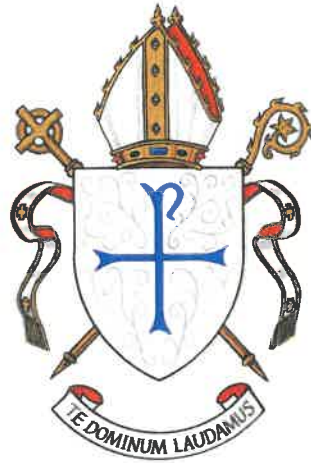


**REGISTERED CHARITY NUMBER: SC010576**



**Diocese of Galloway**

**Report of the Trustees and  
Audited Financial Statements  
for the Year Ended 31 December 2023**

# **The Roman Catholic Diocese of Galloway**

## **Contents of the Financial Statements for the Year Ended 31 December 2023**

	<b>Page</b>
<b>Reference and Administrative Details</b>	<b>1</b>
<b>Report of the Trustees</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>10</b>
<b>Accounting Policies</b>	<b>14</b>
<b>Statement of Financial Activities</b>	<b>17</b>
<b>Balance Sheet</b>	<b>19</b>
<b>Cash Flow Statement</b>	<b>20</b>
<b>Notes to the Financial Statements</b>	<b>21</b>

## The Roman Catholic Diocese of Galloway

### REFERENCE AND ADMINISTRATIVE DETAILS

**Registered Charity number**  
SC010576

**Principal address**  
Candida Casa  
8 Corsehill Road  
Ayr  
KA7 2ST

**Trustees**

Right Rev F Dougan	Bishop of Galloway	Appointed 22 December 2023
Rev W.R. McFadden	Diocesan Administrator	
Canon M.D. Poland	Treasurer	
Mrs Theresa Cervone D'Urso		
Miss Angela Marioni		

**Director of Finance**

Louise F Devine DSS BAcc CA LTCL

**Auditors**

Azets Audit Services  
Chartered Accountants and Registered Auditors  
3 Wellington Square  
Ayr  
KA7 1EN

**Solicitors**

McSparran McCormick  
19 Waterloo Street  
Glasgow  
G2 6AH

**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

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

## **The Roman Catholic Diocese of Galloway**

### **Report of the Trustees for the Year Ended 31 December 2023**

#### **INTRODUCTION**

The Trustees of the Diocese of Galloway present their report together with the financial statements of the charity for the year ended 31 December 2023.

#### ***Scope of the Financial Statements***

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

- ***Curial Funds***  
Curial 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***  
Parochial Funds are administered by the Parish Priests, with guidance from the Curial Office and are used to carry out the work of the Church within local areas and to help fund the Curial Office.

#### **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 which was the date of the restoration of the Roman Catholic Hierarchy, 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).

##### **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 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 two 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 2023 (continued)**

#### **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. Each Parish is 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 meet four times a year to discuss and take decisions on matters of significance. Two of the Trustees are serving clergy and two new appointments of lay Trustees were made during the year, as detailed on page 1. Material has been identified for inducting new Trustees and assisting with the ongoing development of existing Trustees. The Trustees receive regular reports of the charity's activities.

##### **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 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 a professional company 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, it is hoped to continue with a Parish presence for as long as possible in as many areas as possible, but it is recognised that some consolidation will be inevitable, even in the short term.

#### **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.

In fulfilling these objectives and aims, the Diocese of Galloway, through the ministries of the various parish communities, serves the People of God in the districts of North, South and East Ayrshire and Dumfries and Galloway.

The Trustees wish to record their sincere appreciation for the work done by the ordained priests and deacons, by the lay and religious volunteers, and for the generosity of all parishioners, in helping the diocese meet the objectives and aims during 2023.

## **The Roman Catholic Diocese of Galloway**

### **Report of the Trustees for the Year Ended 31 December 2023 (continued)**

#### **ACHIEVEMENT AND PERFORMANCE**

##### **The Advancement of the Roman Catholic Religion**

The Roman Catholic religion was advanced in 2023 by a wide range of religious, pastoral, spiritual and social activities. These were realised by the lay faithful, women and men religious, deacons and priests serving in their parishes and in their local communities.

Through the contributions of the many volunteers, responses were made to the needs of the parishioners, to the sick, to the elderly, to the homeless and disadvantaged, to refugees and asylum seekers, and to a wide range of additional situations requiring attention both in parishes and in the wider society.

The Sacramental life of the Church was experienced with Baptisms of both infants and adults, Confirmations of children and adults, daily and weekly celebrations of the Eucharist, regular opportunities for Penance and Reconciliation, celebrations of Marriage, and the anointing of the sick in homes, in hospitals, and in churches.

The livestreaming of Masses and Services has continued, and various parishes offer this opportunity for their own parishioners and for those beyond the physical boundaries of the parish. Modern means of communication, including a Diocesan Facebook page, are now part of the everyday information exchanges which support the work of the Diocese in advancing the faith.

The annual pilgrimage to St Ninian's cave in Whithorn saw a good attendance from people throughout the Diocese, and beyond, and archbishop Leo Cushley of St Andrews and Edinburgh was the celebrant at the Mass. There was also a diocesan pilgrimage to Lourdes involving the sick, their helpers, young people, and able-bodied pilgrims, all mixing together to experience the joy and wonder of that special place.

Anniversaries celebrated throughout the year included the 60<sup>th</sup> year of Our Lady of Mount Carmel Church, Kilmarnock, and the 125<sup>th</sup> anniversary of the founding of the Tyburn Nuns who are now in the Diocese in Largs.

The Diocese was pleased to welcome two new Spiritan priests who took up residence in St Teresa's, Dumfries, and also to welcome back to the Diocese Fr Ben Lodge CP who moved to St Joseph's in Stranraer. These three Religious priests will now work with the diocesan clergy and laity to advance the Roman Catholic faith in the parts of the Diocese where they are now resident.

##### **The Advancement of Education**

The Diocese continues to provide school chaplains, and a primary school and secondary school Religious Education Advisor, and is represented in local government through the roles of the designated representatives on the local authority education committees. The Diocesan Education Strategy Group functions as an umbrella organisation supporting education in schools throughout the Diocese.

In line with the initiative of Pope Francis to promote greater Synodality in the Church, the Diocese supported parishes and organisations in educating them to experience greater listening to one another, and in moving forward in synodal leadership.

A priority of the Diocese is the continuing need to educate with regard to the safeguarding of children and vulnerable adults. During 2023, training sessions were offered throughout the Diocese, and the requirements set by the Scottish Safeguarding Standards Agency are continually evaluated, reflected upon, and applied.

SPRED continues to re-assess its vision and aims, and is still hoping to offer definitive plans for growth and development.

##### **The Relief of Poverty**

For the relief of poverty, our parish communities receive donations and take up special collections throughout the year. In 2023, the Diocese offered financial support both at home and abroad to individuals and groups in particular need. For the relief of the spiritually poor, local priests, designated deacon chaplains, and lay volunteers visit prisons on a frequent basis. Foodbanks continue to be well supported by our parish communities in all parts of the Diocese.

## The Roman Catholic Diocese of Galloway

### Report of the Trustees for the Year Ended 31 December 2023 (continued)

#### ACHIEVEMENT AND PERFORMANCE (continued)

##### The Relief of Illness or Disease

In responding to the needs of those suffering from illness or disease, the Diocese continues to provide hospital chaplaincy and visitation, Holy Communion to the housebound and to those in Care Homes and Hospices, and support for the work of those with special needs with support through SPRED.

##### In Memoriam

It was with great sadness that the death of Bishop Emeritus Maurice Taylor was announced in June 2023. Bishop Taylor had served as bishop of the Diocese from 1981 until 2004.

#### FINANCIAL REVIEW

The Trustees report a surplus for the year of £382,026 (2022 – deficit £1,157,479) and net current assets of £2,722,494 at 31 December 2023 (2022: £2,612,686).

The surplus of £382,026 comprises:

	Diocese £	Parishes £	Total £
Operating surplus/(deficit)	106,303	(272,427)	(166,124)
Gains on assets and investments	492,754	55,396	548,150
<b>Total net movement in funds for the year</b>	<b>599,057</b>	<b>(217,031)</b>	<b>382,026</b>

The funds at the end of the year totalled £15,274,142 (2022: £14,892,116).

The principal source of income for the Diocese is the annual levy paid by Parishes and Special Collections for particular purposes. During 2023, £350,003 was paid by way of levy and £51,099 donated through Special Collections. As both of these sources of income are *intra* the charity, they are included in the “Transfers between Funds” line of the Statement of Financial Activities (page 17).

The diocesan operating surplus of £106,303 included bequests for the Retired Priests’ Fund of £89,563. Parishes experienced a 5.5% increase in offertory collections but suffered a 117% increase in energy costs for parochial properties – from £218k in 2022 to £473k in 2023. The effects of inflation have also contributed to the operating deficit in parish funds. There was a 6% increase in property repairs and maintenance but the Trustees are aware that many buildings require significant repairs and these can only be delayed for so long.

In line with market fluctuations, the investment losses of the previous year were reversed in the investment portfolios belonging to the Diocese and to two Parishes, resulting in realised and unrealised gains of £548,150.

##### Parish Special Collections

During 2023, the people of the Diocese of Galloway contributed over £222,000 to diocesan and non-diocesan special collections during the year. The diocesan special collections are included as income in the Statement of Financial Activities (page 17) and the remainder is accounted for through the Balance Sheet as the Diocese and the Parishes are acting as agents in the collection of these funds.

## The Roman Catholic Diocese of Galloway

### Report of the Trustees for the Year Ended 31 December 2023 (continued)

#### FINANCIAL REVIEW (continued)

##### Investment policy and objectives

The Diocese currently holds the following investments:

- a portfolio of stocks and shares held to provide an income stream to offset the costs of running the Diocese valued at 31 December 2023 at £1,962,852 (2022: £1,843,932),
- a portfolio of stocks and shares held to cover the deposits of Parishes and restricted funds in the Parochial Investment Fund valued at £3,770,764 at 31 December 2023 (2022: £3,638,185),
- a modest portfolio of stocks and shares held to cover the costs of seminarians valued at £457,164 at 31 December 2023 (2022: £429,625) and
- a 5.42% share of the Catholic National Endowment Trust No 4 Provision for Future Contingencies Fund (the National Contingency Fund) valued at £1,404,293 at 31 December 2022 (2022: £1,689,8679).

Capital of £100,000 was withdrawn from the Diocese of Galloway No 2 Portfolio during the year (2022: net withdrawal £150,000) to meet the requirements of parishes. The closing value as at 31st December 2023 across the diocesan portfolios was £7,595,073 (2022: £7,601,609).

##### *Policy and objectives*

All funds are managed on a discretionary basis by professional independent investment managers and stockbrokers. The first three 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.

##### *Ethical Considerations*

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.

##### *Parochial Investments*

The performance of parochial investments held by St Mary's, Irvine and St Mary's, Largs mirrored the fluctuations of the market during 2023. The closing value of these investments as at 31st December 2023 was £718,568 (2022: £661,044). There were no capital deposits or withdrawals during the year (2022: £Nil).

##### **Reserves**

The intention of the Trustees is to hold sufficient free (i.e. unrestricted) reserves to ensure the charity's continuance in future years. Note 17 shows that net current assets in general unrestricted funds amount to £1,268,279 which is the equivalent of almost four years' worth of general unrestricted fund expenditure. In addition, the Trustees consider the retention of the general investment portfolio 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 and will continue to review budgeted income, expenditure and cash flow to achieve this goal.



## **The Roman Catholic Diocese of Galloway**

### **Report of the Trustees for the Year Ended 31 December 2023 (continued)**

#### **FINANCIAL REVIEW (continued)**

##### **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 and this practice will continue.

The Diocese uses 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**

Parish activities continued to improve in the year to 31 December 2023 although attendance remains lower. Parish collections saw a rise of 11% compared with 2022, following a 11% rise the previous year and are now constant with 2019, pre-pandemic levels.

Investment portfolio valuations fluctuated in line with market conditions, with gains on revaluation of £548k, recovering from the losses of 2022.

The cost of living crisis in the UK will affect parishioners and their ability to give and, secondly, the rising energy prices have impacted the Parishes, particularly in heating and lighting costs for churches in the year. The Trustees are aware of the need to encourage practical steps to minimise the effect of this latter risk in particular and are working with the Parishes to reduce energy usage.

The Trustees do not consider that the above factors jeopardise the charity's ability to continue as a going concern.

##### **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

## **The Roman Catholic Diocese of Galloway**

### **Report of the Trustees for the Year Ended 31 December 2023 (continued)**

#### **FUTURE PLANS**

With the ordination of the new bishop in February 2024, the future will largely be determined by Bishop Dougan's administrative, legislative and pastoral skills and vision. He will however work collaboratively with the Diocesan Trustees, the Diocesan Finance Committee, the College of Consultors of the Diocese, the Council of Priests, and various other consultative bodies within and beyond the diocese. He will be an active member of the Bishops' Conference of Scotland, and the decisions made collaboratively by the Conference will impact on diocesan areas requiring attention and response.

Together with Bishop Dougan, the clergy of the diocese will continue to animate and lead pastoral initiatives in the different parishes seeking to fulfil the aims and objectives which are integral to the diocese: namely, the promotion of the advancement of the Catholic religion; the relief of poverty and the support for the most vulnerable; the advancement of education; and the care of the sick. A wide variety of initiatives will involve many individuals and groups in looking at the issues which each specific area raises. Bishop Dougan has already identified the need for Parish Pastoral Councils, Parish Finance Committees, Deanery Pastoral Councils, and a Diocesan Pastoral Council to be instruments which are central to future plans.

Pope Francis has designated 2025 as a Year of Jubilee, and this will feature prominently in future plans in 2024 and 2025. One particular theme he has highlighted is that of Pilgrimage, and alongside the ongoing demand to continually address the needs of the poor and the vulnerable, this will be another area for the diocese on which to focus.

The Diocese will continue to serve the needs of the Catholic Community, as well as the needs of those of other Christian denominations, of other faiths, and of those who have no faith experience of faith profession at all.

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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.

**The Roman Catholic Diocese of Galloway**

**Report of the Trustees  
for the Year Ended 31 December 2023 (continued)**

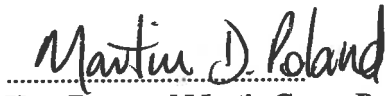
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

Approved by order of the board of Trustees on 19 September 2024 and signed on its behalf by:



Reverend William McFadden, Vicar General and Trustee



Very Reverend Martin Canon Poland, Trustee

## **The Roman Catholic Diocese of Galloway**

### **Independent Auditor's Report to the Trustees of the Roman Catholic Diocese of Galloway for the Year Ended 31 December 2023**

#### **Opinion**

We have audited the financial statements of the Roman Catholic Diocese of Galloway (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 concerns**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Auditor's Report to the Trustees of the Roman Catholic Diocese of Galloway for the Year Ended 31 December 2023 (continued)**

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

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

- the information given in the annual report is inconsistent in any material respect with the financial statements; 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 Statement of Trustees' Responsibilities set out on page 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the charity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud.

## **The Roman Catholic Diocese of Galloway**

### **Independent Auditor's Report to the Trustees of the Roman Catholic Diocese of Galloway for the Year Ended 31 December 2023 (continued)**

#### **The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with the trustees, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and taxation, data protection, anti-bribery, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the trustees and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the charity's legal advisors.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**The Roman Catholic Diocese of Galloway**

**Independent Auditor's Report to the Trustees of the Roman Catholic Diocese of  
Galloway for the Year Ended 31 December 2023 (continued)**

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Regulations 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.

*Azets Audit Services*

**Jennifer Alexander (Senior Statutory Auditor)  
for and behalf of Azets Audit Services**

**19 September 2024**

Statutory Auditor  
Chartered Accountants

3 Wellington Square  
Ayr  
KA7 1EN

## The Roman Catholic Diocese of Galloway

### Accounting Policies for the Year Ended 31 December 2023

#### **Basis of preparing the financial statements**

The financial statements have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and, with the exception of investments which are included at market value. The principal accounting policies adopted are set out below.

#### **Going concern**

The Trustees have reviewed the Diocese's annual budget and plans and have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Diocese to continue as a going concern. The Trustees believe that there are adequate resources to continue in operational existence for the foreseeable future, being a period of 12 months after the date of which the report and financial statements are signed. 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.

When donations are received by the charity acting as an agent, the funds are not included in the Statement of Financial Activities but held in the balance sheet until the liability has been paid to the relevant beneficiary.

#### **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 Roman Catholic Diocese of Galloway

### Accounting Policies for the Year Ended 31 December 2023 (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 the 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.

#### Impairment of fixed assets

At each reporting date, the Charity assesses whether there is any indication of impairment; if such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

#### Debtors

Amounts due from trade and other debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoiced amount, less any allowance for doubtful debts.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### Creditors

Creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

**The Roman Catholic Diocese of Galloway**  
**Accounting Policies**  
**for the Year Ended 31 December 2023 (continued)**

**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 unrestricted funds assigned by the Trustees for particular purposes.
- 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.

**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.

**Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

## The Roman Catholic Diocese of Galloway

### Statement of Financial Activities for the Year Ended 31 December 2023

		Curial Funds				Parochial	Total	Total
		Unrestricted Funds		Restricted	Total	Restricted	Funds	Funds
		General	Designated	Funds	Funds	Funds	2023	2022
		£	£	£	£	£	£	
<b>Income and Endowments from:</b>								
Donations and legacies	1	2,805	15,308	95,472	113,585	2,016,551	2,130,136	1,891,098
Charitable activities:	2							
- Charitable activities		2,431	-	-	2,431	116,940	119,371	99,603
- Further incoming resources		7,568	-	4,791	12,359	88,976	101,335	66,117
Other trading activities	3	-	-	-	-	172,079	172,079	143,075
Income from investments	4	133,185	35,000	10,331	178,516	14,091	192,607	193,487
<b>Total Income</b>		<b>145,989</b>	<b>50,308</b>	<b>110,594</b>	<b>306,891</b>	<b>2,408,637</b>	<b>2,715,528</b>	<b>2,393,380</b>
<b>Expenditure on:</b>								
Raising funds	5	33,706	-	2,654	36,360	6,039	42,399	43,123
Charitable activities:	6							
Administration costs		254,106	5,349	48,719	308,174	755,668	1,063,842	999,874
Property costs		15,652	-	-	15,652	212,344	227,996	212,760
Parish house management		-	-	-	-	402,549	402,549	276,562
Church management		-	-	-	-	744,255	744,255	498,614
Hall management		-	-	-	-	219,657	219,657	171,919
Special collections		-	-	-	-	(3,904)	(3,904)	2,955
Seminarians fees and allowances		-	-	6,241	6,241	-	6,241	3,327
Retired Priests' costs		6,360	-	159,609	165,969	-	165,969	151,571
<b>Total Expenditure</b>		<b>309,824</b>	<b>5,349</b>	<b>217,223</b>	<b>532,396</b>	<b>2,336,608</b>	<b>2,869,004</b>	<b>2,360,705</b>
Net gains/(losses) on investments	10	(13,562)	-	750	(12,812)	164	(12,648)	(21,820)
<b>Net income/(expenditure)</b>		<b>(177,397)</b>	<b>44,959</b>	<b>(105,879)</b>	<b>(238,317)</b>	<b>72,193</b>	<b>(166,124)</b>	<b>10,855</b>
<b>Transfers between funds</b>								
Levy		350,003	-	-	350,003	(350,003)	-	-
Other transfers	16	(70,029)	(382,436)	447,082	(5,383)	5,383	-	-
		<b>279,974</b>	<b>(382,436)</b>	<b>447,082</b>	<b>344,620</b>	<b>(344,620)</b>	<b>-</b>	<b>-</b>
<b>Other Recognised Gains</b>								
Gains/(losses) on revaluation of assets	10	398,882	64,426	29,446	492,754	55,396	548,150	(1,168,334)
<b>Net Movement in Funds</b>		<b>501,459</b>	<b>(273,051)</b>	<b>370,649</b>	<b>599,057</b>	<b>(217,031)</b>	<b>382,026</b>	<b>(1,157,479)</b>
<b>Reconciliation of Funds:</b>								
Total funds brought forward		3,634,706	1,913,697	1,418,063	6,966,466	7,925,650	14,892,116	16,049,595
<b>Total Funds Carried Forward</b>	16	<b>4,136,165</b>	<b>1,640,646</b>	<b>1,788,712</b>	<b>7,565,523</b>	<b>7,708,619</b>	<b>15,274,142</b>	<b>14,892,116</b>

#### CONTINUING OPERATIONS

All income and expenditure have arisen from continuing activities.

The notes on pages 21 to 37 form part of the financial statements.

The Roman Catholic Diocese of Galloway

Statement of Financial Activities  
for the Year Ended 31 December 2022

		Curial Funds			Total Funds £	Parochial Funds Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
		Unrestricted Funds General £	Designated £	Restricted Funds £				
<b>Income and Endowments from:</b>								
Donations and legacies	1	9,494	58,946	20,702	89,142	1,801,956	1,891,098	1,920,087
Charitable activities:	2							
- Charitable activities		2,295	1,293	-	3,588	96,015	99,603	77,442
- Further incoming resources		1,345	-	488	1,833	64,284	66,117	231,421
Other trading activities	3	-	-	-	-	143,075	143,075	56,079
Income from investments	4	140,325	30,200	10,118	180,643	12,844	193,487	173,844
<b>Total Income</b>		<b>153,459</b>	<b>90,439</b>	<b>31,308</b>	<b>275,206</b>	<b>2,118,174</b>	<b>2,393,380</b>	<b>2,458,873</b>
<b>Expenditure on:</b>								
Raising funds	5	34,229	-	2,619	36,848	6,275	43,123	44,849
Charitable activities:	6							
Administration costs		259,193	5,547	23,681	288,421	711,453	999,874	817,417
Property costs		11,556	-	-	11,556	201,204	212,760	197,908
Parish house management		-	-	-	-	276,562	276,562	274,168
Church management		-	-	-	-	498,614	498,614	566,389
Hall management		-	-	-	-	171,919	171,919	101,377
Special collections		-	-	-	-	2,955	2,955	9,523
Seminarians fees and allowances		-	-	3,327	3,327	-	3,327	25,863
Retired Priests' costs		6,360	-	145,211	151,571	-	151,571	143,905
<b>Total Expenditure</b>		<b>311,338</b>	<b>5,547</b>	<b>174,838</b>	<b>491,723</b>	<b>1,868,982</b>	<b>2,360,705</b>	<b>2,181,399</b>
Net gains/(losses) on investments	10	(7,691)	-	1,719	(5,972)	(15,848)	(21,820)	51,947
<b>Net income/(expenditure)</b>		<b>(165,570)</b>	<b>84,892</b>	<b>(141,811)</b>	<b>(222,489)</b>	<b>233,344</b>	<b>10,855</b>	<b>329,421</b>
<b>Transfers between funds</b>								
Levy		349,996	-	-	349,996	(349,996)	-	-
Other transfers	16	(171,403)	(27,686)	175,243	(23,846)	23,846	-	-
		<b>178,593</b>	<b>(27,686)</b>	<b>175,243</b>	<b>326,150</b>	<b>(326,150)</b>	<b>-</b>	<b>-</b>
<b>Other Recognised Gains</b>								
Gains on revaluation of assets	10	(759,559)	(238,692)	(64,435)	(1,062,686)	(105,648)	(1,168,334)	901,238
<b>Net Movement in Funds</b>		<b>(746,536)</b>	<b>(181,486)</b>	<b>(31,003)</b>	<b>(959,025)</b>	<b>(198,454)</b>	<b>(1,157,479)</b>	<b>1,230,659</b>
<b>Reconciliation of Funds:</b>								
Total funds brought forward		4,381,243	2,095,183	1,449,065	7,925,491	8,124,104	16,049,595	14,818,936
<b>Total Funds Carried Forward</b>	16	<b>3,634,707</b>	<b>1,913,697</b>	<b>1,418,062</b>	<b>6,966,466</b>	<b>7,925,650</b>	<b>14,892,116</b>	<b>16,049,595</b>

**CONTINUING OPERATIONS**

All income and expenditure have arisen from continuing activities.

The notes on pages 21 to 37 form part of the financial statements.

**The Roman Catholic Diocese of Galloway**

**Balance Sheet  
At 31 December 2023**

	Note	Curial 2023 £	Parochial 2023 £	Total 2023 £	Total 2022 £
<b>Fixed Assets</b>					
Tangible assets	9	1,632,868	2,655,139	4,288,007	4,066,777
Investments	10	7,595,073	718,568	8,313,641	8,262,653
		<u>9,227,941</u>	<u>3,373,707</u>	<u>12,601,648</u>	<u>12,329,430</u>
<b>Current Assets</b>					
Debtors	11	116,716	-	116,716	52,064
Cash at bank and in hand		1,550,938	1,181,756	2,732,694	2,677,785
		<u>1,667,654</u>	<u>1,181,756</u>	<u>2,849,410</u>	<u>2,729,849</u>
<b>Current Liabilities</b>					
Amounts falling due within one year	12	(54,669)	(72,247)	(126,916)	(117,163)
<b>Net Current Assets</b>		<u>1,612,985</u>	<u>1,109,509</u>	<u>2,722,494</u>	<u>2,612,686</u>
<b>Total Assets</b>		<u>10,840,926</u>	<u>4,483,216</u>	<u>15,324,142</u>	<u>14,942,116</u>
<b>Creditors: Amounts falling due after more than one year</b>					
Parochial Investment Fund Provisions	13	(3,225,403)	3,225,403	-	-
	14	(50,000)	-	(50,000)	(50,000)
		<u>(3,275,403)</u>	<u>3,225,403</u>	<u>(50,000)</u>	<u>(50,000)</u>
<b>Total Net Assets</b>		<u>7,565,523</u>	<u>7,708,619</u>	<u>15,274,142</u>	<u>14,892,116</u>
<b>The Funds of the Charity:</b>					
Unrestricted General Funds	16	4,136,165	-	4,136,165	3,634,706
Unrestricted Designated Funds	16	1,640,646	-	1,640,646	1,913,697
Restricted Funds	16	1,788,712	7,708,619	9,497,331	9,343,713
<b>Total Funds</b>		<u>7,565,523</u>	<u>7,708,619</u>	<u>15,274,142</u>	<u>14,892,116</u>

The financial statements were approved by the Board of Trustees on 19 September 2024 and were signed on its behalf by:

*W. R. McFadden*  
 Reverend William McFadden, Vicar General and Trustee

*Martin Poland*  
 Very Reverend Martin Canon Poland, Trustee

**REGISTERED CHARITY NUMBER: SC010576**

**The Roman Catholic Diocese of Galloway**

**Cash Flow Statement  
for the Year Ended 31 December 2023**

	Note	2023 £	2022 £
<b>Cash flows used in operating activities:</b>			
Cash used in operations	19	(287,691)	(39,804)
Interest paid		(1,129)	(1,158)
<b>Net cash used in operating activities</b>		<u>(288,820)</u>	<u>(40,962)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(335,293)	(6,502)
Sale of tangible fixed assets		-	-
Purchase of investments		(3,255,963)	(1,229,422)
Disposal of investments		3,755,350	1,234,036
Movement in cash held		(14,873)	(23,001)
Interest received		289	16
Dividends received		192,319	193,471
<b>Net cash provided by investing activities</b>		<u>341,829</u>	<u>168,598</u>
<b>Cash flows from financing activities:</b>			
Personal loans repaid		1,900	2,400
<b>Net cash provided by financing activities</b>		<u>1,900</u>	<u>2,400</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>54,909</u>	<u>130,036</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		2,677,785	2,547,749
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>2,732,694</u>	<u>2,677,785</u>

**ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2023 £	2022 £
Cash in hand	1,601	891
Bank accounts	2,731,093	2,676,894
<b>Total cash and cash equivalents</b>	<u>2,732,694</u>	<u>2,677,785</u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements  
for the Year Ended 31 December 2023

1. Donations and Legacies – 2023

	Curial				Parochial Restricted Funds £	Total Funds 2023 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Church collections	-	-	-	-	1,316,735	1,316,735
Donations	1,555	3,540	5,224	10,319	129,571	139,890
Gift Aid Tax Reclaim	1,250	-	685	1,935	217,831	219,766
Special collections	-	-	-	-	50,253	50,253
Bishop Hay Trust	-	11,768	-	11,768	-	11,768
Bequests	-	-	89,563	89,563	97,830	187,393
Building fund collections	-	-	-	-	117,048	117,048
Other income	-	-	-	-	87,283	87,283
	2,805	15,308	95,472	113,585	2,016,551	2,130,136

Donations and Legacies – 2022

	Curial				Parochial Restricted Funds £	Total Funds 2022 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Church collections	-	-	-	-	1,247,598	1,247,598
Donations	972	-	3,039	4,011	118,579	122,590
Gift Aid Tax Reclaim	158	-	2,343	2,501	164,253	166,754
Special collections	-	-	-	-	39,205	39,205
Bishop Hay Trust	-	10,665	-	10,665	-	10,665
Bequests	8,364	48,281	15,320	71,965	114,816	186,781
Building fund collections	-	-	-	-	38,668	38,668
Other income	-	-	-	-	78,837	78,837
	9,494	58,946	20,702	89,142	1,801,956	1,891,098

2. Incoming Resources from Charitable Activities

(a) Charitable Activities – 2023

	Curial				Parochial Restricted Funds £	Total Funds 2023 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Hospitals and schools chaplaincy	-	-	-	-	-	-
Primary RE income	2,223	-	-	2,223	-	2,223
Income from stalls, sale of candles	-	-	-	-	50,955	50,955
Rent	208	-	-	208	65,985	66,193
	2,431	-	-	2,431	116,940	119,371

Incoming Resources from Charitable Activities

Charitable Activities – 2022

	Curial				Parochial Restricted Funds £	Total Funds 2022 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Hospitals and schools chaplaincy	-	1,293	-	1,293	-	1,293
Primary RE income	2,087	-	-	2,087	-	2,087
Income from stalls, sale of candles	-	-	-	-	39,092	39,092
Rents	208	-	-	208	56,923	57,131
	2,295	1,293	-	3,588	96,015	99,603

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements  
for the Year Ended 31 December 2023 (continued)

(b) Further Incoming Resources – 2023

	Curial				Parochial Restricted Funds £	Total Funds 2023 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Rebates and refunds	6,457	-	1,791	8,248	24,112	32,360
Sale of land and property	-	-	-	-	-	-
Insurance claims received	-	-	-	-	12,696	12,696
Pilgrimage and WYD income	-	-	-	-	28,346	28,346
Other income	1,111	-	3,000	4,111	23,822	27,933
	7,568	-	4,791	12,359	88,976	101,335

Further Incoming Resources – 2022

	Curial				Parochial Restricted Funds £	Total Funds 2022 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Rebates and refunds	90	-	443	533	14,452	14,985
Sale of land and property	-	-	-	-	500	500
Insurance claims received	-	-	-	-	16,810	16,810
Other income	1,255	-	45	1,300	32,522	33,822
	1,345	-	488	1,833	64,284	66,117

3. Other Trading Activities – 2023

	Curial				Parochial Restricted Funds £	Total Funds 2023 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Hall and fundraising income	-	-	-	-	110,086	110,086
Church fundraising income	-	-	-	-	61,993	61,993
	-	-	-	-	172,079	172,079

Other Trading Activities – 2022

	Curial				Parochial Restricted Funds £	Total Funds 2022 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Hall and fundraising income	-	-	-	-	82,334	82,334
Church fundraising income	-	-	-	-	60,741	60,741
	-	-	-	-	143,075	143,075



The Roman Catholic Diocese of Galloway

Notes to the Financial Statements  
for the Year Ended 31 December 2023 (continued)

4. Investment Income – 2023

	Curial				Parochial Restricted Funds £	Total Funds 2023 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Income from investments	133,185	-	10,331	143,516	13,802	157,318
CNET 4 dividend disbursement	-	35,000	-	35,000	-	35,000
Interest receivable	-	-	-	-	289	289
	133,185	35,000	10,331	178,516	14,091	192,607

Investment Income – 2022

	Curial				Parochial Restricted Funds £	Total Funds 2022 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Income from investments	140,325	-	10,118	150,443	12,828	163,271
CNET 4 dividend disbursement	-	30,200	-	30,200	-	30,200
Interest receivable	-	-	-	-	16	16
	140,325	30,200	10,118	180,643	12,844	193,487

5. Raising Funds – 2023

	Curial				Parochial Restricted Funds £	Total Funds 2023 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Portfolio management fees	33,706	-	2,654	36,360	6,039	42,399
	33,706	-	2,654	36,360	6,039	42,399

Raising Funds – 2022

	Curial				Parochial Restricted Funds £	Total Funds 2022 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Portfolio management fees	34,229	-	2,619	36,848	6,275	43,123
	34,229	-	2,619	36,848	6,275	43,123

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements  
for the Year Ended 31 December 2023 (continued)

6. Charitable Activities Costs  
(a) Administration Costs – 2023

	Curial			Total Funds 2023 £	Parochial Restricted Funds £	Total Funds 2023 £
	Unrestricted		Restricted			
	General	Designated	Funds			
£	£	£	£	£	£	£
Priests' salaries, supply costs + travel	-	-	-	-	169,200	169,200
Priests' pension costs	4,986	-	-	4,986	-	4,986
Bishop's salary and expenses	1,271	-	-	1,271	-	1,271
Parish staff salaries	-	-	-	-	80,102	80,102
Diocesan staff salaries and expenses	117,844	-	-	117,844	-	117,844
Stationery, postage, telephone etc	8,984	-	-	8,984	103,705	112,689
Diocesan heat and light	11,177	-	-	11,177	-	11,177
National commissions	32,635	367	6,788	39,790	-	39,790
Retired Housekeepers' Fund	(5,520)	-	-	(5,520)	-	(5,520)
Other fees to Religious	-	-	-	-	-	-
Donations and grants	13,000	450	6,000	19,450	87,127	106,577
IT costs	14,331	1,404	-	15,735	9,160	24,895
Audit and professional fees	22,780	-	-	22,780	23,552	46,332
Depreciation	20,238	-	-	20,238	66,804	87,042
GDPR compliance	86	-	-	86	-	86
Health and safety	424	-	-	424	5,951	6,375
Sundry club and fund expenditure	-	3,128	15,622	18,750	7,048	25,798
Organ Fund expenditure	-	-	-	-	47,578	47,578
Stall supplies etc	-	-	-	-	25,369	25,369
Pilgrimage expenses	4,385	-	20,309	24,694	40,308	65,002
Other expenditure	7,485	-	-	7,485	89,764	97,249
	254,106	5,349	48,719	308,174	755,668	1,063,842

Charitable Activities Costs  
Administration Costs – 2022

	Curial			Total Funds 2022 £	Parochial Restricted Funds £	Total Funds 2022 £
	Unrestricted		Restricted			
	General	Designated	Funds			
£	£	£	£	£	£	£
Priests' salaries, supply costs + travel	-	-	-	-	163,825	163,825
Priests' pension costs	5,256	-	-	5,256	-	5,256
Bishop's salary and expenses	1,351	-	-	1,351	-	1,351
Parish staff salaries	-	-	-	-	74,149	74,149
Diocesan staff salaries and expenses	111,286	-	-	111,286	-	111,286
Stationery, postage, telephone etc	7,764	-	-	7,764	104,792	112,556
Diocesan heat and light	7,268	-	-	7,268	-	7,268
National commissions	34,375	417	11,241	46,033	-	46,033
Retired Housekeepers' Fund	5,520	-	-	5,520	-	5,520
Other fees to Religious	3,567	-	-	3,567	-	3,567
Donations and grants	13,000	2,000	2,000	17,000	78,275	95,275
IT costs	15,536	-	-	15,536	5,768	21,304
Audit and professional fees	15,756	-	-	15,756	28,313	44,069
Depreciation	22,098	-	-	22,098	66,259	88,357
GDPR compliance	742	-	-	742	-	742
Health and safety	5,280	-	-	5,280	7,311	12,591
Sundry club and fund expenditure	-	3,130	10,440	13,570	-	13,570
Organ Fund expenditure	-	-	-	-	87,803	87,803
Stall supplies etc	-	-	-	-	15,349	15,349
Other expenditure	10,394	-	-	10,394	79,609	90,003
	259,193	5,547	23,681	288,421	711,453	999,874

**The Roman Catholic Diocese of Galloway**

**Notes to the Financial Statements  
for the Year Ended 31 December 2023 (continued)**

**6. Charitable Activities Costs (continued)**

**(b) Property Costs – 2023**

	Curial				Parochial Restricted Funds £	Total Funds 2023 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Insurance	3,082	-	-	3,082	112,022	115,104
Council tax and water rates	3,408	-	-	3,408	49,823	53,231
Grounds and security costs	2,959	-	-	2,959	50,499	53,458
Other property costs	6,203	-	-	6,203	-	6,203
	15,652	-	-	15,652	212,344	227,996

**Property Costs – 2022**

	Curial				Parochial Restricted Funds £	Total Funds 2022 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Insurance	2,712	-	-	2,712	104,703	107,415
General and water rates	3,251	-	-	3,251	52,152	55,403
Grounds and security costs	3,363	-	-	3,363	44,349	47,712
Other property costs	2,230	-	-	2,230	-	2,230
	11,556	-	-	11,556	201,204	212,760

**(c) Parish House Management – 2023**

	Curial				Parochial Restricted Funds £	Total Funds 2023 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Food and newspapers	-	-	-	-	75,686	75,686
Heat and light	-	-	-	-	124,553	124,553
Repairs and maintenance	-	-	-	-	123,692	123,692
Equipment purchase	-	-	-	-	31,184	31,184
Cleaning materials and wages	-	-	-	-	47,434	47,434
	-	-	-	-	402,549	402,549

**Parish House Management – 2022**

	Curial				Parochial Restricted Funds £	Total Funds 2022 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Food and newspapers	-	-	-	-	76,102	76,102
Heat and light	-	-	-	-	65,032	65,032
Repairs and maintenance	-	-	-	-	72,690	72,690
Equipment purchase	-	-	-	-	12,647	12,647
Cleaning materials and wages	-	-	-	-	50,091	50,091
	-	-	-	-	276,562	276,562

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements  
for the Year Ended 31 December 2023 (continued)

6. Charitable Activities Costs (continued)

(d) Church Management – 2023

	Curial				Parochial Restricted Funds £	Total Funds 2023 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Heat and light	-	-	-	-	273,225	273,225
Routine costs	-	-	-	-	59,239	59,239
Cleaning materials and wages	-	-	-	-	14,658	14,658
Repairs and maintenance	-	-	-	-	268,404	268,404
Equipment purchase	-	-	-	-	121,814	121,814
Fundraising expenses	-	-	-	-	6,915	6,915
	-	-	-	-	744,255	744,255

Church Management – 2022

	Curial				Parochial Restricted Funds £	Total Funds 2022 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Heat and light	-	-	-	-	119,339	119,339
Routine costs	-	-	-	-	48,917	48,917
Cleaning materials and wages	-	-	-	-	15,576	15,576
Repairs and maintenance	-	-	-	-	277,509	277,509
Equipment purchase	-	-	-	-	30,805	30,805
Fundraising expenses	-	-	-	-	6,468	6,468
	-	-	-	-	498,614	498,614

(e) Hall Management – 2023

	Curial				Parochial Restricted Funds £	Total Funds 2023 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Heat and light	-	-	-	-	75,223	75,223
Cleaning materials and wages	-	-	-	-	19,055	19,055
Hall keeper	-	-	-	-	33,107	33,107
Repairs and maintenance	-	-	-	-	65,834	65,834
Equipment purchase	-	-	-	-	20,934	20,934
Fundraising expenses	-	-	-	-	5,504	5,504
	-	-	-	-	219,657	219,657

Hall Management – 2022

	Curial				Parochial Restricted Funds £	Total Funds 2022 £
	Unrestricted		Restricted Funds £	Total Funds £		
	General £	Designated £				
Heat and light	-	-	-	-	34,088	34,088
Cleaning materials and wages	-	-	-	-	17,707	17,707
Hall keeper	-	-	-	-	27,726	27,726
Repairs and maintenance	-	-	-	-	81,473	81,473
Equipment purchase	-	-	-	-	6,900	6,900
Fundraising expenses	-	-	-	-	4,025	4,025
	-	-	-	-	171,919	171,919

**The Roman Catholic Diocese of Galloway**

**Notes to the Financial Statements  
for the Year Ended 31 December 2023 (continued)**

6. **Charitable Activities Costs – continued**  
(f) **Special Collections – 2023**

	<b>Curial</b>				<b>Parochial Restricted Funds £</b>	<b>Total Funds 2023 £</b>
	<b>Unrestricted</b>		<b>Restricted Funds £</b>	<b>Total Funds £</b>		
	<b>General £</b>	<b>Designated £</b>				
Special collections	-	-	-	-	(3,904)	(3,904)

**Special Collections – 2022**

	<b>Curial</b>				<b>Parochial Restricted Funds £</b>	<b>Total Funds 2022 £</b>
	<b>Unrestricted</b>		<b>Restricted Funds £</b>	<b>Total Funds £</b>		
	<b>General £</b>	<b>Designated £</b>				
Special collections	-	-	-	-	2,955	2,955

There are two different types of special collection taken up by Parishes – diocesan collections and collections for third party beneficiaries where the Diocese and/or the Parish is acting as an agent. In the latter case, the funds may be remitted to the Diocese by the Parish for accumulation and payment to the relevant beneficiary or paid directly by the Parish to the beneficiary. Receipts and payments of third party collections are neither income nor expenditure to the Diocese and are accounted for through the balance sheet. In the case of diocesan special collections, the income from the donors is treated as income but the payment to the Diocese and the receipt by the Diocese are accounted for through Transfers as these transactions are internal to the charity.

The income above of £3,904 (2022: expenditure of £2,955) largely comprises payments to the Diocese and third party beneficiaries relating to collections in the previous financial year where remittances has not been made by the end of the financial year and had not been accrued at that date, plus over-accruals at 31 December 2022.

During 2023, £172,034 (2022: £166,344) was donated for third party beneficiaries and £14,792 (2022: £37,042) remained unpaid at 31 December 2023; this amount is included in Other Creditors.

7. **Remuneration of Trustees**

Two of the five Trustees of the Diocese of Galloway are clergy and are therefore housed and remunerated by the Diocese and are reimbursed expenses for carrying out their ministry in the same way as other priests. None of the Trustees receive remuneration for their services as Trustees. Accordingly, two of the three Trustees who are clergy benefitted from accommodation costs and other associated expenditure included within Charitable Activities expenditure in accordance with the Code of Canon Law. The Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 require disclosure of remuneration and expenses paid to Trustees in whatever capacity. The total remuneration paid to these Trustees amounted to £6,831 (2022: £7,065) and the cost of accommodation and reimbursement of expenses for the same Trustees totalled £40,473 (2022: £36,783). The third Trustee is the Bishop of the Diocese of Galloway was appointed in December 2023 and received no remuneration during 2023 from the Diocese.

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.

No Trustee had any beneficial interest in any contract with the charity.

**The Roman Catholic Diocese of Galloway**  
**Notes to the Financial Statements**  
**for the Year Ended 31 December 2023 (continued)**

**8. Staff Costs**

**(a) Curial Office**

Included in Diocesan costs are staff costs as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	
Salaries and wages	109,648	103,126
Social Security costs	3,832	3,640
Pension costs	2,483	1,931
	<u><b>115,963</b></u>	<u><b>108,697</b></u>

Staff costs relate to Curial staff only.

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

The headcount is as follows:

	<b>2023</b>	<b>2022</b>
Finance	2	2
Administration	2	2
Estates	1	1
Safeguarding	1	1
	<u><b>6</b></u>	<u><b>6</b></u>

The full-time equivalent number of diocesan staff is 3.3 (2022: 3.4).

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.

**(b) Parishes**

In addition to the above, the total number of people engaged in Parish work in the Parishes was 29 (2022: 24), i.e. a full-time equivalent of 8.7, at a total cost of £163,770 (2022: £147,821). These figures are not included in the above analysis but are included in Charitable Activities expenditure.

**The Roman Catholic Diocese of Galloway**

**Notes to the Financial Statements  
for the Year Ended 31 December 2023 (continued)**

<b>9. Tangible Fixed Assets – Total</b>	<b>Land and Buildings £</b>	<b>Improvements to property £</b>	<b>Fixtures &amp; fittings £</b>	<b>Motor Vehicles £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<b>Cost</b>						
At 1 January 2023	4,880,767	174,590	18,267	8,502	13,433	5,095,559
Additions	332,240	-	479	2,300	274	335,293
Disposals	-	-	(310)	(2,000)	-	(2,310)
<b>At 31 December 2023</b>	<b>5,213,007</b>	<b>174,590</b>	<b>18,436</b>	<b>8,802</b>	<b>13,707</b>	<b>5,428,542</b>
<b>Depreciation</b>						
At 1 January 2023	835,938	160,747	15,073	3,591	13,433	1,028,782
Charge for year	103,500	7,808	698	1,794	41	113,841
Disposals	-	-	(124)	(1,964)	-	(2,088)
<b>At 31 December 2023</b>	<b>939,438</b>	<b>168,555</b>	<b>15,647</b>	<b>3,421</b>	<b>13,474</b>	<b>1,140,535</b>
<b>Net Book Value</b>						
At 31 December 2023	4,273,569	6,035	2,789	5,381	233	4,288,007
At 31 December 2022	4,044,829	13,843	3,194	4,911	-	4,066,777
<b>2023 Split:</b>						
Curia	1,620,438	6,035	2,507	3,656	233	1,632,869
Parishes	2,653,131	-	282	1,725	-	2,655,138
	<b>4,273,569</b>	<b>6,035</b>	<b>2,789</b>	<b>5,381</b>	<b>233</b>	<b>4,288,007</b>

During 2023, two properties were purchased at a cost of £332,240 for two priests who retired from active ministry.

Included in cost of land and buildings is freehold land of £38,000 (2022 - £38,000).

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

	<b>2023 £</b>	<b>2022 £</b>
Cost	<u>4,955,088</u>	<u>4,622,848</u>
Depreciation	<u>1,260,281</u>	<u>1,159,381</u>

Freehold land and buildings were revalued on 1 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. While the Trustees are satisfied that the carrying value of land and buildings as at 31 December 2023 does not differ materially from the fair value of the assets at the end of the reporting period, a full revaluation of properties is being carried out in 2024.

**The Roman Catholic Diocese of Galloway**  
**Notes to the Financial Statements**  
**for the Year Ended 31 December 2023 (continued)**

**10. Fixed Asset Investments**

	<b>£</b>
<b>Valuation</b>	
At 1 January 2023	8,262,653
Purchased during the year	3,255,963
Sold during the year	(3,755,350)
Loss on disposal	(12,648)
Surplus on revaluation	548,150
Movement in cash held by stockbroker	14,873
<b>At 31 December 2023</b>	<b><u>8,313,641</u></b>
<b>Cost at 31 December 2023</b>	<b><u>6,491,261</u></b>

The above total is represented by:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
National Contingency Fund (CNET 4)	1,404,294	1,689,867
<b>Investments listed on a recognised investment exchange:</b>		
- General Diocesan Funds No 1 Portfolio	1,962,852	1,843,932
- Designated Funds No 2 Portfolio	3,770,764	3,638,185
- Student Funds	457,164	429,625
- Parochial Investment Funds	718,568	661,044
<b>Total Investment Funds</b>	<b><u>8,313,642</u></b>	<b><u>8,262,653</u></b>

All the investments are listed UK securities.

No individual investment is in excess of 5% of the total value of the investments.

The National Contingency Fund is an unlisted unit trust which holds its funds in investments listed on a recognised investment exchange. At 31 December 2023, the Diocese of Galloway had ownership of 5.4155% of the total fund (2022: 6.6470%), which was valued at £25,930,861 (2022: £25,422,851). The cost of the investment at 31 December 2023 was £218,408 (2022: £568,408). All of the funds within the portfolio are in listed investments.

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 and the financial statements to 31 December 2023 include the sum of £35,000 received from this source. The investment is available on demand.

During 2023, £350,000 was withdrawn from the National Contingency Fund to purchase two houses for two priests who retired during the year.



**The Roman Catholic Diocese of Galloway**

**Notes to the Financial Statements  
for the Year Ended 31 December 2023 (continued)**

**10. Fixed Asset Investments (continued)**

**Investments – General and Restricted Funds**

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

	<b>Valuation at 31/12/23 £</b>
Cash and short maturity bonds	213,712
Developed government bonds	409,688
Investment grade bonds	669,609
High yield emerging markets bonds	121,843
Developed market equities	3,235,678
Emerging market equities	1,091,214
Commodities	144,257
Real Estate	436,734
Alternative	392,823
Other	193,790
	<b><u>6,909,348</u></b>

**11. Debtors**

	<b>2023 £</b>	<b>2022 £</b>
Prepayments and Accrued Income	106,203	37,421
Personal Loans	-	1,900
Levy due to Diocese from Parishes	5,424	6,076
Special Collections due to Diocese from Parishes	5,089	6,667
	<b><u>116,716</u></b>	<b><u>52,064</u></b>

**12. Creditors**

	<b>2023 £</b>	<b>2022 £</b>
Accrued Expenses	85,564	58,012
PAYE & NIC Creditor	4,325	2,853
Deferred Income	10,480	6,335
Levy due by Parishes to Diocese	5,424	6,076
Special Collections due by Parishes to Diocese	5,089	6,667
Other Creditors	16,034	37,220
	<b><u>126,916</u></b>	<b><u>117,163</u></b>

**The Roman Catholic Diocese of Galloway**

**Notes to the Financial Statements  
for the Year Ended 31 December 2023 (continued)**

**13. Parochial Investment Fund**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Balance at 31 December 2022:		
- Parishes	3,222,608	3,264,043
- Diocesan Restricted Funds	248,165	243,299
	<u>3,470,773</u>	<u>3,507,342</u>
Deposits during the year	100,000	68,324
Withdrawals during the year	(160,346)	(175,000)
Interest added to balances	68,105	70,107
Balance at 31 December 2023	<u>3,478,531</u>	<u>3,470,773</u>
Split:		
- Parishes	3,225,403	3,222,608
- Diocesan Restricted Funds	253,128	248,165
	<u>3,478,531</u>	<u>3,470,773</u>

As in previous years, Parishes were encouraged to transfer bank balances over £50,000 to the Diocese to be lodged in the PIF. A total of £100,000 was deposited by two Parishes and nine Parishes withdrew a total of £160,346 from their accumulated deposits. Deposits in the PIF currently attract interest of 2% per annum and this rate is reviewed regularly by the Trustees.

**14. Provisions for Liabilities**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Provision	<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 2023.

<b>Retirement Provision</b>	<b>£</b>
Balance at 1 January 2023	50,000
Arising during the year	-
Reversed unutilised during the year	-
Utilised during the year	-
Balance at 31 December 2023	<u>50,000</u>

**15. Contingent Liability**

Claims have been made against the Diocese with one going to court in October 2024. At the date of signing the financial statements, the outcome of the court case is unknown therefore it is not possible to calculate any potential liability and, as such, no liability has been included within these financial statements.

**The Roman Catholic Diocese of Galloway**

**Notes to the Financial Statements  
for the Year Ended 31 December 2023 (continued)**

16. **Movement in Funds**

(a) **Curial Unrestricted General Funds**

	At 31/12/22 £	Income £	Expenditure £	Investment Gains £	Transfers £	At 31/12/23 £
General Funds	3,634,706	145,989	(309,824)	385,320	279,974	4,136,165

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.

(b) **Curial Designated Funds**

	At 31/12/22 £	Income £	Expenditure £	Investment Gains £	Transfers £	At 31/12/23 £
CNET 4	1,689,867	35,000	-	64,426	(385,000)	1,404,293
St Ninian's Charitable Fund	9,416	3,540	(367)	-	-	12,589
Bishop Hay Fund	29,730	11,768	-	-	-	41,498
Chaplaincy Fund	8,207	-	(3,128)	-	-	5,079
ECO Fund	128,196	-	-	-	2,564	130,760
Duffin Bequest	48,281	-	(1,854)	-	-	46,427
	<u>1,913,697</u>	<u>50,308</u>	<u>(5,349)</u>	<u>64,426</u>	<u>(382,436)</u>	<u>1,640,646</u>

**Description of Funds**

*CNET* – 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.

*St Ninian's Charitable Fund* – In response to requests for assistance, a fund has been set up for general charitable activities for disbursement at the Trustees' discretion. The source of the fund is unused, accumulated donations over several years.

*Bishop Hay Fund* – The annual distribution from the Bishop George Hays Trust has been designated as a fund to be used at the Bishop's discretion in accordance with the purposes of the Trust.

*Chaplaincy Fund* – The income received for chaplaincy services has been designated in a separate fund to cover these services provided by the Diocese.

*ECO Fund* – A significant bequest received by the Diocese was designated by the Trustees to form an ECO Fund to provide financial assistance to less wealthy parishes in the transition to more environmentally friendly energy.

*Duffin Bequest* – The Trustees decided that 50% of the bequest will be used for educational purposes in the Diocese, e.g. for adult learning and training, with the remainder waiting designation.

**The Roman Catholic Diocese of Galloway**

**Notes to the Financial Statements  
for the Year Ended 31 December 2023 (continued)**

16. Movement in Funds (continued)

(c) Curial Restricted Funds

	At 31/12/22 £	Income £	Expenditure £	Investment Gains £	Transfers £	At 31/12/23 £
Retired Priests	722,681	97,969	(159,610)	-	398,611	1,059,651
Students	450,823	11,235	(8,895)	30,196	9,050	492,409
Youth	127,243	1,390	(29,280)	-	7,383	106,736
Justice and Peace	48,155	-	(2,284)	-	8,512	54,383
Communications	(4,165)	-	(11,154)	-	15,319	-
Pro Life	44,074	-	(5,000)	-	7,208	46,282
Catherine Fitzgerald Bequest	29,252	-	(1,000)	-	999	29,251
	<u>1,418,063</u>	<u>110,594</u>	<u>(217,223)</u>	<u>30,196</u>	<u>447,082</u>	<u>1,788,712</u>

**Description of 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, assistance is given on an individual basis, as not all retired priests avail themselves of a monthly payment or require accommodation from the Diocese.

*Students* – The fund is used for the education of students in seminaries, mostly in connection with fees, and a personal allowance for maintenance and travel. Funding for the fund comes from an annual collection in Parishes and dividend income from an investment portfolio.

*Youth* – The fund is to promote the youth ministry in supporting and encouraging youth people to become involved in the Church. The income derives largely from the annual youth levy paid by Parishes.

*Justice and Peace* – The fund encourages promotion of justice and peace issues at a national and diocesan level. The income arises from an annual collection in Parishes.

*Communications* – The fund supports the work of responsible communication at national and diocesan level, including the production of the quarterly Galloway Newsletter. An annual collection in Parishes supports the work of the fund. The annual deficit will be covered by General Funds.

*Pro Life* – The fund exists to promote pro life issues at diocesan and national level. Its income derives from an annual collection in Parishes.

*Catherine Fitzgerald Bequest* – This bequest was made to the Diocese to fund a young person and their helper to go to Lourdes. The income is the interest arising on the Bequest's share of the Parish Investment Portfolio.

(d) Parochial Funds

	At 31/12/22 £	Income £	Expenditure £	Investment Gains £	Transfers £	At 31/12/23 £
Parishes	7,925,650	2,408,637	(2,336,608)	55,560	(344,620)	7,708,619

**The Roman Catholic Diocese of Galloway**

**Notes to the Financial Statements  
for the Year Ended 31 December 2023 (continued)**

**16. Movement in funds (continued)**

**Parochial Funds (continued)**

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, in accordance with Canon Law.

**Transfers between funds**

During the year, a number of transfers took place between Unrestricted, Restricted and Parochial Funds.

	<b>Diocese</b>			<b>Total Funds £</b>	<b>Parochial Restricted Funds £</b>
	<b>Unrestricted</b>		<b>Restricted</b>		
	<b>General £</b>	<b>Designated £</b>	<b>Funds £</b>		
CNET disbursement	-	(35,000)	35,000	-	-
Retired Priests Fund	-	(350,000)	350,000	-	-
Levy paid by Parishes	350,003	-	-	350,003	(350,003)
Youth levy	-	-	9,660	9,660	(9,660)
Parochial Investment Fund – Interest	(68,105)	2,564	2,400	(63,141)	63,141
Bank accounts – movement in share	(1,550)	-	1,550	-	-
Special collections paid during the year	7,013	-	44,085	51,098	(51,098)
Youth Fund	-	-	(3,000)	(3,000)	3,000
Communications Fund	(7,387)	-	7,387	-	-
	<b>279,974</b>	<b>(382,436)</b>	<b>447,082</b>	<b>344,620</b>	<b>(344,620)</b>

Special collections include Justice and Peace, Communications, Catholic Education, Students, Retired Priests and Pro Life collections. As these are *intra* the charity, the payment by Parishes to the Diocese of these collections has to be treated as transfers in the SOFA (page 17).

A capital withdrawal of £350,000 was made from the CNET 4 investment portfolio to purchase two houses for two priests who retired during 2023.

**The Roman Catholic Diocese of Galloway**

**Notes to the Financial Statements  
for the Year Ended 31 December 2023 (continued)**

**17. Analysis of Net Assets between Funds**

2023	Unrestricted Funds		Restricted Funds	Total Funds
	General £	Designated £	£	£
Tangible fixed assets	662,801	-	3,625,206	4,288,007
Investments	5,733,616	1,404,293	1,175,732	8,313,641
Cash at bank and in hand	1,286,821	93,825	1,352,048	2,732,694
Other net current assets/(liabilities)	(18,542)	11,769	(3,427)	(10,200)
Creditors over 1 year	(3,478,531)	130,759	3,347,772	-
Provisions	(50,000)	-	-	(50,000)
	<b>4,136,165</b>	<b>1,640,646</b>	<b>9,497,331</b>	<b>15,274,142</b>

2022	Unrestricted Funds		Restricted Funds	Total Funds
	General £	Designated £	£	£
Tangible fixed assets	682,163	-	3,384,614	4,066,777
Investments	5,482,117	1,689,867	1,090,669	8,262,653
Cash at bank and in hand	1,037,271	84,970	1,555,544	2,677,785
Other net current assets/(liabilities)	(46,071)	10,665	(29,693)	(65,099)
Creditors over 1 year	(3,470,773)	128,195	3,342,578	-
Provisions	(50,000)	-	-	(50,000)
	<b>3,634,707</b>	<b>1,913,697</b>	<b>9,343,712</b>	<b>14,892,116</b>

**18. Reconciliation of Net Income/(Expenditure) to Net Cash Flow from Operating Activities**

	2023 £	2022 £
<b>Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)</b>	(166,124)	10,855
<b>Adjustments for:</b>		
Depreciation charges	113,841	109,229
Loss/(Gain) on investments	12,648	21,820
Loss on disposal of fixed assets	222	-
Interest received	(289)	(16)
Interest paid	1,129	1,158
Dividends received	(192,319)	(193,471)
(Increase)/Decrease in debtors	(66,552)	(18,679)
(Decrease)/Increase in creditors	9,753	29,300
<b>Net cash used in operating activities</b>	<b>(287,691)</b>	<b>(39,804)</b>

**The Roman Catholic Diocese of Galloway**  
**Notes to the Financial Statements**  
**for the Year Ended 31 December 2023 (continued)**

**19. 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
- St Margaret's Children and Family Care Society

During 2023, the following transactions took place with related parties:

- Bishops' Conference of Scotland: monies received £46,768; monies paid £34,396
- SCIAF: monies paid £69,731
- SPRED Galloway: monies paid £10,000
- St Margaret's Children and Family Care Society: monies paid £3,000

**20. Post Balance Sheet Events**

There were no post balance sheet events which require disclosure.

