

Roman Catholic Diocese and Parishes of Clogher

Annual Financial Report

Financial Period Ended 31 December 2018

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TRUSTEES AND OTHER INFORMATION

Trustees	Bishop Larry Duffy Rev Joseph McGuinness Rev Shane McCaughey Rev Peter O'Reilly
Ex Officio Trustees	Each Parish Priest
Finance Committee	Bishop Larry Duffy Rev Joseph McGuinness Rev Shane McCaughey Rev Peter O'Reilly Mrs Aileen Hughes Mr Eamon McArdle Mr Michael Duffy Mr Martin McVicar Mr Fintan Timoney Mr Cormac Meehan
Financial Administrator	Mrs Aileen Hughes
Diocesan Solicitors	Mason Hayes & Curran South Bank House Barrow Street Grand Canal Dock Dublin 4 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 Co. Monaghan
Registered Charity Number:	20014452

TRUSTEES' REPORT

BACKGROUND

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

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.

STRUCTURE

The Trust Deed of the Roman Catholic Diocese and Parishes of Clogher 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 2018 provide an overview of the funds held by the Diocese of Clogher and the use of these funds in 2018. These are curial and parish accounts and includes the financial activities and balance sheet of the curia and parishes of the Diocese.

CHARITABLE OBJECTS 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:

TRUSTEES' REPORT - continued

CHARITABLE OBJECTS AND ACTIVITIES – continued

- a. the development and renewal of any parish or parishes;
 - b. marriage counselling and tribunal services;
 - 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.

ACTIVITIES

The activities of the Trust at Parish and Diocesan level are centred on pastoral ministry of the priests of the Diocese to the people in their parishes including making provision for public worship and the celebration of the sacraments. Important elements of this are the rites of Baptism, Confirmation, Marriage and Funerals, as well as the regular celebration of the Eucharist and the care of the sick. This work is supported by many lay people who undertake ministerial and administrative roles, mostly on a voluntary basis (see below).

The provision of pastoral care to the people of the diocese is at the core of our activities. Due to the diminishing number of priests and their increasing age profile, the Diocesan Administrator initiated a number of measures to take account of this situation and, at the same time, to ensure that all churches across our diocese remain living spaces and communities of worship. A Pastoral Letter was issued in August 2018 outlining the reality of the situation and this was followed by meetings at Pastoral Area level where the number and timing of Masses in every parish were reviewed. This resulted in a 15% reduction in the number of Masses each weekend, so that the reducing number of priests can cover for holidays and in the event of illness. This revised scheme is based on parishes collaborating with each other in terms of pastoral provision and support. It is also based on the emergence of a range of pastoral ministries led by lay people in the near future.

At a Diocesan level, much of this work is supported by Diocesan bodies such as the Council of Priests, the Chapter of Canons and the Diocesan Finance Committee. Pastoral support is also provided by bodies such as the Diocesan Education Advisers, the Youth Ministry Group (*Clogher don Óige*), Safeguarding of Children and Vulnerable Adults Committee and the Diocesan Liturgy Commission.

The World Meeting of Families, held in Dublin in 2018 was celebrated in the diocese in a number of ways, all of them marking the unique contribution of family and family life to the Church and wider society. Several social, educational, catechetical and community events, focussed on the family, took place in various parishes. These included Family Masses and Family Days in Enniskillen and Bundoran, a Liturgy of the Word in Clogher on the Feast of St Macartan (24 March) to mark the handing over of Family Prayer Petitions to communities of religious and a series of catechetical encounters on the subject of the family today were held in the South-Monaghan Pastoral Area. To mark the opening of the World Meeting of Families, a special liturgy (with inter-church participation) was celebrated in each parish or pastoral area.

TRUSTEES' REPORT - continued

ACTIVITIES – continued

The ongoing work of the Diocesan Youth Ministry organisation, *Clogher don Óige*, included the organisation of summer camps, pilgrimages and leadership training and the involvement of young people in the Synod of Bishops on Vocations and Discernment in October 2018. In July 2018, over 50 members of *Clogher don Óige* took part in the Diocesan Pilgrimage to Lourdes where they gave outstanding service, support and friendship to the assisted pilgrims. There was also a pilgrimage to the ecumenical shrine of Taizé in France in which over 40 young people took part. Other activities included a Faith Camp at Todd's Leap in County Tyrone. Leadership training is a key component of the work of *Clogher don Óige* and 2018 also saw the emergence of group leaders who will help steer this organisation into the future. A new Director of Youth Ministry took up his role in September 2018. The development and optimization of social media platforms for outreach to young people as part of the advancement of the Gospel and religious faith was a key priority during 2018. This work included the creation of a new website for *Clogher don Óige* and an upgrade of its social media facilities.

The Annual Diocesan Pilgrimage to Lourdes took place from the 6th - 11th July 2018, and involved over 300 pilgrims from across the Diocese. The National Shrine of Pilgrimage at Lough Derg, which is under the direction of the Diocese, continued to offer opportunities for retreat, reflection and prayer. The Annual Pilgrimage Season (May-October 2018) attracted 5,248 pilgrims, and 5,891 attended one day retreats including special Days of Reflection devoted to issues such as Suicide, Ecumenism, Family, etc. The day-to-day management and direction of the Shrine is undertaken by the Prior, under the auspices of the Bishop of Clogher. In May 2018, the Apostolic Nuncio to Ireland, Archbishop Jude Thaddeus Okolo, visited Lough Derg and was chief celebrant of the Mass on the occasion of the annual Clogher Diocesan One-Day Pilgrimage.

In June 2018, the Diocese of Clogher witnessed the first ordination of a permanent deacon since the restoration of that ministry by the Second Vatican Council (1962-1965). This was a very significant moment in the development of pastoral ministry in the diocese. In addition, another man began formation and study for this ministry during 2018. It is hoped that the permanent diaconate will take its place in collaboration with the ministry of priests and in conjunction with the significant range of lay ministries exercised in the diocese. Also, in July 2018, the Diocese celebrated the ordination of a new priest, bringing to 5 the number ordained since 2013.

In 2018 the Liturgy Commission continued its work of promoting a greater understanding of the Church's mission through liturgy. The activities of the Commission included the establishment of working groups on lay-led liturgies, renewal of the liturgies celebrated on the Diocesan Pilgrimage to Lourdes and the provision of resources for the celebration of Marriage without a Mass. In addition, the Commission played an important role in the liturgies for the ordination of our first permanent deacon and the ordination of a new priest for the diocese. The Commission also played a very important role in preparing for the opening of the World Meeting of Families in every parish and it led the formation of a Diocesan Choir which took part in the Papal Mass in the Phoenix Park.

The Clergy Conferences and the Diocesan Clergy Forum in 2018 explored the challenges we face as well as the reasons for hope in a time of change and uncertainty. Formation of laity continued to be provided through the Diocesan Liturgy Commission and also *Clogher don Óige*. The Diocesan Financial Administrator and staff continued to provide support to priests and parish personnel in working towards full compliance with Charities Legislation.

The Diocesan Director of Communications ensured that priests, deacons and parishes were kept informed of developments and supports in a timely fashion and that the work of the diocese in promoting the Gospel was made known to as wide an audience as possible, using both local and national media and also social media platforms. In 2018 a new diocesan website was launched, using the most recent data-based technology for allowing information on the diocese to be accessed in a user-friendly format. The question of the church's engagement in the public sphere was also to the fore in this area, allowing what is distinctive about the church's message to be brought into dialogue with a changing cultural environment.

As the year drew to a close we learned with great joy of the appointment by Pope Francis of Monsignor Lawrence Duffy, PP, Carrickmacross, to be the new Bishop of Clogher. Preparations for his episcopal ordination began just before the year-end.

TRUSTEES' REPORT - continued

ACTIVITIES – continued

Other important activities in the Diocese included:

- Conferences and Retreats for Priests
- Ecumenical events, e.g. Week of Prayer for Christian Unity, Pentecost Sunday Ecumenical Prayer Service, local ecumenical initiatives, etc.
- Training Days and Parish support for the Safeguarding of Children and Vulnerable Adults
- Fundraising and support for other charitable organisations, e.g. Trocaire, St Vincent de Paul, Special Appeals e.g. relief to areas affected by natural disasters
- Resourcing and Support for Parents, Staff, Students and Boards of Management of Schools through the work of Diocesan Advisers as well as dedicated events such as Catholic Schools Week in January 2018
- A dedicated event – Flourish Sunday (September 2018) – to raise awareness and provide support in relation to the issue of suicide
- Promotion of Vocations to Priestly Ministry and Religious Life
- Collaborative work on Church initiatives through the Irish Episcopal Conference (IEC) and inter-diocesan contacts.
- Restoration and Renovation work in parishes, including a significant project in the parish of Castleblayney (Muckno).

FINANCIAL REVIEW

The results for the year are set out on page 14-16.

The net movement in funds for 2018 was a loss of €1.5m. Income and endowments was €12.5m, a decrease on the previous year (2017 income and endowments €12.7m). Expenditure was €13.4m, a reduction on the previous year (2017 expenditure €13.7m). There was an unrealised loss on investments of €0.6m, a departure from the gain made in the previous year (2017 unrealised gains €0.9m). Two factors relating to the loss for the year are non-cash items. The main factor was the unrealised loss on investments of €0.6m already mentioned and the other non-cash item was the increase in depreciation of €0.2m on Computers and Equipment, Fixtures and Fittings.

Funding sources are detailed in note 3 on page 22.

Donations and legacies include weekly offerings from the faithful and also the tax relief on the allowable donations granted to the Diocese by Revenue. In 2018 the amount recognised was €0.9m for such tax relief and this is an increase on 2017 claims (which amounted to €0.38m). Parishes previously not availing of tax relief, managed to successfully claim for the first time in 2018 and were also able to claim for the amounts allowable for previous years. All parishes have become more efficient at claiming this tax relief on a timely basis.

Donations and legacies also included renovation fundraising, and this year many parishes continued to fundraise successfully. Some parishes completed their fundraising drive late 2017 and early 2018 which resulted in a small decrease in the renovation fundraising income in 2018.

Income from charitable activities includes School Capital Grants for Northern Ireland Catholic Maintained Schools. Under the current process, these schools must make a claim for any capital grants to the Department of Education (NI) through their parish and, as such, each parish within Northern Ireland is required to keep a school bank account to record this type of funding and include this bank account in the annual financial statements. An application is submitted by the school or by the Education Authority. Consultation takes place between the Board of Governors and the Department. If the grant is approved the work is carried out. When the work is complete, the invoices come to the school. The school sends the invoices to the Department of Education (Estate Operations Team). The department approve the invoices and funds are sent to the Parish School Account with the stipulation that the school has 5 days to pay the invoices. School Capital Grant income is normally offset by Payments on School Capital/Projects recorded under Expenditure on Charitable Activities. In 2018 this income was marginally less than the expenditure as one parish paid for school expenses that did not qualify for the grant. The School Capital Grant income and expenditure was down on the previous year due to fewer grant applications being made in 2018.

TRUSTEES' REPORT - continued

FINANCIAL REVIEW - continued

Income from charitable activities also includes income from retreats, in particular at the National Shrine of Lough Derg, St Patrick's Purgatory, and to a lesser extent, the annual Clogher Diocesan Pilgrimage to Lourdes. St Patrick's Purgatory income was boosted during 2018 with additional income from Friends of Lough Derg Ltd., a charitable company set up to fundraise for St Patrick's Purgatory.

Parish draws are a key fundraising activity for a third of our Parishes. Some parish draws have a specific purpose and others more general. During 2018 a small number of Parishes ceased to run their draws due to fulfilling the objective set out at their launch.

Rental income has decreased in 2018 due to the regularisation of one specific rent in 2017.

Trócaire income also falls into this category of income from charitable activities. As a Diocese, we are committed to supporting Trócaire. During 2017 we took up the annual Lenten Trócaire collection and a second East Africa Emergency Appeal in July 2017. In 2018 we took up just one collection, the annual Lenten Trócaire collection. This money is transferred to Trócaire as early as possible, generally in the year of receipt.

Other income includes income not reported in the specific areas mentioned above and are income streams that we do not rely on to achieve our charitable objectives. During 2018, 3 vacant parish schools were sold, Cornagague Primary School (Ardrumsee, Parish of Clones), St Columbas Primary School (Parish of Dromore) and School Mhuire (Parish of Rockcorry) and a parish centre not fit for purpose (Parish of Arney). The properties sold were vested in the Diocesan Trust Company but the proceeds are retained by the individual parishes for the furtherance of their charitable objectives. There were also successful insurance claims, one mentioned below under the Internal Controls and Risk Management section, related to a theft, and other insurance claims arose due to damage caused to buildings.

Expenditure levels are closely monitored in relation to both recurring costs and one off projects. Every effort is made to keep costs at a minimum. Costs have reduced in 2018. The biggest reduction in expenditure was on charitable activities. However when we look at the detail of expenditure there are variations within the expense category. The most notable increases are:

- a) Administration and support costs: 2018 €2.87m and 2017 €2.43m. The increases are mainly in the areas of labour and professional advice. We had previously agreed audit expenses for 2015, 2016 and 2017 which were all paid for in 2018. Wages costs increased in 20 parishes; heating costs increased in 35 parishes; stationery costs increased in 23 parishes.
 - b) Depreciation charge increased as mentioned above.
 - c) Spend on other charitable activities also increased in 2018, 2018 €0.2m and 2017 €0.01m. The increase is made up of a number of collections taken up by parishes and paid over for other charitable purposes e.g. Propagation of the Faith/World Missions Ireland for whom two payments were made in 2018, one for the 2017 collection and the other for the 2018 collection.
 - d) Clerical payments (including sick & retired priests) saw an increase of €0.1m increase year on year, due to 6 parishes making monthly payments to priests rather than making annual or bi-annual payments.
- The most notable costs decreases are:
- e) Foreign exchange loss reduced significantly for the Diocese during 2018 as there was very little movement in Sterling to the Euro during 2018.
 - f) School capital payments in 2018 were €1.2m and in 2017 €1.6m. This reduction is related to the income mentioned above in School capital income.
 - g) In 2018 we took up one collection for Trócaire and made one payment to Trócaire, mentioned above in Trócaire income.
 - h) General repairs and maintenance seen a reduction in costs due to careful management, use of existing staff and Community Employment Schemes where possible.

INVESTMENTS

Investments are managed to provide an appropriate level of liquidity in suitable investments for short term needs. There are limited funds held for long term investment. Changes in investment are notified to the Finance Committee. This committee invests whatever amount that it has available on term deposits or with State Street Global Advisers.

Investments performed poorly during 2018, delivering an unrealised loss of €0.6m, compared to a gain of €0.89m in 2017. An investment committee has been set up and will examine investments in the future.

TRUSTEES' REPORT - continued

PLANS FOR FUTURE PERIODS

The work of the Roman Catholic Diocese and Parishes of Clogher, in furtherance of the objectives of the charity, will continue in 2019 and beyond. During 2019 the following work will be included among the projects undertaken:

Episcopal Ordination of new Bishop of Clogher

The episcopal ordination of Monsignor Lawrence Duffy took place on Sunday 10th February 2019. This was a great diocesan event which brought together clergy and lay faithful and also representatives of other churches and civic society. It was also a showpiece for the life of the diocese and its mission of proclaiming the Gospel of Jesus Christ anew. The event will require detailed planning, for which structures and processes have been put in place.

Investments Committee

For good governance the Diocesan Finance Committee agreed to establish an Investments Committee to assess and advise in relation to the investments held by the diocese. The first meeting of this committee was held on the 10th December 2019.

Cathedral Committee

Work on the assessment of the condition of St Macartan's Cathedral will continue and the Cathedral Committee will work closely with the Diocesan Finance Committee and the Chapter of Canons with regard to future works. The priests and people of the diocese will be kept informed. Some preliminary conservation work on the Cathedral was undertaken in late 2019.

Pastoral Areas

Provision of pastoral care to the people of the diocese will remain our chief priority. This will continue to be developed through the Pastoral Areas. Meetings of priests and laity at the Pastoral Area level will be held during lent 2020. In addition, diocesan bodies, such as the Council of Priests, Diocesan Liturgy Commission, *Clogher don Óige*, and the work of diocesan staff will ensure that the priests and lay volunteers at parish and pastoral area level are supported appropriately.

Lough Derg

A process of review of the role of pilgrimage in the life of the church and the world today, and Lough Derg's unique place in this, was undertaken in 2019. This will involve engagement with key stakeholders in developing a vision and mission for this special place in the life of the diocese and much further afield.

Communicating the Gospel Today

The Diocesan Director of Communications will undertake a survey of the capabilities and needs of parishes in the area of communications media. Some training and support to parish offices in producing weekly parish newsletters will be provided. This will be in furtherance of the objective of promoting religion and also supporting the other charitable objects with which the Trust is associated. Flow of information and resources to parishes will also continue and be reviewed as required.

Vocations

The Diocesan Vocations Support Group will be strengthened with the addition of new members as it continues its work for vocations to the priesthood, the diaconate and religious life, together with the promotion of various lay ministries. The Diocese celebrated the ordination of a priest in 2019 and also hopes that other young men will commence study and formation for the priesthood and diaconate.

Diocesan Liturgy Commission

The term of the current Diocesan Liturgy Commission came to an end in June 2019. Following that, a review of its activities and plans will take place, with a view to it playing a much greater part in supporting parishes and pastoral areas, including, *inter-alia*, the training and formation of lay leaders for weekday liturgies. A new Commission will be formed in February 2020.

TRUSTEES' REPORT - continued

PLANS FOR FUTURE PERIODS - continued

Immigrants and Refugees

The Diocese of Clogher is very conscious of the increasing numbers of immigrants and migrants who have come to our country, many of whom are now living in parts of our diocese, especially in towns. Pastoral support for and advocacy on behalf of immigrants and refugees will continue to be a priority of the priests and parishes. In furtherance of the commands of Jesus in the Gospel and following the example of his life, we will provide a voice for such people in our midst as they flee from war, famine, torture and deprivation and help them to integrate into local faith communities. In doing this, we will work with other Churches and with State agencies where possible.

FUNDS

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

Restricted Funds comprise

(i) Monies donated or bequeathed to the Diocese for specific purposes, and which may only be used strictly for these purposes. Examples of these *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).

(ii) Parish funds. 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.

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.

Details of reserves held at year end are disclosed in note 14.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The governance of the Diocese is established by arrangements set out in the Trust Deed (signed 23 November 2016). The Diocesan Trustees are currently the Bishop, the Diocesan Secretary and the two Vicars General of the Diocese.

The Trustees meet annually to receive the Annual Report and financial statements. The Trustees met during 2018:

<i>Trustee</i>	<i>26 February</i>	<i>15th June</i>	<i>27th July</i>	<i>10th October</i>
Fr Joseph McGuinness	✓	✓	✓	✓
Fr Shane McCaughey	✓	✓	✓	✓
Fr Peter O'Reilly	✓	✓	✓	✓
Bishop Larry Duffy	✓	✓	✓	✓

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

The Trustees are advised and guided in the financial management and stewardship of the Charity by the Diocesan Finance Committee, a non-executive Committee comprising of ten members, six lay people and four senior clergy. Unless otherwise stated, the Finance Committee members were in office up to the date of approval of the financial statements.

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. As required by Canon Law, he is assisted and advised by a Parish Finance Committee.

All Trustees are selected by the Bishop. The Bishop ensures that the trustees are given the training and resources to conduct their role appropriately. This is done in a number ways, briefings, circulars, seminars, deanery conferences and the annual general conference.

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 Diocesan and Parish Trustees are committed to becoming fully compliant with all charities regulations and to adopting and implementing required reporting standards.

The Trustees were made aware by the Auditors in late 2016 of the need to strengthen cash controls in all parishes. In the light of this advice a standardised cash control policy was formulated and agreed upon. During 2017 all parishes were issued with the policy and also attended a workshop on how to implement practically the cash handling policy. The main objective of introducing the cash handling policy was to demonstrate control and good governance over collections taken up in churches. The cash handling policy provides for the collection and storage of cash in churches using pre-numbered tamper-proof bags, and introduces a number of layers of segregation and rotation of duties throughout the cash counting, storage and lodgement process. It also introduced various physical safeguards, including CCTV in certain parishes.

Most parishes implemented the cash handling policy during 2017 with the remainder complying during 2018. However, it was noted as part of the audit findings during the 2018 external audit that while the new policies have been implemented in the vast majority of parishes, the documentation and evidence retained to support certain aspects of the cash control policy was not yet sufficient for audit purposes in a number of parishes and these would need to be adequately strengthened and documented for future audits. Workshops for parish teams were arranged for November and December 2019 to focus on the documentation and demonstration of the cash handling policy that will be fit for audit. It is expected that for the 2019 audit the documentation will have improved but as it is already late in 2019 when these workshops are taking place, it is likely that it will be 2020 before it is adequate for audit purposes.

It is important to note that whilst the documentation and evidence to support the cash control policy was not fully sufficient for audit purposes, cash control procedures were the main factor in identifying a theft in Monaghan Parish in 2017. The theft was reported to An Garda Síochána. The Charities Regulatory Authority were duly notified as were the insurers who compensated the parish.

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. Some 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.

TRUSTEES' REPORT - continued

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for the preparation of the financial statements of the Charity which are set out on pages 14 to 28 in accordance with generally accepted accounting practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

The Trustees are required to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Charity and fund movements for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in FRS 102;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

The Trustees are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Charity and to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland. It is 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.

Approved by:

** Larry Duffy*
Bishop Larry Duffy

Date: 16/1/20

Shane McCaughey
Fr. Shane McCaughey

Date: 16/1/20



Independent auditors' report to Trustees of the Roman Catholic Diocese and Parishes of Clogher

Report on the audit of the financial statements

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph below, Roman Catholic Diocese and Parishes of Clogher's financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its net expenditure and cash flows for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

We have audited the financial statements, included within the Annual Financial Report, which comprise:

- the Balance Sheet as at 31 December 2018;
 - the Statement of Financial Activities for the year then ended;
 - the Statement of Cash Flows for the year then ended; and
 - the notes to the financial statements, which include a description of the significant accounting policies.
-

Basis for qualified opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)"). Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Church collections and offerings, renovation fundraising, parish draws, missalettes/books/shrines, and rental income are significant sources of cash income for the Roman Catholic Diocese and Parishes of Clogher. The Roman Catholic Diocese and Parishes of Clogher has determined that in the year ended 31 December 2018 it was not possible to establish adequate controls over the collection of cash raised from these sources prior to entry into its financial records. Accordingly, as controls over completeness of such cash income were not adequate, we could not rely on these controls for the purpose of our audit. There were no other satisfactory audit procedures that we could adopt to confirm independently that all such cash income due to the charity was properly received.

Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Financial Report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, the Trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustees are also responsible for such internal control as they 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 charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the Trustees and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the charity, save where expressly agreed by our prior consent in writing.


PricewaterhouseCoopers
Chartered Accountants
Dublin
18 February 2020

STATEMENT OF FINANCIAL ACTIVITIES
Financial Year Ended 31 December 2018

	Notes	Unrestricted €	Restricted €	Total 2018 €	Total 2017 €
Income and endowments from:					
Donations and legacies	3	28,960	7,577,604	7,606,564	7,327,013
Charitable activities	3	-	4,179,561	4,179,561	5,269,160
Investments	3	-	35,868	35,868	84,837
Other income	3	-	638,665	638,665	56,655
Total		28,960	12,431,698	12,460,658	12,737,665
Expenditure on:					
Charitable activities	4	-	12,987,404	12,987,404	13,344,043
Raising funds	4	-	178,208	178,208	198,668
Other	4	50,000	7,430	57,430	45
Bank charges	4	347	53,482	53,829	59,839
Loan interest	4	-	96,354	96,354	99,279
Total		50,347	13,322,878	13,373,225	13,701,874
Net unrealised/realised (loss)/gain on investments		(243)	(635,977)	(636,220)	888,453
Net (expenditure)		(21,630)	(1,527,157)	(1,548,787)	(75,756)
Transfers between funds		-	-	-	-
Other gains/(losses)		-	-	-	-
Net movement in funds	14	(21,630)	(1,527,157)	(1,548,787)	(75,756)
Reconciliation of funds:					
Total funds brought forward		93,524	41,533,031	41,626,555	41,702,311
Total funds carried forward	14	71,894	40,005,874	40,077,768	41,626,555

BALANCE SHEET
As at 31 December 2018

		31 December 2018 Unrestricted Funds €	31 December 2018 Restricted Funds €	31 December 2018 Total Funds €	31 December 2017 Total Funds €
	Notes				
Fixed assets					
Tangible assets	6	-	11,037,958	11,037,958	11,316,929
Investments	7	6,350	15,226,064	15,232,414	16,005,506
		<u>6,350</u>	<u>26,264,022</u>	<u>26,270,372</u>	<u>27,322,435</u>
Current assets					
Debtors and prepayments	8	-	1,434,106	1,434,106	1,040,301
Cash at bank and in hand	12	65,544	16,000,436	16,065,980	15,950,081
Total current assets		<u>65,544</u>	<u>17,434,542</u>	<u>17,500,086</u>	<u>16,990,382</u>
Liabilities					
Creditors (amounts due within one year)	9	-	(877,461)	(877,461)	(850,682)
Net current assets		<u>65,544</u>	<u>16,557,081</u>	<u>16,622,625</u>	<u>16,139,700</u>
Total assets less current liabilities		<u>71,894</u>	<u>42,821,103</u>	<u>42,892,997</u>	<u>43,462,135</u>
Creditors (amounts due in more than one year)	10	-	(2,815,229)	(2,815,229)	(1,835,580)
Net assets		<u>71,894</u>	<u>40,005,874</u>	<u>40,077,768</u>	<u>41,626,555</u>
The funds of the charity					
General funds	14	<u>71,894</u>	<u>40,005,874</u>	<u>40,077,768</u>	<u>41,626,555</u>

Approved by:

* *Larry Duffy*
Bishop Larry Duffy

Shane McCaughey
Fr Shane McCaughey

STATEMENT OF CASH FLOWS
Financial Year Ended 31 December 2018

	Notes	2018 €	2017 €
Cash flows from operating activities:			
Net cash flows generated from operating activities	11	<u>(863,959)</u>	<u>(588,703)</u>
Cash flows from investing activities:			
Proceeds from the sale of property, plant and equipment		218,082	-
Purchase of property, plant and equipment		(389,632)	-
Purchase of investments/increase in investments		<u>136,872</u>	<u>(609,897)</u>
Net cash flows used in investing activities		<u>(34,678)</u>	<u>(609,897)</u>
Cash flows from financing activities:			
Cash inflow from new borrowings		1,522,393	-
Repayment of borrowings		<u>(507,857)</u>	<u>(553,147)</u>
Net cash flows used in financing activities		<u>1,014,536</u>	<u>(553,147)</u>
Net decrease in cash and cash equivalents		115,899	(1,751,746)
Cash and cash equivalents at beginning of the year	12	<u>15,950,081</u>	<u>17,701,827</u>
Cash and cash equivalents at end of the year	12	<u><u>16,065,980</u></u>	<u><u>15,950,081</u></u>

NOTES TO THE FINANCIAL STATEMENTS

1 General information and statement of compliance

(a) 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 The 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.

(b) Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the UK Financial Reporting Council. The entity financial statements comply with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). Some but not all of the provisions of the Statement of Recommended Practice have also been applied to these financial statements.

2 Summary of significant accounting policies

(a) Basis of preparation

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the trustees to exercise their judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in the notes to these financial statements.

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

The financial statements have been prepared in line with some but not all of the provisions of Charities SORP FRS 102.

(b) Going concern

The organisation meets its day to day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over the level of donations received. After making enquiries, the trustees have a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future. Therefore these entity financial statements have been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Summary of significant accounting policies - continued

(c) **Fund accounting**

The Diocese maintains various types of funds as follows:

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

Restricted Funds comprise

- (i) Monies donated or bequeathed to the Diocese for specific purposes, and which may only be used strictly for these purposes. Examples of these *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).
- (ii) Parish funds. 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.

(d) **Revenue recognition**

(i) *Donated income*

Donations are recognised when received or receivable. Where the donor has requested the donation is spent for a particular purpose the income is included in the Statement of Financial Activity when the required performance criteria is met. Where the donation is unrestricted the income is included in the Statement of Financial Activity when received or receivable.

(ii) *Bequest income*

For bequests, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where bequests have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the bequest is treated as a contingent asset and disclosed if material.

(iii) *Income from charitable activities*

Income is recognised when the Charity 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.

(iv) *Donated services and facilities*

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. Please refer to the Trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Summary of significant accounting policies - continued

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) Taxation

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

(j) Tangible fixed assets

(i) Free hold land

Where ownership has been established, 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) Free hold 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 2017 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. Where ownership has been established, this acquisition cost was then depreciated over the buildings useful life to arrive at its current net book value. This does not reflect the insurance value or the current market value of these assets.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Summary of significant accounting policies - continued

(j) Tangible fixed assets - continued

(iii) Computers and equipment, fixtures and fittings

The Charity adopted a fixed asset accounting policy for the first time in 2017. Computers and equipment, fixtures and fittings are carried at cost or valuation less accumulated depreciation and impairments. Fixtures and fittings costing in excess of €5,000 are capitalised and depreciated over a period of 5 to 10 years. Computer equipment costing in excess of €1,000 is capitalised and depreciated over a period of 5 years.

Where the original cost of the assets was not readily available the Charity has based its opening book value, on the current insurance valuation of assets, discounted back to an estimate of cost using the relevant consumer price index.

(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.

(v) Depreciation

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

	Years
Church	100 years
Freehold buildings	50 years
Office equipment, computer equipment and fixtures and fittings	10-5 years
Computer equipment	5 years

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

(k) Critical accounting estimates and assumptions

The Trustees make estimates and assumptions concerning the future in the process of preparing the Charity's financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Useful economic lives of tangible fixed assets

The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 6 for the carrying amount of the tangible fixed assets, and note 2 (j) for the useful economic lives for each class of tangible fixed assets.

(b) Impairment of debtors

The Trustees make an assessment at the end of each financial year of whether there is objective evidence that a debtor is impaired. When assessing impairment of debtors, the Trustees consider factors including the historical experience of cash collections from the debtor.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Summary of significant accounting policies - continued

(l) Financial instruments

The Charity has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

(i) Financial assets

Basic financial assets, including other debtors, cash and cash equivalents, short-term deposits and investments in corporate bonds, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Other debtors, cash and cash equivalents, investments in corporate bonds and financial assets from arrangements which constitute financing transactions are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

Such financial assets are subsequently measured at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are subsequently measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including other creditors, and bank loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other creditors, bank loans, and financial liability from arrangements that constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is treated as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Income	2018 Unrestricted €	2018 Restricted €	2018 Total funds €	2017 Total funds €
(i) Donations and legacies				
Church collections and offerings	-	6,735,550	6,735,550	6,330,489
Renovation fundraising	-	739,678	739,678	878,574
Bequests	28,960	47,922	76,882	77,258
Education and catechetics fundraising	-	54,454	54,454	40,692
Total donations and legacies	28,960	7,577,604	7,606,564	7,327,013
(ii) Income from charitable activities				
Schools capital grants/(NI)	-	1,192,950	1,192,950	2,062,194
Retreats (including St. Patrick's Purgatory, Lough Derg)	-	1,122,371	1,122,371	926,988
Parish draws	-	493,053	493,053	640,828
Missalettes/books/shrines	-	453,181	453,181	482,817
Rental income	-	272,294	272,294	431,847
Lourdes	-	237,513	237,513	232,543
Trocaire income	-	275,905	275,905	374,557
Clogher don Oige events	-	29,840	29,840	53,188
Other activities	-	102,454	102,454	64,198
Total charitable activities	-	4,179,561	4,179,561	5,269,160
(iii) Investment income				
Investment income	-	35,868	35,868	84,837
(iv) Other income				
Sale of fixed assets	-	213,436	213,436	2,100
Other income	-	425,229	425,229	54,555
	-	638,665	638,665	56,655

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Analysis of expenditure	2018 Unrestricted €	2018 Restricted €	2018 Total funds €	2017 Total funds €
(i) Expenditure on charitable activities				
General repairs and maintenance	-	2,149,405	2,149,405	2,267,120
Payment for Schools capital/projects (NI)	-	1,231,008	1,231,008	1,607,240
Administration and support costs	-	2,865,914	2,865,914	2,434,506
Renovation projects	-	2,379,751	2,379,751	2,406,710
Clerical payments (incl sick & retired)	-	1,878,862	1,878,862	1,771,768
Foreign exchange loss	-	44,501	44,501	558,968
Deprecation	-	663,956	663,956	430,648
Trocaire	-	293,657	293,657	428,493
Lourdes	-	249,373	249,373	235,534
Courses/retreats	-	224,398	224,398	227,331
Special appeals payments	-	157,015	157,015	235,583
Missalettes/booklets	-	140,029	140,029	160,755
Clogher don Óige events	-	30,372	30,372	58,820
Education/Catechetical/Vocation payments	-	186,199	186,199	267,218
Up-keep of Diocesan Houses	-	68,859	68,859	66,273
Shrine/statue maintenance	-	58,317	58,317	44,742
Episcopal conference	-	59,381	59,381	63,294
Accord, marriage tribunal, cura	-	33,457	33,457	25,874
Safeguarding	-	14,944	14,944	17,091
Pastoral/resources	-	60,346	60,346	22,361
Other charitable activities	-	197,660	197,660	13,714
	-	12,987,404	12,987,404	13,344,043

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Analysis of expenditure - continued	2018 Unrestricted €	2018 Restricted €	2018 Total funds €	2017 Total funds €
(ii) Fundraising costs				
Parish draw costs/prizes	-	178,208	178,208	198,668
(iii) Other expenses				
Other expenses	50,000	7,430	57,430	45
(iv) Bank charges				
Bank fees	347	53,482	53,829	59,839
(v) Loan interest				
Loan interest	-	96,354	96,354	99,279

5 Trustees, employees and related party transactions

(i) Payroll: wages and salaries	2018 €	2017 €
Gross wages and salaries	1,436,760	1,368,678
Employer's National Insurance Contributions	126,972	111,134

The average number of employees, (both full-time and part-time), by the charity during the year was 211 (2017: 213):

	2018 €	2017 €
Parish	103	105
Other	108	108
	211	213

Voluntary workers

In addition to employees, the Charity has a number of unpaid volunteers who help in the year.

Priests

In addition to employees, there were 72 priests (2017: 71) attached to the Diocese of which 60 (2017: 62) were in active ministry.

Key management personnel

The key management personnel of the Charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees.

Trustees do not receive any remuneration by virtue of their positions as trustees. Trustees who are Roman Catholic priests of the Diocese of Clogher are housed and remunerated in their parishes and are reimbursed expenses for carrying out their priestly duties in the same way as priests who are not trustees.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Trustees, employees and related party transactions - continued

Trustees received no travel expenses in their capacity as trustees during the year.

No employees were paid annual remuneration in excess of €70,000 during the period.

There were no loans advanced to Trustees during the year and no loans outstanding at 31 December 2018.

Voluntary workers

In addition to employees, the Charity has a number of unpaid volunteers who help in a number of capacities.

6 Tangible fixed assets

	Land and buildings	Computers and equipment, fixtures and fittings	Total
	€	€	€
Cost or valuation			
At 31 December 2017	28,998,002	3,222,000	32,220,002
Additions	386,801	2,830	389,631
Disposals	(46,463)	-	(46,463)
At 31 December 2018	<u>29,338,340</u>	<u>3,224,830</u>	<u>32,563,170</u>
Accumulated depreciation			
At 31 December 2017	18,812,766	2,090,307	20,903,073
Depreciation charge for the financial year	437,052	226,904	663,956
Depreciation on disposals	(41,817)	-	(41,817)
At 31 December 2018	<u>19,208,001</u>	<u>2,317,211</u>	<u>21,525,212</u>
Net book value amount			
Net book value at 31 December 2017	<u>10,185,236</u>	<u>1,131,693</u>	<u>11,316,929</u>
Net book value at 31 December 2018	<u>10,130,339</u>	<u>907,619</u>	<u>11,037,958</u>

7 Investments

2018
€

2017
€

The analysis of investments is as follows:

Curia	14,092,884	14,739,541
Parish	1,139,530	1,265,965
Investments	<u>15,232,414</u>	<u>16,005,506</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Debtors	2018	2017
	€	€
Prepayments	214,862	149,744
Other debtors	1,219,244	890,557
	<u>1,434,106</u>	<u>1,040,301</u>
		€
Bad debt provision		
At 31 December 2017		-
At 31 December 2018		-
Interest free loans		
At 31 December 2017		17,000
At 31 December 2018		<u>175,000</u>
The loans are granted to Boards of Management of local schools and are expected to be repaid by 2022.		
9 Creditors: amounts falling due within one year	2018	2017
	€	€
Current bank loans	(424,894)	(390,006)
Accruals	(94,383)	(94,978)
Trade creditors	(15,415)	(15,887)
Third party loans	(90,000)	(168,099)
Other creditors	(210,636)	(147,658)
Payroll taxes	(42,133)	(34,054)
	<u>(877,461)</u>	<u>(850,682)</u>
10 Creditors: amounts falling due after one year	2018	2017
	€	€
Long term bank loans	<u>(2,815,229)</u>	<u>(1,835,580)</u>
11 Reconciliation of (expenditure)/net income to net cashflow from operating activities	2018	2017
	€	€
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(1,548,785)	(75,757)
Adjustments for:		
Depreciation charges	663,956	430,648
Loss/(gain) on investments	636,220	(888,453)
Profit on the sale of fixed assets	(213,436)	-
(Increase)/decrease in debtors	(393,805)	(80,978)
(Decrease)/increase in creditors	(8,109)	25,836
FX		
Net cash (used in) operating activities	<u>(863,959)</u>	<u>(588,703)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

12 Analysis of cash and cash equivalent

	2018 €	2017 €
Cash in hand	9,624,480	10,835,867
Notice deposits	6,441,500	5,114,195
	<u>16,065,980</u>	<u>15,950,081</u>

13 Comparative figures

Certain 2017 figures have been amended to reflect classification changes for comparative purposes.

14 Reserves

	2018 €	2017 €
Total opening funds	41,626,555	29,954,736
Fixed asset depreciation adjustment	-	11,747,575
Net movement in funds	<u>(1,548,787)</u>	<u>(75,756)</u>
General funds carried forward	<u>40,077,768</u>	<u>41,626,555</u>
Split as follows:		
Unrestricted	71,894	93,524
Restricted	<u>40,005,874</u>	<u>41,533,031</u>
	<u>40,077,768</u>	<u>41,626,555</u>

	Unrestricted €	Restricted €	2018 €	2017 €
Reserves	<u>71,894</u>	<u>40,005,874</u>	<u>40,077,768</u>	<u>41,626,555</u>
Parish (incl. Lough Derg)	-	22,789,027	22,789,027	23,629,501
Curia	<u>71,894</u>	<u>17,216,847</u>	<u>17,288,741</u>	<u>17,997,054</u>
	<u>71,894</u>	<u>40,005,874</u>	<u>40,077,768</u>	<u>41,626,555</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Parish Priests in the Diocese of Clogher as at 31 December 2018

Parish of Monaghan – Rev Patrick McGinn Adm.
Parish of Arney – Rev Seamus Quinn P.P.
Parish of Aughnamullen East – Rev Shane McCaughey Adm.
Parish of Ballybay – Rev Owen J. McEneaney P.P.
Parish of Belleek-Garrison – Rev Tiernach Beggan P.P.
Parish of Brookeboro – Rev Brendan Gallagher P.P.
Parish of Bundoran – Rev Ramon Munster P.P.
Parish of Carrickmacross – Bishop Larry Duffy P.P.
Parish of Castleblaney – Rev Shane McCaughey P.P.
Parish of Clogher – Rev Noel McGahan P.P.
Parish of Clones – Rev Richard Mohan P.P.
Parish of Clontibret – Rev Paudge McDonnell P.P.
Parish of Corcaghan – Rev Adrian Walshe P.P.
Parish of Derrygonnelly – Rev Cathal Deery P.P.
Parish of Donagh – Rev Hubert Martin P.P.
Parish of Donaghmoyne – Rev Michael Daly P.P.
Parish of Dromore – Rev Patrick MacEntee P.P.
Parish of Ederney – Rev Frank McManus P.P.
Parish of Enniskillen – Rev Peter O'Reilly P.P.
Parish of Errigal Truagh – Rev John Flanagan P.P.
Parish of Eskra – Rev Noel McGahan P.P.
Parish of Fintona – Rev James Moore P.P.
Parish of Inniskeen – Rev Martin Treanor P.P.
Parish of Irvinestown – Rev Kevin Duffy P.P.
Parish of Killanny – Rev Martin Treanor P.P.
Parish of Killeevan – Rev Peter Corrigan P.P.
Parish of Latton – Rev Owen J. McEneaney Adm.
Parish of Lisnaskea – Rev Jimmy McPhillips P.P.
Parish of Magheracloone – Bishop Larry Duffy Adm.
Parish of Newtownbutler – Rev Jimmy McPhillips Adm.
Parish of Pettigo – Rev Laurence Flynn Adm.
Parish of Rockcorry – Rev Owen J. McEneaney Adm.
Parish of Roslea – Rev John Chester P.P.
Parish of Tempo – Rev John Halton P.P.
Parish of Trillick – Rev Padraig McKenna P.P.
Parish of Tydavnet – Rev Brian Early P.P.
Parish of Tyholland – Rev Joseph McGuinness Adm.

16 Approval of financial statements

The financial statements were approved and authorised for issue by the board of trustees on 16th Jan 20 and were signed on its behalf on that date.