

**Charities of the Roman Catholic Archdiocese of Dublin**

**Annual Financial Report**

**Financial Year Ended 31 December 2017**

**CONTENTS**

	<b>Page</b>
TRUSTEES AND OTHER INFORMATION	1 - 2
TRUSTEES' REPORT	3 - 14
INDEPENDENT AUDITORS' REPORT	15 - 17
STATEMENT OF FINANCIAL ACTIVITIES	18
BALANCE SHEET	19
STATEMENT OF CASH FLOWS	20
NOTES TO THE FINANCIAL STATEMENTS	21 - 41

## TRUSTEES AND OTHER INFORMATION

<b>Trustees</b>	Archbishop Diarmuid Martin Most Reverend Eamonn Walsh Most Reverend Raymond Field Very Reverend Paul Callan St Laurence O'Toole Diocesan Trust	
<b>Finance Committee</b>	Mr Jim McKenna Mr John Corrigan Mr Michael Duffy Mr Sean McKone Mr Tom Foley Mr Terence O'Rourke Very Reverend Andrew O'Sullivan Very Reverend Joe Coyne Very Reverend Tony Coote Very Reverend Frank McEvoy Very Reverend Liam Belton Very Reverend Joe Jones	(Chairperson)      (resigned 1 May 2018) (resigned 5 December 2017) (resigned 30 August 2017) (appointed 7 November 2017) (appointed 9 February 2018)
<b>Buildings Committee</b>	Mr Sean McKone Mr Edward O'Shea Mr Tony Sheppard Mr Nick Smith Mr Pdraig Kennedy	(Chairperson)
<b>Investments Committee</b>	Mr John Corrigan Reverend Bernard Meade, C.M.	(Chairperson)
<b>Audit Committee</b>	Mr Terence O'Rourke Mr Tom Foley	(Chairperson)
<b>Financial Administrator and General Manager</b>	Mr Declan McSweeney	
<b>Solicitors</b>	Mason Hayes & Curran South Bank House Barrow Street Dublin 4	
<b>Bankers</b>	Allied Irish Banks 7/12 Dame Street Dublin 2  Bank of Ireland College Green Dublin 2	
<b>Auditors</b>	PricewaterhouseCoopers Chartered Accountants and Registered Auditors One Spencer Dock North Wall Quay Dublin 1	

**TRUSTEES AND OTHER INFORMATION - continued**

<b>Investment Advisors</b>	Aon Hewitt Iveagh Court Harcourt Road Dublin 2
<b>Principal Office</b>	Holy Cross Diocesan Centre Clonliffe Road Dublin 3
<b>Charity Number</b>	CHY 1333
<b>Charities Regulator Number</b>	20002022



## **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 3,184 km sq. At the most recent available estimate, the catholic population of the diocese was approximately 1 million.

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 that 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.

The charitable 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. Holy Cross College has a canonical restriction. These restricted funds are detailed from pages 10 to 12.

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.

Our Lady's Choral Society (OLCS) transferred into the reporting structure of the Charity from 1 May 2017 as a restricted fund. The figures included in this Charity relating to OLCS represent eight months financial figures to the 31 December 2017 to align the year end with that of all the funds that come under the control of this Charity.

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 Diocesan Trustees assist the Archbishop in his role. The Trustees who served during the year are listed on page 1 and are members of senior clergy of the diocese. The Financial Administrator introduces new Trustees to their role and responsibilities. On appointment a corporate governance briefing and other background documentation is provided to the Trustees together with copies of the trust deed and the latest financial information available. Trustees are periodically briefed on best practice in corporate governance and procedures are updated as appropriate.

The Trustees meet annually to receive the Annual Report and audited financial statements. Other meetings take place quarterly and 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 Dublin Diocesan Finance Committee ("DDFC") is a non-executive Committee currently comprising nine members, of whom three are priests and six are lay members. The Archbishop appoints the Committee members and the Chairperson. The DDFC advises and guides 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 normally 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 in both the curia 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 acts as advisors to the Committee.

With the guidance of the DDFC, the Trustees have entrusted the management of the investments of the Charity 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 are signed with each of these managers for all of the funds under their management.

##### **The Audit Committee**

The DDFC set up the Audit Committee in 2016 to review and strengthen governance processes. It comprises of two members of the DDFC. The Audit Committee oversees financial reporting and related matters such as risk management and the audit function.

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 five year term, which the Trustees consult on matters such as acts of significant administrative importance and the proposed sale of assets with a significant monetary value.

**16<sup>th</sup> Diocesan Council of Priests** advises the Archbishop in governing the Diocese.

**Commission of Parish Boundaries** advises 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** gives advice on new church designs and plans for the alteration of existing churches.

#### **MANAGEMENT**

The Archbishop is supported in the day to day management of the Diocesan Offices by the Moderator of the Curia Monsignor Paul Callan, and the General Manager and Financial Administrator Mr Declan McSweeney.

The Diocesan Council, a group of clergy who have administrative responsibilities in the Archdiocese, meets 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

#### RELATED CHARITIES

The Charity is affiliated with the following other registered charities;

	CHY Number	CRA Number
Parishes and Schools of the Diocese of Dublin	7424	20016166
World Meeting of Families 2018	22001	20152710
St. Patricks College, Drumcondra	12065	20034542
<b>Diocesan Agencies</b>		
Mater Dei Institute of Education	6101	20010287
Crosscare	6262	20010942
Accord	6983	20014100
Dublin Diocesan Pilgrimage to Lourdes	5613	20087030

The St Laurence O'Toole Diocesan Trust is a bare trust in which all diocesan and parish properties are 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;
- the Charities assets are safeguarded against unauthorised use or disposition; and
- proper records are maintained and financial information used within the Charity or for publication is reliable.

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 Archbishop;
- 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; and
- 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 that include the following:

- i. advancement of religion;
- ii. advancement of education;
- iii. provision for 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.

#### AIMS

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

The Activity Report (pages 8 to 12) sets out in detail the activities of the different functions of the Charity in the period.

## **TRUSTEES' REPORT - continued**

### **Charities of the Roman Catholic Archdiocese of Dublin**

#### **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 meet several times a year.

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

#### **FINANCIAL REVIEW OF THE YEAR**

The Trustees are responsible for the management of significant funds with advice from the relevant diocesan and financial experts. Funds held are restricted and unrestricted. Where required, the Charity seeks the necessary court approval in order to utilise the relevant funds. 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 €1.5m (2016: €6.1m) occurred during the year. The Charity had realised gains of €1.5m and unrealised losses of €46k in 2017. In 2016, the Charity had €5.1m in unrealised gains that related to unquoted shares in Allianz Irish Life Holdings PLC. These were acquired by Allianz Irish Life Holdings PLC during the year.

The objective of the Trustees is to manage and disburse 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 incurs an annual deficit (see note 8, page 32) and must generate income to continue to carry out its activities.

Regarding unrestricted funds, the majority of revenue required to manage the Diocesan support offices and Pastoral Services is financed by the parishes through the Share Fund and its weekly collection. Income from this collection has been in decline since 2009 and has fallen by approximately 20% in total over this time.

During the year to 31 December 2017, the funds continued to be administered in accordance with their intended purposes.

The total incoming resources for 2017 for the Charity amounted to €9.3m (2016: €10.5m).

The main reason for this decrease in income is that in the current year donations and legacies decreased from €3.1m in 2016 to €2.4m. This is largely due to a decrease in legacies. Another contributing factor is that investment and other income decreased from €1.4m in the prior year to €816k in the current year. This relates mostly to movements in non-cash values of the interest income from the diocesan pension scheme.

Contributions from diocesan related charities increased slightly in 2017 from €5.1m in the prior year to €5.2m in the current year. This income relates mainly to contributions to the Charity from the Share Fund. This Share Fund contribution increased from €3.9m in 2016 to €4.4m in 2017. This increase is due to the Charity having to cover the costs incurred in implementing a new diocesan accounting and pastoral management system to ensure compliance with regulations of the Charities Act. In 2017 the parishes contributed €251k towards these costs.

Expenses incurred in furthering the objectives of the Charity amounted to €16.7m in the current year compared with €13.8m in the prior year. The main reason for this increase in total expenditure is due to the fact that the Trustees donated €3.5m from this Charity to the following related charities; Common Fund €1.5m (for the support of priests), the Share Building Fund €1.0m (supporting building projects in parishes), and Share Pastoral Services €1.0m (supporting Parish Pastoral workers). These financial supports, totalling €3.5 million were possible due to the realisation of the shares in the Allianz Irish Life Holdings PLC holding referred to earlier in this review.

Also included in expenses for the charity is other expenditure of €3.1m in the current year, this was in line with 2016. This includes costs relating to clerical sex abuse of €1.1m (see note 15, page 37). Also categorised as other expenditure is non-cash costs associated with the diocesan pension scheme.

## TRUSTEES' REPORT - continued

### Charities of the Roman Catholic Archdiocese of Dublin

#### FINANCIAL REVIEW OF THE YEAR - continued

The net movement in funds in the current year results in a deficit of €794k compared to a larger deficit of €3.0m in the prior year. There are a number of factors contributing to a decrease in deficit in the current year. The most significant being an actuarial gain in the pension fund of €5.0m in 2017 compared to the prior year which recorded an actuarial loss of €5.0m on the pension fund. This was offset by a reduction in gains on investments from €6.0m in 2016 to €1.5m in 2017 and by the donation of €3.5m to related charities.

At the 31 December 2017 there was a reserves deficit of €5.2m in unrestricted funds compared with €6.6m at 31 December 2016. There are a number of factors resulting in this decrease in the unrestricted funds deficit. The most significant factor was the reduction in the deficit in the pension scheme. This deficit is included in the General Fund (page 8).

A 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 clerical abuse of children. The provision at 31 December 2017 is €12.3m (2016: €14.1m) (see note 15, page 37).

The deficit on the diocesan pension scheme, calculated in accordance with the requirements of FRS 102 decreased from €26.2m at 31 December 2016 to €22.4m at 31 December 2017. There are 693 active, deferred and pensioner members in the scheme (see note 14, page 35).

To address this significant deficit in the pension scheme the employers have been engaging with the trustees of the pension scheme to examine options to ensure the continued viability of the pension scheme into the future.

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

The percentage membership per diocesan agency is as follows:

	<b>CRA Number</b>	<b>CHY Number</b>	<b>Members</b>	<b>% of Membership</b>
- Crosscare	20010942	6262	441	64%
- Diocesan Offices (including Holy Cross College Members) and Parish Pastoral workers	20002022	1333		
	20016166	7424	113	16%
- Mater Dei Institute of Education	20010237	6101	71	10%
- Accord	20014100	6983	41	6%
- DRMT	20002022	1333	13	2%
- Lourdes Pilgrimage & others	20008703	5613	14	2%

In accordance with FRS 102, the total liability of the multi-employer is shown in the diocesan financial statements.

In September 2016, Mater Dei pension scheme was transferred from the diocesan pension scheme into a separate pension scheme with no further service accrual in the diocesan pension scheme. For reporting purposes Mater Dei pension scheme is consolidated in this Charity.

Net reserves of €90k relating to Our Lady's Choral Society were transferred to this Charity on 1 May 2017 and now form part of the restricted funds.

Overall, the Charities funds decreased from €20.5m at 31 December 2016 to €19.7m at 31 December 2017.



**TRUSTEES' REPORT - continued**

**Charities of the Roman Catholic Archdiocese of Dublin**

**ACHIEVEMENTS AND PERFORMANCE**

**ACTIVITY REPORT**

**1 UNRESTRICTED FUNDS**

***i Diocesan Support Services***

The purpose of the Diocesan Support Services is to assist the Archbishop in his pastoral care of the Charity and other related charities especially in directing pastoral action, and in providing for support services to parishes and schools of the Diocese. The costs of these support services are assisted by parishioners 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 year, the cost of the support services was €5.2m (5.14m in 2016) (see note 8, page 32).

***ii General Fund***

The General Fund is an unrestricted fund that comprises bequests and donations which are given for charitable purposes to be used at Archbishop's discretion 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**

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 evangelisation and ecumenism throughout the Archdiocese and to act as a diocesan base for disseminating information about successful outreach initiatives.

- **Dublin Diocesan Liturgy Resource Centre**

The Dublin Diocesan Liturgy Resource Centre offers 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 456 Catholic Primary Schools in all governance issues and liaises, on behalf of the Archbishop, with the Trustees of the 111 Catholic Post-Primary Schools and the 52 other Post-Primary Schools under other trustees. The Secretariat also supports the work of the chaplains to the Third Level Institutes of DIT, 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 are currently 5 seminarians training to become priests of the Archdiocese of Dublin. The Archdiocese has 26 Permanent Deacons and 5 candidates in training.

- **Child Safeguarding and Protection Services**

The activities of the Child Safeguarding and Protection Services is responsible for the creation and maintenance of safe environments for children and vulnerable adults involved in church activities, largely through training in parishes. The Office gives support to those who experienced abuse as children within a church context and manage allegations of child abuse that arise within the diocese to ensure that the church and national child protection guidelines are followed and that risks to the safety of children are assessed and minimised.

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

**TRUSTEES' REPORT - continued**

**Charities of the Roman Catholic Archdiocese of Dublin**

**ACTIVITY REPORT - continued**

**1 UNRESTRICTED FUNDS - continued**

- **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 to 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.

This 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 Charity and the 199 parishes within the Archdiocese of Dublin. The provision of support includes assistance with recruitment and selection for all types of roles, advice on managing employment grievances including representation at third party hearings. The Office also prepares documentation on behalf of parishes when required including contracts of employment and contract for services. In recent months, the HR office also provides a direct training to support parishes.

- **Finance Secretariat**

The Finance Secretariat advises curia and parishes on financial and legal matters, such as banking arrangements, financial controls, accounting obligations under the Charities Act and legal issues.

The Secretariat carries out secretarial functions on behalf of the Charity and some related charities. It also administers transactions on behalf of the St Laurence O'Toole Diocesan Trust (see page 5).

The Finance Secretariat administers the two weekly collections taken up at masses in the parishes. The Secretariat processes salary payments to diocesan employees and provides an administration services in relation to pension and health insurance. The Secretariat processes the monthly payments to active and retired priests, payments of expenses such as supplier invoices, insurance premiums and payments to the beneficiaries of the restricted funds. The Finance Secretariat is responsible for the production of annual accounts and budgets for a number of diocesan entities.

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

- **Office for Financial Development**

The Office for Financial Development was established in 2016 to develop and implement new strategies to ensure a sustainable future funding base for parishes and diocese.

- **Chancellery**

The Chancellery deals mainly with canon law matters including those that 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.

**TRUSTEES' REPORT - continued**

**Charities of the Roman Catholic Archdiocese of Dublin**

**ACTIVITY REPORT - continued**

**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 €32,268 to €6,813,108. Details and reserves of the funds are disclosed in note 8 on page 32.

The Trustees have also approved 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 (2017: €Nil; 2016: €380,000), the Poor of Dublin Fund (2017: €390,000; 2016: €250,000) and the De La Saussaye fund (2017: €390,000; 2016: €150,000). Crosscare carries out an assessment of need each year and an allocation across the funds is made accordingly.

The majority of movement in these funds relates to charitable donations to beneficiaries. Over the course of the year, the funds also benefited from interest earned and net gains on investments.

The activities of these restricted funds in the period included:

**Holy Cross College – reserves at 31 December 2017 - €6,813,108 (2016: €6,879,000)**

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 and a Diocesan Pastoral Centre. In 2016, Mater Dei Institution of Education was merged with DCU and was relocated to St Patricks Campus, Drumcondra. In 2017 the building that the Mater Dei Institution of Education previously utilised in Holy Cross College was leased to Dublin City Council for a notional amount and was transformed into a Hub for fifty homeless families.

The annual expenses of the College comprise the running and maintenance costs of the buildings and surrounding lands. These costs amounted to €697,443 in the current year.

**O'Brien Educational Trust Fund - reserves at 31 December 2017 - €4,655,789 (2016: €5,533,000)**

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

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 2017. A new all-weather pitch was installed in one school. 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 has been granted, 2017 was the third of the three years granted.

During the year, a number of DEIS primary schools received funding for a pilot maths recovery program. The Trustees have approved further funding for this program in the coming year, based on the positive results reported by the pilot schools.

The total amount that was paid out in grants amounted to €1,072,042 in the current year.

**The Burse Fund (Vocations) - reserves at 31 December 2017 - €3,565,566 (2016: €3,559,000)**

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. Expenses in relation to the training of Permanent Deacons are also made from the fund. The total amount of payments from this fund amounted to €285,857 for the year.



**TRUSTEES' REPORT - continued**

**Charities of the Roman Catholic Archdiocese of Dublin**

**ACTIVITY REPORT - continued**

**2 RESTRICTED FUNDS - continued**

**Poor of Dublin Fund – reserves at 31 December 2017 - €2,095,425 (2016: €2,773,000)**

The fund was accumulated from bequests for the poor of the Archdiocese over many years. The fund supports programmes targeted at those most in need in Dublin. The Trustees consider applications mostly from organisations that alleviate poverty and individuals experiencing financial difficulties. In the year, €724,049 was paid out in grants to various beneficiaries.

Some of the initiatives supported in the period were:

- Crosscare received a grant of €390,000 from the fund. Crosscare used this funding in their migrant, refugee and housing programs to provide information and advocacy services to their service users. They also delivered community outreach services across the Dublin diocese.
- €80,000 was granted to Pieta House, it is the fifth consecutive year that Pieta House received this grant from the fund. In 2016, the Trustees approved the grant for a further three years; therefore the 2017 grant was the second of these three years.
- Mercy Law Centre was granted €90,000.
- €68,500 was granted to the Parish of the Travelling People.
- €43,800 was granted by the Trustees to sundry beneficiaries.
- €30,000 was granted to the Glendalough Hermitage Centre to enable those from disadvantaged backgrounds in Dublin to attend retreats in Glendalough.
- €10,000 was granted to the Family Support Centre in Inchicore.

**Mission Fund – reserves at 31 December 2017 - €1,990,299 (2016: €2,233,000)**

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 €274,209 was granted to beneficiaries in the period. Activity in the year to December 2016 included:

- €89,370 was donated as a grant to missionary work.
- €81,820 donated through a number of grants made to overseas seminarians and priests to assist with study costs, and to volunteers embarking on overseas trips with a missionary purpose.
- €34,545 was donated to various visiting Bishops to support of their mission in the Dioceses.
- €32,018 was donated to the Diocese of Trivadrur in India to help support them to build a chapel.
- €16,910 was donated to the Catholic Diocese of Faisalabad for Seminarians and Catechists.

**Irish Martyrs Fund – reserves at 31 December 2017 - €2,197,783 (2016: €2,148,000)**

Cardinal Cullen first established this fund 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.

**De La Saussaye Trust – reserves at 31 December 2017 - €1,567,864 (2016: €1,922,000)**

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 fund is used to provide food services to children and adults in need, primarily through Crosscare. The total expenditure in the year was €412,533. The majority of this was granted to Crosscare. Crosscare received €390,000 to assist with running costs of its six community food banks in Darndale, Dun Laoghaire, Jobstown, Blanchardstown, Swords and Dundrum. The grant also supported the running costs of Crosscare community cafes in Portland Row, Holles Row and Dun Laoghaire.

**New Cathedral Fund – reserves at 31 December 2017 - €980,187 (2016: €995,000)**

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-près 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. In 2017 the total expenditure was €66,172. Of this total expenditure €62,020 was granted to the Pro-Cathedral for renovations in the Church.

**Harrington Street Trust – reserves at 31 December 2017 - €650,173 (2016: €750,000)**

A fund established by Canon Connolly in 1906 for the education of the children of the parish of Harrington Street. It is used primarily to support Sancta Maria Primary School and Synge Street secondary school. Grants were made to both schools in the year which totalled €99,706.

## TRUSTEES' REPORT - continued

### Charities of the Roman Catholic Archdiocese of Dublin

## ACTIVITY REPORT - continued

### 2 RESTRICTED FUNDS - continued

#### Sundry Investments – balance at 31 December 2017 - €81,000 (2016: €81,000)

These consist of sundry investments held and a massbook which contains masses for donors' intentions.

#### Peter's Pence Fund – reserves at 31 December 2016 - €32,000 (2016: €54,000)

This is the fund in which the annual church collection (Peter's Pence) for the support of the Pontifical charities is lodged. A collection was taken up in parishes in the year totalling €216,094 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 2017 - €142,467 (2016: €156,000)

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.

## FUNDRAISING

A permanent funding office has been established for the Charity. This office is known as the Office for Financial Development and it is currently examining all the income streams within the diocese and the parishes and exploring strategies to increase these income streams in the current financial climate.

## INVESTMENTS

### Background

Funds held in restricted funds and the general fund are invested to ensure ongoing returns for the donors original intentions.

The Charity holds four charity investment funds. 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 year, the strategic allocations within the Medium Term/Medium Risk Strategy were reviewed and changed 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 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.

The strategic weightings of the four funds for 2017 was as follows:

	<b>Holy Cross College Short Term/Low Risk</b>	<b>General Fund Medium Term/Medium Risk</b>	<b>O'Brien Institute Medium Term/Medium Risk</b>	<b>Sundry Fund Medium Term/Medium Risk</b>
<b>Absolute Return</b>	25%	50%	50%	47.5%
<b>Equities</b>	-	15%	7.5%	7.5%
<b>Index Linked Bonds</b>	-	20%	20%	20%
<b>Cash</b>	75%	15%	22.5%	25%

## TRUSTEES' REPORT - continued

### Charities of the Roman Catholic Archdiocese of Dublin

## ACHIEVEMENTS AND PERFORMANCE - continued

### INVESTMENTS - continued

#### Performance

Over the 2017 financial year each of investment strategies produced a positive return as shown below.

All of the portfolios for each of the funds produced a positive return. In addition all of the portfolios out performed their benchmarks.

The primary driver of the performance in 2017 was the strong gains achieved by both the Insight Broad Opportunities Fund and the Blackrock Dynamic Diversified Growth Fund. Both of these outperformed their target by a significant margin. PIMCO Global Real Return Fund also outperformed its benchmark. There were a number of portfolio transactions across all funds during the year following strategic decisions by the investment committee to rebalance the asset allocations across all the funds in line with revised strategic allocations as agreed by the investment committee.

The transactions completed included the full redemption of the holding with Mesirow Multi-Strategy Fund following a down grade of the strategy by the AON Hewitt Global Investment Manager Research team, the establishment of new holdings in SSGA Global 4 Good Enhanced Equity Fund.

The Investment Committee monitors the performance of the underlying investment managers on a regular basis in conjunction with its advisers and if appropriate may consider changes to the composition of the underlying managers.

The aggregate performance percentage of all the investment managers for the year was as follows:

	<u>Holy Cross College</u>	<u>General Fund</u>	<u>O'Brien Trust</u>	<u>Sundry Funds</u>
Actual	1.6%	2.9%	4.3%	3.7%
Benchmark	0.9%	2.5%	2.5%	2.4%

## PLANS FOR FUTURE PERIODS

### Diocesan Offices

- Archdiocese of Dublin has been chosen by Pope Francis to host the next World Meeting of Families from 21 - 26 August 2018. The theme for this week is 'The Gospel of the Family, Joy for the World'. This is a major international event that takes place every three years. Families from across the world will come together to pray, celebrate and reflect upon the central importance of marriage and the family being the cornerstone of our lives, of society and of the Church. On 21 March 2018 the Pope has announced that he will be travelling to Ireland to take part in the World Meeting of Families 2018.
- The forthcoming World Meeting of Families (WMOF) event and the Papal visit will see a number of staff of the Charity working closely with WMOF2018 to ensure the success of such a visit.
- The new General Data Protection Regulation 'GDPR' came into effect on 25 May 2018. The Archdiocese has been actively engaged in a GDPR compliance programme since 2017. The programme was designed to cater for the compliance needs of both the Charity and the Parishes. Ongoing support will continue to be available with regards to this new legislation for parishes and the curia.
- The Curia, with the assistance of the Audit Committee has begun the process to appoint an external firm of internal auditors.
- The Office for Financial Development will continue to implement strategies designed to generate additional funding for the Charity and the parishes of the diocese. The office has introduced electronic payments in a number of support services and parishes. It is examining digital giving in parishes which will be introduced in phases. This will be introduced in phases. This Office is also working with the Charity and parishes to increase on-line donations.
- Parishes will continue to be supported in the use of the uniform pastoral management and accounting systems.

**TRUSTEES' REPORT - continued**  
**Charities of the Roman Catholic Archdiocese of Dublin**

**PLANS FOR FUTURE PERIODS - continued**

**Diocesan Offices - continued**

- Training provided in 2017 to priests with juridical responsibilities will be expanded into new pastoral areas in 2018.
- The Curia will continue to support parishes with regards to building projects. For example, the Church of the Annunciation in Finglas West Parish has significant major repair issues and a decision has been made by the parish to replace the current church with a more appropriate smaller church and a new parish centre.
- The O'Brien Institute, the Poor of Dublin Fund and the De la Saussaye fund will continue to support the charitable purposes of Crosscare, the social care agency of the Archdiocese, by granting an annual amount of €780,000 in 2018.
- The O'Brien Trust is committed to extending a pilot Maths Recovery programme in primary DEIS schools in the 2018/2019 school academic year.

**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 41 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.

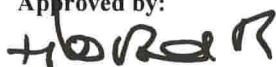
The Trustees are required to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Charity and fund movements for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and FRS 102;
- 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 that 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

26 June 2018





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

### **Report on the audit of the financial statements**

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#### **Opinion**

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

- give a true and fair view of the charity's assets, liabilities and financial position as at 31 December 2017 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

We have audited the financial statements, included within the Annual Financial Report, which comprise:

- the balance sheet as at 31 December 2017;
- the statement of financial activities for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern.

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## **Reporting on other information**

The other information comprises all of the information in the Annual Financial Report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the Trustees for the financial statements*

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the Trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)

This description forms part of our auditors' report.



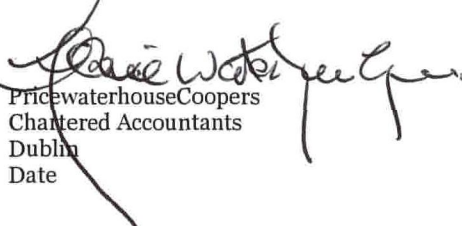
### *Use of this report*

This report, including the opinion, has been prepared for and only for the company's trustees as a body for management purposes to assist the Trustees to discharge their stewardship obligations and fiduciary responsibilities in respect of the entity for the provision of audited financial statements (the "purpose"). in accordance with our engagement letter dated 23 March 2018 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 company, save where expressly agreed by our prior consent in writing.

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### **Other matter**

We draw attention to the fact that these financial statements have not been prepared under section 290 of the Companies Act 2014 and are not the company's statutory financial statements.

  
PricewaterhouseCoopers  
Chartered Accountants  
Dublin  
Date

2 July 2018

**STATEMENT OF FINANCIAL ACTIVITIES**  
**Financial Year Ended 31 December 2017**

		Year ended Unrestricted Funds 2017 €'000	Year ended Restricted Funds 2017 €'000	Year ended Total Funds 2017 €'000	Year ended Total Funds 2016 €'000
	Notes				
<b>Income</b>					
Contribution from diocesan related charity	5(i)	4,789	389	5,178	5,100
Donations and legacies	5(ii)	1,815	585	2,400	3,108
Income from charitable activities	5(iii)	252	-	252	342
Income earned from other activities	5(iv)	22	138	160	171
Income from other trading activities	5(v)	231	246	477	424
Investment and other income	5(vi)	799	17	816	1,358
<b>Total</b>		<u>7,908</u>	<u>1,375</u>	<u>9,283</u>	<u>10,503</u>
<b>Expenditure</b>					
Expenditure on raising funds	6a(i)	(94)	(112)	(206)	(279)
Expenditure on charitable activities	6a(ii)	(9,099)	(4,342)	(13,441)	(10,414)
Other expenditure	6a(iii)	(3,056)	-	(3,056)	(3,060)
<b>Total</b>		<u>(12,249)</u>	<u>(4,454)</u>	<u>(16,703)</u>	<u>(13,753)</u>
Net gains on investments	11	894	610	1,504	6,073
<b>Net (expenditure)/income</b>		(3,447)	(2,469)	(5,916)	2,823
<b>Transfers between funds</b>	19	<u>(174)</u>	<u>174</u>	<u>-</u>	<u>-</u>
		(3,621)	(2,295)	(5,916)	2,823
<b>Other recognised gains</b>					
Transfer of fixed assets and net reserves from/(to) other related charities	22	-	90	90	15
Gains on disposal of fixed assets		-	-	-	30
Actuarial gains/(losses) on defined benefit pension scheme	14, 21	<u>5,032</u>	<u>-</u>	<u>5,032</u>	<u>(5,915)</u>
<b>Net movement in funds</b>		1,411	(2,205)	(794)	(3,047)
<b>Reconciliation of funds:</b>					
Total funds carried forward		<u>(6,595)</u>	<u>27,083</u>	<u>20,488</u>	<u>23,535</u>
<b>Total funds carried forward</b>	8, 9	<u>(5,184)</u>	<u>24,878</u>	<u>19,694</u>	<u>20,488</u>

Approved by:



Archbishop Diarmuid Martin



**BALANCE SHEET**  
**As at 31 December 2017**

	Notes	Total Funds 2017 €'000	Total Funds 2016 €'000
<b>Fixed assets</b>			
Tangible assets	9, 10	5,525	5,517
Investments	9, 11	34,771	36,762
<b>Total fixed assets</b>	9	40,296	42,279
<b>Current assets</b>			
Debtors	9, 12	3,034	2,798
Cash on deposit	9	4,767	11,375
Cash at hand and in bank	9	11,735	10,493
<b>Total current assets</b>	9	19,536	24,666
<b>Liabilities</b>			
Creditors: amounts falling due within one year	9, 13	(5,416)	(6,210)
<b>Net current assets</b>		14,120	18,456
<b>Total assets less current liabilities</b>		54,416	60,735
<b>Creditors: amounts falling due after more than one year</b>			
Provisions for liabilities and charges	9, 15	(12,366)	(14,084)
<b>Net assets excluding pension deficit</b>		42,050	46,651
Defined benefit pension scheme deficit	9, 14	(22,356)	(26,163)
<b>Total net assets of the Charity</b>	9	19,694	20,488
<b>The total funds of the charity can be analysed as follows:</b>			
<b>Total restricted funds</b>	8, 9	24,878	27,083
<b>Total unrestricted funds</b>	8, 9	(5,184)	(6,595)
<b>Total Charity Funds</b>	8, 9	19,694	20,488

Approved by:



Archbishop Diarmuid Martin

**STATEMENT OF CASH FLOWS**  
**Financial Year Ended 31 December 2017**

	Notes	2017 €'000	2016 €'000
Net cash used in operating activities	17	(9,519)	(221)
Investing activities:			
Dividends, interest and rent from investments		816	1,350
Purchase of property, plant and equipment		(142)	(204)
Proceeds from sale of investments		18,802	(1,753)
Purchase of investments		(15,323)	-
<b>Net cash provided by/(used in) investing activities</b>		<b>4,153</b>	<b>(607)</b>
<b>Net cash provided by/(used in) financing activities</b>		<b>-</b>	<b>-</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(5,366)</b>	<b>(828)</b>
Cash and cash equivalents at the beginning of the reporting period		21,868	22,696
Cash and cash equivalents at the end of the reporting period	18	16,502	21,868

## 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 for 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;
- vii. provision of physical infrastructure including but not limited to churches, parish centres, schools, hospitals, hostels for the homeless, places of accommodation and cemeteries and office premises whether directly or through any other charitable body or company; and
- viii. any other object recognised as charitable from time to time.

### 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' (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.

#### (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 2015 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. This does not reflect the insurance value or the current market value of these assets.

##### (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.

#### (e) Fund accounting

The Charity maintains various types of funds as follows:

##### *Unrestricted funds*

This represents unrestricted income that 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.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies - continued

#### (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 and car park space 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.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies - continued

#### (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 charity's 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.

#### (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.



## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies - continued

#### (m) Financial instruments - continued

##### (i) *Financial assets - continued*

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 that 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 year. 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 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.

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 year; 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 the SOFA as 'Finance expense'.



## NOTES TO THE FINANCIAL STATEMENTS - continued

### 4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the Charity 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 Charity's 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 10 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.

##### (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 year, 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 14 for the disclosures relating to the defined benefit pension plan.

## NOTES TO THE FINANCIAL STATEMENTS - continued

5 Income	Year ended Unrestricted Funds 2017 €'000	Year ended Restricted Funds 2017 €'000	Year ended Total Funds 2017 €'000
<b>(i) Contributions from the related parties</b>			
Contribution from the Share fund	4,378	-	4,378
Contribution from Parishes	251	-	251
Common fund administration recharge	80	-	80
Clerical fund administration recharge	30	-	30
Contribution from other related source	50	-	50
Dublin Regional Marriage Tribunal	-	389	389
	<u>4,789</u>	<u>389</u>	<u>5,178</u>
<b>(ii) Donations and legacies</b>			
Donations	111	423	534
Legacies	137	162	299
Donation from diocesan agencies *	1,567	-	1,567
	<u>1,815</u>	<u>585</u>	<u>2,400</u>
* This is a notional donation to the Charity from the diocesan agencies. The Charity is not paid this by the agencies. The agencies pay these contributions to the pension scheme for the contributions on behalf of their employees.			
<b>(iii) Income from charitable activities</b>			
CPSMA	59	-	59
Cathedraticum	25	-	25
Dublin diocesan guidebook	17	-	17
Retreats income	37	-	37
Garda vetting	104	-	104
Other	10	-	10
	<u>252</u>	<u>-</u>	<u>252</u>
<b>(iv) Income from other activities</b>			
Miscellaneous income	22	138	160
	<u>22</u>	<u>138</u>	<u>160</u>
<b>(v) Income from other trading activities</b>			
Car park and rental income	231	246	477
	<u>231</u>	<u>246</u>	<u>477</u>
<b>(vi) Investment and other income</b>			
Bank interest	11	2	13
Investment income	788	15	803
	<u>799</u>	<u>17</u>	<u>816</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

<b>5 Income - continued</b>	<b>Year ended Unrestricted Funds 2016 €'000</b>	<b>Year ended Restricted Funds 2016 €'000</b>	<b>Year ended Total Funds 2016 €'000</b>
<b>(i) Contributions from the related parties</b>			
Contribution from the Share fund	3,859	-	3,859
Contribution from Parishes	700	-	700
Common fund administration recharge	80	-	80
Clerical fund administration recharge	24	-	24
Contribution from other Dioceses for Dublin Regional Marriage Tribunal	-	437	437
	<u>4,663</u>	<u>437</u>	<u>5,100</u>
<b>(ii) Donations and legacies</b>			
Donations	245	587	832
Legacies	121	19	140
Donation from diocesan agencies *	2,136	-	2,136
	<u>2,502</u>	<u>606</u>	<u>3,108</u>
* This is a notional donation to the Charity from the diocesan agencies. The Charity is not paid this by the agencies. The agencies pay these contributions to the pension scheme for the contributions on behalf of their employees.			
<b>(iii) Income from charitable activities</b>			
CPSMA	119	-	119
Cathedraticum	27	-	27
Dublin diocesan guidebook	13	-	13
Retreats income	32	-	32
Mixed marriage papers	-	-	-
Garda vetting	113	-	113
Formal nullity cases	-	-	-
Other	16	22	38
	<u>320</u>	<u>22</u>	<u>342</u>
<b>(iv) Income from other activities</b>			
Miscellaneous income	-	171	171
<b>(v) Income from other trading activities</b>			
Car park income	-	76	76
Rent income	224	124	348
	<u>224</u>	<u>200</u>	<u>424</u>
<b>(vi) Investment and other income</b>			
Bank interest	13	19	32
Investment income	1,312	14	1,326
	<u>1,325</u>	<u>33</u>	<u>1,358</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

<b>6 Expenditure</b>	<b>Unrestricted Funds 2017 €'000</b>	<b>Restricted Funds 2017 €'000</b>	<b>Year ended Total 2017 €'000</b>
<b>6a) Analysis of expenditure</b>			
<b>(i) Cost of raising funds:</b>			
Investment management fees	94	72	166
Fundraising /event costs	-	40	40
	<u>94</u>	<u>112</u>	<u>206</u>
<b>(ii) Expenditure on Charitable activities:</b>			
Pastoral activities	1,536	809	2,345
Grants to beneficiaries	3,847	3,533	7,380
Educational support	458	-	458
Child safeguarding and protection services	602	-	602
Support costs (see 6b)	2,656	-	2,656
	<u>9,099</u>	<u>4,342</u>	<u>13,441</u>
<b>(iii) Expenditure on other activities:</b>			
General fund expenditure including pension fund expense and interest	3,056	-	3,056
<b>Total expenditure</b>	<u>12,249</u>	<u>4,454</u>	<u>16,703</u>
<b>6b) Support costs</b>			
Diocesan offices support costs	1,817	-	1,817
Governance costs	839	-	839
	<u>2,656</u>	<u>-</u>	<u>2,656</u>
	<b>Unrestricted Funds 2016 €'000</b>	<b>Restricted Funds 2016 €'000</b>	<b>Year ended Total 2016 €'000</b>
<b>6a) Analysis of expenditure</b>			
<b>(i) Cost of raising funds:</b>			
Investment management fees	124	86	210
Fundraising costs	69	-	69
	<u>193</u>	<u>86</u>	<u>279</u>
<b>(ii) Expenditure on Charitable activities:</b>			
Pastoral activities	1,617	494	2,111
Grants to beneficiaries	896	3,854	4,750
Educational administration	477	-	477
Child safeguarding and protection services	545	-	545
Support costs (see 6b)	2,435	96	2,531
	<u>5,970</u>	<u>4,444</u>	<u>10,414</u>
<b>(iii) Expenditure on other activities:</b>			
General fund expenditure including pension fund expense and interest	3,060	-	3,060
<b>Total expenditure</b>	<u>9,223</u>	<u>4,530</u>	<u>13,753</u>
<b>6b) Support costs</b>			
Diocesan offices administration service costs	1,433	96	1,529
Governance costs	1,002	-	1,002
	<u>2,435</u>	<u>96</u>	<u>2,531</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

## 7 Employee and Trustee information

Year ended 2017 €'000	Year ended 2016 €'000
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The average number of employees employed during the year was 59 (2016: 59)

Staff costs:

Salaries and wages	3,057	2,789
Seconded staff	165	157
Social security costs	292	322
Pension costs	409	448
Recruitment, training and other expenses	136	148
	<u>4,059</u>	<u>3,864</u>

**Note:**

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

	2017 Number	2016 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.	<u>7</u>	<u>6</u>

The 7 employees whose salaries are above €70,000 per annum can be analysed as follows:

	2017 No. of employees	2016 No. of employees
<b>Salary range:</b>		
€70,000 - €80,000	4	3
€80,001 - €90,000	-	-
€90,001 - €100,000	2	2
€100,001 - €125,000	1	1
	<u>7</u>	<u>6</u>

	Year ended 2017 €'000	Year ended 2016 €'000
Total pension contributions in the year for the above employees amounted to:	<u>73</u>	<u>54</u>

The average salary per employee based on employees for the year is €53,632 before seconded staff, pension costs, social security costs, recruitment and training. This average salary does not include the two seconded staff. The average cost per employee based on 59 staff for the year including seconded staff, social security costs, pension costs, recruitment and training is €68,797.

**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 2017.

## NOTES TO THE FINANCIAL STATEMENTS - continued

## 7 Employee and Trustee information - continued

**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 is defined as members of the management team who are making key management decisions. Key management includes two clergy, the Archbishop and the Moderator of the Curia and the General Manager/Financial Administrator. The clergy are not remunerated from this Charity. They are remunerated from the Common Fund which is a restricted fund in the related charity, Parishes and Schools of the Diocese of Dublin. The total compensation paid or payable to key management for employee services is shown below:

	Year ended 2017 €'000	Year ended 2016 €'000
Total key management compensation	121	114

## 8 Summary of Restricted and Unrestricted Fund movements from 31 December 2016 to 31 December 2017

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
<b><u>Restricted funds:</u></b>						
Holy Cross College	6,879	346	(698)	285	-	6,812
O'Brien Institute	5,533	225	(1,073)	(30)	-	4,655
Burse Fund	3,559	302	(286)	(10)	-	3,565
Poor of Dublin	2,773	83	(726)	(36)	-	2,094
Mission Fund	2,233	47	(275)	(15)	-	1,990
Irish Martyrs	2,148	60	(6)	(5)	-	2,197
De La Saussaye Trust	1,922	67	(419)	(3)	-	1,567
New Cathedral Fund	995	51	(66)	-	-	980
Harrington Street Trust	750	-	(100)	-	-	650
Sundry Investment	81	-	-	-	-	81
Peters Pence	54	216	(226)	(12)	-	32
Dublin Regional Marriage Tribunal	156	446	(458)	-	-	144
Our Lady Choral Society	-	142	(121)	-	90	111
<b>Total Restricted Funds</b>	<b>27,083</b>	<b>1,985</b>	<b>(4,454)</b>	<b>174</b>	<b>90</b>	<b>24,878</b>
<b><u>Unrestricted funds:</u></b>						
Diocesan Support Offices	-	5,091	(5,252)	161	-	-
General Fund	(6,595)	8,744	(6,998)	(335)	-	(5,184)
<b>Total Unrestricted Funds</b>	<b>(6,595)</b>	<b>13,835</b>	<b>(12,250)</b>	<b>(174)</b>	<b>-</b>	<b>(5,184)</b>
<b>TOTAL FUNDS</b>	<b>20,488</b>	<b>15,820</b>	<b>(16,704)</b>	<b>-</b>	<b>90</b>	<b>19,694</b>

**Note:**

The detail and the purposes of these restricted and unrestricted funds is referred to in the Activity Report.

## NOTES TO THE FINANCIAL STATEMENTS - continued

9 Statement of financial position analysed by its unrestricted and restricted elements as at 31 December 2017	2017 Unrestricted €'000	2017 Restricted €'000	2017 Total €'000	2016 Total €'000
<b>Fixed assets</b>				
Tangible assets	200	5,325	5,525	5,517
Investments	22,247	12,524	34,771	36,762
<b>Total fixed assets</b>	<u>22,447</u>	<u>17,849</u>	<u>40,296</u>	<u>42,279</u>
<b>Current assets</b>				
Debtors	2,642	392	3,034	2,798
Cash on deposit	2,001	2,766	4,767	11,375
Cash at hand and in bank	6,415	5,320	11,735	10,493
<b>Total current assets</b>	<u>11,058</u>	<u>8,478</u>	<u>19,536</u>	<u>24,666</u>
<b>Liabilities</b>				
Creditors: amounts falling due within one year	<u>(3,967)</u>	<u>(1,449)</u>	<u>(5,416)</u>	<u>(6,210)</u>
<b>Total assets less current liabilities</b>	29,538	24,878	54,416	60,735
<b>Creditors: amounts falling due after more than one year</b>				
Provisions for liabilities and charges	<u>(12,366)</u>	<u>-</u>	<u>(12,366)</u>	<u>(14,084)</u>
<b>Net assets excluding pension assets or liability</b>	17,172	24,878	42,050	46,651
Defined benefit pension scheme deficit	<u>(22,356)</u>	<u>-</u>	<u>(22,356)</u>	<u>(26,163)</u>
<b>Total net assets/(liabilities)</b>	<u>(5,184)</u>	<u>24,878</u>	<u>19,694</u>	<u>20,488</u>
<b>The funds of the Charity</b>	<u>(5,184)</u>	<u>24,878</u>	<u>19,694</u>	<u>20,488</u>

10 Tangible fixed assets	Land and buildings €'000	Computers and equipment, fixtures and fittings €'000	Total tangible fixed assets €'000
<b>Cost or valuation</b>			
At 31 December 2016	6,028	1,107	7,135
Additions and transfer from other funds (note 22)	<u>-</u>	<u>142</u>	<u>142</u>
At 31 December 2017	<u>6,028</u>	<u>1,249</u>	<u>7,277</u>
<b>Accumulated depreciation</b>			
At 31 December 2016	(733)	(885)	(1,618)
Depreciation charge for the financial year	<u>-</u>	<u>(134)</u>	<u>(134)</u>
At 31 December 2017	<u>(733)</u>	<u>(1,019)</u>	<u>(1,752)</u>
<b>Net book value amount</b>			
Net book value at 31 December 2017	<u>5,295</u>	<u>230</u>	<u>5,525</u>
Net book value at 31 December 2016	<u>5,295</u>	<u>222</u>	<u>5,517</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

<b>11 Investments</b>	<b>2017 €'000</b>	<b>2016 €'000</b>
Quoted investments at valuation	34,771	36,762
Cash on deposit	4,767	11,375
Total value	39,538	48,137

The investments are stated at market value.

	<b>2017 €'000</b>	<b>2016 €'000</b>
The movement in quoted investments during the year was as follows:		
Market value at 31 December 2016	36,762	32,540
Additions	15,323	-
Transfer from Holy Cross College and from unquoted shares	-	202
Withdrawals	(18,802)	(1,699)
Income received	(15)	(54)
Management fees	(165)	(197)
Net realised gains/(losses) on investments	1,550	824
Net unrealised gains/(losses) on investments	(46)	5,249
Net unrealised gains/(losses) on investments held for related parties	103	(103)
Interest receivable	61	-
Market value at 31 December 2017	34,771	36,762

The analysis of investments category is as follows:

Absolute Returns	19,743	21,984
Real return index linked bonds	9,708	8,184
Quoted equity	4,642	5,286
Investment property	-	733
Investments in shares held direct	678	575
Unquoted equity	-	-
	34,771	36,762

<b>12 Debtors</b>	<b>2017 €'000</b>	<b>2016 €'000</b>
Other receivables and prepayments	1,203	355
Amounts due from related charities	1,831	2,443
	3,034	2,798



## NOTES TO THE FINANCIAL STATEMENTS - continued

13 Creditors	2017 €'000	2016 €'000
Creditor and other accruals	1,927	2,272
Amounts due to related charities	3,489	3,938
	<u>5,416</u>	<u>6,210</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.

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 seven agencies that it operates. The Charity also sponsors the Mater Dei Institute of Education Pension Scheme, the scheme for members of the former College, Mater Dei Institute of Education who were previously members of the Plan. Therefore are combined in these financial statements.

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 included in these financial statements. 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.

The Funding Proposal that the Catholic Diocese Pension Plan was operating under was assessed as being "off track" as at 30 June 2016 and the Archdiocese, the Trustees, and all the associated employers worked together throughout 2017 to finalise a revised Funding Proposal and Section 50 application. This was submitted to the Pensions Authority on 9 February 2018 and was approved by the Pensions Authority on 13 March 2018.

The Section 50 direction received from the Pensions Authority will remove all guaranteed increases to pensions in payment from the Plan with effect from 21 March 2018. As part of the received Funding Proposal the members of one of the participating agencies Crosscare will cease accrual with effect from 30 June 2018. These two events will result in a gain to the pension scheme in 2018 financial statements and will reduce the deficit in the scheme.

## NOTES TO THE FINANCIAL STATEMENTS - continued

## 14 Pension commitments - continued

A comprehensive actuarial valuation of the Group pension scheme, using the projected unit credit method, was carried out at 31 December 2017 by PwC, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

Key assumptions	2017	2016
Discount rate	2.05%	2.00%
Rate of increase in Consumer Price Index - Inflation	1.80%	1.75%
Rate of increase in salaries	2.55%	2.50%
Average rate of increase in pensions:		
- pre 1 July 2014	3.00% fixed	3.00% fixed
- post 1 July 2014 but pre 1 July 2010	CPI max. 1.75%	CPI max. 1.75%
- post 1 July 2010	0%	0%

	2017 Years	2016 Years
The mortality assumptions used were as follows:		
Longevity at age 65 for current pensioners:		
- men	21.1	22.3
- women	23.7	23.8

Assets and liabilities of the Plan:	2017 €'000	2016 €'000
Assets:		
- equities	14,247	8,623
- bonds	23,779	5,074
- absolute return fund	544	12,407
- absolute return bond	-	3,226
- cash and other	3,532	10,085
Total value of assets	42,102	39,415
Present value of funded liabilities	(64,458)	(65,578)
Total (deficit)	(22,356)	(26,163)

	Assets €'000	Liabilities €'000	2017 Total €'000	2016 Total €'000
Reconciliation of scheme assets and liabilities:				
At 31 December 2016	39,415	(65,578)	(26,163)	(20,313)
Benefits paid	(1,563)	1,563	-	-
Curtailment losses/(gains)	-	-	-	350
Employer contributions including prepayment	1,552	-	1,552	2,570
Current service cost	-	(2,269)	(2,269)	(2,365)
Interest on plan assets/(liabilities)	788	(1,296)	(508)	(491)
Actuarial gain/(loss)	1,910	3,122	5,032	(5,914)
At 31 December 2017	42,102	(64,458)	(22,356)	(26,163)

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

## NOTES TO THE FINANCIAL STATEMENTS - continued

## 14 Pension commitments - continued

	Year ended 2017 €'000	Year ended 2016 €'000
The amounts recognised in the statement of financial activities are as follows:		
Interest cost	(1,296)	(1,453)
Expected return on scheme assets	788	962
Other finance income	(508)	(491)
Current service cost – included in other operating costs	-	(343)
Service costs	(2,269)	(2,022)
Net gains on settlements and curtailments	-	350
Total	(2,777)	(2,506)

The amounts recognised in the statement of financial activities - other recognised gains are as follows:

Actual less expected return on scheme assets	1,910	716
Experience losses on liabilities	734	1,507
Change in assumptions underlying the present value of the scheme liabilities	2,388	(8,138)
Actuarial gains/(losses) recognised on defined benefit pension scheme	5,032	(5,915)

The actuarial (gain)/ loss recognised in the statement of financial activities other recognised gains for the financial year ended 31 December 2017 is €5,032,196 (2016: €5,915,000).

	Year ended 2017 €'000	Year ended 2016 €'000
Actual return on plan assets	508	491

## 15 Provision for liabilities and charges

	2017 €'000	2016 €'000
At beginning of the year	14,084	15,777
<i>Movement in the year:</i>		
Net changes in provision	(628)	(592)
Payments made during the year	(1,090)	(1,101)
Closing provision	12,366	14,084

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 at 31 December 2017, which amounted to €7.41m (2016: €8.30m).

## NOTES TO THE FINANCIAL STATEMENTS - continued

<b>17 Reconciliation of net incoming resources to cash inflow from operating activities</b>	<b>Year ended 2017 €'000</b>	<b>Year ended 2016 €'000</b>
Net expenditure for the reporting year before gains and transfers	(7,420)	(3,250)
Transfers during the financial year	(114)	(8)
Dividend, interest and rent from investments	(816)	(1,350)
Investment management fees	165	-
Pension adjustments regarding the multi-employer scheme	5,089	(2,072)
Depreciation	134	157
(Increase)/decrease in debtors	(236)	(99)
Increase/(decrease) in creditors	(794)	2,244
Increase/(decrease) in pension	(3,808)	5,850
Change in provision for liability and charges	(1,719)	(1,693)
	<u>(9,519)</u>	<u>(221)</u>

<b>18 Analysis of changes in cash in hand and at bank</b>	<b>2016 €'000</b>	<b>Cash flows €'000</b>	<b>2017 €'000</b>
Cash in hand in bank current and deposit accounts and net of bank overdrafts	<u>21,868</u>	<u>(5,366)</u>	<u>16,502</u>

<b>19 Transfer between funds</b>	<b>Year ended 2017 €'000</b>	<b>Year ended 2016 €'000</b>
Transfers between funds in the Charity	<u>174</u>	<u>96</u>

These relate to costs for support provided by the finance secretariat to these restricted funds totalling €111k, which is then netted of a donation of €285k from the Trustees to Holy Cross College to help it with its costs as it now runs at an annual deficit.

**20 Related party transactions**

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

	<b>Year ended 2017 €'000</b>	<b>Year ended 2016 €'000</b>
(i) Parishes and Schools of the Diocese of Dublin (CRA 20016166) - income	5,128	4,400
St. Patricks College Drumcondra (CRA 20034542)	<u>50</u>	<u>-</u>
	<u>5,178</u>	<u>4,400</u>

These transactions in Diocesan Offices relate mainly to income received from the Share Fund to help finance central support services costs. Included in this figure are contributions from the parishes totalling €251k towards the costs incurred by the Charity to ensure that the parishes comply with the Charities Act.

Also included in related party transactions is income from the Common Fund and the Clerical Fund for the administration and financial support that the Diocesan Support Services provide to these funds and a subvention from the Share Fund to the Dublin Regional Marriage Tribunal to help meet its operational costs (see note 5).

## NOTES TO THE FINANCIAL STATEMENTS - continued

## 20 Related party transactions - continued

	Year ended 2017 €'000	Year ended 2016 €'000
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(ii) Parishes and schools of the Diocese of Dublin (CRA 20016166) - expenditure	(3,500)	-
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The related party expenditure transactions with a total value of €3.5m with the Parishes and Schools of the Diocese of Dublin (CRA 20016166) relate to a donation from the Trustees of the Charity to the following related funds:

	Year ended 2017 €'000	Year ended 2016 €'000
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Common Fund	(1,500)	-
Share Pastoral Services Fund	(1,000)	-
Share Building Fund	(1,000)	-
	(3,500)	-

	Year ended 2017 €'000	Year ended 2016 €'000
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(iii) Crosscare (CRA 20010942) - income	26	26
Crosscare (CRA 20010942) - expenditure	(780)	(780)
	(754)	(754)

The expenditure transactions relate to grants approved by the Trustees to 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 Crosscare in the year.

The related party income relates to income received from Crosscare for office space they use in Holy Cross College. This space is rented below the market value for office space.

	Year ended 2017 €'000	Year ended 2016 €'000
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(iv) Mater Dei Institute of Education (CRA 20010287)	(380)	(110)
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These related transactions relate to pension contributions paid on behalf of Mater Dei employees for service accrued to the date that they merged with DCU in 2016.

	Year ended 2017 €'000	Year ended 2016 €'000
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(v) Accord (CRA 20014100) - income	15	15
Accord (CRA 20014100) - expenditure	(30)	(30)
	(15)	(15)

The income related party transactions relate to rental income from the diocesan agency for office space they utilise in Holy Cross College Campus.

The expenditure relates to a grant awarded by the Trustees to Accord to support them with the costs associated with a primary schools programme on relationships and sexuality.

## NOTES TO THE FINANCIAL STATEMENTS - continued

## 20 Related party transactions - continued

Year ended 2017 €'000	Year ended 2016 €'000
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(vi) World Meeting of Families - income	(15)	(15)
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The income related party transactions relate to rental income from the diocesan agency for office space they utilise in Holy Cross College Campus.

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

Year ended 2017 €'000	Year ended 2016 €'000
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Parishes and Schools of the Diocese of Dublin (CRA 20016166) and other related party - liability	(3,375)	(3,916)
Interfund liability balances within Charity (CRA20002022)	(114)	(22)
<b>Related Party - payable balances</b>	<b>(3,489)</b>	<b>(3,938)</b>

Accord (CRA 20014100)	2	11
Crosscare (CRA 20010942)	71	45
Diocesan agencies	751	240
Interfund asset balances within Charity (CRA20002022)	114	32
Loan to a related party	34	33
Lourdes (CRA 20087030)	14	13
Other related party balances	16	41
Other diocese	31	30
Parishes and Schools of the Diocese of Dublin (CRA 20016166)	533	1,960
St. Patricks College Drumcondra (CRA 20034542)	250	3
World Meeting of Families 2018 (CR 20152710)	15	35
<b>Related Party - receivable balances</b>	<b>1,831</b>	<b>2,443</b>

## NOTES TO THE FINANCIAL STATEMENTS - continued

## 21 Related party disclosure

**Diocesan agencies**

The following transaction entries are relating to the multi-employer pension scheme. No money was paid or received to or from any of the agencies in relation to the multi-employer pension scheme however because the overall liability of the pension fund is disclosed in this set of financial statements the following transactions are reported.

	2017 €'000	2016 €'000
Donation and legacies	1,567	2,502

Below are income and expenditure in the Statement of Financial Activities (SOFA) with regard to the multi-employer pension scheme:

	2017 €'000	2016 €'000
Included within the following category within the SOFA:		
Service costs – other expenditure	(2,268)	(2,365)
(Loss)/gains on settlements and curtailments – other expenditure	-	350
Interest expenses – other expenditure	(1,296)	(1,453)
Interest income – investment income	788	962
Total net expense booked in the SOFA with regards to the pension scheme	(2,776)	(2,506)
<b>Other recognised gains/(losses)</b>		
Actuarial gains/(losses) on defined benefit pension scheme	5,032	(5,915)
<b>Balance sheet</b>		
Creditors falling due after more than one year - defined benefit pension scheme	(22,356)	(26,163)

## 22 Transfer of fixed asset and reserves

Year ended 2017 €'000	Year ended 2016 €'000
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Transfers of fixed assets and net reserves from/(to) other related charities:

Transfer of net reserves from Our Lady's Choral Society	90	-
Transfer from Mater Dei to Holy Cross College	-	15
	90	15

The transfer during the year related to the transfer in of Our Lady's Choral Society to this Charity on the 1 May 2017. This is a restricted fund within this Charity.

## 23 Approval of financial statements

The financial statements were approved by the Trustees on 26 June 2018.