

THE DIOCESE OF ELPHIN GENERAL TRUST FUND



**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

CHY 3703

THE DIOCESE OF ELPHIN GENERAL TRUST FUND
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FOR THE YEAR ENDED 31 DECEMBER 2016

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THE DIOCESE OF ELPHIN GENERAL TRUST FUND

REPORT OF THE TRUSTEES

The Diocese of Elphin General Trust comprises the central administration of the Diocese of Elphin, together with the various offices and agencies which provide central services to the parishes of the diocese. The Diocese of Elphin includes much of Co. Sligo, most of Co. Roscommon and also part of East Galway and has a Catholic population of almost 90,000. Most of the pastoral activity of the Diocese actually takes place under the auspices of the individual parishes and has been reported under that Charity (CHY 6942).

This is the second year in which a full audit of the Diocese of Elphin General Trust Fund has taken place.

The regular income of the Diocese of Elphin General Trust Fund comes from two principal sources.

- a) A "diocesan needs levy" on each of the parishes of the diocese, based on the number of families in the parish.
- b) An annual income deriving from investments and bequests

The expenditure of the Diocese of Elphin General Trust Fund includes the running costs of the central office of the Diocese, the Diocesan Pastoral and Faith Development Service, the Elphin Youth Service, the Diocesan Safeguarding Service, the Diocesan Education Office, the Diocesan Vocations Service, the formation of seminarians, deacons and catechists, as well as partial funding of the services provided by Accord.

Staff salaries and stipends are included in the accounts of the fund. The income of the central office staff is included under the "Salaries" heading in the accounts, while the income of two others is accounted for under the costs of the particular service to which they are allocated. The fund also provides stipends and expenses for six part-time staff members, who provide professional services in the areas of education and safeguarding.

The formation of candidates for the priesthood is a significant expense for the Diocese, and amounted to €37,000 during the year under review. Associated expenses are the costs of the Vocations Team (€7,757) and a portion of the figure of €23,539, listed as Priests' Expenses. This relates to the costs associated with the arrival and induction of guest priests from overseas, which is a relatively recent phenomenon. This will continue to be a feature of the accounts for the foreseeable future.

The Diocese has begun a new formation programme for volunteer Diocesan Catechists during 2016. Costs in 2016 were small, but this project, which has major potential for the future of adult faith formation, will involve a significant financial outlay (€180,000) over a four year period.

THE DIOCESE OF ELPHIN GENERAL TRUST FUND

REPORT OF THE TRUSTEES

The Relief of Poverty and other Special Projects

During the year under review, the Diocese of Elphin made contributions totalling €18,550 to various charities for the alleviation of poverty, both in Ireland and overseas. During the same period, however, the people of the Diocese, contributed a total of €205K to organisations such as Trocaire, Peter's Pence (Pontifical Charities), Emigrant Services, overseas Missions, emergency relief in the Ukraine as well as to the Holy Places (Christian community in the Holy Land). These contributions do not appear in the income and expenditure accounts of the Diocese of Elphin General Trust Fund, since the money does not belong at any stage to the Diocese. The contributions are collected in the parishes on behalf of the charities concerned and remitted to them via the Diocesan Office, passing into and out of the designated account of the diocese in the same tax year. Similarly, special collections for the World Meeting of Families and the re-development of Knock Shrine were taken up in the parishes and passed on via the Diocese to the relevant charities.

In addition, it should be mentioned that the annual Christmas collection taken up in the Churches of the diocese for the Society of St. Vincent de Paul are accounted for directly by the local members of SVP, which is a separate charity. The Diocese does not have a record of the amounts involved.

National Pastoral Services

The Diocese of Elphin General Trust Fund, through the medium of levies and direct payments for service, contributes towards the cost of pastoral services established at provincial and national level, including Cura, the Galway Regional Marriage Tribunal as well as the councils and commissions of the Episcopal Conference. The cost to the Diocese for these National Pastoral Services (Commissions and Agencies of the Episcopal Conference) is not covered by the corresponding collection in the parishes and the resulting loss is almost €50k. New arrangements have been made to offset this, beginning in 2018.

Increased Activity Leading to Increased Expenditure

The accounts for the year under review show a significant excess of expenditure over income. This reflects an increase in many areas of pastoral and administrative activity and a corresponding increase in expenditure. Among the principal factors contributing to this are:

- an increase in the activity of Elphin Youth Ministry, resulting in a significant increase in expenditure to €73,772
- the ongoing refurbishment of properties (€51,532)
- significant professional fees related to safeguarding administration (€40k+)
- the induction costs associated with the arrival of guest priests from overseas (€29,872) which, with the decline in the number of seminarians, is likely to continue
- an increase in educational management costs (€9k)

In 2015, this increased activity was masked by significant exceptional income. This year, much of the increased activity has had to be funded from reserves. Without the exceptional income, which was lower in 2016 (€141K, relating to a bequest and the sale of a property), the excess of expenditure over income (actually €301k) would be significantly higher.

THE DIOCESE OF ELPHIN GENERAL TRUST FUND

REPORT OF THE TRUSTEES

Investments

The Diocese of Elphin General Trust Fund does have some investments which are carefully managed as an essential reserve to meet the cost of projects such as those described above and also to respond to unforeseen demands such as might be expected to arise in these uncertain economic times. Investment income was low in 2016, but showed some signs of improvement towards the end of the year.

On behalf of the Trustees



Bishop Kevin Doran

Dated this 26th day of October 2017

THE DIOCESE OF ELPHIN GENERAL TRUST FUND

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable Irish law and regulations.

Irish legislation requires the Trustees to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland. The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the entity as at the financial year end date and of the surplus or deficit of the entity for the financial year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the entity will continue in business.

The Trustees are responsible for ensuring that the entity keeps adequate accounting records which correctly explain and record the transactions of the entity, enable at any time the assets liabilities, financial position and surplus or deficit of the entity to be determined with reasonable accuracy, enable them to ensure that the financial statements and Report of the Trustees comply with applicable legislation and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the entity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Trustees



Bishop Kevin Doran

Dated this 26th day of October 2017

INDEPENDENT REPORT OF THE AUDITORS TO THE TRUSTEES OF THE DIOCESE OF ELPHIN GENERAL TRUST FUND

FOR THE YEAR ENDED 31 DECEMBER 2016

We have audited the financial statements of the Diocese of Elphin General Trust Fund for the year ended 31 December 2016, which comprises of the Income and Expenditure Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the Trustees of the Diocese of Elphin General Trust Fund as a body. Our audit work has been undertaken so that we might state to the Trustees those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees of the Diocese of Elphin General Trust Fund or the Trustees' members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with relevant legislation, as required. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the entity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT REPORT OF THE AUDITORS TO THE TRUSTEES OF THE DIOCESE OF ELPHIN GENERAL TRUST FUND

FOR THE YEAR ENDED 31 DECEMBER 2016

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the entity as at 31 December 2016 and its deficit for the year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework

Matters on which we are required to report

- We have obtained all the information and explanations, which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Charity were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Report of the Trustees is consistent with the financial statements.

Anthony Porter

For and on behalf of:

Porter and Co

Chartered Accountants and Registered Auditors

Millennium House

Stephen Street

Sligo

Dated this 26th day of October 2017

**DIOCESE OF ELPHIN GENERAL TRUST FUND
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 €	2015 €
Diocesan Office Levy		318,842	317,723
Parish contributions and other donations to Welfare Fund		59,841	57,644
Parish contributions - Stewardship Fund		71,205	75,211
Investment income	1	41,062	51,222
Income for Commissions and Agencies of the Episcopal Conference		11,721	21,829
Other income		<u>20,282</u>	<u>5,333</u>
		522,953	528,962
Levy for Commissions and Agencies of the Episcopal Conference		(49,494)	(56,801)
Operating expenses	2	(830,937)	(649,681)
Surplus / (deficit) on Angelus Diocesan publication		<u>3,784</u>	<u>(1,009)</u>
Deficit before exceptional income and expenditure		(353,694)	(178,529)
Exceptional income	3	141,038	362,796
Exceptional expenditure	4	<u>(87,964)</u>	<u>(229,305)</u>
Net deficit for year		<u>(300,620)</u>	<u>(45,038)</u>

**DIOCESE OF ELPHIN GENERAL TRUST FUND
BALANCE SHEET
AS AT 31 DECEMBER 2016**

	2016	2015
	€	€
Fixed assets:		
Tangible fixed assets	585,554	583,579
Investments at cost	<u>1,580,203</u>	<u>1,581,007</u>
	<u>2,165,757</u>	<u>2,164,586</u>
 Current assets:		
Debtors and prepayments	605,696	609,795
Cash at bank and in hand	<u>1,239,802</u>	<u>1,481,680</u>
	1,845,498	2,091,475
Creditors:(amounts falling due within one year)	<u>(314,084)</u>	<u>(258,270)</u>
Net current assets	<u>1,531,414</u>	<u>1,833,205</u>
	<hr/>	<hr/>
Total net assets	<u>3,697,171</u>	<u>3,997,791</u>
	<hr/>	<hr/>
Accumulated Fund	<u>3,697,171</u>	<u>3,997,791</u>

DIOCESE OF ELPHIN GENERAL TRUST FUND
NOTES TO THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	€	€
1. Investment income		
Dividend and interest income	552	19,734
Rental income	<u>40,510</u>	<u>31,488</u>
	<u>41,062</u>	<u>51,222</u>
2. Operating expenses:		
Salaries	135,472	124,704
Child protection and safeguarding costs	105,991	88,710
Pastoral Development Office costs	69,504	70,832
Charitable subscriptions	18,550	18,050
Vocation committee costs	7,757	8,220
General insurance	11,632	8,942
Seminars, retreats, courses and meetings	30,789	23,539
Cura contributions	4,368	2,300
Chaplaincy costs	9,374	-
Permanent diaconate costs	14,009	8,380
Seminarian and ongoing formation costs	37,000	42,300
Priests' expenses	23,539	23,464
Catechetics - primary level	23,344	18,436
Catechetics and chaplaincy - secondary level	36,975	45,913
Education management costs	22,086	13,092
Overseas Priests induction costs	29,872	-
Property maintenance costs	25,547	4,362
Diocesan Youth Office costs	73,772	28,165
Other overheads	<u>151,356</u>	<u>120,272</u>
	<u>830,937</u>	<u>649,681</u>
3. Exceptional income		
Gifts and bequests	42,556	22,398
Sundry income	5,220	8,000
Disposal of properties	93,262	-
Profit on disposal of investment	-	<u>332,398</u>
	<u>141,038</u>	<u>362,796</u>
4. Exceptional expenses		
Property refurbishment costs	51,532	189,323
Jubilee expenses	3,113	3,705
Eucharistic congress	5,136	-
Professional fees	9,860	18,450
Legacy parish and diocesan agency related costs	<u>18,323</u>	<u>17,827</u>
	<u>87,964</u>	<u>229,305</u>