

THE DIOCESE OF ELPHIN GENERAL TRUST FUND



FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2018

CHY 3703 / Registered Charity No 20004729

THE DIOCESE OF ELPHIN GENERAL TRUST FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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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 fourth 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. It is assessed as a percentage of the operational income of the parish for the last year for which audited accounts are available
- b) An annual income deriving from investments and bequests

The expenditure of the Elphin Diocesan Trust Fund includes the running costs of the central office of the Diocese, the Diocesan Pastoral and Faith Development Service, the Elphin Youth and Young-adult Ministry, 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. Also included are a proportion of the costs associated with the employment of a Data Protection Officer who is shared between eight Dioceses.

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 three others

- Director of Safeguarding,
 - Director of Vocations and Youth Ministry,
 - Director of Pastoral and Faith Development Services – including Secondary RE Advisory Service
- is accounted for under the costs of the particular service to which they are allocated. The fund also provides stipends and expenses for four part-time staff members, who provide professional services in the areas of education and safeguarding.

Seminarians and Clergy

While there was an increase in the number of seminarians in formation (from one to two) in the third quarter of 2018, the resulting increase in the associated costs will not appear until 2019. Contrary to what had been anticipated in last year's report, the costs of the Vocations Service in the year under review were slightly down on 2017. Savings of just over 50% were made on the induction of overseas clergy, partly due to the fact that the induction programme was provided in-house. Cost for the Polish chaplaincy, which had previously been carried by the Cathedral Parish are now carried by the Diocese, resulting in a new cost of €18,912. Permanent Diaconate costs in the year under review are limited to in-service formation and are reduced to just over 25% of the costs in the previous year, which included the formation of new candidates.

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The *Partners in the Gospel Programme*, for the formation of volunteer Diocesan Catechists, is costed for each academic year (from August to July). Each academic year is broken over two financial years. While the costs *per capita* were higher in 2018, this was significantly offset by a grant from the Albert Gubay Trust.

In the year under review, the cost to the Diocese of the mission of the Servant Sisters of the Home of the Mother, which included significant social communications work on behalf of the Diocese, was reduced from €33,463 to €25,251 because of a related contribution from the parishes in which they are also assigned.

The Relief of Poverty and other Special Projects

During the year under review, the Diocese of Elphin made direct 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 €159,576 to organisations such as Trocaire, Peter's Pence (Pontifical Charities), Emigrant Services, overseas Missions, and to the Holy Places (Christian community in the Holy Land). This is significantly down on previous years. 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 were taken up in the parishes and passed on via the Diocese to the relevant charity.

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. Up to 2017 the cost to the Diocese for these National Pastoral Services (Commissions and Agencies of the Episcopal Conference) was not covered by the corresponding collection in the parishes. Accordingly, in 2018, a new arrangement was made to cover the cost of the National Pastoral Services by means of small increase in the Diocesan Needs Levy.

Dependence on Exceptional Income

The accounts for the year under review, in relation to the ordinary operations of the Diocese, show an excess of expenditure over income of €308,025. This was partially offset by exceptional income of €267,282 and, after allowing for exceptional expenditure, resulted , in a net deficit of €200,349 and an overall dis-improvement of circa €437k on the previous year. While all of the assets of the Diocese are designated for the promotion of religion in accordance with the Deed of Governance, it is clear that due to increased operational costs, the

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REPORT OF THE TRUSTEES

Diocese is unduly dependent on exceptional income. This is due in no small part to the fact that certain aspects of the essential administrative and pastoral activity of the Diocese is now carried out by lay professions, whereas in the past it was done by priests and religious, who are no longer available to us.

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 remained low in 2018, but showed a slight improvement on 2017. The Diocese was required, for reasons external to the Diocese itself, to dispose of one investment, resulting in exceptional income of €246,542. While this exceptional income helped to offset the operational deficit in the year under review, the interest on that investment will not be available in future years.

On behalf of the Trustees



Bishop Kevin Doran

Dated this 26th day of October 2019

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 2019

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

FOR THE YEAR ENDED 31 DECEMBER 2018

We have audited the financial statements of the Diocese of Elphin General Trust Fund for the year ended 31 December 2018, 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 2018

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 2018 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 2019

**DIOCESE OF ELPHIN GENERAL TRUST FUND
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 €	2017 €
Diocesan Office Levy		403,385	312,704
Parish contributions and other donations to Welfare Fund		62,965	99,547
Parish contributions and other donations to Stewardship Fund		66,496	90,226
Investment income	1	53,571	46,383
Insurance claim proceeds		-	52,886
Income for Commissions and Agencies of the Episcopal Conference		1,275	15,125
Other income		5,333	12,833
		<hr/>	<hr/>
		593,025	629,704
Levy for Commissions and Agencies of the Episcopal Conference		(51,120)	(54,329)
Contribution to Marriage Tribunal		(23,346)	18,542
Operating expenses	2	(829,223)	(836,760)
Surplus on Angelus Diocesan publication		2,639	1,710
Deficit before exceptional income and expenditure		<hr/> (308,025)	<hr/> (241,133)
Exceptional income	3	267,282	627,478
Exceptional expenditure	4	(159,606)	(149,913)
Net (deficit) / surplus for year		<hr/> (200,349)	<hr/> 236,432

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BALANCE SHEET
AS AT 31 DECEMBER 2018

	2018	2017
	€	€
Fixed assets		
Tangible fixed assets	577,433	581,433
Investments at cost	397,748	1,570,543
	<u>975,181</u>	<u>2,151,976</u>
Current assets		
Debtors and prepayments	637,287	593,903
Cash at bank and in hand	2,539,481	1,574,037
	<u>3,176,768</u>	<u>2,167,940</u>
Creditors: (amounts falling due within one year)	(448,203)	(274,274)
Net current assets	<u>2,728,565</u>	<u>1,893,666</u>
Total assets less current liabilities	3,703,746	4,045,642
Creditors: (amounts falling due after more than one year)	-	(112,039)
Total net assets	<u>3,703,746</u>	<u>3,933,603</u>
Accumulated Fund:		
Balance at beginning of year	3,933,603	3,697,171
(Deficit) / surplus for year	(200,349)	236,432
Adjustment of inter-agency debt repaid	(29,508)	-
Balance at end of year	<u>3,703,746</u>	<u>3,933,603</u>

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NOTES TO THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018		2017	
	€	€	€	€
1. Investment income				
Dividend and interest income		286		293
Rental income		53,285		46,090
		<u>53,571</u>		<u>46,383</u>
2. Operating expenses:				
Salaries		147,324		135,836
Child protection and safeguarding costs		90,231		105,594
Pastoral Development Office costs		52,243		58,008
Charitable subscriptions		18,550		18,550
Vocation committee costs		2,458		2,605
General insurance		21,730		10,454
Seminars, retreats, courses and meetings		20,673		11,313
Cura contributions		2,184		4,368
Chaplaincy costs	92,394		100,335	
Less contribution received	<u>(94,500)</u>	(2,106)	<u>(100,419)</u>	(84)
Permanent diaconate costs		3,411		12,632
Seminarian and ongoing formation costs		25,033		27,051
Priests' expenses		69,022		76,019
Catechetics - primary level		30,181		29,938
Catechetics and chaplaincy - secondary level		46,866		44,502
Education management costs		13,973		20,086
Overseas Priests induction costs		16,127		32,567
Property maintenance costs		18,854		18,573
Diocesan Youth Office costs		90,565		84,851
Servant Sisters of the Home of the Mother	44,901		33,463	
Less contribution received	<u>(19,650)</u>	25,251	<u>-</u>	33,463
Partners in the Gospel programme	44,422		19,967	
Less Gubay Foundation grant received	<u>(19,910)</u>	24,512	<u>-</u>	19,967
Polish Chaplaincy costs		18,912		-
Audit fees		7,011		7,011
Miscellaneous subscriptions and donations		18,808		23,400
Postage, stationery and advertising		9,516		12,573
Other overheads		57,894		47,483
		<u>829,223</u>		<u>836,760</u>

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NOTES TO THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	€	€
3. Exceptional income		
Gifts and bequests	7,723	82,404
Sundry income	6,905	8,201
Disposal of properties	6,112	389,179
Profit on disposal of investment	246,542	147,694
	<u>267,282</u>	<u>627,478</u>
4. Exceptional expenses		
Property refurbishment costs	2,043	19,153
Jubilee expenses	740	2,342
World Meeting of Families	8,362	-
Diminution in value of investment	98,461	-
Contribution to Summerhill College Development	50,000	-
Secondary school debt	-	128,418
	<u>159,606</u>	<u>149,913</u>