

Roman Catholic Diocese and Parishes of Clogher

Annual Financial Report

Period Ended 31 December 2015

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TRUSTEES AND OTHER INFORMATION

Trustees	Rev. Joseph McGuinness Rev. Larry Duffy Rev. Peter O'Reilly Rev. Shane McCaughey
Ex Officio Trustees	Each Parish Priest
Finance Committee	Rev. Joseph McGuinness Rev. Shane McCaughey Mrs. Aileen Hughes Mr. Eamon McArdle Mr. Michael Duffy Mr. Martin McVicar Mr. Fintan Timoney Mr. Cormac Meehan
Diocesan Administrator	Rev. Joseph McGuinness
Financial Administrator	Mrs. Aileen Hughes
Diocesan Solicitors	Mason Hayes & Curran South Bank House Barrow Street Grand Canal Dock Dublin Morgan McManus Solicitors The Diamond Crossmoyle Clones Co. Monaghan
Diocesan Bankers	Bank of Ireland College Green Dublin 2 First Trust Bank head office 92 Ann Street Belfast BT1 3HH
Accountants	PricewaterhouseCoopers Chartered Accountants One Spencer Dock North Wall Quay Dublin 1
Investment Advisors	State Street Global Advisors 2 Park Place Upper Hatch Street Dublin 2
Principal Office	Clogher Diocesan Office Bishop's House Monaghan

TRUSTEES' REPORT

BACKGROUND

A diocese is composed of distinct parts known as parishes being communities of the Christian faithful established and entrusted to a Parish Priest under the authority of the diocesan bishop.

STRUCTURE

The Roman Catholic Diocese of Clogher is located in the north of Ireland. Its territory includes all of the County of Monaghan and parts of Counties Fermanagh, Tyrone, Donegal, Louth and Cavan. The Diocese is almost evenly divided by the border between Northern Ireland and the Republic of Ireland. The seat of administration of the Diocese is in Monaghan. Address: Diocesan Office, Bishop's House, Monaghan, Co. Monaghan.

The Diocese is made up of 37 parishes - 20 in the Republic of Ireland, 15 in Northern Ireland and 2 which are divided by the border.

The governance of the Diocese is established by arrangements set out in a Trust Deed. The Trust Deed comprises three elements – (1) the Diocesan Trust, (2) the Parish Trusts and (3) the Diocesan Companies (currently St Macartan's Diocesan Trust and St Michael's Diocesan Trust. These are bare trusts by which the property of the Diocese and the Parishes is held).

The Diocesan Curia is the central administrative body of the Diocese, which supports the Objects and Activities as outlined below.

The Diocese of Clogher accounts for 2015 provide an overview of the funds held by the Diocese of Clogher and the use of these funds in 2015. These are curial and parish accounts and includes the financial activities, balance sheets, of the curia and parishes of the Diocese.

For 2016, it is envisaged that a full set of Diocesan Accounts, including all parish financial activities and balance sheet (including fixed assets), will be filed, which will be compliant with the requirements of the Charities Regulatory Authority.

CHARITABLE OBJECTIVES AND ACTIVITIES

The Charitable Objects of the Diocesan Trust are the advancement of the Roman Catholic religion in the Diocese and the advancement of charitable purposes congruent with the advancement of religion and which are supported by the Church throughout the world or in any part of the world.

In furtherance exclusively of the foregoing Charitable Objects, the Diocesan Trust shall have the following subsidiary objects:

- (a) to promote the advancement of religion by enabling the Bishop to fulfil his Canon Law responsibilities in relation to the advancement or maintenance of the Roman Catholic Religion in any way which he considers appropriate including but not limited to:
 - 1. advancement of religion;
 - 2. advancement of education;
 - 3. provision of Priests and other clergy;
 - 4. promotion of Catholic ethos in all walks of life;
 - 5. relief of poverty; and
 - 6. provision of physical infrastructure including but not limited to churches, parish centres, schools, hospitals, hostels for the homeless, places of accommodation, cemeteries and office premises whether directly or through any other charitable body or company and to encourage, promote, set up and support activities, buildings, institutions and services of a pastoral kind and nature in the Diocese including but not limited to the following services:
 - a. the development and renewal of any parish or parishes;
 - b. marriage counselling and tribunal services;

TRUSTEES' REPORT - continued

CHARITABLE OBJECTIVES AND ACTIVITIES - continued

- c. vocations for the priesthood and religious life (for example by providing financial assistance for seminaries, seminarians, deacons, religious institutes and religious);
- d. faith development;
- e. communications;
- f. services to the travelling people;
- g. assistance to emigrants and immigrants;
- h. religious education;
- i. diocesan committees, commissions and councils;
- j. chaplaincies;
- k. the provision of safeguarding services and training;
- l. the provision of training of pastoral workers and volunteers;
- m. supporting the work of the Irish Catholic Bishops' Conference (also known as the Irish Episcopal Conference); and
- n. supporting the work of Trócaire.

in each case in accordance with Canon Law.

The Charitable Objects of a Parish Trust are the advancement of the Roman Catholic religion within the jurisdiction of each Parish in the Diocese; and the advancement of charitable purposes congruent with the advancement of religion and which are supported by the Church throughout the world or in any part of the world.

FUNDS

The funds of the Diocese are identified as Designated, Restricted or Unrestricted.

Designated Funds are those funds designated for use for a particular purpose. In the accounts for 2015, these are almost entirely parish funds, *designated* for parish purposes. Since each parish is an individual and autonomous entity, with the Parish Priest as Trustee, parish funds are by their nature restricted to the use of the parish. No parish funds are at the disposal of the Diocese or any other parish, unless by agreement between the Parish Trustee and the Diocesan Trustees, as is the case for Diocesan Levies, and then only where the purpose of these contributions is clearly defined and in accordance with the Charitable Objects.

Restricted Funds are comprised of monies donated or bequeathed to the Diocese for specific purposes, and may only be used strictly for these purposes. Examples of Restricted Funds include the Diocesan Clerical Fund (for the care and support of sick and retired priests), the Education and Vocations Fund (for the support of Catholic Schools and the education of students for the priesthood) and the Cathedral Fund (for the maintenance of the Diocesan Cathedral and its services).

Unrestricted Funds include monies donated or bequeathed to the Diocese for use at the discretion of the Bishop for the administration of the Diocese and the forwarding of the charitable Objects and Activities of the Diocese. Unrestricted funds are used to cover the running costs of the diocese.

GOVERNANCE

The Trustees meet annually to receive the Annual Report and financial statements. Other meetings take place as required.

Unless otherwise stated, the Trustees were in office up to the date of approval of the financial statements.

MANAGEMENT

Each parish is managed by a member of clergy who has been appointed with responsibility for that parish. Parishes are managed by a Parish Priest, or by a Priest Administrator.

TRUSTEES' REPORT - continued

INTERNAL CONTROL AND RISK MANAGEMENT

The Trustees are responsible for providing reasonable assurance that:

- the Diocese complies with relevant laws and regulations;
- the Diocese is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the Diocese or for publication is reliable; and
- the systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement of loss. They include:
 - a finance committee in place in every parish;
 - a number of guidelines are in place in parishes to ensure best practice in the relevant area is followed. These include child protection policies, administrative guidelines and HR and volunteer policies.

THE ROLE OF VOLUNTEERS

Volunteers are essential to parish life as they fulfil a wide variety of roles. These include formal ministries stemming from Vatican II, such as Extraordinary ministers of the Eucharist and Ministers of the Word. In recent years baptism teams have developed to support and guide parents at the time of their child's initiation into the church. In a different way volunteers serve on committees such as parish pastoral councils and advise and assist priests in meeting the pastoral needs of the parish. In addition the finance committee supports the priest by advising on financial, property and even employment and contractual matters in some cases. Other volunteers help manage parish centres and deliver services in the parish. Other volunteers have a less formal role such as cleaners, groundskeepers and florists. Many of these roles are time-consuming and in some cases are carried out by paid employees.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for the reliability, accuracy and completeness of the books of the accounts of the Diocese and for the provision and disclosures to the accountants of all information relevant to the purpose and compilation of the financial statements.

Approved by:

Signed:

Date:

Shane Mc Carthy

15th March 2017

Diocesan Secretary



Chartered Accountants' Report to the Trustees of the Roman Catholic Diocese and Parishes of Clogher

In accordance with our engagement letter dated 3 December 2015, we have compiled the financial information on pages 7 to 13 which comprises a Statement of Financial Activities, Balance Sheet, and related notes from the accounting records and information and explanations given to us by the "Diocese".

The financial information has been compiled on the basis set out in the accounting policies on pages 9 and 10.

This report is made to you in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial information that we have been engaged to compile, report to you that we have done so, and state those matters that we have agreed to state to you in this 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 Diocese, for our work or for this report.

We have carried out this engagement in accordance M48 – "Chartered Accountants' Reports on the Compilation of Historical Financial Information of Unincorporated Entities" issued by the Institute of Chartered Accountants in Ireland and have complied with the Rules of Professional Conduct and the ethical guidance laid down by the Institute.

You have approved the Diocese financial information for the year ended 31 December 2015 and have acknowledged your responsibility for it, for the appropriateness of the accounting basis on which it is compiled, and for providing us with all the information and explanations necessary for its compilation.

We have not been instructed to carry out an audit of the financial information. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations given to us by you and we do not, therefore, express any opinion on the Diocese financial information.

A large, stylized handwritten signature in black ink, appearing to read 'R. W. O'Connell', is written over the printed name of the firm.

**PricewaterhouseCoopers
Chartered Accountants
Dublin**

23 March 2017

STATEMENT OF FINANCIAL ACTIVITIES
Year Ended 31 December 2015

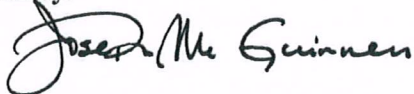
	Notes	Designated €	Unrestricted €	Restricted €	Total €
Income and endowments from:					
Donations and legacies		7,326,514	-	3,523,576	10,850,090
Charitable activities		2,454,851	-	297,674	2,752,525
Other trading activities		3,928	-	-	3,928
Investments		653,191	-	-	653,191
Other		39,392	-	-	39,392
Total	3	10,477,876	-	3,821,250	14,299,126
Expenditure on:					
Charitable activities		(7,365,575)	-	(3,893,897)	(11,259,472)
Raising funds		(238,879)	-	-	(238,879)
Other		(180,891)	-	-	(180,891)
Total	4	(7,785,345)	-	(3,893,897)	(11,679,242)
Net unrealised gains on investments		-	13,187	575,335	588,522
Net income/(expenditure)		2,692,531	13,187	502,688	3,208,406
Transfers between funds					
Other gains/(losses)		-	-	-	-
Net movement in funds		2,692,531	13,187	502,688	3,208,406

BALANCE SHEET

As at 31 December 2015

	Notes	Designated €	Un-restricted €	Restricted €	Total 2015 €
Financial fixed assets					
Investments	5	103,292	109,292	12,606,353	12,818,937
Current assets					
Debtors and prepayments	6	-	-	9,357	9,357
Cash at bank and in hand		15,780,845	99,620	2,969,832	18,850,297
Total current assets		15,780,845	99,620	2,979,189	18,859,654
Liabilities					
Creditors (amounts due within one year)	7	(1,035,199)	-	(207,583)	(1,242,782)
Net current assets		14,745,646	99,620	2,771,606	17,616,872
Total assets less current liabilities		14,848,938	208,912	15,377,959	30,435,809
Creditors (amounts due in more than one year)	8	(2,021,720)	-	-	(2,021,720)
Net assets		12,827,218	208,912	15,377,959	28,414,089
The funds of the charity					
General funds	9	12,827,218	208,912	15,377,959	28,414,089

Approved by:

 Joseph M. Guinnen

NOTES TO THE FINANCIAL STATEMENTS

1 General information

The financial statements of the Roman Catholic Diocese and Parishes of Clogher includes the financial information for the curia and Parishes of the Diocese.

The CHY number is 7075. The CRA number is 20014452.

The entity name is registered under the name Parishes and Schools of the Diocese. The CRA register does not currently reflect the Trust Deed name of the organisation being Roman Catholic Diocese and Parishes of Clogher.

The Roman Catholic Diocese of Clogher is located in the north of Ireland. Its territory includes all of the County of Monaghan and parts of Counties Fermanagh, Tyrone, Donegal, Louth and Cavan. The Diocese is almost evenly divided by the border between Northern Ireland and the Republic of Ireland. The seat of administration of the Diocese is in Monaghan. Address: Diocesan Office, Bishop's House, Monaghan, Co. Monaghan.

The Diocese is made up of 37 parishes - 20 in the Republic of Ireland, 15 in Northern Ireland and 2 which are divided by the border.

The governance of the Diocese is established by arrangements set out in the Trust Deed.

2 Summary of significant accounting policies

(a) Basis of preparation

The preparation of financial statements have been prepared under the historic cost convention.

(b) Fund accounting

The Diocese maintains various types of funds as follows:

Designated funds

This represents a portion of the unrestricted funds that has been set aside for a particular purpose by the Trustees.

Unrestricted funds

This represents unrestricted income which is expendable at the discretion of the trustees in the furtherance of the objects of the Diocese.

Restricted funds

These represent funds received which are allocated by the donor for specific purposes. They cannot be used for purposes other than those specified by the donor.

(c) Revenue recognition

Incoming resources

Income is recognised when the Diocese has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

(d) Investments

Investments are stated at market value. Realised and unrealised gains and losses on investments are included in the Statement of Financial Activity.

The value of financial instruments traded in active markets (such as publicly traded equities) is based on quoted market prices at the balance sheet date. The market valuations are provided to the investment advisors by a third party pricing source. The value of the remaining financial instruments that are not traded in an active market is the lower of (a) the valuation as determined by the investment advisors using valuation techniques or (b) the estimated recoverable amount as determined by the Trustees.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Summary of significant accounting policies - continued

(e) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Transactions in foreign currencies are recorded at the exchange rates ruling at the dates of the transactions.

Gains and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with in the income and expenditure account.

(f) Expenditure and irrecoverable VAT

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of generating funds are those costs incurred in attracting voluntary income.
- Charitable activities include expenditure associated with the mission of the church and include both the direct costs and support costs relating to these activities together with primary purpose trading activities that raise funds.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents.

(h) Taxation

The Diocese is exempt from taxation due to its charitable status.

3 Income	2015 Designated €	2015 Unrestricted €	2015 Restricted €	2015 Total fund €
(i) Donations and legacies				
Donations and legacies	7,326,515	-	3,523,576	10,850,090
(ii) Income from charitable activities				
Charitable activities	2,454,852	-	297,674	2,752,525
(iii) Income from other trading activities				
Other trading income	3,928	-	-	3,928
(iv) Investment income				
Investment income	653,191	-	-	653,191
(v) Income from other activities				
Other income	39,392	-	-	39,392

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Analysis of expenditure	2015 Designated €	2015 Unrestricted €	2015 Restricted €	2015 Total fund €
(i) Expenditure on charitable activities				
Payments to priests	1,491,210	-	-	1,491,210
General repairs and maintenance	1,327,708	-	-	1,327,708
Renovation project	-	-	892,230	892,230
Courses/retreats	787,979	-	-	787,979
Diocesan levy payment	-	-	721,093	721,093
Clerical payments-sick and retired priests	-	-	594,184	594,184
Heating	575,850	-	-	575,850
Trócaire payment	-	-	572,624	572,624
Wages and salaries	462,216	-	-	462,216
Church requisites/altar materials	418,893	-	-	418,893
Education/vocations payment	-	-	415,691	415,691
Insurance	409,294	-	-	409,294
Lourdes	-	-	337,437	337,437
Electricity	234,212	-	-	234,212
Ground maintenance	228,706	-	-	228,706
Special appeals payment	197,820	-	-	197,820
Professional fees	169,551	-	-	169,551
Education and catechetical	-	-	133,649	133,649
Missalettes and books	124,380	-	-	124,380
Clogher don Óige	-	-	117,539	117,539
Postage and stationery	106,283	-	-	106,283
Rent and rates	90,958	-	-	90,958
Promotion/advertising/other media costs	88,726	-	-	88,726
Peter's Pence/Pope's collection payment	-	-	84,284	84,284
Up-keep of Diocesan houses	77,351	-	-	77,351
Accord, marriage tribunal, cura	68,557	-	-	68,557
Telephone	68,367	-	-	68,367
Charity compliance costs	67,451	-	-	67,451
Episcopal conference	57,349	-	-	57,349
Safeguarding costs	56,603	-	-	56,603
Cleaning	54,387	-	-	54,387
Travel and accommodation	45,096	-	-	45,096
Shrine/statue maintenance	38,082	-	-	38,082
Mensal tax	32,661	-	-	32,661
Computer maintenance	31,048	-	-	31,048
Formation of faith	29,857	-	-	29,857
Pastoral/vocations	-	-	25,165	25,165
Waste disposal	24,981	-	-	24,981
	<u>7,365,575</u>	<u>-</u>	<u>3,893,897</u>	<u>11,259,472</u>

At 31 December 2015 78 priests were serving in the Diocese.

NOTES TO THE FINANCIAL STATEMENTS - continued

4	Analysis of expenditure - continued	2015 Designated €	2015 Unrestricted €	2015 Restricted €	2015 Total fund €
	(ii) Fundraising costs	<u>238,879</u>	<u>-</u>	<u>-</u>	<u>238,879</u>
	(iii) Other expenses				
	Bank interest	146,437	-	-	146,437
	Loan interest	<u>34,664</u>	<u>-</u>	<u>-</u>	<u>34,664</u>
		<u>180,891</u>	<u>-</u>	<u>-</u>	<u>180,891</u>
5	Financial fixed assets				2015 Total €
	The analysis of investments is as follows:				
	Investments				<u>12,818,937</u>
6	Debtors				2015 €
	Other debtors				<u>9,357</u>
7	Creditors: amounts falling due within one year				2015 €
	Current bank loans				(1,035,199)
	Accruals				<u>(207,583)</u>
					<u>(1,242,782)</u>
8	Creditors: amounts falling due after one year				2015 €
	Long term bank loans				<u>(2,021,720)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Reserves	2015
	Total fund
	€
Opening funds Curia	13,449,622
Opening funds Parishes	11,756,061
Total opening funds	25,205,683
Net movement in funds	3,208,406
General funds carried forward	28,414,089
Split as follows:	
Designated	12,827,218
Unrestricted	208,912
Restricted	15,377,959
	28,414,089