

Charities of the Roman Catholic Archdiocese of Dublin

Annual Financial Report

18 Month Period Ended 31 December 2015

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TRUSTEES AND OTHER INFORMATION

Trustees	Archbishop Diarmuid Martin Most Reverend Eamonn Walsh Most Reverend Raymond Field Very Reverend Paul Callan St Laurence O'Toole Diocesan Trust Very Reverend Lorcan O'Brien	(appointed 1 September 2014) (resigned 1 September 2014)
Finance Committee	Mr Jim McKenna Mr Leo O'Donnell, K.S.G. Mr John Corrigan Mr Michael Duffy Mr Sean McKone Mr Tom Foley Ms Anne Young Mr Terence O'Rourke Very Reverend Derek Doyle Very Reverend Andrew O'Sullivan Right Reverend Colm Gallagher Very Reverend Joe Coyne Very Reverend Philip Bradley Very Reverend Tony Coote Very Reverend Frank McEvoy	(appointed as Chairman 1 July 2014) (resigned as Chairman and member June 2014) (appointed 29 August 2016) (resigned 4 November 2014) (resigned 4 May 2016) (resigned 4 November 2014) (appointed 4 November 2014) (appointed 4 November 2014)
Buildings Committee	Mr Sean McKone Mr Edward O'Shea Mr Tony Sheppard Mr Nick Smith Mr Pdraig Kennedy	(Chairman) (appointed 24 August 2014) (appointed 25 August 2016)
Investments Committee	Mr John Corrigan (Chairman) Reverend Bernard Meade, C.M.	
Audit Committee	Mr Terence O'Rourke Ms Anne Young Mr Tom Foley	(Chairman) (appointed 27 September 2016) (appointed 27 September 2016) (appointed 27 September 2016)
Financial Administrator and General Manager	Mr Declan Mc Sweeney	(appointed 1 April 2016)
Solicitors	Mason Hayes & Curran South Bank House Barrow Street Dublin 4	
Bankers	Allied Irish Banks 7/12 Dame Street Dublin 2 Bank of Ireland College Green Dublin 2	
Auditors	PricewaterhouseCoopers Chartered Accountants and Registered Auditors One Spencer Dock North Wall Quay Dublin 1	

TRUSTEES AND OTHER INFORMATION - continued

Investment Advisors

Aon Hewitt
Iveagh Court
Harcourt Road
Dublin 2

Principal Office

Holy Cross Diocesan Centre
Clonliffe Road
Dublin 3

TRUSTEES' REPORT

Charities of the Roman Catholic Archdiocese of Dublin

BACKGROUND

A diocese is composed of distinct parts known as parishes being communities of the Christian faithful established and entrusted to a pastor under the authority of the diocesan bishop.

The Archdiocese of Dublin covers an area of some 100 kilometres of the mid-eastern coast of Ireland and extends inland over seventy kilometres. The entire county of Dublin forms a substantial part of the diocese along with most of Wicklow, considerable sections of Kildare, in addition to sections of Carlow, Wexford and Laois.

The area covered by the Diocese is 3184 km sq. At the most recent estimate, the population of the diocese was 1,486,000 of which 1,154,000 were Catholics (Census 2011).

There are 199 parishes in the diocese. The parishes are established and operate according to the provisions of the Code of Canon Law which confers on them separate canonical status, rights and obligations. Canon Law is the name given to the laws and regulations which are used to govern within the Catholic Church.

In Canon Law, the administrative offices of a diocese are known as the "Curia". The Curia is referred to as the "Diocesan Offices" throughout the Financial Statements.

STRUCTURE

The Charity comprises the financial statements of the Diocesan Offices and a number of other charitable funds administered by the diocese. The Diocesan Offices support the 199 parishes of the Archdiocese in promoting and advancing the Catholic faith. It does this through the Offices of Liturgy, Evangelisation and Ecumenism and provides parishes with expertise on matters of Finance, Child Protection, Education, Human Resources, Canon Law and Communications.

During the period a review of the structure and governance of the various diocesan funds resulted in Holy Cross College and the Dublin Regional Marriage Tribunal being included as part of the Charity. Both had previously held their own CHY number from Revenue for tax purposes and prepared audited annual accounts.

The other charity funds are grouped into a number of funds established by trust, will or intention, each of which is used for the purpose for which the money was originally received. These funds are restricted and are detailed from page 10.

In Civil Law, the Charities of Roman Catholic Archdiocese of Dublin ("Charity") is a charitable Trust, governed by a Trust Deed signed on 15 June 2016. The registration number of the Charity with the Charities Regulatory Authority (CRA) is 2000 2022. The Charity is registered with the Revenue Commissioners as being established for charitable purposes – CHY No. 1333.

There is a separate registration with the CRA for the Parishes and Schools of the Diocese of Dublin and separate civil filings are made for this charity. (see page 5 for all related Charities).

GOVERNANCE

The Archdiocese is governed by the Archbishop. In the exercise of his authority, the Archbishop is subject to the provisions of the Code of Canon Law.

The Archbishop is assisted in his role by the diocesan Trustees. The Trustees who served during the year are listed on page 1 and are members of senior clergy of the diocese. New Trustees are introduced to their role and responsibilities by the Financial Administrator at which time a briefing and other background documentation is given together with copies of the trust deed and the latest financial information available. As and when required, Trustees attend formal and informal training.

The Trustees meet annually to receive the Annual Report and audited financial statements. Other meetings take place as required.

Unless otherwise stated, the Trustees were in office up to the date of approval of the financial statements.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

GOVERNANCE - continued

Dublin Diocesan Finance Committee

The Diocesan Finance Committee (“DDFC”) is a non-executive Committee comprising of eleven members, of whom four are priests and seven are lay members. They are appointed by the Archbishop for a renewable term of three years and the Chairman is also appointed by the Archbishop. The DDFC advise and guide the Archbishop and the Trustees in the financial management and stewardship of the Charity. The Finance Committee members who served during the year are listed on page 1. The Finance Committee meets ten times per year. Unless otherwise stated, the Finance Committee members were in office up to the date of approval of the financial statements.

There are three subcommittees of the DDFC; the Buildings Committee, the Investments Committee, and the Audit Committee.

The Buildings Committee

The Buildings Committee oversees the governance of building projects with values over €50,000 in both the diocese and parishes of the diocese. The Buildings Committee comprises one member of the DDFC, who is Chairman, together with four additional co-opted independent members, with relevant expertise.

The Investments Committee

The Investments Committee comprises of one member of the DDFC, who is Chairman, together with one additional co-opted independent member. Aon Hewitt act as advisors to the Committee.

With the guidance of the DDFC, the Trustees have entrusted the management of the investments of the Trusts to independent investment managers. The Investment Committee monitors the performance of these managers at quarterly intervals. The Investment Committee has ensured that proper investment management agreements have been signed with each of these managers for all of the funds under their management.

The Audit Committee

The Audit Committee was set up by the DDFC in 2016 to review and strengthen governance processes. It comprises of three members of the DDFC in total. The Audit Committee oversees financial reporting and related matters such as risk management and the internal and external audit functions.

Terms of Reference have been set for all the Committees detailed above.

The other diocesan advisory bodies of the Charity are;

College of Consultors, a group of priests appointed for a three year term, who the trustees consult on matters such as acts of significant administrative importance and the proposed sale of assets.

16th Diocesan Council of Priests who assist the Archbishop in governing the whole diocese.

Commission of Parish Boundaries advise on the provision of Churches and pastoral outreach centres. It also advises on the re-organisation or establishment of parishes, and the revision of parish boundaries.

Diocesan Sacred Art and Architecture and Historic Churches Commission who study new church designs and plans for the alteration of existing churches and make recommendations to the Archbishop.

MANAGEMENT

The Archbishop is supported in the day to day management of the Diocesan Offices by the Moderator of the Curia, Monsignor Paul Callan.

The General Manager and Financial Administrator of the diocese is Mr Declan McSweeney, who was appointed on 1 April 2016. Ide Finnegan acted as Financial Administrator in the period from 1 July 2014 to 31 December 2015 and until the General Manager was appointed.

The Diocesan Council, a group of clergy who have administrative responsibilities in the Archdiocese, meet on a regular basis to advise the Archbishop.

The names of the Charity Bankers, Solicitors, Investment Advisors and Auditors are located on pages 1 and 2.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

MANAGEMENT - continued

There is an annual pay review every July for employees, including key management which takes into account current salary levels in the charity sector.

RELATED CHARITIES

The Charity is affiliated with the following other registered charities, the first of which detailed below is the Parishes and Schools of the Diocese of Dublin, the others being the various diocesan agencies;

	CHY Number	CRA Number
Parishes and Schools of the Diocese of Dublin	7424	20016166
Diocesan Agencies		
Mater Dei Institute of Education	6101	20010287
Crosscare	6262	20010942
Accord	6983	20014100
Dublin Diocesan Pilgrimage to Lourdes	5613	20008703

The St Laurence O'Toole Diocesan Trust is a bare trust in which all diocesan and parish property is nominally held. It is a Company Limited by Guarantee (Registered Number 24430). It does not carry out any activities and is not a registered charity with the CRA. The properties of the Trust are reflected in the Financial Statements of the appropriate registered charity related to the Charity.

INTERNAL CONTROL AND RISK MANAGEMENT

The Trustees are responsible for providing reasonable assurance that:

- the Charity complies with relevant laws and regulations.
- the Charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition
- proper records are maintained and financial information used within the Charity or for publication is reliable; and

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement of loss. They include:

- an annual budget covering the Diocesan Offices' activities approved by the DDFC;
- regular consideration by the DDFC, Audit Committee and the Investment Committee of the financial results, variances from budgets, investment performance, non-financial performance indicators and benchmarking reviews;
- delegation of authority, segregation of duties and formal supervision structures.

OBJECTIVES AND ACTIVITIES

The objective of the Charity is to promote the advancement of the Roman Catholic religion by enabling the Archbishop to fulfil his canonical responsibilities which include the following;

- i. advancement of religion;
- ii. advancement of education;
- iii. provision of priests and other clergy;
- iv. provision for the Diocesan Offices of the Archdiocese;
- v. promotion of Catholic ethos in all walks of life;
- vi. relief of poverty; and
- vii. provision of physical infrastructure related to the activities of the charity

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

AIMS

The Charity every year focuses on the achievements of the seven objectives listed above.

The Activity Report (pages 7 to 12) sets out in detail the strategies and activities of the different functions of the Charity in the period.

THE ROLE OF VOLUNTEERS

The majority of volunteers who support the Charity give of their time and expertise by serving on the various Committees of the Charity. Time and commitment varies for each group. Some Committees meet once a month while others only a few times a year.

Other volunteers assist with research in the Diocesan Archives, including a committed volunteer three days per week.

FINANCIAL REVIEW OF THE PERIOD

The Trustees are responsible for the management of significant funds –Restricted and Unrestricted. Restricted funds are held in Trusts, some of which were drawn up many years ago and which require court approval to be changed. Court approval is being actively pursued by the Charity in an effort to release these charitable monies to those in need and, crucially respecting the wishes of the donors. Most of these funds are no longer in receipt of donations and any income on the funds arises from having been placed in investment funds over the years. Gains on the valuation of investments of €2.7m (2014: €3.7m) occurred during the period.

The objective of the Trustees is to manage and donate the restricted funds in a responsible manner. There is no intention to actively increase restricted reserves into the future, the only exceptions being the Burse Fund, Peter's Pence and Holy Cross College, which require an ongoing income stream to meet their expenses. Annual collections are held in respect of the Burse Fund (for vocations) and Peter's Pence for their specific objectives (see pages 10 and 12). Holy Cross College runs an annual deficit (see note 8, page 31) and must generate income to continue to carry out its activities.

With regard to unrestricted funds, the majority of revenue required to run and manage the diocesan offices is financed by the parishes through the Share Fund and its weekly collection. This collection has been in decline since 2009 and has fallen by 17% in total over this time.

In the period, the year-end date for the Charity was changed from 30 June to 31 December. As a result, an 18 month set of financial statements has been prepared to 31 December 2015. Comparative figures are 12 month figures to 30 June 2014.

During the 18 months to 31 December 2015 the funds continued to be administered in accordance with their intended purposes.

The total incoming resources for the period amounted to €16.5m (2014: €9.0m).

The main reason for this increase is that the contributions from the Share Fund increased from €3.8m for the 12 month period to €7.7m for the current 18 month period due to the increase in expenses for the period. Donations and legacies increased from €3.4m in 2014 to €5.0m for the 18 month period.

Expenses incurred in furthering the objectives of the Charity amounted to €18.8m, compared to €27.2m expended in 2014. Included in these expenses is other expenditure of €4.4m in 2015 and €18.4m in 2014. This other expenditure in part, relates to payments relating to clerical sex abuse of €1.4m (see note 15, page 37). Also categorised as other expenditure are costs relating to the Diocesan pension scheme. The deficit in the Diocesan pension scheme was recognised in the financial statements for the first time in 2014. €15.3m of the €18.4m categorised as other expenditure in 2014 relates to this pension deficit.

The current deficit of €6.3m in the General Fund accounts arises from two key areas of responsibility – the need to provide for adequate compensation in the years ahead for children who were abused by priests and a deficit in the Diocesan pension scheme. (The General Fund is described on page 8.)

Provision has been included in the financial statements for the estimated total costs of outstanding claims and for the eventuality of future claims arising for compensation in connection with the alleged abuse of children by priests and religious holding diocesan appointments. The provision at 31 December 2015 is €15.8m (2014: €18.3m).

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

FINANCIAL REVIEW OF THE PERIOD - continued

The deficit on the diocesan pension scheme, calculated in accordance with the requirements of FRS 102 increased from €17.8m at 30 June 2014 to €20.3m at 31 December 2015. There are 663 active, deferred and pensioner members in the scheme (see note 14, page 31).

Employees of a number of diocesan agencies are members of the diocesan pension scheme.

As a multi employer, disclosure of the pension deficit was exempt under FRS 17 in the previous years. However in accordance with FRS 102 the total liability of the multi employer is shown in the diocesan financial statements.

Values of land and property fixed assets of €6.7m were brought onto the balance sheet for the first time. This relates to Holy Cross Diocesan Centre, Clonliffe Road (Diocesan Offices) and two houses, one of which was sold during the period. A surplus of €491k was realised on the property when it was sold.

Net reserves were transferred into the Charity's financial statements with a value of €7.6m. These were the net reserves of the Dublin Regional Marriage Tribunal and Holy Cross College.

Having regard to all of the above outlined movements, the overall capital of the funds increased from €17.2m at 30 June 2014 to €23.5m at 31 December 2015.

The practice of the Diocesan Offices unrestricted fund is not to hold any reserves at year end.

ACTIVITY REPORT

1 UNRESTRICTED FUNDS

i Diocesan Offices

The purpose of the Diocesan Offices is to assist the Archbishop in his pastoral care of the Charity and other related charities especially in directing pastoral action, in providing for the administration of the Diocese and in the exercise of judicial power. This is done through direct engagement with the Archbishop on matters appropriate to each office, as well as the provision of assistance and guidance to priests, and lay faithful, to parishes and other diocesan entities. The costs of the Diocesan Offices are supported by the parishes of the diocese, through the weekly Share collection. The Share Fund is reported within the related charity 'Parishes and Schools of the Diocese of Dublin'. In the 18 months to December 2015, the costs of Diocesan Offices was €8.1m, of which €2.6m related to specific projects undertaken by the various diocesan offices and to costs in relation to specific diocesan initiatives.

The breakdown of these specific expenses is as follows:

	€'000
Charities Act Implementation Project	696
Fundraising Pilot Project "Living the Joy of the Gospel"	691
Financial Assistance to Parish of the Travelling People	152
Contribution to Dublin Regional Marriage Tribunal	403
Contribution to the Catholic Institute for Deaf People	80
Initiatives of office for Evangelisation and Ecumenism	310
Other initiatives	220
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TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT - continued

1 UNRESTRICTED FUNDS - continued

ii General Fund

The General Fund is an unrestricted fund and comprises bequests and donations, which are given for charitable purposes at the Archbishop's discretion, and are, unless otherwise designated by the Archbishop, added to this fund, in consultation with key management.

The main category of expense from the General Fund is in relation to costs arising from clerical sexual abuse claims. Movements in the diocesan pension scheme are also reported in the General Fund.

The Diocesan Offices comprise:

- **Office for Evangelisation and Ecumenism**

The Office for Evangelisation was established in 2008. Its role was expanded in 2011 to include the Ecumenical dimension.

Evangelisation is the mission of the Church, ecumenism is a movement within the Church. The ultimate goal of evangelisation and ecumenism are the same; that all be one in Christ.

The purpose of the office is to raise the profile of evangelization and ecumenism throughout the Archdiocese and to act as a diocesan base for disseminating information about successful outreach initiatives.

- **Dublin Diocesan Liturgy Resource Centre**

Archbishop Martin incorporated the Dublin Diocesan Liturgy Resource Centre in 2004 to offer resources for prayer and liturgy throughout the Diocese, supporting and advising parishes and offering liturgical training.

- **Education Secretariat**

The Education Secretariat assists the Boards of Management of 460 Catholic Primary Schools in all governance issues and liaises, on behalf of the Archbishop, with the Trustees of the 130 Catholic Post-Primary Schools and the 52 other Post-Primary Schools under other trustees.

The Secretariat acts on behalf of the Archbishop on all issues with the following Catholic Third Level Colleges of Education - St. Patrick's College, Drumcondra, Mater Dei Institute, Marino Institute of Education. The Secretariat also supports the work of the chaplains to the Third Level Institutes of DIT, the chaplaincy team in University College Dublin, Dublin City University and Trinity College Dublin.

The Secretariat liaises with the Department of Education and Skills, the three Teachers' Unions and the National Parents' Council on behalf of the schools under Catholic Patronage/Trusteeship.

- **Vocations Office**

The Vocations Office encourages and promotes vocations to the priesthood and permanent diaconate in the Archdiocese. There is currently 10 seminarians training to become priests of the Archdiocese of Dublin. The Archdiocese has 14 Permanent Deacons and 14 candidates in training.

- **Child Protection Services**

The activities of the Child Protection Services fall under three main headings:

- The creation and maintenance of safe environments for children and vulnerable adults involved in church activities. Involving largely through training in parishes.
- Support for those who experienced abuse as children within a church context.
- Managing allegations of child abuse that arise within the diocese to ensure church and national child protection guidelines are followed and that risks to the safety of children are assessed and minimised.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT - continued

1 UNRESTRICTED FUNDS - continued

• **Child Protection Services - continued**

The Office also does Garda vetting for parishes, diocesan agencies, schools (non-teaching staff), religious orders and agencies. The office provides advice on safeguarding matters, mainly to parishes and diocesan agencies.

• **Offices for Clergy and Religious**

The Office for Clergy supports the spiritual, theological, pastoral and continuing formation of the Clergy as well as their health, well-being and general care.

The Office for Religious provides support services for all religious, contemplative men and women, active sisters, brothers and priests, especially in canonical matters.

• **Diocesan Archives**

The diocesan archives preserve the sources describing the historical development of the Church community as well as those relating to the liturgical, sacramental, educational, charitable activities which the clergy, religious, and lay members of the Church have carried out throughout the centuries up the present day.

• **Communications Office**

The Communications Office processes local, national and international media queries relating to the Archbishop, the Archdiocese and Parishes. Media advice and support is also extended to Diocesan Agencies.

The Office is responsible for the daily management and development of Diocesan websites and social media platforms such as Facebook and Twitter and publishes the Diocesan Guidebook.

• **Human Resources**

The Human Resource Office provides support, advice and administrative assistance with all employment related matters for the 199 parishes and the Curia of the Archdiocese of Dublin. The office helps parishes and diocesan offices with the recruitment and selection of staff.

• **Finance Secretariat**

The Finance Secretariat advises parishes on financial matters, such as banking arrangements, payments to parish staff and best practice in relation to financial practices, in particular around the management of cash.

The Secretariat carries out secretarial functions on behalf of the Charity and some related charities, such as meeting preparation and distribution and completion of minutes. It also oversees transactions on behalf of the St Laurence O'Toole Diocesan Trust (see page 5).

The Finance Secretariat administers the following:

- The two weekly collections taken up in the parishes of the diocese;
- Salary payments to diocesan employees and administration services in relation to pension and health insurance;
- Monthly payments to active and retired priests;
- Payments of expenses such as supplier invoices and insurance premiums;
- Administers payments to the beneficiaries of the restricted funds.

In June 2014 the Charities Act Implementation team was created within the Finance Secretariat to ensure compliance with the provisions of the Charities Act 2009.

The Property Section of the Finance Secretariat oversees building projects, including a wide range of listed buildings throughout the diocese.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT - continued

1 UNRESTRICTED FUNDS - continued

• **Office for Financial Development**

The Office for Financial Development was created in 2014 to explore ways in which to ensure the financial viability of the diocese and parishes in the diocese into the future.

• **Chancellery**

The Chancellery deals mainly with canon law matters, including those which relate to the sacraments, in particular marriage. It serves as a resource to give advice on canonical issues to the Archbishop, his staff, priests, diocesan agencies and parishes.

2 RESTRICTED FUNDS

The financial statements include a number of restricted funds which are allocated by the donor for specific purposes. The reserves of these twelve funds vary from €49,000 to €7,185,000. Details and reserves of the funds are shown on page 31.

The Trustees have also approved the assistance of €780,000 per year for 5 years (2014-2018) to assist with projects outlined in the Crosscare strategic plan. Crosscare is an agency of the Charity. The funding was approved from the O'Brien Trust (2015: €117,000; 2014: €300,000), the Poor of Dublin Fund (2015: €444,600; 2014: €300,000) and the De la Saussaye fund (2015: €218,400; 2014: €180,000). An assessment of need is carried out by Crosscare each year and an allocation across the funds is made accordingly.

The activities of these restricted funds in the period included:

Holy Cross College – reserves at 31st December 2015 - €7,185,000

Holy Cross College, Clonliffe dates back to 1859 when it was founded by Archbishop Paul Cullen as a seminary for training priests for the Diocese of Dublin. A church was built after 16 years, later additions include extensions in 1951 and 1966. Holy Cross College has not functioned as a seminary since 2000 and part of the building is now being used as Diocesan Offices, a Diocesan Pastoral Centre and by Mater Dei Institute of Education.

The annual expenses of the College comprise the running and maintenance costs of the buildings and surrounding lands.

O'Brien Educational Trust Fund - reserves at 31st December 2015 - €6,852,000

The fund was established under a scheme approved by the High Court in 1977 referring to the 1847 will of Miss Bridget O'Brien RIP. The purpose of the fund is to help defray the costs of the education and maintenance of disadvantaged children.

The Trustees consider applications from schools, parents and organisations who deal with the education of disadvantaged children.

The total amount that was paid out in grants amounted to €666,000 in the period.

An all-weather pitch, information technology equipment and music equipment, books, educational trips, sensory equipment, swimming, arts and crafts, psychological assessments, after-school projects are typical examples of grant assistance provided by the O'Brien Trust Fund in 2014/2015. An Accord schools programme on relationships and sexuality has also been supported in recent years and funding for this purpose of €30,000 per year for three years was granted in 2015. Crosscare also received €117,000 in funding in the period.

The Burse Fund (Vocations) - reserves at 31st December 2015 - €3,717,000

The Burse Fund comprises the accumulation of collections for the education of students to the priesthood, which are taken up on Vocations Sunday each year. The expenditure from the fund in the period related to the costs of seminarians of the diocese in St Patrick's College, Maynooth and the Pontifical Irish College in Rome. Expenses in relation to the training of Permanent Deacons is also made from the fund. The total amount of payments from this fund amounted to €535,000 for the period.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT - continued

2 RESTRICTED FUNDS - continued

Poor of Dublin Fund – reserves at 31st December 2015 - €3,246,000

The fund was accumulated from bequests for the poor of the diocese received by the Archdiocese over many years. The fund supports programmes targeted at those most in need in Dublin. The Trustees consider applications from organisations which alleviate poverty and individuals experiencing financial difficulties. In the period €1.057m was paid out in grants to various beneficiaries.

Some of the initiatives supported in the period were:

- Crosscare was granted €444,600 from the fund.
- Mercy Law Centre was granted €50,000 to provide legal advice for homeless people;
- €30,000 was granted to the Glendalough Hermitage Centre to enable those from disadvantaged backgrounds in Dublin to attend retreat in Glendalough;
- €27,000 was provided to Ruhama, an organisation working with street workers, to purchase a new bus;
- €180,000 was granted to T.R.A.I.L to purchase accommodation for ex-prisoners;
- €50,000 was provided to the Family Support Centre in Inchicore;

Mission Fund – reserves at 31 December 2015 - €2,361,000

This fund was established in 1983 by the late Archbishop Ryan for the benefit of the Missions and amalgamated with bequests for similar purposes received both before and since the establishment of the fund. A total of €589,000 was granted to beneficiaries in the period. Activity in the year to December 2015 included:

- €200,000 was donated to assist with the build of a church in the Diocese of Pinsk, Belarus;
- €75,000 was donated to the Congregation of Oriental Churches for the needs of the Church in the Holy Lands in these times of crisis in the Middle East;
- St Louis Macronite parish in the diocese of Haifa and the Holy Land received a grant of €25,000 towards a local renovation project;
- The Diocese of Singida in Tazmania received a grant of €10,000 to assist with the cost of pastoral care in the diocese;
- €10,000 was donated to the diocese of Banjul, The Gambia, in support of the mission in the Gambia;
- A number of grants were made to overseas seminarians and priests to assist with study costs, and to volunteers embarking on overseas trips with a missionary purpose.

Irish Martyrs Fund – reserves at 31 December 2015 - €2,111,000

This fund was first established by Cardinal Cullen and later it was augmented by a major fundraising drive launched in 1905 by Archbishop Walsh. Its purpose is the funding of the expenses associated with the promotion of the cause of the Irish Martyrs. No grants were made from the fund in the period. Key management is currently actively seeking legal advice to try and alter the terms of this Trust to allow for the dispensation of funds to those in need.

De La Saussaye Trust – reserves at 31 December 2015 - €2,106,000

This was established under a scheme approved by the High Court in 1930 and related to the 1869 will of Sir Richard de La Saussaye. The purpose for which it was established was to provide or to assist in the provision of free meals for poor artisans and in fostering the education of the poor through schools and orphanages under Roman Catholic management. As these purposes are either catered for by State initiatives or no longer exist as charitable needs, the fund is now used to provide food services to poor children and adults in the diocese, primarily through Crosscare. The majority of the total funding of €437,000 in the period was provided to Crosscare, to assist with its various food service programmes. This related to their grant that was approved by the trustees for 2015 and 2014.

New Cathedral Fund – reserves at 31 December 2015 - €1,073,000

A fund established in 1930 for the building of a new Cathedral. In July 2015 the Charities Regulatory Authority approved to apply the fund cy-prés for the purpose of the refurbishment, repair, maintenance and operation of St. Mary's Pro-Cathedral as there is no intention to build a new cathedral in the diocese.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT - continued

2 RESTRICTED FUNDS - continued

Harrington Street Trust – reserves at 31 December 2015 - €832,000

A fund established by Canon Connolly in 1906 for the education of the poor of the parish of Harrington Street. It is used primarily to support Sancta Maria Primary School and Synge Street secondary school, which are both in the parish of Harrington Street. Grants were made to both schools in the 18 month period which totalled €68,000.

Parish Investments and Massbook – balance at 31 December 2015 - €81,000

These consist of investments held on behalf of parishes and a massbook which contains masses for donors intentions.

Peters Pence Fund – reserves at 31 December 2015 - €49,000

This is the fund in which the annual church collection (Peter's Pence) for the support of the Pontifical charities is lodged. Two collections were taken in parishes in the 18 month period totalling €329,000 and forwarded to the offices of the Papal Nuncio. The balance of the fund relates to timing differences in receipts from parishes.

Dublin Regional Marriage Tribunal – reserves at 31 December 2015 - €173,000

The Dublin Regional Marriage Tribunal was established in 1976 to provide a service to the Dioceses of Dublin, Meath, Kildare and Leighlin, Ferns and Ossory so that those who lived in the area of those dioceses could have marriages investigated with a view to a possible declaration of nullity of marriage. The Dublin Metropolitan Tribunal adjudicates in all canonical trials with the exception of marriage cases within the Archdiocese of Dublin. The Tribunal also provides a service to other tribunals in Ireland and around the world. Over the last five years the average number of marriage cases dealt with has ranged from just over 250 to 140 per year.

ACHIEVEMENTS AND PERFORMANCE

The Activity Report outlined above reviews the achievement of activities of the Charity in the period. The achievements and the performance of the fundraising and investment activities over the period are discussed below.

FUNDRAISING

In addition to normal fundraising activity in parishes, a pilot initiative "Living the Joy of the Gospel" commenced in the second half of 2014. Ten parishes participated in the fundraising campaign. Funds pledged to December 2015 amounted to €5.5m, of which €1.8m had been received at 31 December 2015. The majority of pledges were made over a 5-year period. The cost of the campaign was €691,000. A review of the pilot programme has subsequently taken place and it has been decided to establish a permanent funding office for the Charity.

INVESTMENTS

Background

Funds held by the above restricted funds and the general fund are invested to ensure ongoing returns for the donor's original intentions. The majority of restricted funds are historic and do not receive current donations.

The Charity holds four charity investment funds and the general fund. There are currently invested in either a Short Term/Low Risk Strategy or a Medium Term/Medium Risk Strategy as devised by the Investment Committee in conjunction with their advisors Aon Hewitt.

During the period from 1 July 2014 to 31 December 2015 the strategic allocations within the Medium Term/Medium Risk Strategy were amended by the Investment Committee to ensure that they continued to reflect the investment objectives and risk/return profile of the Charities following the strategy. The changes to the strategic weighting took effect at 31 March 2015.

The Holy Cross College Fund investments are based on the Short Term/Low Risk Strategy while the General Fund, O'Brien Institute and Sundry Funds investments are based on the Medium Term/Medium Risk Strategy.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

ACHIEVEMENTS AND PERFORMANCE - continued

INVESTMENTS - continued

Background - continued

The strategic weightings of the four funds post 31 March 2015 was as follows:

	Holy Cross College Short Term/Low Risk	General Fund Medium Term/Medium Risk	O'Brien Institute Medium Term/Medium Risk	Sundry Fund Medium Term/Medium Risk
Absolute Return	25%	50%	50%	47.5%
Equities	-	15%	15%	15%
Index Linked Bonds	-	20%	20%	20%
Cash	75%	15%	15%	17.5%

Performance

Over the eighteen month period from 1 July 2014 to 31 December 2015 each of investment strategies produced a positive return as shown below.

The Holy Cross College fund performed in line with its benchmark. The other three funds underperformed their benchmarks over this period. The key contributor to the underperformance was within the Absolute Return holdings where the three underlying investment managers underperformed their respective benchmarks.

The Investment Committee monitors the performance of the underlying investment managers on a regular basis in conjunction with their advisors and if appropriate may consider changes to the make-up of the underlying managers.

The performance percentage as provided by the investment managers from July 2014 to the end of December 2015 was as follows:

	<u>Holy Cross College</u>	<u>General Fund</u>	<u>O'Brien Trust</u>	<u>Sundry Funds</u>
Actual	1.2%	4.2%	2.9%	3.0%
Benchmark	1.3%	6.1%	6.1%	6.1%

FACTORS WITHIN AND OUTSIDE THE CHARITY'S CONTROL

The Charity forms part of the Universal Catholic Church and the Catholic Church in Ireland. These bodies can issue laws, directives, guidelines and policies that can affect the management of the affairs of the Charity.

PLANS FOR FUTURE PERIODS

Unrestricted Funds

Diocesan Offices

- During 2016, the Child Protection Service will be producing a new child safeguarding policy to take account of changes to Church guidelines. A person with relevant expertise will be employed to produce a policy on safeguarding vulnerable adults roll out training.
- The Diocese is considering the need to engage relevant expertise in the area of compliance both in the Curia and in parishes relating to new legislative requirements
- A diocesan commemoration for 1916 is taking place in the Pro Cathedral and runs until the end of 2016. It will include information from the dioceses of Dublin & Limerick as well as from various religious orders including the Capuchins, Franciscans, Mercy Sisters, Loreto Sisters, Dominicans, Sisters of Charity and Jesuits.
- A permanent fundraising office will be established.
- The uniform pastoral management and accounting system will continue to be rolled out to parishes throughout 2016. This will involve the provision of extensive training and book-keeping support to parishes.
- The training provided in 2015 to priests with juridical responsibilities will be expanded into new pastoral areas in 2016.
- St Patrick's College, Drumcondra and Mater Dei Institute of Education will be incorporated into Dublin City University (DCU).

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

ACHIEVEMENTS AND PERFORMANCE - continued

PLANS FOR FUTURE PERIODS - continued

Restricted Funds

The O'Brien Trust is funding a pilot Maths Recovery programme in schools. All the Urban DEIS schools were invited to participate in the pilot programme. Six schools have been chosen and the intention is to roll the scheme out to more schools in the 16/17 school academic year.

The O'Brien Institute, the Poor of Dublin Fund and the De la Saussaye fund have committed to and will continue to support the charitable purposes of Crosscare by granting an annual amount of €780,000 each year up to and including 2018.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for the preparation of the financial statements of the Charity which are set out on 18 to 42 in accordance with generally accepted accounting practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

The Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and fund movements for that period. In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees confirm that they have complied with the above requirements in preparing the financial statements.

The Trustees are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Charity and to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by:

Archbishop Diarmuid Martin

21 October 2016



Independent auditors' report to the Trustees of the Charities of the Roman Catholic Archdiocese of Dublin

Report on the financial statements

Our opinion

In our opinion, the Trustees of the Charities of the Roman Catholic Archdiocese of Dublin's financial statements (the "financial statements"):

- give a true and fair view of the state of the organisation's affairs as at 31 December 2015 and of its results for the year then ended; and
 - have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland
-

What we have audited

The financial statements comprise:

- the statement of financial activities for the eighteen month period ended 31 December 2015;
- the balance sheet as at 31 December 2015;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland".

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Council

As explained more fully in the Statement of Trustee's Responsibilities set out on page 15, the Trustees are responsible for the preparation of the financial statements giving a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with the Trust Deed and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the Trustees and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come including without limitation under any contractual obligations of the save where expressly agreed by our prior consent in writing.

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T: +353 (0) 1 792 6000, F: +353 (0) 1 792 6200, www.pwc.com/ie*



Independent auditors' report to the Trustees of the Charities of the Roman Catholic Archdiocese of Dublin - continued

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). 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 organisation'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.

We primarily focus our work in these areas by assessing the Trustee's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Trustees 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.

**PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin**

25 October 2016

STATEMENT OF FINANCIAL ACTIVITIES
18 Month Period Ended 31 December 2015

		18 months Unrestricted funds	18 months Restricted funds	18 months Total Funds 2015	12 months Prior period total funds 2014
	Notes	€'000	€'000	€'000	€'000
Income					
Contribution from diocesan related charity	5(i)	7,810	-	7,810	3,894
Donations and legacies	5(ii)	4,289	756	5,045	3,444
Income from charitable activities	5(iii)	95	99	194	136
Income earned from other activities	5(iv)	69	66	135	270
Income from other trading activities	5(v)	314	373	687	217
Investment and other income	5(vi)	2,522	144	2,666	1,014
Total		<u>15,099</u>	<u>1,438</u>	<u>16,537</u>	<u>8,975</u>
Expenditure					
Expenditure on raising funds	6	(942)	(125)	(1,067)	(215)
Expenditure on charitable activities	6	(8,523)	(4,842)	(13,365)	(8,667)
Other expenditure	6	(4,413)	-	(4,413)	(18,356)
Total		<u>(13,878)</u>	<u>(4,967)</u>	<u>(18,845)</u>	<u>(27,238)</u>
Net gains on investments	11	1,740	1,006	2,746	3,701
Net income/(expenditure)		2,961	(2,523)	438	(14,562)
Transfers between funds		<u>(121)</u>	<u>121</u>	<u>-</u>	<u>96</u>
		2,840	(2,402)	438	(14,466)
Other recognised gains					
Recognition of fixed assets		-	-	-	868
Transfer of fixed assets and net reserves from/(to) other related charities	22	-	7,616	7,616	(9,295)
Gains on disposal of fixed assets		491	-	491	4,154
Actuarial losses on defined benefit pension scheme	14	(2,215)	-	(2,215)	(5,012)
Net movement in funds		1,116	5,214	6,330	(23,751)
Reconciliation of funds:					
Total funds carried forward		<u>(7,366)</u>	<u>24,571</u>	<u>17,205</u>	<u>40,956</u>
Total funds carried forward	8, 9	<u>(6,250)</u>	<u>29,785</u>	<u>23,535</u>	<u>17,205</u>

Approved by:

Archbishop Diarmuid Martin

21 October 2016

BALANCE SHEET
As at 31 December 2015

	Notes	Total Funds 2015 €'000	Prior year Funds 2014 €'000
Fixed assets			
Tangible assets	9, 10	5,454	984
Investments	9, 11	<u>32,742</u>	<u>44,113</u>
Total fixed assets	9	<u>38,196</u>	<u>45,097</u>
Current assets			
Debtors	9, 12	2,699	1,832
Cash on deposit	9	17,870	17,013
Cash at hand and in bank	9	<u>5,450</u>	<u>2,608</u>
Total current assets	9	<u>26,019</u>	<u>21,453</u>
Liabilities			
Creditors: amounts falling due within one year	9, 13	<u>(4,590)</u>	<u>(13,230)</u>
Net current assets		<u>21,429</u>	<u>8,223</u>
Total assets less current liabilities		59,625	53,320
Creditors: amounts falling due after more than one year			
Provisions for liabilities and charges	9, 15	<u>(15,777)</u>	<u>(18,279)</u>
Net assets excluding pension deficit		43,848	35,041
Defined benefit pension scheme deficit	9, 14	<u>(20,313)</u>	<u>(17,836)</u>
Total net assets of the Charity	9	<u>23,535</u>	<u>17,205</u>
The total funds of the charity can be analysed as follows:			
Total restricted funds	8, 9	<u>29,785</u>	<u>24,571</u>
Total unrestricted funds	8, 9	<u>(6,250)</u>	<u>(7,366)</u>
Total Charity Funds	8, 9	<u>23,535</u>	<u>17,205</u>

Approved by:

Archbishop Diarmuid Martin

21 October 2016

CASHFLOW STATEMENT
18 Month Period Ended 31 December 2015

	Notes	2015 €'000	2014 €'000
Net cash used in operating activities	17	<u>(12,821)</u>	<u>(4,815)</u>
Investing activities:			
Dividends, interest and rent from investments		2,659	1,014
Proceeds from sale of property, plant and equipment		1,241	-
Purchase of property, plant and equipment		(233)	(58)
Proceeds from sale of investments		29,765	2,477
Purchase of investments		<u>(17,420)</u>	<u>(6,413)</u>
Net cash provided by/(used in) investing activities		<u>3,191</u>	<u>(7,795)</u>
Net cash provided by/(used in) financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>3,191</u>	<u>(7,795)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>19,505</u>	<u>27,300</u>
Cash and cash equivalents at the end of the reporting period	18	<u>22,696</u>	<u>19,505</u>

NOTES TO THE FINANCIAL STATEMENTS

1 General information

In Civil Law, the Charities of Roman Catholic Archdiocese of Dublin (“Charity”) is a charitable Trust, governed by a Trust Deed signed on 15 June 2016.

The objective of the Charity is to promote the advancement of the Roman Catholic religion by enabling the Archbishop to fulfil his canonical responsibilities which include the following;

- i. advancement of religion;
- ii. advancement of education;
- iii. provision of priests and other clergy;
- iv. provision for the Diocesan Offices of the Archdiocese;
- v. promotion of Catholic ethos in all walks of life;
- vi. relief of poverty; and
- vii. provision of physical infrastructure including but not limited to churches, parish centres, schools, hospitals, hostels for the homeless, places of accommodation and cemeteries.

2 Statement of compliance

The Charity's financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland). The entity financial statements comply with Financial Reporting Standard 102, ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (FRS 102). The financial statements have also been prepared in accordance with the recommendations of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the Republic of Ireland Charities Sorp (FRS 102).

3 Summary of significant accounting policies

(a) Basis of preparation

The preparation of financial statements in conformity with SORP FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the Trustees to exercise their judgement in the process of applying the entity’s accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in the notes to these accounts.

The significant accounting policies used in the preparation of the Charity's financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated. The Charity has adopted FRS 102 and charity SORP (FRS 102) for the first time in these Charity financial statements. Details of the transition to FRS 102 are disclosed in note 21.

(b) Going concern

The entity meets its day-to-day working capital requirements. The Charity's forecasts and projections, show that the Charity should be able to operate within its means. After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Therefore these Charity's financial statements have been prepared on a going concern basis.

(c) Historical cost convention

The financial statements are prepared under the historical cost convention as modified by the measurement of certain financial assets at market value, the measurement of freehold land at fair value and the measurement of building at their deemed cost on transition to FRS 102 investments and land and buildings.

Special and other charitable collections on behalf of other charities have not been included in the Statement of Financial Activities as they are not regarded by the Trustees as being funds of the Charity. Where any balance has not been paid to the respective organisation concerned, it has been included in creditors.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(d) Tangible fixed assets

(i) Free hold land

Land is valued at fair value based on the current use value of the land as the Charity is in the not for profit sector. There is no land or buildings held for investment.

(ii) Free hold buildings: functional buildings (i.e. that are for the purpose of the charity and are still in use)

The original cost of buildings was not available therefore the Charity based its accounting policy on the insurance value of these assets as at 31 December 2014 which was then discounted back to the year of acquisition or construction using the consumer price index (the CPI was benchmarked at the earliest date available 1922) to arrive at the estimate of the acquisition cost. This acquisition cost was then depreciated over the buildings useful life to arrive at its current net book value.

(iii) Office equipment, fixtures and fittings and computer equipment

Office equipment, fixtures and fittings are carried at cost less accumulated depreciation and accumulated impairment losses.

Office equipment, fixtures and fittings over €5,000 are capitalised and depreciated over a 5 year period, and computer equipment over €1,000 are capitalised and depreciated over 3 years.

(iv) Heritage assets

Heritage assets consist of assets that have a historic and artistic significance such as chalices, ciborium, treasures and works of art. A reliable cost is not available for these works of art and historic treasures and the Trustees believe that the cost of carrying out such an exercise would outweigh the benefit of this information to the user of the accounts therefore in accordance with SORP and FRS102 these assets have not been capitalised. These assets are not held for investment. They are part of the Charity's overall objectives to advance the Roman Catholic faith. They are not held for investments and the Charity does not actively seek to acquire or dispose of these assets.

Depreciation

Land is not depreciated. Depreciation on the other assets is calculated using the straight –line method over the estimated useful lives, as follows:

	Years
Church	100 years
Freehold buildings	50 years
Office equipment, computer equipment and fixtures and fittings	5 years
Computer equipment	3 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate at the end of each financial year.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(e) Fund accounting

The charity maintains various types of funds as follows:

Unrestricted funds

This represents unrestricted income which is expendable at the discretion of the trustees in the furtherance of the objects of the Charity.

Restricted funds

These represent funds received which are allocated by the donor for specific purposes. They cannot be used for purposes other than those specified by the donor.

(f) Revenue recognition

(i) *Incoming resources*

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

(ii) *Legacy income*

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

(iii) *Rental income*

Rental income arising on the rental of properties held by the Charity is recognised as the rental income falls due.

(iv) *Deposit income*

Deposit income is recognised as the deposit income is earned.

(v) *Income from activities for generation of funds*

Includes income from activities such as parish and other events. This is described as social income and whilst this is recognised on a cash received basis, this is not materially different from an accruals basis.

(vi) *Donated income*

Donations are recognised when received or receivable. Where the donor has requested the donation is spent for a particular purpose the income is included in the Statement of Financial Activity when the required performance criteria is met. Where the donation is unrestricted the income is included in the Statement of Financial Activity when received or receivable.

(vii) *Donated services and facilities*

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. Please refer to the Trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(g) Investments

Investments are stated at market value. Realised and unrealised gains and losses on investments are included in the Statement of Financial Activity.

The value of financial instruments traded in active markets (such as publicly traded equities) is based on quoted market prices at the balance sheet date. The market valuations are provided to the investment advisors by a third party pricing source. The value of the remaining financial instruments that are not traded in an active market is the lower of (a) the valuation as determined by the investment advisors using valuation techniques or (b) the estimated recoverable amount as determined by the Trustees.

(h) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Transactions in foreign currencies are recorded at the exchange rates ruling at the dates of the transactions.

Gains and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with in the income and expenditure account.

(i) Expenditure and irrecoverable VAT

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of generating funds are those costs incurred in attracting voluntary income.
- Charitable activities include expenditure associated with the mission of the church and include both the direct costs and support costs relating to these activities together with primary purpose trading activities that raise funds.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(j) Administration costs

Administration costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Administration costs include back office costs, finance, personnel, payroll and governance costs which support the charities programmes and activities.

(k) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents.

(l) Internal transfer

Internal transactions and balances are eliminated from the balance sheet but are reflected in the individual fund statements.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(m) Financial instruments

The Charity has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and cash equivalents, short-term deposits and investments in corporate bonds, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Trade and other debtors, cash and cash equivalents, investments in corporate bonds and financial assets from arrangements which constitute financing transactions are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

Such financial assets are subsequently measured at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are subsequently measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other creditors, bank loans, loans from fellow group companies, and financial liability from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is treated as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(n) Provisions and contingencies

(i) Provisions

Provisions are liabilities of uncertain timing or amount. Provisions are recognised when the Charity has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in statement of financial activities, presented as part of 'interest payable and similar charges' in the financial year in which it arises.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

(ii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised as a liability because (i) it is not probable that the Charity will be required to transfer economic benefits in settlement of the obligation or the amount cannot be reliably measured at the end of the financial period. Possible but uncertain obligations are not recognised as liabilities but are contingent liabilities. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

(o) Taxation

The Charity is exempt from taxation due to its charitable status.

(p) Defined benefit pension plan

The Charity operates a defined benefit plan for eligible employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan. The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Charity engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Charity's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other recognised gains.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(p) Defined benefit pension plan - continued

These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'. The cost of the defined benefit plan, recognised in statement of financial activities as employee costs, except where included in the cost of an asset, comprises:

- (a) the increase in pension benefit liability arising from employee service during the period; and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'Finance expense'.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Trustees make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Useful economic lives of tangible fixed assets

The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the tangible fixed assets, and note 3(d) for the useful economic lives for each class of tangible fixed assets.

(b) Impairment of debtors

The Trustees make an assessment at the end of each financial year of whether there is objective evidence that a trade or other debtor is impaired. When assessing impairment of debtors, the Trustees consider factors including the historical experience of cash collections from the debtor. See note 10 for the net carrying amount of the debtors and the impairment loss recognised in the financial year.

(c) Provisions for compensation claims

The Trustees and its external advisers carry out an annual review in an effort to arrive at a provision relating to the alleged abuse of children by priests and religious holding diocesan appointments and in respect of the eventuality of future claims arising. This provision is based on past experience. However, any estimate of the likely cost to the Charity must be regarded with a high degree of uncertainty. Provision for any changes in past experience, if any, will be made when a reliable estimate of their effect can be determined.

(d) Defined benefit pension plan

Certain employees participate in a defined benefit pension plan. The calculation of the cost of these pension benefits and the present value of the defined benefit obligation incorporate a number of estimates and assumptions, including; life expectancy, salary increases, inflation and the discount rate on corporate bonds. The pension plan assets are measured at fair value at the end of each financial year. The assumptions and estimates used in calculating the cost for the financial period, the defined benefit obligation and the fair value of the plan assets at the end of each financial year reflect historical experience and current trends. See note 12 for the disclosures relating to the defined benefit pension plan.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Income	18 months 2015 Unrestricted €'000s	18 months 2015 Restricted €'000s	18 months 2015 Total €'000s	12 months 2014 Total €'000s
(i) Contributions from the related parties				
Contribution from the Share fund	7,654	-	7,654	3,790
Common fund administration recharge	120	-	120	80
Clerical fund administration recharge	36	-	36	24
	<u>7,810</u>	<u>-</u>	<u>7,810</u>	<u>3,894</u>
(ii) Donations and legacies	18 months 2015 Unrestricted €'000s	18 months 2015 Restricted €'000s	18 months 2015 Total €'000s	12 months 2014 Total €'000s
Donations	611	756	1,367	1,013
Legacies	217	-	217	-
Pension scheme contributions from agencies (note 12)	3,461	-	3,461	2,431
	<u>4,289</u>	<u>756</u>	<u>5,045</u>	<u>3,444</u>
(iii) Income from charitable activities	18 months 2015 Unrestricted €'000s	18 months 2015 Restricted €'000s	18 months 2015 Total €'000s	12 months 2014 Total €'000s
Cathedraticum	27	-	27	26
Dublin diocesan guidebook	14	-	14	19
Retreats income	28	-	28	29
Mixed marriage papers	5	-	5	2
Garda vetting	15	-	15	29
Formal nullity cases	-	42	42	-
Other	6	57	63	31
	<u>95</u>	<u>99</u>	<u>194</u>	<u>136</u>
(iv) Income from other activities	18 months 2015 Unrestricted €'000s	18 months 2015 Restricted €'000s	18 months 2015 Total €'000s	12 months 2014 Total €'000s
Miscellaneous income	69	66	135	270
	<u>69</u>	<u>66</u>	<u>135</u>	<u>270</u>
(v) Income from other trading activities	18 months 2015 Unrestricted €'000s	18 months 2015 Restricted €'000s	18 months 2015 Total €'000s	12 months 2014 Total €'000s
Car park income	-	96	96	-
Rent income	314	277	591	217
	<u>314</u>	<u>373</u>	<u>687</u>	<u>217</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

5	Income - continued	18 months 2015 Unrestricted €'000s	18 months 2015 Restricted €'000s	18 months 2015 Total €'000s	12 months 2014 Total €'000s
	(vi) Investment and other income				
	Bank interest	134	89	223	403
	Investment income	2,388	55	2,443	610
		<u>2,522</u>	<u>144</u>	<u>2,666</u>	<u>1,013</u>
6	Analysis of expenditure	Unrestricted Funds €'000	Restricted Funds €'000	18 months 2015 Total €'000s	12 months 2014 Total €'000s
	(i) Cost of raising funds:				
	Investment management fees	151	125	276	215
	Fundraising costs	791	-	791	-
		<u>942</u>	<u>125</u>	<u>1,067</u>	<u>215</u>
	(ii) Expenditure on Charitable activities:				
	Pastoral initiatives	1,506	463	1,969	1,102
	Grants to beneficiaries	1,323	4,289	5,612	4,250
	Educational purposes	823	-	823	534
	Child protection services	705	-	705	448
	Support costs	4,166	90	4,256	2,333
		<u>8,523</u>	<u>4,842</u>	<u>13,365</u>	<u>8,667</u>
	(iii) Expenditure on other activities:				
	General fund expenditure including pension fund deficit	4,413	-	4,413	18,356
	Total expenditure	<u>13,878</u>	<u>4,967</u>	<u>18,845</u>	<u>27,238</u>
	(iv) Support costs				
	Diocesan offices administration service costs	3,292	-	3,292	2,744
	Governance costs	874	90	964	189
		<u>4,166</u>	<u>90</u>	<u>4,256</u>	<u>2,933</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Employee and Trustee information	18 months	12 months
	2015	2014
	€'000	€'000

The average number of employees employed during the period was 61 (2014: 77)

Staff costs:

Salaries and wages	3,768	3,402
Seconded staff	271	188
Social security costs	486	354
Pension costs	568	457
Recruitment, training and other expenses	40	13
	<u>5,133</u>	<u>4,414</u>

Note:

The average number of staff employed during the period has reduced from 77 to 61. This is mainly due to the transfer of the Parish Pastoral Workers to the related charity, Parishes and Schools of the Diocese of Dublin.

Due to the transfer of the Dublin Regional Marriage Tribunal and Holy Cross College into the Charity's reporting structure an additional 6 employees are now being reported as employees in these financial statements.

In line with the FRS 102 requirement there is a provision for holiday pay earned but not taken in the salary costs for the end of the period.

	2015	2014
	Number	Number
Number of employees whose emoluments for the year (including taxable benefits in kind but not employer pension contributions) were equal to or greater than €70,000 per annum.	5	5

The 5 employees whose salaries are above €70,000 per annum can be analysed as follows:

	2015	2014
	No. of	No. of
	employees	employees
Salary range:		
€70,000 - €80,000	3	3
€80,001 - €90,000	1	1
€90,001 - €100,000	1	1
	<u>5</u>	<u>5</u>

In the period there is no employee with a salary more than €100,000 per annum.

	18 months	12 months
	2015	2014
	€'000	€'000
Total pension contributions in the year for the above employees amounted to:	<u>61</u>	<u>35</u>

The average salary per employee based on 12 months is €42,576 before seconded staff, pension costs, social security costs and recruitment and training. This is based on 59 employees because it does not include the two seconded staff. The average cost per employee based on 12 months figures after the seconded staff, social security costs and pension costs and recruitment and training is €56,098.

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Employee and Trustee information - continued

Trustees

Trustees do not receive any remuneration by virtue of their position as Trustees. All of the Trustees are serving clergy.

No Trustees received any expenses in their capacity as Trustees during the year.

There were no loans advanced to Trustees during the years and no loans outstanding at 31 December 2015.

Voluntary workers

In addition to employees, the Charity has a number of unpaid volunteers who help in a number of capacities.

Key management compensation

Key management are defined as the management team who are making key management decisions. Key management include two clergy, the Archbishop and the Moderator of the Curia and one lay employee. The clergy are not paid from this Charity. They are paid from the Common Fund which is a restricted fund in the related charity, Parishes and Schools of the Diocese of Dublin. The compensation paid or payable to key management for employee services is shown below:

	18 months 2015 €'000	12 months 2014 €'000
Salaries and other short-term benefits	141	96
Total key management compensation	<u>141</u>	<u>96</u>

8 Summary of Restricted and Unrestricted Fund movements from 1 July 2014 to 31 December 2015

Fund name	Fund balances brought forward €'000	Income €'000	Expenditure €'000	Transfers between funds €'000	Transfer of fixed assets and net reserves €'000	Fund balances carried forward €'000
<u>Restricted funds:</u>						
Holy Cross College	-	509	(792)	-	7,468	7,185
O'Brien Institute	7,202	354	(666)	(38)	-	6,852
Burse Fund	3,864	400	(535)	(12)	-	3,717
Poor of Dublin	4,226	153	(1,088)	(45)	-	3,246
Mission Fund	2,822	147	(589)	(20)	-	2,361
Irish Martyrs	2,009	120	(10)	(8)	-	2,111
De La Saussaye Trust	2,413	134	(437)	(3)	-	2,105
New Cathedral Fund	1,035	52	(14)	-	-	1,073
Harrington Street Trust	886	14	(68)	-	-	832
Parish Investments and Massbook	94	2	(15)	-	-	81
Peters Pence	20	330	(283)	(18)	-	49
Dublin Regional Marriage Tribunal	-	230	(470)	265	148	173
Total Restricted Funds	<u>24,571</u>	<u>2,445</u>	<u>(4,967)</u>	<u>121</u>	<u>7,616</u>	<u>29,785</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Summary of Restricted and Unrestricted Fund movements from 1 July 2014 to 31 December 2015 - continued

Fund name	Fund balances brought forward €'000	Income €'000	Expenditure €'000	Transfers between funds €'000	Transfer of fixed assets and net reserves €'000	Fund balances carried forward €'000
Unrestricted funds:						
Diocesan Offices	-	8,114	(7,993)	(121)	-	-
General Fund	(7,366)	9,807	(8,691)	-	-	(6,250)
Total Unrestricted Funds	(7,366)	17,921	(16,684)	(121)	-	(6,250)
TOTAL FUNDS	17,205	20,366	(21,651)	-	7,616	23,535

Note:

The detail and the purposes of these restricted and unrestricted funds is referred to in the activity report.

9 Statement of financial position analysed by its unrestricted and restricted elements as at 31 December 2015	18 months 2015 Unrestricted €'000	18 months 2015 Restricted €'000	18 months 2015 Total €'000	12 months 2014 Total €'000
Fixed assets				
Investments	18,242	14,500	32,742	44,113
Tangible assets	249	5,205	5,454	984
Total fixed assets	18,491	19,705	38,196	45,097
Current assets				
Debtors	2,190	509	2,699	1,832
Cash on deposit	8,840	9,030	17,870	17,013
Cash at hand and in bank	3,776	1,674	5,450	2,608
Total current assets	14,806	11,213	26,019	21,453
Liabilities				
Creditors: amounts falling due within one year	(3,457)	(1,133)	(4,590)	(13,230)
Total assets less current liabilities	29,840	29,785	59,625	52,320
Creditors: amounts falling due after more than one year				
Provisions for liabilities and charges	(15,777)	-	(15,777)	(18,279)
Net assets excluding pension assets or liability	14,063	29,785	43,848	35,041
Defined benefit pension scheme deficit	(20,313)	-	(20,313)	(17,836)
Total net assets/(liabilities)	(6,250)	29,785	23,535	17,205
The funds of the Charity	(6,250)	29,785	23,535	17,205

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Fixed assets	Land and buildings	Computers and equipment, fixtures and fittings	Total
	€'000	€'000	€'000
Cost or valuation			
At 30 June 2014	1,032	667	1,699
Additions and transfer from other funds	5,746	236	5,982
Disposals	(766)	-	(766)
At 31 December 2015	<u>6,012</u>	<u>903</u>	<u>6,915</u>
Accumulated depreciation			
At 30 June 2014	(164)	(551)	(715)
Accumulated depreciation on the transferred fixed assets	(530)	(99)	(629)
Depreciation charge for the financial period	(4)	(105)	(109)
Depreciation on disposal of fixed assets during the year	(8)	-	(8)
At 31 December 2015	<u>(706)</u>	<u>(755)</u>	<u>(1,461)</u>
Net book value amount			
Net book value at 30 June 2014	868	116	984
Net book value at 31 December 2015	<u>5,306</u>	<u>148</u>	<u>5,454</u>

11 Investments	2015 €'000	2014 €'000
Quoted investments at valuation	32,540	43,911
Unquoted investments at cost	202	202
	<u>32,742</u>	<u>44,113</u>
Cash on deposit	17,870	17,013
Total value	<u>50,612</u>	<u>61,126</u>

The quoted investments are stated at market value. The unquoted investments comprise holdings of Allianz Irish Life Holdings plc.

	2015 €'000	2014 €'000
The movement in quoted investments during the year was as follows:		
Market value at 1 July 2014	43,911	36,948
Additions	17,420	6,413
Transfer from Holy Cross College	565	-
Withdrawals	(29,332)	(3,175)
Management fees	(276)	(215)
Net realised and unrealised gains/losses on investments	2,746	3,701
Net realised and unrealised gains/losses on investments held for related parties	111	239
Transfer to the related charity Parishes and Schools of the Diocese of Dublin	(2,605)	-
Market value at 31 December 2015	<u>32,540</u>	<u>43,911</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Investments - continued	2015	2014
	€'000	€'000
The analysis of investments category is as follows:		
Absolute Returns	22,151	15,493
Equities	-	11,809
Real return index linked bonds	8,315	14,853
Investment property	1,426	1,230
Investments in shares held direct	648	526
Unquoted equity	202	202
	<u>32,742</u>	<u>44,113</u>
12 Debtors	2015	2014
	€'000	€'000
Amounts due from related charities	1,163	360
Other receivables and prepayments	1,536	1,654
	<u>2,699</u>	<u>2,014</u>
13 Creditors	2015	2014
	€'000	€'000
Bank overdraft	624	117
Creditor and other accruals	1,713	1,405
Amounts due to related charities	2,253	2,509
Transfer to the related charity Parishes and Schools of the Diocese of Dublin	-	9,199
	<u>4,590</u>	<u>13,230</u>

14 Pension commitments

The Catholic Diocese of Dublin Pension Plan is a defined benefit non-contributory pension scheme, which caters for the staff employed by Diocesan Services and other agencies of the Diocese.

All employees who are members of the Catholic Diocese of Dublin Pension Plan will accrue 1/110th of basic salary per year of service. Deferred pension benefits will increase in line with inflation to a maximum of 4% in any single year until retirement age.

Benefits earned post 30 June 2010 will not automatically increase in payment in retirement. Should a sustainable surplus arise in the scheme in future periods, formal discussions will take place between the Scheme Actuary, the Trustees and the Employers at that time, with a view to identifying scope to apply defined and actuarially approved increases to the pensions of those scheme members who are in retirement. The scheme remains non-contributory for staff.

A Funding Proposal has been submitted to and approved by the Pensions Board. The Employer contribution rate required in respect of this Funding Proposal is 25.4% of basic salary roll with effect from 1 July 2010, with the expectation that this contribution rate will reduce to a long term contribution rate of 10% of basic salary roll in the future once the scheme is restored to solvency.

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Pension commitments - continued

The Archdiocese of Dublin provides a defined benefit pension plan, Catholic Diocese of Dublin Pension Plan (the "Plan") for the employees and former employees of the nine agencies that it operates.

The agencies are separate charities that are separately registered with the CRA. In accounting for the Catholic Diocese of Dublin Pension Plan under FRS102 the full value of the Plan's assets and liabilities has been shown on the Diocese balance sheet. The six contributing agencies are not required to make an allowance on their balance sheets for a portion of this liability and they simply account on a Defined Contribution (DC) basis for the contributions paid in any year. The accounting treatment being adopted does not change the nature of the arrangement. The funding responsibility of the individual agencies under the Trust Deed and Rules to fund the Plan is unchanged and they will continue to pay such contributions as determined by the Actuary from time to time to preserve the solvency of the fund. These contributions will be determined such that they cover the funding costs of benefits, not just for existing employees, but also for former employees with deferred entitlements under the Plan and current pensioners.

A comprehensive actuarial valuation of the Group pension scheme, using the projected unit credit method, was carried out at 30 June 2015 by PwC, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

Key assumptions	2015	2014
Discount rate	2.60%	3.00%
Rate of increase in Consumer Price Index - Inflation	1.75%	1.75%
Increase of increase in salaries	2.50%	2.50%
Average rate of increase in pensions:		
- pre 01/07/2014	3.00% fixed	3.00% fixed
- post 01/07/2014 but pre 01/07/2010	CPI max. 1.75%	CPI max. 1.75%
- post 01/07/2010	0%	0%

The mortality assumptions used were as follows:

	2015 Years	2014 Years
Longevity at age 65 for current pensioners:		
- men	22.3	22.2
- women	23.8	23.7

Assets and liabilities of the Plan:	2015 €'000's	2014 €'000's
Assets:		
- equities	10,090	9,669
- bonds	6,316	5,847
- absolute return fund	15,898	8,983
- absolute return bond	3,992	4,246
- cash	-	4,288
Total value of assets	36,296	33,033
Present value of funded liabilities	(56,609)	(50,869)
Total (deficit)	(20,313)	(17,836)

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Pension commitments - continued	Assets	Liabilities	2015 Total	2014
	€'000's	€'000's	€'000's	€'000's
Reconciliation of scheme assets and liabilities:				
At 1 July	33,032	(50,868)	(17,836)	(12,630)
Benefits paid	(1,506)	1,506	-	-
Employer contributions	4,053	-	4,053	2,431
Current service cost	-	(3,598)	(3,598)	(2,102)
Interest on plan assets/(liabilities)	1,555	(2,272)	(717)	(434)
Actuarial gain/(loss)	(838)	(1,377)	(2,215)	(5,101)
At 31 December	<u>36,296</u>	<u>(56,609)</u>	<u>(20,313)</u>	<u>(17,836)</u>

The plan assets do not include any of the Group's financial instruments nor is any property occupied by any Group entity.

	18 months 2015 €'000	12 months 2014 €'000
The amounts recognised in the statement of financial activities are as follows:		
Interest cost	2,272	1,568
Expected return on scheme assets	(1,555)	(1,134)
Other finance income	717	434
Current service cost – included in other operating costs	528	657
Group contributions	3,070	1,645
Total	<u>4,315</u>	<u>2,536</u>

	18 months 2015 €'000	12 months 2014 €'000
The amounts recognised in the statement of financial activities - other recognised gains are as follows:		
Actual less expected return on scheme assets	839	(1,344)
Experience losses on liabilities	(3,066)	(1,424)
Change in assumptions underlying the present value of the scheme liabilities	4,442	7,869
Actuarial losses recognised	<u>2,215</u>	<u>5,101</u>

The cumulative actuarial loss recognised in the statement of financial activities other recognised gains up to and including the financial year ended 31 December 2015 is €2,215,000 (2014: €5,012,000).

	18 months 2015 €'000	12 months 2014 €'000
Actual return on plan assets	<u>716</u>	<u>3,478</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Provision for liabilities and charges	2015	2014
	€'000	€'000
At beginning of the year	18,279	22,433
<i>Movement in the year:</i>		
Net changes in provision	(1,147)	(2,733)
Payments made during the year	(1,355)	(1,421)
Closing provision	<u>15,777</u>	<u>18,279</u>

The Trustees are aware of claims for compensation in connection with the alleged abuse of children by diocesan and religious order priests holding diocesan appointments.

The Trustees and its external advisers carry out an annual review in order to determine a provision in respect of claims notified and the eventuality of future claims arising.

16 Contingencies

The Charity has guaranteed borrowings in respect of the Parishes and Schools of the Diocese of Dublin and other Diocesan agencies at 31 December 2015 which amounted to €11.9m (2014: €13.9m). This can be broken out as follows, €10.9m guaranteed for the Parishes and Schools of the Diocese of Dublin and €985k for Diocesan agencies.

17 Reconciliation of net incoming resources to cash inflow from operating activities	18 months	12 months
	2015	2014
	€'000s	€'000s
Net expenditure for the reporting period before gains and transfers	(2,308)	(18,263)
Exceptional cash transfers in	1,885	-
Dividend, interest and rent from investments	(2,659)	(1,014)
Depreciation	117	79
(Increase)/decrease in debtors	(685)	597
Increase/(decrease) in creditors	(9,147)	104
Increase/(decrease) in pension	2,477	17,836
Change in provision for liability and charges	(2,501)	(4,154)
	<u>(12,821)</u>	<u>(4,815)</u>

18 Analysis of changes in cash in hand and at bank	2014	Cash flows	2015
	€'000	€'000	€'000
Cash in hand in bank current and deposit accounts and net off bank overdrafts	<u>19,505</u>	<u>3,191</u>	<u>22,696</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

19 Transfer between funds	18 months 2015 €'000s	12 months 2014 €'000s
Transfers between funds in the Charity	<u>121</u>	<u>96</u>

These relate to recharges to the restricted funds for the administration functions the Diocesan Offices carry out on behalf of the restricted funds, net of the grant to the Dublin Regional Marriage Tribunal to support in meeting its costs.

20 Related party transactions

The Charity had the following related party and charity transactions with other diocesan charities during the period:

	18 months 2015 €'000s	12 months 2014 €'000s
(i) Parishes and Schools of the Diocese of Dublin (CRA 20016166)	<u>7,810</u>	<u>3,894</u>

These transactions by Diocesan Offices relate to income received from the Share Fund to help meet their net expenditure. Also included in these transactions are recharges to the Common Fund and the Clerical Fund for the administration function that the Diocesan Offices performs on behalf of the funds (see note 5).

	18 months 2015 €'000s	12 months 2014 €'000s
(ii) Crosscare (CRA 20010942)	<u>960</u>	<u>600</u>

These transactions relate to grants approved by the trustees to the related charity Crosscare which has been allocated across the following restricted funds; O'Brien Trust, the Poor of Dublin and the De La Saussaye fund based on the needs of the charity in the period.

	18 months 2015 €'000s	12 months 2014 €'000s
(iii) Mater Dei Institute of Education (CRA 20010287)	<u>165</u>	<u>110</u>

These related transactions relate to a rent recharge to Mater Dei from the Charity for the use of the building owned by Holy Cross College.

(iv) The Charity had the following balances receivable/(payable) to and from the following related charities at 31 December 2015:

	2015 €'000	2014 €'000
Parishes and Schools of the Diocese of Dublin (CRA 20016166) - asset	1,163	3,150
Parishes and Schools of the Diocese of Dublin (CRA 20016166) - liability	(2,253)	(11,708)
Loans to related party	<u>38</u>	<u>46</u>
	<u>(1,052)</u>	<u>(8,512)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

21 Transition to FRS 102

This is the first financial year for which the Charity has presented financial statements complying with FRS 102. The last financial statements under Irish GAAP were for the financial year ended 31 June 2014. The Charity's date of transition to FRS 102 is 1 July 2014. Set out below are the changes in accounting policies which reconcile the surplus for the financial year ended 30 June 2014 and total equity as at 1 July 2013 and 30 June 2014 between Irish GAAP as previously reported and FRS 102.

(Deficit)/surplus for the financial year	Notes	€'000	2014 €'000
Irish GAAP – As previously reported			(24,437)
Adjustments:			
Defined benefit pension scheme	(a),(i)	90	
Other comprehensive income		(90)	
Current service costs	(b)	39	
Interest expense		(39)	
Defined benefit pension scheme expense	(c)	2,431	
Donations and legacies - capital contribution re pension contribution		(2,431)	
Other income	(d)	638	
Donations		(638)	
Sundry income - income earned from charitable activities	(e)	270	
Sundry income - income earned from other activities		(270)	
Rental income - income from other activities	(f)	(217)	
Rental income - income earned from trading activities		217	
Shares held direct - reserves	(g)	(182)	
Transfer of net reserves to other related charity			
- Transfer between funds	(i)	9,295	
- Transfer of fixed assets and net reserves from/(to) related charity		(9,295)	
Total adjustment to profit for the financial year			<u>(182)</u>
FRS 102			<u>(24,619)</u>
Total equity		1 July 2013	30 June 2014
Unrestricted funds		4,848	(8,609)
Restricted funds		<u>36,108</u>	<u>25,128</u>
Total fund as previously reported		40,956	16,519
Adjustment re shares held direct		-	(182)
Transfer of tangible fixed assets into the accounts	(h)	<u>-</u>	<u>868</u>
FRS 102		<u>40,956</u>	<u>17,205</u>

(a) Defined benefit pension plan

Under previous Irish GAAP the company recognised an expected return on the defined benefit plan assets in the statement of financial activities Charity. The difference between the expected return on plan assets and the actual return was recognised in the statement of total recognised gains and losses as part of the actuarial gain or loss on defined benefit pensions.

FRS 102 requires a net interest expense, based on the net defined benefit liability, to be recognised in the statement of financial assets. The difference between the net interest expense and the actual return on plan assets is recognised in other comprehensive income as part of the remeasurement of the net defined benefit liability.

NOTES TO THE FINANCIAL STATEMENTS - continued

21 Transition to FRS 102

- (a) Defined benefit pension plan - continued
There has been no change in the defined benefit liability at either 1 July 2013 or 30 June 2014. The effect of the change has been to increase the total defined benefit pension expense in the statement of financial assets for the financial year ended 30 June 2014 by €90k and reduce the remeasurement of the net defined benefit liability in other comprehensive income by an equivalent amount.
- (b) Being the reclassification of pension expenses as a result of FRS 102 transition into the current service costs.
- (c) Being reclassification adjustment in the 2014 comparative figures to disclose the capital contributions as donations in relation to the pension contributions for 2014.
- (d) Being reclassification re the Burse and Peters Pence collection to classify them as donations and out of income earned from charitable activities as a result of FRS 102 transition.
- (e) Being reclassification sundry income as a result of FRS 102 transition.
- (f) Being reclassification Dublin Airport Authority rental income to income earned from trading activities from income from other activities as a result of FRS 102 transition.
- (g) Being reclassification in relation to gains on shares held direct as a result of FRS 102 transition
- (h) Being adjustment in relation to the transfer of fixed assets into the diocesan accounts for the first time as a result of FRS102 transition.
- (i) Being reclassification of the transfer of the net reserves from the Pastoral Services Fund and the Share Building Fund to the related charity, 'Parishes and Schools of the Diocese of Dublin' as a result of the transition to FRS 102.

22 Transfer of fixed asset and reserves

Transfers of fixed assets and net reserves from/(to) other related charities	18 months 2015 €'000s	12 months 2014 €'000s
Transfer of net reserves from Holy Cross College	7,468	-
Transfer of net reserves from Dublin Regional Marriage Tribunal	148	-
Transfer to Parishes and Schools of the Diocese of Dublin	-	(9,295)
	<u>7,616</u>	<u>(9,295)</u>

These transactions during the period relate to the net reserves of Holy Cross College and the Dublin Regional Marriage Tribunal being transferred into this Charity. The 2014 transaction relates to the Pastoral Services Fund and the Share Building Fund being transferred into the related charity the 'Parishes and Schools of the Diocese of Dublin.'

23 Approval of financial statements

The financial statements were approved by the Trustees on 21 October 2016.