

ARCHDIOCESE OF GLASGOW
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Scottish Charity Registration No SC018140

ARCHDIOCESE OF GLASGOW
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

INDEX	PAGE
Reference and administrative details	1
Report of the Trustees	2
Independent Audit Report to The Trustees of the Archdiocese of Glasgow	9
Accounting policies	12
Statement of financial activities	16
Balance sheet	17
Statements of cash flows	18
Notes to the financial statements	19

ARCHDIOCESE OF GLASGOW

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 MARCH 2023

Name of Charity:	Archdiocese of Glasgow
Charity Number:	SC018140
Principal Office:	196 Clyde Street Glasgow G1 4JY
Trustees:	Most Rev William Nolan – Archbishop Very Rev Monsignor Hugh Bradley Very Rev Peter M Canon Gallacher Very Rev Monsignor John A Hughes Very Rev Monsignor Paul G Murray
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
Bankers:	Virgin Money
Investment Managers:	Brewin Dolphin
Website:	www.rcag.org.uk

ARCHDIOCESE OF GLASGOW

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

INTRODUCTION

The Trustees of the Archdiocese of Glasgow ("the Archdiocese") present their report together with the Financial Statements for the year ended 31 March 2023.

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 is the current Ordinary of the Archdiocese and is responsible for ensuring the good governance of the Catholic Church within the Archdiocese.

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 five 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.

ARCHDIOCESE OF GLASGOW

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 MARCH 2023

Management

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 2023

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

There was a gradual return to normality in parishes as we moved out of the covid restrictions. In November 2022 Mass attendance was down 31% on pre-covid levels, however there has been a steady but sure improvement with a year on year Mass attendance increase of 5% in November 2023.

Parishes continued their involvement with foodbanks, opening their halls during the cold winter as warm rooms. A cafe has been opened in the city's east end as a gathering space to try and overcome the isolation and loneliness aggravated by covid. The arrival of a Ukrainian priest has allowed for a greater outreach to refugees from the war in Ukraine. They now have a regular Sunday Mass. The appointment of a Filipino chaplain has ensured the celebration of a regular monthly Mass for that community.

ARCHDIOCESE OF GLASGOW

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 MARCH 2023

During covid the clergy were particularly isolated from each other. Meetings of the clergy have been re-established, both for prayer and in-service, thus overcoming isolation, increasing clergy morale, and giving encouragement in carrying out their vocation.

A new Council of Priests was established in January 2023. This allowed for the restructuring of the deaneries which are now reduced from nine to five. With a renewed focus on evangelisation, the deaneries have established Deanery Councils, co-chaired by the Dean and a lay member. These Councils are now actively considering how best to use all available resources, whether personnel, finance or property, to achieve the Church's mission in the world.

The increasing Mass attendance and various cost saving measures have resulted in the Archdiocese reducing the financial deficit of previous years. In addition, spare capacity in the Archdiocesan offices is now rented out to the Knights of St Columba, and agreement has been reached with SCIAF who will soon occupy one floor of the building.

In this past year the Archdiocese has shown itself to be in good health, both materially and spiritually.

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).

The Trustees report a surplus for the year of £560,853 (2022: £5,947,997) and net current assets of £12,208,058 at 31 March 2023 (2022 £8,759,058).

Surplus

The surplus of £560,853 comprises:

	Diocesan Activities £	Faith into Action £	Parochial Activities £	Total £
Operating (deficit)/surplus	(180,419)	(63,427)	1,980,656	1,736,810
Gains/(Losses) on assets and investments	(763,465)	(334,502)	(77,990)	(1,175,957)
Net movement in funds for year	(943,884)	(397,929)	1,902,666	560,853

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 £1,522,138 (2022 £992,982) was raised in levy and a further £380,418 (2022 £137,021) 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 (page 16).

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 £5,837,246 at 31 March 2023 (2022: £6,175,266). During the year, the portfolio produced £163,871 of dividends, net of stockbroker's fees, £222,728 was distributed for the first two purposes mentioned above; the share for St Andrew's Cathedral was withdrawn having met its purpose in 2011.

ARCHDIOCESE OF GLASGOW

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 MARCH 2023

Parish Collections

Over £941,171 (2022: £353,739) was donated by the parishioners of the Archdiocese of Glasgow to diocesan and non-diocesan special collections during 2022/23. 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 £451,687 at 31 March 2022 (2022: £477,726),
- an investment portfolio established in 2007 with donations to *Faith into Action* which was valued at £5,837,246 (2022: £6,175,266) at the end of the financial year,
- a portfolio for parishes wishing to invest surplus funds which was valued at £1,317,846 at 31 March 2023 (2022: £1,408,482),
- 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 £1,204,342 at 31 March 2023 (2022: £1,273,627) and
- a 38.4% share (2022 38.1%) in the Catholic National Endowment Trust No 4 Provision for Future Contingencies (hereafter referred to as the National Contingency Fund) amounting to £9,731,923 at the end of the financial year (2022: £10,374,779).

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.

ARCHDIOCESE OF GLASGOW

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 MARCH 2023

Reserves

Unrestricted funds amount to £20,648,310 at 31 March 2023 (2022: £21,337,501) which include the National Contingency Fund which amounted to £11,100,960 (2022: £11,774,861) held in designated funds, as well as £890,271 (2022: £844,650) held in other designated funds as set out in Note 13.

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. Unrestricted general funds total £8,657,079 (2022: £8,717,990) but, after deduction of funds held in tangible fixed assets and investment property per note 14, the free reserves element held is £879,096. 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 to bring the free unrestricted reserves to the target level.

Restricted Curial funds amount to £7,857,450 at 31 March 2023 (2022: £8,510,074) which include funds relating to the *Faith Into Action* campaign of £6,531,925 (2022: £6,929,853) and the Archbishops' Maintenance Fund with a balance of £1,308,829 (2022: £1,378,014) 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.

PLANS FOR FUTURE PERIODS

This past year has been a difficult year for everyone. No one has been exempt from suffering the effects of high inflation, of rising food prices and of expensive heating and lighting. The people of the Archdiocese are to be commended for their continual support of foodbanks and other charities despite the financial difficulties they face themselves. The people's commitment to the church continues to be strong and shows itself in their active involvement in parish life and in the continuing recovery of parish income after the covid pandemic.

Looking to the future, the Archdiocese is focused on its Christ given mission of evangelisation, and with the help of newly formed Deanery Councils it seeks to identify how best to use our material, financial and personnel resources so that the good news of Jesus Christ may be proclaimed, the faith of believers strengthened, and the needy and poor supported.

In commending to you this Report I wish to express my appreciation to the employees of the Archdiocese for their professionalism and hard work, and to the clergy and laity throughout the Archdiocese whose work is often unseen and taken for granted. Inspired by our faith in God and working together we face the future, however uncertain, with hope.

ARCHDIOCESE OF GLASGOW

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 MARCH 2023

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.

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 19 December 2023

Trustee



Most Rev Archbishop William Nolan

Trustee



Very Rev Monsignor. Hugh Bradley

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

Opinion

We have audited the financial statements of The Archdiocese of Glasgow ("the charity") for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 charity's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Basis 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

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

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE 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 charity's financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities, set out on page 8, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to 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 regulations made under that Act.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, 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:

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: compliance with Scottish charity legislation and indirectly on the financial statements through compliance with relevant employment law and health and safety legislation;
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the charity, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

ARCHDIOCESE OF GLASGOW

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

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

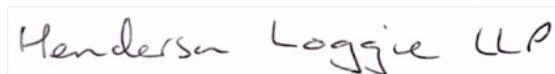
- Inquiry with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading correspondence with regulators including OSCR
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates, 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.

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.

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body for our audit work, for this report, or for the opinions we have formed.



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

21 December 2023

ARCHDIOCESE OF GLASGOW

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023

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)", Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities Accounts (Scotland) Regulations 2006.

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 2023

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 2023

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 2023

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 2023

	Note	Unrestricted Funds		Restricted Funds	Total Funds	Unrestricted Funds		Restricted Funds	Total Funds
		General	Designated	2023	2023	General	Designated	2022	2022
		2023	2023	2023	2023	2022	2022	2022	2022
		£	£	£	£	£	£	£	£
Income from:									
Donations and legacies	1	132,276	2,000	7,344,809	7,479,085	102,878	-	6,824,238	6,927,116
Charitable activities	2	31,979	326,396	2,213,615	2,571,990	18,542	348,755	449,312	816,609
Other trading activities	3	-	-	425,610	425,610	-	-	250,070	250,070
Income from investments	4	211,208	267,548	474,983	953,739	456,234	225,516	380,902	1,062,652
Other income		(15,909)	-	129,176	113,267	-	-	65,299	65,299
Total income		359,554	595,944	10,588,193	11,543,691	577,654	574,271	7,969,821	9,121,746
Expenditure on:									
Raising funds	5	-	73,853	402,529	476,382	-	72,723	330,509	403,232
Charitable activities	6	2,162,018	280,777	6,887,705	9,330,550	1,888,341	270,746	6,433,404	8,592,491
Total expenditure		2,162,018	354,630	7,290,234	9,806,882	1,888,341	343,469	6,763,913	8,995,723
Gains/(losses) on investments	11	(5,097)	(669,294)	(501,565)	(1,175,957)	8,901	743,987	670,356	1,423,244
Net income/(expenditure)		(1,807,561)	(427,980)	2,796,394	560,853	(1,301,786)	974,789	1,876,264	1,549,267
Transfers between funds									
Levy, NCF and Special Collections	13	1,522,138	-	(1,522,138)	-	992,982	-	(992,982)	-
Other transfers	13	224,512	(200,300)	(24,212)	-	172,407	(174,699)	2,292	-
Gains/(losses) on revaluation		-	-	-	-	1,313,430	-	3,085,300	4,398,730
Net movement in funds		(60,911)	(628,280)	1,250,044	560,853	1,177,033	800,090	3,970,874	5,947,997
Reconciliation of funds:									
Total funds brought forward		8,717,990	12,619,511	35,316,295	56,653,796	7,540,957	11,819,421	31,345,421	50,705,799
Total funds carried forward	13	8,657,079	11,991,231	36,566,339	57,214,649	8,717,990	12,619,511	35,316,295	56,653,796

The accompanying accounting policies on pages 12 to 15 and notes on pages 19 to 33 form an integral part of these financial statements.

ARCHDIOCESE OF GLASGOW

BALANCE SHEET

AT 31 MARCH 2023

	Note	Archdiocese 2023 £	Archdiocese 2022 £
Fixed assets			
Tangible assets	9	23,187,183	24,908,495
Investment property	9	3,390,000	3,390,000
Investments	10	18,543,044	19,709,880
		<u>45,120,227</u>	<u>48,008,375</u>
Current assets			
Debtors	11	793,739	921,032
Cash at bank and in hand		12,206,028	8,520,729
		<u>12,999,766</u>	<u>9,441,761</u>
Current liabilities			
Creditors: amounts falling due within one year	12	(791,708)	(682,703)
		<u></u>	<u></u>
Net current assets		12,208,058	8,759,058
Total assets less current liabilities		57,328,285	56,767,433
Creditors: Amounts falling due after more than one year		-	-
Provision for defined benefit pension liability	17	(113,637)	(113,637)
		<u></u>	<u></u>
Total net assets		57,214,649	56,653,796
The funds of the charity:			
Unrestricted general funds	13	8,657,079	8,717,990
Unrestricted designated funds	13	11,991,231	12,619,511
Restricted funds	13	36,566,339	35,316,295
		<u>57,214,649</u>	<u>56,653,796</u>

Approved by the Trustees on 19 December 2023:

Trustee 
Most Rev Archbishop William Nolan

Trustee 
Very Rev Monsignor Hugh Bradley

The accompanying accounting policies on pages 12 to 33 and notes on pages 19 to 41 form an integral part of these financial statements

ARCHDIOCESE OF GLASGOW

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Cash flows from operating activities:			
Net cash used in operating activities	15	1,513,363	(350,232)
Cash flows from investing activities:			
Dividends, interest and rents from investments		953,739	1,062,652
Purchase of property and equipment		(36,773)	(256,528)
Proceeds from the Sale of Property		1,264,092	-
Proceeds from sale of investments		3,593,581	1,914,405
Purchase of investments		(3,469,558)	(1,354,805)
Net cash provided by investing activities		2,305,081	1,365,724
Cash flows from financing activities:			
Repayments of borrowing		-	(3,274)
Change in cash and cash equivalents in the year		3,818,443	1,012,218
Cash and cash equivalents at the beginning of the year		8,737,633	7,725,415
Cash and cash equivalents at the end of the year		12,556,076	8,737,633
Analysis of cash and cash equivalents			
Cash in hand and at Bank		12,206,028	8,520,729
Cash held within investment portfolio		350,048	216,904
Total cash and cash equivalents		12,556,076	8,737,633

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 2023

1. Income from donations and legacies

	2023	2022
	£	£
Offerings	4,845,714	4,246,843
Parochial 2 nd collections	100,627	83,124
Quarterly collections	10,288	22,280
Special collections	348,414	551,602
Gift Aid	729,406	614,308
Legacies	229,448	367,521
General fundraising	101,499	35,866
Project fundraising	819,705	481,292
Other donations	293,984	524,280
	<hr/>	<hr/>
	7,479,085	6,927,116
	<hr/>	<hr/>

2. Income from charitable activities

	2023	2022
	£	£
Religious education	-	18,543
Cemetery	358,375	348,755
Votive candles	235,687	163,488
Insurance Receipts	1,521,981	-
Other income	455,947	285,823
	<hr/>	<hr/>
	2,571,990	816,609
	<hr/>	<hr/>

3. Income from other trading activities

	2023	2022
	£	£
Hall income	311,842	161,213
Stall/newspaper sales	113,768	88,857
	<hr/>	<hr/>
	425,610	250,070
	<hr/>	<hr/>

4. Income from investments

	2023	2022
	£	£
Rent received	397,884	358,830
Dividends received	549,237	702,685
Interest received	6,618	1,137
	<hr/>	<hr/>
	953,739	1,062,652
	<hr/>	<hr/>

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

5. Expenditure on raising funds

	2023 £	2022 £
Stockbroker's fees	120,569	107,396
Hall expenditure	253,220	222,833
Stall/newspapers	102,593	73,003
	<u>476,382</u>	<u>403,232</u>

6. Expenditure on charitable activities

	2023 £	2022 £
<i>Costs directly attributable to activities:</i>		
Education and formation	318,582	373,482
Support of clergy	1,476,882	1,470,318
Pastoral services	1,570,364	1,391,102
Other archdiocese	1,685,588	1,602,662
	<u>5,051,416</u>	<u>4,837,564</u>
<i>Support costs allocated to activities:</i>		
Staff	1,397,541	1,379,666
Property	1,964,585	1,601,558
Administration	867,250	739,970
Governance costs - Audit fees	49,708	33,733
	<u>4,279,084</u>	<u>3,754,927</u>
	<u>9,330,500</u>	<u>8,592,491</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 2023

7. Staff costs

	2023 £	2022 £
Salaries and wages	1,152,733	1,034,702
Social security costs	108,733	93,534
Pension costs	86,988	121,021
	1,348,455	1,249,257

The average number of people employed by the Archdiocese was 47 (2022: 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 78 (2022: 82), a full time equivalent of 19.6 (2022: 24.8), at a total cost of £430,013 (2022: £416,223). 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 none (2022: one), £70,001 - £80,000 one (2022: none), £80,001 - £90,000 none (2022: two) £100,001 - £110,000 one (2022: none)

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 £301,987 (2022: £285,798).

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 (2022: £1,680) which indemnifies the Trustees against certain liabilities they may incur in respect of their role as Trustees of the Archdiocese.

	Salary 2023 £	Salary 2022 £	Expenses 2023 £	Expenses 2022 £
Most Rev Willian Nolan	4,305	410	11,112	-
Very Rev Monsignor Hugh Bradley	4,305	7,393	12,870	14,425
Very Rev Peter Canon Gallagher	3,208	3,615	15,884	17,153
Very Rev Monsignor John Hughes	3,272	200	8,312	8,593
Very Rev Monsignor Paul Murray	4,305	3,212	9,683	10,675
	19,395	14,830	57,861	50,846

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

9. Tangible fixed assets and investment property

	Curial Investment property £	Heritable property Curial £	Parochial £	Curial Motor Vehicles £	Curial Furniture, fittings & equipment £	Total £
Cost or valuation						
At 01/04/22	3,390,000	7,086,687	17,842,337	-	186,052	28,505,076
Additions	-	-	-	23,702	13,071	36,773
Disposals	-	(1,280,000)	-	-	-	(1,280,000)
Transfer	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
At 31/03/23	3,390,000	5,806,687	17,842,337	23,702	199,123	27,261,849
Depreciation						
At 01/04/22	-	10,000	15,993	-	180,588	206,581
Charge for year	-	117,334	347,446	5,925	7,380	478,085
Disposals	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
At 31/03/23	-	127,334	363,439	5,925	187,968	684,666
Net book value at 31/03/23	3,390,000	5,679,353	17,478,898	17,777	11,155	26,577,183
Net book value at 31/03/22	3,390,000	7,076,687	17,826,344	-	5,464	28,298,495

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

	2023 £	2022 £
At cost	825,843	1,466,845
At valuation	22,823,181	23,462,179
	23,649,024	24,929,024

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

	2023 £	2022 £
Cost	6,459,254	6,459,254
Accumulated depreciation	(2,968,533)	(2,645,570)
Net book value	3,490,721	3,813,684

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

9. Tangible fixed assets and investment property (continued)

The Archdiocesan property portfolio was last 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 2023

10. Fixed asset investments

	2023 £	2022 £
Valuation		
At 1 April 2022	19,492,976	18,629,332
Investments purchased	3,469,558	1,354,805
Proceeds from the sale of investments	(3,593,581)	(1,914,405)
Gains/ (losses) on revaluation	(1,175,957)	1,423,244
At 31 March 2023	18,192,996	19,492,976
Cash held in the portfolio	350,048	216,904
Total valuation of the portfolio	18,543,044	19,709,880
Cost at 31 March 2023	7,981,899	7,413,448

The above total is represented by:

	2023 £	2022 £
National Contingency fund	9,731,923	10,374,779
Curial Office	451,687	477,726
Faith Into Action	5,837,246	6,175,266
Invested on behalf of Parishes	1,317,846	1,408,482
Archbishops' Maintenance fund	1,204,342	1,273,627
	18,543,044	19,709,880

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 2023, the Archdiocese of Glasgow had ownership of 38.4% of the total fund (2022: 38.1%). The cost of these investments at 31 March 2023 was £8,591,807 (31 March 2022: £7,738,475).

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 2023

11. Debtors

	2023 £	2022 £
Loan to the Mungo Foundation	56,250	81,250
Prepayments and accrued income	713,295	793,496
Other debtors	24,194	46,286
	<hr/>	<hr/>
	793,739	921,032
	<hr/>	<hr/>

12. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	7,257	12,617
Accruals	658,533	525,933
Other creditors	125,919	144,153
	<hr/>	<hr/>
	791,709	682,703
	<hr/>	<hr/>

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 £592,757 (2022: £357,340) of which £91,676 (2022: £48,636) is included in Other Creditors at the end of the year, as yet to be paid out.

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

13. Funds -Movements in the year

<i>Unrestricted</i>	At 1 April 2022 £	Income £	Expenditure £	Gains/ loss £	Transfers £	At 31 March 2023 £
General funds	8,717,990	359,554	(2,162,018)	(5,097)	1,746,650	8,657,079
<i>Designated</i>						
National Contingency Fund	11,774,861	269,546	(73,853)	(669,294)	(200,300)	11,100,960
Cathedral Renovation Fund	22,087	-	-	-	-	22,087
Cemetery Fund	439,753	326,398	(274,229)	-	-	491,920
Archbishop's Pastoral Fund	179,926	-	-	-	-	179,926
Insurance Fund	199,724	-	(6,548)	-	-	193,176
Other smaller funds	3,160	-	-	-	-	3,159
	12,619,511	595,944	(354,630)	(669,294)	(200,300)	11,991,231
<i>Restricted</i>						
Pro Life Fund	(2,456)	-	(4,000)	-	(19,781)	(26,237)
Education Fund	108,036	358	(407)	(4,888)	-	103,099
Catholic Education Fund	(30,828)	-	(48,442)	-	23,877	(55,393)
Assisted Parishes Fund	99,143	-	(5,864)	-	71,272	164,551
Archbishops' Maintenance Fund	1,378,014	36,738	(5,582)	(68,436)	(31,905)	1,308,829
Justice and Peace Fund	38,230	-	(12,510)	-	29,226	54,946
Cardinal Winning Pro-Life Initiative	135,682	40,964	(90,629)	-	30,000	116,017
Faith Into Action Fund	6,929,853	195,918	(36,616)	(334,502)	(222,728)	6,531,925
Sick & Retired Priests' Fund	(353,959)	2,476	(736,493)	-	597,449	(490,527)
Education of Students' Fund	(244,625)	2,000	(108,748)	-	54,985	(296,388)
Italian Cloister Garden	19,569	60	(678)	-	-	18,951
Appeal Fund	23,642	-	(80)	-	10,137	33,699
SPRED Fund	409,771	1,158	(1,202)	(15,749)	-	393,978
Smaller restricted funds						
Archdiocese restricted funds	8,510,072	279,672	(1,051,251)	(423,575)	542,532	7,857,450
Parochial restricted funds	26,806,223	10,308,521	(6,238,983)	(77,990)	(2,088,882)	28,708,889
Total restricted funds	35,316,295	10,588,193	(7,290,234)	(501,565)	(1,546,350)	36,566,339
	56,653,796	11,543,691	(9,806,882)	(1,175,957)	-	57,214,649

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

13. 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 Fund	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)	26,806,222
Archdiocese restricted funds	31,345,421	7,969,821	(6,763,913)	3,755,656	(990,690)	35,316,295
	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 2023

13. 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 10, 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 2023

13. 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:

	2023 £	2022 £
Levy	1,499,144	992,982
National Contingency Fund contributions	209,320	130,100
Special Collections	380,418	6,921
	<hr/>	<hr/>
	2,088,882	1,130,003
	<hr/>	<hr/>

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

14. Analysis of net assets between funds

	Unrestricted Funds		Restricted Funds	2023 Total
	General	Designated		
	£	£	£	£
Tangible fixed assets and investment property	7,777,986	1,320,300	17,478,897	26,577,183
Investments	90,440	9,731,925	8,720,679	18,543,044
Cash at bank and in hand	416,427	880,307	10,909,294	12,206,028
Other net current assets/(liabilities)	485,863	58,699	(542,531)	2,031
Provisions	(113,637)	-	-	(113,637)
	<u>8,657,079</u>	<u>11,991,231</u>	<u>36,566,339</u>	<u>57,214,649</u>
	Unrestricted Funds		Restricted Funds	2022 Total
	General	Designated		
	£	£	£	£
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>

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

	2023	2022
	£	£
Net income/(expenditure) for the year (as per Statement of Financial Activities)	560,853	1,549,267
Adjustments for:		
Depreciation charges	478,085	479,270
(Gains)/Losses on investments	1,175,957	(1,423,244)
Investment income	(953,739)	(1,062,652)
Loss on sale of property	15,909	111,424
(Increase)/decrease in debtors	127,293	(111,701)
Increase /(decrease) in creditors	109,005	70,906
Increase/ (decrease) in provisions	-	36,498
	<u>1,513,363</u>	<u>(350,232)</u>

ARCHDIOCESE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

16. Analysis of changes in net debt

Archdiocese	As at 1 April 2022 £	Cashflows £	As at 31 March 2023 £
Cash in hand and at bank	8,520,729	3,685,299	12,206,028
Cash held within investment portfolio	216,904	133,144	350,048
Loans	-	-	-
	<u>8,737,633</u>	<u>3,818,443</u>	<u>12,556,076</u>

	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>

17. 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 £86,988 in total (2022: £121,021); 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 2023

18. 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 (2022: £Nil) from these bodies.

Please see note 11 for disclosure of trustees' benefits.

In the year £188,562 (2022; £121,497) was paid to the Bishop's Conference of Scotland. At the year end £nil (2022; £nil) was outstanding.

19. Contingent liabilities

There were no contingent liabilities at the end of March 2022 (2022: £nil)

20. Operating lease commitments

Commitments under non-cancellable operating leases are detailed below:

	2023 £	2022 £
Within one year	45,582	52,767
Between two and five years	28,503	68,687
After more than five years	-	-
	<hr/>	<hr/>
	74,085	121,453
	<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 2023

21. Operating lease – rental income

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

	2023 £	2022 £
Within one year	151,309	151,309
Between two and five years	605,236	605,236
After more than five years	5,206,273	5,357,582
	<hr/>	<hr/>
	5,962,818	6,114,127
	<hr/>	<hr/>

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

22. Financial instruments

	2023 £	2022 £
Carrying amount of financial assets		
Measured at fair value	18,192,996	19,492,976
	<hr/>	<hr/>