



Diocese of Cork & Ross

Financial Report for the year ended 31st December 2007

& 18-month Period Ended 31st December 2006

(Summary)

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Cork & Ross Diocesan Accounts

The Diocese of Cork & Ross administers funds as part of its pastoral mission. The Funds which are provided by the faithful of the Diocese and elsewhere are in the trust of the Bishop of Cork and Ross. Annual Accounts are prepared by Declan O'Connell, Financial Administrator. These accounts are independently audited by PricewaterhouseCoopers.

The following accounts cover the 18 month period ended 31st December 2006 & the 12 month period ended 31st December 2007. Hereafter the accounts will be prepared for the 12 months ending 31st December in each year.

The accounts are an extract from the financial statements as audited by PricewaterhouseCoopers. The accounts include a Statement of Financial Activities, classified between restricted and unrestricted funds, Balance Sheet and summary of individual Fund Movements as explained below.

In the periods ended 31st December 2006 and 31st December 2007, the accounts have been prepared on the accruals basis. This represents a change in basis from previous years, where the accounts were prepared on a Cash Receipts Basis. In addition, in the periods ending 31st December 2006 and 31st December 2007, diocesan properties were accounted for and included under tangible assets in the Balance Sheet. Previously the accounts as prepared were fund accounts which included Bank Balances, Funds and investments owned by the Diocese. The change in the basis of accounting for both the accruals concept and accounting for properties was to bring the Financial Statements in line with the requirements of the Charities Bill 2007.

As in previous years, the Diocese has six groups of funds which are accounted for separately and reflect particular purposes for which they were established. The funds which are explained below have been classified between restricted and unrestricted.

Cork & Ross Diocesan Accounts

Fund Headings

Specific Funds (restricted):

This is a group of separate accounts which serve specific charitable purposes, according to the intention of the donor or initiated by the Bishop for a specific reason. Each account is used for the purpose for which it is intended. Annual and once off special collections are part of this fund.

Mission Funds (restricted):

The Diocese of Cork & Ross took pastoral responsibility for missions in Trujillo, Peru in the 1960's and for parishes in Manta, Ecuador in 1993. Funds were set up by the Diocese to fund these missions. Income is received from mission boxes in the churches, donations, bequests and fundraising by individuals and groups, as well as bank interest. Ongoing financial support is provided to the parishes of Manta and Trujillo and the Mercy & Bon Secours Sisters in Peru.

Priests Funds (restricted):

The clergy of the Diocese contribute annually to a Benevolent Fund which provides a stipend for priests who are retired, ill or unable to derive a stipend otherwise. An annual parish levy, (presently 8% of ordinary income from collections) also contributes to the fund. The fund also pays nursing home costs for priests.

Cork & Ross Diocesan Accounts

Priesthood Education Fund (restricted):

The annual collection for the education of seminarians is part of these funds. Donations and bequests for the education of priests are held in this fund. It also finances the cost of Postgraduate study for priests of the Diocese.

Central Fund (unrestricted):

The central fund of the Diocese supports the Centralised Activities of the diocese, including providing personnel and running costs for the Cork & Ross Diocesan Office, Redemption Road (Bishops Office, Education Offices, Archives); The Cork & Ross Family Centre, 34 Paul Street; The Cork Regional Marriage Tribunal, The Lough; and the Office for Parish Pastoral Development. These funds are principally financed by contributions from the parishes, contributions from other Munster Dioceses for the services of the Marriage Tribunal, from income on investments and donations, and bequests by the faithful.

General Fund (unrestricted):

These are charitable funds which have been contributed for charitable and pastoral needs for disbursement at the discretion of the Bishop.

Cork & Ross Diocesan Accounts

Comparative overview of the income and expenditure of diocesan funds from July 1st 2005 to 31st December 2006 and 1st January 2007 to 31st December 2007

Statement of Financial Activities				
Period ended 31 December 2007				
	Restricted Funds €000's	Unrestricted Funds €000's	Year Ended 31/12/2007 €000's	18 Months 31/12/2006 €000's
Incoming Resources				
Church Collections, Donations & Bequests	1,190	270	1,460	1,377
Contributions from Parishes & other Diocese	350	534	884	1,779
Contributions from Priests	108	0	108	133
Investment Income	246	312	558	815
Other Income	0	26	26	45
	1,894	1,142	3,036	4,149
Resources Expended				
Central Services	262	866	1,128	1,445
Assistance to Diocesan Activities and Beneficiaries of Funds	950	746	1,696	1,505
Payments to Sick & Retired Priests	537	0	537	691
Assistance to Parishes	0	0	0	87
	1,749	1,612	3,361	3,728
Surplus /(deficit) for year/ period on ordinary activities	146	-471	-325	421
Realised & Unrealised (loss) / gain on Investments	-621	-312	-933	1,217
	-475	-783	-1,258	1,638

Cork & Ross Diocesan Accounts

Fund Movements	Specific Funds €000's	Mission Funds €000's	Priests Funds €000's	Priesthood Educ. €000's	Central Fund €000's	General Funds €000's	2007 Total €000's	2006 Total €000's
Opening Balance	1,516	513	4,388	854	1,574	17,252	26,097	24,459
Church Collections	911	33	0	123	71	0	1,138	1,080
Donations & Bequests	0	107	13	4	65	134	323	297
Contributions from other Dioceses	0	0	0	0	55	0	55	350
Contributions from Parishes	0	0	350	0	479	0	829	1,429
Contribution from Priests	0	0	108	0	0	0	108	133
Investment Income	51	13	85	66	117	188	520	762
Hierarchy Grants	0	0	0	0	0	25	25	22
Bank Interest (Net)	7	10	10	4	5	2	38	53
Sundry Income	0	0	0	0	0	0	0	23
Total Incoming Resources	969	163	566	197	792	349	3,036	4,149
Assistance to Parishes	0	0	0	0	0	0	0	-87
Assistance to other Diocesan Activities and beneficiaries of Funds	-877	-73	0	0	-189	-130	-1,269	-1,091
Pastoral Services	0	0	0	0	-324	-103	-427	-414
Payments to sick & retired priests	0	0	-537	0	0	0	-537	-691
Central Services	-1	0	-160	-101	-575	-291	-1,128	-1,445
Total Resources Expended	-878	-73	-697	-101	-1,088	-524	-3,361	-3,728
Surplus / Deficit	91	90	-131	96	-296	-175	-325	421
Profit /(Loss) on Investments	-169	-2	-422	-28	-312	0	-933	1,217
Inter fund transfers / reclassifications	0	0	171	-171	6	-6	0	0
Total Deficit / Surplus for the period	-78	88	-382	-103	-602	-181	-1,258	1,638
Closing balance at 31st December 2007	1,438	601	4,006	751	972	17,071	24,839	26,097

Cork & Ross Diocesan Accounts

Balance Sheet at 31st December 2007

		31-Dec-07	31-Dec-06
		€000's	€000's
Fixed Assets			
Tangible Assets- Properties	Note 1	14,642	14,890
Development Expenditure		303	0
Investments		7,783	8,296
Total Fixed Assets		<u>22,728</u>	<u>23,186</u>
Current Assets			
Bank Balances		1,755	2,397
Receivables & Prepayments		902	844
Payables		-546	-332
Net Current Assets		<u>2,111</u>	<u>2,909</u>
Total Assets		<u><u>24,839</u></u>	<u><u>26,095</u></u>
Represented by:			
Fund Balances			
Restricted Funds:		6,796	7,671
Unrestricted Funds:		18,043	18,426
		<u>24,839</u>	<u>26,097</u>

Cork & Ross Diocesan Accounts

Note 1- Tangible Assets

In the period ending 31st December 2006 and 31st December 2007, properties owned by the Diocese have been accounted for. The properties have been included at cost or valuation. Buildings have been depreciated by reference to estimated useful lives of 40 years. The land element of properties is not depreciated.

Observations & Notes

The account of the funds held by the diocese as presented in the previous page is extracted from the Financial Statements audited by Pricewaterhousecoopers. These extracts give an overview of the finances of the diocese up to 31st December 2007. There are number of points that should be noted:

- Change in the basis of accounting- The Diocesan Accounts are now prepared on the accruals basis, previously they were prepared on the Cash Receipts Basis.
- Diocese now accounts for all properties owned by the Diocese.
- Funds are now classified as either Restricted or Unrestricted in preparation for the charities bill.
- In the year ended 31st December 2007 an overall loss of €1.25 million was made. This includes an unrealised loss on investments of €933,000. The operating loss arising, €325,000 is net of surpluses and deficits arising on the individual funds. In particular, however, it should be noted that contained in this

Cork & Ross Diocesan Accounts

loss, there is a continuing operating loss arising in the Central Fund €296,000 (2006,- €214,000). As explained earlier the Central Fund supports the centralised activities of the Diocese, including providing personnel, resources and running costs of the Diocesan Office.

- In the 18 month period ended 31st December 2006, an overall surplus on activities of €1.6 million was made, and this includes unrealised gains on investments of €1.2 million. The operating surplus that arose of €421,000 is net of surpluses and deficits arising on individual funds, including a loss on the Central Fund of €214,000.
- The total assets of the Diocese at 31st December 2007, amounted to €24.8 million (2006 - €26.1 million). Properties valued at €14.6 million (2006 - €14.9 million) are included in this figure. The remaining assets consist of Investments, Bank Balances & Receivables.

Declan O'Connell, FCA
Financial Administrator