

REGISTERED CHARITY NUMBER: SC010576



**Report of the Trustees and
Audited Financial Statements for the Year Ended 31 December 2017
for
The Roman Catholic Diocese of Galloway**

The Roman Catholic Diocese of Galloway

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The Roman Catholic Diocese of Galloway

Foreword

In the Gospel of St. Luke Jesus says: if you can be trusted in little things you can be trusted in great. Those involved in finance do not consider money to be a little thing, but in the teaching of Jesus of more importance is the preaching of the good news. That is the great commission that Jesus entrusts to the Church. Of course for the Church to fulfil that mission we cannot ignore the lesser matter of money. The finances entrusted to the Church, though less important than the preaching of the good news, need to be managed and managed well.

The Diocese of Galloway is fortunate to have so many volunteers working with the clergy in parishes, along with the staff in the curial office, who seek to ensure best practice in the handling of finances, thus ensuring that there are buildings suitable for worship, halls available for parish activities, and well managed funds so that the church can achieve its spiritual and charitable aims. I am grateful to all these people, for by taking care of the little matter of money they enable the great work of the Church to be done.

Right Reverend William Nolan, Bishop of Galloway

The Roman Catholic Diocese of Galloway

Report of the Trustees for the Year Ended 31 December 2017

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2017. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

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

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

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

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

Volunteers

During 2017, the Diocese offered pastoral provision to individuals and communities through its network of parishes. The Diocese and its parishes rely heavily upon the efforts of many hundreds of volunteers who give generously of their time and talents. We are assisted greatly in the provision of religious services, general administration, safeguarding duties and fundraising by people throughout the Diocese. Parishes do not only look inwardly to their own needs, but their many volunteers give help to the sick, elderly, homeless and disadvantaged in their local areas.

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

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Diocese in the form of their parish communities undertook a variety of charitable activities throughout 2017.

The number of individuals participating in the parishes varied from week to week, but on the weekend designated for the annual census, the total Mass attendance in the Diocese was 6,992.

Children and adults celebrated the Sacraments of Initiation in many of the parish communities, and the numbers which were noted in the annual parish returns totalled 1,016.

Bishop Nolan continued his practice of a pastoral visit to each parish, where he would celebrate the Vigil and Sunday Masses, and of visiting the primary schools where he would meet with pupils and staff. He also attended a variety of events in the secondary schools. During Prisoners' Week he visited Dumfries prison where he celebrated Mass and had lunch with inmates.

Communication in the Diocese was assisted by a revamp of the diocesan website, the diocesan Facebook page, and the diocesan newsletter, The Galloway News, which was produced regularly and distributed widely.

The diocesan pilgrimage to Lourdes, led by Bishop Nolan, took place at the beginning of July 2017. Approximately 150 pilgrims took part, including 16 assisted pilgrims and 45 youth pilgrims. As always pilgrims were accompanied by a full medical team comprising of a doctor, 5 nurses and 8 nursing assistants, and a team of 20 adult helpers co-ordinated by the Galloway Lourdes Hospitalite team led by Ms Suzy Hollywood, the Hospitalite President. A fruitful and very enjoyable pilgrimage was had by all.

In September, led by Bishop Nolan, pilgrims from all over the Diocese spent a prayer filled, hectic and very enjoyable five days in Rome. Highlights of the pilgrimage included a visit to the Vatican, the Basilica of St Mary Major's, St John Lanterns, the Pontifical Scots College and a day in Assisi.

The Roman Catholic Diocese of Galloway

Report of the Trustees for the Year Ended 31 December 2017

ACHIEVEMENT AND PERFORMANCE

Charitable activities (continued)

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

Galloway Catholic Youth is a diocesan ministry which seeks to bring young people to know and love Jesus Christ. In addition to worship and activity in the parish, Galloway Catholic Youth brings young Catholics of Galloway Diocese together to celebrate and deepen their faith. Events in 2017 have been the Palm Sunday gathering in Perth organised by the Catholic Youth Service Scotland, a residential pilgrimage to Iona to learn about St Columba and his legacy, and retreats at Craiglodge House of Prayer in Dalmally.

Our safeguarding team seek to protect the welfare of children and vulnerable adults throughout the Diocese and its activities. The very nature of our volunteer base necessitates ongoing training and assessment, and we place a high priority on the work of the team. Following on from the positive developments in 2017, safeguarding within the Diocese has experienced another very active year.

There is now a cohort of 7 trainers supporting the roll out of both mandatory Level 1 training (to be renamed Safeguarding Induction Part 1) for all volunteers involved in regulated work with children, young people and vulnerable adults and role specific training for all Parish Safeguarding Coordinators (PSC's). The demand on trainers' time is significant and going forward, the Diocese will need more volunteers to undertake the 2 day national training for trainers' course to bolster the pool of trainers available across our deaneries. Up until the end of 2017 some 60% of personnel who are required to undertake training at this level have completed their courses. Dates have been agreed for the first 3 months of 2018 to ensure that 100% compliance can be evidenced.

Going forward, through 2018 and 2019 once the above training requirements are concluded, arrangements for both updates and delivery of Safeguarding Induction Part 2 for all volunteers involved in regulated work will be rolled out across the deaneries. An on line diocesan Safeguarding Training Diary and booking protocol will be developed to support access to required training going forward for all involved in safeguarding across the Diocese.

The Diocesan Risk Assessment and Management Team and Diocesan Safeguarding Advisory Group have been re-established and now reflect the level of knowledge and experience in safeguarding that is required to provide Bishop Nolan with advice and direction on critical safeguarding matters.

The rewrite of the national awareness and safety manual, 'In Gods Image - Safeguarding Standards in the Catholic Church in Scotland' as required by the recommendations of the McLellan Commission, has been out for consultation and it is hoped that the final draft will be published and in operational practice by the end of March 2018. It is recognised that to ensure confidence and competence in the delivery of the requirements set out in this document, people at all levels involved in safeguarding within the Diocese from Bishop Nolan; clergy; religious orders; Diocesan Safeguarding Advisor; Diocesan Safeguarding Advisory Group and Risk Assessment and Management Team; Parish Safeguarding Coordinators and volunteers involved in regulated work will undertake training delivered with the support of our colleagues in the national office of the Scottish Catholic Safeguarding Service over the early part of summer 2018.

Renewal of PVG clearance is now an established protocol and is run on a 3 year cycle; i.e. in the current year PVG's issued in 2015 will require to be renewed and PSC's across deaneries will be engaged in ensuring this protocol is managed and delivered.

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

Our Rite of Christian Initiation of Adults (RCIA) teams work to encourage and support adults seeking initiation into the Christian community and assist them towards full membership of the Church. The number of adults who celebrated the Rite of Election with Bishop Nolan in St Margaret's Cathedral, Ayr, during lent was 20.

The Roman Catholic Diocese of Galloway

Report of the Trustees for the Year Ended 31 December 2017

ACHIEVEMENT AND PERFORMANCE

Charitable activities (continued)

The permanent diaconate exists within the Diocese. Deacons can conduct many, although not all, of the liturgies celebrated by priests such as baptisms, weddings and funerals. They preach occasionally, visit the sick and the housebound and take part in many parish groups, either in place of, or alongside, priests. As of 2017, we had 4 active deacons and 2 retired and 1 in formation.

Continuing to prepare individuals and parishes for future pastoral provision remains an important aspect of diocesan planning, and the four deaneries of the Diocese remained committed to addressing the process known as 'Embracing Change'. As part of this Embracing Change process, the North Ayrshire Deanery began a Pastoral Ministry Leadership course facilitated by the Maryvale Institute in Birmingham.

The pastoral initiative begun in 2016 to train lay people to conduct funeral services continued with more volunteers being trained in 2017 from parishes in both Ayrshire and Dumfries and Galloway.

The ongoing formation of clergy during 2017 included a day on 'Supporting Priesthood Today' led by the Reverend Doctor Gerald Byrne of St Luke's Centre, Manchester; a programme on 'Conflict Resolution' led by the Reverend Ruth Harvie of the charity Place for Hope, and input on the 'Norms for Priestly Formation' by the Reverend Stephen Reilly, rector of the Royal Scots College in Salamanca, Spain.

Clergy provision saw the retirement of one priest, Canon Matthew McManus, and the ordination by Bishop Nolan in St Martin and St Ninian's, Whithorn, of the Reverend Simon Beveridge for the Ordinariate of Our Lady of Walsingham. Father Beveridge will be based in Whithorn, and as well as ministering in the Ordinariate he will be available to assist the local clergy.

During 2017, one priest, Monsignor Joseph Boyd, celebrated his Diamond Jubilee marking his 60th anniversary of ordination to the priesthood. Monsignor Boyd was Vicar General of the Diocese until his retirement in 2016 and is now Administrator at St Clare's parish in Dronagan.

At present, we have one seminarian, Kevin Rennie, who is progressing through his studies in Rome. During 2017, Kevin and his fellow Pontifical Scots College students were given the honour of serving for Pope Francis at the celebration of the Easter Vigil in St Peter's Basilica, Rome.

After consultation the parish of St Michael's, Kilmarnock, opened in 1953, and which served the areas of Shortlees and Bellfield in Kilmarnock, was formally closed and incorporated into St Joseph's, Kilmarnock. The church, house and hall were demolished in late 2017 and the land put up for sale. The pastoral care of the parishioners of St Michael's will now come under the Parish Priest of St Joseph's, and all assets of St Michael's transferred to St Joseph's. The sale of the land was completed during the first quarter of 2018. The proceeds of the sale go to St Joseph's as legislated in the Code of Canon Law. The land was sold for £260,000.

In April 2018, a retired priest of the diocese, Father Paul Moore, was found guilty of historical sexual abuse and indecent assault. He was sentenced to nine years in prison. Father Moore is seeking to appeal his conviction and sentence.

The Roman Catholic Diocese of Galloway

Report of the Trustees for the Year Ended 31 December 2017

FINANCIAL REVIEW

Financial position at the end of the accounting period

The Trustees report a surplus of £176,887 (2016 - £1,101,661 surplus). Funds carried forward total £13,231,466 (2016 - £13,054,579). The fall in surplus primarily relates to large bequests totalling £714k received in 2016 (2017 £98k).

During 2017, parishes were encouraged to transfer bank balances over £50k to the Diocese to be lodged in the Parochial Investment Fund (PIF). A total of £670k was transferred from parish funds to the Diocese. Deposits in the PIF currently earn 2% interest per annum as opposed to minimal amounts of credit interest awarded by the banks. The interest due is reviewed by the Trustees on a regular basis.

Favourable investment returns (realised and unrealised) of £336k (2016: £342k) have had a positive impact on the financial position as at 31st December, 2017.

Revaluation of Property

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

We have depreciated the values on an annual basis and reviewed the values to ensure that the figures remain realistic. During 2013, we undertook a more thorough, in-house review of the properties, and diocesan finance and estates staff revalued the properties in light of the current market trends. We are of the opinion that the resultant figures are realistic in view of the situation, age and condition of the properties involved. A further review will fall due during 2018.

Investment performance

Current asset investments performed well over the year.

Diocesan current asset investments

An additional £743,999 was invested across three portfolios held with Barclays Investment Solutions Limited during the year. The yield across the three portfolios averaged at 2.7% with growth of 9% (unrealised). In addition, the Diocese received a very generous donation of a share portfolio worth £152,776. The closing value as at 31st December 2017 across the portfolios was £3,938,864 (2016: £2,807,601).

Parochial current asset investments

Parochial investments held by St Mary's, Largs and St Mary's, Irvine continued to perform well throughout 2017. A withdrawal of £175,000 was made to pay for works to the church in Largs. The closing value of these investments as at 31st December 2017 was £620,165 (2016: £726,279).

Gains on the sale and revaluation of all current asset investments totalled £336,026 (2016: £341,663).

Investment policy and objectives

The Diocese currently holds 4 investment portfolios:

1. Number 1 Account - a portfolio of stocks and shares held to provide an income stream to cover the costs of running the Diocese
2. Number 2 Account - a portfolio of stocks and shares held to cover the deposits of parishes in the Parochial Investment Fund
3. Students Fund - a modest portfolio of stocks and shares held to cover the costs of seminarians
4. CNET4 - a 7.779% share of the Provision for Future Contingencies Fund. Income from this fund is used to defray the cost of providing for the needs of sick and retired clergy.

The Roman Catholic Diocese of Galloway

Report of the Trustees for the Year Ended 31 December 2017

FINANCIAL REVIEW

Investment policy and objectives (continued)

All funds are managed on a discretionary basis by professional independent investment managers and stockbrokers. The first 3 funds listed are managed by Barclays Investment Solutions Limited and the fourth is managed by Brewin Dolphin. All investments are liquid. All portfolios held with Barclays have a moderate risk profile. The Diocese seeks not to invest in equities directly or mainly involved in the manufacture and/or the supply of goods and services which would be in conflict with the teachings of the Gospel and the social teachings of the Catholic Church. The Diocese looks to invest in equities which do not contravene the dignity of the human person, the sanctity of human life and the imperative of peace on earth.

Reserves policy

The Trustees have forecast the level of free reserves required to ensure the charity's continuance in future years. The Trustees regard around 40% of diocesan current asset investments at 31 December 2017 as free reserves, but consider the retention of the remaining investments as an essential source of income. Whilst the current level of reserves may prove sufficient for the immediate future, it is the Trustees view that it is prudent to ensure that there are sufficient free reserves to provide for financial flexibility over the longer term.

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

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

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

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

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

Retired Priests Fund

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

Students Fund

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

The balances held in reserves as at 31 December 2017 were:

Unrestricted funds	£
General fund	4,676,837
Designated fund	1,472,616
Parochial funds	5,957,640
Restricted funds	
Retired Priests fund	676,250
Students fund	448,123
Total funds	<u><u>13,231,466</u></u>

The Roman Catholic Diocese of Galloway

Report of the Trustees for the Year Ended 31 December 2017

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. We will seek to continue this practice.

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

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

FUTURE PLANS

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

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

Recruitment and appointment of new Trustees

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

Induction and training of new Trustees

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

The Roman Catholic Diocese of Galloway

Report of the Trustees for the Year Ended 31 December 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational and governance structure

Canon Law

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

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

- The Council of Priests: this is a 'group of priests which, representing the presbyterium, assists the bishop in the governance of the Diocese according to the norm of law to promote as much as possible the pastoral good of the of portion of the people of God entrusted to him' (Code of Canon Law c.495). This group consists of priests chosen by the Bishop and others elected. The Council of Priests meet five times a year and the Bishop is obliged to have consulted with his Council before making certain decisions for example the closure of a church.
- The College of Consultors: this group is appointed by the Bishop and must be consulted upon matters of major significance to the Diocese. The College of Consultors meets as and when is necessary as determined by the Bishop.
- The Finance Committee: this is made up of the Trustees and lay advisers and meets bi-monthly to discuss and give advice on financial, estates and major administrative matters, including advice on setting remuneration of staff.

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

Civil Law

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

The Trustees of the Diocese, who are all serving clergy, meet bi-monthly to discuss and take decisions on matters of significance.

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 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Principal risks and uncertainties

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

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

The Trustees have identified various areas of potential risk including those associated with health and safety. The Diocese continues to work closely with our insurers and are involved in ongoing statutory testing of electric and gas installations. We have issued a diocesan Health and Safety Manual to all parishes and will update it as required.

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

Trustees' expenses

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

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

SC010576

Principal address

Candida Casa
8 Corsehill Road
Ayr
Ayrshire
KA7 2ST

Trustees

Right Reverend William Nolan	Bishop of Galloway
Reverend William .R. McFadden	Vicar General
Very Reverend Martin D. Canon Poland	

Finance Officer

Mrs Suzanne Maxton, BA (Hons), FCPFA

Auditors

Campbell Dallas
Chartered Accountants
Registered Auditors
3 Wellington Square
Ayr
Ayrshire
KA7 1EN

The Roman Catholic Diocese of Galloway

**Report of the Trustees
for the Year Ended 31 December 2017**

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Solicitors

McSparran McCormick
19 Waterloo Street
Glasgow
G2 6AH

Walker & Sharpe
37 George Street
Dumfries
DG1 1EB

Advisors

Investment Advisors

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

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

Speirs and Jeffrey Limited
George House
50 George Square
Glasgow
G2 1EH

Bankers

Bank of Scotland
123 High Street
Ayr
KA7 1QP

SCOPE OF THE FINANCIAL STATEMENTS

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

Diocesan funds (restricted, designated and unrestricted)

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

Parochial funds

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

Approved by order of the board of Trustees on08/03/2018..... and signed on its behalf by:



Right Reverend William Nolan, Bishop of Galloway - Trustee

The Roman Catholic Diocese of Galloway

Statement of Trustees Responsibilities for the Year Ended 31 December 2017

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

The law applicable to charities in Scotland, the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

The Roman Catholic Diocese of Galloway

Report of the Independent Auditors to the Trustees for the Year Ended 31 December 2017

Opinion

We have audited the financial statements of The Roman Catholic Diocese of Galloway (the 'charity') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 auditors' 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.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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

**Report of the Independent Auditors to the Trustees
for the Year Ended 31 December 2017**

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees 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 and returns; 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, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Stephen Wilkie (Senior Statutory Auditor)

For and on behalf of Campbell Dallas (South West) Limited
Chartered Accountants and Statutory Auditor
Registered Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
3 Wellington Square
Ayr
Ayrshire
KA7 1EN

Date: 05/05/2018.....

The Roman Catholic Diocese of Galloway

Statement of Financial Activities
for the Year Ended 31 December 2017

	Notes	Diocesan funds £	Parochial funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	549,485	2,103,320	26,757	2,679,562	3,214,568
Charitable activities						
Charitable activities	5	19,565	102,286	-	121,851	124,177
Further incoming resources		26,442	141,071	1,426	168,939	174,364
Other trading activities	3	-	287,865	-	287,865	324,141
Investment income	4	141,778	44,323	9,101	195,202	144,216
Total		737,270	2,678,865	37,284	3,453,419	3,981,466
EXPENDITURE ON						
Raising funds	6	37,652	2,276	4,419	44,347	29,055
Charitable activities						
Administration costs	7	479,454	1,142,463	49,946	1,671,863	1,479,340
Property costs		15,562	239,260	10,806	265,628	310,673
Parish house management		-	394,525	-	394,525	350,706
Church management		-	655,473	-	655,473	588,312
Hall management		-	192,246	-	192,246	234,089
Special collections		41,252	261,357	-	302,609	369,290
Payments to parishes		29,849	-	-	29,849	15,942
Other	9	6,360	-	89,391	95,751	102,553
Total		610,129	2,887,600	154,562	3,652,291	3,479,960
Net gains on investments		246,658	57,139	32,229	336,026	341,663
NET INCOME/(EXPENDITURE)		373,799	(151,596)	(85,049)	137,154	843,169
Transfers between funds	19	648,870	(700,909)	52,039	-	-
Other recognised gains						
Gains on revaluation of fixed assets		39,733	-	-	39,733	58,492
Revaluation of land and buildings		-	-	-	-	200,000
Net movement in funds		1,062,402	(852,505)	(33,010)	176,887	1,101,661
RECONCILIATION OF FUNDS						
Total funds brought forward		5,087,048	6,810,148	1,157,383	13,054,579	11,952,918
TOTAL FUNDS CARRIED FORWARD		6,149,450	5,957,643	1,124,373	13,231,466	13,054,579

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements.

The Roman Catholic Diocese of Galloway

Balance Sheet
At 31 December 2017

	Notes	Diocesan funds £	Parochial funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
FIXED ASSETS						
Tangible assets	12	818,598	3,106,509	552,145	4,477,252	4,696,291
Investments	13	<u>1,472,616</u>	<u>-</u>	<u>-</u>	<u>1,472,616</u>	<u>1,432,884</u>
		2,291,214	3,106,509	552,145	5,949,868	6,129,175
CURRENT ASSETS						
Debtors: amounts falling due within one year	14	7,420	-	2,360	9,780	138,872
Debtors: amounts falling due after more than one year	14	5,950	-	-	5,950	11,500
Investments	15	3,516,449	620,165	422,415	4,559,029	3,533,880
Cash at bank and in hand		<u>611,910</u>	<u>2,270,612</u>	<u>150,945</u>	<u>3,033,467</u>	<u>3,693,632</u>
		4,141,729	2,890,777	575,720	7,608,226	7,377,884
CREDITORS						
Amounts falling due within one year	16	<u>(253,490)</u>	<u>(39,646)</u>	<u>(3,492)</u>	<u>(296,628)</u>	<u>(452,480)</u>
NET CURRENT ASSETS		<u>3,888,239</u>	<u>2,851,131</u>	<u>572,228</u>	<u>7,311,598</u>	<u>6,925,404</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,179,453	5,957,640	1,124,373	13,261,466	13,054,579
PROVISIONS FOR LIABILITIES	18	<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>	<u>-</u>
NET ASSETS		<u>6,149,453</u>	<u>5,957,640</u>	<u>1,124,373</u>	<u>13,231,466</u>	<u>13,054,579</u>
FUNDS						
Unrestricted funds:						
General fund					4,676,837	3,654,164
Designated Fund					<u>1,472,616</u>	<u>1,432,884</u>
					6,149,453	5,087,048
Parochial funds					5,957,640	6,810,148
Restricted funds:						
Retired Priests Fund					676,250	729,775
Students Fund					<u>448,123</u>	<u>427,608</u>
					<u>1,124,373</u>	<u>1,157,383</u>
TOTAL FUNDS					13,231,466	13,054,579

The notes form part of these financial statements.

The Roman Catholic Diocese of Galloway

**Balance Sheet - continued
At 31 December 2017**

The financial statements were approved by the Board of Trustees on 05/05/2018..... and were signed on its behalf by:



Right Reverend William Nolan, Bishop of Galloway -Trustee

W. R. McFadden.....

Reverend William McFadden, Vicar General –Trustee

The notes form part of these financial statements.

The Roman Catholic Diocese of Galloway

Cash Flow Statement
for the Year Ended 31 December 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	(199,620)	(903)
Interest paid		<u>(38,277)</u>	<u>(27,809)</u>
Net cash provided by (used in) operating activities		<u>(237,897)</u>	<u>(28,712)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(31,584)	(260,219)
Write off of tangible fixed assets		128,200	-
Sale of fixed asset investments		-	175,000
Purchase of current asset investments		(1,870,209)	(1,905,133)
Disposal of current asset investments		905,073	1,351,358
Movement in cash held		428,788	(467,730)
Interest received		32,206	24,433
Dividends received		<u>162,996</u>	<u>119,783</u>
Net cash provided by (used in) investing activities		<u>(244,530)</u>	<u>(962,508)</u>
Cash flows from financing activities:			
New personal loans granted		(1,000)	-
Personal loans repaid		6,550	13,620
Personal loans written off		<u>-</u>	<u>20,231</u>
Net cash provided by (used in) financing activities		<u>5,550</u>	<u>33,851</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period	2	<u>3,294,457</u>	<u>4,251,826</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>2,817,580</u></u>	<u><u>3,294,457</u></u>

The Roman Catholic Diocese of Galloway

Notes to the Cash Flow Statement
for the Year Ended 31 December 2017

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

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	137,154	843,169
Adjustments for:		
Depreciation charges	122,422	98,120
Gain on investments	(336,023)	(341,663)
Interest received	(32,206)	(24,433)
Interest paid	38,277	27,809
Dividends received	(162,996)	(119,783)
Increase in provision	30,000	-
Donation of shares	(152,776)	(527,927)
Decrease in debtors	129,092	39,283
Increase in creditors	<u>27,436</u>	<u>4,522</u>
Net cash provided by (used in) operating activities	<u>(199,620)</u>	<u>(903)</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	3,533	2,464
Notice deposits (less than 3 months)	3,029,934	3,691,168
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(215,887)</u>	<u>(399,175)</u>
Total cash and cash equivalents	<u>2,817,580</u>	<u>3,294,457</u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements for the Year Ended 31 December 2017

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Parishes

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

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds

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

Charitable activities

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

Governance costs

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

Other resources expended

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

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.

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements - continued for the Year Ended 31 December 2017

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

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

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

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

Heritage Assets

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

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

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

Fixed asset investments

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

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

The charity maintains various types of funds as follows:

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

Designated funds are funds held in the Catholic National Endowment Trust No. 4 Account, CNET 4.

The investments held here have been purchased with sums set aside from income to provide the Diocese with a reserve fund which could be readily utilised at the Trustees' discretion.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. These include bank accounts and investment portfolios for the Retired Priests fund and the Students fund.

These funds are disclosed separately within the Statement of Financial Activities and the notes to the financial statements.

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

Going Concern

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

2. DONATIONS AND LEGACIES

	2017		2017	2017	2016
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial	Restricted	Total	Total
	£	£	£	£	£
Parish levies	307,015	-	-	307,015	300,706
Church collections	-	1,390,317	-	1,390,317	1,355,491
Donations	152,772	128,419	1,856	283,047	156,429
Covenants and tax repayments	2,447	166,114	-	168,561	235,684
Grants	-	-	-	-	3,930
Special collections	68,865	245,303	24,901	339,069	338,070
Bishop Hay Trust	13,386	-	-	13,386	-
Eyre trust	-	-	-	-	2,000
Bequests	5,000	93,226	-	98,226	714,098
Building fund collections	-	68,438	-	68,438	63,144
SCIAF boxes & donations	-	-	-	-	1,594
Jars of hope & church boxes	-	1,658	-	1,658	2,097
Mass stipends	-	8,734	-	8,734	11,062
Bishop's Conference	-	-	-	-	29,127
Whithorn bus	-	1,111	-	1,111	1,136
	<u>549,485</u>	<u>2,103,320</u>	<u>26,757</u>	<u>2,679,562</u>	<u>3,214,568</u>

3. OTHER TRADING ACTIVITIES

	2017		2017	2017	2016
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial	Restricted	Total	Total
	£	£	£	£	£
Social income	-	1,093	-	1,093	1,773
Hall & fundraising income	-	174,229	-	174,229	194,754
Church fundraising	-	112,543	-	112,543	127,614
	<u>-</u>	<u>287,865</u>	<u>-</u>	<u>287,865</u>	<u>324,141</u>

4. INVESTMENT INCOME

	2017		2017	2017	2016
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial	Restricted	Total	Total
	£	£	£	£	£
Income from investments	88,192	14,385	8,519	111,096	72,683
CNET 4 dividend disbursement	51,900	-	-	51,900	47,100
Interest receivable	1,686	89	582	2,357	8,491
Interest from parochial investments	-	29,849	-	29,849	15,942
	<u>141,778</u>	<u>44,323</u>	<u>9,101</u>	<u>195,202</u>	<u>144,216</u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

5. INCOME FROM CHARITABLE ACTIVITIES

Incoming Resources from Charitable Activities

	2017		2017	2017	2016
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial	Restricted	Total	Total
	£	£	£	£	£
Hospitals & schools chaplaincy	14,716	1,492	-	16,208	23,130
Primary RE income	4,641	-	-	4,641	4,638
Income from stalls, sale of candles	-	79,688	-	79,688	80,074
Rents	208	21,106	-	21,314	16,335
	<u>19,565</u>	<u>102,286</u>	<u>-</u>	<u>121,851</u>	<u>124,177</u>

Further Incoming Resources

	2017		2017	2017	2016
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial	Restricted	Total	Total
	£	£	£	£	£
CCIA membership award	-	-	-	-	7,500
Other income	295	37,794	118	38,207	62,032
Rebates & refunds	3,485	50,797	1,308	55,590	43,087
Insurance claims	-	260	-	260	-
Taggart bursary	-	-	-	-	972
Introduction of bank accounts	-	-	-	-	25,002
Canon Law Society reimbursement	12,046	-	-	12,046	11,854
Repayment of misappropriated funds	-	18,000	-	18,000	-
Priests' pension contributions	6,884	-	-	6,884	782
World Youth Day income	-	-	-	-	16,400
Pilgrimage Income	-	34,220	-	34,220	-
Youth income	3,732	-	-	3,732	6,735
	<u>26,442</u>	<u>141,071</u>	<u>1,426</u>	<u>168,939</u>	<u>174,364</u>

6. RAISING FUNDS

Investment management costs

	2017		2017	2017	2016
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial	Restricted	Total	Total
	£	£	£	£	£
Portfolio management fees	37,652	2,276	4,419	44,347	29,055

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

7. CHARITABLE ACTIVITIES COSTS

Administration Costs	2017		2017	2017	2016
	Unrestricted		Restricted	Total	Total
	Diocesan £	Parochial £	£	£	£
Priest salaries	-	53,541	-	53,541	58,056
Parish salaries	-	46,688	-	46,688	43,001
ER's National Insurance	10,450	-	-	10,450	10,234
National Commissions	75,374	-	-	75,374	72,214
Bishop's house expenses	4,543	-	-	4,543	2,341
Retired housekeepers & domestics fund	6,900	-	-	6,900	6,900
Pastoral office expenses	174,578	-	-	174,578	170,591
Supply costs	-	18,483	-	18,483	22,769
Other fees to religious charities	7,046	-	21,772	28,818	40,713
Courses and retreat expenses	17,976	41,976	465	60,417	19,899
Primary RE expenses	3,002	-	-	3,002	1,032
Post and stationery	7,317	86,183	-	93,500	83,380
Priest pension costs	6,049	-	-	6,049	6,685
Diocesan levy	-	307,015	-	307,015	300,706
Stall supplies	-	39,948	-	39,948	41,795
Donations	7,350	85,065	-	92,415	61,043
Telephone	3,585	31,332	333	35,250	35,954
Minibus hire	-	11,699	-	11,699	6,284
Parish development and education	-	4,105	-	4,105	3,779
Youth Fund expenses	4,989	-	-	4,989	9,124
Sundry expenses	22,009	48,428	1,805	72,242	109,278
Parish travel expenses	-	83,498	-	83,498	80,423
Bishop's salary	2,872	-	-	2,872	2,840
Bishop's travel expenses	6,619	-	-	6,619	7,254
Chaplaincy	2,880	-	-	2,880	4,680
Diocesan heat and light	6,577	-	-	6,577	6,950
Staff pension costs	34,730	-	-	34,730	4,238
Pilgrimage expenses	5,081	39,811	-	44,892	7,405
World Youth Day expenses	-	-	-	-	27,855
Galloway newsletters	6,155	-	-	6,155	9,143
IT costs	8,478	-	-	8,478	8,655
Funeral costs	-	-	3,963	3,963	-
Club expenses	-	14,466	-	14,466	19,050
Bad debt provision	-	-	-	-	26,659
Loss on disposal of fixed assets	-	128,200	-	128,200	-
Misappropriation of parish funds	-	18,000	-	18,000	-
Bank interest and charges	6,034	2,301	93	8,428	11,687
Depreciation					
Land and buildings	15,400	67,359	10,978	93,737	88,152
Improvements to property	14,499	-	10,537	25,036	7,706
Fixtures and fittings	2,027	269	-	2,296	892
Motor vehicles	-	50	-	50	67
Computer equipment	1,303	-	-	1,303	1,303
Governance costs					
Accountancy	-	-	-	-	22,900
Audit	13,000	-	-	13,000	12,000
Professional fees	2,631	14,046	-	16,677	23,523
	<u>479,454</u>	<u>1,142,463</u>	<u>49,946</u>	<u>1,671,863</u>	<u>1,479,340</u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

7. CHARITABLE ACTIVITIES COSTS - continued

Property Costs	2017		2017	2017	2016
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial			
	£	£	£	£	£
Insurances	4,746	101,043	2,030	107,819	109,288
General and water rates	2,784	49,388	3,449	55,621	59,398
Grounds and security costs	1,010	49,461	1,156	51,627	56,679
Equipment purchase for parishes	626	-	786	1,412	46,995
Other property expenses	6,396	389	3,385	10,170	38,313
Demolition costs	-	38,979	-	38,979	-
	<u>15,562</u>	<u>239,260</u>	<u>10,806</u>	<u>265,628</u>	<u>310,673</u>

Parish House Management	2017		2017	2017	2016
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial			
	£	£	£	£	£
Food and newspapers	-	73,796	-	73,796	78,986
Heat and light	-	63,926	-	63,926	74,980
Repairs and maintenance	-	139,283	-	139,283	101,423
Equipment purchase - parish houses	-	51,719	-	51,719	34,512
Cleaning materials and wages	-	65,801	-	65,801	60,805
	<u>-</u>	<u>394,525</u>	<u>-</u>	<u>394,525</u>	<u>350,706</u>

Church Management	2017		2017	2017	2016
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial			
	£	£	£	£	£
Heat and light	-	135,641	-	135,641	143,256
Routine costs	-	78,270	-	78,270	90,898
Cleaning materials and wages	-	13,166	-	13,166	9,614
Repairs and maintenance	-	352,493	-	352,493	288,287
Equipment purchase	-	61,063	-	61,063	40,653
Fundraising expenses	-	14,840	-	14,840	15,604
	<u>-</u>	<u>655,473</u>	<u>-</u>	<u>655,473</u>	<u>588,312</u>

Hall Management	2017		2017	2017	2016
	Unrestricted		Restricted	Total	Total
	Diocesan	Parochial			
	£	£	£	£	£
Heat and light	-	43,787	-	43,787	54,723
Cleaning materials and wages	-	15,052	-	15,052	14,333
Hall keeper	-	36,141	-	36,141	36,159
Repairs and maintenance	-	43,265	-	43,265	84,114
Equipment purchases	-	26,568	-	26,568	7,144
Fundraising expenses	-	27,433	-	27,433	37,616
	<u>-</u>	<u>192,246</u>	<u>-</u>	<u>192,246</u>	<u>234,089</u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

7. CHARITABLE ACTIVITIES COSTS - continued

Special Collections	2017		2017	2017	2016
	Unrestricted		Restricted	Total	Total
	Diocesan £	Parochial £	£	£	£
Special collections	<u>41,252</u>	<u>261,357</u>	<u>-</u>	<u>302,609</u>	<u>369,290</u>

Payments to Parishes	2017		2017	2017	2016
	Unrestricted		Restricted	Total	Total
	Diocesan £	Parochial £	£	£	£
Interest on parochial deposits	<u>29,849</u>	<u>-</u>	<u>-</u>	<u>29,849</u>	<u>15,492</u>

8. SUPPORT COSTS

Administration costs				Governance costs £	<u>29,678</u>
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9. OTHER

	2017		2017	2017	2016
	Unrestricted		Restricted	Total	Total
	Diocesan £	Parochial £	£	£	£
Students allowances & travel	-	-	23,247	23,247	21,728
Payments to retired priests	<u>6,360</u>	<u>-</u>	<u>66,144</u>	<u>72,504</u>	<u>80,825</u>
	<u>6,360</u>	<u>-</u>	<u>89,391</u>	<u>95,751</u>	<u>102,553</u>

The Roman Catholic Diocese of Galloway

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

10. TRUSTEES' REMUNERATION AND BENEFITS

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

	2017	2016
	£	£
Salaried Clergy		
The Right Reverend William Nolan - Bishop of Galloway	2,872	2,840
Canon Martin D. Poland - Trustee	2,872	2,840
The Reverend William R. McFadden - Vicar General	2,872	2,840
	<u>8,616</u>	<u>8,520</u>

Trustees' expenses

The Trustees benefitted from the following expenditure:

	2017	2016
	£	£
Travel	20,709	20,307
Housekeeping	9,620	10,702
Training	365	2,461
Accommodation - market value rent	16,400	16,400
Fuel - utilities	3,219	5,367
Housekeeper	7,167	7,432
Council Tax	3,912	4,191
Telephone	150	150
	<u>61,542</u>	<u>67,010</u>

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

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

11. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Salaries and wages	203,213	205,147
Social security costs	13,450	13,234
Pension costs	34,730	4,238
	<u>251,393</u>	<u>222,619</u>

Staff costs relate to curial staff, staff at parishes and staff employed in Diocesan related activities.

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

	2017	2016
Head count		
Diocesan - Finance	2	1
Diocesan - Administration	3	5
Diocesan - Estates	1	1
Parochial	34	34
	<u>40</u>	<u>41</u>

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

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

12. TANGIBLE FIXED ASSETS

	Freehold property £	Improvement to property £	Fixtures and fittings £
COST			
At 1 January 2017	4,854,813	100,375	17,957
Additions	-	31,584	-
Disposals	(130,000)	-	-
At 31 December 2017	<u>4,724,813</u>	<u>131,959</u>	<u>17,957</u>
DEPRECIATION			
At 1 January 2017	267,484	8,482	6,476
Charge for year	93,736	25,037	2,297
Eliminated on disposal	(1,800)	-	-
At 31 December 2017	<u>359,420</u>	<u>33,519</u>	<u>8,773</u>
NET BOOK VALUE			
At 31 December 2017	<u>4,365,393</u>	<u>98,440</u>	<u>9,184</u>
At 31 December 2016	<u>4,587,329</u>	<u>91,893</u>	<u>11,481</u>
	Motor vehicles	Computer equipment	Totals
	£	£	£
COST			
At 1 January 2017	2,000	13,433	4,988,578
Additions	-	-	31,584
Disposals	-	-	(130,000)
At 31 December 2017	<u>2,000</u>	<u>13,433</u>	<u>4,890,162</u>
DEPRECIATION			
At 1 January 2017	1,800	8,045	292,287
Charge for year	50	1,303	122,423
Eliminated on disposal	-	-	(1,800)
At 31 December 2017	<u>1,850</u>	<u>9,348</u>	<u>412,910</u>
NET BOOK VALUE			
At 31 December 2017	<u>150</u>	<u>4,085</u>	<u>4,477,252</u>
At 31 December 2016	<u>200</u>	<u>5,388</u>	<u>4,696,291</u>

Included in cost or valuation of land and buildings is freehold land of £38,000 (2016 - £38,000)

The Roman Catholic Diocese of Galloway

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

12. TANGIBLE FIXED ASSETS - continued

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

	2017	2016
	£	£
Cost	<u>4,682,848</u>	<u>4,812,848</u>
Aggregate depreciation	<u>679,661</u>	<u>587,725</u>

Freehold land and buildings were revalued on 1st December 2013 on an open market basis by the Diocesan Estates Manager.

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2017	1,432,884
Revaluations	<u>39,732</u>
At 31 December 2017	<u>1,472,616</u>
 NET BOOK VALUE	
At 31 December 2017	<u>1,472,616</u>
At 31 December 2016	<u>1,432,884</u>

All investments are listed UK securities.

There are no investments held at 31st December 2017 which are over 5% of the total market value of the portfolio.

National Contingency Investment Fund

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

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

	2017	2016
	£	£
Cost of diocesan share at 31st December 2017	<u>568,408</u>	<u>568,408</u>

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

As at 31st December 2017, the Diocese of Galloway holds 7.78% share of the total value of the investment. The financial statements to 31st December 2017 include the sum of £51,900 received from this source. The investment is available on demand.

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

14. DEBTORS

	2017 £	2016 £
Amounts falling due within one year:		
Prepayments and accrued income	<u>9,780</u>	<u>138,872</u>
Amounts falling due after more than one year:		
Personal loans	<u>5,950</u>	<u>11,500</u>
Aggregate amounts	<u>15,730</u>	<u>150,372</u>

15. CURRENT ASSET INVESTMENTS

	2017 £	2016 £
Listed investments	3,868,800	2,432,800
Parochial investments	610,640	592,703
Cash funds held	<u>79,589</u>	<u>508,377</u>
	<u>4,559,029</u>	<u>3,533,880</u>

	2017 Cost £	2017 Market Value £	2016 Cost £	2016 Market Value £
Roman Catholic Diocese of Galloway	<u>3,079,466</u>	<u>3,447,465</u>	<u>1,836,407</u>	<u>2,121,430</u>
TOTAL GENERAL FUNDS	<u>3,079,466</u>	<u>3,447,465</u>	<u>1,836,407</u>	<u>2,121,430</u>
Parochial Funds	<u>507,731</u>	<u>610,640</u>	<u>552,695</u>	<u>592,703</u>
TOTAL PAROCHIAL FUNDS	<u>507,731</u>	<u>610,640</u>	<u>552,695</u>	<u>592,703</u>
Students Fund	<u>365,217</u>	<u>421,335</u>	<u>262,555</u>	<u>311,370</u>
TOTAL RESTRICTED FUNDS	<u>365,217</u>	<u>421,335</u>	<u>262,555</u>	<u>311,370</u>
TOTAL INVESTMENTS	<u>3,952,414</u>	<u>4,479,440</u>	<u>2,651,657</u>	<u>3,025,503</u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

15. CURRENT ASSET INVESTMENTS - continued

GENERAL FUNDS

	GENERAL Investment	FUND Cash	Funds c/fwd
Opening market value	2,121,430	361,403	2,482,833
Dividends received	-	87,821	87,821
Funds transferred from Diocese	-	673,999	673,999
Transfer of donated shares	152,776	-	152,776
Dividends transferred to bank	-	(95,845)	(95,845)
Portfolio management fees	-	(31,793)	(31,793)
Purchases	1,668,619	(1,668,619)	-
Disposals	(742,018)	742,018	-
(Loss)/gain on disposal	15,372	-	15,372
Unrealised gain/(loss) on revaluations	231,286	-	231,286
	<u>3,447,465</u>	<u>68,984</u>	<u>3,516,449</u>
Closing market value			

PAROCHIAL FUNDS

	PAROCHIAL Investment	FUND Cash	Funds c/fwd
Opening market value	592,703	133,576	726,279
Dividends received	-	14,022	14,022
Transfer to parish	-	(175,000)	(175,000)
Portfolio management fees	-	(2,276)	(2,276)
Purchases	31,671	(31,671)	-
Disposals	(70,874)	70,874	-
(Loss)/gain on disposal	(672)	-	(672)
Unrealised gain/(loss) on revaluation	57,812	-	57,812
	<u>610,640</u>	<u>9,525</u>	<u>620,165</u>
Closing market value			

RESTRICTED FUNDS

	STUDENTS Investment £	FUND Cash £	Funds c/fwd £
Opening market value	311,370	13,398	324,768
Dividends received	-	8,518	8,518
Funds transferred from Diocese	-	70,000	70,000
Dividends transferred to bank	-	(9,348)	(9,348)
Portfolio management fees	-	(3,752)	(3,752)
Purchases	169,917	(169,917)	-
Disposals	(92,181)	92,181	-
(Loss)/gain on disposal	3,162	-	3,162
Unrealised gain/(loss) on revaluation	29,067	-	29,067
	<u>421,335</u>	<u>1,080</u>	<u>422,415</u>
Closing market value			

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

15. CURRENT ASSET INVESTMENTS - continued

TOTAL FUNDS	TOTAL Investment £	FUNDS Cash £	Funds c/fwd £
Opening market value	3,025,503	508,377	3,533,880
Dividends received	-	110,361	110,361
Funds transferred from Diocese	-	743,999	743,999
Transfer of donated shares	152,776	-	152,776
Transfer to parish	-	(175,000)	(175,000)
Dividends transferred to bank	-	(105,193)	(105,193)
Portfolio management fees	-	(37,821)	(37,821)
Purchases	1,870,207	(1,870,207)	-
Disposals	(905,073)	905,073	-
(Loss)/gain on disposal	17,862	-	17,862
Unrealised gain/(loss) on revaluation	318,165	-	318,165
Closing market value	<u>4,479,440</u>	<u>79,589</u>	<u>4,559,029</u>

LISTED INVESTMENTS - GENERAL AND RESTRICTED FUNDS

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

	Market Value £
Cash and short maturity bonds	108,480
Developed government bonds	129,659
Investment grade bonds	187,331
High yield emerging markets bonds	235,173
Developed market equities	2,879,340
Emerging market equities	432,941
Alternative	371,873
Other	214,232
	<u>4,559,029</u>

All of the funds within the portfolios are in listed investments. There are no investments held at 31st December 2017 which are over 5% of the total market value of the combined portfolios.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Bank loans and overdrafts (see note 17)	215,887	399,175
Social security and other taxes	2,003	4,679
Accrued expenses	<u>78,738</u>	<u>48,626</u>
	<u>296,628</u>	<u>452,480</u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

17. LOANS

An analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year on demand:		
Bank overdrafts	<u>215,887</u>	<u>399,175</u>

18. PROVISIONS FOR LIABILITIES

	2017 £	2016 £
Provisions	<u>30,000</u>	<u>-</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 had not previously been accounted for.

Retirement provision	£
Balance at 1 January 2017	-
Arising during the year	30,000
Reversed unutilised during the year	-
Utilised during the year	-
Balance at 31 December 2017	<u><u>30,000</u></u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

19. MOVEMENT IN FUNDS

	At 1.1.17 £	Net movement in funds £	Transfers between funds £	At 31.12.17 £
Diocesan funds				
General fund	3,654,164	321,903	700,770	4,676,837
Designated Fund	1,432,884	91,632	(51,900)	1,472,616
	<u>5,087,048</u>	<u>413,535</u>	<u>648,870</u>	<u>6,149,453</u>
Parochial funds				
St Margaret's, Ayr	246,510	2,562	(3,218)	245,854
St Paul's, Ayr	115,165	4,077	(61,853)	57,389
St Columba's, Annan & St Francis, Langholm	139,300	(2,493)	(1,156)	135,651
St Peter in Chains, Ardrossan	302,329	1,280	(53,590)	250,019
Our Lady of Lourdes & St Patrick, Auchinleck	193,132	14,453	1,709	209,294
Our Lady of Perpetual Succour, Beith	20,990	5,436	1,011	27,437
St John the Evangelist, Cumnock	252,576	(1,964)	(1,094)	249,518
St Peter's, Dalbeattie	71,326	121	(30,926)	40,521
St Palladius, Dalry	35,984	(10,308)	(22)	25,654
St Clare's, Drongan	389	492	(24)	857
St Andrew's, Dumfries	311,502	60,912	10,541	382,955
St Teresa's, Dumfries	288,466	(21,255)	(1,511)	265,700
St Sophia's, Galston	78,674	7,975	(1,117)	85,532
The Sacred Heart of Jesus & Mary, Girvan	182,224	15,795	(16,505)	181,514
St Paul's, Hurlford	217,936	7,901	(5,040)	220,797
St John Ogilvie, Irvine	10,070	2,536	(2,815)	9,791
St Mary's, Irvine	240,616	27,792	(49,532)	218,876
St Brigid's, Kilbirnie	241,751	10,953	(81,108)	171,596
St Joseph's, Kilmarnock	139,095	(110,741)	45,421	73,775
St Matthew's, Kilmarnock	79,624	(3,574)	6,042	82,092
St Michael's, Kilmarnock	72,848	(32,743)	(40,105)	-
Our Lady of Mount Carmel, Kilmarnock	132,215	1,315	(828)	132,702
St Winin's, Kilwinning	191,638	(1,867)	(304)	189,467
St Andrew's & St Cuthbert's, Kirkcudbright	100,476	21,232	(41,437)	80,271
St Mary, Star of the Sea, Largs	1,270,822	(113,431)	3,526	1,160,917
Holy Trinity, Lockerbie	204,444	(13,244)	(809)	190,391
Our Lady & St Cuthbert, Maybole	30,745	12,679	(179)	43,245
Our Lady of Perpetual Succour, Millport	4,149	(5,675)	9,892	8,366
St Luke's, Moffat	32,736	(2,931)	(644)	29,161
St Ann's, Mossblown	15,184	(4,284)	(529)	10,371
St Thomas Apostle, Muirkirk	31,800	7,429	(827)	38,402
Our Lady of St Ninian, Newton Stewart	164,265	21,168	(430)	185,003
St Quivox, Prestwick	338,902	(17,211)	(2,240)	319,451
Our Lady Star of the Sea, Saltcoats	201,854	(122,287)	(1,639)	77,928
St John's, Stevenston	148,893	11,599	(68,796)	91,696
Our Lady & St John's, Stewarton	2,955	(2,462)	17	510
St Joseph's, Stranraer	21,443	75,443	(1,046)	95,840
Our Lady of the Assumption & St Meddan's, Troon	506,458	5,851	(308,338)	203,971
St Francis Xavier, Waterside	14,224	(2,618)	(196)	11,410
St Bride's, West Kilbride	156,438	(1,512)	(1,210)	153,716
	<u>6,810,148</u>	<u>(151,599)</u>	<u>(700,909)</u>	<u>5,957,640</u>
Restricted funds				
Retired Priests Fund	729,775	(105,423)	51,898	676,250
Students Fund	427,608	20,374	141	448,123
	<u>1,157,383</u>	<u>(85,049)</u>	<u>52,039</u>	<u>1,124,373</u>
TOTAL FUNDS	<u>13,054,579</u>	<u>176,887</u>	<u>-</u>	<u>13,231,466</u>

The Roman Catholic Diocese of Galloway

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

19. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Diocesan funds				
General fund	685,372	(610,127)	246,658	321,903
Designated Fund	51,899	-	39,733	91,632
	<u>737,271</u>	<u>(610,127)</u>	<u>286,391</u>	<u>413,535</u>
Parochial funds				
St Margaret's, Ayr	143,998	(141,436)	-	2,562
St Paul's, Ayr	84,366	(80,289)	-	4,077
St Columba's, Annan & St Francis, Langholm	36,373	(38,866)	-	(2,493)
St Peter in Chains, Ardrossan	149,290	(148,010)	-	1,280
Our Lady of Lourdes & St Patrick, Auchinleck	47,559	(33,106)	-	14,453
Our Lady of Perpetual Succour, Beith	22,283	(16,847)	-	5,436
St John the Evangelist, Cumnock	70,713	(72,677)	-	(1,964)
St Peter's, Dalbeattie	33,548	(33,427)	-	121
St Palladius, Dalry	36,144	(46,452)	-	(10,308)
St Clare's, Drongan	9,009	(8,517)	-	492
St Andrew's, Dumfries	170,177	(109,265)	-	60,912
St Teresa's, Dumfries	136,884	(158,139)	-	(21,255)
St Sophia's, Galston	30,999	(23,024)	-	7,975
The Sacred Heart of Jesus & Mary, Girvan	63,210	(47,415)	-	15,795
St Paul's, Hurlford	35,248	(27,347)	-	7,901
St John Ogilvie, Irvine	65,965	(63,429)	-	2,536
St Mary's, Irvine	118,192	(109,847)	19,447	27,792
St Brigid's, Kilbirnie	41,621	(30,668)	-	10,953
St Joseph's, Kilmarnock	147,471	(258,212)	-	(110,741)
St Matthew's, Kilmarnock	65,701	(69,275)	-	(3,574)
St Michael's, Kilmarnock	11,735	(44,478)	-	(32,743)
Our Lady of Mount Carmel, Kilmarnock	49,570	(48,255)	-	1,315
St Winin's, Kilwinning	64,802	(66,669)	-	(1,867)
St Andrew's & St Cuthbert's, Kirkcudbright	83,201	(61,969)	-	21,232
St Mary, Star of the Sea, Largs	141,295	(292,418)	37,692	(113,431)
Holy Trinity, Lockerbie	20,450	(33,694)	-	(13,244)
Our Lady & St Cuthbert, Maybole	42,088	(29,409)	-	12,679
Our Lady of Perpetual Succour, Millport	15,788	(21,463)	-	(5,675)
St Luke's, Moffat	9,441	(12,372)	-	(2,931)
St Ann's, Mossblown	16,718	(21,002)	-	(4,284)
St Thomas Apostle, Muirkirk	43,932	(36,503)	-	7,429
Our Lady of St Ninian, Newton Stewart	61,979	(40,811)	-	21,168
St Quivox, Prestwick	76,981	(94,192)	-	(17,211)
Our Lady Star of the Sea, Saltcoats	136,450	(258,737)	-	(122,287)
St John's, Stevenston	86,230	(74,631)	-	11,599
Our Lady & St John's, Stewarton	2,252	(4,714)	-	(2,462)
St Joseph's, Stranraer	137,788	(62,345)	-	75,443
Our Lady of the Assumption & St Meddan's, Troon	123,880	(118,029)	-	5,851
St Francis Xavier, Waterside	13,582	(16,200)	-	(2,618)
St Bride's, West Kilbride	31,951	(33,463)	-	(1,512)
	<u>2,678,864</u>	<u>(2,887,602)</u>	<u>57,139</u>	<u>(151,599)</u>
Restricted funds				
Retired Priests Fund	21,436	(126,859)	-	(105,423)
Students Fund	15,848	(27,703)	32,229	20,374
	<u>37,284</u>	<u>(154,562)</u>	<u>32,229</u>	<u>(85,049)</u>
TOTAL FUNDS	<u>3,453,419</u>	<u>(3,652,291)</u>	<u>375,759</u>	<u>176,887</u>

The Roman Catholic Diocese of Galloway

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

19. MOVEMENT IN FUNDS - continued

Purpose of Designated Funds

National Contingency Fund

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

Purpose of Restricted Funds

Retired Priests

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

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

Students Fund

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

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

Transfers between funds

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

	General Funds	Parochial Funds	Restricted Funds
	£	£	£
Transfer of CNET dividend disbursement	(51,900)	-	51,900
Parish loans repaid and deposits made	669,998	(669,998)	-
Parish loans and withdrawals made in year	(11,000)	11,000	-
Gift aid transfer	(3,650)	1,654	1,996
Levies paid by parishes during year	318,777	(318,777)	-
Levies due by parishes at year end	(307,015)	307,015	-
Course fees repaid and contras	(6,669)	8,526	(1,857)
Interest charged on parish deposits	29,849	(29,849)	-
Youth fund contributions from parish	10,480	(10,480)	-
	<u>648,870</u>	<u>(700,909)</u>	<u>52,039</u>

The Roman Catholic Diocese of Galloway

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

20. RELATED PARTY TRANSACTIONS

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

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

During 2017, the following transactions took place with related parties:

- Bishop's Conference of Scotland: monies received £65,286 monies paid £103,686.73
- The Pontifical Scots College, Rome: monies paid £20,375
- SCIAF: monies paid £13,054
- SPRED Galloway: monies paid £18,222

The Roman Catholic Diocese of Galloway

Detailed Statement of Financial Activities
for the Year Ended 31 December 2017

	Diocesan funds £	Parochial funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
INCOME AND ENDOWMENTS					
Donations and legacies					
Parish levies	307,015	-	-	307,015	300,706
Church collections	-	1,390,314	-	1,390,314	1,355,491
Donations	152,772	128,423	1,856	283,051	156,429
Covenants and tax repayments	2,447	166,112	-	168,559	235,684
Grants	-	-	-	-	3,930
Special collections	68,865	245,303	24,901	339,069	338,070
Bishop Hay trust	13,386	-	-	13,386	-
Eyre trust	-	-	-	-	2,000
Bequests	5,000	93,226	-	98,226	714,098
Building fund collections	-	68,439	-	68,439	63,144
SCIAF boxes & donations	-	-	-	-	1,594
Jars of hope & church boxes	-	1,658	-	1,658	2,097
Mass stipends	-	8,734	-	8,734	11,062
Bishops Conference	-	-	-	-	29,127
Minibus income	-	1,111	-	1,111	1,136
	<u>549,485</u>	<u>2,103,320</u>	<u>26,757</u>	<u>2,679,562</u>	<u>3,214,568</u>
Other trading activities					
Social income	-	1,093	-	1,093	1,773
Hall & fundraising income	-	174,226	-	174,226	194,754
Church fundraising	-	112,546	-	112,546	127,614
	-	<u>287,865</u>	-	<u>287,865</u>	<u>324,141</u>
Investment income					
Income from investments	88,192	14,383	8,518	111,093	72,683
CNET 4 dividend disbursement	51,900	-	-	51,900	47,100
Interest receivable	1,686	89	583	2,358	8,491
Interest from parochial investments	-	29,851	-	29,851	15,942
	<u>141,778</u>	<u>44,323</u>	<u>9,101</u>	<u>195,202</u>	<u>144,216</u>
Charitable activities					
Hospitals & schools chaplaincy	14,717	1,492	-	16,209	23,130
Primary RE Income	4,641	-	-	4,641	4,638
Income from stalls, sale of candles	-	79,688	-	79,688	80,074
Rents	208	21,105	-	21,313	16,335
Other income	295	37,793	118	38,206	62,031
Rebates & refunds	3,485	50,799	1,308	55,592	43,087
Taggart bursary	-	-	-	-	972
Insurance claims	-	260	-	260	-
Introduction of bank accounts	-	-	-	-	25,002
Canon Law Society reimbursement	12,046	-	-	12,046	11,854
Carried forward	35,392	191,137	1,426	227,955	267,123

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The Roman Catholic Diocese of Galloway

Detailed Statement of Financial Activities
for the Year Ended 31 December 2017

	Diocesan funds £	Parochial funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Charitable activities					
Brought forward	35,392	191,137	1,426	227,955	267,123
Repayment of misappropriated funds	-	18,000	-	18,000	-
Priests' Pension contributions	6,884	-	-	6,884	782
World Youth Day income	-	-	-	-	16,401
Property insurance uplift	-	-	-	-	7,500
Pilgrimage income	-	34,219	-	34,219	-
Youth income	3,732	-	-	3,732	6,735
	<u>46,008</u>	<u>243,356</u>	<u>1,426</u>	<u>290,790</u>	<u>298,541</u>
Total incoming resources	737,271	2,678,864	37,284	3,453,419	3,981,466
EXPENDITURE					
Investment management costs					
Portfolio management fees	37,652	2,276	4,419	44,347	29,055
Charitable activities					
Priests salaries	-	53,542	-	53,542	58,056
Parish salaries	-	46,688	-	46,688	43,001
ER's National Insurance	10,450	-	-	10,450	10,234
National commissions	75,374	-	-	75,374	72,214
Bishop's house expenses	4,543	-	-	4,543	2,341
Retired housekeeper & domestics fund	6,900	-	-	6,900	6,900
Pastoral office expenses	174,573	-	-	174,573	170,591
Church supplies	-	18,483	-	18,483	22,769
Other fees to religious	7,046	-	21,772	28,818	40,713
Courses and retreat expenses	17,976	41,978	465	60,419	19,899
Primary RE expenses	3,002	-	-	3,002	1,032
Post & stationery	7,317	86,179	-	93,496	83,380
Priests pension costs	6,049	-	-	6,049	6,685
Diocesan levy	-	307,015	-	307,015	300,706
Stall supplies etc	-	39,946	-	39,946	41,795
Donations	7,350	85,065	-	92,415	61,043
Telephone	3,585	31,335	333	35,253	35,954
Minibus hire	-	11,699	-	11,699	6,284
Parish development & education	-	4,104	-	4,104	3,779
Demolition costs	-	38,979	-	38,979	-
Youth fund expenses	4,989	-	-	4,989	9,124
Sundry expenses	22,010	48,428	1,805	72,243	109,278
Property costs	15,563	200,280	10,806	226,649	310,673
Parish house management	-	394,525	-	394,525	350,706
Church management	-	655,473	-	655,473	588,312
Hall management	-	192,246	-	192,246	234,089
Special collection disbursement	41,253	261,356	-	302,609	369,290
Interest on parochial deposits	29,849	-	-	29,849	15,942
Carried forward	437,829	2,517,321	35,181	2,990,331	2,974,790

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The Roman Catholic Diocese of Galloway

Detailed Statement of Financial Activities
for the Year Ended 31 December 2017

	Diocesan funds £	Parochial funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Charitable activities					
Brought forward	437,829	2,517,321	35,181	2,990,331	2,974,790
Parish travel expenses	-	83,501	-	83,501	80,423
Bishop's Salary	2,872	-	-	2,872	2,840
Chaplaincy	2,880	-	-	2,880	4,680
Diocese Heat & light	6,577	-	-	6,577	6,950
Staff pension costs	34,730	-	-	34,730	4,238
Pilgrimage expenses	5,081	39,811	-	44,892	7,405
World Youth Day expenses	-	-	-	-	27,855
Galloway newsletters	6,155	-	-	6,155	9,143
IT costs	8,478	-	-	8,478	8,655
Funeral expenses	-	-	3,963	3,963	-
Club expenses	-	14,466	-	14,466	19,050
Misappropriation of parish funds	-	18,000	-	18,000	-
Bishop's Travel Expenses	6,619	-	-	6,619	7,254
loans	-	-	-	-	26,659
Profit / loss on sale of fixed assets	-	128,200	-	128,200	-
Depreciation of freehold property	15,400	67,359	10,978	93,737	88,152
Depreciation of improvements to property	14,499	-	10,537	25,036	7,706
Depreciation of fixtures and fittings	2,027	269	-	2,296	892
Depreciation of motor vehicles	-	50	-	50	67
Depreciation of computer equipment	1,303	-	-	1,303	1,303
Bank interest & charges	6,034	2,302	93	8,429	11,867
	550,484	2,871,279	60,752	3,482,515	3,289,929
Other					
Students allowances & travel	-	-	2,872	2,872	1,405
Fees in respect of retired priests	6,360	-	66,144	72,504	80,825
Fees in respect of Students	-	-	20,375	20,375	20,323
	6,360	-	89,391	95,751	102,553
Support costs					
Governance costs					
Auditors' remuneration	13,000	-	-	13,000	12,000
Accountancy	-	-	-	-	22,900
Legal and professional fees	2,631	14,047	-	16,678	23,523
	15,631	14,047	-	29,678	58,423
Total resources expended	610,127	2,887,602	154,562	3,652,291	3,479,960
Net (expenditure)/income before gains and losses	127,144	(208,738)	(117,278)	(198,872)	501,506
Realised recognised gains and losses					
Recognised gains/(losses) on current asset investments	15,372	(672)	3,162	17,862	6,835
Net (expenditure)/income	142,516	(209,410)	(114,116)	(181,010)	508,341

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