



# Diocese of Cork & Ross

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**Financial Report for the year ended 31<sup>st</sup> December 2008**

*(Summary)*

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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 have been extracted from the financial statements for the year ended 31<sup>st</sup> December 2008 which have been audited by PricewaterhouseCoopers.

## Cork & Ross Diocesan Accounts

Comparative overview of the income and expenditure of diocesan funds from 1<sup>st</sup> January 2007 to 31<sup>st</sup> December 2007 and 1<sup>st</sup> January 2008 to 31<sup>st</sup> December 2008. (Extracted from the audited financial statements)

<b>Statement of Financial Activities</b>				
<b>Year ended 31 December 2008</b>				
	<b>Restricted Funds €000's</b>	<b>Unrestricted Funds €000's</b>	<b>Year Ended 31/12/2008 €000's</b>	<b>12 Months 31/12/2007 €000's</b>
<b>Incoming Resources</b>				
Church Collections, Donations & Bequests	1,575	723	2,298	1,460
Contributions from Parishes & other Diocese	480	933	1,413	884
Contributions from Priests	111	0	111	108
Investment Income	159	103	262	558
Other Income	26	159	185	26
	2,351	1,918	4,269	3,036
<b>Resources Expended</b>				
Central Services	212	1,085	1,297	1,128
Assistance to Diocesan Activities and Beneficiaries of Funds	838	568	1,406	1,696
Payments to Sick & Retired Priests	649	0	649	537
Unrealised loss on tangible assets	0	3,000	3,000	
Assistance to Parishes	0	0	0	0
	1,699	4,653	6,352	3,361
<b>Surplus /(deficit) for year/ period on ordinary activities</b>				
	652	-2,735	-2,083	-325
Realised & Unrealised (loss) / gain on Investments	-1,457	-1,176	-2,633	-933
	-805	-3,911	-4,716	-1,258

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### Balance Sheet at 31st December 2008

(Extracted from the audited financial statements)

		31-Dec-08	31-Dec-07
		€000's	€000's
<b>Fixed Assets</b>			
Tangible Assets- Properties	Note 1	12,174	14,642
Development Expenditure		879	303
Investments		6,090	7,783
<b>Total Fixed Assets</b>		19,143	22,728
 <b>Current Assets</b>			
Bank Balances		220	1,755
Receivables & Prepayments		1,020	902
Property held for resale		380	0
Payables		-640	-546
<b>Net Current Assets</b>		980	2,111
<b>Total Assets</b>		20,123	24,839
 <b>Represented by:</b>			
<b>Fund Balances</b>			
Restricted Funds:		5,991	6,796
Unrestricted Funds:		14,132	18,043
		20,123	24,839

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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.

#### **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.

### **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, 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.

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	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	2008 Total €000's	2007 Total €000's
<b>Opening Balance 01/01/2008</b>	1,438	601	4,006	751	972	17,071	24,839	26,097
Church Collections	547	0	0	128	93	0	768	1,138
Donations & Bequests	10	462	422	6	517	113	1,530	323
Contributions from other Dioceses	0	0	0	0	290	0	290	55
Contributions from Parishes	0	0	480	0	643	0	1,123	829
Contribution from Priests	0	0	111	0	0	0	111	108
Investment								
Income	105	10	44	0	83	20	262	520
Hierarchy Grants	0	0	0	0	25	0	25	25
Bank Interest (Net)	5	2	9	13	7	2	38	38
Sundry Income	0	-3	0	0	31	92	120	0
<b>Total Incoming Resources</b>	<b>667</b>	<b>471</b>	<b>1,066</b>	<b>147</b>	<b>1,689</b>	<b>227</b>	<b>4,267</b>	<b>3,036</b>
Assistance to Parishes	0	0	0	0	0	0	0	0
Assistance to other Diocesan Activities and beneficiaries of Funds	-597	-132	0	0	-264	0	-993	-1,269
Pastoral Services	-5	0	0	-20	-242	-145	-412	-427
Payments to sick & retired priests	0	0	-649	0	0	0	-649	-537
Central Services	-4	0	-56	-153	-804	-3,280	-4,297	-1,128
<b>Total Resources Expended</b>	<b>-606</b>	<b>-132</b>	<b>-705</b>	<b>-173</b>	<b>-1,310</b>	<b>-3,425</b>	<b>-6,351</b>	<b>-3,361</b>
<b>Surplus / Deficit</b>	<b>61</b>	<b>339</b>	<b>361</b>	<b>-26</b>	<b>379</b>	<b>-3,198</b>	<b>-2,084</b>	<b>-325</b>
Profit /(Loss) on Investments	-483	-34	-939	0	-517	-659	-2,632	-933
Inter fund transfers / reclassifications	-9	0	-169	94	293	-209	0	0
<b>Total Deficit / Surplus for the period</b>	<b>-431</b>	<b>305</b>	<b>-747</b>	<b>68</b>	<b>155</b>	<b>-4,066</b>	<b>-4,716</b>	<b>-1,258</b>
<b>Closing balance at 31st December 2008</b>	<b>1,007</b>	<b>906</b>	<b>3,259</b>	<b>819</b>	<b>1,127</b>	<b>13,005</b>	<b>20,123</b>	<b>24,839</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<sup>st</sup> December 2008. 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. These 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. Provision for diminution in value is created where there are indicators of a reduction in the carrying value of the asset. In the period ended 31<sup>st</sup> December 2008, total provisions for impairment in value of properties amounted to €3 million.
- Funds are classified as either Restricted or Unrestricted in accordance with the guidelines for accounting by charities.



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- The loss for the year ended 31<sup>st</sup> December 2008 amounted to €4.7 million. This loss includes an unrealised loss on investments of €2.6 million thereby bringing the operating loss to €2.1 million. Included in this loss is a charge for a write down of €3 million in value of properties held by the Diocese. Thus adjusting for these items, an operating surplus of €0.9 million arose in the period. While included in this surplus are a number of surpluses and deficits arising on individual funds a contributory factor to the overall surplus was the level of donations and bequests received by the Diocese in the year amounting to €800,000.
- The total assets of the Diocese at 31<sup>st</sup> December 2008, amounted to €20.1 million (2007- €24.8 million). Properties valued at €12.1 million (2007 - €14.6 million) are included in this figure. The remaining assets consist of Investments, Bank Balances & Receivables
- The decrease in the value of Tangible Assets is attributable to the decrease in values of the properties of the Diocese as a result of the current economic climate

Declan O'Connell, FCA  
Financial Administrator