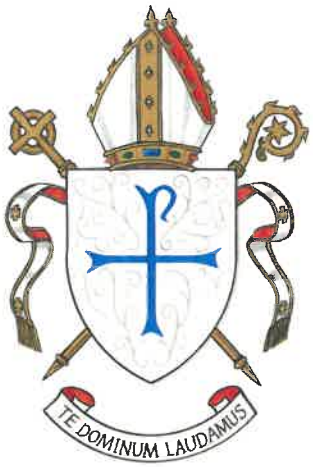
REGISTERED CHARITY NUMBER: SC010576



Diocese of Galloway

Report of the Trustees and Audited Financial Statements for the Year Ended 31 December 2025

The Roman Catholic Diocese of Galloway

Contents of the Financial Statements for the Year Ended 31 December 2025

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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	
Rev W R McFadden	Vicar General	
Canon M D Poland	Treasurer	
Mrs Theresa Cervone D'Urso		
Miss Angela M Marioni		
Mr Martin J McAllister		Appointed 20 March 2025

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

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 2025.

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 meets 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 Bishop, two serving clergy and one lay member and meets quarterly 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.

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. The Trustees are the Bishop, two serving clergy, two lay women and one lay man. 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 principal risks and uncertainties facing the Diocese continue to be primarily the age and potential cost of repair of buildings, the declining number of parishioners, the decrease in financial contributions received by parishes, and 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. The Diocese has been helped in recent years by members of Religious Congregations who have taken on the responsibility of administering parishes and of prison chaplaincy work.

The Trustees have identified various other areas of potential risk including those associated with health and safety and are aware of potential risk involving tenanted properties owned by the Diocese and are addressing these. The Diocese continues to work closely with our insurers and in ensuring the statutory regulations are fulfilled with all electric and gas installations. Each parish has the responsibility to maintain and update with certification the Health and Safety Parish Handbook.

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 2025.

ACHIEVEMENT AND PERFORMANCE

The Advancement of the Roman Catholic Religion

The Roman Catholic religion was advanced in 2025 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 supported with Baptisms of both infants and adults, and 2025 saw a significant rise in the number of adults asking for Baptism, Confirmation and Eucharist, and of adults already baptised being received into full communion with the Catholic Church. The Rite of Election in the Cathedral on the first Sunday of Lent saw the largest number of Elect preparing for the Easter Sacraments in many years. The practice of the faith was supported with 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.

2025 saw attention being paid in a particular way to the use of social media in communicating the message of the Gospel, and there is now increased engagement with the diocesan social media on Facebook and other platforms. The diocesan website was also given an overhaul and was updated. The quarterly publication The Galloway News continues to be produced.

During 2025 the Pope's representative in Great Britain, H.E Archbishop Miguel Maury Buendia spent a few days in the diocese where he met laypeople, clergy and religious. He celebrated liturgies, visited schools, and travelled to each of the four deaneries to lead the people in prayer, reflection and sharing.

The annual Diocesan Pilgrimage to St Ninian's cave in Whithorn was once again victim of severe weather conditions, but a large number still attended from throughout the diocese where Bishop Dougan led them in celebrating two different Masses in St Martin and St Ninian's Church in Whithorn in order to accommodate the significant number gathered.

2025 was noteworthy as a "Year of Jubilee" and this was celebrated throughout the diocese. Each deanery offered a presentation for the diocese based on the documents of Vatican II and used imagination and creativity to get the message of the documents across, engaging with a large number of interested participants. There were also individual deanery pilgrimages organised to celebrate the Jubilee Year, including to Dundrennan Abbey in Dumfriesshire, and to Birnie Knowe in Ayrshire. Bishop Dougan opened and closed the Jubilee Year with special celebrations in St Margaret's Cathedral, Ayr.

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 ongoing leadership of Pope Leo to promote and encourage greater Synodality in the Church, the Diocese continued to support parishes and organisations in educating them to experience greater listening to one another, and in moving forward in synodal leadership. In addition to Parish Pastoral Councils each deanery now has an established Deanery Pastoral Council, and Bishop Dougan is moving towards establishing a Diocesan Pastoral Council in the near future.

The Diocese continues to work in collaboration with the schools and parishes in supporting children and young people to complete the Pope Francis and Caritas Awards, which have proved a good way to encourage young people to take a more active role in the Church.

ACHIEVEMENT AND PERFORMANCE (continued)

The Advancement of Education (continued)

During 2025 the profile of the Diocesan Youth Ministry was raised significantly with the establishment of Youth Evenings and Young Adult Evenings on a monthly basis in the four deaneries. The Youth Ministry Team also were involved in the Diocesan Pilgrimage to Lourdes and in a Jubilee Year Pilgrimage to Santiago di Compostella in Spain. Youth engagement continues to be a priority, and the evenings include a teaching element helping the young people to grow in their understanding of the faith very much in accordance with the aim of helping them to advance in their religious education..

The clergy of the diocese recognise the importance of ongoing education for their specific ministry, and two overnight Assemblies were held when the clergy were taught and encouraged about synodality, discernment and the need for care of self in order to be able to offer care for others. Bishop Dougan attended a course in Rome for recently ordained bishops, and on return shared his learning experiences there with the clergy.

The diocese continues to recognise that education must be a priority with regard to the safeguarding of children and vulnerable adults. During 2025, training sessions were offered throughout the Diocese, and the requirements set by the Scottish Safeguarding Standards Agency continue to be prioritised, reflected upon, and applied. The Diocese was also very well represented at the National Safeguarding Conference in Glasgow, and regular meetings took place throughout the year with the Diocesan Risk Assessment Management Team (DRAMT), the Diocesan Safeguarding Advisory Group (DSAG), and the Diocesan Safeguarding Training Advisory Group (STAG). The Diocesan Safeguarding Advisor (DSA) co-ordinates each group and oversees Safeguarding in the diocese. He also was instrumental in producing a policy for responding to any Disruption at Mass, and for updating the Livestreaming in Churches guidelines.

Special religious educational needs come under the aegis of the diocesan SPRED Group, and groups meet regularly to support the religious educational needs of those with special physical, emotional or psychological requirements.

The Relief of Poverty

For the relief of poverty, our parish communities receive donations from parishioners and take up special collections throughout the year. In 2025, the Diocese offered financial support both at home and abroad to individuals and groups in particular need. Internationally the collections supported among other organizations SCIAF and Missio Scotland. For the relief of the spiritually poor who are suffering because of imprisonment, 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. Active SVP groups are present in many parishes where they identify local needs where poverty is prevalent and offer ways to support those who suffer from particular hardships. In line with the teaching of Pope Francis that the Church should be a Church of the poor and a Church for the poor, and following the teaching of Pope Leo in his first Apostolic Exhortation Dilexi Te where he directs us to focus on the poor, individuals and parishes throughout the diocese will continue to highlight the relief of poverty as integral to any pastoral, spiritual or religious activity.

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. The diocese also supports those children and young people suffering from illness or disease to take part in pilgrimages to Lourdes by offering them some financial assistance.

In Memoriam

Fr John Kinsler, a retired priest of the diocese died in 2025. Johnny had served the people of Gretna for many years where he helped out the local blacksmith, and he was a great source of entertainment with his stories of working with the horses over many years. Sadly Rev Bob Simpson, one of the first to be ordained as a Permanent Deacon when this Order was restored in the diocese, and who served in the parishes of east Wigtownshire, also died after a short illness.

FINANCIAL REVIEW

The Trustees report a deficit for the year of £54,142 (2024: surplus £1,968,884) and net current assets of £1,605,205 at 31 December 2025 (2024: £1,967,947).

The deficit of £54,142 comprises:

	Diocese £	Parishes £	Total £
Operating deficit	(78,839)	(56,823)	(135,662)
Gains on assets and investments	488,641	61,941	550,582
Damages settlement	(469,062)	-	(469,062)
Total net movement in funds for the year	(59,260)	5,118	(54,142)

The funds at the end of the year totalled £17,188,884 (2024: £17,243,026).

The principal source of income for the Diocese is the annual levy paid by Parishes and Special Collections for particular purposes. During 2025, £337,065 was paid by way of levy and £60,174 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).

Parishes experienced a 3.8% increase in offertory collections compared with the previous year. Some parishes were able to attract grant income, particularly for parish halls used for community purposes, to assist with major repairs. There was again a 16% 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; the significant increase in hall repairs and maintenance was largely funded by grants.

In line with market fluctuations, the value of the investment portfolios belonging to the Diocese and to two Parishes increased, resulting in realised and unrealised gains of £567,787. The first quarter of 2026 saw the reversal of most of last year's gains following world events and the subsequent fall in markets.

A claim against the Diocese was heard in court in October 2024, with the damages settlement and interest agreed at £643,461. This amount was paid in 2025 and provided for in the 2024 financial statements of the Diocese. Costs have yet to be agreed and a provision has been made in these accounts for £448,200 as advised by the solicitors acting for the Diocese.

Parish Special Collections

During 2025, the people of the Diocese of Galloway contributed over £223,000 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.

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 2025 at £2,238,392 (2024: £2,110,502),
- a portfolio of stocks and shares held to cover the deposits of Parishes and restricted funds in the Parochial Investment Fund valued at £4,221,244 at 31 December 2025 (2024: £4,053,226),
- a portfolio of stocks and shares held to cover the costs of seminarians valued at £545,645 at 31 December 2025 (2024: £501,225) and

FINANCIAL REVIEW (continued)

- a 5.4% share of the Catholic National Endowment Trust No 4 Provision for Future Contingencies Fund (the National Contingency Fund) valued at £1,414,968 at 31 December 2025 (2024: £1,429,655).

The closing value as at 31st December 2025 across the diocesan portfolios was £8,420,249 (2024: £8,094,608).

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 2025. The closing value of these investments as at 31st December 2025 was £781,600 (2024: £721,725).

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 £267,817 which is the equivalent of almost one year's 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.

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.

FINANCIAL REVIEW (continued)

Going concern

Parish activities continued to grow in the year to 31 December 2025, with Mass attendance showing a 3.9% increase. Parish collections saw a rise of 3.8% compared with 2024.

Investment portfolio valuations fluctuated in line with market conditions, with gains on revaluation of £550k, following similar gains in 2024. 2026 saw a downturn in the markets and portfolio valuations which then recovered to show modest increases in value compared with 31 December 2025. Annual reviews are undertaken with Barclays, the diocesan stockbrokers, to consider any necessary adjustments to ensure the long-term growth of the portfolios.

A review of the number of priests available, parishes and buildings is underway to ensure the best use is made of available resources to continue to fulfil the objectives of the Diocese of Galloway.

The continuing cost of living crisis in the UK will affect parishioners and their ability to give and, secondly, rising energy prices have impacted the Parishes. 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 consider that the above factors support 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

FUTURE PLANS

Bishop Dougan is committed to implementing the vision presented for the Church by Pope Francis and Pope Leo for greater synodality, and the diocese will be promoting ongoing opportunities for engagement with this process.

Already the diocese is beginning to prepare for the Jubilee Year of 2033, and all activities and energy will have this as a focus for the next few years.

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.

Working in collaboration with the Bishop, the Trustees will continue to fulfil their responsibilities and to support the clergy and laity in fulfilling the aims and objectives of the charity as outlined above.

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.

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 22 September 2026 and signed on its behalf by:

.....

Right Reverend Francis Dougan, Bishop and Trustee

W. R McFadden

.....

Reverend William McFadden, Vicar General and Trustee

Independent Auditor's Report to the Trustees of the Roman Catholic Diocese of Galloway for the Year Ended 31 December 2025

Opinion

We have audited the financial statements of the Roman Catholic Diocese of Galloway (the 'charity') for the year ended 31 December 2025 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 2025 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.

Independent Auditor's Report to the Trustees of the Roman Catholic Diocese of Galloway for the Year Ended 31 December 2025 (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 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.

Independent Auditor's Report to the Trustees of the Roman Catholic Diocese of Galloway for the Year Ended 31 December 2025 (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.

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

23/09/2026

Statutory Auditor
Chartered Accountants

3 Wellington Square
Ayr
KA7 1EN

Accounting Policies
for the Year Ended 31 December 2025

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.

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.

During 2024, all properties excluding the heritage assets below were revalued by J & E Shepherd, chartered Surveyors, resulting in a net gain of £2,334,376 which was reflected in the 2024 financial statements.

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.

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 2025

		Curial Funds				Parochial Funds	Total Funds	*Total Funds*
		Unrestricted Funds		Restricted Funds	Total Funds	Restricted Funds	2025	*2024*
		General £	Designated £	£	£	£	£	*£*
Income and Endowments from:								
Donations and legacies	1	2,058	12,062	23,285	37,405	2,187,977	2,225,382	*1,994,023*
Charitable activities:	2							
- Charitable activities		1,366	-	-	1,366	113,997	115,363	*128,397*
- Further incoming resources		9,807	-	16,388	26,195	131,728	157,923	*96,538*
Other trading activities	3	-	-	-	-	207,018	207,018	*209,095*
Income from investments	4	158,954	30,000	9,360	198,314	14,761	213,075	*231,805*
Total Income		172,185	42,062	49,033	263,280	2,655,481	2,918,761	*2,659,858*
Expenditure on:								
Raising funds	5	39,792	-	3,079	42,871	6,365	49,236	*46,706*
Charitable activities:	6							
Administration costs		309,979	16,409	56,326	382,714	795,222	1,177,936	*1,052,814*
Property costs		52,179	-	-	52,179	252,617	304,796	*252,163*
Parish house management		-	-	-	-	312,026	312,026	*457,437*
Church management		-	-	-	-	689,963	689,963	*723,729*
Hall management		-	-	-	-	353,836	353,836	*274,631*
Seminarians fees and allowances		-	-	32,464	32,464	-	32,464	*17,838*
Retired Priests' costs		7,001	-	144,370	151,371	-	151,371	*145,809*
Exceptional Item								
Damages settlement and costs		469,062	-	-	469,062	-	469,062	*643,461*
Total Expenditure		878,013	16,409	236,239	1,130,661	2,410,029	3,540,690	*3,614,588*
Net gains/(losses) on investments	10	12,563	-	768	13,331	3,874	17,205	*4,248*
Net income/(expenditure)		(693,265)	25,653	(186,438)	(854,050)	249,326	(604,724)	*(950,482)*
Transfers between funds								
Levy		337,065	-	-	337,065	(337,065)	-	-
Other transfers	16	(93,816)	(88,983)	151,883	(30,916)	30,916	-	-
		243,249	(88,983)	151,883	306,149	(306,149)	-	-
Other Recognised Gains								
Gains/(losses) on revaluation of fixed assets	9	-	-	-	-	-	-	*2,334,376*
Gains/(losses) on revaluation of investments	10	392,918	49,313	46,410	488,641	61,941	550,582	*584,990*
Net Movement in Funds		(57,098)	(14,017)	11,855	(59,260)	5,118	(54,142)	*1,968,884*
Reconciliation of Funds:								
Total funds brought forward		4,275,790	1,667,614	2,261,559	8,204,963	9,038,063	17,243,026	*15,274,142*
Total Funds Carried Forward	16	4,218,692	1,653,597	2,273,414	8,145,703	9,043,181	17,188,884	*17,243,026*

CONTINUING OPERATIONS
All income and expenditure have arisen from continuing activities.

The notes on pages 21 to 36 form part of the financial statements.

The Roman Catholic Diocese of Galloway

Statement of Financial Activities for the Year Ended 31 December 2024

		Curial Funds				Parochial Funds	Total Funds	Total Funds
		Unrestricted Funds		Restricted	Total	Restricted	2024	2023
		General	Designated	Funds	Funds	Funds		
		£	£	£	£	£	£	£
Income and Endowments from:								
Donations and legacies	1	1,953	11,868	7,909	21,730	1,972,293	1,994,023	2,130,136
Charitable activities:	2							
- Charitable activities		2,417	-	-	2,417	125,980	128,397	119,371
- Further incoming resources		2,853	-	19,674	22,527	74,011	96,538	101,335
Other trading activities	3	-	-	-	-	209,095	209,095	172,079
Income from investments	4	139,626	66,800	9,563	215,989	15,816	231,805	192,607
Total Income		146,849	78,668	37,146	262,663	2,397,195	2,659,858	2,715,528
Expenditure on:								
Raising funds	5	37,305	-	2,887	40,192	6,514	46,706	42,399
Charitable activities:	6							
Administration costs		314,463	12,877	14,411	341,751	711,063	1,052,814	1,059,938
Property costs		20,548	-	-	20,548	231,615	252,163	227,996
Parish house management		-	-	-	-	457,437	457,437	402,549
Church management		-	-	-	-	723,729	723,729	744,255
Hall management		-	-	-	-	274,631	274,631	219,657
Seminarians fees and allowances		-	-	17,838	17,838	-	17,838	6,241
Retired Priests' costs		6,360	-	139,449	145,809	-	145,809	165,969
Exceptional Item								
Damages settlement		643,461	-	-	643,461	-	643,461	-
Total Expenditure		1,022,137	12,877	174,585	1,209,599	2,404,989	3,614,588	2,869,004
Net gains/(losses) on investments	10	105	-	1,720	1,825	2,423	4,248	(12,648)
Net income/(expenditure)		(875,183)	65,791	(135,719)	(945,111)	(5,371)	(950,482)	(166,124)
Transfers between funds								
Levy		350,001	-	-	350,001	(350,001)	-	-
Other transfers	16	(84,421)	(64,185)	150,480	1,874	(1,874)	-	-
		265,580	(64,185)	150,480	351,875	(351,875)		
Other Recognised Gains								
Gains on revaluation of assets	9	284,404	-	412,972	697,376	1,637,000	2,334,376	-
Gains on revaluation of investments	10	464,824	25,362	45,114	535,300	49,690	584,990	548,150
Net Movement in Funds		139,625	26,968	472,847	639,440	1,329,444	1,968,884	382,026
Reconciliation of Funds:								
Total funds brought forward		4,136,165	1,640,646	1,788,712	7,565,523	7,708,619	15,274,142	14,892,116
Total Funds Carried Forward	16	4,275,790	1,667,614	2,261,559	8,204,963	9,038,063	17,243,026	15,274,142

CONTINUING OPERATIONS

All income and expenditure have arisen from continuing activities.

The notes on pages 21 to 36 form part of the financial statements.

The Roman Catholic Diocese of Galloway

Balance Sheet
At 31 December 2025

	Note	Curial 2025 £	Parochial 2025 £	Total 2025 £	*Total 2024 £*
Fixed Assets					
Tangible assets	9	2,270,923	4,160,907	6,431,830	*6,508,746*
Investments	10	8,420,249	781,600	9,201,849	*8,816,333*
		10,691,172	4,942,507	15,633,679	*15,325,079*
Current Assets					
Debtors	11	69,808	7,616	77,424	*78,621*
Cash at bank and in hand		1,131,073	1,035,698	2,166,771	*2,759,112*
		1,200,881	1,043,314	2,244,195	*2,837,733*
Current Liabilities					
Amounts falling due within one year	12	(528,367)	(110,623)	(638,990)	*(869,786)*
Net Current Assets		672,514	932,691	1,605,205	*1,967,947*
Total Assets		11,811,886	5,875,198	17,687,084	*17,293,026*
Creditors: Amounts falling due after more than one year					
Parochial Investment Fund	13	(3,167,983)	3,167,983	-	-
Provisions	14	(50,000)	-	(50,000)	*(50,000)*
		(3,217,983)	3,167,983	(50,000)	*(50,000)*
Total Net Assets		8,145,703	9,043,181	17,188,884	*17,243,026*
The Funds of the Charity:					
Unrestricted General Funds	16	3,934,288	-	3,934,288	*3,991,386*
Revaluation Reserve		284,404	-	284,404	*284,404*
Total Unrestricted General Funds		4,218,692	-	4,218,692	*4,275,790*
Unrestricted Designated Funds	16	1,653,597	-	1,653,597	*1,667,614*
Restricted Funds	16	1,860,443	7,406,181	9,266,624	*9,249,650*
Revaluation Reserve		412,971	1,637,000	2,049,971	*2,049,972*
Total Restricted Funds		2,273,414	9,043,181	11,316,595	*11,299,622*
Total Funds		8,145,703	9,043,181	17,188,884	*17,243,026*

The financial statements were approved by the Board of Trustees on 22 September 2026 and were signed on its behalf by:

.....

Right Reverend Francis Dougan, Bishop and Trustee

W. R McFadden

.....

Reverend William McFadden, Vicar General and Trustee

REGISTERED CHARITY NUMBER: SC010576

The Roman Catholic Diocese of Galloway

Cash Flow Statement
for the Year Ended 31 December 2025

	Note	2025 £	2024 £
Cash flows used in operating activities:			
Cash used in operations	18	(913,890)	*(350,004)*
Interest paid		(2,119)	*(924)*
Net cash used in operating activities		(916,009)	*(350,928)*
Cash flows from investing activities:			
Purchase of tangible fixed assets		(74,786)	*(26,453)*
Sale of tangible fixed assets		3,108	*85,448*
Purchase of investments		(3,164,157)	*(1,399,715)*
Disposal of investments		3,390,513	*1,444,432*
Movement in cash held		(183,085)	*(7,952)*
Capital withdrawn from investment portfolios		139,000	*49,781*
Interest received		42,127	*25,524*
Dividends received		170,948	*206,281*
Net cash provided by investing activities		323,668	*377,346*
Cash flows from financing activities:			
Personal loans repaid		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the reporting period		(592,341)	*26,418*
Cash and cash equivalents at the beginning of the reporting period		2,759,112	*2,732,694*
Cash and cash equivalents at the end of the reporting period		2,166,771	*2,759,112*

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025 £	2024 £
Cash in hand	7,980	*2,983*
Bank accounts	2,158,791	*2,756,129*
Total cash and cash equivalents	2,166,771	*2,759,112*

1. **Donations and Legacies – 2025**

	Curial				Parochial	Total
	Unrestricted		Restricted	Total	Restricted	Funds
	General	Designated	Funds	Funds	Funds	2025
	£	£	£	£	£	£
Church collections	-	-	-	-	1,401,358	1,401,358
Donations	941	-	5,646	6,587	90,261	96,848
Gift Aid Tax Reclaim	1,117	-	2,181	3,298	197,032	200,330
Grants	-	-	8,260	8,260	183,483	191,743
Special collections	-	-	-	-	60,341	60,341
Bishop Hay Trust	-	12,062	-	12,062	-	12,062
Bequests	-	-	7,198	7,198	89,046	96,244
Building fund collections	-	-	-	-	121,331	121,331
Other income	-	-	-	-	45,125	45,125
	2,058	12,062	23,285	37,405	2,187,977	2,225,382

Donations and Legacies – 2024

	Curial				*Parochial*	*Total*
	Unrestricted		*Restricted*	*Total*	*Restricted*	*Funds*
	General	*Designated*	*Funds*	*Funds*	*Funds*	*2024*
	£	£	£	£	£	£
Church collections	-	-	-	-	*1,349,649*	*1,349,649*
Donations	*1,257*	*100*	*4,764*	*6,121*	*95,728*	*101,849*
Gift Aid Tax Reclaim	*696*	-	*3,145*	*3,841*	*235,748*	*239,589*
Grants	-	-	-	-	*19,186*	*19,186*
Special collections	-	-	-	-	*56,512*	*56,512*
Bishop Hay Trust	-	*11,768*	-	*11,768*	-	*11,768*
Bequests	-	-	-	-	*67,482*	*67,482*
Building fund collections	-	-	-	-	*107,711*	*107,711*
Other income	-	-	-	-	*40,277*	*40,277*
	1,953	*11,868*	*7,909*	*21,730*	*1,972,293*	*1,994,023*

2. **Incoming Resources from Charitable Activities**

(a) **Charitable Activities – 2025**

	Curial				Parochial	Total
	Unrestricted		Restricted	Total	Restricted	Funds
	General	Designated	Funds	Funds	Funds	2025
	£	£	£	£	£	£
Hospitals and schools chaplaincy	-	-	-	-	650	650
Primary RE income	1,158	-	-	1,158	-	1,158
Income from stalls, sale of candles	-	-	-	-	48,377	48,377
Rent	208	-	-	208	64,970	65,178
	1,366	-	-	1,366	113,997	115,363

Incoming Resources from Charitable Activities
Charitable Activities – 2024

	Curial				*Parochial*	*Total*
	Unrestricted		*Restricted*	*Total*	*Restricted*	*Funds*
	General	*Designated*	*Funds*	*Funds*	*Funds*	*2024*
	£	£	£	£	£	£
Hospitals and schools chaplaincy	-	-	-	-	*100*	*100*
Primary RE income	*2,209*	-	-	*2,209*	-	*2,209*
Income from stalls, sale of candles	-	-	-	-	*54,624*	*54,624*
Rents	*208*	-	-	*208*	*71,256*	*71,464*
	2,417	-	-	*2,417*	*125,980*	*128,397*

(b) **Further Incoming Resources – 2025**

	Curial				Parochial	Total
	Unrestricted		Restricted	Total	Restricted	Funds
	General	Designated	Funds	Funds	Funds	2025
	£	£	£	£	£	£
Rebates and refunds	-	-	-	-	15,886	15,886
Sale of land and property	(135)	-	-	(135)	(650)	(785)
Insurance claims received	-	-	-	-	88,239	88,239
Pilgrimage and WYD income	-	-	-	-	14,069	14,069
Other income	9,942	-	16,388	26,330	14,184	40,514
	9,807	-	16,388	26,195	131,728	157,923

Further Incoming Resources – 2024

	Curial				*Parochial*	*Total*
	Unrestricted		*Restricted*	*Total*	*Restricted*	*Funds*
	General	*Designated*	*Funds*	*Funds*	*Funds*	*2024*
	£	£	£	£	£	£
Rebates and refunds	-	-	*105*	*105*	*10,427*	*10,532*
Sale of land and property	-	-	*19,569*	*19,569*	*45,880*	*65,449*
Insurance claims received	-	-	-	-	*1,645*	*1,645*
Pilgrimage and WYD income	-	-	-	-	*455*	*455*
Other income	*2,853*	-	-	*2,853*	*15,604*	*18,457*
	2,853	-	*19,674*	*22,527*	*74,011*	*96,538*

3. **Other Trading Activities – 2025**

	Curial				Parochial	Total
	Unrestricted		Restricted	Total	Restricted	Funds
	General	Designated	Funds	Funds	Funds	2025
	£	£	£	£	£	£
Hall and fundraising income	-	-	-	-	144,190	144,190
Church fundraising income	-	-	-	-	62,828	62,828
	-	-	-	-	207,018	207,018

Other Trading Activities – 2024

	Curial				*Parochial*	*Total*
	Unrestricted		*Restricted*	*Total*	*Restricted*	*Funds*
	General	*Designated*	*Funds*	*Funds*	*Funds*	*2024*
	£	£	£	£	£	£
Hall and fundraising income	-	-	-	-	*142,201*	*142,201*
Church fundraising income	-	-	-	-	*66,894*	*66,894*
	-	-	-	-	*209,095*	*209,095*

4. **Investment Income – 2025**

	Curial				Parochial	Total
	Unrestricted		Restricted	Total	Restricted	Funds
	General	Designated	Funds	Funds	Funds	2025
	£	£	£	£	£	£
Income from investments	118,361	-	9,062	127,423	13,525	140,948
CNET 4 dividend disbursement	-	30,000	-	30,000	-	30,000
Interest receivable	40,593	-	298	40,891	1,236	42,127
	158,954	30,000	9,360	198,314	14,761	213,075

Investment Income – 2024

	Curial				*Parochial*	*Total*
	Unrestricted		*Restricted*	*Total*	*Restricted*	*Funds*
	General	*Designated*	*Funds*	*Funds*	*Funds*	*2024*
	£	£	£	£	£	£
Income from investments	*117,160*	-	*8,697*	*125,857*	*13,624*	*139,481*
CNET 4 dividend disbursement	-	*66,800*	-	*66,800*	-	*66,800*
Interest receivable	*22,466*	-	*866*	*23,332*	*2,192*	*25,524*
	139,626	*66,800*	*9,563*	*215,989*	*15,816*	*231,805*

5. **Raising Funds – 2025**

	Curial				Parochial	Total
	Unrestricted		Restricted	Total	Restricted	Funds
	General	Designated	Funds	Funds	Funds	2025
	£	£	£	£	£	£
Portfolio management fees	39,792	-	3,079	42,871	6,365	49,236
	39,792	-	3,079	42,871	6,365	49,236

Raising Funds – 2024

	Curial				*Parochial*	*Total*
	Unrestricted		*Restricted*	*Total*	*Restricted*	*Funds*
	General	*Designated*	*Funds*	*Funds*	*Funds*	*2024*
	£	£	£	£	£	£
Portfolio management fees	*37,305*	-	*2,887*	*40,192*	*6,514*	*46,706*
	37,305	-	*2,887*	*40,192*	*6,514*	*46,706*

6. **Charitable Activities Costs**

(a) **Administration Costs – 2025**

	Curial				Parochial	Total
	Unrestricted		Restricted	Total	Restricted	Funds
	General	Designated	Funds	Funds	Funds	2025
	£	£	£	£	£	£
Priests' salaries, supply costs + travel	-	-	-	-	187,884	187,884
Priests' pension costs	4,627	-	-	4,627	-	4,627
Bishop's salary and expenses	15,743	-	-	15,743	-	15,743
Parish staff salaries	-	-	-	-	92,489	92,489
Diocesan staff salaries and expenses	120,671	-	-	120,671	-	120,671
Stationery, postage, telephone etc	7,736	-	-	7,736	114,745	122,481
Diocesan heat and light	9,129	-	-	9,129	-	9,129
National commissions	42,915	456	6,757	50,128	-	50,128
Donations and grants	13,381	10,920	9,000	33,301	59,893	93,194
IT costs	14,900	1,793	-	16,693	15,535	32,228
Audit and professional fees	25,933	-	-	25,933	92,198	118,131
Depreciation	28,797	-	-	28,797	91,646	120,443
GDPR compliance	2,078	-	-	2,078	-	2,078
Health and safety	2,876	-	-	2,876	3,319	6,195
Sundry, club and fund expenditure	6,970	3,240	38,169	48,379	21,035	69,414
Stall supplies etc	-	-	-	-	15,761	15,761
Pilgrimage expenses	1,908	-	2,400	4,308	27,253	31,561
Ordination expenses for new Bishop	-	-	-	-	-	-
Other expenditure	12,315	-	-	12,315	73,464	85,779
	309,979	16,409	56,326	382,714	795,222	1,177,936

Charitable Activities Costs
Administration Costs – 2024

	Curial				*Parochial*	*Total*
	Unrestricted		*Restricted*	*Total*	*Restricted*	*Funds*
	General	*Designated*	*Funds*	*Funds*	*Funds*	*2024*
	£	£	£	£	£	£
Priests' salaries, supply costs + travel	-	-	-	-	*187,752*	*187,752*
Priests' pension costs	*4,776*	-	-	*4,776*	-	*4,776*
Bishop's salary and expenses	*13,091*	-	-	*13,091*	-	*13,091*
Parish staff salaries	-	-	-	-	*98,642*	*98,642*
Diocesan staff salaries and expenses	*118,571*	-	-	*118,571*	-	*118,571*
Stationery, postage, telephone etc	*7,507*	-	-	*7,507*	*113,360*	*120,867*
Diocesan heat and light	*11,606*	-	-	*11,606*	-	*11,606*
National commissions	*41,169*	*405*	*6,296*	*47,870*	-	*47,870*
Donations and grants	*13,150*	*650*	*6,000*	*19,800*	*60,975*	*80,775*
IT costs	*15,712*	*2,787*	-	*18,499*	*15,286*	*33,785*
Audit and professional fees	*36,602*	-	-	*36,602*	*24,187*	*60,789*
Depreciation	*23,685*	-	-	*23,685*	*69,881*	*93,566*
GDPR compliance	*588*	-	-	*588*	-	*588*
Health and safety	*1,727*	-	-	*1,727*	*5,316*	*7,043*
Sundry club and fund expenditure	*4,935*	*3,017*	*2,115*	*10,067*	*10,749*	*20,816*
Stall supplies etc	-	-	-	-	*25,432*	*25,432*
Pilgrimage expenses	*1,212*	-	-	*1,212*	*6,717*	*7,929*
Ordination expenses for new Bishop	-	*5,563*	-	*5,563*	-	*5,563*
Other expenditure	*20,132*	*455*	-	*20,587*	*92,766*	*113,353*
	314,463	*12,877*	*14,411*	*341,751*	*711,063*	*1,052,814*

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

(b) **Property Costs – 2025**

	Curial				Parochial	Total
	Unrestricted		Restricted	Total	Restricted	Funds
	General	Designated	Funds	Funds	Funds	2025
	£	£	£	£	£	£
Insurance	3,016	-	-	3,016	136,938	139,954
Council tax and water rates	3,755	-	-	3,755	55,460	59,215
Grounds and security costs	2,245	-	-	2,245	60,219	62,464
Other property costs	43,163	-	-	43,163	-	43,163
	52,179	-	-	52,179	252,617	304,796

Property Costs – 2024

	Curial				*Parochial*	*Total*
	Unrestricted		*Restricted*	*Total*	*Restricted*	*Funds*
	General	*Designated*	*Funds*	*Funds*	*Funds*	*2024*
	£	£	£	£	£	£
Insurance	*3,202*	-	-	*3,202*	*119,868*	*123,070*
General and water rates	*3,483*	-	-	*3,483*	*56,989*	*60,472*
Grounds and security costs	*8,104*	-	-	*8,104*	*54,758*	*62,862*
Other property costs	*5,759*	-	-	*5,759*	-	*5,759*
	20,548	-	-	*20,548*	*231,615*	*252,163*

(c) **Parish House Management – 2025**

	Curial				Parochial	Total
	Unrestricted		Restricted	Total	Restricted	Funds
	General	Designated	Funds	Funds	Funds	2025
	£	£	£	£	£	£
Food and newspapers	-	-	-	-	73,355	73,355
Heat and light	-	-	-	-	94,989	94,989
Repairs and maintenance	-	-	-	-	82,358	82,358
Equipment purchase	-	-	-	-	8,349	8,349
Cleaning materials and wages	-	-	-	-	52,975	52,975
	-	-	-	-	312,026	312,026

Parish House Management – 2024

	Curial				*Parochial*	*Total*
	Unrestricted		*Restricted*	*Total*	*Restricted*	*Funds*
	General	*Designated*	*Funds*	*Funds*	*Funds*	*2024*
	£	£	£	£	£	£
Food and newspapers	-	-	-	-	*74,447*	*74,447*
Heat and light	-	-	-	-	*145,938*	*145,938*
Repairs and maintenance	-	-	-	-	*152,838*	*152,838*
Equipment purchase	-	-	-	-	*28,526*	*28,526*
Cleaning materials and wages	-	-	-	-	*55,688*	*55,688*
	-	-	-	-	*457,437*	*457,437*

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

(d) **Church Management – 2025**

	Curial				Parochial	Total
	Unrestricted		Restricted	Total	Restricted	Funds
	General	Designated	Funds	Funds	Funds	2025
	£	£	£	£	£	£
Heat and light	-	-	-	-	221,945	221,945
Routine costs	-	-	-	-	65,955	65,955
Cleaning materials and wages	-	-	-	-	11,745	11,745
Repairs and maintenance	-	-	-	-	357,219	357,219
Equipment purchase	-	-	-	-	29,606	29,606
Fundraising expenses	-	-	-	-	3,493	3,493
	-	-	-	-	689,963	689,963

Church Management – 2024

	Curial				*Parochial*	*Total*
	Unrestricted		*Restricted*	*Total*	*Restricted*	*Funds*
	General	*Designated*	*Funds*	*Funds*	*Funds*	*2024*
	£	£	£	£	£	£
Heat and light	-	-	-	-	*260,844*	*260,844*
Routine costs	-	-	-	-	*82,860*	*82,860*
Cleaning materials and wages	-	-	-	-	*14,418*	*14,418*
Repairs and maintenance	-	-	-	-	*304,035*	*304,035*
Equipment purchase	-	-	-	-	*52,543*	*52,543*
Fundraising expenses	-	-	-	-	*9,029*	*9,029*
	-	-	-	-	*723,729*	*723,729*

(e) **Hall Management – 2025**

	Curial				Parochial	Total
	Unrestricted		Restricted	Total	Restricted	Funds
	General	Designated	Funds	Funds	Funds	2025
	£	£	£	£	£	£
Heat and light	-	-	-	-	96,172	96,172
Cleaning materials and wages	-	-	-	-	20,357	20,357
Hall keeper	-	-	-	-	45,874	45,874
Repairs and maintenance	-	-	-	-	181,603	181,603
Equipment purchase	-	-	-	-	5,913	5,913
Fundraising expenses	-	-	-	-	3,917	3,917
	-	-	-	-	353,836	353,836

Hall Management – 2024

	Curial				*Parochial*	*Total*
	Unrestricted		*Restricted*	*Total*	*Restricted*	*Funds*
	General	*Designated*	*Funds*	*Funds*	*Funds*	*2024*
	£	£	£	£	£	£
Heat and light	-	-	-	-	*127,950*	*127,950*
Cleaning materials and wages	-	-	-	-	*22,539*	*22,539*
Hall keeper	-	-	-	-	*35,702*	*35,702*
Repairs and maintenance	-	-	-	-	*76,196*	*76,196*
Equipment purchase	-	-	-	-	*7,882*	*7,882*
Fundraising expenses	-	-	-	-	*4,362*	*4,362*
	-	-	-	-	*274,631*	*274,631*

6. **Charitable Activities Costs – continued**

Special Collections – 2025

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 on the Statement of Financial Activities (page 17) as these transactions are internal to the charity.

Included in Administration Costs is a net credit on special collections of £1,610 (2024: expenditure of £7,548) which 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 rounding up of collections when paid to beneficiaries.

During 2025, Special Collections were donated as follows:

	2025 £	2024 £
Diocesan Collections:		
Catholic Education	7,514	*7,719*
Justice and Peace	7,425	*7,147*
Communications	8,489	*7,990*
Students	10,810	*9,196*
Pro Life	6,703	*7,138*
Retired Priests	19,400	*17,322*
	60,341	*56,512*
External Collections:		
Holy Places	8,998	*8,743*
Peter's Pence	10,892	*9,641*
St Margaret's Children & Family Care Society	6,361	*5,980*
SCIAF – Collections and Lenten Boxes	52,128	*48,769*
Mission Sunday	16,665	*14,001*
Sea Sunday	3,685	*5,360*
Annual Missionary Appeals	13,739	*11,474*
Other	50,479	*49,837*
	162,947	*153,805*
Total	223,288	*210,317*

£20,119 (2024: £21,986) of the total donated for third party beneficiaries remained unpaid at 31 December 2025; this amount is included in Other Creditors.

7. Remuneration of Trustees

Three of the six Trustees of the Diocese of Galloway as at 31 December 2025 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, 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 (as amended) require disclosure of remuneration and expenses paid to Trustees in whatever capacity. The total remuneration paid to these three Trustees amounted to £12,602 (2024: £10,446) and the cost of accommodation and reimbursement of expenses for the same Trustees totalled £67,750 (2024: £63,409).

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.

8. Staff Costs

(a) Curial Office

Included in Diocesan costs are staff costs as follows:

	2025	*2024*
	£	
Salaries and wages	114,385	*110,280*
Social Security costs	2,017	*4,071*
Pension costs	2,764	*2,671*
	119,166	***117,022***

Staff costs relate to Curial staff only.

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

The headcount is as follows:

	2025	*2024*
Finance	2	*2*
Administration	2	*2*
Estates	1	*1*
Safeguarding	1	*1*
	6	***6***

The full-time equivalent number of diocesan staff is 3.2 (2024: 3.2).

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 27 (2024: 30), i.e. a full-time equivalent of 7.5 (2024: 8.4), at a total cost of £172,056 (2024: £173,550). These figures are not included in the above analysis but are included in Charitable Activities expenditure.

9. **Tangible Fixed Assets – Total**

	Land and Buildings £	Improvements to property £	Fixtures & fittings £	Motor Vehicles £	Computer Equipment £	Total £
Cost						
At 1 January 2025	6,510,000	-	33,083	8,802	16,348	6,568,233
Additions	-	48,504	13,932	8,630	3,720	74,786
Disposals	-	-	-	(8,802)	-	(8,802)
Revaluation	-	-	-	-	-	-
At 31 December 2025	6,510,000	48,504	47,015	8,630	20,068	6,634,217
Depreciation						
At 1 January 2025	21,534	-	19,133	4,909	13,911	59,487
Charge for year	129,200	9,701	5,756	2,157	995	147,809
Disposals	-	-	-	(4,909)	-	(4,909)
Revaluation	-	-	-	-	-	-
At 31 December 2025	150,734	9,701	24,889	2,157	14,906	202,387
Net Book Value						
At 31 December 2025	6,359,266	38,803	22,126	6,473	5,162	6,431,830
At 31 December 2025	6,488,466	-	13,950	3,893	2,437	6,508,746
2025 Split:						
Curia	2,223,083	26,781	15,897	-	5,162	2,270,923
Parishes	4,136,183	12,022	6,229	6,473	-	4,160,907
	6,359,266	38,803	22,126	6,473	5,162	6,431,830

Included in cost or of land and buildings is freehold land of £50,000 (2024 - £50,000).

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

	2025 £	*2024 £*
Cost	4,740,088	*4,740,088*
Depreciation	1,449,885	*1,355,083*

Land and buildings were independently revalued on 30 October 2024 by Liam G Loudon and Kevin N Bell of J & E Shepherd, Chartered Surveyors, who are fully qualified members of the Royal Institution of Chartered Surveyors, on a Market Value with vacant possession basis. The valuation was prepared in accordance with the RICS – Global Standards 2022 incorporating the IVSC International Valuation Standards. The revaluation resulted in a gain of £2,334,376 which was recognised in the Statement of Financial Activities for 2024.

10. Fixed Asset Investments

	£
Valuation	
At 1 January 2025	8,816,333
Purchased during the year	3,164,157
Sold during the year	(3,386,639)
Capital withdrawal	(139,000)
Gain on disposal	13,331
Surplus on revaluation	550,582
Movement in cash held by stockbroker	183,085
At 31 December 2025	**9,201,849**
Cost at 31 December 2025	7,639,140

The above total is represented by:

	2025 £	*2024* *£*
National Contingency Fund (CNET 4)	1,414,968	*1,429,655*
Investments listed on a recognised investment exchange:		
- General Diocesan Funds No 1 Portfolio	2,238,392	*2,110,502*
- Designated Funds No 2 Portfolio	4,221,244	*4,053,226*
- Student Funds	545,645	*501,225*
- Parochial Investment Funds	781,600	*721,725*
Total Investment Funds	**9,201,849**	***8,816,333***

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 2025, the Diocese of Galloway had ownership of 5.40% of the total fund (2024: 5.4185%), which was valued at £26,215,259 (2024: £26,384,787). The cost of the investment at 31 December 2025 was £1,189,914. 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 2025 include the sum of £94,000 received from this source. The investment is available on demand.

10. Fixed Asset Investments (continued)

Investments – General and Restricted Funds

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

	Valuation at 31/12/25 £
Cash and short maturity bonds	238,337
Developed government bonds	436,120
Investment grade bonds	142,275
High yield emerging markets bonds	529,594
Developed market equities	4,994,963
Emerging market equities	722,935
Commodities	262,047
Real Estate	431,672
Alternatives	21,052
Other	7,885
	7,786,880

11. Debtors

	2025 £	*2024 £*
Prepayments and Accrued Income	60,565	*63,894*
Levy due to Diocese from Parishes	-	*10,945*
Amounts due to Diocese from Parishes	9,243	*3,782*
Amounts due to Parishes from Diocese	7,616	-
	77,424	*78,621*

12. Creditors

	2025 £	*2024 £*
Accrued Expenses	138,937	*165,813*
PAYE & NIC Creditor	3,531	*3,656*
Deferred Income	10,425	*4,858*
Levy due by Parishes to Diocese	-	*10,945*
Amounts due by Diocese to Parishes	7,616	-
Amounts due by Parishes to Diocese	9,243	*3,782*
Other Creditors	469,238	*680,732*
	638,990	*869,786*

Other Creditors includes a provision of £448,200 for legal expenses relating to a legal case from 2024; the 2024 figure of £680,732 includes £643,461 for settlement of damages and interest relating to the same case.

13. Parochial Investment Fund

	2025 £	*2024 £*
Balance at 31 December 2024:		
- Parishes	3,240,771	*3,225,403*
- Diocesan Restricted Funds	258,190	*253,128*
	3,498,961	*3,478,531*
Deposits during the year	175,923	*160,460*
Withdrawals during the year	(363,721)	*(210,000)*
Interest added to balances	103,031	*69,970*
Balance at 31 December 2025	3,414,941	*3,498,961*
Split:		
- Parishes	3,167,983	*3,240,771*
- Diocesan Restricted Funds	246,211	*258,190*
	3,414,194	*3,498,961*

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 £175,923 was deposited by six Parishes and eight Parishes withdrew a total of £344,221 from their accumulated deposits. Deposits in the PIF currently attract interest of 3% per annum and this rate is reviewed regularly by the Trustees.

14. Provisions for Liabilities

	2025 £	*2024 £*
Provision	50,000	*50,000*

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 2025.

Retirement Provision	£
Balance at 1 January 2025	50,000
Arising during the year	-
Reversed unutilised during the year	-
Utilised during the year	-
Balance at 31 December 2025	50,000

15. Contingent Liability

The settlement of damages and interest following the outcome of the court case heard in October 2024 was included in the 2024 financial statements and paid in early 2025. A provision of £448,200 for associated legal expenses of the pursuer has been included in the 2025 financial statements.

There are no contingent liabilities.

16. Movement in Funds

In the tables below, "Asset Gains" include the revaluation of fixed assets and of investment portfolios.

(a) Curial Unrestricted General Funds

	At 31/12/24 £	Income £	Expenditure £	Gains/ (Losses) £	Transfers £	At 31/12/25 £
General Funds	4,275,790	172,185	(878,013)	405,481	243,249	4,218,692

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 31/12/24 £	Income £	Expenditure £	Gains/ (Losses) £	Transfers £	At 31/12/25 £
CNET 4	1,429,655	30,000	-	49,313	(94,000)	1,414,968
St Ninian's Charitable Fund	6,720	-	(454)	-	-	6,266
Bishop Hay Fund	53,266	12,062	(3,420)	-	-	61,908
Chaplaincy Fund	2,062	-	(3,240)	-	1,178	-
ECO Fund	133,375	-	(7,501)	-	3,839	129,713
Duffin Bequest	42,536	-	(1,794)	-	-	40,742
	1,667,614	42,062	(16,409)	49,313	(88,983)	1,653,597

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 – Income received in previous years from external sources for chaplaincy services through NHS Ayrshire and Arran has now ceased and all income has been disbursed.

ECO Fund – A significant bequest received by the Diocese was designated by the Trustees to form an ECO Fund to provide financial assistance to priests and less wealthy parishes in the transition to more environmentally friendly energy. The Fund has already supported individual priests in buying hybrid or fully electrical cars, and will be used to support the drive towards more energy efficient buildings.

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.

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

(c) **Curial Restricted Funds**

	At 31/12/24 £	Income £	Expenditure £	Gains/ (Losses) £	Transfers £	At 31/12/25 £
Retired Priests	1,473,912	11,095	(144,372)	-	111,875	1,452,510
Students	538,224	18,244	(35,542)	47,178	11,034	579,138
Youth	114,448	19,380	(40,570)	-	10,103	103,361
Justice and Peace	59,918	138	(3,075)	-	8,950	65,931
Pro Life	49,184	176	(5,681)	-	8,162	51,841
Catherine Fitzgerald Bequest	25,873	-	(6,999)	-	1,759	20,633
	2,261,559	49,033	(236,239)	47,178	151,883	2,273,414

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 is 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 31/12/24 £	Income £	Expenditure £	Gains/ (Losses) £	Transfers £	At 31/12/25 £
Parishes	9,038,063	2,655,481	(2,410,029)	65,815	(306,149)	9,043,181

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.

	Diocese				Parochial
	Unrestricted		Restricted	Total	Restricted
	General	Designated	Funds	Funds	Funds
	£	£	£	£	£
CNET disbursement		(94,000)	94,000	-	
Retired Priests Fund					
Levy paid by Parishes	337,065	-	-	337,065	(337,065)
Youth levy					
Parochial Investment Fund – Interest	(103,031)	3,839	3,682	(95,510)	95,510
Special collections paid during the year	16,262	-	43,912	60,174	(60,174)
Youth Levy	-	-	9,420	9,420	(9,420)
Youth for Lourdes	(5,000)	-	-	(5,000)	5,000
Other movements between funds	(2,047)	1,178	869	-	-
	243,249	(88,983)	151,883	306,149	(306,149)

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).

17. Analysis of Net Assets between Funds

2025	Unrestricted Funds		Restricted	Total
	General	Designated	Funds	Funds
	£	£	£	£
Tangible fixed assets	955,434	-	5,476,396	6,431,830
Investments	6,459,635	1,414,969	1,327,245	9,201,849
Cash at bank and in hand	754,146	96,853	1,315,772	2,166,771
Other net current assets/(liabilities)	(486,329)	12,062	(87,299)	(561,566)
Creditors over 1 year	(3,414,194)	129,713	3,284,481	-
Provisions	(50,000)	-	-	(50,000)
	4,218,692	1,653,597	11,316,595	17,188,884

2024	*Unrestricted Funds*		*Restricted*	*Total*
	General	*Designated*	*Funds*	*Funds*
	£	£	£	£
Tangible fixed assets	*945,970*	-	*5,562,776*	*6,508,746*
Investments	*6,163,728*	*1,429,655*	*1,222,950*	*8,816,333*
Cash at bank and in hand	*1,399,181*	*94,274*	*1,265,657*	*2,759,112*
Other net current assets/(liabilities)	*(684,128)*	*10,311*	*(117,348)*	*(791,165)*
Creditors over 1 year	*(3,498,961)*	*133,374*	*3,365,587*	-
Provisions	*(50,000)*	-	-	*(50,000)*
	4,275,790	*1,667,614*	*11,299,622*	*17,243,026*

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

	2025 £	*2024* *£*
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(135,662)	*(307,021)*
Adjustments for:		
Depreciation charges	147,809	*120,090*
(Gain)/Loss on disposal of investments	(17,205)	*(4,248)*
(Gain)/Loss on disposal of fixed assets	785	*(65,448)*
Interest received	(42,127)	*(25,524)*
Interest paid	2,119	*924*
Dividends received	(170,948)	*(206,281)*
Exceptional item	(469,062)	*(643,461)*
Decrease/(Increase) in debtors	1,197	*38,095*
(Decrease)/Increase in creditors	(230,796)	*742,870*
Net cash used in operating activities	(913,890)	*(350,004)*

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 2025, the following transactions took place with related parties:

- Bishops' Conference of Scotland: monies received £42,062; monies paid £45,572
- Pontifical Scots College, Rome: paid £12,013
- SCIAF: monies paid £52,002
- 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.