

Combined Parishes of the Diocese of Ferns
Report and Financial Statements
for the year ended 31 December 2018

Sheil Kinnear Limited
Chartered Accountants and Statutory Audit Firm
Sinnottstown Business Park
Drinagh
Wexford

Charity Number: CHY 7214
Charities Regulatory Authority Number: 20015077

Combined Parishes of the Diocese of Ferns

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**Combined Parishes of the Diocese of Ferns
TRUSTEES' AND OTHER INFORMATION**

Trustees

Bishop Denis Brennan
John Carroll
Eugene Doyle

Charity Number

CHY 7214

Charities Regulatory Authority Number

20015077

Auditors

Sheil Kinnear Limited
Chartered Accountants and Statutory Audit Firm
Sinnottstown Business Park
Drinagh
Wexford

Combined Parishes of the Diocese of Ferns TRUSTEES' REPORT

for the year ended 31 December 2018

The trustees present their Trustees' Report and the audited financial statements for the year ended 31 December 2018.

Trustees Report

Parishes in the Diocese of Ferns are the interface where the diocese in the person of the bishop, the successor of the apostles, engages with the faithful and others in the promotion of the mission -"that they may have life and that they may it to the full."

In practical terms this is lived out in daily engagement through sacraments and the preaching of the Gospel.

It is carried out in the many and varied daily encounters that are mandated roles of parish priest or curate, parish finance committee, pastoral council and / or liturgical minister.

It is also carried out in the local school which is under diocesan patronage and parish management.

In a multiplicity of varied and creative events and actions, the life giving message of Jesus Christ as mediated through his earthly body-the Church is both gifted to the world and responded to in grace-filled liturgical and pastoral activity.

In daily activity, the majority of activity centres about the seven sacraments.

Daily and Sunday Masses - baptisms, weddings and funerals - outreach to the sick and housebound and preparation for First Communion and Confirmations - constitute the core work of the local Parish.

In the parish and curacy churches, halls, grounds and offices, the footfall and repeat footfall is immense as people come to participate in liturgical services, avail of pastoral ministry, engage as volunteers or ministers, act as coordinators or assistants in activities geared specifically to particular groups or age groups, youth and elderly in particular.

Churches are also vibrant centres of training and performance for musicians, choirs and soloists.

They also act as visible signs of art and architectural heritage which are maintained, repaired and available as open facilities to both the worshipping community and to the public in general.

Concerts for charity are organised for various groups in churches as are a variety of fundraising activities for local and national charities.

Parish Newsletters and social media sites communicate much of the good that is happening locally within and without the Church.

It - together with the weekly pulpit - act as platforms for the promotion and facilitation of events and opportunities with the local area and beyond.

Facilitating local groups - voluntary, sporting, community, caring - through the use of Church facilities (halls, meeting rooms, church grounds) - is also a key activity of the local parishes where the promotion of social engagement and inclusion is central.

Outreach to the poor through the local St. Vincent de Paul group - and other such outreach groups - is a weekly activity organised from within the Church building.

Signed on behalf of the Trustees

Bishop Denis Brennan

Eugene Doyle

Date: 25th October 2019

Combined Parishes of the Diocese of Ferns TRUSTEES' RESPONSIBILITIES STATEMENT

for the year ended 31 December 2018

The trustees are responsible for preparing the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council.

Charity law 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 financial activities of the charity for that year. In preparing these financial statements the trustees are required to follow best practice and:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees confirm that they have complied with the above requirements in preparing the financial statements.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with applicable law. 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 financial information included on the charity's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Trustees

Bishop Denis Brennan

Eugene Doyle

Date: 25th October 2019

INDEPENDENT AUDITOR'S REPORT

to the Trustees of Combined Parishes of the Diocese of Ferns

Opinion

We have audited the financial statements of Combined Parishes of the Diocese of Ferns (the 'charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is applicable Irish law and Accounting Standards, including Financial Reporting Standard 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 assets, liabilities and financial position of the entity as at 31 December 2018 and of its deficit for the year then ended; and
- have been properly prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard as issued by the Irish Auditing and Accounting Service Authority ("IAASA") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

- The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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

Based on the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified any material misstatements in the trustees' report.

Respective responsibilities

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

INDEPENDENT AUDITOR'S REPORT

to the Trustees of Combined Parishes of the Diocese of Ferns

accounting unless the trustees either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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 IAASA website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our audit report.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's members. Our audit work has been undertaken so that we might state to the charity's members those matters that we are required to state to them in the audit 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 or the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Sheil Kinneair Limited

SHEIL KINNEAR LIMITED
Chartered Accountants and Statutory Audit Firm
Sinnottstown Business Park
Drinagh
Wexford

Date: 25th October 2019

Combined Parishes of the Diocese of Ferns

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2018

	Notes	Unrestricted Funds 2018 €	Restricted Funds 2018 €	Total 2018 €	Total 2017 €
Incoming Resources					
Generated funds:					
Voluntary Income					
Voluntary Income	3	226,154	85,808	311,962	273,115
Activities for generating funds					
Income from other trading activities	4	2,439,024	-	2,439,024	1,968,974
Investment Income	5	10,981	-	10,981	28,160
Charitable activities:					
Income from Charitable Activities	6	2,773,712	24,240	2,797,952	3,044,458
Other incoming resources	7	191,098	-	191,098	473,813
Total incoming resources		5,640,969	110,048	5,751,017	5,788,520
Resources Expended					
Costs of Generating Funds		356,895	-	356,895	212,414
Resources Expended on Charitable Activities					
Costs of Charitable Activities		3,036,719	-	3,036,719	2,804,428
Other resources expended:		1,836,160	134,201	1,970,361	2,820,323
Total Resources Expended	8	5,229,774	134,201	5,363,975	5,837,137
Surplus/(Deficit)		411,195	(24,153)	387,042	(48,645)
Gross transfers between funds		1,079,832	(1,079,832)	-	-
Net movement in funds for the year		1,491,027	(1,103,985)	387,042	(48,645)
Reconciliation of funds					
Balances brought forward at 1 January 2018		19,462,596	1,179,659	20,642,255	20,690,000
Capital Contribution		117,697	-	117,697	-
Balances carried forward at 31 December 2018		21,071,320	75,674	21,146,994	20,642,255

Approved by the Board of Trustees on 25th October 2019 and signed on its behalf by:

Bishop Denis Brennan

Eugene Doyle

Combined Parishes of the Diocese of Ferns BALANCE SHEET

as at 31 December 2018

	Notes	2018 €	2017 €
Fixed Assets			
Tangible assets	9	11,038,675	10,898,403
Financial assets - commercial investments	10	2,261,494	2,560,674
		<u>13,300,169</u>	<u>13,459,077</u>
Current Assets			
Debtors	11	190,047	156,176
Cash at bank and in hand		11,728,943	11,023,505
		<u>11,918,990</u>	<u>11,179,681</u>
Creditors: Amounts falling due within one year	12	(4,072,165)	(3,996,503)
Net Current Assets		<u>7,846,825</u>	<u>7,183,178</u>
Total Assets less Current Liabilities		<u><u>21,146,994</u></u>	<u><u>20,642,255</u></u>
Funds			
Restricted funds		75,674	1,179,659
General fund (unrestricted)		21,071,320	19,462,596
Total funds		<u><u>21,146,994</u></u>	<u><u>20,642,255</u></u>

Approved by the Board of Trustees on 25th October 2019 and signed on its behalf by:

Bishop Denis Brennan

Eugene Doyle

Combined Parishes of the Diocese of Ferns

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

1. ACCOUNTING POLICIES

Basis of preparation

The Financial Statements are prepared on the going concern basis, under the historical cost convention, and comply with the financial reporting standards of the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") as adapted by Section 1A of FRS 102. Although not compelled to, the entity has applied some of the guidelines of Charities SORP FRS 102, specifically in relation to the presentation of the SOFA and related disclosures.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable entity's financial statements.

Incoming Resources

Voluntary income or capital is included in the Statement of Financial Activities when the charity is legally entitled to it, its financial value can be quantified with reasonable certainty and there is reasonable certainty of its ultimate receipt. Entitlement to legacies is considered established when the charity has been notified of a distribution to be made by the executors. Income received in advance of due performance under a contract is accounted for as deferred income until earned. Grants for activities are recognised as income when the related conditions for legal entitlement have been met. All other income is accounted for on an accruals basis.

Resources Expended

All resources expended are accounted for on an accruals basis. Charitable activities include costs of services and grants, support costs and depreciation on related assets. Costs of generating funds similarly include fundraising activities. Non-staff costs not attributed to one category of activity are allocated or apportioned pro-rata to the staffing of the relevant service. Finance, HR, IT and administrative staff costs are directly attributable to individual activities by objective. Governance costs are those associated with constitutional and statutory requirements.

Combined Parishes of the Diocese of Ferns

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2018

Tangible fixed assets and 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:

Buildings freehold	-	Straight line over 70 years
Plant and machinery	-	15% Straight line

(i) Freehold land

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 is 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 based its accounting policy on the insurance value of these assets as at 31 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) to arrive at the estimate of the acquisition cost. This 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

Office equipment, fixtures and fittings are carried at cost less accumulated depreciation and accumulated impairment losses.

Office equipment, fixtures and fittings over €5,000 are capitalised and depreciated over a 5 year period, and computer equipment over €1,000 are capitalised and depreciated over 3 years.

(iv) Heritage assets

Heritage assets consist of assets that have a historic and artistic significance such as chalices, ciborium, treasures and works of art. A reliable cost is not available for these works of art and historic treasures and the Trustees believe that the cost of carrying out such an exercise would outweigh the benefit of this information to the user of the accounts therefore in accordance with SORP and FRS102 these assets have not been capitalised. These assets are not held for investment. They are part of the Charity's overall objectives to advance the Roman Catholic faith. They are not held for investments and the Charity does not actively seek to acquire or dispose of these assets.

Depreciation

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

Church	70 years
Freehold buildings	50 years
Office equipment, computer equipment and fixtures and fittings	5 years
Computer equipment	3 years

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

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Income from other financial fixed asset investments together with any related withholding tax is recognised in the profit and loss account in the year in which it is receivable.

Taxation

No charge to taxation arises due to the charitable status of the parishes. Irrecoverable value added tax is expensed as incurred.

2. NET INCOMING RESOURCES	2018	2017
	€	€
Net Incoming Resources are stated after charging/(crediting):		
Depreciation of tangible assets	159,728	155,441
	<u> </u>	<u> </u>
3. Donations & bequests	2018	2017
	€	€
Donations & bequests	311,962	273,115
	<u> </u>	<u> </u>

Combined Parishes of the Diocese of Ferns
NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2018

4. Income from other trading activities	2018	2017
	€	€
Draws/Raffles	231,973	356,262
Fundraising events	1,489,008	1,010,901
Rental income	285,182	175,004
Car park income	432,861	426,806
	<u>2,439,024</u>	<u>1,968,973</u>
5. Investment income	2018	2017
	€	€
Bank deposit interest	6,370	21,620
Income from parish investment	4,611	6,540
	<u>10,891</u>	<u>28,160</u>
6. Income from charitable activities	2018	2017
	€	€
Dues	2,243,498	2,464,961
Other church collections	28,934	28,032
Missalettes & mass booklets	24,703	20,082
Shrine income	450,370	461,032
Grant income	50,446	50,446
	<u>2,797,952</u>	<u>3,024,553</u>
7. Income from other activities	2018	2017
	€	€
Other income	165,553	450,794
Mass stipends	25,545	23,019
	<u>191,098</u>	<u>473,813</u>
8. Analysis of resources expended	2018	2017
	€	€
Support costs	1,039,576	975,966
Diocesan contributions	617,580	650,388
Other expenses	1,295,887	1,083,130
Donations	83,676	94,944
Other resources expended	1,970,361	2,820,323
Costs of generating funds	356,895	212,414
	<u>5,363,973</u>	<u>5,837,165</u>

Combined Parishes of the Diocese of Ferns
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

continued

9. TANGIBLE FIXED ASSETS

	Land and buildings freehold €	Plant and machinery €	Total €
Cost			
At 1 January 2018	19,944,336	45,506	19,989,842
Additions	300,000		300,000
Disposals	(3,212)	-	(3,212)
At 31 December 2018	<u>20,241,124</u>	<u>45,506</u>	<u>20,286,630</u>
Depreciation			
At 1 January 2018	9,072,702	18,737	9,091,439
Charge for the year	152,903	6,825	159,728
On disposals	(3,212)	-	(3,212)
At 31 December 2018	<u>9,222,393</u>	<u>25,562</u>	<u>9,247,955</u>
Net book value			
At 31 December 2018	<u>11,018,731</u>	<u>19,944</u>	<u>11,038,675</u>
At 31 December 2017	<u>10,871,634</u>	<u>26,769</u>	<u>10,898,403</u>

During the year a property was disposed off by the Diocese, a gain on disposal of €173,443 was recognised in relation to this disposal and this amount is included in the statement of financial activities.

10. FINANCIAL FIXED ASSETS
Commercial investments

	Other investments €	Total €
Investments		
Cost		
At 31 December 2018	<u>2,261,494</u>	<u>2,261,494</u>
Net book value		
At 31 December 2018	<u>2,261,494</u>	<u>2,261,494</u>
At 31 December 2017	<u>2,585,811</u>	<u>2,585,811</u>

11. DEBTORS

	2018 €	2017 €
Trade debtors	4,000	3,670
Other debtors	168,815	122,914
Prepayments and accrued income	17,233	23,926
	<u>190,047</u>	<u>150,510</u>

Combined Parishes of the Diocese of Ferns
NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2018

12. CREDITORS		2018	2017
Amounts falling due within one year		€	€
Bank loan		1,331,513	1,299,383
Trade creditors		27,683	37,741
Taxation and social security costs (Note 13)		14,565	15,824
Other creditors		188,608	116,004
Accruals		194,198	238,753
Funds invested on behalf of associated charities		2,315,598	2,288,798
		<u>4,072,165</u>	<u>3,996,503</u>

In the prior year, funds of €2,288,798 were transferred into the financial statements of the combined parishes being funds invested by the Diocese on behalf of associated charities. These funds were worth €2,315,598 at 31 December 2018.

13. TAXATION AND SOCIAL SECURITY		2018	2017
		€	€
Creditors:			
VAT		14,565	15,824
		<u>14,565</u>	<u>15,824</u>

14. ANALYSIS OF NET ASSETS BY FUND					
	Fixed assets - charity use	Financial fixed assets	Current assets	Current liabilities	Total
	€	€	€	€	€
Restricted Funds	-	-	75,674	-	75,674
Unrestricted Funds	11,038,675	2,261,494	11,843,316	(4,072,165)	21,071,320
	<u>11,038,674</u>	<u>2,261,494</u>	<u>11,918,990</u>	<u>(4,072,165)</u>	<u>21,146,994</u>

Capital contributions of €117,697 (2017 : €nil) were recognised during the year. These amounts relate to bank accounts under the control of parishes in the diocese.

15. POST-BALANCE SHEET EVENTS

There have been no significant events affecting the Charity since the year-end.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Trustees on 25th October 2019.