

DIOCESE OF FERNS
CENTRAL FUND FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2018

CENTRAL FUND FINANCIAL STATEMENTS


YEAR ENDED 31 DECEMBER 2018

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CENTRAL FUND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

APPROVAL OF FINANCIAL STATEMENTS

The attached financial statements of the Diocesan Central Fund in respect of the year ended 31st December 2018 are hereby approved on the recommendation of the Diocesan Finance Committee at its meeting of the 6th June 2019.



Eugene Doyle,
Chairman

Date: 19/09/2019

COMMITTEE MEMBERS:

Mr. Eugene Doyle, Chairman

Ms. Annette McCarthy
Fr. Patrick Cushen
Fr. William Howell
Ms. Eleanor Furlong
Ms. Pauline O'Neill

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

CENTRAL FUND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

SUMMARY INCOME & EXPENDITURE ACCOUNT

	<u>Appendix</u>	<u>2018</u> €	<u>2017</u> €	<u>2016</u> €
<u>INCOME</u>	1	579,645	583,598	696,503
		-----	-----	-----
<u>EXPENDITURE</u>				
Parish Support Costs	2	218,812	240,616	268,364
Other Support Costs	3	90,331	81,325	75,198
Administration Costs	4	225,797	245,133	221,332
		-----	-----	-----
		534,940	567,074	564,894
		-----	-----	-----
<u>OPERATING SURPLUS FOR YEAR</u>		44,705	16,524	131,609
Supplementary Budget – surplus	5	33,465	86,507	109,895
Settlements and Legal Costs		(2,743)	-	(71,442)
		-----	-----	-----
<u>SURPLUS, TO RESERVES</u>		75,427	103,031	170,062
		=====	=====	=====

CENTRAL FUND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

APPENDIX 1: INCOME

	<u>2018</u> €	<u>2018</u> €	<u>2017</u> €	<u>2017</u> €
Parish Envelope Contributions		415,634		414,514
<u>Education Income:</u>				
Diocesan Collection	35,098		41,684	
Donations & Legacies	-		-	
St Joseph's Young Priests Soc	3,000		4,666	
Investment Income	898		1,027	
	-----		-----	
		38,996		47,377
Catechetics, Parish Receipts		39,574		39,338
Conference Fees (Net)		4,205		4,959
Bishop's Contribution		10,000		10,000
Annual Directory		1,000		900
Miscellaneous Receipts		3,719		2,321
Donations		16,877		14,550
Safeguarding Income		140		21,921
Charities Act – Income	43,515		56,025	
- Expenditure	(44,015)		(53,307)	
	-----		-----	
		(500)		2,718
Investment Fund Management Fee		50,000		25,000
		-----		-----
		579,645		583,598
		=====		=====

CENTRAL FUND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

APPENDIX 2: PARISH SUPPORT COSTS

	<u>2018</u>	<u>2018</u>	<u>2017</u>	<u>2017</u>
	€	€	€	€
<u>Education & Formation:</u>				
Seminarians	28,064		36,298	
Laity Education	2,187		2,200	
Sabbaticals, Ongoing Education	3,334		-	
	-----		-----	
		33,585		38,498
Priest Supports		14,149		9,777
Family Life Service		33,800		33,800
Regional Marriage Tribunal		19,320		24,394
<u>Catechetics:</u>				
Primary Level	17,822		17,500	
Second Level/Diocesan Centre	26,734		28,654	
	-----		-----	
		44,556		46,154
<u>Pastoral Development:</u>				
Salaries & Office Expenses		17,442		18,453
<u>Pastoral Outreach/Safeguarding:</u>				
Salaries & Expenses		55,960		69,540
		-----		-----
		218,812		240,616
		=====		=====

APPENDIX 3: OTHER SUPPORT COSTS

	<u>2018</u>	<u>2017</u>
	€	€
National Bishops' Conference	73,926	77,214
CURA	12,294	-
Special Needs Support	3,811	3,811
Ecumenism	300	300
	-----	-----
	90,331	81,325
	=====	=====

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APPENDIX 4: ADMINISTRATION COSTS

	<u>2018</u>	<u>2017</u>
	€	€
Light & Heat	13,809	10,359
Security	1,805	2,553
Postage	9,046	8,117
Stationery & Printing	3,138	4,022
Telephone & Internet	4,924	6,396
Insurance	3,631	3,631
Rates & Service Charges	2,717	-
Salaries, Pensions & Training	77,914	89,983
Housekeeping & Hospitality costs	18,345	19,443
Building repairs & maintenance	26,440	45,367
Subscriptions, Library and Presentations	6,368	12,134
Accountancy	5,430	5,425
Audit Fees	6,150	4,920
Data Protection Compliance	6,960	-
Meetings, Travel, Subsistence	8,866	12,384
Legal Fees	2,041	-
St. Aidan's Trust costs	1,014	1,512
Promotion Costs	8,103	5,405
Miscellaneous Expenses	1,911	2,225
Computer & Website Expenses	11,840	5,252
Equipment lease & maintenance	2,092	3,349
Bank interest and charges	3,253	2,656
	-----	-----
	225,797	245,133
	=====	=====

DIOCESE OF FERNS

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CENTRAL FUND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

**SUPPLEMENTARY BUDGET,
EXPENSES FUNDED BY DIOCESE AND
FRIENDS OF FERNS**

	<u>2018</u>	<u>2017</u>
	€	€
<u>Income:</u> St Peter's Campus	60,000	60,000
Friends of Ferns	29,690	37,369
Stewardship Fund	-	66,752
	-----	-----
	89,690	164,121
	-----	-----
 <u>Expenditure:</u> Towards Healing	 10,641	 28,298
Bank Term Loan Interest	45,584	49,316
	-----	-----
	56,225	77,614
	-----	-----
 <u>Net Surplus</u>	 33,465	 86,507
	=====	=====

**STATEMENT OF MOVEMENT IN
RESERVES**

	€	€
Surplus from Income & Expenditure Account	44,705	16,524
Surplus, Supplementary Budget	33,465	86,507
	-----	-----
<u>Operating Surplus</u>	78,170	103,031
Settlements & Legal Costs Paid & Provided	(2,743)	-
	-----	-----
 <u>Surplus, to Reserves</u>	 75,427	 103,031
Reserves, Opening Balance (Deficit)	(1,722,979)	(1,826,010)
	-----	-----
 <u>Reserves, Closing Balance (Deficit)</u>	 (1,647,552)	 (1,722,979)
	=====	=====

CENTRAL FUND FINANCIAL STATEMENTS
 YEAR ENDED 31 DECEMBER 2018

BALANCE SHEET

	<u>Note</u>	<u>31/12/2018</u> €	<u>31/12/2017</u> €
<u>TANGIBLE FIXED ASSETS</u>	3	-	-
<u>FINANCIAL ASSETS</u>			
Diocesan Investment Funds	3	326,711 -----	393,467 -----
<u>CURRENT ASSETS</u>			
Debtors, falling due within one year	4	88,309	105,607
Cash at Bank and on Hand		54,086 -----	34,435 -----
		142,395 -----	140,042 -----
<u>CURRENT LIABILITIES</u>			
Creditors, falling due within one year	5	(733,547) -----	(645,588) -----
<u>NET CURRENT LIABILITIES</u>		(591,152)	(505,546)
<u>CREDITORS, not falling due within one year</u>	6	(1,383,111) -----	(1,610,900) -----
<u>TOTAL NET LIABILITIES</u>		(1,647,552) =====	(1,722,979) =====
<u>REPRESENTED BY:</u>		€	€
General Reserve, Deficit		(1,647,552) =====	(1,722,979) =====

YEAR ENDED 31 DECEMBER 2018

NOTES ON AND FORMING PART OF THE FINANCIAL STATEMENTS**1 ACCOUNTING POLICIES**

- The financial statements are prepared under the historical cost convention.
- These financial statements are denominated in Euro (€).

TANGIBLE FIXED ASSETS & DEPRECIATION

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Land and Buildings, freehold - 2% straight line

- (i) Freehold Land, is valued at fair value based on the current use value of the land as the Charity is in the not for profit sector. There are no land or buildings held for investment.
- (ii) Freehold buildings: functional buildings (i.e. that are for the purpose of the charity and are still in use). The original cost of buildings was not available, therefore the Charity has based its accounting policy on the insurance value of these assets as at 31st December 2015 which was then discounted back to the year of acquisition or construction using the consumer price index (the CPI was benchmarked at the earliest date available 1922) to arrive at the estimate of the acquisition cost. The acquisition cost was then depreciated over the buildings' useful life to arrive at its current net book value.
- (iii) Office equipment, fixtures and fittings and computer equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Office equipment, fixtures and fittings and computer equipment costing over €5,000 are capitalized and depreciated in accordance with the policy set out below.

Depreciation

Land is not depreciated. Depreciation of other fixed assets is calculated using the straight line method over their estimated useful lives, as follows:

Freehold Buildings	50 years (2%)
Office equipment, fixtures and fittings	5 years (20%)
Computer equipment	3 years (33.3%)

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each financial year.

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 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. **TANGIBLE FIXED ASSETS**

<u>Cost</u>	<u>Freehold Land & Buildings</u> €	<u>Office Equipment, fixtures, etc</u> €	<u>Total</u> €
Balance January 1 2018	49,684	62,894	112,578
	-----	-----	-----
Balance December 31 2018	49,684	62,894	112,578
	-----	-----	-----
<u>Depreciation</u>			
Balance January 1 2018	49,684	62,894	112,578
	-----	-----	-----
Balance December 31 2018	49,684	62,894	112,578
	-----	-----	-----
<u>Net Book Value</u>			
At December 31 2018	-	-	-
	=====	=====	=====
At December 31 2017	-	-	-
	=====	=====	=====

3 **DIOCESAN INVESTMENT FUND**

	<u>2018</u> €	<u>2017</u> €
Capital funds of the former Seminary	233,444	300,432
Education Bequest, M Donoghue	66,197	66,032
Unallocated Funds	27,070	27,003
	-----	-----
	326,711	393,467
	=====	=====

Income derived from the foregoing investments is credited under Appendix 1 in the detailed Income & Expenditure Account.

YEAR ENDED 31 DECEMBER 2018

NOTES ON AND FORMING PART OF THE FINANCIAL STATEMENTS, continued

4	<u>DEBTORS</u> , falling due within one year:		
		<u>2018</u>	<u>2017</u>
		€	€
	Parish contributions	55,399	66,981
	Other debtors and prepaid expenses	32,910	38,626
		-----	-----
		<u>88,309</u>	<u>105,607</u>
		=====	=====
5	<u>CREDITORS</u> , falling due within one year:		
		<u>2018</u>	<u>2017</u>
		€	€
	Creditors and accrued expenses	170,778	134,836
	Parish loan	40,000	40,000
	Other loans	34,850	74,850
	Other short term funds held	139,042	99,753
	Bank overdraft	212,273	159,545
	Bank term loan, Bank of Ireland	136,604	136,604
		-----	-----
		<u>733,547</u>	<u>645,588</u>
		=====	=====
	Short term funds held represent amounts lodged to Diocesan accounts for onward payment to other Church agencies and bodies.		
	Only that portion of bank loans repayable within twelve months of the balance sheet date is included as a current liability.		
6	<u>CREDITORS</u> , not falling due within one year:		
		<u>2018</u>	<u>2017</u>
		€	€
	Bank Term loan, Bank of Ireland	1,023,111	1,113,887
	Provision for future settlements, including legal costs	360,000	497,013
		-----	-----
		<u>1,383,111</u>	<u>1,610,900</u>
		=====	=====

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.