

Charity number: SC001810

**THE ROMAN CATHOLIC DIOCESE OF DUNKELD  
TRUSTEES REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

# THE ROMAN CATHOLIC DIOCESE OF DUNKELD

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**Trustees**

The Right Reverend Bishop Vincent Logan, Principal Trustee (resigned, as Bishop,  
30 June 2012)

The Right Reverend Monsignor Kenneth McCaffrey, General Delegate to the  
Apostolic Administrator

Very Reverend Canon Patrick J McNally

**Charity registered number**

SC001810

**Principal office**

Diocesan Office  
24-28 Lawside Road  
Dundee  
DD3 6XY

**Independent auditors**

EQ Accountants LLP  
Chartered Accountants &  
Statutory Auditors  
Westby  
64 West High Street  
Forfar  
DD8 1BJ

**Bankers**

Royal Bank of Scotland  
280 Perth Road  
Dundee  
DD2 1AE

**Solicitors**

Miller Hendry  
13 Ward Road  
Dundee  
DD1 1LU

## **THE ROMAN CATHOLIC DIOCESE OF DUNKELD**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2012**

#### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012**

The Trustees submit their annual Trustees' Report and the audited Financial Statements for The Roman Catholic Diocese of Dunkeld (hereafter referred to as either 'the Diocese' or 'the charity') for the year ended 31 December 2012. The Trustees confirm that the annual Trustees' Report and the audited financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

#### **Structure, governance and management**

##### **a. CONSTITUTION**

The Diocese was established by the Apostolic Letter Ex Supremo of Pope Leo XIII dated 4 March 1878, being the date of the restoration of the Roman Catholic Hierarchy, which had been extinct since 1603.

The Diocese is legally constituted as a Charitable Trust and is governed by the relevant Bond and Deed of Declaration of Trust (Deed of Trust) which is registered in the Public Records of Scotland. The Diocese is recognised by the Inland Revenue (Ref. CR. 33859) as having Charitable Status and by the Office of the Scottish Charities Regulator (Ref. SC 001810) as a Designated Religious Charity.

##### **b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Deed of Trust.

The Bishop of the Diocese is automatically appointed as Principal Trustee. It is the Bishop who selects the remaining trustees. Newly appointed trustees are made aware of their legal responsibilities and liabilities as laid down by OSCR. This task is carried out by the incumbent Bishop.

##### **c. ORGANISATIONAL STRUCTURE AND DECISION MAKING**

The organisation structure of the Diocese is headed by the Bishop of Dunkeld in accordance with the law of the Church (Code of Canon Law).

The administrative and pastoral structures of the Diocese are described in the Code of Canon Law and are detailed in the current issue of the Catholic Directory for Scotland.

The Diocese has established a Diocesan finance committee, consisting of the Trustees and a member of lay members who have financial governance experience. The role of this committee is to assist the Bishop of Dunkeld, or his delegate, to manage the financial affairs of the Diocese, as a whole, in order to comply with the Code of Canon Law (Can.492/493) as well as comply with current statutory requirements that are relevant to its charity status.

The Diocese is comprised of 34 parishes located in various cities, towns and villages throughout its boundaries. A Parish Priest, who is appointed by, and is accountable to, the Bishop, administers a single parish or multiple parishes. Parishes are grouped into Deaneries on a geographical basis. The Bishop appoints one of the Parish Priests in each Deanery as "Dean" and they meet at regular intervals to discuss matters pertinent to their Deanery. The Code of Canon Law (Can.492) requires each parish to establish a finance committee to assist the Parish Priest in the administration of the goods of the parish.

##### **d. RISK MANAGEMENT**

The Trustees, with the assistance of the Diocesan Finance Committee, have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that appropriate systems and procedures are in place to mitigate exposure to these major risks.

## THE ROMAN CATHOLIC DIOCESE OF DUNKELD

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

#### Objectives and Activities

##### a. POLICIES AND OBJECTIVES

The principal objectives of the charity as defined in the Deed of Trust are as follows:

- (1) The advancement of the Roman Catholic Religion;
- (2) The advancement of education;
- (3) The relief of poverty; and
- (4) The cure or alleviation of sickness or disease.

#### Achievements and performance

##### a. GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

##### b. REVIEW OF ACTIVITIES

The Trustees are responsible for the contents of the Financial Statements, which are prepared from the records maintained by the Diocese.

These Financial Statements are presented in accordance with the legislation governing reporting by charities. The Diocese is recognised as a Designated Religious Charity by the Office of the Scottish Charities Regulator.

The Trustees can report that the year to 31 December 2012 shows a surplus for the year of £256,824 of which £189,766 is classified as unrestricted. This is due to realised and unrealised gains in the investment portfolios.

##### c. INVESTMENT POLICY

The Diocese continues to take a long term view on investment policy. Historically, over the longer term, equity markets have tended to outperform other asset classes.

In accordance with the Deed of Trust, the Trustees have the power to invest in such stocks, shares, investments and property in the UK as they see fit and within the confines of the Diocesan Ethical Policy. Currently, a specialist investment management firm provides an investment advisory service but the Trustees are considering the possibility of converting to an outsourced discretionary investment management service.

## THE ROMAN CATHOLIC DIOCESE OF DUNKELD

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

#### Financial review

##### a. RESERVES POLICY

The Diocese, being a charitable institution, is totally reliant on the generosity of its members. As in previous years, the problem of falling Mass attendances continues to diminish the level of income which the overall Diocese can hope to attain. The ongoing reduction in the numbers of clergy means that the utilisation of the laity at both parish and diocesan level will continue to be an additional cost burden. The continuing escalation of costs to maintain and repair church properties in the parishes of the Diocese is an ongoing expense which, in many cases, has to be borne by the Diocese out of central Reserves.

Against this background and as part of the above investment management review, the Trustees are considering whether the current investment policy for the central Reserves will require to be revised in order to provide more flexibility to help generate an enhanced financial return within acceptable risk parameters.

At present the central Reserves of the Diocese remain healthy, with unrestricted funds of £7,828,415 (2011 - £7,638,649). Reserves are held and managed under the investment policy and are intended to support any cause that is compatible with the objectives of the charity as defined in the Deed of Trust.

Generating additional income whilst adopting a prudent approach to expenditure, continues to be the main priorities for the future. All costs – staff and church maintenance and repairs – will continue to be carefully monitored and controlled by the Trustees.

##### Curial Funds

The Curial Funds are funds of the Diocese and are represented as follows:

Unrestricted Funds represents the accumulated financial surplus arising from past operating results. The level of free central Reserves (that is those not tied up in fixed assets or designated and Restricted Funds) is deemed by the Trustees to be sufficient to sustain the charity for the foreseeable future. It is the policy of the Diocese to find ways to increase the Unrestricted Funds in order to provide support to the parishes and the overall administration of the Diocese. As with previous years, the Trustees have made prudent provision for the future as the current level of income may not be sustainable.

Charles Trotter Trust Fund represents income from an investment portfolio. The income of the Trust is to be applied in the furtherance of the objects and interests of the Roman Catholic Church in Scotland in accordance with the directions of the Bishop of Dunkeld.

St Marys Home Fund represents income from the Home including donations and bequests and also income from an investment portfolio. This is a Designated Fund as the fund is used only for expenditure required for the Home.

##### Proclaiming Our Faith Campaign

This campaign commenced in March 2006 and was estimated to run for a 5 year period. The campaign to raise funds was closed in 2011.

Over £1.57 million has been raised to date. The campaign committee have distributed funds totalling £628,245. As at the year end, our parishes have received £383,895 back from the campaign and a further £244,350 has been distributed as per the objectives:

Youth: Pastoral Care and Formation;  
Adult Formation;  
Clergy Formation and In-service; and  
Diocesan Pastoral Centre.

## **THE ROMAN CATHOLIC DIOCESE OF DUNKELD**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2012**

#### **Parochial Funds**

The Parochial Funds represent the income and expenditure of the individual parishes. Parochial Funds are administered by the Parish Priest and are used for the benefit of the church within the individual Parish areas. Parochial Funds are not openly available to the curia for general purposes but instead the Diocese applies a general purpose levy to assist with meeting these central costs.

#### **Plans for the future**

##### **a. FUTURE DEVELOPMENTS**

St Mary's Care Home for the Elderly has continued its plan for the refurbishment and the visitors toilets have now been upgraded. The Day Centre has been repainted and some new furniture purchased.

#### **Connected Charities**

The Diocese is a member of the following bodies, which are connected to, or supported by, the Diocese:

The Bishops' Conference of Scotland;  
The Catholic National Endowment Trust Nos. 1 and 4;  
John Menzies of Pitfodel Trust for Scotus College and Catholic Education;  
The Scottish Catholic International Aid Fund; and  
The Catholic National Mutual Ltd.

### **TRUSTEES' RESPONSIBILITIES STATEMENT**

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

The 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 state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's Deed of Trust. 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 charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Trustees on 18 September 2013 and signed on their behalf by:

**Very Reverend Canon Patrick J McNally**

## **THE ROMAN CATHOLIC DIOCESE OF DUNKELD**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ROMAN CATHOLIC DIOCESE OF DUNKELD**

We have audited the financial statements of The Roman Catholic Diocese of Dunkeld for the year ended 31 December 2012 which comprise the Statement of financial activities, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 its trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2012 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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.



## THE ROMAN CATHOLIC DIOCESE OF DUNKELD

### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ROMAN CATHOLIC DIOCESE OF DUNKELD

#### 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 Trustees' report 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.

#### **EQ Accountants LLP**

Chartered Accountants &  
Statutory Auditors

Westby  
64 West High Street  
Forfar  
DD8 1BJ  
Date: 18 September 2013

EQ Accountants LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE ROMAN CATHOLIC DIOCESE OF DUNKELD

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Parochial Funds 2012 £	Curial Restricted Funds 2012 £	Curial Unrestricted Funds 2012 £	Total Funds 2012 £	As restated Total funds 2011 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	2	1,856,927	-	23,565	1,880,492	2,082,717
Activities for generating funds	3,4	128,131	29,646	12,876	170,653	232,477
Investment income	5	40,018	20,412	93,681	154,111	142,742
Incoming resources from charitable activities	6	96,830	5,000	821,930	923,760	900,856
Other incoming resources	7	-	-	98,488	98,488	7,044
<b>TOTAL INCOMING RESOURCES</b>		<b>2,121,906</b>	<b>55,058</b>	<b>1,050,540</b>	<b>3,227,504</b>	<b>3,365,836</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Fundraising expenses and other costs	3,4	21,262	9,442	50,318	81,022	86,627
Investment management expenses	8	6,914	300	2,229	9,443	11,736
Charitable activities	9,10	1,910,144	197	1,305,838	3,216,179	3,068,353
Governance costs	11	5,300	1,200	35,508	42,008	35,756
<b>TOTAL RESOURCES EXPENDED</b>		<b>1,943,620</b>	<b>11,139</b>	<b>1,393,893</b>	<b>3,348,652</b>	<b>3,202,472</b>
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS</b>		<b>178,286</b>	<b>43,919</b>	<b>(343,353)</b>	<b>(121,148)</b>	<b>163,364</b>
Transfers between Funds	19	(222,564)	(88,789)	311,353	-	-

THE ROMAN CATHOLIC DIOCESE OF DUNKELD

STATEMENT OF FINANCIAL ACTIVITIES (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Parochial Funds 2012 £	Curial Restricted Funds 2012 £	Curial Unrestricted Funds 2012 £	Total Funds 2012 £	As restated Total funds 2011 £
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE INVESTMENT ASSET DISPOSALS</b>		<b>(44,278)</b>	<b>(44,870)</b>	<b>(32,000)</b>	<b>(121,148)</b>	<b>163,364</b>
Gains and losses on disposals of investment assets	15	29,166	3,597	123,479	156,242	(37,254)
<b>NET INCOMING RESOURCES BEFORE REVALUATIONS</b>		<b>(15,112)</b>	<b>(41,273)</b>	<b>91,479</b>	<b>35,094</b>	<b>126,110</b>
Gains and losses on revaluations of investment assets	15	43,645	79,798	98,287	221,730	(301,159)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>28,533</b>	<b>38,525</b>	<b>189,766</b>	<b>256,824</b>	<b>(175,049)</b>
<i>Total funds at 1 January 2012</i>	18	2,726,355	1,231,704	7,638,649	11,596,708	11,869,745
Prior year adjustment		97,988	-	-	97,988	-
<b>TOTAL FUNDS AT 31 DECEMBER 2012</b>		<b><u>2,852,876</u></b>	<b><u>1,270,229</u></b>	<b><u>7,828,415</u></b>	<b><u>11,951,520</u></b>	<b><u>11,694,696</u></b>

The notes on pages 11 to 21 form part of these financial statements.

**THE ROMAN CATHOLIC DIOCESE OF DUNKELD**

**BALANCE SHEET  
AS AT 31 DECEMBER 2012**

	<b>Note</b>	<b>2012</b>		<i>As restated 2011</i>	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	14		<b>5,328,453</b>		5,396,679
Investments	15		<u><b>4,979,965</b></u>		<u>4,743,803</u>
			<b>10,308,418</b>		10,140,482
<b>CURRENT ASSETS</b>					
Debtors	16	<b>207,401</b>		198,110	
Cash at bank and in hand		<u><b>1,606,895</b></u>		<u>1,562,413</u>	
		<b>1,814,296</b>		1,760,523	
<b>CREDITORS:</b> amounts falling due within one year	17	<u><b>(171,194)</b></u>		<u>(206,309)</u>	
<b>NET CURRENT ASSETS</b>			<u><b>1,643,102</b></u>		<u>1,554,214</u>
<b>NET ASSETS</b>			<u><b>11,951,520</b></u>		<u>11,694,696</u>
<b>CHARITY FUNDS</b>					
Parochial funds	19		<b>2,852,876</b>		2,824,343
Curial restricted funds	19		<b>1,270,229</b>		1,231,704
Curial unrestricted funds	19		<u><b>7,828,415</b></u>		<u>7,638,649</u>
<b>TOTAL FUNDS</b>			<u><b>11,951,520</b></u>		<u>11,694,696</u>

The financial statements were approved by the Trustees on 18 September 2013 and signed on their behalf, by:

**Very Reverend Canon Patrick J McNally**

The notes on pages 11 to 21 form part of these financial statements.

## THE ROMAN CATHOLIC DIOCESE OF DUNKELD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005 and applicable accounting standards.

##### 1.2 Tangible fixed assets and depreciation

Since heritable properties, other than St Mary's Home, are subject to a full repair and maintenance programme, and have a very long useful life, depreciation has not been charged, as it would be immaterial.

Until 31 December 1991, neither the original cost nor improvements to freehold land and buildings were capitalised. The original cost of these assets and improvements thereto is not available. The users of the accounts are principally the Trustees who consider the cost of carrying out a professional valuation to include these assets at a value in the accounts to be considerable compared to the limited additional benefit derived by the users of the accounts.

A cautious and prudent cost estimate of £2,000,000 was incorporated into the accounts as at 31 December 1991. Churches and attached properties are not included in this valuation because these are considered to be heritage assets and a value cannot be ascertained for these properties.

Since January 1992, all additions, including new Churches, have been capitalised at cost.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	15% reducing balance
Computer equipment	-	25% reducing balance

##### 1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

## THE ROMAN CATHOLIC DIOCESE OF DUNKELD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

#### 1. ACCOUNTING POLICIES (continued)

##### 1.4 Investments

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

##### 1.5 Incoming resources

All incoming resources are included in the Statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

##### 1.6 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

##### 1.7 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

##### 1.8 Parochial Fund

The Parochial Fund comprises of the assets, liabilities, income and expenditure of the individual parish accounts which have now been incorporated within the financial statements of the Diocese.

THE ROMAN CATHOLIC DIOCESE OF DUNKELD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

2. VOLUNTARY INCOME

	Parochial Funds 2012 £	Curial Restricted Funds 2012 £	Curial Unrestricted Funds 2012 £	Total Funds 2012 £	As restated Total funds 2011 £
Offerings	1,274,744	-	-	1,274,744	1,312,487
Legacies	5,098	-	-	5,098	46,470
Donations	64,972	-	3,986	68,958	96,844
Gift Aid received	170,309	-	-	170,309	262,554
Special collections	192,771	-	19,579	212,350	243,725
Grants received	14,400	-	-	14,400	650
Other income - parishes	134,633	-	-	134,633	119,987
	<u>1,856,927</u>	<u>-</u>	<u>23,565</u>	<u>1,880,492</u>	<u>2,082,717</u>

3. FUNDRAISING INCOME

	Parochial Funds 2012 £	Curial Restricted Funds 2012 £	Curial Unrestricted Funds 2012 £	Total Funds 2012 £	Total funds 2011 £
<b>Income</b>					
<b>Proclaiming our faith</b>					
Donations	-	4,531	-	4,531	91,362
Investment income	-	25,115	-	25,115	31,493
<b>Parishes</b>					
Fundraising activities	128,131	-	-	128,131	97,224
	<u>128,131</u>	<u>29,646</u>	<u>-</u>	<u>157,777</u>	<u>220,079</u>
<b>Expenditure</b>					
<b>Proclaiming our faith</b>					
Admin expenses	-	2,643	-	2,643	5,940
Donations	-	6,799	-	6,799	8,687
<b>Parishes</b>					
Fundraising costs	21,262	-	-	21,262	22,781
	<u>21,262</u>	<u>9,442</u>	<u>-</u>	<u>30,704</u>	<u>37,408</u>
Net incoming resources before transfers	106,869	20,204	-	127,073	182,671
25% returns	668	(668)	-	-	-
Additional expenses	-	(17,915)	17,915	-	-
Donations to Youth Group	-	(60,205)	60,205	-	-
	<u>107,537</u>	<u>(58,584)</u>	<u>78,120</u>	<u>127,073</u>	<u>182,671</u>

THE ROMAN CATHOLIC DIOCESE OF DUNKELD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

4. TRADING ACTIVITIES

	Parochial Funds 2012 £	Curial Restricted Funds 2012 £	Curial Unrestricted Funds 2012 £	Total Funds 2012 £	Total funds 2011 £
<b>Charity trading income</b>					
Pastoral Centre	-	-	12,876	12,876	12,398
<b>Charity trading expenses</b>					
Pastoral Centre	-	-	7,002	7,002	6,628
Wages and salaries	-	-	43,316	43,316	42,591
	<u>-</u>	<u>-</u>	<u>50,318</u>	<u>50,318</u>	<u>49,219</u>
Net expenditure from trading activities	<u>-</u>	<u>-</u>	<u>(37,442)</u>	<u>(37,442)</u>	<u>(36,821)</u>

5. INVESTMENT INCOME

	Parochial Funds 2012 £	Curial Restricted Funds 2012 £	Curial Unrestricted Funds 2012 £	Total Funds 2012 £	Total funds 2011 £
Investment income	39,351	20,401	93,523	153,275	139,416
Bank interest received	667	11	158	836	3,326
	<u>40,018</u>	<u>20,412</u>	<u>93,681</u>	<u>154,111</u>	<u>142,742</u>

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Parochial Funds 2012 £	Curial Restricted Funds 2012 £	Curial Unrestricted Funds 2012 £	Total Funds 2012 £	Total funds 2011 £
St Marys Home	-	-	737,117	737,117	713,964
Other	-	5,000	10,871	15,871	19,162
Rental income	96,830	-	73,942	170,772	167,730
Charitable activities	<u>96,830</u>	<u>5,000</u>	<u>821,930</u>	<u>923,760</u>	<u>900,856</u>



THE ROMAN CATHOLIC DIOCESE OF DUNKELD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

7. OTHER INCOMING RESOURCES

	Parochial Funds 2012 £	Curial Restricted Funds 2012 £	Curial Unrestricted Funds 2012 £	Total Funds 2012 £	<i>Total funds 2011 £</i>
Miscellaneous income	-	-	115	115	7,044
Gain on disposal of fixed assets	-	-	98,373	98,373	-
	<u>-</u>	<u>-</u>	<u>98,488</u>	<u>98,488</u>	<u>7,044</u>

8. INVESTMENT MANAGEMENT COSTS

	Parochial Funds 2012 £	Curial Restricted Funds 2012 £	Curial Unrestricted Funds 2012 £	Total Funds 2012 £	<i>Total funds 2011 £</i>
Investment management fees	<u>6,914</u>	<u>300</u>	<u>2,229</u>	<u>9,443</u>	<u>11,736</u>

THE ROMAN CATHOLIC DIOCESE OF DUNKELD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

9. DIRECT COSTS

	Basis of Allocation	Parochial Funds £	Designated funds £	Curial Unrestricted Funds £	Music Fund £	Total 2012 £	Total 2011 £
St Marys Home	Direct	-	126,890	996	-	127,886	119,833
Education and formation	Direct	24,799	-	59,554	-	84,353	66,151
Pastoral services	Direct	187,641	-	64,779	-	252,420	287,775
Support of clergy	Direct	167,976	-	45,400	-	213,376	231,015
Other collections distributed	Direct	88,092	-	-	-	88,092	140,712
Property	Direct	833,689	-	-	-	833,689	719,182
Other expenses	Direct	76,398	-	4,690	197	81,285	40,974
Special collections distributed	Direct	102,638	-	-	-	102,638	106,019
Wages and salaries	Employee hours	108,294	414,917	-	-	523,211	499,856
National insurance	Employee hours	-	20,706	-	-	20,706	20,271
		<b>1,589,527</b>	<b>562,513</b>	<b>175,419</b>	<b>197</b>	<b>2,327,656</b>	<b>2,231,788</b>

THE ROMAN CATHOLIC DIOCESE OF DUNKELD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

10. SUPPORT COSTS

	Basis of Allocation	Parochial Funds £	Designated funds £	Curial Unrestricted Funds £	Total 2012 £	Total 2011 £
St Marys Home	Direct	-	5,223	-	5,223	6,898
Administration	Direct	228,080	-	75,140	303,220	277,272
Property	Direct	-	-	168,527	168,527	156,916
Wages and salaries	Employee hours	78,714	-	184,321	263,035	251,026
Depreciation	Direct	13,823	24,681	110,014	148,518	144,453
		<b>320,617</b>	<b>29,904</b>	<b>538,002</b>	<b>888,523</b>	<b>836,565</b>

11. GOVERNANCE COSTS

	Parochial Funds 2012 £	Curial Restricted Funds 2012 £	Curial Unrestricted Funds 2012 £	Total Funds 2012 £	Total funds 2011 £
Auditors' remuneration	4,800	1,200	12,000	18,000	18,506
Auditors' non audit costs	500	-	23,508	24,008	17,250
	<b>5,300</b>	<b>1,200</b>	<b>35,508</b>	<b>42,008</b>	<b>35,756</b>

12. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	2012 £	2011 £
Depreciation of tangible fixed assets: - owned by the charity	50,145	144,453
Auditors' remuneration	18,000	18,506
Auditors' remuneration - non-audit	24,008	17,250
Pension costs	<b>9,542</b>	<b>7,137</b>

## THE ROMAN CATHOLIC DIOCESE OF DUNKELD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

#### 13. STAFF COSTS

Staff costs were as follows:

	2012 £	2011 £
Wages and salaries	795,329	765,644
Social security costs	45,397	40,963
Other pension costs	9,542	7,137
	<hr/>	<hr/>
	<b>850,268</b>	<b>813,744</b>

The average monthly number of employees during the year was as follows:

	2012 No.	2011 No.
Diocesan	12	12
St Mary's Home	33	33
	<hr/>	<hr/>
	<b>45</b>	<b>45</b>

No employee received remuneration amounting to more than £60,000 in either year.

#### Trustees Remuneration

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 three Trustees amounted to £NIL (2011: £NIL) and the total of the costs of accommodation and re-imburement of expenses for three Trustees amounted to £91,730 (2011: £67,798).

THE ROMAN CATHOLIC DIOCESE OF DUNKELD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

14. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 January 2012	5,803,244	89,954	249,999	47,002	6,190,199
Additions	31,861	32,952	17,603	-	82,416
Disposals	-	(25,350)	-	-	(25,350)
	<u>5,835,105</u>	<u>97,556</u>	<u>267,602</u>	<u>47,002</u>	<u>6,247,265</u>
At 31 December 2012	<u>5,835,105</u>	<u>97,556</u>	<u>267,602</u>	<u>47,002</u>	<u>6,247,265</u>
<b>Depreciation</b>					
At 1 January 2012	526,611	67,528	171,764	27,617	793,520
Charge for the year	116,703	13,555	14,378	4,847	149,483
On disposals	-	(24,191)	-	-	(24,191)
	<u>643,314</u>	<u>56,892</u>	<u>186,142</u>	<u>32,464</u>	<u>918,812</u>
At 31 December 2012	<u>643,314</u>	<u>56,892</u>	<u>186,142</u>	<u>32,464</u>	<u>918,812</u>
<b>Net book value</b>					
At 31 December 2012	<u>5,191,791</u>	<u>40,664</u>	<u>81,460</u>	<u>14,538</u>	<u>5,328,453</u>
At 31 December 2011	<u>5,276,633</u>	<u>22,426</u>	<u>78,235</u>	<u>19,385</u>	<u>5,396,679</u>

Inalienable and historic assets have not been capitalised or depreciated in accordance with SORP 2005, as no reliable value can be attributed. Inalienable and historic assets owned by the Diocese are maintained and preserved by the individual parishes.

15. FIXED ASSET INVESTMENTS

	Listed securities £
<b>Market value</b>	
At 1 January 2012	4,743,803
Additions	809,262
Disposals	(951,073)
Net realised and unrealised gains	<u>377,973</u>
At 31 December 2012	<u>4,979,965</u>
<b>Historical cost</b>	
	<u>4,341,624</u>

Investments at market value comprise:

	2012 £	2011 £
Listed investments	<u>4,979,964</u>	<u>4,743,803</u>

All the fixed asset investments are held in the UK

THE ROMAN CATHOLIC DIOCESE OF DUNKELD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

16. DEBTORS

	2012 £	<i>As restated</i> 2011 £
Trade debtors	76,196	76,970
Other debtors	122,367	114,364
Prepayments and accrued income	8,838	6,776
	<u>207,401</u>	<u>198,110</u>

17. CREDITORS:  
Amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts	30,383	26,875
Trade creditors	15,214	30,711
Other taxation and social security	12,432	14,406
Other creditors	25,132	25,024
Accruals and deferred income	88,033	109,293
	<u>171,194</u>	<u>206,309</u>

18. PRIOR YEAR ADJUSTMENT

The prior year restatement relates to income in respect of gift aid recoverable at the year end now recognised as a debtor to ensure the adoption of the current accounting policy.

As a result, the restated incoming resources for the year ended 31 December 2011 have increased by £97,988 and the Parochial Funds have also increased by this amount.

THE ROMAN CATHOLIC DIOCESE OF DUNKELD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Designated funds</b>						
Designated Funds	<u>1,038,438</u>	<u>750,623</u>	<u>(601,883)</u>	<u>(17,151)</u>	<u>26,653</u>	<u>1,196,680</u>
<b>General funds</b>						
General Fund	<u>6,600,211</u>	<u>299,917</u>	<u>(792,010)</u>	<u>328,504</u>	<u>195,113</u>	<u>6,631,735</u>
Total Unrestricted funds	<u>7,638,649</u>	<u>1,050,540</u>	<u>(1,393,893)</u>	<u>311,353</u>	<u>221,766</u>	<u>7,828,415</u>
<b>Parochial funds</b>						
Parochial Funds	<u>2,824,343</u>	<u>2,121,906</u>	<u>(1,943,620)</u>	<u>(222,564)</u>	<u>72,811</u>	<u>2,852,876</u>
<b>Curial Restricted funds</b>						
Charles Trotter Trust	451,899	20,412	(1,500)	(10,000)	38,969	499,780
St Ninian's Music fund	-	5,000	(197)	-	-	4,803
Proclaiming Our Faith	779,805	29,646	(9,442)	(78,789)	44,426	765,646
	<u>1,231,704</u>	<u>55,058</u>	<u>(11,139)</u>	<u>(88,789)</u>	<u>83,395</u>	<u>1,270,229</u>
Total of funds	<u>11,694,696</u>	<u>3,227,504</u>	<u>(3,348,652)</u>	<u>-</u>	<u>377,972</u>	<u>11,951,520</u>

The Designated Funds represent the funds available for St Mary's Care Home.

The Parochial Funds represent the total of the individual parish accounts.

**Curial Restricted Funds**

The Charles Trotter Trust Funds represent the funds available for the advancement of the objectives and interests of the Roman Catholic Church in Scotland.

The Proclaiming Our Faith Funds represent the funds available to provide ongoing training and support to strengthen Catholic values in homes, schools, parishes and the wider community.

The St Ninian's Music Funds represent the funds available for the advancement of sacred music.

**THE ROMAN CATHOLIC DIOCESE OF DUNKELD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Parochial Funds 2012 £</b>	<b>Curial Restricted Funds 2012 £</b>	<b>Curial Unrestricted Funds 2012 £</b>	<b>Total Funds 2012 £</b>	<i>Total funds 2011 £</i>
Tangible fixed assets	65,804	-	5,262,649	5,328,453	5,396,680
Fixed asset investments	1,155,427	1,249,588	2,574,950	4,979,965	4,743,803
Current assets	1,639,425	22,038	152,833	1,814,296	1,760,523
Creditors due within one year	(7,780)	(1,397)	(162,017)	(171,194)	(206,310)
	<u>2,852,876</u>	<u>1,270,229</u>	<u>7,828,415</u>	<u>11,951,520</u>	<u>11,694,696</u>

**21. PENSION COMMITMENTS**

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £9,952 (2011 - £7,137). Contributions totalling £NIL (2011 - £NIL) were payable to the fund at the balance sheet date.

**22. CLASSIFICATION OF EXPENDITURE**

A review of the split of expenditure between direct and support costs was undertaken in the year, during which it was decided that it would be more reflective of the charity's activities to categorise Parochial Property costs as direct costs which had previously been treated as support costs.