

# Diocese of Cork & Ross

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**Summary of the Financial Report**

**for the year ended 31<sup>st</sup> December 2018**

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## Cork & Ross Diocesan Accounts

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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 31<sup>st</sup> December 2018 which have been audited by PricewaterhouseCoopers.

## Cork & Ross Diocesan Accounts

Comparative overview of the income and expenditure of diocesan funds for 2018 (Extracted from the audited financial statements)

<b>Statement of Financial Activities</b>				
<b>Year ended 31 December 2018</b>				
	<b>Restricted</b>	<b>Unrestricted</b>	<b>Year Ended</b>	<b>Year Ended</b>
	<b>Funds</b>	<b>Funds</b>	<b>31/12/2018</b>	<b>31/12/2017</b>
	<b>€000's</b>	<b>€000's</b>	<b>€000's</b>	<b>€000's</b>
<b>Incoming Resources</b>				
Church Collections, Donations & Bequests	1,124	272	1,396	1,129
Contributions from Parishes & other Dioceses	380	857	1,237	1,228
Contributions from Priests	88	0	88	386
Investment Income	73	41	114	104
Other Income	114	639	753	522
	1,779	1,809	3,588	3,369
<b>Resources Expended</b>				
Central Services	120	970	1,090	1,188
Pastoral Services	97	321	418	464
Assistance to Diocesan Activities and Beneficiaries of Funds	610	239	849	986
Payments to Sick & Retired Priests	712	0	712	863
Increase in legal provision	0	333	333	0
	1,539	1,863	3,402	3,501
<b>Surplus /(deficit) for year on ordinary activities</b>	240	(54)	186	(132)
Realised and unrealised gain on Investments	(172)	(167)	(339)	772
<b>Surplus/(deficit) for year</b>	68	(221)	(153)	640

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### Balance Sheet at 31st December 2018

(Extracted from the audited financial statements)

	<b>31-Dec-18</b>	<b>31-Dec-17</b>
	<b>€000's</b>	<b>€000's</b>
<b>Fixed Assets</b>		
Tangible Assets- Properties	8,180	8,734
Development Expenditure	2,340	2,340
Investments	9,211	9,536
<b>Total Fixed Assets</b>	<u>19,731</u>	<u>20,610</u>
<b>Current Assets</b>		
Bank Balances	2,447	2,225
Receivables & Prepayments	975	1,005
Payables & Provisions	(985)	(767)
Loan	(558)	(1,310)
<b>Net Current Assets</b>	<u>1,879</u>	<u>1,153</u>
<b>Total Assets</b>	<u><u>21,610</u></u>	<u><u>21,763</u></u>
<b>Represented by:</b>		
<b>Fund Balances</b>		
Restricted Funds:	9,417	9,349
Unrestricted Funds:	12,193	12,414
	<u>21,610</u>	<u>21,763</u>

### **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.

#### **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.

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### **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. This fund includes the Cork & Ross Priests' Fraternity Fund which 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.

### **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.

### **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	2018 Total €000's	2017 Total €000's
<b>Opening Balance 01/01/2018</b>	2,556	725	5,168	900	1,422	10,992	21,763	20,208
Church Collections	595	0	0	61	133	0	789	871
Donations & Bequests	0	25	443	0	139	0	607	258
Contributions from other Dioceses	0	0	0	0	157	0	157	181
Contributions from Parishes	0	0	380	0	470	0	850	813
Diocesan second collection	0	0	0	0	230	0	230	234
Contribution from Priests	0	0	88	0	0	0	88	386
Investment Income	22	3	36	12	5	36	114	104
Sale of property levy/gain on sale of fixed assets	0	0	0	0	0	228	228	8
Other Income	113	0	1	0	201	210	525	514
<b>Total Incoming Resources</b>	<b>730</b>	<b>28</b>	<b>948</b>	<b>73</b>	<b>1,335</b>	<b>474</b>	<b>3,588</b>	<b>3,369</b>
Assistance to other Diocesan Activities and beneficiaries of Funds	576	34	0	0	233	6	849	986
Pastoral Services	97	0	0	0	321	0	418	464
Payments to sick & retired priests	0	0	712	0	0	0	712	863
Increase in legal provision	0	0	0	0	333	0	333	0
Central Services	14	0	33	73	690	280	1,090	1,188
<b>Total Resources Expended</b>	<b>687</b>	<b>34</b>	<b>745</b>	<b>73</b>	<b>1,577</b>	<b>286</b>	<b>3,402</b>	<b>3,501</b>
<b>Surplus / Deficit</b>	<b>43</b>	<b>(6)</b>	<b>203</b>	<b>0</b>	<b>(242)</b>	<b>188</b>	<b>186</b>	<b>(132)</b>
Gain/(Loss) on Investments	(85)	(4)	(66)	(17)	(10)	(157)	(339)	772
<b>Total Deficit / Surplus for the period</b>	<b>(42)</b>	<b>(10)</b>	<b>137</b>	<b>(17)</b>	<b>(252)</b>	<b>31</b>	<b>(153)</b>	<b>640</b>
Transfer of funds	0	0	0	0	0	0	0	915
<b>Closing balance at 31st December 2018</b>	<b>2,514</b>	<b>715</b>	<b>5,305</b>	<b>883</b>	<b>1,170</b>	<b>11,023</b>	<b>21,610</b>	<b>21,763</b>

## Cork & Ross Diocesan Accounts

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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 2018. 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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- The deficit for the year ended 31<sup>st</sup> December 2018 amounted to €153K (2017: surplus €640K). The 2018 deficit included a loss of €339K (2017: gain €772K) on investments. Hence there was an operating surplus of €186K in 2018, versus an operating deficit of €132K in 2017.
- The total assets of the Diocese at 31<sup>st</sup> December 2018 amounted to €23.2 million (2017: €23.8 million). Properties valued at €10.5 million (2017: €11.1 million) are included in this figure. The remaining assets consist of Investments, Bank Balances & Receivables.
- The total liabilities of the Diocese at 31<sup>st</sup> December 2018 amounted to €1.5 million (2017: €2.1 million). These consist of bank overdrafts, loans and amounts due to third parties.
- The net assets of the Diocese at 31<sup>st</sup> December 2018 are comprised of restricted and unrestricted funds amounting to €9.4 million (2017: €9.3 million) and €12.2 million (2017: €12.4 million) respectively.