance at 1 January 2019	50,000
Arising during the year	-
Reversed unutilised during the year	-
Utilised during the year	<u>-</u>
Balance at 31 December 2019	<u>50,000</u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements
for the Year Ended 31 December 2019

19. MOVEMENT IN FUNDS

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Diocesan funds				
General fund	5,286,023	1,252,754	277,168	6,815,944
Designated Fund	1,367,486	298,210	(43,600)	1,622,097
	6,653,509	1,550,964	233,568	8,438,041
Parochial funds				
St Margaret's, Ayr	258,006	8,065	(7,609)	258,462
St Paul's, Ayr	39,170	14,863	(3,127)	50,906
St Columba's, Annan & St Francis, Langholm	46,790	8,371	(2,599)	52,562
St Peter in Chains, Ardrossan	238,530	6,523	(3,452)	241,601
Our Lady of Lourdes & St Patrick, Auchinleck	187,048	9,086	717	196,851
Our Lady of Perpetual Succour, Beith	29,730	(1,079)	(32)	28,619
St John the Evangelist, Cumnock	241,320	2,315	(12,748)	230,887
St Peter's, Dalbeattie	52,701	(12)	(7,193)	45,496
St Palladius, Dalry	27,534	(5,617)	(220)	21,697
St Clare's, Drongan	940	640	213	1,793
St Andrew's, Dumfries	298,213	(5,697)	(8,790)	283,726
* St Teresa's, Dumfries	285,849	(38,638)	(4,821)	242,390
St Sophia's, Galston	74,401	(9,257)	(1,153)	63,991
The Sacred Heart of Jesus & Mary, Girvan	182,336	(22)	309	182,623
St Paul's, Hurlford	197,742	6,156	245	204,143
St John Ogilvie, Irvine	25,714	7,128	(504)	32,338
St Mary's, Irvine	172,923	32,582	(2,234)	203,271
St Brigid's, Kilbirnie	162,371	2,247	(2,376)	162,242
St Joseph's, Kilmarnock	86,885	(33,790)	3,967	57,062
St Matthew's, Kilmarnock	78,152	3,845	(50,380)	31,617
Our Lady of Mount Carmel, Kilmarnock	103,491	110,461	(161,493)	52,459
St Winin's, Kilwinning	190,365	(1,926)	(427)	188,012
St Andrew's & St Cuthbert's, Kirkcudbright	73,436	53,305	(56,096)	70,645
St Mary, Star of the Sea, Largs	953,351	47,525	(5,908)	994,968
Holy Trinity, Lockerbie	182,024	270	(1,831)	180,463
Our Lady & St Cuthbert, Maybole	46,129	21,902	475	68,506
Our Lady of Perpetual Succour, Millport	5,699	(5,747)	6,954	6,906
St Luke's, Moffat	26,382	(7,111)	(144)	19,127
St Ann's, Mossblown	5,895	(29)	(235)	5,631
St Thomas Apostle, Muirkirk	41,875	2,586	(291)	44,170
Our Lady and St Ninian, Newton Stewart	139,252	7,892	15,037	162,181
St Quivox, Prestwick	262,855	(13,267)	(4,038)	245,550
Our Lady Star of the Sea, Saltcoats	74,295	25,060	(2,106)	97,249
St John's, Stevenston	92,157	11,429	(13,833)	89,753
Our Lady & St John's, Stewarton	789	(627)	(162)	-
St Joseph's, Stranraer	49,839	(22,343)	(2,310)	25,186
Our Lady of the Assumption & St Meddan's, Troon	95,364	23,738	(11,436)	107,666
St Francis Xavier, Waterside	9,750	1,003	160	10,913
St Bride's, West Kilbride	149,169	9,047	1,694	159,910
	5,188,472	270,877	(337,777)	5,121,572
Restricted funds				
Retired Priests Fund	819,651	(127,128)	94,133	786,655
Students Fund	397,347	89,316	10,076	496,739
	1,216,998	(37,812)	104,209	1,283,395
TOTAL FUNDS	13,058,979	1,784,029	-	14,843,008

* St Teresa's, Dumfries includes the Ababa Project and Youth for Lourdes

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements
for the Year Ended 31 December 2019

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Diocesan funds				
General fund	1,192,124	(534,533)	595,163	1,252,754
Designated Fund	<u>43,600</u>	<u>-</u>	<u>254,610</u>	<u>298,210</u>
	1,235,724	(534,533)	849,773	1,550,964
Parochial funds				
St Margaret's, Ayr	135,689	(127,624)	-	8,065
St Paul's, Ayr	86,137	(71,274)	-	14,863
St Columba's, Annan & St Francis, Langholm	36,100	(27,729)	-	8,371
St Peter in Chains, Ardrossan	156,798	(150,275)	-	6,523
Our Lady of Lourdes & St Patrick, Auchinleck	39,123	(30,037)	-	9,086
Our Lady of Perpetual Succour, Beith	21,555	(22,634)	-	(1,079)
St John the Evangelist, Cumnock	69,124	(66,809)	-	2,315
St Peter's, Dalbeattie	36,287	(36,299)	-	(12)
St Palladius, Dalry	37,053	(42,670)	-	(5,617)
St Clare's, Drongan	7,505	(6,865)	-	640
St Andrew's, Dumfries	106,084	(111,781)	-	(5,697)
* St Teresa's, Dumfries	142,327	(180,965)	-	(38,638)
St Sophia's, Galston	42,619	(51,876)	-	(9,257)
The Sacred Heart of Jesus & Mary, Girvan	61,821	(61,843)	-	(22)
St Paul's, Hurlford	42,395	(36,239)	-	6,156
St John Ogilvie, Irvine	63,823	(56,695)	-	7,128
St Mary's, Irvine	107,376	(100,690)	25,896	32,582
St Brigid's, Kilbirnie	37,599	(35,352)	-	2,247
St Joseph's, Kilmarnock	199,636	(233,426)	-	(33,790)
St Matthew's, Kilmarnock	79,070	(75,225)	-	3,845
Our Lady of Mount Carmel, Kilmarnock	171,617	(61,156)	-	110,461
St Winin's, Kilwinning	62,487	(64,413)	-	(1,926)
St Andrew's & St Cuthbert's, Kirkcudbright	107,275	(53,970)	-	53,305
St Mary, Star of the Sea, Largs	120,378	(138,435)	65,581	47,524
Holy Trinity, Lockerbie	29,362	(29,092)	-	270
Our Lady & St Cuthbert, Maybole	52,264	(30,362)	-	21,902
Our Lady of Perpetual Succour, Millport	18,183	(23,930)	-	(5,747)
St Luke's, Moffat	10,272	(17,383)	-	(7,111)
St Ann's, Mossblown	20,542	(20,571)	-	(29)
St Thomas Apostle, Muirkirk	40,617	(38,031)	-	2,586
Our Lady and St Ninian, Newton Stewart	69,168	(61,276)	-	7,892
St Quivox, Prestwick	75,598	(88,865)	-	(13,267)
Our Lady Star of the Sea, Saltcoats	147,110	(122,050)	-	25,060
St John's, Stevenston	106,187	(94,758)	-	11,429
Our Lady & St John's, Stewarton	4,032	(4,659)	-	(627)
St Joseph's, Stranraer	27,567	(49,910)	-	(22,343)
Our Lady of the Assumption & St Meddan's, Troon	122,513	(98,775)	-	23,738
St Francis Xavier, Waterside	16,734	(15,731)	-	1,003
St Bride's, West Kilbride	<u>54,936</u>	<u>(45,888)</u>	<u>-</u>	<u>9,048</u>
	2,764,963	(2,585,563)	91,477	270,877
Restricted funds				
Retired Priests Fund	42,891	(170,019)	-	(127,128)
Students Fund	<u>83,858</u>	<u>(51,811)</u>	<u>57,269</u>	<u>89,316</u>
	126,749	(221,830)	57,269	(37,812)
TOTAL FUNDS	<u>4,127,436</u>	<u>(3,341,926)</u>	<u>998,519</u>	<u>1,784,029</u>

* St Teresa's, Dumfries includes the Ababa Project and Youth for Lourdes

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements for the Year Ended 31 December 2019

Purpose of Designated Funds

National Contingency Fund (CNET4)

This fund represents the market value of investments, purchased with annual sums set aside from income, to provide the Diocese with a reserve fund which could be readily utilised at the Trustees' discretion. At present, income from this fund is used to defray the costs of sick and retired clergy.

Purpose of Restricted Funds

Retired Priests

The fund is used for the benefit of priests who have retired from full time active ministry. Assistance is usually by way of a monthly allowance and/or accommodation costs. From time to time, we make one-off payments or provide help on an individual basis, as not all retired priests avail themselves of a monthly payment or require accommodation from the Diocese. The current income falls well below current costs, and general funds are used to top up the underlying account.

The fund includes a separate bank account with the Bank of Scotland.

Students Fund

The fund is used for the education of students in seminaries, mostly in connection with fees, and a small personal allowance for maintenance and travel.

The fund includes a separate bank account with the Bank of Scotland, and an investment portfolio maintained by Barclays Investment Solutions Ltd.

Transfers between funds

During the year, a number of transfers took place between General, Parochial and Restricted funds.

	General Funds	Parochial Funds	Restricted Funds
	£	£	£
Transfer of CNET dividend disbursement	(43,600)	-	43,600
Parish loans repaid and PIF deposits made in year	287,187	(287,187)	-
Parish loans and PIF withdrawals made in year	(37,500)	17,500	20,000
Levies paid by parishes during year	307,329	(307,329)	-
Levies due by parishes at year end	(292,049)	292,049	-
Funding for Whithorn works and contras	(12,427)	11,818	609
Interest charged on parish deposits	55,008	(55,008)	-
Transfer to Diocesan Fund	10,000	-	(10,000)
Transfer to Retired Priests Fund	(50,000)	-	50,000
Youth fund contributions from parish	<u>9,620</u>	<u>(9,620)</u>	<u>-</u>
	<u>233,568</u>	<u>(337,777)</u>	<u>104,209</u>

The Roman Catholic Diocese of Galloway

**Notes to the Financial Statements
for the Year Ended 31 December 2019**

20. RELATED PARTY TRANSACTIONS

The Diocese is associated with the following bodies which are connected to, or supported by, the Diocese:

- The Bishops' Conference of Scotland
- The Pontifical Scots College, Rome
- The Scottish Catholic International Aid Fund (SCIAF)
- SPRED Galloway

During 2019, the following transactions took place with related parties:

- Bishop's Conference of Scotland: monies received £57,808 monies paid £76,311
- The Pontifical Scots College, Rome: monies paid £42,857
- SCIAF: monies paid £3,475
- SPRED Galloway: monies received £49,480; monies paid £10,000

21. POST BALANCE SHEET EVENTS

Disclosure with regard to the impact of the Covid-19 pandemic can be seen in the Trustees Report and Note 1 to these financial statements.

The Roman Catholic Diocese of Galloway

Detailed Statement of Financial Activities
for the Year Ended 31 December 2019

	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total funds £	2018 Total funds £
INCOME AND ENDOWMENTS					
Donations and legacies					
Parish levies	292,049	-	-	292,049	300,033
Church collections	-	1,321,390	-	1,321,390	1,351,280
Donations	25,360	74,004	25,775	125,139	106,413
Covenants and tax repayments	160	217,456	1,413	219,029	183,080
Grants	-	5,300	-	5,300	2,000
Special collections	57,945	226,415	27,311	311,671	311,358
Bishop Hay trust	13,754	-	-	13,754	12,945
Bequests	558,962	47,252	-	606,214	255,277
Building fund collections	-	67,834	-	67,834	63,504
Church boxes	-	1,371	-	1,371	4
Funeral collections received	-	12,352	-	12,352	-
Mass stipends	-	3,615	-	3,615	9,789
Club income	-	22,905	-	22,905	-
Organ restoration fund income	-	13,465	-	13,465	-
Car park fund in	-	747	-	747	-
Minibus income	-	110	-	110	435
	<u>948,230</u>	<u>2,014,216</u>	<u>54,499</u>	<u>3,016,945</u>	<u>2,596,118</u>
Other trading activities					
Hall & fundraising income	-	197,666	-	197,666	170,224
Church fundraising	-	111,099	-	111,099	145,687
	-	<u>308,765</u>	-	<u>308,765</u>	<u>315,911</u>
Investment income					
Income from investments	137,460	14,578	12,124	164,162	142,732
CNET 4 dividend disbursement	43,600	-	-	43,600	50,300
Interest receivable	2,139	41	-	2,180	62
Interest from parochial investments	-	55,011	-	55,011	40,585
	<u>183,199</u>	<u>69,630</u>	<u>12,124</u>	<u>264,953</u>	<u>233,679</u>
Charitable activities					
Hospitals & schools chaplaincy	15,953	990	-	16,943	19,738
Primary RE Income	3,594	-	-	3,594	2,478
Income from stalls, sale of candles	-	80,366	-	80,366	86,233
Rents	208	38,601	-	38,809	36,521
CCIA	-	-	-	-	7,349
Other income	968	19,406	-	20,374	39,160
Rebates & refunds	56,841	41,752	161	98,754	125,753
Taggart bursary	-	-	59,965	59,965	-
Sale of land & property	-	116,187	-	116,187	293,164
Canon Law Society reimbursement	10,856	-	-	10,856	10,324
Carried forward	88,420	297,302	60,126	445,848	620,720

The Roman Catholic Diocese of Galloway

Detailed Statement of Financial Activities
for the Year Ended 31 December 2019

	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total funds £	2018 Total funds £
Charitable activities					
Brought forward	88,420	297,302	60,126	445,848	620,720
Repayment of misappropriated funds	-	-	-	-	17,750
Priests' Pension contributions	1,026	-	-	1,026	1,236
Parish celebration income	-	1,579	-	1,579	-
World Youth Day income	-	2,000	-	2,000	-
Property insurance uplift	14,850	-	-	14,850	-
Pilgrimage income	-	61,473	-	61,473	19,560
Subsidies	-	-	-	-	2,000
Youth income	-	9,727	-	9,727	974
Solar panel income	-	269	-	269	1,141
	<u>104,296</u>	<u>372,350</u>	<u>60,126</u>	<u>536,772</u>	<u>663,381</u>
Total incoming resources	1,235,725	2,764,961	126,749	4,127,435	3,809,089
EXPENDITURE					
Investment management costs					
Portfolio management fees	33,078	2,214	2,963	38,255	13,206
Charitable activities					
Priests salaries	-	64,043	-	64,043	66,192
Parish salaries	-	82,668	-	82,668	58,794
ER's National Insurance	11,987	-	-	11,987	10,623
National commissions	48,988	-	-	48,988	65,348
Bishop's house expenses	4,234	-	-	4,234	2,616
Retired housekeeper & domestics fund	5,865	-	-	5,865	5,865
Pastoral office expenses	141,200	-	-	141,200	138,831
Church supplies	-	22,265	-	22,265	22,112
Other fees to religious	1,600	-	23,951	25,551	28,806
Courses and retreat expenses	6,507	26,950	-	33,457	31,686
TV licence	-	181	-	181	-
Primary RE expenses	1,786	-	-	1,786	490
Post & stationery	7,724	85,491	208	93,423	89,114
Priests pension costs	5,670	-	-	5,670	5,494
Diocesan levy	-	292,050	-	292,050	300,033
Stall supplies etc	-	38,878	-	38,878	45,303
Donations	18,110	95,184	-	113,294	104,330
Telephone	2,977	37,658	427	41,062	35,395
Minibus hire	-	400	-	400	-
Parish development & education	-	-	-	-	2,498
Youth fund expenses	2,064	13,799	-	15,863	4,535
Sundry expenses	10,289	39,541	960	50,790	82,930
Property costs	12,588	191	15,493	28,272	29,828
Organ Fund expenses	-	509	-	509	-
Special collection disbursement	34,561	-	-	34,561	27,498
Carried forward	316,150	799,808	41,039	1,156,997	1,158,321

The Roman Catholic Diocese of Galloway

Detailed Statement of Financial Activities
for the Year Ended 31 December 2019

	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total funds £	2018 Total funds £
Charitable activities					
Brought forward	316,150	799,808	41,039	1,156,997	1,158,321
Subsidies	-	4,000	-	4,000	-
Interest on parochial deposits	55,008	-	-	55,008	40,585
Parish travel expenses	-	83,936	-	83,936	86,339
Bishop's Salary	2,988	-	-	2,988	2,915
Chaplaincy	4,381	-	-	4,381	3,881
Diocese Heat & light	4,451	-	887	5,338	5,726
Staff pension costs	10,727	-	-	10,727	23,967
Pilgrimage expenses	3,400	59,740	-	63,140	16,043
World Youth Day expenses	-	40	-	40	-
Parish events and hospitality	-	8,264	-	8,264	-
Galloway newsletters	6,436	-	-	6,436	5,650
Honorariums and gifts	-	4,676	-	4,676	-
Deacon's expenses	-	1,476	-	1,476	-
IT costs	9,659	259	-	9,918	18,187
Funeral expenses	-	9,480	-	9,480	945
Club expenses	-	17,666	-	17,666	9,579
Misappropriation of parish funds	-	-	-	-	17,750
Bishop's Travel Expenses	6,485	-	-	6,485	5,502
GDPR compliance costs	6,120	-	-	6,120	4,200
Health and safety reports	1,080	-	-	1,080	-
SCIA costs	14,850	-	-	14,850	-
Depreciation of freehold property	15,400	67,359	15,297	98,056	95,099
Depreciation of improvements to property	16,405	-	12,480	28,885	27,110
Depreciation of fixtures and fittings	1,298	172	-	1,470	1,837
Depreciation of motor vehicles	-	28	-	28	38
Depreciation of computer equipment	1,197	-	-	1,197	1,241
Special Collections	-	213,375	-	213,375	236,036
Property Costs	1,453	192,593	807	194,853	197,758
Parish house management	-	325,826	-	325,826	322,868
Church management	-	527,336	-	527,336	822,483
Hall management	-	222,296	-	222,296	237,662
Bank interest & charges	650	3,004	69	3,723	5,882
	478,138	2,541,334	70,579	3,090,051	3,347,604
Other					
Students allowances & travel	-	-	5,976	5,976	6,139
Fees in respect of retired priests	6,360	-	99,456	105,816	94,587
Fees in respect of Students	-	-	42,857	42,857	40,631
	6,360	-	148,289	154,649	141,357
Support costs					

The Roman Catholic Diocese of Galloway

Detailed Statement of Financial Activities
for the Year Ended 31 December 2019

	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total funds £	2018 Total funds £
Governance costs					
Auditors' remuneration	13,000	-	-	13,000	13,000
Legal and professional fees	3,958	42,013	-	45,971	17,798
	<u>16,958</u>	<u>42,013</u>	<u>-</u>	<u>58,971</u>	<u>30,798</u>
Total resources expended	<u>534,534</u>	<u>2,585,561</u>	<u>221,831</u>	<u>3,341,926</u>	<u>3,532,965</u>
Net income before gains and losses	701,191	179,400	(95,082)	785,509	276,124
Realised recognised gains and losses					
Recognised gains/(losses) on current asset investments	55,520	488	5,467	61,475	(511)
	<u>756,711</u>	<u>179,888</u>	<u>(89,615)</u>	<u>846,984</u>	<u>275,613</u>
Net income	<u>756,711</u>	<u>179,888</u>	<u>(89,615)</u>	<u>846,984</u>	<u>275,613</u>