

THE DIOCESE OF ELPHIN SICK PRIESTS AND WELFARE FUND



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

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THE DIOCESE OF ELPHIN SICK PRIESTS AND WELFARE FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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THE DIOCESE OF ELPHIN SICK PRIESTS AND WELFARE FUND

REPORT OF THE TRUSTEES

The Elphin Sick Priests and Welfare Fund, sometimes referred to as the Elphin Sick and Retired Priests Fund, is an unincorporated society, managed by an executive committee elected from among the priests of the Diocese of Elphin. Its purposes are as follows:

- a) To provide suitable accommodation for priests of the diocese who have retired and who do not have accommodation of their own
- b) To provide a source of income, additional to the state pension, which would allow a priest without other personal means to provide adequately for himself
- c) To pay the VHI premium for retired priests and to assist any priest of the diocese in dealing with medical costs over and above what would be covered by the VHI policy

This is the second year in which a full audit has taken place.

The income of the fund comes primarily from contributions made by the priests out of surplus income (i.e., income provided by the faithful specifically for the support of the priest, which exceeds the agreed basic income of the priest). The amount of the contribution is calculated as 20% of any surplus in each parish.

Other sources of income include:

- A small annual levy on parishes, based on the number of families
- Interest on investments
- Gifts and bequests

Total income of the fund for the year under review was €268,778. This represents a reduction of just over €40k (or circa 13%) on the previous year. This reduction in income was offset to some extent by an exceptional increase of €34k, under the heading of "Interest received and profit on investments".

Liquid assets of the fund which are not required for immediate use are invested conservatively with a view to minimising risk while maximising the capacity of the fund to respond to future need. While the fund had a surplus at the end of 2016, this must be viewed against the steady increase in the average age of the clergy, together with the rapidly increasing cost of health insurance.

THE DIOCESE OF ELPHIN SICK PRIESTS AND WELFARE FUND

REPORT OF THE TRUSTEES

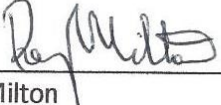
In the year under review there were twenty priests of the diocese who had passed the retirement age of 75 years. Eleven of these were in full retirement and, of these, eight were in receipt of income support from the fund. Houses were provided by the fund for five retired priests, while four others were provided for in nursing home accommodation. Seven were in receipt of some level of funding to supplement the state pension. Nine priests over the age of seventy-five continued to exercise a public ministry, but in most cases without administrative responsibility. While not currently in need of financial support, they represented an imminent potential demand on the Fund. Three priests over the age of seventy-five died during 2016.

Total expenditure from the Fund in the year under review amounted to €197,801. This represents an increase of almost €49k (or circa 33%) on the previous year.

Over the next ten-year period, the demand on the Sick Priests and Welfare Fund is unlikely to decrease, but the number of priests supporting the fund is likely to decline. These circumstances justify the maintenance of significant invested reserves, so that priests who would be expected to be in active ministry up to 2050 can be provided for in their retirement.

Fixed assets are stated at original cost in the financial statements. A detailed valuation of the assets of the Sick Priests and Welfare Fund, which will detail buildings, lands and movable assets is in the course of preparation.

On behalf of the Trustees



Rev Ray Milton

Dated this 26th day of October 2017

THE DIOCESE OF ELPHIN SICK PRIESTS AND WELFARE 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



Rev Ray Milton

Dated this 26th day of October 2017

INDEPENDENT REPORT OF THE AUDITORS TO THE TRUSTEES OF THE DIOCESE OF ELPHIN SICK PRIESTS AND WELFARE FUND

FOR THE YEAR ENDED 31 DECEMBER 2016

We have audited the financial statements of the Diocese of Elphin Sick Priests and Welfare 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 Sick Priests and Welfare 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 Sick Priests and Welfare 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 SICK
PRIESTS AND WELFARE 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 surplus 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 SICK PRIESTS AND WELFARE FUND
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	€	€
Income - Parishes, Legacies etc	225,624	303,423
Rental income	6,645	4,130
Interest received and profit on investments	<u>36,509</u>	<u>2,578</u>
	<u>268,778</u>	<u>310,131</u>
Retirement payments	72,544	86,069
Health insurance premiums	14,120	6,700
Accommodation	13,322	12,880
Medical expenses	4,720	38,776
Insurance	1,217	1,211
Loss on disposal of property	89,779	-
Other overheads	<u>2,099</u>	<u>3,356</u>
	<u>197,801</u>	<u>148,992</u>
Surplus for year	<u><u>70,977</u></u>	<u><u>161,139</u></u>

**DIOCESE OF ELPHIN SICK PRIESTS AND WELFARE FUND
BALANCE SHEET
AS AT 31 DECEMBER 2016**

	2016	2015
	€	€
Fixed assets:		
Freehold Property at cost	424,702	774,907
Investments	<u>500,000</u>	<u>633,332</u>
	<u>924,702</u>	<u>1,408,239</u>
Current assets:		
Debtors and prepayments	20,050	10,050
Cash at bank and in hand	<u>927,041</u>	<u>508,767</u>
	947,091	518,817
Creditors:(amounts falling due within one year)	<u>-</u>	<u>(126,240)</u>
Net current assets	<u>947,091</u>	<u>392,577</u>
	<hr/>	<hr/>
Total net assets	<u><u>1,871,793</u></u>	<u><u>1,800,816</u></u>
Accumulated Fund		
Balance at beginning of year	1,800,816	1,639,677
Surplus for year	<u>70,977</u>	<u>161,139</u>
	<u><u>1,871,793</u></u>	<u><u>1,800,816</u></u>