

Charity number: SC002876

The Roman Catholic Diocese of Argyll and the Isles
Trustees' report and financial statements
for the year ended 30 November 2019

The Roman Catholic Diocese of Argyll and the Isles

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The Roman Catholic Diocese of Argyll and the Isles

Legal and administrative information

Charity number	SC002876
Business address	Diocesan Office Bishop's House Esplanade Oban PA34 5AB
Trustees	Right Reverend Bishop of Argyll & the Isles Brian McGee Reverend Roddy Johnston (Vicar General) Reverend Michael Hutson (Chancellor)
Treasurer	Duncan MacLeod
Independent Auditors	R A Clement Associates Chartered Accountants & Registered Auditors 5 Argyll Square Oban Argyll PA34 4AZ
Bankers	The Co-operative Bank plc George House 59 George Street Glasgow
Investment Managers	Rathbones Port of Liverpool Building Pier Head Liverpool L3 1NW
Solicitors	MacArthur Legal Boswell House Argyll Square Oban Argyll

The Roman Catholic Diocese of Argyll and the Isles

Report of the trustees for the year ended 30 November 2019

The Trustees present their report and the financial statements for the year ended 30 November 2019. The Trustees who served during the year and up to the date of this report are set out on page 1.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland effective January 2015 (FRS 102).

Scope of the financial statements

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

The Diocese of Argyll and the Isles fund which is used to support the Bishop in providing Diocesan services and pastoral care, and to meet the costs of the central administration

The Parish funds which are administered by the parish priests, with guidance from the Diocesan Office and are used to carry out the work of the Church within local areas and to help fund the Diocesan Office.

Structure, governance and management

Appointment of Trustees

All the Trustees are Parish Clergy. Trustees are appointed by virtue of their position as either Bishop, Vicar-General, or Chancellor. The latter two appointments are conferred by the Bishop. No Trustee had any interest in the Charity.

The Trustees

Right Reverend Brian McGee, Bishop of Argyll and the Isles.
Reverend Roderick H. Johnston, Vicar General.
Reverend Michael A. Hutson, Chancellor.

Status of charity, nature of governing document and how it is constituted

The Diocese, in its present form, is constituted as a Trust and is operated in accordance with its Trust Deed dated 11 July 1957.

Organisation

The Charity operates from the Diocesan Office in Oban and has twenty six Parishes or Missions which promote the aims of the Diocese throughout Argyll and the Isles

Training for new and existing Trustees

The booklet "Guidance for Charity Trustees" issued by OSCR (Office of the Scottish Charity Regulator) in 2006 has been issued to all Trustees.

The Trustees attended a training session on GPDR by CCIA. The Trustees also attended two training sessions after the promulgation of the new Safeguarding Instruction In God's Image.

Further training will be sought in the coming year.

Risk assessment

The Trustees have examined the major risks that the Diocese faces and confirms that it has in place a Risk Assessment and Management Strategy, which comprises:-

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Report of the trustees for the year ended 30 November 2019

- * *A continuing review of the risks*
- * *The establishment of systems and procedures to mitigate those risks, and*
- * *The implementation of procedures to minimise any potential impact on the Diocese should any of those risks materialise.*

As is noted elsewhere, in these financial statements, the Diocese has insurance to protect from loss arising from neglect or default of its Trustees and insurance to indemnify the Trustees against the consequences of neglect or default on their part. There is similar insurance cover to protect the Diocese from any irregularity by its priests and its staff.

Potential areas of risk identified include Children & Vulnerable Adults Protection, mismanagement of cash at Parish and Diocesan levels, assets management, Insurance cover, accounting procedures, property safety certificates, compliance with legislation and regulations, employment and pension issues, health and safety and disaster recovery e.g. backup facilities for IT systems.

In the past, there was no legal requirement to follow Health and Safety directives since the Diocese does not have more than 5 employees. Now, however, the Diocesan Insurers, CCIA, have advised that the Diocese must follow best Health and Safety protocols and procedures.

A Health and Safety Policy has been adopted and a Health and Safety Committee has been formed that reports to the Trustees annually. Health and Safety procedures have been rolled out across the parishes with training and support being made available. Risk Assessments are being carried out and suitable recording procedures put in place. Health and Safety audits are planned and the results will be reported to the Trustees.

The Trustees receive regular reports and records from the Diocesan Finance Board and the Fabric and Planning Committee and meet with the Auditors annually. There is both internal and external control exercised by various parties. Internally, by the Diocesan Finance Board and the Diocesan Treasurer and the Assembly of Priests, and externally by the Diocesan Auditors, Office of the Scottish Charity Regulator (OSCR) and HM Revenue & Customs.

Objectives and Activities

A Diocese is defined in Church teaching and Canon Law as "a section of the people of God entrusted to a bishop to be guided by him with the assistance of his clergy so that, loyal to its pastor and formed by him into one community in the Holy Spirit through the Gospel and the Eucharist, it constitutes one particular church in which the one, holy, catholic and apostolic church of Christ is truly present" (Christus Dominus, no.11.)

The Diocese of Argyll and the Isles is one such portion of the people of God - bishop, clergy, religious and laypeople make up the Diocese and all contribute to its life and mission according to their respective roles and God-given talents. The proclamation of the Gospel and the celebration of the Sacraments, primarily the Eucharist, are the principal tasks of the Diocese.

The Objectives and Activities of the Diocese are four in number:

- * *Provision for Divine Worship and the Sacraments*
- * *Catechesis and Education*
- * *Social Justice and Works of Charity*
- * *Cultural Preservation, Development and promotion*

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Report of the trustees for the year ended 30 November 2019

Divine Worship and the Sacraments

The Diocese of Argyll and the Isles provides throughout its territory the Divine Worship of the Roman Catholic Church. For most people, this will be Sunday Mass, but it also includes other liturgical and devotional services, and in particular the celebration of all the Sacraments of the Church through which the People of God are formed and brought into a closer relationship with God and with one another. These include Baptism, Confirmation, Confession, Anointing of the Sick, Marriage and Holy Orders. Much work is done in preparing people for the reception of these Sacraments by clergy and laypeople alike. Although the Sacraments are dispensed by ordained ministers, laypeople are associated in the service of the Church's worship - as readers, extraordinary ministers of Holy Communion and catechists.

Catechesis and Education

This task of preparation for the Sacraments necessarily entails an emphasis on teaching and education - the proclamation of the Gospel mentioned above. The Bishop and his clergy are called to proclaim the Gospel in word and in deed. This includes the safeguarding of Christ's teaching as handed on by the Church, defending it and propagating it. This is done primarily through preaching and catechesis. Much assistance is given by laypeople and religious who are involved in the life of the Diocese as catechists and teachers in Catholic Schools. Clergy serve as chaplains to schools and institutes of further education. Increasingly, modern media are used to fulfil the task of promulgating the faith. The Diocese and many of its parishes maintain websites. Education of adults is as important as the education of children and the Diocese strives to provide formation for adults in the areas of doctrine, liturgy and music.

Social Justice and Works of Charity

Apart from the work of teaching and public worship, the Diocese of Argyll and the Isles is also involved in the pursuit of social aims and works of charity which flow from the teaching and worship of the Church. A high value is placed on the life of the human person - on his/her liberty and bodily life. This means that the promotion of the unity and stability of the family, as well as the procreation and education of children are priorities in the pastoral ministry of the Diocesan Clergy. Pastoral care of the sick and housebound has always been an important element of parish ministry, especially in those areas where there are Hospitals and Care Homes for the Elderly. In all the Diocese's activities, whether with young, old or vulnerable people, all are committed to creating a safe environment in which to provide pastoral care.

The issues which concern our communities and society in general are matters of concern to the Diocese - the just distribution of material goods and other social justice issues, particularly concerning the fraternal co-existence of all peoples. The Bishop, Clergy and People of the Diocese will show special concern for those groups and individuals whose pastoral needs may not be served within the context of parish life, especially migrants, sailors and airmen, members of the Armed Forces, and other itinerants of this kind. There are few parishes in the Diocese where immigrants, especially from Eastern Europe, will not be present. In particular, the Diocese has a duty to provide for the spiritual welfare of tourists and holidaymakers who are not lacking in a Diocese such as Argyll and the Isles. The Diocese has an outward-looking approach to matters of social justice and is involved in fundraising for charitable causes beyond its own territorial boundaries - SCIAF (Scottish Catholic International Aid Foundation) and the support of foreign missions and charitable endeavours, including one of its own priests currently serving in Ecuador.

Very often, in the communities served by the Diocese, the parish is at the heart of the community's life and the Church's facilities are made available for social functions as well as groups with no particular connection to the Church. This is part of the Church's outreach to the wider community, Catholic or otherwise. The Diocese has a great burden of care for the upkeep and maintenance of these properties.

In many communities present in the Diocese, there are strong links with other Christian communities, forged by common prayer and worship as well as co-operation in social issues.

The Roman Catholic Diocese of Argyll and the Isles

Report of the trustees for the year ended 30 November 2019

Cultural Preservation, Development and Promotion

The Diocese of Argyll and the Isles is of great historical and cultural importance for Scottish Catholicism. The people of the Diocese have maintained the Catholic Faith unbroken through the centuries and the cultural expression of that faith is a particular richness of the Catholic Church in the Diocese, but also in Scotland as a whole. Clergy and laypeople alike are involved in preserving and developing the rich heritage of the Gaelic language which is used daily in pastoral work in many parts of the Diocese. Clergy are often involved in local projects which promote individuals and places of importance to the Christian history and identity of the area while being of interest to the wider public.

Pastoral review

Clergy & Parishes

Rev Ronald Campbell was ordained a priest in his home parish of St Mary's, Benbecula on Tuesday 9th July 2019.

Fr Noel Ugoagwu came on loan to the Diocese for three years

Fr Angus John MacQueen (retired) died in February 2019

Fr Donald MacKinnon (Fort William), Fr Joe Calleja (Dunoon) and Fr William Fraser (Taynuilt) retired

The number of priests in active ministry is now 19 (down from 22)

Fr Andrew Barrett (Ballachulish) left active ministry

Philip Bua continues his studies for the priesthood. He will be ordained a priest in the summer of 2022.

The Parish of Our Lady of the Angels, Mingarry celebrated the 250th anniversary of the founding of the Moidart Mission.

Diocesan Administration

The Diocesan Deficit was eliminated this year. The increase of 12% in parish levies and strict adherence to the budget meant that our target was reached.

The Gift Aid system was overhauled during the year.

Safeguarding

The new Safeguarding Instruction 'In God's Image' was promulgated for the diocese in March 2018. Argyll and the Isles' clergy were the first diocese to receive Safeguarding training for In God's Image in Scotland. In March the diocese employed a part time Safeguarding Advisor, Veronica McKenna.

Visit of the Relics of St Therese of Lisieux

During September 2019 the relics of St Therese of Lisieux visited Scotland for the first time. The Cathedral in Oban hosted the relics for three days. The visit was extremely well attended with many people staying for the entire period. One of the highlights was the Mass for School Pupils. All areas of the diocese were represented.

Statement of financial activity

Last year's report stressed the importance of the Diocese breaking even at operational level. This has been achieved. In fact the Diocese shows a surplus, which includes a gain in investments of £23.3K.

The combined figure for Diocese and parishes shows a small deficit for the year of £1.7K. (2018: deficit £104.6K).

The Roman Catholic Diocese of Argyll and the Isles

Report of the trustees for the year ended 30 November 2019

Balance sheet

There has been little change from last year. At £5,231K, fixed assets (mostly property) represent 85% of the trust's value (2018: £5,255K). Cash at bank is £632K, (2018: £635K). £589K of this total is held by individual parishes. Creditors are £180K and small in relation to assets. (2018: £197K).

Overall, total funds remained at last year's level, £6.1M.

Major risks and uncertainties

Before commenting on the specific risks posed by the Covid-19 outbreak, it is worth pointing out that the Diocesan shortfall - caused in the main by the funding of retired priests and ecclesiastical students - has been solved by increasing the levy paid by parishes. The trustees are grateful for the hard work of parish priests and the generosity of parishioners which have enabled the diocesan deficit to be successfully addressed. In addition, Diocesan expenditure is kept under constant review. The shortfall is an ever-present element of Diocesan finances and requires careful monitoring.

Major risks and uncertainties: Covid -19

The Covid-19 pandemic has had a serious financial impact on parishes and dioceses. Churches have been closed since March with the main source of income - offertory cash collections - cut off. The Trustees now meet weekly with the Treasurer. A careful eye is kept on the financially weaker parishes. The Diocesan Treasurer also meets regularly with the Treasurers from the seven other Scottish dioceses. To ease the pressure on Parish cash flows, March levies were reduced by 25%, from April-June by 50% and in July by 25%. Parishes have been encouraged to increase Standing Orders from parishioners. Expenses are also being viewed for savings. Two diocesan staff (50%) have been furloughed. Projections have been prepared and reviewed for the 12 months to May 2021. The trustees are confident that with careful and continuous monitoring throughout this testing period the Diocese will remain viable. With regard to our investment portfolio, the vast majority of the investments held remain sound - including businesses with long term structural growth, sound balance sheets and defensible market positions which will allow them to see out the current crisis (consumer staples, healthcare, technology businesses in particular).

Investment policy and return

In accordance with recommended practice, investments are stated in the balance sheet at market value. Our stockbrokers, under their discretionary management control, continue to implement our policy to pursue a decent level of capital appreciation from our investment portfolio, as opposed to pure income generation.

Plans for future periods

Having reflected on his visitation of every parish in 2018 the bishop proposed that the diocese adopt four pastoral and spiritual priorities:

- (i) Universal Call to Holiness
- (ii) Mission
- (iii) Catechesis
- (iv) Lay Formation.

These priorities were accepted. Working Groups were created in each of the three deaneries to study the issues and bring forward concrete proposals for their implementation across the diocese.

The Roman Catholic Diocese of Argyll and the Isles

Report of the trustees for the year ended 30 November 2019

During 2021 the Bishop, during his regular visits to parishes, intends to meet with each Parish Finance Committee. This will ensure that every parish has a working group and allow for an exchange of ideas.

The importance of Fundraising for the diocese has been recognised. A Working Group has been established to examine the feasibility of renting out empty parish properties. This would raise funds for both the diocese and the particular parish.

Statement as to disclosure of information to auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity and of the incoming resources and application of resources of the charity for that year. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, and the provisions of the charity's Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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


The Roman Catholic Diocese of Argyll and the Isles

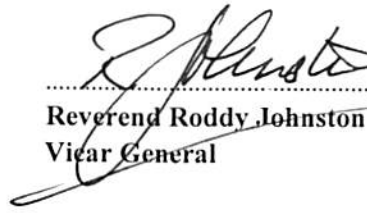
**Report of the trustees
for the year ended 30 November 2019**


Independent Auditors

A resolution proposing that R A Clement Associates be re-appointed as auditors of the Diocese will be proposed at the Trustees' and Finance Board Meeting. R A Clement Associates has indicated its willingness to continue in office.

This report was approved by the Trustees on.....24/8/20.....


.....
The Right Reverend Brian McGee
Bishop of Argyll & the Isles


.....
Reverend Roddy Johnston
Vicar General


.....
Reverend Michael Hutson (Chancellor)



The Roman Catholic Diocese of Argyll and the Isles

Independent auditor's report to the trustees of The Roman Catholic Diocese of Argyll and the Isles

Opinion

What we have audited

We have audited the financial statements of The Roman Catholic Diocese of Argyll and the Isles for the year ended 30 November 2019 which comprise the Statement of Financial Activities (including the income and expenditure account), the Balance Sheet, the cashflow statement and the 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 law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

In our opinion, the financial statements:

- * give a true and fair view of the state of the charity's affairs as at 30 November 2019 and of its income and expenditure, for the year then ended;
- * have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- * have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Emphasis of Matter

We would draw attention to the comments made by the Trustees in the Trustee report, and the accounting policies on page 18 with regard to the exclusion from the Balance Sheet of the adjoined properties i.e churches and adjoining buildings, owned by the charity, on the basis that not only was it highly impractical in view of the age and historic nature of the properties concerned, but would involve a significant level of cost. It is also the opinion of the Trustees that the estimated recoverable value in use of these properties is nil. We do not disagree with the conclusions of the Trustees and have not therefore qualified our audit opinion in this respect.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISA's (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.

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Other information

The trustees are responsible for the other information. The other information comprises the information in the annual report, other than the financial statements and our auditor's report 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 inconsistent 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.

Matters on which we are required to report by exception

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

- proper accounting records have not been kept; or
- the information given in the financial statements is inconsistent in any material respect with the trustees' annual report; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit

Responsibilities of the trustees

As explained more fully in the Trustees' Responsibilities Statement in the Trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that the financial statements give a true and fair view, and for such internal control as the trustees determine 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 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 auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with ISA's (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. This description forms part of our audit report.

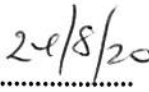
The Roman Catholic Diocese of Argyll and the Isles

Use of our report

This report is made exclusively to the members and to the trustees of the charity, as a body, who are the trustees of the charity, in accordance with s44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, the trustees of the charity, as a body, for our audit work, for this report, or for the opinions we have formed.


.....

Fiona McGlynn C.A.
Senior Statutory Auditor
For and on behalf of R A Clement Associates
Chartered Accountants & Registered Auditors


.....

5 Argyll Square
Oban

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

The Roman Catholic Diocese of Argyll and the Isles
Statement of financial activities
For the year ended 30 November 2019

	Notes	Diocesan funds	Parish funds	Restricted funds	2019 Total	Diocesan funds	Parish funds	Restricted funds	2018 Total
		£	£	£	£	£	£	£	£
Income from:									
Voluntary income	2	21,432	1,343,728	57,905	1,423,065	19,247	1,185,163	44,904	1,249,314
Income from charitable activities	4	-	24,278	-	24,278	-	28,570	-	28,570
Investment income	3	19,818	14,183	-	34,001	18,683	13,039	1,200	32,922
Other income	5	-	14,220	-	14,220	-	6,928	-	6,928
Total income		<u>41,250</u>	<u>1,396,409</u>	<u>57,905</u>	<u>1,495,564</u>	<u>37,930</u>	<u>1,233,700</u>	<u>46,104</u>	<u>1,317,734</u>
Expenditure on:									
Investment management costs		1,047	-	-	1,047	1,060	-	-	1,060
Charitable activities	6, 7	111,725	1,188,566	200,338	1,500,629	109,659	1,087,464	213,957	1,411,080
Other expenditure	8	-	19,018	-	19,018	-	-	-	-
Total expenditure		<u>112,772</u>	<u>1,207,584</u>	<u>200,338</u>	<u>1,520,694</u>	<u>110,719</u>	<u>1,087,464</u>	<u>213,957</u>	<u>1,412,140</u>
Net income/(expenditure)		<u>(71,522)</u>	<u>188,825</u>	<u>(142,433)</u>	<u>(25,130)</u>	<u>(72,789)</u>	<u>146,236</u>	<u>(167,853)</u>	<u>(94,406)</u>
for the year before gains and losses		<u>23,340</u>	<u>-</u>	<u>-</u>	<u>23,340</u>	<u>(10,245)</u>	<u>-</u>	<u>-</u>	<u>(10,245)</u>
Net gains/(losses) on investments		(48,182)	188,825	(142,433)	(1,790)	(83,034)	146,236	(167,853)	(104,651)
Net income/(expenditure)		<u>(156,331)</u>	<u>-</u>	<u>156,331</u>	<u>-</u>	<u>(161,067)</u>	<u>161,067</u>	<u>-</u>	<u>-</u>
Transfer to support restricted funds		222,801	(222,801)	-	-	133,965	(133,965)	-	-
Transfer of levy		41,082	(41,082)	-	-	84,360	(84,360)	-	-
Transfers between funds		<u>59,370</u>	<u>(75,058)</u>	<u>13,898</u>	<u>(1,790)</u>	<u>(25,776)</u>	<u>(72,089)</u>	<u>(6,786)</u>	<u>(104,651)</u>
Net movement in funds		<u>859,951</u>	<u>5,266,983</u>	<u>2,204</u>	<u>6,129,138</u>	<u>885,727</u>	<u>5,339,072</u>	<u>8,990</u>	<u>6,233,789</u>
Reconciliation of funds:		<u>919,321</u>	<u>5,191,925</u>	<u>16,102</u>	<u>6,127,348</u>	<u>859,951</u>	<u>5,266,983</u>	<u>2,204</u>	<u>6,129,138</u>
Total funds brought forward									
Total funds carried forward									
All income and expenditure derive from continuing activities.									

The notes on pages 15 to 32 form an integral part of these financial statements.

The Roman Catholic Diocese of Argyll and the Isles

Balance sheet
as at 30 November 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	11		5,231,359		5,255,513
Investments	12		419,898		398,327
			<u>5,651,257</u>		<u>5,653,840</u>
Current assets					
Debtors	13	23,198		37,404	
Cash at bank and in hand		632,843		635,451	
		<u>656,041</u>		<u>672,855</u>	
Creditors: amounts falling due within one year	14	<u>(154,771)</u>		<u>(172,751)</u>	
Net current assets			<u>501,270</u>		<u>500,104</u>
Total assets less current liabilities			6,152,527		6,153,944
Creditors: amounts falling due after more than one year	15		<u>(25,179)</u>		<u>(24,806)</u>
Net assets			<u>6,127,348</u>		<u>6,129,138</u>
Funds					
Restricted funds	16		16,102		2,204
Parish funds			5,191,925		5,266,983
Diocesan funds			919,321		859,951
			<u>6,127,348</u>		<u>6,129,138</u>
Total funds			<u>6,127,348</u>		<u>6,129,138</u>

The financial statements were approved by the trustees on

24/8/20

and signed by

+ Brian McGee
.....
The Right Reverend Brian McGee
Bishop of Argyll & the Isles

R. Johnston
.....
Reverend Roddy Johnston
Vicar General

Michael Hutson
.....
Reverend Michael Hutson
Chancellor

The notes on pages 15 to 32 form an integral part of these financial statements.

The Roman Catholic Diocese of Argyll and the Isles

Cash flow statement

for the year ended 30 November 2019

	Notes	2019 £	2018 £
Net outgoing resources for the year		(25,130)	(94,406)
Income from investments		(19,463)	(19,561)
Interest payable		2,634	2,497
Interest receivable		(14,538)	(13,361)
(Gain)/Loss on disposal of fixed assets		17,756	(3,750)
Depreciation and impairment		27,761	24,028
Decrease/(Increase) in debtors		14,206	(10,320)
(Decrease)/Increase in creditors		(39,850)	41,607
Net cash provided by operating activities		<u>(36,624)</u>	<u>(73,266)</u>
Net cash provided by operating activities		<u>(36,624)</u>	<u>73,266</u>
Cash flows from investing activities			
Net cash inflow from Financing/Borrowing	22	22,243	368
Rents, dividends and interest received	22	31,367	30,425
Net expenditure on assets and investments	22	(19,594)	(39,567)
Decrease in cash in the year		<u>(2,608)</u>	<u>(82,040)</u>
Net increase/(decrease) in cash:			
Decrease in cash in the year		(2,608)	(82,040)
Cash at bank and in hand less overdrafts at the beginning of the year		635,451	717,491
Cash at bank and in hand less overdrafts at the end of the year		<u>632,843</u>	<u>635,451</u>

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements for the year ended 30 November 2019

Legal Status of the charity

The Roman Catholic Diocese of Argyll & the Isles is recognised as a designated religious charity by the Office of the Scottish Charity Regulator under the provisions of section 65 of the Charities and Trustees Investment (Scotland) Act 2006. The Diocese, in its present form, is constituted as a Trust and is operated in accordance with its Trust Deed dated 11 July 1957.

1. Accounting policies

The principal accounting policies adopted are summarised below.

1.1. Basis of preparation and assessment of going concern.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) as well as the Statement of Recommended Practice (SORP) - Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (issued on 16 July 2014 and effective January 2015).

The charity meets the definition of a public benefit entity as defined by FRS 102.

Under FRS 102, the charity is required to capitalise on its Balance Sheet all tangible fixed assets. The Trustees have considered the application of this requirement to the church buildings and adjoined property held by the charity, and have decided that the application of Module 10 of FRS102 is not relevant to these assets. The assets have therefore been excluded from the balance sheet.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The most significant areas of judgement and key assumptions that affect items in the accounts are the values for tangible fixed assets and investments.

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements for the year ended 30 November 2019

1.2. Fund accounting

Under the Charities and Trustee Investment (Scotland) Act 2005, the Diocese is a designated Religious Charity. Its parishes are established and operate under the Church's Code of Canon Law which confers on them separate canonical status. Parishes are therefore accounted for within the financial statements of the Diocese, but are shown as a separate "fund" in the Statement of Financial Activities and throughout the accounts.

Transactions between parishes and the Diocese are accounted for primarily as transfers of funds in the Statement of Financial Activities. These transactions are principally the annual amount levied to cover central costs and movements on the loans and deposit balances held by the Diocese on behalf of the Parishes. However, interest on the loans and deposits is reflected in the income and expenditure of the Diocese and Parishes as appropriate. Amounts collected by the Parishes for special purposes are shown in the Parish funds if collected and disbursed from the Parish; funds which are passed on to the Diocese are shown as separate "restricted" funds.

Restricted funds represent funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal. Included in these funds are some of the special collections carried out by the Parishes.

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Further details of specific funds are disclosed in notes 17 - 19

1.3. Income

Income is recognised in the statement of financial activities when the charity is entitled to the income, any performance conditions attached have been met, it is probable that the income will be received and the amount can be quantified with reasonable accuracy. Such income is only deferred when the donor specifies performance conditions which must be met before the charity has unconditional entitlement. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donations and all other receipts from fundraising are, wherever possible, reported gross and the related fundraising costs are reported as expenditure.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Special collections are accounted for in the year of receipt by the Parish although there may be cash in hand at the year end which is due to be passed over to the Diocese.

Investment income is accounted for when receivable.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements for the year ended 30 November 2019

1.4. Expenditure

Expenditure is recognised when there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be reliably measured.

Charitable activities consist of the costs of carrying out the Diocesan or Parish charitable activities. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are almost entirely directly attributable to Parish or Diocesan activities and are shown as such in the notes to the accounts.

Fundraising costs are those incurred in generating income from various activities and do not include the costs of disseminating information in support of the charitable activities.

The charity is not registered for VAT and accordingly expenditure normally includes all vat which is irrecoverable. However, the Diocese of Argyll and the Isles seeks to reclaim a percentage of Input VAT on specific projects when Irrecoverable VAT grants are available from Grant bodies, for example The Listed Places of Worship Grant Scheme. However where there are no Grants available or they do not cover the full amount of Input VAT, then the Diocese or the individual Parish will meet this cost out of existing funds.

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements for the year ended 30 November 2019

1.5. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Non adjoined properties	-	Not depreciated
Fixtures, fittings and equipment	-	5% straight line with the exception of the Cathedral Organ and Confessional Chair
Motor vehicles	-	20% straight line

Non adjoined properties

In accordance with the Statement of Recommended Practice, all non-adjoined properties (i.e separate from the church's) which are owned by the Diocese are valued on an existing use basis, this being a reasonable estimate of the asset's current value to the Diocese. Depreciation is not charged on freehold property as, in the opinion of the Trustees, the charge would be immaterial due to the length of the useful economic life of the property. Impairment indicators are re-considered by the Trustees on an annual basis.

Revaluation and Transitional Adjustments

A formal professional revaluation of the non adjoined properties would normally be carried out every five years with the last full revaluation taking place as at 30 November 2010. Under the transitional arrangements on first adopting FRS102, the current value of the properties has been treated as "deemed cost". The Trustees will consider the policy to be adopted in respect of these properties going forward with a view to implementing the new policy from 2018 onwards.

Churches and Adjoined Properties

Certain assets, consisting of churches and adjoined property, which are considered historic assets have not been capitalised or depreciated. While these assets are functional, due to their age and nature, cost information is unavailable and conventional valuation techniques cannot be applied. The potential cost of arriving at an acceptable valuation method would be prohibitive and outweigh any benefit. As a result no reliable value can be attributed to these assets and they are not shown in the accounts.

The Trustees also believe that the current estimated recoverable value in use of these assets is nil.

Capitalisation Policy

Capital expenditure is only capitalised in the accounts if it exceeds £5,000 for any single asset. The majority of expenditure on churches and other properties are considered to fall in the category of repairs and maintenance and upgrades or renovations of these properties are not capitalised in the accounts.

1.6. Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as 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 main form of financial risk arising from the charity's investments is that of volatility in equity markets and investment markets due to wider economic conditions.

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements for the year ended 30 November 2019

1.7. Financial Instruments

The charity has only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value with the exception of bank loans which are measured at amortised cost using the effective interest rate method.

1.8. Costs in retirement

The Diocese accepts responsibility to assist retired priests where possible under obligations arising from Canon Law. In accordance with this responsibility, the Diocese provides accommodation and gratuities where appropriate. Amounts paid in respect of these obligations are financed by special collections and Diocesan reserves. Further details are included in the notes to the accounts.

1.9. Recognised 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 the sales proceeds and their original purchase cost. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their opening carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2. Voluntary income

	Diocese funds £	Parish funds £	Restricted funds £	2019 Total £	2018 Total £
Donations and legacies	14,156	303,664	-	317,820	208,795
Special Collections Income	-	36,822	57,905	94,727	96,007
Offertory Collections and gift aid	7,276	875,969	-	883,245	820,521
Halls and social donations	-	91,220	-	91,220	91,830
Croft & other parish income	-	30,685	-	30,685	22,961
Miscellaneous donations	-	-	-	-	200
Aged and Infirm grant	-	-	-	-	9,000
Listed Places of Worship Grant Scheme	-	5,368	-	5,368	-
	<u>21,432</u>	<u>1,343,728</u>	<u>57,905</u>	<u>1,423,065</u>	<u>1,249,314</u>

3. Investment income

	Diocese funds £	Parish funds £	2019 Total £	2018 Total £
Income from UK investment properties	-	4,800	4,800	5,600
Income from UK listed investments	14,663	-	14,663	13,961
Interest receivable - on loans to Parishes	5,155	-	5,155	4,722
Interest receivable - Parishes	-	9,383	9,383	8,639
	<u>19,818</u>	<u>14,183</u>	<u>34,001</u>	<u>32,922</u>

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements
for the year ended 30 November 2019

4. Income from charitable activities

	Parish funds £	2019 Total £	2018 Total £
Stalls and newspapers	24,278	24,278	28,570
	<u>24,278</u>	<u>24,278</u>	<u>28,570</u>

5. Other income

	Restricted funds £	2019 Total £	2018 Total £
Gain on disposal of motor vehicles	1,262	1,262	3,750
Other miscellaneous income	12,958	12,958	3,178
	<u>14,220</u>	<u>14,220</u>	<u>6,928</u>

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements for the year ended 30 November 2019

6. Costs of charitable activities

	Special funds & Direct £	Diocesan direct activities £	Parish Indirect costs £	2019 Total £	2018 Total £
Diocesan activities	200,338	97,125	-	297,463	309,542
Parish activities	602,784	-	585,648	1,188,432	1,086,921
	<u>803,122</u>	<u>97,125</u>	<u>585,648</u>	<u>1,485,895</u>	<u>1,396,463</u>

(Note 9.)

	2019 £	2018 £
Parish Expenditure		
Special collections	48,809	45,707
Car and travel	65,152	60,054
Repairs and maintenance	286,680	262,592
Divine Service	77,685	80,961
Stall expenses	24,404	31,750
Grants and donations	14,968	23,965
Parishes internal loan interest	6,911	4,722
Clergy remuneration	60,506	60,309
Staff salaries and national insurance	17,669	21,976
	<u>602,784</u>	<u>592,036</u>
Diocesan Direct Costs		
Diocesan administration	68,429	66,412
Interest paid/accrued	10,582	9,855
Sisters of St Joseph's Mission	8,711	9,623
Legal Fees	-	59
CNET support payment	-	3,263
Other costs	9,403	6,377
	<u>97,125</u>	<u>95,589</u>
Diocesan Special Funds and Donations		
Sick & Retired Priests	85,275	79,822
Ecclesiastical Students	48,864	62,717
Adult Education & Formation	-	9,242
Bishops Administration Fund	47,621	34,970
Bishops Capital Fund	73	2,300
CNET support payment	18,651	24,906
	<u>200,338</u>	<u>213,957</u>

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements
for the year ended 30 November 2019

7. Audit fees and other charges

	Diocese funds £	Restricted funds £	2019 Total £	2018 Total £
Auditors' remuneration	12,100	-	12,100	12,120
Other bank charges	2,398	134	2,532	2,497
Debts written off	102	-	102	-
	<u>14,600</u>	<u>134</u>	<u>14,734</u>	<u>14,617</u>

8. Other expenditure

	Restricted funds £	2019 Total £	2018 Total £
Loss on disposal of tangible fixed assets	19,018	19,018	-
	<u>19,018</u>	<u>19,018</u>	<u>-</u>

9. Analysis of Parish indirect costs

	2019 Total £	2018 Total £
Rent, rates and insurance	99,161	92,805
Light and heat	196,753	177,612
Repairs, furnishings and equipment	79,991	48,596
Housekeeping	90,824	80,723
Legal and professional fees	25,145	18,875
Interest on loans and deposits	1,074	-
Communication and information technology	24,425	26,614
Office expenses	24,633	22,358
Depreciation	27,761	21,828
Miscellaneous costs	15,881	5,474
	<u>585,648</u>	<u>494,885</u>

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements for the year ended 30 November 2019

10. Employees

Employment costs	2019 £	2018 £
Parish Staff Employed	<u>17,669</u>	<u>21,976</u>

No employee received emoluments of more than £60,000 (2018 : None).

The above wages figure does not include the amounts drawn from parish funds as stipends by the parish priests which is shown separately in note 6

The average monthly numbers of employed staff, and of clergy (including the Trustees, retired priests and students) engaged in the Diocese during the year, was as follows:

	2019 Number	2018 Number
Parish Priests	19	22
Parish employees	6	6
Students	1	2
Retired Priests	9	7
	<u>35</u>	<u>37</u>

Volunteers are excluded from these figures.

Key Management Personnel

The key management personnel of the charity are those who have the authority and responsibility for planning, directing and controlling the activities of the Diocese and Parishes. The Bishop, Vicar General and Chancellor are those responsible for the direction and guidance of the Diocese.

Trustees' expenses and remuneration

The charity trustees were not paid and did not receive any remuneration or benefits in kind during the year. However the Bishop and two other trustees receive remuneration and benefits as a result of their role as parish priests (see below).

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements for the year ended 30 November 2019

10.1. Clergy and Retired Priests

	2019	2018
	£	£
Parish Priests stipends	60,506	60,309
Costs met for retired priests	85,275	79,823
	<u>145,781</u>	<u>140,132</u>

All of the trustees of the Diocese are Clergy, 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 law applicable to charities in Scotland, however, requires disclosure of remuneration and expenses paid to Trustees in whatever capacity.

The total stipends paid to the three Trustees as a result of their pastoral roles amounted to £8,986 (2018: £8,887) and the total cost of accommodation and reimbursement of travel and other expenses amounted to £45,458 (2018: £42,446)

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements for the year ended 30 November 2019

11. Tangible fixed assets	Land and buildings freehold £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 December 2018	5,150,537	34,000	174,578	5,359,115
Additions	-	21,678	32,835	54,513
Disposals	(30,000)	-	(57,569)	(87,569)
At 30 November 2019	<u>5,120,537</u>	<u>55,678</u>	<u>149,844</u>	<u>5,326,059</u>
Depreciation				
At 1 December 2018	-	-	103,602	103,602
Charge for the year	-	-	27,761	27,761
On disposals	-	-	(36,663)	(36,663)
At 30 November 2019	<u>-</u>	<u>-</u>	<u>94,700</u>	<u>94,700</u>
Net book values				
At 30 November 2019	<u>5,120,537</u>	<u>55,678</u>	<u>55,144</u>	<u>5,231,359</u>
At 30 November 2018	<u>5,150,537</u>	<u>34,000</u>	<u>70,976</u>	<u>5,255,513</u>

The Diocese owns the Cathedral in Oban together with a large number of properties throughout the 26 parishes/missions, consisting of churches, presbyteries and church halls. Many of the buildings are considered as historic assets which would qualify as heritage assets. Whilst the majority are also in functional use, there is no reliable cost information available, nor are there conventional valuation techniques which would be applicable in these circumstances.

The properties shown above consist only of those buildings which are non adjoined properties i.e separate from the church buildings and can be valued separately. A formal professional revaluation of the non adjoined properties would normally be carried out every five years with the last full revaluation taking place as at 30 November 2010. Under the transitional arrangements on first adopting FRS102, the charity has elected to treat the current value of the properties as "deemed cost". The Trustees will consider the policy to be adopted in respect of these properties going forward with a view to implementing the new policy from 2018 onwards.

The insurance re-instatement value for all of the Diocesan properties is in excess of £69ml, but this does not reflect in any way their recoverable value in use.

Fixtures and Fittings consists of the historic Oban Cathedral Organ which is valued for insurance purposes at £59,720 and a Confessional Chair purchased by Morar in the year for £21,678.

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements for the year ended 30 November 2019

12. Fixed asset investments	Listed investments £	Cash held as part of the investment portfolio £	Total £
Valuation			
At 1 December 2018	393,163	5,164	398,327
Additions	80,772	78,965	159,737
Disposals	(56,655)	(80,743)	(137,398)
Revaluations	(768)	-	(768)
At 30 November 2019	<u>416,512</u>	<u>3,386</u>	<u>419,898</u>
Historical cost as at 30 November 2019	<u>328,033</u>	<u>3,386</u>	<u>-</u>

All fixed asset investments are held within the United Kingdom.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (the transaction value).

The investments held by the Diocese are managed by Rathbones Stockbrokers and Investment Managers to maximise a combination of income and capital gains.

13. Debtors	2019 £	2018 £
Other debtors & Prepayments	<u>23,198</u>	<u>37,404</u>

14. Creditors: amounts falling due within one year	2019 £	2018 £
Bonds	55,591	54,766
Other Loans	5,050	-
Trade creditors	64,309	68,402
Other creditors	8,786	26,658
Accruals and deferred income	21,035	22,925
	<u>154,771</u>	<u>172,751</u>

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements for the year ended 30 November 2019

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

	2019	2018
	£	£
Bonds	<u>25,179</u>	<u>24,806</u>

The bond shown above consists of a fixed term bond issued to third parties. Interest is currently applied annually at a rate of 1.5%. One bond which was repayable on 30th July 2017 was originally deferred until July 2018 and then deferred until July 2019 and is included in short term liabilities; the remaining bond was repayable on 16th September 2018, however repayment has been deferred.

16. Analysis of net assets between funds

	Diocesan funds £	Parish funds £	Restricted funds £	Total funds £
Fund balances at 30 November 2019 as represented by:				
Tangible fixed assets	554,000	4,677,359	-	5,231,359
Investment assets	419,898	-	-	419,898
Current assets	44,641	595,298	16,102	656,041
Current liabilities	(74,039)	(80,732)	-	(154,771)
Long-term liabilities	(25,179)	-	-	(25,179)
	<u>919,321</u>	<u>5,191,925</u>	<u>16,102</u>	<u>6,127,348</u>

Analysis of net assets between funds (prior year)

	Diocesan funds £	Parish funds £	Restricted funds £	Total funds £
Fund balances at 30 November 2018 as represented by:				
Tangible fixed assets	554,000	4,701,513	-	5,255,513
Investment assets	398,327	-	-	398,327
Current assets	79,704	590,947	2,204	672,855
Current liabilities	(147,274)	(25,477)	-	(172,751)
Long-term liabilities	(24,806)	-	-	(24,806)
	<u>859,951</u>	<u>5,266,983</u>	<u>2,204</u>	<u>6,129,138</u>

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements for the year ended 30 November 2019

17. Unrestricted funds	At				Gains and	At
	1 December 2018	Income	Expenditure	Transfers	losses	30 November 2019
	£	£	£	£	£	£
Diocesan Funds	<u>859,951</u>	<u>41,250</u>	<u>(112,772)</u>	<u>107,552</u>	<u>23,340</u>	<u>919,321</u>

Unrestricted funds (prior year)

	At				Gains and	At
	1 December 2017	Income	Outgoing Expenditure	Transfers	losses	30 November 2018
	£	£	£	£	£	£
Diocesan Funds	<u>885,727</u>	<u>37,930</u>	<u>(110,719)</u>	<u>57,258</u>	<u>(10,245)</u>	<u>859,951</u>

Transfers between funds

Transfers between funds is a net movement made up of the levies paid by the parishes to the Diocese of £222,801 (2018; £133,965), and the amount required from general funds to meet deficits on the restricted funds £156,272 (2018; £161,067).

A further transfer is then made to account for the funds which flow from the parishes to the Diocese in respect of repayments of loans, payments made on behalf of the parishes, and income transferred to the parishes during the year.

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements for the year ended 30 November 2019

18. Parish funds	At			At	
	1 December 2018	Income	Expenditure	Transfers	30 November 2019
	£	£	£	£	£
Parish Funds	5,261,902	1,271,495	(1,137,368)	(263,883)	5,132,146
Arisaig refurbishment costs	-	88,092	(33,394)	-	54,698
Other special collections	5,081	13,891	(13,891)	-	5,081
Holy Childhood	-	3,763	(3,763)	-	-
Papal/Episcopal Charities & SCIAF	-	8,984	(8,984)	-	-
Peters Pence	-	4,687	(4,687)	-	-
African Missions and Holy Places	-	5,497	(5,497)	-	-
	<u>5,266,983</u>	<u>1,396,409</u>	<u>(1,207,584)</u>	<u>(263,883)</u>	<u>5,191,925</u>

A number of the special collections included in "other" above are transferred to the Diocese to contribute to the amounts paid to CNET in respect of each collection. These amounts are now shown as paid out via the restricted fund below.

The following funds are transferred to the Diocese to be distributed via CNET:

Justice & Peace
Papal World Day of Communications
Day for Life
Catholic Education

Parish funds (prior year)	At			At	
	1 December 2017	Income	Expenditure	Transfers	30 November 2018
	£	£	£	£	£
Parish Funds	5,313,991	1,169,394	(1,003,158)	218,325	5,261,902
Ardkenneth legacy for windows	20,000	-	(20,000)	-	-
Other special collections	5,081	45,707	(45,707)	-	5,081
Holy Childhood	-	1,935	(1,935)	-	-
Papal/Episcopal Charities & SCIAF	-	7,982	(7,982)	-	-
Peters Pence	-	5,092	(5,092)	-	-
African Missions and Holy Places	-	3,590	(3,590)	-	-
	<u>5,339,072</u>	<u>1,233,700</u>	<u>(1,087,464)</u>	<u>(218,325)</u>	<u>5,266,983</u>

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements for the year ended 30 November 2019

19. Restricted funds	At				At
	1 December 2018	Income	Expenditure	Transfers	30 November 2019
	£	£	£	£	£
Sick and Retired Priests	-	6,325	(85,275)	78,950	-
Ecclesiastical Students	-	11,282	(48,864)	37,582	-
Adult Education and Formation	1,096	-	-	-	1,096
CNET and other small funds	-	18,592	(18,651)	59	-
Sundry funds	-	2,328	-	-	2,328
Bishops Capital fund	500	3,620	-	-	4,120
Bishops Administration Fund	-	7,808	(47,548)	39,740	-
Pastoral Formation	-	7,950	-	-	7,950
Gaelic Spirituality & Gaelic Liturgy	608	-	-	-	608
	<u>2,204</u>	<u>57,905</u>	<u>(200,338)</u>	<u>156,331</u>	<u>16,102</u>

Purposes of restricted funds

These funds represent those activities which are funded by donations or collections given for a specific purpose. The Diocese underwrites these funds by meeting any shortfall in the funds available to ensure that the activities continue to be supported.

Transfers were made from Diocesan General reserves to meet the deficits on the Sick and Retired Priests Fund, the Ecclesiastical Students Fund, the Adult Education and Formation Fund and the Bishop's Administration Fund.

Restricted funds (prior year)	At				At
	1 December 2017	Income	Expenditure	Transfers	30 November 2018
	£	£	£	£	£
Sick and Retired Priests	-	15,822	(79,822)	64,000	-
Ecclesiastical Students	-	12,424	(62,717)	50,293	-
Adult Education and Formation	5,382	4,955	(9,242)	1	1,096
CNET and other small funds	3,000	-	(24,906)	21,906	-
Bishops Capital fund	-	2,800	(2,300)	-	500
Bishops Administration Fund	-	10,103	(34,970)	24,867	-
Gaelic Spirituality & Gaelic Liturgy	608	-	-	-	608
	<u>8,990</u>	<u>46,104</u>	<u>(213,957)</u>	<u>161,067</u>	<u>2,204</u>

Transfers were made from Diocesan General reserves to meet the deficits on the Sick and Retired Priests Fund, the Ecclesiastical Students Fund, the Adult education and Formation Fund and the Bishop's Administration Fund.

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements for the year ended 30 November 2019

20. Contingent liabilities

In accordance with its responsibilities under Canon Law, the Diocese provides accommodation and gratuities where appropriate to former priests of the Diocese. Due to annual variations in the numbers of parish priests qualifying for assistance, together with a variable age of retirement, it is not possible to assess and quantify reliably future commitments to this expenditure, and accordingly no provision has been made in these financial statements.

21. Related party transactions

In preparing the financial statements of the Diocese, the internal balances between the Diocese and the Parishes are offset and do not appear on the balance sheet. However, due to the requirement under Canon Law to show the assets and liabilities separately, the amounts due at 30 November 2019 are shown below.

Deposits held by the Diocese on behalf of the Parishes as at 30 November 2019 amounted to £875,292 (2018: £883,682).

Loans made to Parishes by the Diocese as at 30 November 2019 amounted to £421,889 (2018: £457,867)

22. Gross cash flows

	2019	2018
	£	£
Returns on investments and servicing of finance		
Income from UK listed investments	14,663	13,961
Income from other investment assets- rentals	4,800	5,600
Interest received	14,538	13,361
Interest paid	(2,634)	(2,497)
	<u>31,367</u>	<u>30,425</u>
Capital expenditure and financial investment		
Payments to acquire tangible assets	(54,513)	(43,308)
Payments to acquire investments	(159,737)	(96,760)
Receipts from sales of tangible assets	33,150	3,750
Receipts from sales of investments	161,506	96,751
	<u>(19,594)</u>	<u>(39,567)</u>
Financing		
New debenture loan	21,547	368
Unpaid Interest on Bonds	696	-
	<u>22,243</u>	<u>368</u>

The Roman Catholic Diocese of Argyll and the Isles

Notes to financial statements
for the year ended 30 November 2019

23. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	635,451	(2,608)	-	632,843
	<u>635,451</u>	<u>(2,608)</u>	<u>-</u>	<u>632,843</u>