

ARCHDIOCESE OF GLASGOW
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Scottish Charity Registration No SC018140

ARCHDIOCESE OF GLASGOW
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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ARCHDIOCESE OF GLASGOW

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 MARCH 2022

Name of Charity: Archdiocese of Glasgow

Charity Number: SC018140

Principal Office: 196 Clyde Street
Glasgow
G1 4JY

Trustees: Most Rev William Nolan – Archbishop (appointed 26th of Feb 2022)
Very Rev Monsignor Hugh Bradley – Diocesan Administrator
Very Rev Peter M Canon Gallacher
Very Rev Monsignor John A Hughes
Very Rev Monsignor Paul G Murray (appointed 1ST August 2021)

Senior Officers: Chancellor – Very Rev Monsignor Paul G Murray
Vice-Chancellor – Very Rev Paul Canon Gargaro
Director of the New Evangelisation – Very Rev Gerard J Canon Conroy
Director of Religious Education Department – Very Rev Anthony Canon Gallagher
Director of Youth Ministry – Very Rev Gerard Canon Tartaglia
Director of Finance – Mr Mark Dempsey
Director of Development – Mr Kenneth Crilley
Director of Communications – Mr Ronald P Convery
Director of Safeguarding – Mrs Caterina O'Connor

Solicitors: McSparran McCormick
Waterloo Chambers
19 Waterloo Street
Glasgow
G2 6AH

Auditor: Henderson Loggie LLP
11-15 Thistle Street
Edinburgh
EH2 1DF

Website: www.rcag.org.uk

ARCHDIOCESE OF GLASGOW

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

INTRODUCTION

The Trustees of the Archdiocese of Glasgow ("the Archdiocese") present their report together with the Financial Statements for the year ended 31 March 2022.

Scope of the financial statements

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

- *Archdiocese of Glasgow Curial Funds*
Curial Funds are used to support the Archbishop in providing diocesan services and pastoral care and to meet the costs of the central administration.
- *Parochial Funds*
The 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

The Archdiocese of Glasgow was established by the Apostolic Letter Ex Supremo of Pope Leo X111 dated 4 March 1878, restoring the Catholic Hierarchy in Scotland, which had been extinct since 1603.

The Most Reverend William Nolan was appointed as the Archbishop of the Archdiocese of Glasgow on the 26th of February 2022. Prior to his appointment the Very Reverend Monsignor Hugh Bradley had been responsible for ensuring the good governance of the Catholic Church within the Archdiocese in the role of Diocesan Administrator.

The Archdiocese has charitable status and is a Designated Religious Charity under the Charities and Trustee Investment (Scotland) Act 2005. The charity is registered in Scotland with charity number SC018140.

The Archdiocese currently comprises nine deaneries, covering eighty-nine parishes in and around the City of Glasgow and includes Dumbarton and Clydebank in the west, Cumbernauld in the east, Bearsden and Milngavie in the north and Balloch and Arrochar in the west.

Constitution and governance

The Archdiocese is legally constituted as a Trust with The Central Funds Trust Deed dated 1934 governing the majority of the Archdiocese's moveable property and any other assets not comprising land and buildings. Heritable properties, comprising land and buildings, and the majority of the heritable titles are held in the names of the Trustees.

The Archdiocese is normally governed by the Archbishop and the Trustees (listed on page 1), being the Vicar General and such other person as the Archbishop may from time to time, in his sole discretion, appoint on such terms and for such duration as he sees fit.

There are three bodies prescribed by Canon Law as the principal advisory bodies to the Archbishop:

- The Council of Priests
- The College of Consultors derived from the members of the Council of Priests.
- The Finance Council, which is made up of the Trustees and lay advisers.

Management

ARCHDIOCESE OF GLASGOW

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 MARCH 2022

Day to day administration of the Curial funds is carried out by the senior officers listed on page 1 (and their staff) who report to the Trustees and appropriate committees.

Administration of 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.

The Trustees maintain a formal risk register which identifies the type of risk faced by the charity, the likelihood of its occurrence, the potential impact on the Archdiocese and the means of mitigation. The risk register will continue to be reviewed and revised by the Finance Council. The risks identified include falling attendance, reducing numbers of priests, repair and maintenance of churches and presbyteries including listed buildings.

Trustee's Responsibilities Statement

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. The requirements of OSCR and the Statement of Recommended Practice: Accounting and Reporting by Charities (the "SORP") FRS 102 in conjunction with the requirements of Canon Law, continue to form the basis for the financial controls and governance of the Archdiocese.

ARCHDIOCESE OF GLASGOW

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES

The Church

The charitable objectives of the Archdiocese of Glasgow are defined in civil law in the Deeds of Declaration of Trust and are as follows:

- The advancement of the Roman Catholic religion.
- The advancement of education.
- The relief of poverty.
- The cure or alleviation of sickness or disease.

The Archdiocese of Glasgow has the Church's mission as its first objective and seeks to fulfil it and all its objectives by the provision and support of various activities relating to pastoral care and assistance. The objectives are achieved principally through its parishes but also through various Catholic organisations and societies within the Archdiocese.

The diocesan activities include areas such as support and guidance for clergy in parishes, support for retired clergy, education of students for the priesthood and permanent diaconate, religious education, youth, financial support for national organisations through the Bishops' Conference of Scotland, chaplaincies, universities and ecumenical initiatives. The Curial Office of the Archdiocese covers the functions of chancery, diocesan archives, communications department, safeguarding, approval of Catholic teachers as well as provision of estates, financial and personnel advice to parishes.

Parish Life

The Archdiocese principally carries out its pastoral activities through its parishes. A parish is the community of the Christian faithful in a local area within the Archdiocese, under the care of a parish priest, sometimes aided by an assistant priest or permanent deacon. It is in our parishes that the Archdiocese really lives out her mission.

Education

Parishes work closely with Catholic schools to deliver on-going religious education programmes and chaplaincy work and to support pre-sacramental catechesis.

Charity

Traditionally the Catholic Church has a strong focus on corporal works of mercy, and again it is in parishes that the Archdiocese lives out these works. Parishes, and especially the parish St Vincent de Paul Societies, help the poor and homeless with practical assistance, run food banks and soup kitchens, buy Christmas presents for the disadvantaged, and offer opportunities for the lonely to find companionship in social activities organised according to the needs of the local community.

ACHIEVEMENTS AND PERFORMANCE

Full details of the activities of the Church are to be found in the Trustees' Reports of each entity's Financial Statements for the year ended 31 March 2022.

FINANCIAL REVIEW

The financial statements are prepared in accordance with the legislation governing the reporting of charities in 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 application in the UK and Republic of Ireland (FRS 102).

ARCHDIOCESE OF GLASGOW

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 MARCH 2022

The Trustees report a surplus for the year of £5,947,997 (2021: £219,664) and net current assets of £8,759,058 at 31 March 2022 (2021 £7,459,337). The result for 2021 included the loss of control of the Mungo Foundation of £2,224,099.

Surplus

The surplus of £5,947,998 comprises:

| | Diocesan Activities £ | Faith into Action £ | Parochial Activities £ | Total £ |
|--|-----------------------------|---------------------------|------------------------------|------------|
| Operating (deficit)/surplus | (671,345) | (61,042) | 858,410 | 126,023 |
| Gains/(Losses) on assets and investments | 2,180,481 | 451,934 | 3,189,559 | 5,821,974 |
| Net movement in funds for year | 1,509,136 | 390,892 | 4,047,969 | 5,947,997 |

The main source of income for the Archdiocese is from the parishes through an annual levy and Special Collections for particular purposes. In the year under review, £992,982 (2021 £648,848) was raised in levy and a further £137,021 (2021 £84,391) was contributed through Special Collections. As the levy and the Special Collections are *intra* the charity, i.e., between the diocese and the parishes, they are included in the "Transfers between Funds" line of the Statement of Financial Activities.

Faith Into Action

The *Faith Into Action* investment portfolio, which was the legacy of funds raised between 2004 and 2009 for the purposes of Parish Life, Support of the Clergy and the refurbishment of St Andrew's Cathedral, was valued at £6,175,266 at 31 March 2022 (2021: £6,356,576). During the year, the portfolio produced £122,834 of dividends, net of stockbroker's fees, £183,876 was distributed for the first two purposes mentioned above; the share for St Andrew's Cathedral was withdrawn having met its purpose in 2011.

Parish Collections

Over £353,739 was donated by the parishioners of the Archdiocese of Glasgow to diocesan and non-diocesan special collections during 2021/22. The diocesan special collections are included as income in the Statement of Financial Activities (page 16) and the remainder accounted for through the Balance Sheet as the Archdiocese and its parishes are acting as agents in the collection of these funds.

Donations to the Archdiocese through the various diocesan collections are in line with the previous year.

The Trustees gratefully acknowledge the consistent and generous level of these collections by the Catholic community.

Investments

The investments of the Archdiocese include:

- a portfolio of diverse stocks and shares of £477,726 at 31 March 2022 (2021: £471,508),
- an investment portfolio established in 2007 with donations to *Faith into Action* which was valued at £6,175,266 (2021: £6,356,576) at the end of the financial year,
- a portfolio for parishes wishing to invest surplus funds which was valued at £1,408,482 at 31 March 2022 (2021: £1,351,555),
- an investment portfolio set up during 2010/11 from the transfer of assets of two Trusts for the purposes of the upkeep and maintenance of active and retired Archbishops of Glasgow, valued at £1,273,627 at 31 March 2022 (2021: £1,289,021) and

ARCHDIOCESE OF GLASGOW

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 MARCH 2022

- a 38.1% share (2021 39.5%) in the Catholic National Endowment Trust No 4 Provision for Future Contingencies (hereafter referred to as the National Contingency Fund) amounting to £10,374,779 at the end of the financial year (2021: £9,624,284).

The first four funds are managed on a discretionary basis by independent professional stockbrokers and the last fund is managed on a discretionary basis by independent, professional investment managers and stockbrokers on behalf of the Bishops' Conference of Scotland.

The parishes' portfolio is held by the Archdiocese on behalf of parishes wishing to invest surplus funds; the income arising from these investments is paid to parishes.

Strategy

The first four investment portfolios listed above are managed on the basis that the primary objective is to achieve income, with a medium degree of risk. The last portfolio has an emphasis on capital growth, with a medium exposure to risk.

Ethical considerations

The Archdiocese 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, particularly those which promote the dignity of the human person, the sanctity of human life and the imperative of peace on earth.

Investment managers have been instructed to ensure that the specific selection of investments should take into account the ethical position of the Catholic Church.

Reserves

Unrestricted funds amount to £21,337,501 at 31 March 2022 (2021: £19,360,378) which include the National Contingency Fund which amounted to £11,774,861 (2021: £11,052,780)

Prior to the COVID-19 restrictions, the intention of the Trustees was to build up free (or unrestricted) reserves to an equivalent of six months of expenditure on unrestricted funds, i.e., around £1.1 million. The Trustees are aware of the need to address this situation in the short term and are reviewing income, expenditure and cash flow projections for the next few years.

Restricted Curial funds amount to £8,510,074 at 31 March 2022 (2021: £8,578,168) which include funds relating to the *Faith Into Action* campaign of £6,929,853 (2021: £6,538,961) and the Archbishops' Maintenance Fund with a balance of £1,378,014 (2021: £1,293,394) the remainder are for other restricted purposes and are also not available for general use.

CONNECTED BODIES

The Archbishop of Glasgow was a member of the following bodies which are connected to or supported by the Archdiocese:

Glasgow Churches Together
Bishops' Conference of Scotland
Catholic National Endowment Trust Nos. 1 and 4
The Pastoral Care Trust – The St Nicholas Care Fund
Scottish Catholic International Aid Fund
John Menzies Trust for Scotus College and Catholic Education

All of the above are outside the scope of these Financial Statements as they are separately registered charities and are not controlled by the Trustees of the Archdiocese of Glasgow.

ARCHDIOCESE OF GLASGOW

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 MARCH 2022

PLANS FOR FUTURE PERIODS

The Archdiocese of Glasgow seeks to continue its promotion of the Gospel of Christ in accordance with the teachings of the Roman Catholic Church. This will be done through the continuation and development of its current activities.

Since I became Archbishop last year I have been impressed by the commitment and dedication of so many people in the Archdiocese. Volunteers, employees and clergy work conscientiously to ensure that the Church in Glasgow fulfils its mission to preach the Good News of Jesus Christ and to put his teachings into action by the worship of God and the loving service of others.

These past few years have been challenging times with covid regulations putting restrictions on communal worship and the celebration of the sacraments, with isolation causing psychological stress, and with economic anxiety fuelled by financial uncertainty.

Only gradually are things beginning to return to some normality. But with Mass attendance now down over 30% compared to pre-covid, and the war in Ukraine causing an increase in inflation, there are challenges for the Archdiocese, both in reaching out to those who no longer physically attend Mass and in having the financial resources to support the Church's mission.

I am confident, though, that the deep faith that is evident in so many clergy and laity, along with the professionalism of the Archdiocesan employees, means we can approach the future with the sure hope that in this Archdiocese God's work will continue to be done.

I commend to you this Report and I offer my thanks to those whose hard work it reflects and also to those whose generous charitable giving enables the Church in Glasgow to do so much.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

The Charities and Trustee Investment (Scotland) Act 2005 and the regulations made thereunder require the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland) 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 these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and 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 provision of the trust deed. The Trustees 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.

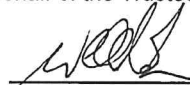
ARCHDIOCESE OF GLASGOW

**REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

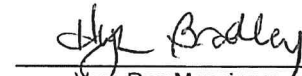
Signed on behalf of the Trustees on 9th March 2023

Trustee



Most Rev Archbishop William Nolan

Trustee



Very Rev Monsignor Hugh Bradley

ARCHDIOCESE OF GLASGOW

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ARCHDIOCESE OF GLASGOW

Opinion

We have audited the financial statements of The Archdiocese of Glasgow for the year ended 31 March 2022 which comprise the group and parent Statement of Financial Activities, the group and parent Balance Sheet, the group and parent Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group and parent's affairs as at 31 March 2022 and of its income and expenditure 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 7 & 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Basis of opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or 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 other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditors' report to the trustees of The Archdiocese of Glasgow

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities and Trustees Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- The information given in the parent charity's financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept, or
- the parent charity's 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 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 cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with 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 for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading correspondence with regulators including OSCR
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to property valuations, pension deficit valuation and depreciation; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with Scottish charity legislation.

Independent auditors' report to the trustees of The Archdiocese of Glasgow

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

This report is made solely to the trustees, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the 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 its trustees as a body for our audit work, for this report, or for the opinions we have formed.

Henderson Loggie LLP

Henderson Loggie LLP
Chartered Accountants & Statutory Auditor
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
11-15 Thistle Street
Edinburgh
EH2 1DF

28 March 2023

ARCHDIOCESE OF GLASGOW

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2022

Basis of preparation

The financial statements of the group, 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 application 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 Accounts (Scotland) Regulations 2005.

The principal accounting policies adopted in the financial statements are set out below.

The financial statements have been prepared under the historic cost convention, with the exception of certain heritable property and investments which are included at market value.

The financial statements are presented in sterling (£).

Going concern

The Trustees have reviewed the Archdiocese'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 Archdiocese of Glasgow to continue as a going concern. The Trustees believe 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. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Significant judgements and estimation uncertainty

When applying the trust's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are addressed below.

- (i) **Useful economic lives of tangible assets**
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually and are amended when necessary to reflect current estimates.
- (ii) **Value of heritage assets**
Heritage assets are not valued in the Financial Statements as the Trustees do not consider that reliable values can be ascertained due to the unique nature of the assets.
- (iii) **Value of investment properties**
Investment properties are accounted for based on the Trustee's assessment of fair value which incorporates consideration of yield, comparative market values and previous external valuation.
- (iv) **Value of pension liability**
The value of the deficit in the defined benefit pension fund is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of the liabilities, such estimates are subject to significant uncertainty.

ARCHDIOCESE OF GLASGOW

ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2022

Parishes

Under the Charities and Trustee Investment (Scotland) Act 2005, the Archdiocese is a Designated Religious Charity. Its parishes are established and operate under the Church's Code of Canon Law which confers on them separate canonical status.

Whilst the parishes account for income and expenditure on a cash basis, adjustments are made by the Archdiocese to incorporate accruals and deferrals prior to inclusion in the financial statements of the Archdiocese.

Transactions between parishes and the Archdiocese are accounted for as transfers between funds in the Statement of Financial Activities. These transactions are principally the annual amount levied to cover central costs and amounts collected by parishes and passed on intact to the Archdiocese for such purposes as the Trustees periodically nominate.

Income

All income is included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is recognised by way of donations, gifts and bequests and is included in full in the Statement of Financial Activities when it is received or when it is probable that it will be received, and the amount can be measured reliably.
- Dividends and other investment income are recognised when receivable.
- Where 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 is extinguished.
- Grants from public bodies are recognised when receivable. These payments are made by these public bodies only when the conditions under which grants are paid have been met.
- Other income is accounted for as it becomes receivable.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the expenses in connection with the *Faith into Action* fundraising campaign and parish activities designed to generate funds.

Charitable expenditure comprises those costs incurred by the charity 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.

Tangible fixed assets

Heritable assets include diocesan properties, parochial presbyteries and other parochial properties and sites and are revalued by professional external advisers every five years.

ARCHDIOCESE OF GLASGOW

ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2022

Tangible fixed assets (continued)

Parochial churches are stated at cost less accumulated depreciation.

Non-adjoined parochial properties, excluding churches, i.e., parish halls, presbyteries and other parochial properties not physically joined to each other or the church, are held at fair value. Inalienable and historic assets such as liturgical objects are not valued, and therefore have not been capitalised, as no reliable value using conventional or other valuation techniques can be attributed to these assets.

Investment property is carried at fair value and is not depreciated. It is formally revalued every five years and the Trustees consider the fair value annually.

The surpluses or deficits on revaluation of such properties are recognised in the Statement of Financial Activities and transferred to the relevant fund to which the assets relate.

Fixed assets are reviewed at the end of the financial year and any adjustments for impairment required are incorporated into the accounts.

The costs of minor additions or those costing below £250 are not capitalised.

Properties, investments and other fixed assets donated to the charity are included as income at market value at the time of receipt and are shown as assets on the balance sheet at that value until revalued or disposed of.

All other fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated to write down the cost or valuation of tangible fixed assets, with the exception of land, by equal annual instalments over their expected useful lives. The rates applicable are:

| | |
|---------------------------------|-------------|
| Heritable Property | 2% - 5% |
| Furniture, Fittings & Equipment | 10% - 33.3% |

Investments

Investments are a form of basic financial instrument included at fair value in the financial statements. Profits or losses on disposal of investments are calculated by reference to the carrying value of the investments. Where assets relate to designated or specific funds, any profits or losses arising from disposals of those fixed asset investments are taken to the relevant designated or specific fund.

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market values.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes. Where income is received related to these particular purposes the income is accounted for as designated income as the income is pre-designated by the trustees.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Expenditure that meets the criteria laid down for restricted or designated funds is transferred to that particular fund from the Statement of Financial Activities. Where income is received from investments purchased with money from one of these funds, that income may be credited to that fund or to the general account according to the provisions of the fund.

ARCHDIOCESE OF GLASGOW

ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2022

Staff pension funds

Defined contribution schemes

The Archdiocese operates three defined contribution pension schemes for employees. The assets of the schemes are held separately from those of each entity. The annual contributions payable are charged to the Statement of Financial Activities.

Defined benefit schemes

The Archdiocese participates in one funded multi-employer defined benefit scheme, The Pension Trust Growth Plan (PTGP).

The PTGP was formerly classed as a defined contribution scheme but the Pensions Act 2013 has retrospectively amended the definition of a money purchase scheme and as a result, the PTGP is now categorised as a defined benefit scheme. It has not been possible to identify the share of underlying assets and liabilities belonging to individual participating employers for this scheme.

The Archdiocese ceased to participate in the Plan on the 6th of March 2019. The plan had a deficit at this time as assessed by comparing the Plan's assets to the Plan's liabilities calculated using an annuity buy-out basis.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments is charged to the income and expenditure account over the period of the lease. All other leases are regarded as operating leases, and the payments made under them are charged to the income and expenditure account on a straight-line basis over the lease term.

ARCHDIOCESE OF GLASGOW

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including the Income and Expenditure Statement)
FOR THE YEAR ENDED 31 MARCH 2022

| | | Unrestricted Funds | | Restricted | Total | Unrestricted Funds | | Restricted | Total |
|------------------------------------|-----------|--------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|
| | | General | Designated | Funds | Funds | General | Designated | Funds | Funds |
| | Note | 2022 | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 | 2021 |
| | | £ | £ | £ | £ | £ | £ | £ | £ |
| Income from: | | | | | | | | | |
| Donations and legacies | 1 | 102,878 | - | 6,824,238 | 6,927,116 | 25,093 | - | 4,956,717 | 4,981,810 |
| Charitable activities | 2 | 18,542 | 348,755 | 449,312 | 816,609 | 9,931 | 292,365 | 434,765 | 737,061 |
| Other trading activities | 3 | - | - | 250,070 | 250,070 | - | - | 77,100 | 77,100 |
| Income from investments | 4 | 456,234 | 225,516 | 380,902 | 1,062,652 | 238,402 | 236,718 | 374,752 | 849,872 |
| Other income | | - | - | 65,299 | 65,299 | - | - | 221,154 | 221,154 |
| Total income | | 577,654 | 574,271 | 7,969,821 | 9,121,746 | 273,426 | 529,083 | 6,064,488 | 6,866,997 |
| Expenditure on: | | | | | | | | | |
| Raising funds | 5 | - | 72,723 | 330,509 | 403,232 | - | 67,426 | 192,770 | 260,196 |
| Charitable activities | 6 | 1,888,341 | 270,746 | 6,433,404 | 8,592,491 | 1,856,266 | 217,443 | 5,406,944 | 7,480,653 |
| Total expenditure | | 1,888,341 | 343,469 | 6,763,913 | 8,995,723 | 1,856,266 | 284,869 | 5,599,714 | 7,740,849 |
| Gains/(losses) on investments | 12 | 8,901 | 743,987 | 670,356 | 1,423,244 | 19,837 | 1,659,964 | 1,643,213 | 3,323,014 |
| Net income/(expenditure) | | (1,301,786) | 974,789 | 1,876,264 | 1,549,267 | (1,563,003) | 1,904,178 | 2,107,987 | 2,449,162 |
| Transfers between funds | | | | | | | | | |
| Levy, NCF and Special Collections | 17 | 992,982 | - | (992,982) | - | 648,868 | - | (648,868) | - |
| Other transfers | 17 | 172,407 | (174,699) | 2,292 | - | 179,516 | (604,600) | 425,084 | - |
| Gains/(losses) on revaluation | | 1,313,430 | - | 3,085,300 | 4,398,730 | (5,401) | - | - | (5,401) |
| Net movement in funds | | 1,177,033 | 800,090 | 3,970,874 | 5,947,997 | (740,020) | 1,299,578 | 1,884,203 | 2,443,761 |
| Reconciliation of funds: | | | | | | | | | |
| Total funds brought forward | | 7,540,957 | 11,819,421 | 31,345,421 | 50,705,799 | 8,280,977 | 10,519,843 | 29,461,218 | 48,262,038 |
| Total funds carried forward | 17 | 8,717,990 | 12,619,511 | 35,316,295 | 56,653,796 | 7,540,957 | 11,819,421 | 31,345,421 | 50,705,799 |

The accompanying accounting policies on pages 12 to 15 and notes on pages 19 to 35 form an integral part of these financial statements.

ARCHDIOCESE OF GLASGOW

BALANCE SHEET AT 31 MARCH 2022

| | | Archdiocese 2022 £ | Archdiocese 2021 £ |
|--|-------------|--------------------------|--------------------------|
| | Note | | |
| Fixed assets | | | |
| Tangible assets | 9 | 24,908,495 | 21,390,531 |
| Investment property | 9 | 3,390,000 | 2,843,400 |
| Investments | 12 | 19,709,880 | 19,092,944 |
| | | 48,008,375 | 43,326,875 |
| Current assets | | | |
| Debtors | 13 | 921,032 | 809,331 |
| Cash at bank and in hand | | 8,520,729 | 7,261,803 |
| | | 9,441,761 | 8,071,134 |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 14 | (682,703) | (611,797) |
| Net current assets | | 8,759,058 | 7,459,337 |
| Total assets less current liabilities | | 56,767,433 | 50,786,212 |
| Creditors: Amounts falling due after more than one year | 15 | - | (3,274) |
| Provision for defined benefit pension liability | 21 | (113,637) | (77,139) |
| Total net assets | | 56,653,796 | 50,705,799 |
| The funds of the charity: | | | |
| Unrestricted general funds | 17 | 8,717,990 | 7,540,957 |
| Unrestricted designated funds | 17 | 12,619,511 | 11,819,421 |
| Restricted funds | 17 | 35,316,295 | 31,345,421 |
| | | 56,653,796 | 50,705,799 |

Approved by the Trustees on 9th March, 2023:

Trustee 
Most Rev Archbishop William Nolan

Trustee 
Very Rev Monsignor Hugh Bradley

The accompanying accounting policies on pages 12 to 15 and notes on pages 20 to 41 form an integral part of these financial statements

ARCHDIOCESE OF GLASGOW

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

| | Note | 2022 £ | 2021 £ |
|---|------|-------------|-------------|
| Cash flows from operating activities: | | | |
| <i>Net cash used in operating activities</i> | 19 | (350,232) | (1,045,247) |
| Cash flows from investing activities: | | | |
| Dividends, interest and rents from investments | | 1,062,652 | 849,872 |
| Purchase of property and equipment | | (256,528) | (530,745) |
| Proceeds from sale of investments | | 1,914,405 | 2,902,241 |
| Purchase of investments | | (1,354,805) | (2,070,439) |
| <i>Net cash provided by investing activities</i> | | 1,365,724 | 1,150,929 |
| Cash flows from financing activities: | | | |
| Repayments of borrowing | | (3,274) | (22,321) |
| Change in cash and cash equivalents in the year | | 1,012,218 | 83,361 |
| Cash and cash equivalents at the beginning of the year | | 7,725,415 | 7,642,054 |
| Cash and cash equivalents at the end of the year | | 8,737,633 | 7,725,415 |
| Analysis of cash and cash equivalents | | | |
| Cash in hand and at Bank | | 8,520,729 | 7,261,803 |
| Cash held within investment portfolio | | 216,904 | 463,612 |
| Total cash and cash equivalents | | 8,737,633 | 7,725,415 |

The accompanying accounting policies and notes
form an integral part of these financial statements.

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Income from donations and legacies

| | 2022 £ | 2021 £ |
|---------------------------------------|------------------|------------------|
| Offerings | 4,246,843 | 3,444,729 |
| Parochial 2 nd collections | 83,124 | 31,741 |
| Quarterly collections | 22,280 | 17,595 |
| Special collections | 551,602 | 113,448 |
| Gift Aid | 614,308 | 373,649 |
| Legacies | 367,521 | 83,579 |
| General fundraising | 35,866 | 17,071 |
| Project fundraising | 481,292 | 549,073 |
| Other donations | 524,280 | 350,925 |
| | <u>6,927,116</u> | <u>4,981,810</u> |

2. Income from charitable activities

| | 2022 £ | 2021 £ |
|---------------------|----------------|----------------|
| Religious education | 18,543 | 8,856 |
| Cemetery | 348,755 | 292,365 |
| Votive candles | 163,488 | 50,735 |
| Other income | 285,823 | 385,105 |
| | <u>816,609</u> | <u>737,061</u> |

3. Income from other trading activities

| | 2022 £ | 2021 £ |
|-----------------------|----------------|---------------|
| Hall income | 161,213 | 41,269 |
| Stall/newspaper sales | 88,857 | 35,831 |
| | <u>250,070</u> | <u>77,100</u> |

4. Income from investments

| | 2022 £ | 2021 £ |
|--------------------|------------------|----------------|
| Rent received | 358,830 | 314,860 |
| Dividends received | 702,685 | 530,344 |
| Interest received | 1,137 | 4,668 |
| | <u>1,062,652</u> | <u>849,872</u> |

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Expenditure on raising funds

| | 2022 £ | 2021 £ |
|--------------------|----------------|----------------|
| Stockbroker's fees | 107,396 | 109,192 |
| Hall expenditure | 222,833 | 103,463 |
| Stall/newspapers | 73,003 | 47,541 |
| | <u>403,232</u> | <u>260,196</u> |

6. Expenditure on charitable activities

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| <i>Costs directly attributable to activities:</i> | | |
| Education and formation | 373,482 | 279,419 |
| Support of clergy | 1,470,318 | 1,525,799 |
| Pastoral services | 1,391,102 | 1,468,416 |
| Other archdiocese | 1,602,662 | 1,508,469 |
| | <u>4,837,564</u> | <u>4,782,103</u> |
| <i>Support costs allocated to activities:</i> | | |
| Staff | 1,379,666 | 1,066,022 |
| Property | 1,601,558 | 729,241 |
| Administration | 739,970 | 873,887 |
| Governance costs - Audit fees | 33,733 | 29,400 |
| | <u>3,754,927</u> | <u>2,698,550</u> |
| | <u>8,592,491</u> | <u>7,480,653</u> |

Support costs are allocated to activities in line with staff time and usage of resources.

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

7. Staff costs

| | 2022 £ | 2021 £ |
|-----------------------|------------------|------------------|
| Salaries and wages | 1,034,702 | 994,886 |
| Social security costs | 93,534 | 95,204 |
| Pension costs | 121,021 | 98,435 |
| | <u>1,249,257</u> | <u>1,188,525</u> |

The average number of people employed by the Archdiocese was 49 (2021: 49). This number includes lay people, priests and religious who are engaged full time on Archdiocesan business. Volunteers are excluded, as are priests and religious who, although they perform some administrative duties, receive their allowance from their respective parish or Congregation.

In addition to the above, the total number of people engaged in parish work in the parishes was 82 (2021: 82), a full time equivalent of 24.8 (2021: 24.8), at a total cost of £416,223 (2021: £409,012). These figures are not included in the above analysis but are included in Charitable Activities expenditure.

The emoluments of higher paid employees fell within the following ranges; £60,001 - £70,000 one (2021: one), £80,001 - £90,000 two (2021: two)

Key management personnel

The key management personnel of the Archdiocese of Glasgow comprise the Director of Development, the Director of Communications and the Director of Finance. The total employee benefits of the key management personnel were £285,798 (2021: £285,828).

8. Remuneration of Trustees

The Trustees of the Archdiocese receive no remuneration for their services as Trustees. All the Trustees are clergy of the Archdiocese of Glasgow and, as such, are housed, remunerated and reimbursed expenses for carrying out their ministry in the same way as other priests of the Archdiocese, in accordance with the Code of Canon Law. The Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 require disclosure of remuneration and expenses paid to Trustees in whatever capacity. During the year, the Archdiocese purchased insurance at a cost of £1,680 (2021: £1,680) which indemnifies the Trustees against certain liabilities they may incur in respect of their role as Trustees of the Archdiocese.

| | Salary 2022 £ | Salary 2021 £ | Expenses 2022 £ | Expenses 2021 £ |
|---------------------------------|---------------------|---------------------|-----------------------|-----------------------|
| Most Rev William Nolan | 410 | - | - | - |
| Very Rev Monsignor Hugh Bradley | 7,363 | 7,260 | 14,425 | 12,738 |
| Very Rev Peter Canon Gallagher | 3,615 | 3,053 | 17,153 | 17,195 |
| Very Rev Monsignor John Hughes | 200 | 1,460 | 8,593 | 10,527 |
| Very Rev Monsignor Paul Murray | 3,212 | - | 10,675 | - |
| Most Reverend Philip Tartaglia | - | 3,414 | - | 30,795 |
| Very Rev Monsignor Paul Conroy | - | 1,322 | - | 6,600 |
| | <u>14,800</u> | <u>16,509</u> | <u>50,846</u> | <u>77,855</u> |

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. Tangible fixed assets and investment property

| | Curial Investment property £ | Heritable property Curial £ | Parochial £ | Parochial assets in the course of construction £ | Curial Furniture, of fittings & equipment £ | Total £ |
|-----------------------------------|---------------------------------------|-----------------------------------|-------------------|--|---|-------------------|
| Cost or valuation | | | | | | |
| At 01/04/21 | 2,843,400 | 6,331,574 | 15,786,845 | 525,492 | 181,211 | 25,668,522 |
| Additions | - | 251,687 | - | - | 4,841 | 256,528 |
| Disposals | - | - | (120,000) | - | - | (120,000) |
| Transfer | - | - | 525,492 | (525,492) | - | - |
| Revaluation | 546,600 | 503,426 | 1,650,000 | - | - | 2,700,026 |
| At 31/03/22 | 3,390,000 | 7,086,687 | 17,842,337 | - | 186,052 | 28,505,076 |
| Depreciation | | | | | | |
| At 01/04/21 | - | 139,046 | 1,120,841 | - | 174,704 | 1,434,591 |
| Charge for year | - | 142,934 | 330,452 | - | 5,884 | 479,270 |
| Disposals | - | - | - | - | - | - |
| Revaluation | - | (271,980) | (1,435,300) | - | - | (1,707,280) |
| At 31/03/22 | - | 10,000 | 15,993 | - | 180,588 | 206,581 |
| Net book value at 31/03/22 | 3,390,000 | 7,076,687 | 17,826,344 | - | 5,464 | 28,298,495 |
| Net book value at 31/03/21 | 2,843,400 | 6,192,528 | 14,666,004 | 525,492 | 6,507 | 24,233,931 |

The heritable property figures stated above for cost or valuation include land and heritable property as follows:

| | 2022 £ | 2021 £ |
|--------------|-------------------|-------------------|
| At cost | 1,466,845 | 1,586,845 |
| At valuation | 23,462,179 | 20,531,574 |
| | 24,929,024 | 22,118,419 |

If certain fixed assets had not been revalued, they would have been included on the historic cost basis at the following amounts:

| | 2021 £ | 2020 £ |
|--------------------------|------------------|------------------|
| Cost | 6,459,254 | 6,459,254 |
| Accumulated depreciation | (2,645,570) | (2,322,607) |
| Net book value | 3,813,684 | 4,136,647 |

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

11. Tangible fixed assets and investment property (continued)

The Archdiocesan property portfolio was independently valued by D.M. Hall, Chartered Surveyors as at 31st March 2022.

The basis for all valuations is fair value as per Valuation Practice Statement 4.7 of the RICS Valuation – Global Standards, published January 2022.

The specific definition of fair value adopted will be as stated in IFRS 13 ,as follows:

“The price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurable date” .

Reference to further guidance in IFRS 13 makes it clear that , for most practical purposes , fair value is consistent with the concept of Market Value , as defined in the RICS Valuation – Global Standards

Heritage assets

The Trustees have assessed where practicable the charity's heritage assets and have not included these assets in the Financial Statements as they consider that no reliable values can be attributed to them. Fixed assets held for functional purposes such as religious worship, including altars, tabernacles, relics, vestments, and crucifixes are excluded from the definition of heritage assets.

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

12. Fixed asset investments

| | 2022 £ | 2021 £ |
|---------------------------------------|-------------|-------------|
| Valuation | | |
| At 1 April 2021 | 18,629,332 | 16,138,120 |
| Investments purchased | 1,354,805 | 2,070,439 |
| Proceeds from the sale of investments | (1,914,405) | (2,902,241) |
| Gains/ (losses) on revaluation | 1,423,244 | 3,323,014 |
| | | |
| At 31 March 2022 | 19,492,976 | 18,629,332 |
| Cash held in the portfolio | 216,904 | 463,612 |
| | | |
| Total valuation of the portfolio | 19,709,880 | 19,092,944 |
| | | |
| Cost at 31 March 2022 | 7,413,448 | 7,910,145 |
| | | |
| The above total is represented by: | | |
| | 2022 £ | 2021 £ |
| National Contingency fund | 10,374,779 | 9,624,284 |
| Curial Office | 477,726 | 471,508 |
| Faith Into Action | 6,175,266 | 6,356,576 |
| Invested on behalf of Parishes | 1,408,482 | 1,351,555 |
| Archbishops' Maintenance fund | 1,273,627 | 1,289,021 |
| | | |
| | 19,709,880 | 19,092,944 |

All the investments are listed 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 March 2022, the Archdiocese of Glasgow had ownership of 38.1% of the total fund (2021: 39.5%). The cost of these investments at 31 March 2022 was £7,738,475 (31 March 2021: £7,446,105).

The investment is repayable on demand and has been made principally to provide for the care of sick and retired priests in the future, although this remains at the discretion of the Trustees of the Archdiocese of Glasgow.

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility to growth. Liquidity risk is anticipated to be low as listed investments are traded in markets with good liquidity and high trading volumes and this is expected to continue. The Charity invests in pooled investment vehicles and is therefore directly exposed to credit risk. This risk is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled manager operates and diversification of investments amongst a number of pooled funds. Market risk arises principally in relation to equities held in the pooled vehicles. The Charity manages this exposure to market risk by constructing a diverse portfolio of investments across various markets and by retaining expert advisors to manage its investment portfolio.

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

13. Debtors

| | 2022 £ | 2021 £ |
|--------------------------------|----------------|----------------|
| Loan to the Mungo Foundation | 81,250 | 106,250 |
| Prepayments and accrued income | 793,496 | 678,117 |
| Other debtors | 46,286 | 24,964 |
| | <u>921,032</u> | <u>809,331</u> |

14. Creditors: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|-----------------|----------------|----------------|
| Trade creditors | 12,617 | 259,939 |
| Accruals | 525,933 | 291,574 |
| PAYE/NIC | - | 24,835 |
| Other creditors | 144,153 | 35,449 |
| | <u>682,703</u> | <u>611,797</u> |

During the year, there have been a number of collections in parishes for charities out-with the Archdiocese of Glasgow, where parishes have either remitted the funds directly or through the Archdiocese. As the Archdiocese is acting as an agency in the collection of these funds, they have not been included as income or expenditure in the Statement of Financial Activities but are accounted for through the balance sheet. The total of these collections for the year was £357,340 (2021: £78,255) of which £48,636 (2020: £12,850) is included in Other Creditors at the end of the year, as yet to be paid out.

15. Creditors: Amounts falling due after more than one year.

| | 2022 £ | 2021 £ |
|------------------------------------|-----------|--------------|
| Term Loans – Due withing 1-2 years | - | 3,274 |
| Term Loans – Due within 2-5 years | - | - |
| | <u>-</u> | <u>3,274</u> |

The parish loans were in respect of parish developments, including major refurbishment of churches, construction of parish halls, etc

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

17. Funds -Movements in the year

| | At 1 April 2021 £ | Income £ | Expenditure £ | Gains/ loss £ | Transfers £ | At 31 March 2022 £ |
|--------------------------------------|-------------------------|-------------|------------------|---------------------|----------------|-----------------------------|
| Unrestricted | | | | | | |
| General funds | 7,540,957 | 577,654 | (1,888,341) | 1,322,331 | 1,165,389 | 8,717,990 |
| Designated | | | | | | |
| National Contingency Fund | 11,052,780 | 225,516 | (72,723) | 743,987 | (174,699) | 11,774,861 |
| Cathedral Renovation Fund | 22,177 | - | (90) | - | - | 22,087 |
| Cemetery Fund | 353,567 | 348,755 | (262,569) | - | - | 439,753 |
| Archbishop's Pastoral Fund | 179,926 | - | - | - | - | 179,926 |
| Insurance Fund | 207,811 | - | (8,087) | - | - | 199,724 |
| Other smaller funds | 3,160 | - | - | - | - | 3,160 |
| | 11,819,421 | 574,271 | (343,469) | 743,987 | (174,699) | 12,619,511 |
| Restricted | | | | | | |
| Pro Life Fund | 26,368 | 2,678 | (1,500) | - | (30,000) | (2,454) |
| Education Fund | 101,957 | - | (440) | 6,385 | 134 | 108,036 |
| Catholic Education Fund | 11,176 | 17,453 | (59,457) | - | - | (30,828) |
| Assisted Parishes Fund | 151,593 | 31,237 | (83,687) | - | - | 99,143 |
| Archbishops' Maintenance Fund | 1,293,394 | 31,419 | (4,677) | 89,633 | (31,755) | 1,378,014 |
| Justice and Peace Fund | 44,122 | 16,000 | (21,892) | - | - | 38,230 |
| Cardinal Winning Pro-Life Initiative | 129,561 | 61,692 | (85,571) | - | 30,000 | 135,682 |
| Faith Into Action Fund | 6,538,961 | 145,851 | (23,017) | 451,934 | (183,876) | 6,929,853 |
| Sick & Retired Priests' Fund | (23,754) | 190,770 | (738,898) | - | 217,923 | (353,959) |
| Education of Students' Fund | (130,060) | 40,159 | (170,524) | - | 15,800 | (244,625) |
| Italian Cloister Garden Appeal Fund | 11,323 | 60 | (67) | - | 8,253 | 19,569 |
| SPRED Fund | 38,357 | 19,666 | (11,518) | - | (22,863) | 23,642 |
| Smaller restricted funds | 394,171 | - | (1,355) | 18,145 | (1,190) | 409,771 |
| Archdiocese restricted funds | 8,587,169 | 556,985 | (1,202,603) | 566,097 | 2,426 | 8,510,074 |
| Parochial restricted funds | 22,758,253 | 7,412,836 | (5,561,310) | 3,189,559 | (993,116) | 28,241,521 |
| Total restricted funds | 31,345,421 | 7,969,821 | (5,328,613) | 3,755,656 | (990,690) | 35,316,295 |
| Total | 50,705,799 | 9,121,746 | (8,995,723) | 5,821,974 | - | 56,653,796 |

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

17. Funds -Movements in the year

| | At 1 April 2020 £ | Income £ | Expenditure £ | Gains/ loss £ | Transfers £ | At 31 March 2021 £ |
|---|-------------------------|-------------|------------------|---------------------|----------------|-----------------------------|
| Unrestricted | | | | | | |
| General funds | 8,280,977 | 273,426 | (1,856,266) | 14,436 | 828,384 | 7,540,957 |
| Designated | | | | | | |
| National Contingency Fund | 9,823,124 | 236,718 | (67,426) | 1,659,964 | (599,600) | 11,052,780 |
| Cathedral Renovation Fund | 22,177 | - | - | - | - | 22,177 |
| Cemetery Fund | 277,383 | 292,365 | (216,181) | - | - | 353,567 |
| Archbishop's Pastoral Fund | 179,926 | - | - | - | - | 179,926 |
| Insurance Fund | 214,073 | - | (1,262) | - | (5,000) | 207,811 |
| Other smaller funds | 3,160 | - | - | - | - | 3,160 |
| | 10,519,843 | 529,083 | (284,869) | 1,659,964 | (604,600) | 11,819,421 |
| Restricted | | | | | | |
| Pro Life Fund | 55,562 | 2,806 | (2,000) | - | (30,000) | 26,368 |
| Education Fund | 135,293 | 4,535 | (500) | 12,629 | (50,000) | 101,957 |
| Catholic Education Fund | 67,911 | 2,549 | (59,284) | - | - | 11,176 |
| Assisted Parishes Fund | 239,376 | 12,933 | (100,716) | - | - | 151,593 |
| Archbishops' Maintenance Fund | 1,075,181 | 33,664 | (5,725) | 226,082 | (35,808) | 1,293,394 |
| Justice and Peace Fund | 67,910 | 1,494 | (25,282) | - | - | 44,122 |
| Cardinal Winning Pro Life Initiative Fund | 87,405 | 99,599 | (87,443) | - | 30,000 | 129,561 |
| Faith Into Action Fund | 5,454,694 | 169,204 | (27,546) | 1,113,369 | (170,760) | 6,538,961 |
| Sick & Retired Priests' Fund | (134,396) | 109,323 | (634,283) | - | 635,602 | (23,754) |
| Education of Students' Fund | (49,616) | 3,408 | (145,702) | - | 61,850 | (130,060) |
| Italian Cloister Garden | 11,014 | 309 | - | - | - | 11,323 |
| Appeal Fund | 59,916 | 2,494 | (8,253) | - | (15,800) | 38,357 |
| SPRED Fund | 339,668 | 7,202 | (1,190) | 48,491 | - | 394,171 |
| Smaller restricted funds | | | | | | |
| Archdiocese restricted funds | 7,409,918 | 449,520 | (1,097,924) | 1,400,571 | 425,084 | 8,587,169 |
| Parochial restricted funds | 22,051,300 | 5,614,968 | (4,501,790) | 242,642 | (648,868) | 22,758,252 |
| Archdiocese restricted funds | 29,461,218 | 6,064,488 | (5,599,714) | 1,643,213 | (223,784) | 31,345,421 |
| | 48,262,038 | 6,866,997 | (7,740,849) | 3,317,613 | - | 50,705,799 |

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

17. Funds - Movements in the year (continued)

Description of funds – Designated funds

Designated Funds are monies set aside by the Trustees for a particular purpose.

National Contingency Fund – As described in note 11, this fund has been set up principally to provide for the care of sick and retired priests in the future, although this remains at the discretion of the Trustees of the Archdiocese of Glasgow. The fund is represented by investment in property and share portfolios.

Cathedral Renovation Fund – This fund gathered reserves to allow the restoration of St Andrew's Cathedral.

Cemetery Fund – The fund was created to allow the accumulation of surpluses from the operation of the cemetery to fund future maintenance.

Archbishop's Pastoral Fund – Two significant donations were designated by the Trustees for pastoral purposes at the Archbishop's discretion.

Insurance Fund – The Catholic National Mutual from time to time makes membership awards to allow the membership to support independently various initiatives which allow the identification, monitoring and control of risk.

Other Designated Funds – These include smaller general bequests which have been designated for specific charitable purposes by the Trustees.

Restricted funds

Restricted Funds include funds where the purpose is stated by the donor and areas where parish collections are given for stated purposes.

Pro Life Fund – The fund exists to promote pro-life issues at diocesan and national level. Its income is received from an annual collection in parishes.

Education Fund – The Education Fund is for the education of students to the priesthood and is partly represented by an investment portfolio.

Catholic Education Fund – The fund is used to promote Catholic education issues at a national level. Income is received from parishes through an annual collection.

Assisted Parishes Fund – There are three collections annually in parishes to support poorer parishes in the diocese.

Archbishops' Maintenance Fund – The fund was formed from the transfer of the assets of the Agnes McGallagley Bequest and the Rosemary Scanlan Trust, which was approved by the Office of the Scottish Charity Regulator. The provisions of those trusts were for the upkeep and maintenance of active and retired Archbishops of Glasgow and the assets transferred were restricted for these purposes.

Justice and Peace Fund – The fund allows promotion of justice and peace issues at a national and diocesan level. The income is derived from an annual collection in parishes.

Cardinal Winning Pro Life Initiative Fund – This is an initiative launched in 1997 to assist women facing crisis pregnancy. The sources of income are public donations and an annual contribution from the Pro-Life Fund (above).

Faith Into Action Fund – This fund is the result of a major campaign between 2004 and 2009 to "grow the Church" through investing pledges and gifts for Parish Life, Support of the Clergy and the restoration of St Andrew's Cathedral. The balance at 31 March 2020 represents the former purposes only as the share (14%) relating to St Andrew's Cathedral was transferred to the Cathedral Renovation Fund (see 15 (c) below).

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

17. Funds - Movements in the year (continued)

Description of funds – Restricted funds

Sick and Retired Priests' Fund – This fund allows the allocation of expenditure for sick and retired clergy to be allocated against funds given solely for that purpose.

Education of Students' Fund – Similar to the Fund above, this separate fund allows income given for the purpose to be matched against expenditure for the education of students to the priesthood and permanent diaconate.

Italian Cloister Garden Appeal Fund – As part of the Cathedral Restoration Project, a memorial garden, in Italianate style for the Italian community, has been built next to the refurbished St Andrew's Cathedral. It features a special memorial to commemorate the victims of the Arandora Star tragedy of World War II. The balance in the Fund will help to maintain the garden.

SPRED Fund – SPRED stands for Special Religious Development and is a catechetical programme for children and adults with a learning disability. A special collection will take place in parishes for five years commencing in 2018 to support the work of SPRED and to develop outreach work.

Various smaller restricted funds – There are a number of other smaller funds where the purpose of the donation was restricted by the donor.

Transfers between funds

The transfer of funds of Levy and the National Contingency Fund contributions and Special Collections from parishes to the Archdiocese comprised the following:

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Levy | 992,982 | 648,868 |
| National Contingency Fund contributions | 130,100 | 86,646 |
| Special Collections | 6,921 | (2,255) |
| | <hr/> | <hr/> |
| | 1,130,003 | 733,259 |
| | <hr/> | <hr/> |

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Analysis of net assets between funds

| | Unrestricted Funds | | Restricted Funds | 2022 Total |
|---|--------------------|-------------------|-------------------|-------------------|
| | General | Designated | Funds | Total |
| | £ | £ | £ | £ |
| Tangible fixed assets and investment property | 9,151,852 | 1,320,300 | 17,826,343 | 29,298,495 |
| Investments | 95,654 | 10,374,924 | 9,239,302 | 19,709,880 |
| Cash at bank and in hand | (797,086) | 865,586 | 8,452,229 | 8,520,729 |
| Other net current assets/(liabilities) | 381,207 | 58,701 | (201,579) | 238,329 |
| Provisions | (113,637) | | | (113,637) |
| | <u>8,717,990</u> | <u>12,619,511</u> | <u>35,316,295</u> | <u>56,653,796</u> |
| | | | | |
| | Unrestricted Funds | | Restricted Funds | 2021 Total |
| | General | Designated | Funds | Total |
| | £ | £ | £ | £ |
| Tangible fixed assets and investment property | 7,722,135 | 1,320,300 | 15,191,496 | 24,233,931 |
| Investments | 112,340 | 9,624,284 | 9,356,320 | 19,092,944 |
| Cash at bank and in hand | (52,186) | 816,137 | 6,497,852 | 7,261,803 |
| Other net current assets/(liabilities) | (160,919) | 58,700 | 299,753 | 197,534 |
| Creditors over 1 year | (3,274) | - | - | (3,274) |
| Provisions | (77,139) | - | - | (77,139) |
| | <u>7,540,957</u> | <u>11,819,421</u> | <u>31,345,421</u> | <u>50,705,799</u> |

19. Reconciliation of net income/expenditure to net cash flow from operating activities

| | 2022 | 2021 |
|---|------------------|--------------------|
| | £ | £ |
| Net income/(expenditure) for the year (as per Statement of Financial Activities) | 1,549,267 | (2,449,162) |
| Adjustments for: | | |
| Depreciation charges | 479,270 | 433,078 |
| (Gains)/Losses on investments | (1,423,244) | (3,323,014) |
| Investment income | (1,062,652) | (849,872) |
| Loss on sale of property | 111,424 | - |
| (Increase)/decrease in debtors | (111,701) | 310,221 |
| Increase/(decrease) in creditors | 70,906 | (64,822) |
| Increase/(decrease) in provisions | 36,498 | - |
| | <u>(350,232)</u> | <u>(1,045,247)</u> |

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

20. Analysis of changes in net debt

| Archdiocese | As at 1 April 2021 £ | Cashflows £ | As at 31 March 2022 £ |
|---------------------------------------|----------------------------|------------------|-----------------------------|
| Cash in hand and at bank | 7,261,803 | 1,258,926 | 8,520,729 |
| Cash held within investment portfolio | 463,612 | (246,708) | 216,904 |
| Loans | (3,274) | 3,274 | - |
| | <u>7,722,141</u> | <u>1,015,492</u> | <u>8,737,633</u> |

| | As at 1 April 2020 £ | Cashflows £ | As at 31 March 2021 £ |
|---------------------------------------|----------------------------|----------------|-----------------------------|
| Cash in hand and at bank | 7,558,981 | (297,178) | 7,261,803 |
| Cash held within investment portfolio | 83,073 | 380,539 | 463,612 |
| Loans | (25,595) | 22,321 | (3,274) |
| | <u>7,616,459</u> | <u>105,682</u> | <u>7,722,141</u> |

21. Pensions

The Archdiocese operates three defined contribution pension schemes for the benefit of certain employees. The assets of the schemes are administered by trustees in funds independent from those of the Archdiocese. Contributions in the year to these schemes amounted to £93,008 in total (2020: £98,435); 46 employees participate in these schemes.

The Archdiocese also operates one multi-employer defined benefit scheme as described below:

The Pensions Trust – The Growth Plan (PTGP)

The Archdiocese participates in the scheme, a multi-employer pension plan which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Archdiocese to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is classified as a "last-man standing arrangement". Therefore, the Archdiocese is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

As at the balance sheet date there were no active members of the Plan employed by the Archdiocese. The Archdiocese has closed the Plan to new entrants.

The Archdiocese ceased to participate in the Plan on the 6th of March 2019. The plan had a deficit at this time as assessed by comparing the Plan's assets to the Plan's liabilities calculated using an annuity buy-out basis. Under Section 75 of the Pensions Act 1995 an actuary has calculated the debt in respect of the Archdiocese to be £113,637.

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

22. Related parties

Associated Bodies

At 31 March 2022 the following companies was connected with the Archdiocese of Glasgow and registered in Scotland:

| Subsidiary Companies | Nature of Business |
|----------------------|--|
| CTK Hall Limited | Company limited by guarantee Hall management services at Christ the King parish |

CTK Hall Limited does not have any debts with the parish of Christ the King or the Archdiocese at 31 March 2021 (2020: £Nil).

Connected Bodies

The Archdiocese deals with a number of the connected bodies set out in the Trustees Report on page 11. In addition to the information given elsewhere in these financial statements, the Archdiocese received no funds during the period (2021: £Nil) from these bodies.

Please see note 11 for disclosure of trustees' benefits.

In the year £121,497 (2021: £190,727) was paid to the Bishop's Conference of Scotland. At the year end £nil (2021: £nil) was outstanding.

23. Contingent liabilities

There were no contingent liabilities at the end of March 2022 (2021: £125,548)

24. Operating lease commitments

Commitments under non-cancellable operating leases are detailed below:

| | 2022 £ | 2021 £ |
|----------------------------|-----------|-----------|
| Within one year | 52,767 | 20,298 |
| Between two and five years | 68,687 | 10,692 |
| After more than five years | - | - |
| | <hr/> | <hr/> |
| | 121,453 | 30,880 |
| | <hr/> | <hr/> |

The above figures do not include any operating lease commitments which the parishes may have.

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

25. Operating lease – rental income

The Archdiocese holds surplus properties as investment properties. Future minimum rentals receivable under non-cancellable operating leases are as follows;

| | 2022 | 2021 |
|----------------------------|------------------|------------------|
| | £ | £ |
| Within one year | 151,309 | 175,139 |
| Between two and five years | 605,236 | 605,236 |
| After more than five years | 5,357,582 | 5,508,891 |
| | <u>6,114,127</u> | <u>6,289,266</u> |

The above figures do not include any operating lease rental income receivable which the parishes may have.

26. Financial instruments

| | 2022 | 2021 |
|---|-------------------|-------------------|
| | £ | £ |
| Carrying amount of financial assets | | |
| Measured at fair value | 19,463,172 | 18,629,332 |
| | <u>19,463,172</u> | <u>18,629,332</u> |
| Carrying amount of financial liabilities | | |
| Measured at fair value | 113,637 | 77,139 |
| | <u>113,637</u> | <u>77,139</u> |

Financial assets held at fair value include investment property, property and investments.

Financial liabilities held at fair value include the pension liability.