

THE DIOCESE OF ELPHIN SICK PRIESTS AND WELFARE FUND



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

CHY 2740 – Registered Charity No 20003449

THE DIOCESE OF ELPHIN SICK PRIESTS AND WELFARE FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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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. The current Trustees are Fr Christy McHugh (Chairperson), Fr Raymond Milton (Secretary), Fr Patrick Lombard, Canon Gerard Hanly, Fr Michael Drumm and Fr Donal Morris.

The purposes of the Fund 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 medical insurance 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 medical insurance policy.

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

The main source of funding 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 salary surplus in each parish.

Other sources of income include:

- A small annual levy on parishes, based on the number of families
- Interest on investments
- Rental income from properties owned by the Fund
- Gifts and bequests
- Annual Diocesan Collection

Total income of the fund for the financial year ending 31st December 2019 was €217,575, representing a decrease as compared to the previous year. It should be noted that the income includes an uplift on investments, amounting to €12,141, restating investments at original cost (see note 3 to the financial statements).

Further, the results show a decrease of €35,729 in legacies / bequests / donations in the financial year, which obviously fluctuates from year to year.

Total expenditure from the Fund in the year under review amounted to €182,570, representing a reduction as compared to the previous year, which primarily arose due to decreased medical expenses arising during the year.

THE DIOCESE OF ELPHIN SICK PRIESTS AND WELFARE FUND

REPORT OF THE TRUSTEES

The fund had an increased surplus in 2019 by comparison with the previous year, which, as mentioned, includes an unrealised investment gain. This result must be viewed in the context of the steady increase in the average age of the clergy, together with the rapidly increasing cost of health insurance and house accommodation.

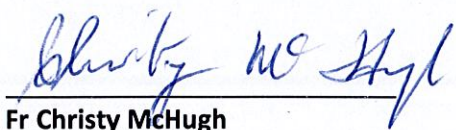
Liquid assets of the fund which are not required for immediate use are invested conservatively with a view to minimising risk while maximising the capacity of the fund to respond to future need.

In the year under review there was one clergy death. We now have fifteen priests of the diocese who have passed the clergy retirement age of 75 years. Ten of these were in full retirement and in receipt of income support from the fund, some to supplement the state pension. Houses were provided by the fund to four retired priests and one priest is in a nursing home setting. Some priests over the age of seventy five continued to exercise public ministry. While they are not currently in need of financial support, they may at any time become fully retired.

It is important that the Sick Priests and Welfare Fund continue to have reserves and to make prudent investments for the future. As the age profile of clergy continues to rise and significant numbers reaching the age of seventy five (clergy retirement age), it is imperative that we have reserves to meet future needs. We have to be conscious with diminishing numbers of clergy, the workload is increasing and puts pressure on existing clergy. This can have its own consequences and lead to a call on the fund.

Further, the impact of the Pandemic and the resultant financial and economic uncertainty is expected to have a negative impact on the future income of the Fund, particularly given the dependence on a surplus of clergy income arising in Parishes.

On behalf of the Trustees



Fr Christy McHugh
Chairperson

Dated this 28th day of October 2020

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.

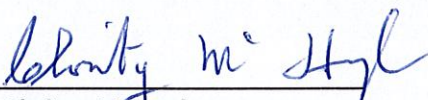
Irish legislation requires the Trustees to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland. 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


Fr Christy McHugh
Chairperson

Dated this 28th day of October 2020

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

FOR THE YEAR ENDED 31 DECEMBER 2019

We have audited the financial statements of the Diocese of Elphin Sick Priests and Welfare Fund for the year ended 31 December 2019, 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 Elphin Sick Priests and Welfare Fund or the Fund 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 2019

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 2019 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 28th day of October 2020

DIOCESE OF ELPHIN SICK PRIESTS AND WELFARE FUND
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 €	2018 €
Income	1	186,712	222,441
Rental income		18,700	11,600
Interest received and profit on investments		<u>12,163</u>	<u>37</u>
		<u>217,575</u>	<u>234,078</u>
Retirement payments		128,150	124,038
Health insurance premiums		17,297	19,821
Accommodation		13,560	13,560
Medical expenses		3,023	53,941
Insurance		1,132	909
Other overheads		<u>19,408</u>	<u>11,671</u>
		<u>182,570</u>	<u>223,940</u>
Surplus for year		<u><u>35,005</u></u>	<u><u>10,138</u></u>

DIOCESE OF ELPHIN SICK PRIESTS AND WELFARE FUND
BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 €	2018 €
Fixed assets:			
Freehold Property at cost	2	613,040	613,040
Investments	3	<u>710,000</u>	<u>697,859</u>
		<u>1,323,040</u>	<u>1,130,899</u>
Current assets:			
Debtors and prepayments		2,046	50
Cash at bank and in hand		<u>789,259</u>	<u>768,391</u>
Net current assets		<u>791,305</u>	<u>768,441</u>
		<u> </u>	<u> </u>
Total net assets		<u><u>2,114,345</u></u>	<u><u>2,079,340</u></u>
Accumulated Fund			
Balance at beginning of year		2,079,340	2,069,202
Surplus for year		<u>35,005</u>	<u>10,138</u>
Balance at end of year		<u><u>2,114,345</u></u>	<u><u>2,079,340</u></u>

DIOCESE OF ELPHIN SICK PRIESTS AND WELFARE FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Income

Income is comprised of contributions made by Priests out of surplus income, an annual levy on Parishes, an annual Diocesan collection and gifts and bequests, as set out in the Report of the Trustees.

2. Fixed Assets

	2019	2018
	€	€
Freehold Residential Properties at original cost		
At beginning of year	613,040	424,702
Additions	<u>-</u>	<u>188,338</u>
At end of year	<u>613,040</u>	<u>613,040</u>

A market valuation of the four residential properties owned by the Fund amounting to €700,000 was provided based on a valuation undertaken by Property Partners Earley, Stone Court, The Square, Roscommon on 11 June 2019.

3. Investments

	2019	2018
	€	€
Post Office Savings Bonds	110,000	110,000
Investment Bonds at cost	<u>600,000</u>	<u>587,859</u>
	<u>710,000</u>	<u>697,859</u>

The Investment Bonds are stated at cost as at 31 December 2019. The diminution in value of €12,141 recognised previously in relation to these investments has been reversed in these financial statements.

The most recent market valuation in relation to these investments amounted to €628,118.68 as at 5 October 2020.