

**Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2021
for
RC DIOCESE OF MOTHERWELL
Charity Number: SC011041**

RC DIOCESE OF MOTHERWELL

**Report and Financial Statements
For the year ended 31 December 2021**

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RC DIOCESE OF MOTHERWELL

Reference and administrative details For the year ended 31 December 2021

Name of Charity	RC Diocese of Motherwell
Registered Charity Number	SC011041 (Scotland)
Principal Office	Diocesan Centre Coursington Road Motherwell ML1 1PP
Trustees	Bishop Joseph Toal Father Gerard Chromy (resigned 4th July 2022) Father James Thomson Father Raymond Breslin (appointed 4th July 2022)
Principal Bankers	Clydesdale Bank plc 43 Hamilton Road Motherwell ML1 3DD
Solicitor	McSparran McCormick Waterloo Chambers 19 Waterloo Street Glasgow G2 6AH
Auditors	WDM Associates Registered Auditors Chartered Accountants Oakfield House 378 Brandon Street Motherwell ML1 1XA
Website	www.rcdom.org.uk

RC DIOCESE OF MOTHERWELL

Report of the Trustees For the year ended 31 December 2021

Introduction

The Trustees of the RC Diocese of Motherwell present their report together with the Financial Statements of the RC Diocese of Motherwell for the year ended 31 December 2021.

Trustees

The Trustees are the Bishop by right of the Office, the Vicar General of Motherwell and the Diocesan Treasurer who are freely appointed to these Offices by this Bishop and become Trustees by holder of these Offices.

At the 31st December 2021 the Trustees were accordingly as follows:

Rt Rev Joseph Toal	Bishop of Motherwell	
Rev Gerard Chromy	Vicar-General	Resigned 4th July 2022
Rev James Thomson	Treasurer	

Father Raymond Breslin was appointed Trustee on 4th July 2022.

The Trustees hold meetings on a regular basis to conduct the operations of the charity and other policies. The Diocese has an ongoing policy for training Trustees and are kept fully informed of legislative changes which affect the charity.

Scope of the Financial Statements

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

- *RC Diocese of Motherwell Curial Funds*
Curial Funds are used to support the Bishop in providing diocesan services and pastoral care and to meet the costs of 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

Governing document

The RC Diocese of Motherwell is constituted by its Deed of Declaration of Trust. The Trustees named on page one have served throughout the year or since date of appointment. Appointment of Trustees is governed by the terms of the Deed of Declaration of Trust. The Trustees meet each month.

Organisational Structure

The organisational structure of the Diocese is headed by the Bishop of Motherwell in accordance with the law of the Church - Canon Law. The administrative and pastoral structures of the Diocese are described in the code of Canon Law and the books of Diocesan Structures.

The sixty parishes (excluding Mass centres and religious houses) are established and operate under the Code of Canon Law (the law of the Church) which confers on them separate canonical status, rights and obligations.

RC DIOCESE OF MOTHERWELL

Report of the Trustees For the year ended 31 December 2021

Management

The Bishop has overall responsibility for the management of the Diocese. The Bishop is supported in his task of governance by the Diocesan Curia. The Diocesan Curia under the moderation of the Vicar General administers the day-to-day affairs of the charity from the registered office. The Curia is made up of both clerical and lay staff. Diocesan policies are put in place in consultation with a number of committees. Canon Law mandates a Diocesan Finance Committee consisting of people skilled in the administration of goods, both lay and clerical. The Finance Committee and the Fabric and Planning Committee meet eight times each year and report on activities of the Diocese and these are discussed and advice is given to the Bishop and the Trustees concerning their decisions. The College of Consultors is consulted on matters of major administrative significance.

Key management personnel remuneration

The trustees consider the board of trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee received remuneration. Details of trustee expenses are disclosed in note 9 to the financial statements.

Objectives and Activities

Objectives

The objectives of the RC Diocese of Motherwell are defined in the Deed of Declaration of Trust and include:-

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

The policy of the Trustees is to seek finance and support to assist its work towards achieving those objectives within the Diocese.

Activities

The Diocese continued to support the parishes of the Diocese in their promotion of the advancement of religion and education and their work towards the relief of poverty and the alleviation of illness within the Diocese. The public benefit provided by the Charity includes the provision of religious ceremonies (such as baptisms, weddings and funerals), celebrating public Masses, and providing and maintaining places of worship. There is also a benefit to the general public as churches can be accessed by people of all faiths and none, for personal spiritual contemplation. Parishes are communities which contribute to the moral and spiritual wellbeing of those who participate. From these centres educational, social and pastoral work is carried out as a practical expression of faith. All of these contribute to the wellbeing of civic society in our country.

Volunteers

Special mention should be made of the considerable number of volunteers who participate in all aspects of the work of the Diocesan Trust as they seek to live out their Christian vocation. Without their active participation our Parishes, in particular, would not function. The Diocesan Trustees, Parish clergy and our employees are most grateful to our volunteers for giving the Church and the world so much time and effort. A typical Parish has between 10% and 20% of its Parishioners actively helping in all manner of voluntary roles from altar servers to financial accountants. Parishes do not only look inwardly to their own needs. Many Parish volunteers give help to the sick, elderly, homeless and disadvantaged in their local areas, and further afield, through their Parish organisations.

RC DIOCESE OF MOTHERWELL

Report of the Trustees For the year ended 31 December 2021

Safeguarding

" IN GOD'S IMAGE", the Church's policies and procedures for the protection of children, young people and vulnerable adults set out the Safeguarding requirements in our parishes. All parish priests and Parish Safeguarding Coordinators have access to the online version of the instruction. Posters, for displaying key contacts and how to report concerns or disclosures, are visible in the church and parish hall.

IN GOD'S IMAGE (version 2) has emerged from a 9-month period of consultation, reflection and discussion among many who have direct experience and expertise in the front line of the Church's safeguarding practice. Significantly, this experience includes responding to the hurt and anguish of those who have suffered abuse at the hands of clergy, religious and others working within the Catholic Church.

IN GOD'S IMAGE (version 2) refers to key statements made by Pope Francis and also to instructions and norms published by the Holy See in recent years. It also considers evolving changes to the PVG scheme in Scotland. The work of the Independent Review Group and recommendations from independent audits of safeguarding in Scottish dioceses have also had a bearing on this revised version. The Diocese has also undergone an audit, carried out on behalf of the Independent Review Group. It is the intention of the Trustees to implement any recommendations that are highlighted by this audit.

An annual Diocesan and Parish audit, reviewed by the Scottish Catholic Safeguarding Service (SCSS) and the Independent Review Group (IRG), is analysed and a report on strengths and weaknesses is fed back to the Diocese. All Catholic Organisations, including the Diocesan Lourdes Pilgrimage, SPRED and Alma, operating within the Diocesan boundaries, complies with IN GOD'S IMAGE, the Safe Recruitment Process, and is audited each year. The Diocese has an established safeguarding structure and governance with the Diocesan Safeguarding Advisory Group meeting quarterly to aid the Bishop. The Diocesan Risk Assessment Team meets as and when required, producing risk assessments and recommendations with support from statutory partners. The Safe Recruitment Process is overseen centrally at the Diocesan Centre, with the Safeguarding Administrator as the link for Parish Safeguarding Coordinators. The Safeguarding Adviser continues to attend national meetings and supports the national office in many ways.

Financial Review

The Trustees are responsible for the contents of the financial statements, which are prepared by the Diocese and audited by WDM Associates.

The Parish accounts have been included in the Diocesan financial statements to reflect the overall financial position of the Diocese, as required by charity accounting legislation.

Financial

The Trustees report a surplus of £1,825,869 on total Curial funds for the year (2020: surplus £1,182,628) and a deficit of £160,185 on Parochial funds for the year (2020: deficit £2,721,424). Curial net current assets were £4,681,707 at 31 December 2021 (2020: £5,369,459) and Parochial net current assets were £9,684,166 (2020: £9,648,869).

Parochial reserves total £18,647,010 at 31 December 2021 (2020: £18,807,195) which relate solely to the assets and transactions of individual parishes. Curial reserves total £9,450,873 at 31 December 2021 (2020: £7,625,004).

£1,536,452 of the reported surplus on Curial funds relates to unrealised gains on investments. Removing the effect of this gives a surplus on unrestricted Curial funds of £404,866 for the year and the reserves at the year end would be £1,156,307.

Diocesan income including the levy and special collection transfers from the parishes was £1,839,451 in the year (2020 - £1,885,751) compared to expenditure of £1,383,220 (2020 - £1,805,925). Most of the decrease in expenditure is attributable to property costs - in 2020 windows were replaced and there were roof repairs costing £163,362.

RC DIOCESE OF MOTHERWELL

Report of the Trustees For the year ended 31 December 2021

Financial (continued)

Curial income has been sufficient this year to meet the obligations faced by the Diocese in relation to retired priests, education of seminarians and the administrative costs of the Diocesan Office. The Diocese and many parishes employing staff applied for the job retention scheme grants. The Curial office claimed grants of £51,854 compared to staff costs for the year of £394,199.

Parochial income has increased £739,544. Of this £395,395 is an increase in collections representing approximately an 11% increase and £75,320 is an increase in the special collections which is about 25%. Legacies received totalled £100,531 compared to £500 in 2020. The pandemic continued to have an impact on hall income which decreased £21,911 from 2020.

Property costs for both the Curial office and parishes have decreased £708,759 from 2020. This is due to the repairs and refurbishment works being restricted to those that were absolutely necessary. Our insurers, Catholic National Mutual, of which the Diocese is a shareholder, to assist cashflow, delayed till March 2022 from October 2021, the collections of premiums. The Central Funds of the Diocese also received an award from CNM of £138,970.

Surplus/(Deficit) on Curial Funds

The main source of income for the Diocese is from the parishes through an annual levy and Special Collections for particular purposes. In the year under review, £1,137,677 (2020: £1,363,382) was raised in levy and a further £141,096 (2020: £124,781) was contributed through Special Collections. As the levy and 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.

The Curial unrestricted fund has a surplus at 31 December 2021 of £1,859,260 an increase from 2020 of £1,121,435. Of this £702,953 is attributable to unrealised gains on investments in the year; in 2020 unrealised gains were £69,189 and in 2019 they were £640,930.

In order to maintain the financial security of the Diocese for the future, it is essential that expenditure is continually monitored and controlled. However to meet these rising costs of our commitments, the level of contributions from all sources including parishes will also have to be continually reviewed and increased, otherwise the Diocese may encounter further deficits which will be unsustainable in the long term.

Going concern

The Trustees regard the future operation of the Diocese as a going concern. Cash held in bank accounts is £5.56 million and the investment portfolio totalled £12.7 million at 31 December 2021. Plans which were put in place in 2015 to reduce costs are constantly monitored and income streams continue to be reviewed. Although income increased from 2020, the continued effect of the Covid 19 pandemic was felt as the majority of restrictions were only lifted from August 2021. Although income is yet to return to prepandemic levels, the increase in Mass attendances is encouraging.

The largest cost to the Diocese as a whole continues to be the upkeep of the Diocesan properties. The Trustees have resolved to ensure repairs will be considered very carefully and assessed based on the need for the number of churches/properties currently held and funding sources available. Residential properties which become surplus to requirements will be sold at the earliest opportunity.

Revaluation of property

Heritable assets include diocesan properties, parochial presbyteries and other parochial properties and sites and are valued by professional external advisers every five years. Only non-adjointed parochial properties, excluding churches, i.e. parish halls, presbyteries and other parochial properties not physically joined to each other or to the church are valued.

RC DIOCESE OF MOTHERWELL

Report of the Trustees For the year ended 31 December 2021

Revaluation of property (continued)

Inalienable and historic assets have not been capitalised as no reliable value can be attributed to them. Our insurers, Catholic National Mutual, have instructed Fisher German, Chartered Surveyors, to do a valuation exercise on all insured property. This will be carried out over a couple of years and will give insurers a more accurate estimate of the rebuild costs for insured property. They have completed this exercise for churches and will move on to halls and then presbyteries.

Investment policy and performance

The Trustees have power to invest in such stocks, shares, investments and property as they see fit. It is the Trustees' policy to invest in the Stock Market to obtain a balanced return combining capital and income growth to protect the real value of both capital and income. These investments will seek to achieve this by investing in a range of assets suitable for the investment of charitable monies, which will take account of our ethical requirements. The Trustees will not invest in anything that is contrary to the moral and ethical teachings of the Catholic Church.

The investments of the Diocese include a 42.79% share (2020: 39.97%) in the National Contingency Fund amounting to £12,205,094 at the end of the financial year (2020: £9,642,282). This fund is managed on an advisory basis by independent professional investment managers and stockbrokers on behalf of the Bishop's Conference of Scotland. The Diocese also holds unlisted investments of £4,000 (2020: £4,000) which are stated at cost.

The valuation of the various portfolios at 31 December 2021 produced an increase of £1,536,542 (2020: increase £135,708). The National Contingency Fund, which is managed by the Bishops' Conference of Scotland on behalf of three of the Scottish dioceses, was responsible for most of the increase.

During the year under review £181,500 was received as dividend from the National Contingency Fund (2020 £196,600). The costs of caring for our sick and retired clergy in the year was £212,618 (2020 - £282,245). The shortfall of £31,118 (2020 - £85,645) has been met from Central Funds.

Reserves policy

The intention of the Trustees is to build up general reserves to an equivalent of 6 months expenditure on unrestricted funds not designated for other purposes. This would provide sufficient funds to continue the current activities of the Diocese in the event of a significant drop in income.

At 31 December 2021 the balance of general funds was in surplus by £1,859,260. However much of this due to the unrealised gains on investments. The Trustees continue to take steps by preparing budgets for 2022 and 2023 to scrutinise and further reduce costs throughout the Diocese.

Developments

During the year we continued to invest in maintaining the fabric of our 74 churches and parish houses. At 31st December 2021, there were 59 parishes in the Diocese, as a result of amalgamations which have taken place over the last 4 years. The Bishop, assisted by his advisors, continues to look at how the needs of parishioners are being met. Taking into consideration the condition of the fabric of buildings, the financial security of the parish and the number of regular attenders, difficult decisions may need to be made about the viability of churches or the need to amalgamate Parishes.

Risk Management

Whilst risk management can limit risk, it does not eliminate risk. The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operation and finances of the charity and are satisfied that the systems in place to mitigate exposure to these risks are operating effectively.

RC DIOCESE OF MOTHERWELL

Report of the Trustees For the year ended 31 December 2021

Risk Management (continued)

The Trustees are aware of the need to review, update and and document policies, procedures and guidance to enable the efficient and effective governance of the Diocese. The Trustees have established a folder which contains all relevant policies and procedures and which are kept under review.

Future Plans and Developments

The Diocese continues to promote the Gospel of Christ, in accordance with the teachings of the Catholic Church, and to carry out the mission of the Church throughout the Diocese of Motherwell. This will be carried out through the continuation of current activities and the development of further plans to enable the work of the Church to be fulfilled.

The Trustees and their advisors continue to monitor the financial position of the Diocese to ensure that the stewardship of resources and the availability of funds to meet commitments is managed for the long term welfare of the Diocese.

Whilst the Diocese has a large capital requirement over the next few years, capital expenditure will continue to be limited for all projects except essential maintenance and health and safety projects.

Covid-19

Although Parishes have fully re-opened, but with still some mitigation in place, the numbers attending church have not returned to pre-pandemic levels. While numbers vary from place to place, we estimate that there is about a 25% drop in income. There was a significant drop in our parish hall income.

Our Parishes and the Diocesan Office continued to benefit from the Job Retention Scheme until staff returned to work.

Savings were made in the running of the Diocesan Office and of churches, especially in energy costs and through the Job Retention Scheme. Parishes were also encouraged to cut expenditure where possible.

Some grants were made available by the Government to assist charities, but it was found that we were not eligible to apply for these grants.

The principal source of income for the Curial Funds of the Diocese is through the levy on parishes. On the whole this has been maintained and most parishes have been able to meet their levy obligations. The levy is calculated as a percentage of the ordinary income of parishes and it will be in 2022 and 2023 when this will affect income to the Curial Funds.

The Trustees are conscious that income to the Curial Funds is likely to be greatly reduced next year and are looking at ways to cut the running costs of the Diocesan Curia.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. The law applicable to charities in Scotland, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Diocese and of the incoming resources and application of resources, including the income and expenditure, of the Diocese of that period.

RC DIOCESE OF MOTHERWELL

**Report of the Trustees
For the year ended 31 December 2021**

Statement of Trustees' Responsibilities (continued)

In preparing these financial statements the Trustees are required to:

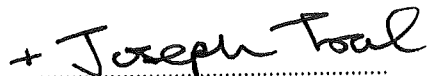

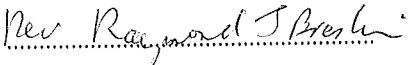
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures and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

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

Statement as to disclosure of information to auditors

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

This report was approved by the Trustees on 2nd September 2022 and signed on their behalf by:

	Bishop Joseph Toal	Trustee
	Father James Thomson	Trustee
	Father Raymond Breslin	Trustee

Report of the Independent Auditors to the Trustees of the RC Diocese of Motherwell

Opinion

We have audited the financial statements of the RC Diocese of Motherwell for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable charity law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Report of the Independent Auditors to the Trustees of the RC Diocese of Motherwell

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but it 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.

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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to The Diocese of Motherwell and determined that the most significant were:

- those that relate to the form and content of the financial statements, such as the Charity SORP.
- those that relate to the payment of employees.

We understood how The Diocese of Motherwell is complying with those frameworks by observing the oversight of those charged with governance, the culture of honesty and ethical behaviour and the emphasis placed on fraud prevention which may reduce opportunities for fraud to take place.

Report of the Independent Auditors to the Trustees of the RC Diocese of Motherwell

Our responsibilities for the audit of the financial statements

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by making an assessment of the key fraud risks to The Diocese of Motherwell as well as an assessment of the current environment.

Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. These procedure included testing manual journals and were designed to provide reasonable assurance that the financial statements were free of fraud or error.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



WDM Associates (Statutory Auditors)

Chartered Accountants

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Oakfield House

378 Brandon Street

Motherwell

ML1 1XA

Date: 2nd September 2022

RC DIOCESE OF MOTHERWELL

Statement of Financial Activities
For the year ended 31 December 2021

	Notes	Curial Funds			Total Funds £	Parochial Funds	Total Funds	Total Funds
		Unrestricted Funds £	Designated Funds £	Restricted Funds £		Restricted Funds £	31/12/2021 £	31/12/2020 £
Income and Endowments from:								
Donations and legacies	2	338,776	-	-	338,776	6,160,931	6,499,707	5,642,373
Other trading activities	3	-	-	-	-	771,994	771,994	710,259
Investments	4	20,210	181,500	1	201,711	88,950	290,661	302,679
Other	5	20,191	-	-	20,191	19,991	40,182	39,349
Total income		379,177	181,500	1	560,678	7,041,866	7,602,544	6,694,660
Expenditure on:								
Raising funds	6	-	-	-	-	303,020	303,020	388,818
Charitable activities	7	1,383,220	-	-	1,383,220	5,787,162	7,170,382	7,980,346
Total expenditure		1,383,220	-	-	1,383,220	6,090,182	7,473,402	8,369,164
Net income/(expenditure) and net movement in funds before gains and losses on investments								
		(1,004,043)	181,500	1	(822,542)	951,684	129,142	(1,674,504)
Net gains/(losses) on investments	12	702,953	833,589	-	1,536,542	-	1,536,542	135,708
Net income/expenditure		(301,090)	1,015,089	1	714,000	951,684	1,665,684	(1,538,796)
Transfers between funds								
Levy and Special Collections	18	1,278,773	-	-	1,278,773	(1,278,773)	-	-
Other transfers	19	130,136	(181,500)	(115,540)	(166,904)	166,904	-	-
		1,408,909	(181,500)	(115,540)	1,111,869	(1,111,869)	-	-
Net movement in funds		1,107,819	833,589	(115,539)	1,825,869	(160,185)	1,665,684	(1,538,796)
Reconciliation of Funds								
Total Funds brought forward		935,792	5,676,495	1,012,717	7,625,004	18,807,195	26,432,199	27,970,995
Total Funds carried forward		2,043,611	6,510,084	897,178	9,450,873	18,647,010	28,097,883	26,432,199

The notes form part of these financial statements

RC DIOCESE OF MOTHERWELL

Balance Sheet

As at 31 December 2021

	Notes	Curial 31/12/2021 £	Parochial 31/12/2021 £	Total 31/12/2021 £	Total 31/12/2020 £
Fixed assets					
Tangible assets	11	1,403,002	8,962,844	10,365,846	10,742,999
Investments	12	12,668,357	-	12,668,357	10,121,469
		<u>14,071,359</u>	<u>8,962,844</u>	<u>23,034,203</u>	<u>20,864,468</u>
Current assets					
Stocks		-	-	-	-
Debtors	13	4,322,515	9,206,251	13,528,766	13,703,479
Short term deposits		1,459	-	1,459	7,608
Cash at bank and in hand		549,216	5,039,234	5,588,450	5,939,812
		<u>4,873,190</u>	<u>14,245,485</u>	<u>19,118,675</u>	<u>19,650,899</u>
Liabilities					
Creditors falling due within one year	14	191,483	4,561,319	4,752,802	4,632,571
		<u>4,681,707</u>	<u>9,684,166</u>	<u>14,365,873</u>	<u>15,018,328</u>
Net current assets					
		18,753,066	18,647,010	37,400,076	35,882,796
Total assets less current liabilities					
Liabilities					
Amounts falling due after more than one year	15	(9,202,193)	-	(9,202,193)	(9,350,597)
Provision for liabilities and charges	16	(100,000)	-	(100,000)	(100,000)
		<u>9,450,873</u>	<u>18,647,010</u>	<u>28,097,883</u>	<u>26,432,199</u>
Net assets					
The funds of the charity					
Unrestricted funds	17	1,859,260	-	1,859,260	737,825
Revaluation reserve	17	184,351	-	184,351	197,967
Designated funds	17	6,510,084	-	6,510,084	5,676,495
Restricted funds	17	897,178	18,647,010	19,544,188	19,819,912
		<u>9,450,873</u>	<u>18,647,010</u>	<u>28,097,883</u>	<u>26,432,199</u>

Approved by the Trustees on 2nd September 2022

Trustee + Joseph Toal Bishop Joseph Toal

Trustee James Thomson Father James Thomson

Trustee Rev Raymond S Breslin Father Raymond Breslin

The notes form part of these financial statements

RC DIOCESE OF MOTHERWELL

Statement of Cash Flows For the year ended 31 December 2021

	Note	31/12/2021 £	31/12/2020 £
Net cash used in operating activities			
Reconciliation of net income/expenditure to net cash flow from operating activities	21		
Net movement in funds		1,665,684	(1,538,796)
Adjustments for:			
Interest received		(260)	(9,113)
Dividends received		(191,846)	(207,449)
Rent received		(98,555)	(86,117)
Depreciation charges		227,388	232,779
Provision for sensitive claims		-	100,000
Gain on disposal of assets		(33,834)	-
Net (gains)/losses on investments		(1,536,542)	(135,708)
(Increase)/decrease in stocks		-	16,453
Decrease/(increase) in debtors		174,713	2,160,329
(Decrease)/increase in creditors		(28,173)	(1,873,064)
Net cash used in operating activities		<u>178,575</u>	<u>(1,340,686)</u>
Cash flows from investing activities			
	22		
Interest received		260	9,113
Dividends received		191,846	207,449
Rent received		98,555	86,117
Payments to acquire fixed asset investments		(1,010,346)	(10,849)
Payments to acquire tangible fixed assets		(1,009)	(117,762)
Receipts from sales of tangible fixed assets		184,608	-
Net cash flows from investing activities		<u>(536,086)</u>	<u>174,068</u>
Changes in cash and cash equivalents in the year		<u>(357,511)</u>	<u>(1,166,618)</u>
Cash and cash equivalents brought forward		5,947,420	7,114,038
Cash and cash equivalents carried forward	23	<u>5,589,909</u>	<u>5,947,420</u>

The notes form part of these financial statements

**Notes to the Financial Statements
For the year ended 31 December 2021**

1 Accounting Policies

Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of some heritable property and investments which are included at fair value. The financial statements have been prepared in accordance with the Charities SORP (FRS102) "Accounting and Reporting by charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting standard application in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)", Financial Reporting Standard FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The RC Diocese of Motherwell constitutes a public benefit as defined by FRS 102.

Going Concern

The Trustees have reviewed the Diocese's annual budget and plans and have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Diocese of Motherwell to continue as a going concern. The Trustees believe that there are adequate resources to continue in operational existence for the foreseeable future, being a period of 12 months after the date of which the report and financial statements are signed. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Parishes

The parishes of the Diocese are established and operate under the Church's Code of Canon Law which confers on them separate canonical status. Parishes are now accounted for within the financial statements of the Diocese, but their distinct canonical status explains the columnar approach taken in these financial statements and the classification of parish assets and liabilities as restricted funds.

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

Transactions between parishes and the Diocese 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 Diocese for such purposes as the Trustees periodically nominate.

Income recognition

Income is recognised in the year in which the charity is entitled to receipt, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

Offertory income, Special Collections and donations

Offertory income, Special Collections and donations are credited to the Statement of Financial Activities in the year in which they are receivable. Donated services and gifts are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Legacies

Legacies are credited to the Statement of Financial Activities once the charity has been advised by the personal representative of an estate that payment will be made and the amount involved can be quantified.

Grants

Grants are credited to the Statement of Financial Activities in the year in which they are receivable.

1 Accounting policies

Investment income

Dividends and other investment income are recognised when receivable. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolios.

Expenditure recognition

Expenditure is recognised on an accrual 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.

Allocation of support and governance costs

Support and governance costs relating to charitable activities have been allocated among Diocesan, National and Parochial activities. Governance costs are allocated by time spent. The apportionment is analysed in note 7.

Costs of raising funds

Costs of raising funds consist of those associated with generating income and investment management costs.

Charitable activities

Charitable activities included expenditure associated with meeting the Diocese's primary objectives and include both the direct costs and the support costs relating to those activities.

Tangible fixed assets

Heritable properties are initially recognised at cost and subsequently measured at their fair value at the balance sheet date. Properties are revalued by professional external advisers every 5 years. The surpluses or deficits on revaluation are transferred to the relevant fund to which the assets relate, namely designated, restricted or unrestricted.

Depreciation

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

Heritable property	2% straight line
Furniture, fittings and equipment	20% - 33% straight line
Motor vehicles	25% reducing balance

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The investment in the Catholic National Endowment Trust 4 is included on the balance sheet at the value of the Diocese's share of the reserves of that investment at the balance sheet date. Unlisted investments are included on the balance sheet at cost less impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stocks consist of goods for resale.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

1 Accounting policies

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or purchase value of acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Pensions

The Diocese operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Diocese, being invested with insurance companies. Pension costs charged in the Statements of Financial Activities represent the contributions payable by the Diocese in the year.

Fund Accounting

Unrestricted general funds are those which are available for use at the discretion of the trustees in furtherance of the objects of the charity.

Designated funds are funds set aside by the Trustees out of unrestricted funds for specific future purposes or projects.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the charity for a particular purpose.

Full details of the funds are included in note 16 to the financial statements.

2 Income from donations and legacies

	Curial Restricted Funds £	Curial Unrestricted Funds £	Parochial Restricted Funds £	Total 2021 £	Total 2020 £
Offerings	-	-	4,120,433	4,120,433	3,725,038
Gift Aid Scheme repayments	-	3,614	746,684	750,298	759,250
Special Collections	-	-	360,130	360,130	284,810
Legacies	-	85,036	100,531	185,567	500
Other donations	-	198,272	481,131	679,403	481,786
Votive candles	-	-	197,020	197,020	195,225
Grants received	-	51,854	155,002	206,856	195,764
	-	338,776	6,160,931	6,499,707	5,642,373

RC DIOCESE OF MOTHERWELL

Notes to the Financial Statements
For the year ended 31 December 2021

3 Income from other trading activities

	Curial Unrestricted Funds £	Parochial Restricted Funds £	Total 2021 £	Total 2020 £
<i>Income</i>				
Parishes:				
Hall income	-	399,237	399,237	421,148
Stall	-	164,293	164,293	98,198
General fundraising	-	208,464	208,464	190,913
	-	771,994	771,994	710,259

4 Income from investments

	Curial Restricted Funds £	Curial Unrestricted Funds £	Curial Designated Funds £	Parochial Restricted Funds £	Total 2021 £	Total 2020 £
Rent received	-	9,830	-	88,725	98,555	86,117
Interest received	1	34	-	225	260	9,113
Dividends received	-	10,346	-	-	10,346	10,849
CNET4 dividend	-	-	181,500	-	181,500	196,600
	1	20,210	181,500	88,950	290,661	302,679

5 Other income

	Curial Unrestricted Funds £	Parochial Restricted Funds £	Total 2021 £	Total 2020 £
Religious education	20,191	-	20,191	9,039
Other income	-	19,991	19,991	30,310
	20,191	19,991	40,182	39,349

RC DIOCESE OF MOTHERWELL

Notes to the Financial Statements
For the year ended 31 December 2021

6 Expenditure on raising funds

	Curial Unrestricted Funds £	Parochial Restricted Funds £	Total 2021 £	Total 2020 £
Pilgrimage Centre expenditure				
Administration costs	-	-	-	7,892
Parishes				
Hall expenditure	-	106,928	106,928	169,328
Staff costs	-	71,446	71,446	95,909
Stall	-	95,901	95,901	95,236
General fundraising costs	-	28,745	28,745	20,453
	-	303,020	303,020	388,818

7 Expenditure on Charitable Activities

	Diocesan Activities £	National Activities £	Parochial Activities £	Total 2021 £	Total 2020 £
Education and formation	95,480	-	14,602	110,082	100,174
Seminaries and Permanent Diaconate	170,250	-	-	170,250	166,127
Pastoral services	-	118,770	400,043	518,813	474,913
Retired priests	212,618	-	-	212,618	282,245
Special Collections	-	146,090	221,094	367,184	295,650
Special care	57,807	-	-	57,807	56,548
Safeguarding	4,586	-	-	4,586	5,820
Staff costs	311,014	-	613,376	924,390	918,642
Property costs	58,571	-	3,498,065	3,556,636	4,265,395
Computer costs	19,783	-	-	19,783	18,433
Depreciation	31,906	-	195,482	227,388	232,779
(Gain)/loss on disposal of assets	(33,834)	-	-	(33,834)	-
Administration	41,406	-	657,139	698,545	633,399
Retired housekeepers' fund	20,700	-	-	20,700	20,959
St Mungo's insurance	18,000	-	-	18,000	18,225
Professional fees	44,852	-	45,277	90,129	94,835
Auditor's remuneration	17,088	-	12,618	29,706	29,940
Donations	21,449	-	42,603	64,052	126,017
Provision for sensitive claims	-	-	-	-	100,000
Other	26,684	-	86,863	113,547	140,245
	1,118,360	264,860	5,787,162	7,170,382	7,980,346

RC DIOCESE OF MOTHERWELL

Notes to the Financial Statements For the year ended 31 December 2021

8 Analysis of Staff Costs and Remuneration of Key Management Personnel

	2021	2020
	£	£
Curial		
Salaries and wages	348,493	368,048
Social security costs	26,465	28,160
Pension costs	19,241	20,666
	<hr/>	<hr/>
	394,199	416,874
Wages and salaries - parishes	684,822	678,341
	<hr/>	<hr/>
	1,079,021	1,095,215
	<hr/>	<hr/>
The average monthly number of employees during the year was	34	42

The above numbers include lay people, priests and religious sisters who were employed on a full time basis. Priests who perform administrative duties for the Diocese do not receive remuneration for their services.

The Charity considers its key management personnel comprises the Trustees. Remuneration of the Trustees is detailed in note 9 to the financial statements. No employee received remuneration in excess of £60,000.

9 Remuneration of Trustees

The three Trustees of the Diocese receive no remuneration for their services as Trustees. All of the Trustees are clergy of the Diocese and, as such, are housed, remunerated and reimbursed expenses for carrying out their ministry in the same way as other priests of the Diocese, 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. The total remuneration paid to the Trustees amounted to £Nil (2020: £Nil) and the total costs of accommodation and reimbursement of expenses amounted to £47,629 (2020: £45,768).

The Diocese has insurance to protect the Diocese from loss arising from neglect or default of its Trustees and insurance to indemnify the Trustees against consequences of neglect or default on their part.

10 Auditor's remuneration

The auditor's remuneration constituted audit fees of £29,706 (2020 -£29,940) and additional accountancy work of £10,992 (2020 -£10,728).

RC DIOCESE OF MOTHERWELL

**Notes to the Financial Statements
For the year ended 31 December 2021**

11 Tangible Fixed Assets

	Heritable Property		Curial Furniture, fittings, vehicles & equipment	Parochial Furniture, fittings & motor vehicles	Total
	Curial £	Parochial £	£	£	£
Cost or Valuation					
At 1 January 2021	1,673,453	9,740,000	112,015	26,950	11,552,418
Additions		-	1,009	-	1,009
Disposals	(160,000)		(2,100)		(162,100)
Reclassification/transfer				-	-
At 31 December 2021	1,513,453	9,740,000	110,924	26,950	11,391,327
Depreciation					
At 1 January 2021	92,773	584,400	108,022	24,224	809,419
Provision	30,269	194,800	1,637	682	227,388
On disposal	(9,600)		(1,726)		(11,326)
Reclassification/transfer				-	-
At 31 December 2021	113,442	779,200	107,933	24,906	1,025,481
Net Book Value					
At 31 December 2021	1,400,011	8,960,800	2,991	2,044	10,365,846
At 31 December 2020	1,580,680	9,155,600	3,993	2,726	10,742,999

DM Hall LLP, Chartered Surveyors were appointed to perform valuations of relevant diocesan and parochial properties and sites for the year ended 31 December 2017. DM Hall are independent qualified surveyors and this is their first year of appointment. The total fees paid by the Diocese in respect of the valuation work are minimal in terms of the overall turnover of DM Hall LLP.

The basis for all valuation is fair value as per Valuation Practice Statement 4.1 of the RCIS Valuation - Professional Standards, published January 2014 and updated in January 2015. In determining the fair value of each of the properties and sites, the "comparative" principle of valuation methodology was adopted. The date of valuation is 31st December 2017.

All diocesan properties and sites were included in the valuation but only non-adjointed parochial properties, excluding churches; i.e. parish halls, presbyteries and other parochial properties not physically joined to each other or the church, were included, together with parish sites.

RC DIOCESE OF MOTHERWELL

Notes to the Financial Statements For the year ended 31 December 2021

11 Tangible Fixed Assets

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

	2021	2020
	£	£
At valuation - Curial properties	1,400,011	1,580,680
At cost - Parochial properties	-	-
At valuation - Parochial properties	8,960,800	9,155,600
	<u>10,360,811</u>	<u>10,736,280</u>

If certain fixed assets belonging to the Curial Office had not been revalued they would have been included on the historical cost basis at the following amounts:

	2021	2020
	£	£
Cost	1,579,526	1,735,546
Accumulated depreciation	(355,828)	(352,871)
	<u>1,223,698</u>	<u>1,382,675</u>

The above cost figures do not include the cost of parish properties as these are unknown.

12 Fixed Asset Investments

	2021	2020
	£	£
Valuation		
At 1 January 2021	10,121,469	9,974,912
Invested during the year	1,010,346	10,849
Proceeds from disposals	-	-
(Deficit)/Surplus on revaluation	1,536,542	135,708
Movement in cash held by the stockbroker	-	-
At 31 December 2021	<u>12,668,357</u>	<u>10,121,469</u>
	<u>6,789,964</u>	<u>5,789,964</u>
Cost at 31 December 2021		
The above total is represented by:		
	2021	2020
	£	£
Listed investments	459,263	475,187
Catholic National Endowment Trust 4	12,205,094	9,642,282
Unlisted investments	4,000	4,000
	<u>12,668,357</u>	<u>10,121,469</u>

RC DIOCESE OF MOTHERWELL

Notes to the Financial Statements For the year ended 31 December 2021

12 Fixed Asset Investments

The above assets are split between UK and non-UK investment assets as follows:

	2021	2020
	£	£
Investment assets inside the UK	10,121,469	10,121,469
Investment assets outside the UK	-	-
	<u>10,121,469</u>	<u>10,121,469</u>

All investments are carried at their fair value. The listed investments consist of equities traded in quoted public markets, primarily the London Stock Exchange and holdings in common investment funds, unit trusts and open-ended investment companies. The holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to market value, using the bid price.

The Catholic National Endowment Trust 4 is an unlisted unit trust which holds its funds in investments listed on a recognised stock exchange. At 31 December 2021 the Diocese of Motherwell had ownership of 42.79% of the total fund (2020: 39.97%). The cost of these investments at 31 December 2021 was £6,445,392 (31 December 2020: £5,445,392). 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 Diocese of Motherwell.

13 Debtors

	Curial	Parochial	Total	Total
	£	£	2021	2020
			£	£
Prepayments and accrued income	354,040	4,058	358,098	350,166
Parish loans	3,968,475	-	3,968,475	4,002,716
Due by Curial Office	-	9,202,193	9,202,193	9,350,597
	<u>4,322,515</u>	<u>9,206,251</u>	<u>13,528,766</u>	<u>13,703,479</u>

The amounts due by the parishes are largely in connection with parish developments.

Due to the necessity to show parochial and diocesan assets and liabilities separately, the amount stated above as a diocesan debtor is also included as a parochial creditor in note 13 and vice versa for amounts due by the Diocese to the parishes (see note 14).

RC DIOCESE OF MOTHERWELL

**Notes to the Financial Statements
For the year ended 31 December 2021**

14 Creditors falling due within one year

	Curial £	Parochial £	Total 2021 £	Total 2020 £
Trade creditors	-	-	-	2,426
Accruals	152,418	590,251	742,669	582,464
Parish loans	-	3,968,475	3,968,475	4,002,716
Taxation and social security	9,943	2,593	12,536	14,423
Other creditors	29,122	-	29,122	30,542
	<u>191,483</u>	<u>4,561,319</u>	<u>4,752,802</u>	<u>4,632,571</u>

15 Creditors falling due after more than one year

	Curial £	Parochial £	Total 2021 £	Total 2020 £
Parochial Investment Fund	8,427,881	-	8,427,881	8,223,639
Pastoral Aid Fund	774,312	-	774,312	1,126,958
	<u>9,202,193</u>	<u>-</u>	<u>9,202,193</u>	<u>9,350,597</u>

The Parochial Investment Fund represents monies deposited with the Diocese by the parishes. Investing parishes receive interest at a rate of 0.25%. Loans (see note 13) are made available at a low interest rate to parishes wishing to embark on major building or repair work. The remaining funds are invested centrally by the Diocese.

The Pastoral Aid Fund represents monies deposited with the Diocese by the parishes to meet some of the income needs of parishes in poorer areas. Investing parishes receive interest at a rate of 0.25% above that paid by the Bank of Scotland on ordinary deposit accounts. The Diocese invests the total fund centrally and the surpluses created are distributed to needy parishes.

16 Provision for liabilities and charges

	2021 £	2020 £
Provision for sensitive claims	<u>100,000</u>	<u>100,000</u>

Potential claims have been made against the Diocese relating to alleged abuse. Although there is insurance cover in place, any damages or costs in excess of the policy limit will need to be met by the Diocese. Based on discussions with the charity's insurers, provision for £100,000 has been made to meet these claims.

RC DIOCESE OF MOTHERWELL

**Notes to the Financial Statements
For the year ended 31 December 2021**

17 Analysis of charitable funds

(a) Curial Unrestricted Funds

	At 1 January 2021 £	Incoming Resources £	Resources Expended £	Revaluation/ Investment Gains/(losses) £	Transfers £	At 31 December 2021 £
General Fund	737,825	379,177	(1,383,220)	702,953	1,422,525	1,859,260
Revaluation reserve	197,967	-	-		(13,616)	184,351
Unrestricted funds	935,792	379,177	(1,383,220)	702,953	1,408,909	2,043,611

Description of Funds

The general fund is the surplus of general income over general expenditure and is available for any of the purposes of the charity. The revaluation reserve represents the increase or decrease in value of the curial properties. The properties are professionally valued every five years.

(b) Curial Designated Funds

	At 1 January 2021 £	Incoming Resources £	Resources Expended £	Investment Gains £	Transfers £	At 31 December 2021 £
CNET 4	5,676,495	181,500	-	833,589	(181,500)	6,510,084

Description of Funds

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

CNET4 - As described in note 12, 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 Diocese of Motherwell. The fund is represented by investment in property and share portfolios.

(c) Curial Restricted Funds

	At 1 January 2021 £	Incoming Resources £	Resources Expended £	Investment Losses £	Transfers £	At 31 December 2021 £
St Patrick's Levy fund	1,000,000	-	-		(115,540)	884,460
Cathedral organ fund	12,717	1	-			12,718
	1,012,717	1	-	-	(115,540)	897,178

Description of Funds

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The St Patrick's Levy fund was set up by the parish of St Patrick's, Coatbridge to assist any parishes experiencing difficulties in paying their levy over the next 3 years.

The Cathedral Organ fund has been set up for the maintenance and upkeep of the cathedral organ.

RC DIOCESE OF MOTHERWELL

**Notes to the Financial Statements
For the year ended 31 December 2021**

17 Analysis of charitable funds

(d) Parish Restricted Funds

	At 1 January 2021 £	Incoming Resources £	Resources Expended £	Revaluation Losses £	Transfers £	At 31 December 2021 £
Parochial restricted funds	18,807,195	7,041,866	(6,090,182)	-	(1,111,869)	18,647,010

Description of Funds

The parishes of the Diocese of Motherwell are established and operate under the Code of Canon Law of the Roman Catholic Church which gives them separate canonical status. Therefore each parish has been treated as a separate restricted fund within these financial statements. The parish funds are administered by the parish priests with guidance from the Curial Office, and are used to further the work of the Church in local areas and to support the work of the Curia.

18 Transfers between Funds - Levy and Special Collections

The transfer of funds of Levy and Special Collections from parishes to the Diocese comprised the following:

	2021 £	2020 £
Levy	1,137,677	1,363,382
Special Collections:		
Communications	10,014	1,329
Day for Life	1,755	300
St Margaret's Children and Family Care	7,086	19,804
Justice and Peace	5,433	35,264
Holy Places	21,611	1,540
Peter's Pence	18,547	1,887
Lenten Appeal	29,395	29,850
Education Fund	26,627	19,736
Students/retired priests boxes	1,923	5,801
Catholic Education Commission	18,705	9,270
	141,096	124,781
Total	1,278,773	1,488,163

19 Other transfers between funds

Other transfers from the parishes to the Diocese were as follows:

	2021 £	2020 £
Parish loan interest	23,196	24,793
St Patrick's levy fund	-	1,000,000
	23,196	1,024,793

RC DIOCESE OF MOTHERWELL

**Notes to the Financial Statements
For the year ended 31 December 2021**

19 Other transfers between funds

Transfers from the Diocese to the parishes were as follows:

	2021 £	2020 £
Parochial Investment Fund interest	20,819	22,106
Pastoral Aid Fund interest	2,208	3,160
Support of retired priests	34,633	23,433
Bishop Toal's allowance	9,900	9,000
Spred rent	7,000	5,250
St Patrick's levy fund	115,540	-
	<u>190,100</u>	<u>62,949</u>
Total	<u>(166,904)</u>	<u>961,844</u>

20 Analysis of Net Assets between Funds

	Unrestricted Funds £	Restricted Funds £	Designated Funds £
Tangible fixed assets	1,403,002	8,962,844	-
Investments	5,261,095	897,178	6,510,084
Cash at bank and in hand	550,675	5,039,234	-
Other net current assets/(liabilities)	(4,273,983)	4,644,932	-
	<u>2,940,789</u>	<u>19,544,188</u>	<u>6,510,084</u>

21 Reconciliation of net movement in funds to net cash flows from operating activities

	Curial £	Parochial £	Total 2021 £	Total 2020 £
Net movement in funds	714,000	951,684	1,665,684	(1,538,796)
Adjustments for:				
Interest received	(35)	(225)	(260)	(9,113)
Dividends received	(191,846)	-	(191,846)	(207,449)
Rent received	(9,830)	(88,725)	(98,555)	(86,117)
Depreciation charges	31,906	195,482	227,388	232,779
Provision for sensitive claims	-	-	-	100,000
(Gain)/loss on disposal of assets	(33,834)	-	(33,834)	-
Net gains on investments	(1,536,542)	-	(1,536,542)	(135,708)
(Increase)/decrease in stocks	-	-	-	16,453
Decrease in debtors	30,367	176,346	206,713	2,160,329
(Decrease)/Increase in creditors	(92,138)	63,965	(28,173)	(1,873,064)
Net cash used in operating activities	<u>(1,087,952)</u>	<u>1,298,527</u>	<u>210,575</u>	<u>(1,340,686)</u>

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Notes to the Financial Statements For the year ended 31 December 2021

22 Cash flows from investing activities

	Curial £	Parochial £	Total 2021 £	Total 2020 £
Interest received	35	225	260	9,113
Dividends received	191,846	-	191,846	207,449
Rent received	9,830	88,725	98,555	86,117
Payments to acquire fixed asset investments	(1,010,346)	-	(1,010,346)	(10,849)
Payments to acquire tangible fixed assets	(1,009)	-	(1,009)	(117,762)
Receipts from sales of tangible fixed assets	184,608	-	184,608	-
	<u>(625,036)</u>	<u>88,950</u>	<u>(536,086)</u>	<u>174,068</u>

23 Analysis of cash and cash equivalents

	At 1 January 2021 £	Cash Flows £	At 31 December 2021 £
Curial Funds			
Cash at bank	1,151,794	(601,119)	550,675
Bank overdrafts	-	-	-
	<u>1,151,794</u>	<u>(601,119)</u>	<u>550,675</u>
Parochial Funds			
Cash at bank	<u>4,795,626</u>	<u>243,608</u>	<u>5,039,234</u>
Total Funds	<u>5,947,420</u>	<u>(357,511)</u>	<u>5,589,909</u>

24 Pensions

The Diocese operates defined contribution schemes for the benefit of certain Curial Office employees. The assets of the scheme are administered by trustees in funds independent from those of the Diocese.

25 Associated and Connected Bodies and Related Party Transactions

At 31 December 2021 the following company was connected with the Diocese:

Subsidiary Company	Class of Share Capital Held	Proportion Held	Nature of Business
St Columbkille's Tearoom Limited	Equity	100%	Function hall

St Columbkille's Tearoom Limited is registered in Scotland and has been consolidated in the financial statements. The company is a wholly owned subsidiary of St Columbkille's Parish, Rutherglen. Any profits are donated to the parish through gift aid. In the year under review nil (2020 - £nil) was gift aided by St Columbkille's Tearoom Limited. All amounts are removed on consolidation.

26 Capital Commitments

There were no unprovided capital commitments at 31 December 2021 or 31 December 2020.