



Diocese of Cork & Ross

Summary of the Financial Report

for the year ended 31st December 2017

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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 FCA, Financial Administrator. These accounts are independently audited by PricewaterhouseCoopers.

Extracts from Audited Financial Statements

The following statement of financial activities and balance sheet has been extracted from the financial statements for the year ended 31st December 2017 which have been audited by PricewaterhouseCoopers.

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Comparative overview of the income and expenditure of diocesan funds for 2017 (Extracted from the audited financial statements)

Statement of Financial Activities				
Year ended 31 December 2017				
	Restricted Funds €000's	Unrestricted Funds €000's	Year Ended 31/12/2017 €000's	Year Ended 31/12/2016 €000's
Incoming Resources				
Church Collections, Donations & Bequests	904	225	1,129	674
Contributions from Parishes & other Dioceses	350	878	1,228	1,316
Contributions from Priests	386	0	386	1,033
Investment Income	57	47	104	167
Other Income	115	407	522	731
	1,812	1,557	3,369	3,921
Resources Expended				
Central Services	191	997	1,188	1,237
Pastoral Services	99	365	464	270
Assistance to Diocesan Activities and Beneficiaries of Funds	696	290	986	858
Payments to Sick & Retired Priests	863	0	863	932
Reduction in legal provision	0	0	0	(108)
	1,849	1,652	3,501	3,189
Surplus /(deficit) for year on ordinary activities	(37)	(95)	(132)	732
Realised and unrealised gain on Investments	534	238	772	3
Surplus/(deficit) for year	497	143	640	735

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Balance Sheet at 31st December 2017

(Extracted from the audited financial statements)

	31-Dec-17	31-Dec-16
	€000's	€000's
Fixed Assets		
Tangible Assets- Properties	8,734	7,954
Development Expenditure	2,340	3,215
Investments	9,536	8,715
Total Fixed Assets	20,610	19,884
 Current Assets		
Bank Balances	2,225	1,530
Receivables & Prepayments	1,005	945
Payables & Provisions	(767)	(712)
Loan	(1,310)	(1,439)
Net Current Assets	1,153	324
Total Assets	21,763	20,208
 Represented by:		
Fund Balances		
Restricted Funds:	9,349	8,397
Unrestricted Funds:	12,414	11,811
	21,763	20,208

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Other Financial Information

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.

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. In 2017, the Diocesan Finance Committee reviewed the funds accounted for in both the Curia accounts and the amalgamated parish accounts, as part of a review of the registration with the Charities Regulatory Authority. It was decided to account for the Lourdes Pilgrimage Fund as part of the Specific Fund in the Diocesan accounts rather than in the amalgamated parish accounts.

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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. In 2016 the Cork & Ross Priests' Fraternity Fund was included as part of the Priests' Funds for the first time. This is an income equalisation fund operated by the priests of the Diocese.

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.

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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, Communications Office, Child Protection and Archives); The Cork & Ross Family Centre, 34 Paul Street; and the Cork Regional Marriage Tribunal, The Lough. 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. In 2017, the Diocesan Finance Committee reviewed the funds accounted for in both the Curia accounts and the amalgamated parish accounts, as part of a review of the registration with the Charities Regulatory Authority. It was decided to account for the Diocesan Chaplaincies and Pastoral Development Office in the Central Fund in the Diocesan accounts rather than in the amalgamated parish accounts.

General Fund (unrestricted):

The general fund includes rental income from a diocesan property, and the associated costs of that property. It also includes charitable funds which have been contributed for charitable and pastoral needs for disbursement at the discretion of the Bishop.

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Fund Movements	Specific Funds €000's	Mission Funds €000's	Priests Funds €000's	Priesthood Educ. Fund €000's	Central Fund €000's	General Funds €000's	2017 Total €000's	2016 Total €000's
Opening Balance 01/01/2017	1,955	662	4,987	793	996	10,815	20,208	19,473
Church Collections	673	0	0	66	132	0	871	496
Donations & Bequests	0	55	92	18	87	6	258	178
Contributions from other Dioceses	0	0	0	0	181	0	181	173
Contributions from Parishes	0	0	350	0	463	0	813	917
Diocesan second collection	0	0	0	0	234	0	234	227
Contribution from Priests	0	0	386	0	0	0	386	1,034
Investment Income	24	1	25	7	4	43	104	166
Sale of property levy	0	0	0	0	8	0	8	326
Other Income	114	0	1	0	169	230	514	405
Total Incoming Resources	811	56	854	91	1,278	279	3,369	3,922
Assistance to other Diocesan Activities and beneficiaries of Funds	668	28	0	0	285	5	986	858
Pastoral Services	99	0	0	0	365	0	464	270
Payments to sick & retired priests	0	0	863	0	0	0	863	932
Reduction in legal provision	0	0	0	0	0	0	0	(108)
Central Services	16	0	36	139	747	250	1,188	1,237
Total Resources Expended	783	28	899	139	1,397	255	3501	3,189
Surplus / Deficit	28	28	(45)	(48)	(119)	24	(132)	732
Gain/(Loss) on Investments	117	35	227	155	85	153	772	3
Total Deficit / Surplus for the period	145	63	182	107	(34)	177	640	735
Transfer of funds	455	0	0	0	460	0	915	0
Closing balance at 31st December 2017	2,555	725	5,169	900	1,422	10,992	21,763	20,208

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Observations & Notes

The summary financial information presented in the previous pages provides an overview of the finances of the Diocese for the year ended 31 December 2017. There are number of points that should be noted:

- The Diocesan Accounts are prepared on the accruals basis.
- The Diocese accounts for all properties owned by the Diocese. Buildings have been depreciated by reference to estimated useful lives of 40 years. The land element of properties is not depreciated. Provision for diminution in value is created where there are indicators of a reduction in the carrying value of the asset.
- Funds are classified as either restricted or unrestricted in accordance with the guidelines for accounting by charities.
- In the accounting period 2017, the Diocesan Finance Committee reviewed the funds accounted for in both the Curia accounts and the amalgamated parish accounts, as part of a review of the registration with the Charities Regulatory Authority. It was decided to account for the Lourdes Pilgrimage Fund, Diocesan Chaplaincies and Pastoral Development Office in the Curia accounts rather than in the amalgamated parish accounts. This led to a transfer of these funds into the Diocesan financial statements in 2017.

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- In the 2016 accounts, income, expenditure, and fund balances relating to the Cork & Ross Priests' Fraternity Fund were included in the Diocesan financial statements for the first time. This led to increases in contributions from priests and payments to sick and retired priests in the 2016 accounts compared to previous and subsequent years.
- The surplus for the year ended 31st December 2017 amounted to €640K (2016:€735K). The 2017 surplus included a gain of €772K (2016: €3K) on investments. Hence there was an operating deficit of €132K in 2017, versus an operating surplus of €732K in 2016.
- The total assets of the Diocese at 31st December 2017 amounted to €23.8 million (2016: €22.4 million). Properties valued at €11.1 million (2016: €11.1 million) are included in this figure. The remaining assets consist of Investments, Bank Balances & Receivables.
- The total liabilities of the Diocese at 31st December 2017 amounted to €2.1 million (2016: €2.15 million). These consist of bank overdrafts, loans and amounts due to third parties.
- The net assets of the Diocese at 31st December 2017 are comprised of restricted and unrestricted funds amounting to €9.3 million (2016:€8.4 million) and €12.4 million (2016: €11.8 million) respectively.