

**Report of the Trustees and  
Financial Statements  
for the Year Ended 31 December 2017  
for  
RC DIOCESE OF MOTHERWELL  
Charity Number: SC011041**

# **RC DIOCESE OF MOTHERWELL**

## **Report and Financial Statements For the year ended 31 December 2017**

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## RC DIOCESE OF MOTHERWELL

### Reference and administrative details For the year ended 31 December 2017

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 Father James Thomson
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	<a href="http://www.rcdom.org.uk">www.rcdom.org.uk</a>

## **RC DIOCESE OF MOTHERWELL**

### **Report of the Trustees**

**For the year ended 31 December 2017**

#### **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 2017.

#### **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 2017 the Trustees were accordingly as follows:

Rt Rev Joseph Toal	Bishop of Motherwell	
Rev Gerard Chromy	Vicar-General	(Appointed 10 January 2017)
Rev James Thomson	Treasurer	

Mgr Thomas Millar was Vicar-General until his resignation on 10 January 2017.

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 seventy four 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 2017**

#### **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.

##### **Volunteers**

Many volunteers give up their time to help out at the Diocese and the parishes. This includes assistance with finances and managing the halls. We are greatly indebted to these volunteers for their commitment and support.

##### **Safeguarding**

"Awareness and Safety in Our Catholic Communities", the Church's policies and procedures for the protection of children, young people and vulnerable adults continue to be the basis for good practice in our parishes. All parish priests have a copy of the manual and posters for display in the church and parish hall.

An annual Diocesan and Parish audit, compiled by the National Office for the Protection of Children and Young People, is compiled and the results fed back to the Diocese. An audit is also completed by the Diocesan Lourdes Pilgrimage, SPRED and Alma.

## **RC DIOCESE OF MOTHERWELL**

### **Report of the Trustees**

**For the year ended 31 December 2017**

#### **Safeguarding (continued)**

The Diocesan Safeguarding Team meets quarterly to aid the Bishop. The Diocesan Risk Assessment Team meets as and when required. 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 deficit of £758,265 on Curial funds for the year (2016: surplus £193,177) and a deficit of £1,429,551 on Parochial funds for the year (2016: deficit £953,866). These figures include unrealised losses on property revaluations of £1,038,519 for Curial properties and £1,509,391 for Parochial properties. The surpluses before the revaluations are £280,254 and £79,840 respectively. Curial net current assets were £6,216,805 at 31 December 2017 (2016: £6,305,708) and Parochial net current assets were £11,208,598 (2016: £10,840,828).

Parochial reserves total £21,244,544 at 31 December 2017 (2016: £22,674,095) which relate solely to the assets and transactions of individual parishes. Curial reserves total £5,457,496 at 31 December 2017 (2016: £6,215,761).

#### **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, £1,186,562 (2016: £959,086) was raised in levy and a further £335,433 (2016: £384,643) 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 fund is in surplus at 31 December 2017 after being in deficit in 2016 and 2015 as the result of income being insufficient to meet the obligations faced by the Diocese in relation to retired priests, education of seminarians and the administrative costs of both the Pastoral Office and Diocesan Office.

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 will 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 given the cash at bank is £1.8million and the investment portfolio totals £8.5million at 31 December 2017. Plans which were put in place in 2015 to reduce costs are constantly monitored and income streams continue to be reviewed. This should continue to maintain a surplus going forward on Curial Funds.

## **RC DIOCESE OF MOTHERWELL**

### **Report of the Trustees For the year ended 31 December 2017**

#### **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-adjoined 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. Inalienable and historic assets have not been capitalised as no reliable value can be attributed to them.

#### **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 43.04% share (2016: 39.76%) in the National Contingency Fund amounting to £8,148,448 at the end of the financial year (2016: £7,041,590). 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 (2016: £4,000) which are stated at cost.

The valuation of the various portfolios at 31 December 2017 produced an increase of £223,891 (2016: increase £354,670). 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 £252,600 was received as dividend from the National Contingency Fund (2016 £232,100). The costs of caring for our sick and retired clergy in the year was £327,209 (2016 - £376,940). The shortfall 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 2017 the balance of general funds was in surplus by £101,300 which is a reversal of the deficit at 31 December 2016 of £79,988 which had arisen through several years of shortfalls between operating income and expenditure. The Trustees continue to take steps by preparing budgets for 2018 and 2019 to scrutinise and further reduce costs throughout the Diocese in order to maintain and increase the surplus on general reserves.

#### **Developments**

During the year we continued to invest in maintaining the fabric of our 74 churches and parish houses.

## **RC DIOCESE OF MOTHERWELL**

### **Report of the Trustees For the year ended 31 December 2017**

#### **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.

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**

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.

#### **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. 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.



**RC DIOCESE OF MOTHERWELL**

**Report of the Trustees  
For the year ended 31 December 2017**

**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 25th September 2018 and signed on their behalf by:

  
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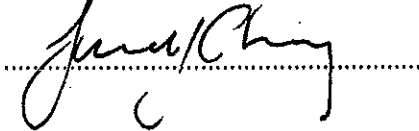
Bishop Joseph Toal

Trustee

  
.....

Father James Thomson

Trustee

  
.....

Father Gerard Chromy

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 2017 set out on pages 10 to 26. 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).

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.

In our opinion the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **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 which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement; whether due to fraud or error.

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

### **Our responsibilities for the audit of the financial statements**

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the



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: 25th September 2018

**RC DIOCESE OF MOTHERWELL**

**Statement of Financial Activities  
For the year ended 31 December 2017**

	Notes	Curial Funds			Parochial Funds	Total Funds	Total Funds
		Unrestricted Funds	Designated Funds	Total Funds	Restricted Funds	31/12/2017	31/12/2016
		£	£	£	£	£	£
<b>Income and Endowments from:</b>							
Donations and legacies	2	47,006	-	47,006	6,960,607	7,007,613	7,811,490
Other trading activities	3	258,140	-	258,140	2,159,764	2,417,904	2,461,126
Investments	4	40,398	252,600	292,998	69,327	362,325	324,305
Other	5	51,373	-	51,373	39,547	90,920	125,352
<b>Total income</b>		<b>396,917</b>	<b>252,600</b>	<b>649,517</b>	<b>9,229,245</b>	<b>9,878,762</b>	<b>10,722,273</b>
<b>Expenditure on:</b>							
Raising funds	6	269,819	-	269,819	1,125,200	1,395,019	1,381,466
Charitable activities	7	1,826,825	-	1,826,825	6,520,715	8,347,540	10,456,166
<b>Total expenditure</b>		<b>2,096,644</b>	<b>-</b>	<b>2,096,644</b>	<b>7,645,915</b>	<b>9,742,559</b>	<b>11,837,632</b>
<b>Net income/(expenditure) and net movement in funds before gains and losses on investments</b>		<b>(1,699,727)</b>	<b>252,600</b>	<b>(1,447,127)</b>	<b>1,583,330</b>	<b>136,203</b>	<b>(1,115,359)</b>
Net gains/(losses) on investments	12	100,888	123,003	223,891	-	223,891	354,670
<b>Net income/expenditure</b>		<b>(1,598,839)</b>	<b>375,603</b>	<b>(1,223,236)</b>	<b>1,583,330</b>	<b>360,094</b>	<b>(760,689)</b>
<b>Transfers between funds</b>							
Levy, CNET4 and Special Collections	16	1,521,995	-	1,521,995	(1,521,995)	-	-
Other transfers	17	234,095	(252,600)	(18,505)	18,505	-	-
		<b>1,756,090</b>	<b>(252,600)</b>	<b>1,503,490</b>	<b>(1,503,490)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets	11	(1,038,519)	-	(1,038,519)	(1,509,391)	(2,547,910)	-
<b>Net movement in funds</b>		<b>(881,268)</b>	<b>123,003</b>	<b>(758,265)</b>	<b>(1,429,551)</b>	<b>(2,187,816)</b>	<b>(760,689)</b>
<b>Reconciliation of Funds</b>							
Total Funds brought forward		1,247,348	4,968,413	6,215,761	22,674,095	28,889,856	29,981,418
<b>Total Funds carried forward</b>		<b>366,080</b>	<b>5,091,416</b>	<b>5,457,496</b>	<b>21,244,544</b>	<b>26,702,040</b>	<b>29,220,729</b>

The notes form part of these financial statements

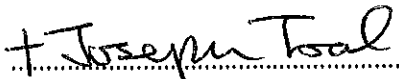
RC DIOCESE OF MOTHERWELL


Balance Sheet

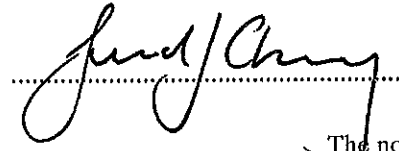
As at 31 December 2017

	Notes	Curial 31/12/2017 £	Parochial 31/12/2017 £	Total 31/12/2017 £	Total 31/12/2016 £
<b>Fixed assets</b>					
Tangible assets	11	1,924,539	10,035,946	11,960,485	14,865,733
Investments	12	8,565,429	-	8,565,429	8,325,093
		<u>10,489,968</u>	<u>10,035,946</u>	<u>20,525,914</u>	<u>23,190,826</u>
<b>Current assets</b>					
Stocks		10,068	6,821	16,889	15,635
Debtors	13	4,793,717	11,300,012	16,093,729	16,844,563
Short term deposits		1,362,206	-	1,362,206	1,451,425
Cash at bank and in hand		266,611	4,685,166	4,951,777	4,619,843
		<u>6,432,602</u>	<u>15,991,999</u>	<u>22,424,601</u>	<u>22,931,466</u>
<b>Liabilities</b>					
Creditors falling due within one year	14	215,797	4,783,401	4,999,198	5,784,930
		<u>6,216,805</u>	<u>11,208,598</u>	<u>17,425,403</u>	<u>17,146,536</u>
<b>Net current assets</b>					
		<u>16,706,773</u>	<u>21,244,544</u>	<u>37,951,317</u>	<u>40,337,362</u>
<b>Liabilities</b>					
Amounts falling due after more than one year	15	(11,249,277)	-	(11,249,277)	(11,447,506)
		<u>5,457,496</u>	<u>21,244,544</u>	<u>26,702,040</u>	<u>28,889,856</u>
<b>Net assets</b>					
<b>The funds of the charity</b>					
Unrestricted funds	16	101,300	-	101,300	(79,988)
Revaluation reserve	16	264,780	-	264,780	1,327,336
Designated funds	16	5,091,416	-	5,091,416	4,968,413
Restricted funds	16	-	21,244,544	21,244,544	22,674,095
		<u>5,457,496</u>	<u>21,244,544</u>	<u>26,702,040</u>	<u>28,889,856</u>

Approved by the Trustees on 25th September 2018

Trustee  Bishop Joseph Toal

Trustee  Father James Thomson

Trustee  Father Gerard Chromy

The notes form part of these financial statements

## RC DIOCESE OF MOTHERWELL

### Statement of Cash Flows

For the year ended 31 December 2017

	Note	31/12/2017	31/12/2016
		£	£
<b>Net cash used in operating activities</b>			
Reconciliation of net income/expenditure to net cash flow from operating activities	19		
Net movement in funds		360,094	(760,689)
Adjustments for:			
Interest received		(7,226)	(18,786)
Dividends received		(286,506)	(268,830)
Rent received		(68,593)	(36,689)
Depreciation charges		332,088	334,672
Gain on disposal of assets		(78,640)	(142)
Net (gains)/losses on investments		(223,891)	(354,670)
(Increase)/decrease in stocks		(1,254)	1,570
Decrease/(increase) in debtors		750,834	(326,788)
(Decrease)/increase in creditors		(677,277)	276,215
<b>Net cash used in operating activities</b>		<u>99,629</u>	<u>(1,154,137)</u>
<b>Cash flows from investing activities</b>	20		
Interest received		7,226	18,786
Dividends received		286,506	268,830
Rent received		68,593	36,689
Payments to acquire fixed asset investments		(1,018,754)	(322,756)
Payments to acquire tangible fixed assets		(2,350)	(175,615)
Receipts from sales of tangible fixed assets		106,240	4,300
Receipts from sales of fixed asset investments		1,002,309	318,061
<b>Net cash flows from investing activities</b>		<u>449,770</u>	<u>148,295</u>
<b>Changes in cash and cash equivalents in the year</b>		<u>549,399</u>	<u>(1,005,842)</u>
Cash and cash equivalents brought forward		5,764,584	6,770,426
<b>Cash and cash equivalents carried forward</b>	21	<u>6,313,983</u>	<u>5,764,584</u>

## **RC DIOCESE OF MOTHERWELL**

### **Notes to the Financial Statements For the year ended 31 December 2017**

#### **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.

## RC DIOCESE OF MOTHERWELL

### Notes to the Financial Statements For the year ended 31 December 2017

#### 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.



**RC DIOCESE OF MOTHERWELL**

**Notes to the Financial Statements  
For the year ended 31 December 2017**

**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 15 to the financial statements.

**2 Income from donations and legacies**

	Curial Unrestricted Funds £	Parochial Restricted Funds £	Total 2017 £	Total 2016 £
Offerings	-	4,558,923	4,558,923	4,339,550
Gift Aid Scheme repayments	-	640,896	640,896	631,501
Special Collections	-	903,086	903,086	973,203
Legacies	-	68,932	68,932	165,662
Other donations	47,006	377,963	424,969	553,904
Votive candles	-	330,860	330,860	299,282
Grants received	-	79,947	79,947	848,388
	<u>47,006</u>	<u>6,960,607</u>	<u>7,007,613</u>	<u>7,811,490</u>

RC DIOCESE OF MOTHERWELL

Notes to the Financial Statements  
For the year ended 31 December 2017

3 Income from other trading activities

	Curial Unrestricted Funds £	Parochial Restricted Funds £	Total 2017 £	Total 2016 £
<i>Income</i>				
<b>Pilgrimage Centre</b>				
Sales income	258,140	-	258,140	231,302
<b>Parishes:</b>				
Hall income	-	1,561,891	1,561,891	1,502,194
Stall	-	246,804	246,804	245,795
General fundraising	-	351,069	351,069	481,835
	<u>258,140</u>	<u>2,159,764</u>	<u>2,417,904</u>	<u>2,461,126</u>

4 Income from investments

	Curial Unrestricted Funds £	Curial Designated Funds £	Parochial Restricted Funds £	Total 2017 £	Total 2016 £
Rent received	-	-	68,593	68,593	36,689
Interest received	6,492	-	734	7,226	18,786
Dividends received	33,906	-	-	33,906	36,730
CNET4 dividend	-	252,600	-	252,600	232,100
	<u>40,398</u>	<u>252,600</u>	<u>69,327</u>	<u>362,325</u>	<u>324,305</u>

5 Other income

	Curial Unrestricted Funds £	Parochial Restricted Funds £	Total 2017 £	Total 2016 £
Religious education	36,793	-	36,793	46,643
Other income	14,580	39,547	54,127	78,709
	<u>51,373</u>	<u>39,547</u>	<u>90,920</u>	<u>125,352</u>

RC DIOCESE OF MOTHERWELL

Notes to the Financial Statements  
For the year ended 31 December 2017

6 Expenditure on raising funds

	Curial Unrestricted Funds £	Parochial Restricted Funds £	Total 2017 £	Total 2016 £
<b>Pilgrimage Centre expenditure</b>				
Cost of sales	112,296	-	112,296	102,899
Property costs	24,508	-	24,508	25,903
Staff costs	122,326	-	122,326	107,096
Administration costs	3,405	-	3,405	2,688
<b>Parishes</b>				
Hall expenditure	-	671,268	671,268	665,698
Staff costs	-	185,641	185,641	178,918
Stall	-	235,891	235,891	222,745
General fundraising costs	-	32,400	32,400	65,694
Investment management costs	7,284	-	7,284	9,825
	<u>269,819</u>	<u>1,125,200</u>	<u>1,395,019</u>	<u>1,381,466</u>

7 Expenditure on Charitable Activities

	Diocesan Activities £	National Activities £	Parochial Activities £	Total 2017 £	Total 2016 £
Education and formation	126,207	-	49,889	176,096	109,107
Seminaries and Permanent Diaconate	208,865	-	-	208,865	235,503
Pastoral services	-	230,205	567,198	797,403	892,428
Retired priests	327,209	-	-	327,209	376,940
Special Collections	-	214,938	570,612	785,550	803,632
Other chaplaincy costs	4,382	-	-	4,382	1,907
Special care	44,400	-	-	44,400	88,472
Safeguarding	1,559	-	-	1,559	3,004
Staff costs	248,872	-	664,504	913,376	851,337
Property costs	116,311	-	3,398,345	3,514,656	5,422,787
Computer costs	16,465	-	-	16,465	18,655
Depreciation	71,758	-	260,330	332,088	334,672
Gain on disposal of assets	-	-	(78,640)	(78,640)	(142)
Administration	93,179	-	729,538	822,717	782,477
Professional fees	32,641	-	30,229	62,870	61,337
Auditor's remuneration	17,532	-	16,200	33,732	30,686
Donations	42,769	-	163,867	206,636	254,051
Other	29,533	-	148,643	178,176	189,313
	<u>1,381,682</u>	<u>445,143</u>	<u>6,520,715</u>	<u>8,347,540</u>	<u>10,456,166</u>

## RC DIOCESE OF MOTHERWELL

### Notes to the Financial Statements For the year ended 31 December 2017

#### 8 Analysis of Staff Costs and Remuneration of Key Management Personnel

	2017	2016
	£	£
Curial		
Salaries and wages	429,117	439,566
Social security costs	27,686	27,088
Pension costs	18,650	18,923
	<hr/>	<hr/>
	475,453	485,577
Wages and salaries - parishes	847,156	769,437
	<hr/>	<hr/>
	1,322,609	1,255,014
	<hr/>	<hr/>
The average monthly number of employees during the year was	45	45

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 10 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 (2016: £Nil) and the total costs of accommodation and reimbursement of expenses amounted to £54,805 (2016: £50,812).

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 £33,732 (2016 -£30,686) and additional accountancy work of £10,068 (2016 -£9,828).

RC DIOCESE OF MOTHERWELL

Notes to the Financial Statements  
For the year ended 31 December 2017

11 Tangible Fixed Assets

	Heritable Property		Curial Furniture, fittings, vehicles & equipment	Parochial Furniture, fittings & motor vehicles	Total
	Curial £	Parochial £	£	£	£
<b>Cost or Valuation</b>					
At 1 January 2017	3,264,890	12,843,599	140,138	50,671	16,299,298
Additions	-	-	2,350	-	2,350
Disposals	-	(30,000)	(8,620)	-	(38,620)
Revaluation	(1,351,890)	(2,788,599)	-	-	(4,140,489)
At 31 December 2017	1,913,000	10,025,000	133,868	50,671	12,122,539
<b>Depreciation</b>					
At 1 January 2017	248,074	1,025,336	124,488	35,667	1,433,565
Provision	65,297	256,272	6,461	4,058	332,088
On disposal	-	(2,400)	(8,620)	-	(11,020)
On revaluation	(313,371)	(1,279,208)	-	-	(1,592,579)
At 31 December 2017	-	-	122,329	39,725	162,054
<b>Net Book Value</b>					
At 31 December 2017	1,913,000	10,025,000	11,539	10,946	11,960,485
At 31 December 2016	3,016,816	11,818,263	15,650	15,004	14,865,733

The property disposal in the year was the Marian Hall at St Joseph's, Stepps.

In accordance with accounting policy, diocesan and parochial sites and properties were revalued independently, resulting in a decrease in value of £2,547,910; the deficit on revaluation was allocated to the appropriate unrestricted and restricted funds.

DM Hall LLP, Chartered Surveyors were appointed to perform valuations of relevant diocesan and parochial properties and sites. 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 2017

### 11 Tangible Fixed Assets

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

	2017	2016
	£	£
At valuation - Curial properties	1,913,000	3,264,890
At cost - Parochial properties	-	107,599
At valuation - Parochial properties	10,315,000	12,736,000
	<u>12,228,000</u>	<u>16,108,489</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:

	2017	2016
	£	£
Cost	2,063,091	2,063,091
Accumulated depreciation	(321,326)	(321,326)
	<u>1,741,765</u>	<u>1,741,765</u>

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

### 12 Fixed Asset Investments

	2017	2016
	£	£
<b>Valuation</b>		
At 1 January 2017	8,325,093	7,965,728
Invested during the year	1,074,580	322,180
Proceeds from disposals	(1,002,309)	(318,061)
(Deficit)/Surplus on revaluation	223,891	354,670
Movement in cash held by the stockbroker	(55,826)	576
At 31 December 2017	<u>8,565,429</u>	<u>8,325,093</u>

Cost at 31 December 2017

5,289,964	5,165,364
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The above total is represented by:

	2017	2016
	£	£
Listed investments	412,981	1,223,667
Catholic National Endowment Trust 4	8,148,448	7,041,590
Unlisted investments	4,000	4,000
Cash held as part of the portfolio	-	55,836
	<u>8,565,429</u>	<u>8,325,093</u>

## RC DIOCESE OF MOTHERWELL

### Notes to the Financial Statements For the year ended 31 December 2017

#### 12 Fixed Asset Investments

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

	2017	2016
	£	£
Investment assets inside the UK	8,565,429	8,143,907
Investment assets outside the UK	-	181,186
	<u>8,565,429</u>	<u>8,325,093</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 2017 the Diocese of Motherwell had ownership of 43.04% of the total fund (2016: 39.76%). The cost of these investments at 31 December 2017 was £4,945,392 (31 December 2016: £4,035,392). 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
	£	£	2017	2016
			£	£
Prepayments and accrued income	441,000	735	441,735	420,064
Parish loans	4,352,717	-	4,352,717	4,926,993
Due by Curial Office	-	11,249,277	11,249,277	11,447,506
Other debtors	-	50,000	50,000	50,000
	<u>4,793,717</u>	<u>11,300,012</u>	<u>16,093,729</u>	<u>16,844,563</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 2017

14 Creditors falling due within one year

	Curial	Parochial	Total	Total
	£	£	2017	2016
			£	£
Bank overdrafts	-	-	-	306,684
Trade creditors	37,785	2,152	39,937	31,188
Accruals	139,018	419,406	558,424	482,744
Parish loans	-	4,352,717	4,352,717	4,926,993
Taxation and social security	9,912	9,126	19,038	24,821
Other creditors	29,082	-	29,082	12,500
	<u>215,797</u>	<u>4,783,401</u>	<u>4,999,198</u>	<u>5,784,930</u>

15 Creditors falling due after more than one year

	Curial	Parochial	Total	Total
	£	£	2017	2016
			£	£
Parochial Investment Fund	9,969,204	-	9,969,204	10,110,892
Pastoral Aid Fund	1,280,073	-	1,280,073	1,336,614
	<u>11,249,277</u>	<u>-</u>	<u>11,249,277</u>	<u>11,447,506</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 Analysis of charitable funds

(a) Curial Unrestricted Funds

	At 1 January	Incoming	Resources	Revaluation/		At 31 December
	2017	Resources	Expended	Investment	Transfers	2017
	£	£	£	Gains/(losses)	£	£
				£		
General Fund	(79,988)	396,917	(2,096,644)	100,888	1,780,127	101,300
Revaluation reserve	1,327,336	-	-	(1,038,519)	(24,037)	264,780
Unrestricted funds	<u>1,247,348</u>	<u>396,917</u>	<u>(2,096,644)</u>	<u>(937,631)</u>	<u>1,756,090</u>	<u>366,080</u>

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.



**RC DIOCESE OF MOTHERWELL**

**Notes to the Financial Statements  
For the year ended 31 December 2017**

**16 Analysis of charitable funds**

**(b) Curial Designated Funds**

	At 1 January 2017 £	Incoming Resources £	Resources Expended £	Investment Gains £	Transfers £	At 31 December 2017 £
CNET 4	4,968,413	252,600	-	123,003	(252,600)	5,091,416

**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) Parish Restricted Funds**

	At 1 January 2017 £	Incoming Resources £	Resources Expended £	Revaluation Losses £	Transfers £	At 31 December 2017 £
Parochial restricted funds	22,674,095	9,229,245	(7,645,915)	(1,509,391)	(1,503,490)	21,244,544

**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.

**(d) Transfers between Funds - Levy, CNET4 and Special Collections**

The transfer of funds of Levy, CNET4 and Special Collections from parishes to the Diocese comprised the following:

	2017 £	2016 £
Levy	1,186,562	959,086
CNET4	-	147,000

**RC DIOCESE OF MOTHERWELL**

**Notes to the Financial Statements  
For the year ended 31 December 2017**

**16 Analysis of charitable funds**

**(d) Transfers between Funds - Levy, CNET4 and Special Collections**

Special Collections:

Communications	31,669	33,160
Papal & Episcopal	-	711
Day for Life	25,777	24,857
St Margaret's Children and Family Care	28,358	26,584
Justice and Peace	38,296	34,138
Holy Places	39,677	40,655
Peter's Pence	30,047	32,773
Lenten Appeal	37,207	36,409
Education Fund	44,650	48,275
Students/retired priests boxes	21,657	31,085
Catholic Education Commission	38,095	35,205
Ukraine Appeal	-	40,791
	<u>335,433</u>	<u>384,643</u>
<b>Total</b>	<u>1,521,995</u>	<u>1,490,729</u>

**17 Other transfers between funds**

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

	2017	2016
	£	£
Parish loan interest	<u>38,567</u>	<u>31,122</u>

Transfers from the Diocese to the parishes were as follows:

	2017	2016
	£	£
Parochial Investment Fund interest	25,051	51,128
Pastoral Aid Fund interest	3,292	6,762
Support of retired priests	28,729	22,054
	<u>57,072</u>	<u>79,944</u>
<b>Total</b>	<u>(18,505)</u>	<u>(48,822)</u>

**RC DIOCESE OF MOTHERWELL**

**Notes to the Financial Statements  
For the year ended 31 December 2017**

**18 Analysis of Net Assets between Funds**

	Unrestricted Funds £	Restricted Funds £	Designated Funds £
Tangible fixed assets	1,924,539	10,035,946	-
Investments	3,474,013	-	5,091,416
Cash at bank and in hand	1,628,817	4,685,166	-
Other net current assets/(liabilities)	(6,661,289)	6,523,432	-
	<u>366,080</u>	<u>21,244,544</u>	<u>5,091,416</u>

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

	Curial £	Parochial £	Total 2017 £	Total 2016 £
Net movement in funds	(1,223,236)	1,583,330	360,094	(760,689)
Adjustments for:				
Interest received	(6,492)	(734)	(7,226)	(18,786)
Dividends received	(286,506)	-	(286,506)	(268,830)
Rent received	-	(68,593)	(68,593)	(36,689)
Depreciation charges	71,758	260,330	332,088	334,672
Gain on disposal of assets	-	(78,640)	(78,640)	(142)
Net losses on investments	(223,891)	-	(223,891)	(354,670)
Decrease in stocks	(1,690)	436	(1,254)	1,570
(Increase)/decrease in debtors	552,641	198,193	750,834	(326,788)
Increase in creditors	(219,061)	(458,216)	(677,277)	276,215
<b>Net cash used in operating activities</b>	<u>(1,336,477)</u>	<u>1,436,106</u>	<u>99,629</u>	<u>(1,154,137)</u>

**20 Cash flows from investing activities**

	Curial £	Parochial £	Total 2017 £	Total 2016 £
Interest received	6,492	734	7,226	18,786
Dividends received	286,506	-	286,506	268,830
Rent received	-	68,593	68,593	36,689
Payments to acquire fixed asset investments	(1,018,754)	-	(1,018,754)	(322,756)
Payments to acquire tangible fixed assets	(2,350)	-	(2,350)	(175,615)
Receipts from sales of tangible fixed assets	-	106,240	106,240	4,300
Receipts from sales of fixed asset investments	1,002,309	-	1,002,309	318,061
	<u>274,203</u>	<u>175,567</u>	<u>449,770</u>	<u>148,295</u>

Notes to the Financial Statements  
For the year ended 31 December 2017

## 21 Analysis of cash and cash equivalents

	At 1 January 2017 £	Cash Flows £	At 31 December 2017 £
<b>Curial Funds</b>			
Cash at bank	1,494,285	134,532	1,628,817
Bank overdrafts	(306,684)	306,684	-
	<u>1,187,601</u>	<u>441,216</u>	<u>1,628,817</u>
<b>Parochial Funds</b>			
Cash at bank	<u>4,576,983</u>	<u>108,183</u>	<u>4,685,166</u>
<b>Total Funds</b>	<u>5,764,584</u>	<u>549,399</u>	<u>6,313,983</u>

## 22 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.

## 23 Associated and Connected Bodies and Related Party Transactions

At 31 December 2017 the following companies were connected with the Diocese:

Subsidiary Companies	Class of Share Capital Held	Proportion Held	Nature of Business
Carfin Pilgrimage Centre Limited	Equity	100%	Multi denominational visitor centre
St Patrick's Tearoom Limited	Equity	100%	Tearoom
St Columbkille's Tearoom Limited	Equity	100%	Tearoom

The Carfin Pilgrimage Centre Limited, St Patrick's Tearoom Limited and St Columbkille's Tearoom Limited are registered in Scotland. The Carfin Pilgrimage Centre Limited, St Patrick's Tearoom Limited and St Columbkille's Tearoom Limited have been consolidated in the financial statements.

A loan of £100,000 was made by the Trustees of the Diocese to Carfin Pilgrimage Centre Limited to clear the bank overdraft. Carfin Pilgrimage Centre is a wholly owned subsidiary of the Diocese. St Patrick's Tearoom Limited and St Columbkille's Tearoom Limited are wholly owned subsidiaries of St Patrick's Parish, Coatbridge and St Columbkille's Parish, Rutherglen. All profits by these companies are donated to the respective parishes through gift aid. In the year under review £42,049 (2016 -£46,341) was gift aided by St Patrick's Tearoom Limited and nil (2016 - £nil) was gift aided by St Columbkille's Tearoom Limited. All amounts are removed on consolidation.

## 24 Capital Commitments

There were no unprovided capital commitments at 31 December 2017 or 31 December 2016.

## 25 Post Balance Sheet Events

3 properties were sold after the balance sheet date for a total of £677,000. These were included in assets at a valuation of £580,000 at 31st December 2017.