

Diocese of Cork & Ross

Summary of the Financial Report

for the year ended 31st December 2020

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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 2020 which have been audited by PricewaterhouseCoopers.

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Comparative overview of the income and expenditure of diocesan funds for 2020 (Extracted from the audited financial statements)

Statement of Financial Activities				
Year ended 31 December 2020				
	Restricted	Unrestricted	Year Ended	Year Ended
	Funds	Funds	31/12/2020	31/12/2019
	€000's	€000's	€000's	€000's
Incoming Resources				
Church Collections, Donations & Bequests	169	199	368	2,339
Contributions from Parishes & other Dioceses	180	443	623	953
Contributions from Priests	389	0	389	326
Investment Income	93	48	141	166
Profit on disposal of fixed assets				2,156
Other Income	116	260	376	560
	947	950	1,897	6,500
Resources Expended				
Central Services	113	908	1,021	1,206
Pastoral Services	81	228	309	476
Assistance to Diocesan Activities and Beneficiaries of Funds	146	233	379	1,620
Payments to Sick & Retired Priests	598	0	598	796
Provision for impairment of tangible assets	0	0	0	3,324
	938	1,369	2,307	7,422
Surplus /(deficit) for year on ordinary activities	9	(419)	(410)	(922)
Realised and unrealised gain on Investments	138	(13)	125	1,259
Surplus/(deficit) for year	147	(432)	(285)	337

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Balance Sheet at 31st December 2020

(Extracted from the audited financial statements)

	31-Dec-20	31-Dec-19
	€000's	€000's
Fixed Assets		
Tangible Assets- Properties	6,459	6,427
Development Expenditure	-	92
Investments	10,799	10,585
Total Fixed Assets	<u>17,258</u>	<u>17,104</u>
Current Assets		
Bank Balances	4,757	4,937
Receivables & Prepayments	730	1,025
Payables & Provisions	(1,083)	(1,119)
Net Current Assets	<u>4,404</u>	<u>4,843</u>
Total Assets	<u>21,662</u>	<u>21,947</u>
Represented by:		
Fund Balances		
Restricted Funds:	11,751	11,604
Unrestricted Funds:	9,911	10,343
	<u>21,662</u>	<u>21,947</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 this fund. 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	2020 Total €000's	2019 Total €000's
Opening Balance 01/01/2020	2,944	739	6,734	1,187	948	9,395	21,947	21,610
Church Collections	139	0	0	24	82	0	245	657
Donations & Bequests	0	6	0	0	75	42	123	1,465
Contributions from other Dioceses	0	0	0	0	147	0	147	143
Contributions from Parishes	0	0	180	0	225	0	405	810
Diocesan second collection	0	0	0	0	71	0	71	217
Contribution from Priests	0	0	389	0	0	0	389	326
Investment Income	23	4	46	20	12	36	141	166
Sale of property levy/profit on sale of fixed assets	0	0	0	0	0	0	0	2,156
Other Income	116	0	0	0	90	170	376	560
Total Incoming Resources	278	11	615	43	702	248	1,897	6,500
Assistance to other Diocesan Activities and beneficiaries of Funds	146	0	0	0	220	13	379	1,620
Pastoral Services	81	0	0	0	228	0	309	476
Payments to priests	0	0	598	0	0	0	598	796
Provision for impairment of fixed assets	0	0	0	0	0	0	0	3,324
Central Services	13	0	33	67	705	203	1,021	1,206
Total Resources Expended	240	0	631	67	1,153	216	2,307	7,422
Surplus / Deficit	38	11	(16)	(24)	(451)	32	(410)	(922)
Gain/(Loss) on Investments	(7)	8	99	38	20	(33)	125	1,259
Total Deficit / Surplus for the period	31	19	83	14	(431)	(1)	(285)	337
Closing balance at 31st December 2020	2,975	758	6,817	1,201	517	9,394	21,662	21,947

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 2020. 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.
- The deficit for the year ended 31st December 2020 amounted to €285K (2019: surplus €337K). The 2020 surplus included a gain of €125K (2019: gain €1,259K) on investments. Hence there was an operating deficit of €410K in 2020, versus an operating deficit of €922K in 2019.
- The total assets of the Diocese at 31st December 2020 amounted to €22.7 million (2019: €23.1 million). Properties valued at €6.5 million (2019: €6.5 million) are included in this figure. The remaining assets consist of Investments, Bank Balances & Receivables.

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- The total liabilities of the Diocese at 31st December 2020 amounted to €1.1 million (2019: €1.1 million). These consist of bank overdrafts and amounts due to third parties.
- The net assets of the Diocese at 31st December 2020 are comprised of restricted and unrestricted funds amounting to €11.8 million (2019: €11.6 million) and €9.9 million (2019: €10.3 million) respectively.