



**ARCHDIOCESE OF GLASGOW**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2005**

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## **ARCHDIOCESE OF GLASGOW**

### **REPORT OF THE TRUSTEES**

#### **TRUSTEES OF THE ARCHDIOCESE**

The Archdiocese of Glasgow is legally constituted as a Trust and the relevant Deeds of Declaration of Trust are registered in the Public Records of Scotland. The Archdiocese of Glasgow is recognised as having Charitable Status by the Inland Revenue. (Ref. No. EDCR35422).

The Trustees of the Archdiocese are as follows:

The Most Reverend Mario Joseph Conti – Archbishop  
The Right Reverend Monsignor John Canon Gilmartin – Vicar General  
The Right Reverend Monsignor James Thomas Canon Clancy  
The Right Reverend Monsignor Owen Gallagher – Treasurer  
The Very Reverend Peter Canon Gallacher

These Trustees were appointed in terms of the relevant Deed of Declaration of Trust.

#### **PRINCIPAL OFFICES**

The administrative headquarters of the Archdiocese of Glasgow is 196 Clyde Street, Glasgow G1 4JY.

The headquarters of the Archdiocesan Social Services projects is 196 Clyde Street, Glasgow G1 4JY.

The designations and addresses of other offices and parish churches are listed in the Catholic Directory which is available from the above address.

#### **OBJECTIVES AND STRUCTURE**

The objectives of the Archdiocese of Glasgow are defined 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 organisational structure of the Archdiocese is headed by the Archbishop of Glasgow in accordance with the law of the Church ("The Code of Canon Law"). The administrative and pastoral structures of the Archdiocese are described in the Code of Canon Law and the Book of Diocesan Structures which is available from the above address.

## **ARCHDIOCESE OF GLASGOW**

### **REPORT OF THE TRUSTEES (CONTINUED)**

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

Charity Law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Archdiocese for that period. In preparing these financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare financial statements on the going concern basis unless there are indications to the contrary.

The trustees are responsible for keeping proper accounting records, for safeguarding the assets of the Archdiocese and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **REVIEW OF THE FINANCIAL POSITION**

##### **ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

#### **Introduction**

The trustees reappointed Grant Thornton UK LLP as auditors to the Archdiocese for the period ended 31 March 2005. The accounts have been prepared by the Archdiocese and audited by Grant Thornton UK LLP. The responsibility for the contents of the accounts rests with the Trustees.

The accounts are presented in accordance with the legislation governing the reporting of charities in the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and the Charities Accounts (Scotland) Regulations 1992.

The Trustees report a deficit of £384,407 for the year and net current assets of £882,237 at 31 March 2005.

#### **Establishment of The Mungo Foundation**

The year to 31<sup>st</sup> March 2005 was the first year of operation for The Mungo Foundation, the new company established during 2003 to operate the business of Community Social Services. These accounts do not include The Mungo Foundation although they do include a small residue of business from the operation of Community Social Services in the previous year.

Separate annual accounts have been compiled for The Mungo Foundation and these have been consolidated with the accounts for the Archdiocese for the year ended 31<sup>st</sup> March 2005, due to the common control of the Boards of Trustees of the two organisations. These latter sets of accounts are available upon application.

#### **Deficit**

The deficit incurred in the year under review is largely due to the impact of the implementation of the *Faith into Action* campaign. It is usual for such campaigns to incur the bulk of the fund-raising expenditure in the first year of the campaign and *Faith into Action* is no different, with £911,949 of expenses. Income received during the year was £450,244, giving a net deficit of £461,705.

## **ARCHDIOCESE OF GLASGOW**

### **REPORT OF THE TRUSTEES (CONTINUED)**

There is an underlying deficit in the unrestricted funds of the Archdiocese where income is insufficient to meet the responsibilities faced by the Archdiocese in relation to retired priests, education of students, national responsibilities to the Bishops' Conference of Scotland, diocesan services provided through various bodies such as the Religious Education Department and the administration of a diocesan office. Expenditure is currently under review and new sources of income are being sought to bridge the gap.

A significant charge which continues to impact on the surplus for the year is the depreciation of property. It is a requirement of accounting standards that depreciation is charged on property, whether it is appreciating in value or not, in recognition of the use of the buildings. This has meant an additional charge through the Income and Expenditure Statement which, for the financial year under review, amounted to £76,500. While the Trustees accept that this is the legally required standard of accounting practice, and are willing to abide by that, they believe that this practice distorts the reality of the income and expenditure of the Archdiocese of Glasgow.

The fluctuation in the size of the figures in the Income and Expenditure Account is mainly in relation to the transfer of the business of Community Social Services from the Archdiocese of Glasgow to The Mungo Foundation. The remainder of the difference between last year's surplus and this year's deficit is explained by the gain on sale of property and the receipt of a significant bequest last year.

#### **Faith into Action**

This major campaign was launched in the summer of 2004 and involved all of the parishes, in a phased approach, to raise a minimum of £7,000,000 in gifts and pledges to support common priorities and to launch new initiatives. These include developments in parish life (e.g. continuing faith development for adults, youth programmes, support and training in various areas), care and support of clergy and the restoration of St Andrew's Cathedral.

The campaign has been extremely successful in monetary terms and in raising awareness of the issues faced by both diocese and parishes. To date, over £8,000,000 has been raised in gifts and pledges with over £450,000 received during the year under review.

The income, and associated expenditure, will have a significant impact on the financial accounts of the Archdiocese of Glasgow over the next few years.

#### **Parish Collections**

Donations to the Archdiocese through the various diocesan collections throughout the year have continued at a consistent and generous level and the Trustees wish to place on record their gratitude to the Catholic community. The collections include those for sick and retired priests, the Assisted Parishes fund, Pro-Life, Justice and Peace and collections for the education of students to the priesthood.

#### **Valuation of Investment Portfolio**

The continued improvement in the stock market over the financial year had an impact on the investment portfolio with an unrealised gain of £452,319 (2004: gain of £1,139,275) as shown in the Statement of Financial Activities.

## ARCHDIOCESE OF GLASGOW

### REPORT OF THE TRUSTEES (CONTINUED)

#### Repair and Conservation of Listed Buildings

The Archdiocese is responsible for a wide range of over sixty listed buildings and sites throughout its territory. This year saw a new listing, that of the 150-year old St Simon's Church in Partick, Glasgow. This responsibility is one which is taken very seriously, and the Archdiocese works in partnership with the statutory authorities to maintain and preserve listed properties to the highest standards.

This effort has been assisted in recent years by the establishment of a Conservation Working Group – a small forum set up by the Archdiocese, with representatives from local authorities and Historic Scotland. Its aim is to develop and oversee a strategy for the protection of listed buildings within the Archdiocese. The group has developed a ten year strategy which is now being implemented, addressing the repair and conservation of buildings on a priority basis. In the past twelve months, this has borne fruit most visibly in the replacement of the magnificent copper roof on the Grade A listed church of Our Lady of Good Counsel in Dennistoun, Glasgow.

The coming year will see essential works carried out on some of the most venerable churches in the Archdiocese, among them, Sacred Heart church in Bridgeton, Glasgow and its neighbour, St Mary's in Abercromby Street. The more modern building of St Teresa's in Possilpark will also benefit from essential repair work.

The Archdiocese would not be able to carry out such works of preservation and renovation without the support, both professional and financial, of Historic Scotland, Glasgow City Council and the Heritage Lottery Fund. The Trustees wish to express their gratitude to the various bodies represented on the Conservation Working Party for their valued collaboration and financial assistance.

#### Connected Bodies

The Archbishop of Glasgow is 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 - 7  
 Agnes McGallagley Trust  
 Rosemary Scanlan Trust  
 Pastoral Care Trust  
 Scottish Catholic International Aid Fund  
 John Menzies Trust for Scotus College and Catholic Education

Any material contributions made by the Archdiocese to any of the above are detailed in Notes 6, 9, 10 and 17 to the Accounts.

Trustee                      Most Rev Mario J Conti

Trustee                      Right Rev Mgr Owen Gallagher

Glasgow

Date: 29<sup>th</sup> November 2005

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ARCHDIOCESE OF GLASGOW**

We have audited the financial statements of the Archdiocese of Glasgow for the year ended 31<sup>st</sup> March 2005 which comprise the principal accounting policies, the income and expenditure account, the balance sheet, the cash flow statement, other primary statements and notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees in accordance with the Charities Accounts Regulations (Scotland) 1992. 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 any other than the trustees, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

The trustees' responsibilities for the preparation of the trustees' report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and the Charities Accounts (Scotland) Regulations 1992. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We are not required to consider whether the statement in the trustees' report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the trustees' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Archdiocese, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES  
OF THE ARCHDIOCESE OF GLASGOW (continued)**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the Archdiocese's affairs at 31 March 2005 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990, the Charities Accounts (Scotland) Regulations 1992 and the constitution of the charity.

GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
GLASGOW

Date: 29<sup>th</sup> November 2005

## **ARCHDIOCESE OF GLASGOW**

### **ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting by Charities. The accounts have been prepared under the historical cost convention except that investments and properties are shown at their revalued amounts.

The principal accounting policies of the Archdiocese are set out below and remain unchanged from the previous year.

#### **Basis of Preparation**

These accounts have been prepared to conform to the Charities Accounts (Scotland) Regulations 1992.

#### **Parishes**

Under the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990, the Archdiocese is a designated religious body. Parishes are accounted for separately from the Archdiocese, although operating under its supervision and control. Accordingly, no amounts are included for assets or liabilities of parishes which fall under the Archdiocese's stewardship. Income from parishes is recognised insofar as it is receivable directly by the Archdiocese; this may be in the form of the annual amount levied to cover central costs, or amounts collected by parishes and passed on intact to the Archdiocese for such purposes as the Trustees periodically nominate.

#### **Income**

Dividends and other investment income are shown gross of any tax recoverable.

Levies payable by parishes to the Archdiocese in a calendar year (31 December) are treated by the Archdiocese as receivable in its financial year (31 March). Any levies received from parishes in respect of the new calendar year are treated as deferred income in the Balance Sheet of the Archdiocese. Any other amounts received from parishes are accounted for on a cash basis.

Donations are accounted for on a cash basis and allocated to the relevant designated or restricted fund if specified by the donor. Where special collections take place during Lent, the income is recognised as if it is received in April of the calendar year in question, even although Lent may fall in March. This avoids the possibility of two collections being recognised in one financial year and none in another.

Other income is accounted for as it becomes receivable.

#### **Non-monetary income**

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 disposed of.

#### **Fixed Assets**

Heritable properties are revalued by professional external advisers every five years, with an interim review being carried out after three years. The surpluses or deficits on revaluation of such properties are transferred to the relevant fund to which the assets relate, namely, designated, restricted or unrestricted.

## ARCHDIOCESE OF GLASGOW

### ACCOUNTING POLICIES (Continued)

#### 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 generally applicable are:

Heritable Property	2%
Furniture, Fittings & Equipment	15 - 33.1/3%
Motor Vehicles	25%

#### Grants

Grants receivable for revenue expenditure are credited to the income and expenditure account in the period to which related expenditure is recognised.

#### Investments

Investments are included at market value. 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.

#### Restricted and designated funds

In accordance with the Statement of Recommended Practice, amounts received by the Archdiocese which the donor has instructed be used for a specific purpose are held in restricted funds. From time to time the trustees decide that certain other funds be used for specific purposes. These are known as designated funds, and are transferred from general funds.

Expenditure which meets the criteria laid down for restricted or designated funds is transferred to that particular fund from the income and expenditure account. 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.

#### Contributions to staff pension funds

The pension costs in the income and expenditure account represent the amount of contributions payable to the pension schemes in respect of the accounting period.

#### 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 profit and loss 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 profit and loss account on a straight line basis over the lease term.

## ARCHDIOCESE OF GLASGOW

INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR TO 31 MARCH 2005

	Note	31/03/05 £	31/03/04 £
<b>Income</b>			
Income from funding bodies	1	133,249	11,582,214
Income from parishes	2	1,692,713	1,758,671
Personal donations and contributions		86,834	523,707
Income from fund-raising campaign		450,244	-
Other income	3	755,422	801,211
		<hr/>	<hr/>
		3,118,462	14,665,803
		<hr/>	<hr/>
<b>Expenditure</b>			
Staff costs	4	803,311	9,884,901
Administration and running expenses	6	1,234,461	2,465,525
Property costs		278,329	1,185,690
Donations	7	262,031	84,887
Expenditure of fund-raising campaign		911,949	-
		<hr/>	<hr/>
		3,490,081	13,621,003
		<hr/>	<hr/>
<b>(Deficit)/Surplus before finance costs</b>	8	(371,619)	1,044,800
Interest payable		27,939	53,656
		<hr/>	<hr/>
<b>(Deficit)/Surplus for the period before gains and losses on investment assets</b>		(399,558)	991,144
		<hr/>	<hr/>
<b>Gains and Losses on Investment Assets</b>			
Gain on sale of investments		8,378	8,774
Gain on sale of fixed assets		6,773	738,585
		<hr/>	<hr/>
		15,151	747,359
		<hr/>	<hr/>
<b>(Deficit)/Surplus for the period</b>	14	(384,407)	1,738,503
		<hr/> <hr/>	<hr/> <hr/>

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

## ARCHDIOCESE OF GLASGOW

BALANCE SHEET  
AT 31 MARCH 2005

	Note	31/03/05 £	31/03/04 £
<b>Fixed assets</b>			
Tangible assets	9	5,043,219	5,709,586
Investments	10	5,751,584	5,096,534
		<hr/>	<hr/>
		10,794,803	10,806,120
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors due within one year	11	1,881,016	4,181,673
Cash at bank and in hand		235,272	949,017
		<hr/>	<hr/>
		2,116,288	5,130,690
		<hr/>	<hr/>
<b>Current liabilities</b>			
Bank overdraft		244,059	1,072,225
Creditors: amounts falling due within one year	12	989,992	2,804,884
		<hr/>	<hr/>
		1,234,051	3,877,109
		<hr/>	<hr/>
<b>Net current assets</b>		882,237	1,253,581
		<hr/>	<hr/>
<b>Long term liabilities</b>			
Creditors: amounts falling due in more than one year	13	3,285	519,857
		<hr/>	<hr/>
<b>Net assets</b>		11,673,755	11,539,844
		<hr/> <hr/>	<hr/> <hr/>
Financed by:			
Unrestricted funds	14	4,054,028	4,329,333
Restricted funds	14	831,173	1,276,619
Designated funds	14	6,788,554	5,933,892
		<hr/>	<hr/>
		11,673,755	11,539,844
		<hr/> <hr/>	<hr/> <hr/>

Approved by the Trustees on 29<sup>th</sup> November 2005

Trustee            Most Rev Mario J Conti

Trustee            Right Rev Mgr Owen Gallagher

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

**ARCHDIOCESE OF GLASGOW**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2005**

	Note	31/03/05 £	31/03/04 £
<b>Reconciliation of operating surplus to net cash inflow from operating activities</b>			
Operating (deficit)/surplus		(371,619)	1,044,800
Interest received		(114,039)	(78,296)
Dividends received		(128,641)	(124,242)
Depreciation charges		151,626	136,978
Transfer of property to The Mungo Foundation		120,702	-
Decrease in creditors over one year		(2,274)	(16,700)
Decrease/(Increase) in debtors		2,300,657	(2,151,680)
(Decrease)/Increase in creditors		(1,748,892)	1,145,566
		<hr/>	<hr/>
<b>Net cash inflow/(outflow) from operating activities</b>		207,520	(43,574)
		<hr/> <hr/>	<hr/> <hr/>
<b>CASH FLOW STATEMENT</b>			
Net cash flow from operating activities		207,520	(43,574)
Returns on investments and servicing of finance	15	214,741	148,882
Capital expenditure less realisations	15	(307,840)	483,149
		<hr/>	<hr/>
<b>Increase in cash</b>		114,421	588,457
		<hr/> <hr/>	<hr/> <hr/>
<b>Reconciliation of net cash flow to movement in net debt</b>			
	16		
Increase in cash in the period		114,421	588,457
Net debt at 1 April 2004		(123,208)	(711,665)
		<hr/>	<hr/>
<b>Net debt at 31 March 2005</b>		(8,787)	(123,208)
		<hr/> <hr/>	<hr/> <hr/>

The above statement has been prepared in accordance with Financial Reporting Standard 1 - Cash Flow Statements.

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

**ARCHDIOCESE OF GLASGOW****NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS  
FOR THE YEAR ENDED 31 MARCH 2005**

	<b>31/03/05</b> £	<b>31/03/04</b> £
(Deficit)/Surplus for the year	(384,407)	1,738,503
Realisation of revaluation gains of previous years: - Property	-	194,201
Historical cost (deficit) surplus transferred from funds	<u>(384,407)</u>	<u>1,932,704</u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	<b>31/03/05</b> £	<b>31/03/04</b> £
(Deficit)/Surplus for the year	(384,407)	1,738,503
Unrealised surplus on restatement of investments	452,318	1,139,275
Unrealised surplus on restatement of property	-	800,094
Total recognised gains related to the period	<u>67,911</u>	<u>3,677,872</u>

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

## ARCHDIOCESE OF GLASGOW

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 20051. **Income from Funding Bodies**

	<b>31/03/05</b>	<b>31/03/04</b>
	£	£
Department of Work and Pensions	29,730	538,488
Health Boards	-	232,464
Local Authorities	103,519	10,811,262
	<hr/>	<hr/>
	133,249	11,582,214
	<hr/> <hr/>	<hr/> <hr/>

The reduction in income from funding bodies and personal contributions (Note 3 below) is a consequence of the transfer of the business of Archdiocese of Glasgow Community Social Services to The Mungo Foundation with effect from 1 April 2004. The income shown above relates to services provided by Community Social Services prior to that date but not recognised as income until uncertainty about collectability was resolved.

2. **Income from Parishes**

	<b>31/03/05</b>	<b>31/03/04</b>
	£	£
Parish levies	1,028,363	1,016,187
Collection – Sick and Retired Priests	203,800	240,573
Contributions for Sick and Retired Priests	-	10,000
Collection – Lenten Alms	167,917	166,868
Collections for Education of Students	70,774	70,351
Collection – Assisted Parishes	100,969	122,186
Collection – Education Sunday	31,614	33,587
Pro-Life collection	25,225	34,996
Justice and Peace collection	32,712	31,329
Collection – Communications	31,339	32,594
	<hr/>	<hr/>
	1,692,713	1,758,671
	<hr/> <hr/>	<hr/> <hr/>

3. **Other Income**

	<b>31/03/05</b>	<b>31/03/04</b>
	£	£
Personal contributions to care	-	165,425
National Contingency Fund dividend	117,700	110,600
Other dividends	10,941	13,642
Interest received	122,562	78,296
Jubilee Scheme	21,043	36,261
Cemetery income	370,201	236,279
Rent	1,295	9,645
Other	111,680	151,063
	<hr/>	<hr/>
	755,422	801,211
	<hr/> <hr/>	<hr/> <hr/>

Cemetery income includes an insurance refund of £100,059.

## ARCHDIOCESE OF GLASGOW

NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2005

## 4. Staff Costs

	<b>31/03/05</b>	<b>31/03/04</b>
	<b>£</b>	<b>£</b>
Salaries and wages	683,687	8,835,174
Social security costs	63,030	751,739
Pension costs	56,593	297,988
	<hr/>	<hr/>
	803,311	9,884,901
	<hr/>	<hr/>

The average number of people employed by the Archdiocese during the year was 41 (2003/04: 628). This number includes lay people, priests and nuns who are engaged full time on Archdiocese business. Volunteers are excluded, as are priests and nuns who, although they perform some administrative duties, receive their allowance from their respective parish or Congregation.

The emoluments of higher-paid employees fell within the following ranges:

	<b>31/03/05</b>	<b>31/03/04</b>
	<b>Number</b>	<b>Number</b>
£50,000 - £60,000	2	-
£60,000 - £70,000	1	-
	<hr/>	<hr/>

## 5. Remuneration of Trustees

The Trustees of the Archdiocese receive no remuneration for their services.

During the year, the Archdiocese purchased insurance at a cost of £1,258 (2003/04: £4,200) which indemnifies the Trustees against certain liabilities they may incur in respect of their role as Trustees of the Archdiocese.

## 6. Administration and Running Expenses

	<b>31/03/05</b>	<b>31/03/04</b>
	<b>£</b>	<b>£</b>
General administration	462,865	1,073,914
Household costs for residents in care	-	675,918
Provision of care for sick and retired priests	418,944	411,401
Contributions to the Bishops' Conference of Scotland and Seminaries	352,652	304,292
	<hr/>	<hr/>
	1,234,461	2,465,525
	<hr/>	<hr/>

## ARCHDIOCESE OF GLASGOW

NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2005

## 7. Donations

	<b>31/03/05</b>	<b>31/03/04</b>
	£	£
Assisted Parishes	50,000	58,900
Glasgow Churches Together	11,000	8,250
The Mungo Foundation – property	120,702	-
The Mungo Foundation – cash donations	58,851	-
Other donations	21,478	17,737
	<u>262,031</u>	<u>84,887</u>

As part of the start-up of The Mungo Foundation, two properties and cash donations were transferred from The Archdiocese of Glasgow to the new company. The value of the properties were £635,000 less capital grants written back of £514,298.

## 8. Surplus before Finance Costs

The surplus before finance costs is stated after (crediting)/debiting:

	<b>31/03/05</b>	<b>31/03/04</b>
	£	£
Rent from land and buildings	(1,295)	(9,645)
Investment income	(128,641)	(124,242)
Auditors' remuneration – for audit services	9,988	19,975
	<u>9,988</u>	<u>19,975</u>

## ARCHDIOCESE OF GLASGOW

NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2005

## 9. Tangible Assets

	Heritable Property £	Tenants Improvements £	Furniture, Fittings & Equipment £	Motor Vehicles £	Total £
<b>Cost or Valuation</b>					
At 01/04/04	5,613,674	338,770	518,323	27,708	6,498,475
Additions	49,708	-	64,220	13,258	127,186
Disposals	(635,000)	(338,770)	(285,810)	(27,708)	(1,287,288)
At 31/03/05	5,028,382	-	296,733	13,258	5,338,373
<b>Depreciation</b>					
At 01/04/04	-	338,770	429,338	20,781	788,889
Charge for year	80,419	-	67,892	3,315	151,626
Disposals	-	(338,770)	(285,810)	(20,781)	(645,361)
At 31/03/05	80,419	-	211,420	3,315	295,154
<b>Net Book Value at 31/03/05</b>	4,947,963	-	85,313	9,943	5,043,219
<b>Net Book Value at 31/03/04</b>	5,613,674	-	88,985	6,927	5,709,586

On 29 June 2001, all heritable properties were revalued by Freeman Macleod Limited, chartered surveyors and property consultants. The basis used for the valuations was open market value. On 6 February 2004, the properties used by Community Social Services were revalued by Freeman Macleod Limited, pending their transfer to The Mungo Foundation on 1 April 2004, resulting in an increase in value of £130,000 to £635,000. On 12 August 2004, an interim valuation of the remaining heritable properties was carried out, resulting in an increase of £439,000, in line with the current property market. These increases were reflected in the previous year's financial statements.

Heritable property includes investment properties with a net book value of £1,125,000 (2004: £1,125,000).

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

	31/03/05 £	31/03/04 £
At cost	78,382	28,674
At valuation	4,950,000	5,585,000
	5,028,382	5,613,674

## ARCHDIOCESE OF GLASGOW

NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2005

The figures stated above include assets held under finance leases, as follows:

	<b>Furniture Fittings &amp; Equipment £</b>
Net book amount at 31 March 2005	-
Net book amount at 31 March 2004	4,697
Depreciation provided in the year	<u>4,697</u>

10. **Fixed Asset Investments**

	<b>£</b>
<b>Valuation</b>	
At 1 April 2004	5,096,534
Invested during the year	281,511
Sold during the year	(78,780)
Surplus on revaluation	452,319
	<hr/>
At 31 March 2005	<u>5,751,584</u>

The above total is represented by:

	<b>31/03/05 £</b>	<b>31/03/04 £</b>
Catholic National Endowment Trust No 4	5,439,185	4,813,147
Investments listed on a recognised investment exchange	312,399	283,387
	<hr/>	<hr/>
	<u>5,751,584</u>	<u>5,096,534</u>

The Catholic National Endowment Trust No 4 is an unlisted unit trust which holds its funds in investments listed on a recognised investment exchange. At 31<sup>st</sup> March 2005, the Archdiocese of Glasgow had ownership of 42% of the total fund (2004: 41%). During the year, £203,800 was contributed to the Trust. The cost of these investments at 31 March 2005 was £3,852,706 (31 March 2004: £3,512,815). This investment is repayable on demand.

The investment 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.

## ARCHDIOCESE OF GLASGOW

NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2005

## 11. Debtors due within one year

	31/03/05 £	31/03/04 £
Owed by funding bodies	14,603	1,571,529
Prepayments and accrued income	143,470	1,174,889
Other debtors	352,378	521,934
Deferred expenses	1,361,179	903,935
Chapterhouse Investments Limited	9,386	9,386
	<u>1,881,016</u>	<u>4,181,673</u>

The deferred expenses are in connection with parish and land developments and will be recovered when the developments conclude.

## 12. Creditors: Amounts falling due within one year

	31/03/05 £	31/03/04 £
Trade creditors	49,693	61,127
Accruals	256,869	480,123
Deferred income	370,667	1,740,432
PAYE/NIC	46,614	306,328
Pensions	2,756	48,699
The Mungo Foundation	193,090	-
Other creditors	70,303	168,175
	<u>989,992</u>	<u>2,804,884</u>

## 13. Creditors: Amounts falling due after more than one year.

	31/03/05 £	31/03/04 £
Deferred capital grants	-	514,298
Other creditors	3,285	5,559
	<u>3,285</u>	<u>519,857</u>

**ARCHDIOCESE OF GLASGOW**

**NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2005**

Other creditors include obligations under finance leases amounting to £6,086 (2004: £9,120). Borrowing are repayable as follows:

	<b>31/03/05</b>	<b>31/03/04</b>
	<b>£</b>	<b>£</b>
Within one year		
Finance leases	2,801	3,560
After one and within two years		
Finance leases	2,801	3,560
After two and within five years		
Finance leases	484	2,000
	<hr/>	<hr/>
	6,086	9,120
	<hr/> <hr/>	<hr/> <hr/>

## ARCHDIOCESE OF GLASGOW

NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2005

## 14. Statement of Financial Activities

	Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds 31/03/05	Total Funds 31/03/04
	£	£	£	£	£
<b>INCOME AND EXPENDITURE</b>					
<b>Incoming Resources</b>					
Income from funding bodies	-	133,249	-	133,249	11,582,214
Income from parishes	1,028,363	435,325	229,025	1,692,713	1,758,671
Donations and contributions	18,649	59,320	8,865	86,834	490,058
Income from fund-raising campaign	-	450,244	-	450,244	-
Other income	223,133	130,120	402,169	755,422	834,860
<b>Total Incoming Resources</b>	<b>1,270,145</b>	<b>1,208,258</b>	<b>640,059</b>	<b>3,118,462</b>	<b>14,665,803</b>
<b>Resources Expended</b>					
Direct charitable expenditure	671,721	948,480	231,148	1,851,349	12,086,531
Fundraising	-	911,949	-	911,949	-
Management and administration	743,617	11,105	-	754,722	1,588,128
<b>Total Resources Expended</b>	<b>1,415,338</b>	<b>1,871,534</b>	<b>231,148</b>	<b>3,518,020</b>	<b>13,674,659</b>
<b>Net Incoming/(Outgoing) Resources before Transfers</b>	<b>(145,193)</b>	<b>(663,276)</b>	<b>408,911</b>	<b>(399,558)</b>	<b>991,144</b>
Transfers between funds	(146,048)	188,534	23,514	66,000	-
<b>Net (Outgoing)/Incoming Resources for the Year before Revaluation and Asset Disposals</b>	<b>(291,241)</b>	<b>(474,742)</b>	<b>432,425</b>	<b>(333,558)</b>	<b>991,144</b>
<b>Other Recognised Gains and Losses – Realised</b>					
Gains on investments	1,996	6,382	-	8,378	8,774
Gain on sale of fixed assets	6,773	-	-	6,773	738,585
<b>Net Movement in Funds</b>	<b>(282,472)</b>	<b>(468,360)</b>	<b>432,425</b>	<b>(318,407)</b>	<b>1,738,503</b>
<b>Unrealised Gains and Losses</b>					
Restatement of investments	7,167	22,914	422,237	452,318	1,139,275
Restatement of fixed assets	-	-	-	-	800,094
	(275,305)	(445,446)	854,662	133,911	3,677,872
Total Funds brought forward at 1 April 2004	4,329,333	1,276,619	5,933,892	11,539,844	7,861,972

**Total Funds carried forward at  
31 March 2005**

4,054,028	831,173	6,788,554	11,673,75 5	11,539,844
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## ARCHDIOCESE OF GLASGOW

### NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

Direct charitable expenditure in Restricted Funds includes the property and cash donations transferred to The Mungo Foundation (see note 7).

#### Transfers between Funds

Transfers between funds in the year included £146,048 (2004: £94,276) from Central Funds' Unrestricted Funds to Restricted Funds to cover the shortfall between income and expenditure for both Sick and Retired Priests (£127,528), Formation Costs (£18,692) and others (£172).

The net transfers of £66,000 represents a re-categorisation from creditors to a Cemetery Fund.

There are various other smaller transfers between Funds.

#### Description of Funds

Unrestricted Funds are the surplus of general income over general expenditure. Restricted Funds include several large bequests to the Archdiocese where the purpose is stated by the donor and also areas where parish collections are given for stated purposes such as the Assisted Parishes Fund. Designated Funds are monies set aside by the Trustees for a particular purpose and include the National Contingency Fund and the Cathedral Renovation Fund. The new Cemetery Fund is to allow the accumulation of surpluses from the operation of the cemetery to fund future maintenance. The Funds are largely represented by investment in property and share portfolios.

#### 15. Gross Cash Flows

	31/03/05 £	31/03/04 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	(27,939)	(53,656)
Interest received	114,039	78,296
Dividends received	128,641	124,242
	214,741	148,882
<b>Capital Expenditure</b>		
Payments to acquire fixed asset investments	(281,511)	(303,098)
Payments to acquire tangible fixed assets	(127,186)	(225,273)
Receipts from sales of tangible fixed assets	13,700	938,585
Receipts from sales of fixed asset investments	87,157	72,935
	(307,840)	483,149



## ARCHDIOCESE OF GLASGOW

NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2005

## 16. Analysis of Changes in Net Debt

	At 1 April 2004 £	Cash Flows £	At 31 March 2005 £
Cash at bank	949,017	(713,745)	235,272
Bank overdrafts	(1,072,225)	828,166	(244,059)
	<hr/>	<hr/>	<hr/>
	(123,208)	114,421	(8,787)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## 17. Pensions

The Archdiocese operates a number of 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.

## 18. Associated and Connected Bodies

**Associated Bodies**

At 31 March 2005 the following companies were connected with the Archdiocese:

Subsidiary Companies	Class of Share Capital Held	Proportion Held	Nature of Business
Chapterhouse Investments Limited	Equity	100%	Property Development
Archway Developments Limited	Equity	50%	Property Development
The Mungo Foundation	N/A	N/A	Provision of care and support services

All the companies are registered and operate in Scotland. Only The Mungo Foundation is consolidated as the other two are not considered material.

Chapterhouse Investments Limited owed the Archdiocese of Glasgow £9,386 at 31<sup>st</sup> March 2005 (31 March 2004: £9,386).

Archway Developments Limited owed the Archdiocese of Glasgow £93 at 31 March 2005 (31 March 2004: £93); a similar amount is owed to the Walker Group, the joint venture partners of the Archdiocese.

The Archdiocese of Glasgow owed The Mungo Foundation £193,090 at 31 March 2005 (31 March 2004: N/A).

The Mungo Foundation is a company limited by guarantee, has charitable status and is considered to be a subsidiary by virtue of the number of Trustees in common.

**ARCHDIOCESE OF GLASGOW**

**NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2005**

**Connected Bodies**

The Archdiocese deals with a number of the connected bodies set out in the Trustees Report on page 6. In addition to the information given elsewhere in these accounts, the Archdiocese received funds which in aggregate amounted to £Nil (2004: £10,000) during the period from these bodies.

**19. Capital Commitments**

There were no unprovided capital commitments at 31 March 2005 or 31 March 2004.

**20. Contingent Liabilities**

Several parishes obtained bank loans for capital works; the Archdiocese of Glasgow is guarantor for these loans which total £842,957 at 31 March 2005 (2004: £785,099).

**21. Leasing Commitments**

Operating lease payments amounting to £Nil (2004: £38,665) are due within one year in respect of motor vehicles and various items of general equipment. The leases to which these amounts relate expire as follows:

	<b>31/03/05</b>	<b>31/03/04</b>
	£	£
In one year or less	-	31,125
Between one and five years	-	7,000
In five years or more	-	540
	<hr/>	<hr/>
	-	38,665
	<hr/>	<hr/>

All of the above leases were transferred to The Mungo Foundation with effect from 1<sup>st</sup> April 2004.