

DIOCESE OF FERNS
CENTRAL FUND ACCOUNTS
YEAR ENDED 31st DECEMBER 2012

DIOCESE OF FERNS

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CENTRAL FUND ACCOUNTS

YEAR ENDED 31 DECEMBER 2012

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CENTRAL FUND ACCOUNTS

YEAR ENDED 31 DECEMBER 2012

APPROVAL OF ACCOUNTS

The attached accounts of the Diocesan Central Fund in respect of the year ended 31 December 2012 are hereby approved on the recommendation of the Diocesan Finance Committee at its meeting of



Eugene Doyle,
Chairman

Date: 11th April 2013

COMMITTEE MEMBERS:

Mr. Eugene Doyle, Chairman

Ms. Catherine O'Gara
Fr. Patrick Cushen
Fr. William Howell
Ms. Eleanor Furlong

Msgr. Joseph McGrath
Fr. James Fegan
Mr. John Murphy
Mr. Paddy Dore

CENTRAL FUND ACCOUNTS

YEAR ENDED 31 DECEMBER 2012

REPORT OF THE AUDITORS TO THE DIOCESE OF FERNS

We have audited the financial statements of the Diocese of Ferns Central Fund for the year ended 31 December 2012, which comprise the Income & Expenditure Account and Balance Sheet, and related notes. These financial statements have been prepared under the historical cost convention, and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the Diocese and Auditors

As described in note 2 the Diocese, through the Diocesan Finance Committee, is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion


We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the financial statements. It also includes an assessment of the significant estimates and judgments made by the Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Diocese's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Central Fund's affairs at 31 December 2012, and of its deficit for the year then ended.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the Diocese. The financial statements are in agreement with the books of account.



WILLIAM G GAYNOR, FCA

For and on behalf of:

GAYNOR & COMPANY,

CHARTERED ACCOUNTANTS & REGISTERED AUDITORS

12th April 2013

Date: _____

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CENTRAL FUND ACCOUNTS

YEAR ENDED 31 DECEMBER 2012

SUMMARY INCOME & EXPENDITURE ACCOUNT

	<u>Appendix</u>	<u>2012</u> €	<u>2011</u> €
<u>INCOME</u>	1	524,372 -----	562,218 -----
<u>EXPENDITURE</u>			
Parish Support Costs	2	267,950	264,924
Other Support Costs	3	60,960	66,323
Administration Costs	4	224,138 -----	228,626 -----
		553,048 -----	559,873 -----
<u>DEFICIT/SURPLUS FOR YEAR</u>		(28,676) =====	2,345 =====

DIOCESE OF FERNS**5****CENTRAL FUND ACCOUNTS****YEAR ENDED 31 DECEMBER 2012**

APPENDIX 1: INCOME

	<u>2012</u> €	<u>2012</u> €	<u>2011</u> €
Parish Envelope Contributions		412,398	421,292 -----
<u>Education Income:</u>			
Diocesan Collection	22,037		23,307
Donations, Legacies, etc.	-		37,349
St Joseph's Young Priests Soc	13,800		9,600
Investment Income	26,035 -----		20,802 -----
		61,872	91,058 -----
Catechetics, Parish Receipts		35,158	34,620
Conference Fees		3,674	3,758
Bishop's Contribution		10,000	10,000
Annual Directory		110	-
Miscellaneous Receipts		1,160 -----	1,490 -----
		524,372 =====	562,218 =====

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CENTRAL FUND ACCOUNTS

YEAR ENDED 31 DECEMBER 2012

APPENDIX 2: PARISH SUPPORT COSTS

	<u>2012</u>	<u>2011</u>
€	€	€
<u>Education & Formation:</u>		
Seminarians	79,783	80,828
Ongoing Education, Training & Support	1,982	4,179
Adult Education	-	155
	-----	-----
	81,765	85,162

Family Life Service	33,800	33,800
CURA	3,050	6,100
Regional Marriage Tribunal	40,500	45,250

<u>Catechetics:</u>		
Primary Level	16,037	14,278
Second Level/Diocesan Centre	32,070	32,070
	-----	-----
	48,107	46,348

<u>Pastoral Development:</u>		
Salaries & Expenses	10,840	-

<u>Pastoral Outreach:</u>		
Salaries & Expenses	45,768	48,264

National Ploughing Championship	4,120	-
	-----	-----
	267,950	264,924
	=====	=====

APPENDIX 3: OTHER SUPPORT COSTS

	<u>2012</u>	<u>2011</u>
€	€	€
National Bishops' Conference	56,850	62,130
Special Needs Support	3,810	3,810
Ecumenism	300	300
History & Archives	-	83
	-----	-----
	60,960	66,323
	=====	=====

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YEAR ENDED 31 DECEMBER 2012

APPENDIX 4: ADMINISTRATION COSTS

	<u>2012</u>	<u>2011</u>
	€	€
Light & Heat	16,957	14,908
Security	986	1,285
Postage	5,470	4,759
Stationery & Printing	5,314	5,760
Telephone & Internet	6,139	7,135
Insurance	3,458	3,078
Salaries & Pensions	114,783	119,515
Housekeeping & Hospitality costs	25,350	20,388
Building repairs & maintenance	8,156	9,946
Subscriptions, Library and Presentations	6,507	4,842
Audit and Accountancy Fees	8,179	8,047
Meetings, Travel, Subsistence	4,485	6,411
Legal Fees	369	-
St. Aidan's Trust costs	2,876	4,000
Miscellaneous Expenses	1,621	2,593
Computer & Website Expenses	4,705	4,763
Equipment lease & maintenance	4,538	4,144
Equipment depreciation	-	4,941
Bank interest and charges	4,245	2,111
	-----	-----
	224,138	228,626
	=====	=====

DIOCESE OF FERNS**8****CENTRAL FUND ACCOUNTS****YEAR ENDED 31 DECEMBER 2012****SUPPLEMENTARY BUDGET,
EXPENSES FUNDED BY DIOCESE AND
FRIENDS OF FERNS**

	<u>2012</u>	<u>2011</u>
	€	€
<u>Receipts:</u> St Peter's Campus	60,000	60,000
Friends of Ferns	53,624	59,907
Other Receipts	2,000	13,000
	-----	-----
	115,624	132,907
	-----	-----
<u>Payments:</u> Faoiseamh (refer note 9)	-	11,652
Administrative Leave Payments	16,964	22,919
Bank Term Loan Interest	72,035	58,311
	-----	-----
	88,999	92,882
	-----	-----
Net Surplus	26,625	40,025
	=====	=====

**STATEMENT OF MOVEMENT IN
RESERVES**

	€	€
(Deficit)/Surplus from Income & Expenditure Account	(28,676)	2,345
Surplus, Supplementary Budget	26,625	40,025
	-----	-----
<u>Operating (Deficit)/Surplus</u>	(2,051)	42,370
Settlements & Legal Costs Paid	(95,832)	(244,840)
	-----	-----
<u>Deficit, to General Reserve</u>	(97,883)	(202,470)
General Reserve, Opening Balance	(1,886,185)	(1,683,715)
	-----	-----
<u>General Reserve, Closing Balance</u>	(1,984,068)	(1,886,185)
	=====	=====

DIOCESE OF FERNS**9****CENTRAL FUND ACCOUNTS****YEAR ENDED 31 DECEMBER 2012****BALANCE SHEET**

	<u>Note</u>	<u>31/12/2012</u>	<u>31/12/2011</u>
		<u>€</u>	<u>€</u>
<u>TANGIBLE FIXED ASSETS:</u>			
Office equipment and fittings, cost		62,894	62,894
Accumulated depreciation		(62,894)	(62,894)
		-----	-----
Net book value		-	-
		-----	-----
<u>FINANCIAL ASSETS</u>			
Education Investments	3	1,176,095	1,208,747
		-----	-----
<u>CURRENT ASSETS</u>			
Debtors, falling due within one year	4	199,399	237,986
		-----	-----
<u>CURRENT LIABILITIES</u>			
Creditors, falling due within one year	5	(1,249,014)	(1,183,500)
		-----	-----
<u>NET CURRENT LIABILITIES</u>			
		(1,049,615)	(945,514)
<u>CREDITORS, not falling due within one year</u>			
	6	(1,532,898)	(1,571,768)
		-----	-----
<u>TOTAL NET LIABILITIES</u>			
		(1,406,418)	(1,308,535)
		=====	=====
<u>REPRESENTED BY:</u>			
		<u>€</u>	<u>€</u>
General Reserve		(1,984,068)	(1,886,185)
St Peters Seminary Reserve	9	577,650	577,650
		-----	-----
		(1,406,418)	(1,308,535)
		=====	=====

YEAR ENDED 31 DECEMBER 2012

NOTES ON AND FORMING PART OF THE ACCOUNTS**1 ACCOUNTING POLICIES**

- The financial statements are prepared under the historical cost convention.
- Depreciation is calculated on capitalised office equipment to reduce to net realisable value at the end of its expected useful life, at 20% p.a. straight line basis.
- These financial statements are denominated in Euro (€).

2 SCOPE AND RESPONSIBILITY

The Central Fund accounts encompass the payments from parishes to the Diocese from the envelope collection, together with income from collections and investments allocated towards the education of priests, seminarians and laity, and other minor sources of income. The income of the Central Fund is used to fund the various programmes and services provided by the Diocese, and for administration and establishment costs.

With effect from the 1st January 2010 the Central Fund accounts also incorporate the accumulated costs of child sex abuse settlements, expenses, and costs associated with the Government inquiries. These were previously financed by a number of bank loans, now consolidated into a single term loan facility as detailed in note number 7. Ongoing costs are dealt with through the supplementary budget, as set out in Appendix 5 of the financial statements.

The cost/values of properties held by the Diocese are not reflected as assets in these accounts. These properties consist of:

- Bishop's House, Summerhill, Wexford
- St Peter's Campus, Summerhill, Wexford
- Playing Fields, Coolcotts, Wexford
- c.19 acres agricultural land, Drinagh, Wexford

The Diocese is responsible, through the Diocesan Finance Committee for maintaining proper books of account, and for ensuring the preparation of annual accounts, which present fairly the state of affairs of the Central Fund, and of its income and expenditure for that year.

In preparing these statements the Committee is required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Central Fund will continue in operation.

3 EDUCATION INVESTMENT FUNDS

	<u>2012</u>	<u>2011</u>
	€	€
Capital funds of the former Seminary	931,503	948,470
Education Investment	244,592	260,277
	-----	-----
	1,176,095	1,208,747
	=====	=====

In accordance with the original terms of settlement, the foregoing investments are held for the education of priests and seminarians. Any income derived is appropriated for this purpose, and is credited under Appendix 1 in the detailed Income & Expenditure Account.

DIOCESE OF FERNS – CENTRAL FUND ACCOUNTS

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YEAR ENDED 31 DECEMBER 2012

NOTES ON AND FORMING PART OF THE ACCOUNTS, continued

4 DEBTORS, falling due within one year:

	<u>2012</u>	<u>2011</u>
	€	€
Parish envelope contributions	34,745	37,118
Other debtors and prepaid expenses	36,277	78,987
Amounts due from Investment Portfolio	128,377	121,881
	-----	-----
	199,399	237,986
	=====	=====

5 CREDITORS, falling due within one year:

	<u>2012</u>	<u>2011</u>
	€	€
Creditors and accrued expenses	70,290	75,550
Parish/Portfolio short term loans	526,212	546,356
Other short term funds held	245,116	217,431
Bank overdraft	232,908	177,511
Bank term loan, AIB	39,362	39,362
Bank term loan, Bank of Ireland	135,126	127,290
	-----	-----
	1,249,014	1,183,500
	=====	=====

Short term funds held represent amounts lodged to Diocesan accounts for onward payment to other Church agencies and group insurance schemes.

Only that portion of bank loans repayable within twelve months of the balance sheet date is included as a current liability.

6 CREDITORS, not falling due within one year:

	<u>2012</u>	<u>2011</u>
	€	€
Bank term loan, AIB	31,909	69,794
Bank Term Loan, Bank of Ireland	1,500,989	1,501,974
	-----	-----
	1,532,898	1,571,768
	=====	=====

7 BANK TERM LOAN

The term loan facility advanced by Bank of Ireland in respect of consolidated liabilities incurred in prior years is secured by a fixed charge on Bishop's House, Summerhill, Wexford, to a maximum amount of €1.804,000.

YEAR ENDED 31 DECEMBER 2012

NOTES ON AND FORMING PART OF THE ACCOUNTS, continued**8 ST PETERS SEMINARY RESERVE**

	<u>2012</u> €	<u>2011</u> €
Balance at January 1	577,650	577,650
Balance at December 31	----- 577,650 =====	----- 577,650 =====

This represents the net asset position of the investment and loan balances incorporated into the Diocesan accounts with effect from 31 December 2001, following closure of the seminary.

9 TOWARDS HEALING

In 2012 the cost for the provision of counselling services to victims of clerical sex abuse changed from Faoiseamh to a new organisation, "Towards Healing", established jointly by the Bishops' Conference and CORI. The cost of these services to the Diocese during 2012 has been met from the Stewardship Trust of the Irish Hierarchy.

10 APPROVAL OF ACCOUNTS

These accounts were approved by the Diocesan Finance Officer, on the recommendation of the Diocesan Finance Committee, on the 11th April 2013.