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Charities of the Roman Catholic Archdiocese of Dublin

Annual Financial Report

Financial Year Ended 31 December 2018

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TRUSTEES AND OTHER INFORMATION

Trustees	Archbishop Diarmuid Martin Most Reverend Eamonn Walsh Most Reverend Raymond Field Very Reverend Paul Callan St Laurence O'Toole Diocesan Trust	
Finance Committee	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 Liam Belton Very Reverend Joe Jones Sr Irene Dunne	(Chairperson) (resigned 1 May 2018) (appointed 9 February 2018) (appointed 5 February 2019)
Buildings Committee	Mr Sean McKone Mr Edward O'Shea Mr Tony Sheppard Mr Nick Smith Mr Pdraig Kennedy	(Chairperson)
Investments Committee	Mr John Corrigan Reverend Bernard Meade, C.M.	(Chairperson)
Audit Committee	Mr Terence O'Rourke Mr Tom Foley Sr. Irene Dunne	(Chairperson) (appointed 5 February 2019)
Financial Administrator and General Manager	Mr Declan McSweeney	
Solicitors	Mason Hayes & Curran South Bank House Barrow Street Dublin 4	
Bankers	Allied Irish Banks 7/12 Dame Street Dublin 2 Bank of Ireland College Green Dublin 2	
Auditors	PricewaterhouseCoopers Chartered Accountants and Registered Auditors One Spencer Dock North Wall Quay Dublin 1	

TRUSTEES AND OTHER INFORMATION - continued

Investment Advisors	Aon Hewitt Iveagh Court Harcourt Road Dublin 2
Principal Office	Holy Cross Diocesan Centre Clonliffe Road Dublin 3
Charity Number	CHY 1333
Charities Regulator Number	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 197 parishes in the diocese. The new parish of St Pappin's Ballymun was established in 2018, incorporating the former parishes of Shangan, Balcurris and Sillogue and reduces the number of parishes in the diocese from 199 to 197. 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 197 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 11 to 13.

In Civil Law, The Charities of Roman Catholic Archdiocese of Dublin ("Charity") is a Charitable Trust, governed by a Trust Deed signed on 20 December 2017. 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.

Mater Dei Educational and Research Trust (MDERT) transferred into the reporting structure of the Charity from 1 January 2018 as a restricted fund.

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 ten members, of whom three are priests, one a religious sister, 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 diocesan offices 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 three members of the DDFC. The Audit Committee oversees financial reporting and related matters such as risk management and the audit function. In 2018 the Audit Committee recommended the engagement of Crowe in respect of internal audit services. This new internal audit function will commence in 2019. Sr. Irene Dunne was appointed to the Committee in 2019.

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.

16th 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's 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
Diocesan Agencies		
Crosscare	6262	20010942
Accord	6983	20014100
Dublin Diocesan Pilgrimage to Lourdes	5613	20008703

The St Laurence O'Toole Diocesan Trust is a bare trust in which all diocesan and parish 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 9 to 13) 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.

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 12 and 13).

The Archbishop announced in April 2019 that there will be no special collections for the Burse Fund in 2019 as the funds collected in past years are sufficient to cover seminarian expenses for at least five years. The funds already collected will be devoted exclusively to the original intention and especially to the fostering of vocations; any requirement to raise additional funds for this purpose will be considered when the existing funds of €3.4m reduce significantly.

Holy Cross College incurs an annual deficit (see note 8, page 34 and 35) and must generate income to continue to carry out its activities. The Charity is currently in discussions with the GAA around the proposed sale of the lands and buildings of Holy Cross College. Given the planned change of use and following wide consultation that included the Council of Priests, the Diocesan Consulters and the general body of priests, it was agreed to suppress Holy Cross College, Clonliffe as a seminary. It has not functioned as a seminary since the year 2000. The decision took effect under Canon Law as from 30th May 2019. Any temporal goods, including land, belonging to Holy Cross College transferred to the juridic person that is the Archdiocese of Dublin.

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 24% in total over this time.

During the year to 31 December 2018, the funds continued to be administered in accordance with their intended purposes.

The Charity sponsors two schemes, the Catholic Diocese of Dublin pension scheme (CDD) and the Mater Dei Institute pension scheme (MDI). Changes were made to the pension schemes (note 14, page 38 to 40) in the year resulting in a significant credit of €15.2m reported in the Statement of Financial Activities. The CDD scheme was also closed to new entrants on 1st July 2017.

A contribution to a PRSA scheme is made by the employers in respect of any new employees. There are 688 active, deferred and pensioner members in the schemes (see note 14, pages 38 to 40).

As the pension schemes were in deficit at 31 December 2017, the employers engaged with the trustees to examine options to ensure the continued viability of the schemes into the future. Funding proposals were submitted to, and approved by the Pensions Authority for both schemes in 2018 resulting in pension increases no longer being guaranteed. The MDI scheme is a closed scheme. In addition, from 30 June 2018, all Crosscare members transferred to a Defined Contribution scheme for future service. The removal of guaranteed pension increases has resulted in a reduction of €13.8m in the liabilities of the scheme. The transfer of Crosscare members to a Defined Contribution scheme for future service, has also resulted in a reduction in liabilities of €1.4m as these member benefits are no longer linked to future salary increases.

As a result, the deficit on the diocesan pension schemes calculated in accordance with the requirements of FRS 102 decreased from €22.4m at 31 December 2017 to €6.1m at 31 December 2018.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

FINANCIAL REVIEW OF THE YEAR – continued

The percentage membership per diocesan agency is as follows:

	CRA Number	CHY Number	Members	% of Membership
- Crosscare	20010942	6262	435	64%
- Diocesan Offices (including Holy Cross College Members) and Parish Pastoral workers	20002022	1333		
	20016166	7424	111	16%
- Mater Dei Institute of Education	20010237	6101	70	10%
- Accord	20014100	6983	44	6%
- DRMT	20002022	1333	14	2%
- Lourdes Pilgrimage & others	20008703	5613	14	2%

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

The total incoming resources for 2018 for the Charity amounted to €8.5m (2017: €9.3m). The main reason for the decrease relates to donations and legacies. The changes made to the pension scheme resulting in lower notional donations being required from the diocesan agencies in relation to their membership of the pension scheme. Excluding these pension movements, there was an increase in legacies and donations of €107,000 in the year.

Contributions from diocesan related Charities reduced in 2018 from €5.2m in the prior year to €5m in the current year. This income relates mainly to contributions to the Charity from the Share Fund. This Share Fund contribution to this Charity decreased from €4.4m in 2017 to €4.2m in 2018. This decrease is due to a reduction in the amount required from the Share Fund to meet the costs of the diocesan offices which has reduced from €5.2m to €4.9m in the year.

Expenses incurred in furthering the objectives of the Charity amounted to (€2.3m) in the current year compared with €16.7m in the prior year, primarily as a result of the pension changes.

Dublin was privileged in 2018 to host the World Meeting of Families, an international event of the Church celebrating Marriage and the Family.

Families from across the world came to Dublin to celebrate, pray and reflect upon the central importance of marriage and the family as the cornerstone of our lives. The event began with a three day congress held at the RDS.

Pope Francis came to Dublin to attend the Meeting and hundreds of thousands of people had the opportunity to see His Holiness at events in our Pro Cathedral, on the streets of the city, in Croke Park, the Phoenix Park and others.

It was an historic and faith filled occasion for our Church our city and our country.

Included within expenses is an expected contribution by the Charity in relation to remaining costs for World Meeting of Families 2018 estimated at €700,000.

Also included in expenses for the Charity are grants to beneficiaries of €5.2m compared with €7.3m in 2017. A once-off contribution of €3.5m was made to funds of the related Charity 'Parishes and Schools of the Diocese of Dublin' in 2017 which did not repeat in 2018. In addition, the remaining fund balance of the De La Saussaye Fund of €1.2m was donated to Crosscare in 2018. All other expenditure in 2018 was broadly in line with 2017.

Losses on the valuation of investments of €1.608m (2017: €1.5m gain) occurred during the year. The Charity had unrealised losses of €1.604m and realised losses of €4k in 2018. 2018 was the worst year for investment markets since the financial crisis in 2008 as the majority of major asset classes globally ended the year in negative territory. However, markets rebounded strongly in the first quarter of 2019 following the negative returns reported in Q4 2018 and the funds of the Charity recouped all of the unrealised losses reported at year end 2018.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

FINANCIAL REVIEW OF THE YEAR – continued

Net reserves of €560k relating to Mater Dei Educational and Research Trust (MDERT) were transferred to this Charity on 1 January 2018 and now form part of the restricted funds. MDERT's separate registration with the CRA was deregistered in 2018, following the closure of Mater Dei Institute of Education in 2016 and the fund is now governed as part of this Charity.

The net movement in funds in the current year results in a surplus of €8.8m compared to a deficit of €794k in the prior year. At the 31 December 2018 there were positive reserves of €7.6m in unrestricted funds compared with negative reserves of €5.2m at 31 December 2017. The main factor in this movement was the reduction in the deficit of the pension schemes. This deficit is included in the General Fund (page 9).

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 2018 is €10.6m (2017: €12.3m) (see note 15, page 40).

Overall, the Charity's funds increased from €19.7m at 31 December 2017 to €28.5m at 31 December 2018.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

ACHIEVEMENTS AND PERFORMANCE

ACTIVITY REPORT

1 UNRESTRICTED FUNDS

i. 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. Expenses in relation to clerical sexual abuse claims were €1.02m in the year and the provision for claims in being and future claims reduced by €1.7m to €10.6m. Movements in the diocesan pension scheme are also reported in the General Fund. The balance of the General Fund at 31st December 2018 was €7,609,378.

ii. 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 €5.0m (see note 8, page 34 and 35) (€5.2m in 2017).

The Diocesan Support Services 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 3 seminarians training to become priests of the Archdiocese of Dublin. The Archdiocese has 26 Permanent Deacons and 13 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 197 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 direct training to support parishes.

- **Finance Secretariat**

The Finance Secretariat advises the diocesan offices 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 process 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 fourteen funds vary from €6,182,416 to €26,143. Details and reserves of the funds are disclosed in note 8 on page 34 and 35. The movement in these funds in the year related primarily to charitable donations to beneficiaries and investment losses.

The Trustees have 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 (2018: €260,000; 2017: € Nil), the Poor of Dublin Fund (2018: €260,000; 2017: €390,000) and the De La Saussaye fund (2018: €260,000; 2017: €390,000). Crosscare carries out an assessment of need each year and an allocation across the funds is made accordingly. In 2018 the funds were allocated accordingly:

- O'Brien Trust; €260,000 to Crosscare Youth Services across the Dublin diocese (€153,000) and the Crosscare Community College (€107,000).
- The Poor of Dublin Fund; €260,000 was allocated towards Community and Outreach Services. €85,000 was allocated to information and advice centres for migrant, refugee and housing projects and €175,000 went towards community outreach services across the Dublin diocese.
- De La Saussaye; €260,000 allocated to Food Services, €137,000 towards the running costs of the three Community Cafés and €123,000 towards the running costs of the Crosscare Central Food Bank and the six Community Food Banks across Dublin.

In December 2018 the Trustees granted the balance of the De La Saussaye fund, €1.2m, to Crosscare. The total grant to Crosscare from the De La Saussaye fund in 2018 was €1.6m.

Holy Cross College – reserves at 31 December 2018 - €6,182,416 (2017: €6,812,108)

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 Patrick's 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 Charity is currently in discussions with the GAA around the proposed sale of the land and buildings at Holy Cross College.

The annual expenses of the College comprise the running and maintenance costs of the buildings and surrounding lands. These costs amounted to €801,574 in the current year.

O'Brien Educational Trust Fund - reserves at 31 December 2018 - €3,493,810 (2017: €4,655,789)

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. Schools and other beneficiaries who qualify under the terms of the Trust are invited to make submissions via the application form available from the Finance Secretariat.

During the year, a number of grants were distributed to various projects and schools. The maths recovery programme received €80,000. The learning units in Francis St, Ballyfermot and Westland Row received €106,000 throughout the course of the year and various DEIS schools were awarded grants totalling approximately €460,000. These grants assist with the purchase of information technology equipment, books to establish school libraries to improve literacy, educational assessments and educational trips. A number of smaller grants were also made.

The total amount that was paid out in grants amounted to €974,383 in the current year.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT - continued

2 RESTRICTED FUNDS – continued

The Burse Fund (Vocations) - reserves at 31 December 2018 - €3,395,800 (2017: €3,565,566)

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 in relation to seminarians and permanent deacons, amounted to €319,722 for the year.

Poor of Dublin Fund – reserves at 31 December 2018 - €1,519,344 (2017: €2,095,425)

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, €459,784 was paid out in grants to various beneficiaries.

Some of the initiatives supported in the period were:

- Crosscare received a grant of €260,000 from the fund.
- Mercy Law Centre was granted €90,000.
- €53,800 was granted to Family Support Network

Mission Fund – reserves at 31 December 2018 - €1,738,798 (2017: €1,990,299)

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 €155,183 was granted to beneficiaries in the period. Activity in the year to December 2018 included:

- €10,000 was donated to the Archdiocese of Ivano – Frankivsk, Ukraine to support Seminarians in this diocese.
- €75,083 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.
- €10,000 was donated to the diocese of Kamyanets – Polidskiy, Ukraine to assist with the building of a new Seminary.
- €29,790 was donated to the Viatores Christi Missionaries to allow them to send three Lay Ministry Workers across the globe within the next three years (one in 2019 and two in 2020).
- Diocese of Eluru, India - €9,810 was donated to go towards the construction of a village chapel at Adavikolanu at Mission Parish of Bhuvanapalli.

Irish Martyrs Fund – reserves at 31 December 2018 €2,114,004 (2017: € 2,197,783)

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 2018 - €0 (2017: €1,567,864)

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 €1,567,864. In December 2018, the Trustees approved a grant of the remaining amount of the fund to Crosscare. This will be paid in 2019.

New Cathedral Fund – reserves at 31 December 2018 - €919,128 (2017: €980,187)

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 2018 €21,251 was granted to the Pro-Cathedral for renovations in the Church.

Harrington Street Trust – reserves at 31 December 2018 - €650,505 (2017: €650,173)

A fund established by Canon Connolly in 1906 for the education of the children of the parish of Harrington Street. No grants were made from the fund in the year.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT - continued

2 RESTRICTED FUNDS - continued

Sundry Investments – balance at 31 December 2018 - €80,439 (2017: €80,439)

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

Peter's Pence Fund – reserves at 31 December 2018 - €26,143 (2017: €32,000)

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 €214,901 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 2018 - €143,651 (2017: €142,467)

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.

Our Lady's Choral Society – reserves at 31 December 2018 - €104,477 (2017: €111,570)

Our Lady's Choral Society (OLCS) was founded in Dublin in 1945, after the Dublin Archdiocese brought together the best singers from all the church choirs of Dublin for a performance of Handel's Messiah. Today, OLCS welcomes members from all religions and walks of life. The 120 choristers chosen for membership are united by a passion for singing great choral music at a professional level. Concerts in 2018 included a celebration of the life of Charles Gounod, the annual performance of Messiah on the streets of Dublin and the carol concerts at Christmas.

Mater Dei Educational and Research Trust – reserves at 31 December 2018 – €517,102 (2017: N/A)

The Mater Dei Educational and Research Trust is included within the Charity for the first time. It was previously a trust of the former Mater Dei Institute and was registered with the Charities Regulatory Authority. Its purpose is to provide scholarship and grants coming from within the following criteria;

- To fund post-graduate studies and research in the Institute in the areas of Theology, Education and the Humanities;
- To sponsor seminars, conferences, publications and visiting scholars in the study and research of Religion, Education and the Humanities;
- To explore and promote the use of information technology with particular reference to digital media based teaching and learning in the service of Religious Education, Theology and Adult Faith Formation.

Grants totalling €40,505 were made in the year.

FUNDRAISING

A permanent funding office was established for the Charity in 2016. The office is known as the Office for Financial Development and is continuing its work to examine 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.

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

TRUSTEES' REPORT - continued
Charities of the Roman Catholic Archdiocese of Dublin
INVESTMENTS – continued
Background - continued

The strategic weightings of the four funds for 2018 was as follows:

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

Performance

Over the 2018 financial year each of investment strategies produced a negative return, underperforming their respective benchmark as shown below.

Volatility returned to markets significantly in 2018, which was the worst year for investment markets since the Financial Crisis in 2008, as the majority of major asset classes globally ended the year in negative territory.

Markets began the year buoyed by US fiscal stimulus and the prospect of synchronised global growth. However, investors had to contend with rising US interest rates, a slowdown in the eurozone, weaker Chinese growth, trade tensions, and the change to a tighter monetary policy. The combination of these factors led to a pronounced equity market sell off during December, resulting in global equity markets indices posting a negative performance for 2018.

In the context of the above market environment, all investments held recorded a negative performance for 2018, with the Insight Broad Opportunities Fund being the worst performer over the 12 month period.

However, markets rebounded strongly in the first quarter of 2019 following the negative returns reported in Q4 2018 and the funds of the Charity recouped all of the unrealised losses reported at year end 2018.

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	-1.3%	-3.7%	-3.7%	-3.3%
Benchmark	0.5%	0.4%	0.7%	0.6%

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

PLANS FOR FUTURE PERIODS

Holy Cross College and Diocesan Offices

- During the year, the Charity entered into exclusive discussions with the GAA to sell the former Holy Cross College Seminary building on Clonliffe Road and adjoining lands.

The Charity and the GAA are co-operating closely on plans to ensure the lands and buildings be developed into one of the most significant community projects for the North city in many years, providing housing, jobs and sports facilities. The proposed sale is subject to approval by the Holy See and contracts are expected to be signed in 2019.

- Parishes were invited to workshops in May 2019 which will provide updates on GDPR, fundraising initiatives and use of digital media in parishes.
- On the weekend of the 18 and 19th of May 2019, a new collection (*Ministry Sunday Collection*) was held for the first time. The collection will be devoted to building and supporting new forms of Lay Ministry throughout the parishes of the diocese.
- The first phase of work by Crowe, Internal Auditors to the Charity, will commence in 2019 and will include the creation of a risk register for the Charity, a review of financial processes and controls in the Diocesan Offices and initial visits to a number of parishes to review existing financial practices.
- 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 Financial Development Team is developing ways to assist with the funding of Lay Ministry into the future. The office will continue to phase in electronic payments and digital giving, in parishes and the diocesan offices.
- The Education Secretariat will offer the following in-service during the year: Ethos and Management for Principals and Chairpersons of Primary Schools and the Grow in Love Primary Religious Education Programme. The Education Secretariat alongside the Diocesan Liturgical Resource Office is organising the three nights of the Laudate Primary School Faith Celebrations.
- Parishes will continue to be supported in the use of the uniform pastoral management and accounting systems.
- The diocesan offices will continue to support parishes with their building projects. Some of the projects planned in parishes with the assistance of the property team in 2019 include;
 - The refurbishment of the church at Mountview;
 - An extensive project to convert the former parochial house to a pastoral centre in the parish of Balcurris;
 - The project to replace the current church in Finglas West parish with a more appropriate smaller church and a new parish centre;
 - The completion of the church renovation at Bonnybrook Parish.
- The restricted funds will continue to support beneficiaries in line with the objectives of each of the individual funds. For example, the O'Brien Trust is committed to extending the Maths Recovery programme in primary DEIS schools in the 2019/2020 school academic year after a very successful pilot phase.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

EVENTS AFTER THE END OF THE REPORTING PERIOD

Following a consultative process, that included the Council of Priests, the Diocesan College of Consultors and the Diocesan Finance Committee, contracts were signed with the GAA on 16th April 2019 for the sale of 12.62 hectares of land and buildings at Holy Cross College for the purchase price of €95,157,500. The contracts were subject to the approval of the Holy See and the Charities Regulatory Authority. Approval was given by the Holy See on the 18th May 2019 and by the CRA on 27th June 2019. The property will be sold in four separate tranches between 2019 and 2022.

As part of the process outlined above, it was necessary to suppress Holy Cross College, Clonliffe as a seminary. It has not functioned as a seminary since the year 2000. The decision took effect under Canon Law as and from 30th May 2019. Any temporal goods, including land, belonging to Holy Cross College transferred to the juridic person that is the Archdiocese of Dublin.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for the preparation of the financial statements of the Charity which are set out on pages 20 to 44 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
5 July 2019



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

Report on the audit of the non-statutory financial statements

Opinion

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

- give a true and fair view of the Charity's assets, liabilities and financial position as at 31 December 2018 and of its net income and cash flows for the year then ended; and
- 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").

We have audited the financial statements, which comprise:

- the balance sheet as at 31 December 2018;
- 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.

Basis for opinion

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

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.

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.

Reporting on other information

The other information comprises all of the information in the Annual 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.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Trustee's Responsibilities Statement set out on page 16, 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 Trustee's 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

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 Charity's trustees as a body for goodwill in accordance with our engagement letter dated 2 May 2019 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 charity, save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
Dublin

30 July 2019

STATEMENT OF FINANCIAL ACTIVITIES
Financial Year Ended 31 December 2018

		Unrestricted Funds 2018 €'000	Restricted Funds 2018 €'000	Total Funds 2018 €'000	Total Funds 2017 €'000
	Notes				
Income					
Contribution from diocesan related charities	5(i)	4,565	368	4,933	5,178
Donations and legacies	5(ii)	1,401	453	1,854	2,400
Income from charitable activities	5(iii)	270	-	270	252
Income earned from other activities	5(iv)	22	100	122	160
Income from other trading activities	5(v)	232	226	458	477
Investment and other income	5(vi)	885	24	909	816
Total		7,375	1,171	8,546	9,283
Expenditure					
Expenditure on raising funds	6a(i)	(12)	(52)	(64)	(206)
Expenditure on charitable activities	6a(ii)	(5,894)	(5,001)	(10,895)	(13,441)
Other expenditure	6a(iii)	(1,871)	-	(1,871)	(3,056)
Pension Scheme – Net impact of changes	6a(iv)	15,178	-	15,178	-
Total		7,401	(5,053)	2,348	(16,703)
Net (losses)/gains on investments	11	(1,051)	(557)	(1,608)	1,504
Net income/(expenditure)		13,725	(4,439)	9,286	(5,916)
Transfers between funds	19	113	(113)	-	-
		13,838	(4,552)	9,286	(5,916)
Other recognised gains					
Transfer of fixed assets and net reserves from other related Charities	22	-	560	560	90
Actuarial (losses)/gains on defined benefit pension scheme	14, 21	(1,045)	-	(1,045)	5,032
Net movement in funds		12,793	(3,992)	8,801	(794)
Reconciliation of funds:					
Total funds carried forward		(5,184)	24,878	19,694	20,488
Total funds carried forward	8, 9	7,609	20,886	28,495	19,694

Approved by:



Archbishop Diarmuid Martin
5 July 2019

BALANCE SHEET

As at 31 December 2018

	Notes	Total Funds 2018 €'000	Total Funds 2017 €'000
Fixed assets			
Tangible assets	9, 10	5,474	5,525
Investments	9, 11	32,339	34,771
Total fixed assets	9	37,813	40,296
Current assets			
Debtors	9, 12	1,764	3,034
Cash on deposit	9	2,582	4,767
Cash at hand and in bank	9	10,141	11,735
Total current assets	9	14,487	19,536
Liabilities			
Creditors: amounts falling due within one year	9, 13	(7,105)	(5,416)
Net current assets		7,382	14,120
Total assets less current liabilities		45,195	54,416
Creditors: amounts falling due after more than one year			
Provisions for liabilities and charges	9, 15	(10,639)	(12,366)
Net assets excluding pension deficit		34,556	42,050
Defined benefit pension scheme deficit	9, 14	(6,061)	(22,356)
Total net assets of the Charity	9	28,495	19,694
The total funds of the Charity can be analysed as follows:			
Total restricted funds	8, 9	20,886	24,878
Total unrestricted funds	8, 9	7,609	(5,184)
Total Charity Funds	8, 9	28,495	19,694

Approved by:



Archbishop Diarmuid Martin
5 July 2019

STATEMENT OF CASH FLOWS
Financial Year Ended 31 December 2018

	Notes	2018 €'000	2017 €'000
Net cash used in operating activities	17	<u>(5,391)</u>	<u>(9,519)</u>
Investing activities:			
Dividends, interest and rent from investments		901	816
Purchase of property, plant and equipment		(96)	(142)
Movement on Shares held direct		36	-
Proceeds from sale of investments		771	18,802
Purchase of investments		<u>-</u>	<u>(15,323)</u>
Net cash provided by/(used in) investing activities		<u>1,612</u>	<u>4,153</u>
Net cash provided by/(used in) financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>(3,779)</u>	<u>(5,366)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>16,502</u>	<u>21,868</u>
Cash and cash equivalents at the end of the reporting period	18	<u>12,723</u>	<u>16,502</u>

NOTES TO THE FINANCIAL STATEMENTS

1 General information

In Civil Law, the Charities of the Roman Catholic Archdiocese of Dublin ("Charity") is a charitable Trust, governed by a Trust Deed signed on 20 December 2017.

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). The Charity's 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 financial statements 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 Charity'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 financial statements.

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 Charity 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 buildings at their deemed cost on transition to FRS 102.

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) Freehold 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) Freehold 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 financial statements. Therefore in accordance with SORP and FRS102 these assets have not been capitalised. 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
Churches	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 annual management charge for the below noted funds are accrued and charged daily at overall fund level, and are reflected in the closing price of the relevant fund each day.

Insight Broad Opportunities Fund:	0.50% p.a.
Blackrock Dynamic Diversified Growth Fund:	0.55% p.a.
Pimco Global Real Return Fund:	0.49% p.a.

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 Statement of Financial Activities.

(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 and 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.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

(m) Financial instruments – continued

(i) Financial assets - continued

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.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans, 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 and bank loans and financial liabilities 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

(n) Provisions and contingencies - continued

(ii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised as a liability because 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.

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

	Unrestricted Funds 2018 €'000	Restricted Funds 2018 €'000	Total Funds 2018 €'000
(i) Contributions from diocesan related charities			
Contribution from the Share fund	4,206	-	4,206
Contribution from Parishes	299	-	299
Common fund administration recharge	80	-	80
Clerical fund administration recharge	30	-	30
Contribution from other related source	(50)	-	(50)
Dublin Regional Marriage Tribunal	-	368	368
	<u>4,565</u>	<u>368</u>	<u>4,933</u>
(ii) Donations and legacies			
Donations	394	448	842
Legacies	93	5	98
Donation from diocesan agencies *	914	-	914
	<u>1,401</u>	<u>453</u>	<u>1,854</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.			
(iii) Income from charitable activities			
CPSMA	70	-	70
Cathedraticum	23	-	23
Dublin diocesan guidebook	7	-	7
Retreats income	27	-	27
Garda vetting	125	-	125
Other	18	-	18
	<u>270</u>	<u>-</u>	<u>270</u>
(iv) Income from other activities			
Miscellaneous income	<u>22</u>	<u>100</u>	<u>122</u>
(v) Income from other trading activities			
Car park and rental income	<u>232</u>	<u>226</u>	<u>458</u>
(vi) Investment and other income			
Bank interest	-	9	8
Investment income	<u>885</u>	<u>15</u>	<u>901</u>
	<u>885</u>	<u>24</u>	<u>909</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Income - continued

	Unrestricted Funds 2017 €'000	Restricted Funds 2017 €'000	Total Funds 2017 €'000
(i) Contributions from diocesan related charities			
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>
(ii) Donations and legacies			
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.			
(iii) Income from charitable activities			
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>
(iv) Income from other activities			
Miscellaneous income	<u>22</u>	<u>138</u>	<u>160</u>
(v) Income from other trading activities			
Car park and rental income	<u>231</u>	<u>246</u>	<u>477</u>
(vi) Investment and other income			
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

6 Expenditure	Unrestricted Funds 2018 €'000	Restricted Funds 2018 €'000	Total 2018 €'000
6a) Analysis of expenditure			
(i) Cost of raising funds:			
Investment management fees	12	19	31
Fundraising/event costs	-	33	33
	12	52	64
(ii) Expenditure on Charitable activities:			
Pastoral activities	1,696	684	2,380
Grants to beneficiaries	851	4,316	5,167
Educational support	486	-	486
Child safeguarding and protection services	605	-	605
Support costs (see 6b)	2,256	1	2,257
	5,894	5,001	10,895
(iii) Expenditure on other activities:			
General fund expenditure including pension fund expense and interest	1,871	-	1,871
(iv) Pension scheme – Net impact of changes	(15,178)	-	(15,178)
Total expenditure	(7,401)	5,053	(2,348)
6b) Support costs			
Diocesan offices support costs	1,667	-	1,667
Governance costs	589	1	590
	2,256	1	2,257
	Unrestricted Funds 2017 €'000	Restricted Funds 2017 €'000	Total 2017 €'000
6a) Analysis of expenditure			
(i) Cost of raising funds:			
Investment management fees	94	72	166
Fundraising/event costs	-	40	40
	94	112	206
(ii) Expenditure on Charitable activities:			
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
	9,099	4,342	13,441
(iii) Expenditure on other activities:			
General fund expenditure including pension fund expense and interest	3,056	-	3,056
Total expenditure	12,249	4,454	16,703

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Expenditure - continued	Unrestricted Funds 2017 €'000	Restricted Funds 2017 €'000	Total 2017 €'000
6b) Support costs			
Diocesan offices support costs	1,817	-	1,817
Governance costs	839	-	839
	<u>2,656</u>	<u>-</u>	<u>2,656</u>

7 Employee and Trustee information

	2018 €'000	2017 €'000
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The average number of employees employed during the year was 60 (2017: 57)

Staff costs:

Salaries and wages	2,965	3,057
Seconded staff	142	165
Social security costs	298	292
Pension costs	1,452	409
Recruitment, training and other expenses	181	136
	<u>5,038</u>	<u>4,059</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.

	2018 Number	2017 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>7</u>

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

	2018 No. of employees	2017 No. of employees
Salary range:		
€70,000 - €80,000	1	4
€80,001 - €90,000	3	-
€90,001 - €100,000	-	2
€100,001 - €125,000	3	1
	<u>7</u>	<u>7</u>

	2018 €'000	2017 €'000
Total pension contributions in the year for the above employees amounted to:	<u>78</u>	<u>73</u>

The average salary per employee based on employees for the year is €49,169 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 62 staff for the year including seconded staff, social security costs, pension costs, recruitment and training is €64,066.

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Employee and Trustee information – continued

Trustees

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

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

There were no loans advanced to Trustees during the years and no loans outstanding at 31 December 2018.

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:

	2018 €'000	2017 €'000
Total key management compensation	138	134

8 Summary of Restricted and Unrestricted Fund movements from 1 January 2018 to 31 December 2018

Fund name	Fund balances brought forward €'000	Income €'000	Expenditure €'000	Transfers between funds €'000	Transfer of fixed assets and net reserves €'000	Fund balances carried forward €'000
<u>Restricted funds:</u>						
Holy Cross College	6,812	184	(814)	-	-	6,182
O'Brien Institute	4,655	3	(1,134)	(30)	-	3,494
Burse Fund	3,565	228	(387)	(10)	-	3,396
Poor of Dublin	2,094	-	(539)	(36)	-	1,519
Mission Fund	1,990	-	(236)	(15)	-	1,739
Irish Martyrs	2,197	1	(78)	(6)	-	2,114
De La Saussaye Trust	1,567	1	(1,565)	(3)	-	-
New Cathedral Fund	980	-	(61)	-	-	919
Harrington Street Trust	650	1	-	-	-	651
Sundry Investment	81	-	-	-	-	81
Peters Pence	32	215	(209)	(12)	-	26
Dublin Regional Marriage Tribunal	144	393	(393)	-	-	144
Our Lady Choral Society	111	145	(152)	-	-	104
Mater Dei Educational and Research Trust	-	-	(42)	(1)	560	517
Total Restricted Funds	24,878	1,171	(5,610)	(113)	560	20,886

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Summary of Restricted and Unrestricted Fund movements from 31 December 2017 to 31 December 2018
– continued

Fund name	Fund balances brought forward €'000	Income €'000	Expenditure €'000	Transfers between funds €'000	Transfer of fixed assets and net reserves €'000	Fund balances carried forward €'000
Unrestricted funds:						
Diocesan Support Offices	-	4,875	(5,038)	163	-	-
General Fund	(5,184)	2,500	10,343	(50)	-	7,609
Total Unrestricted Funds	(5,184)	7,375	5,305	113	-	7,609
TOTAL FUNDS	19,694	8,546	(305)	-	560	28,495

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

9 Statement of financial position analysed by its unrestricted and restricted elements as at 31 December 2018	2018 Unrestricted €'000	2018 Restricted €'000	2018 Total €'000	2017 Total €'000
Fixed assets				
Tangible assets	143	5,331	5,474	5,525
Investments	20,983	11,356	32,339	34,771
Total fixed assets	21,126	16,687	37,813	40,296
Current assets				
Debtors	1,475	289	1,764	3,034
Cash on deposit	1	2,581	2,582	4,767
Cash at hand and in bank	5,163	4,978	10,141	11,735
Total current assets	6,639	7,848	14,487	19,536
Liabilities				
Creditors: amounts falling due within one year	(3,456)	(3,649)	(7,105)	(5,416)
Total assets less current liabilities	24,309	20,886	45,195	54,416
Creditors: amounts falling due after more than one year				
Provisions for liabilities and charges	(10,639)	-	(10,639)	(12,366)
	13,670	20,886	34,556	42,050
Net assets excluding pension assets or liability				
Defined benefit pension scheme deficit	(6,061)	-	(6,061)	(22,356)
Total net assets	7,609	20,886	28,495	19,694
The funds of the Charity	7,609	20,886	28,495	19,694

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Tangible fixed assets	Land and buildings	Computers and equipment, fixtures and fittings	Total tangible fixed assets
	€'000	€'000	€'000
Cost or valuation			
At 31 December 2017	6,626	1,251	7,877
Additions	-	96	96
At 31 December 2018	6,626	1,347	7,973
Accumulated depreciation			
At 31 December 2017	(1,333)	(1,019)	(2,352)
Depreciation charge for the financial year	(5)	(142)	(147)
At 31 December 2018	(1,338)	(1,161)	(2,499)
Net book value amount			
Net book value at 31 December 2017	5,293	232	5,525
Net book value at 31 December 2018	5,288	186	5,474

11 Investments	2018 €'000	2017 €'000
Quoted investments at valuation	32,339	34,771
	32,339	34,771
Cash on deposit	2,582	4,767
Total value	34,921	39,538

The investments are stated at market value.

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Investments - continued	2018	2017
	€'000	€'000
The movement in quoted investments during the year was as follows:		
Opening market value	34,771	36,762
Additions	-	15,323
Withdrawals	(771)	(18,802)
Income received	-	(15)
Management fees	(17)	(165)
Net realised (losses)/gains on investments	(4)	1,550
Net unrealised (losses)/gains on investments	(1,604)	(46)
Net unrealised (losses)/gains on investments held for related parties	(36)	103
Interest receivable	-	61
Closing market value	<u>32,339</u>	<u>34,771</u>
The analysis of investments category is as follows:		
Absolute Returns	17,968	19,743
Real return index linked bonds	9,366	9,708
Quoted equity	4,365	4,642
Investments in shares held direct	640	678
	<u>32,339</u>	<u>34,771</u>
12 Debtors	2018	2017
	€'000	€'000
Other receivables and prepayments	1,265	1,203
Amounts due from related Charities	499	1,831
	<u>1,764</u>	<u>3,034</u>
13 Creditors amounts falling within one year	2018	2017
	€'000	€'000
Creditor and other accruals	2,475	1,927
Amounts due to related Charities	4,630	3,489
	<u>7,105</u>	<u>5,416</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Pension commitments

The Archdiocese of Dublin provides a defined benefit pension plan, Catholic Diocese of Dublin Pension Plan (the "Plan") for the current and former staff of the Charity and the Diocesan Agencies listed on page 5. 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. Both are combined in these financial statements.

The Diocesan Agencies 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 Diocesan 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.

All employees who are members of the Catholic Diocese of Dublin Pension Plan accrue 1/110th of basic salary per year of service.

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 removed all guaranteed increases to pensions in payment from the Plan with effect from 21 March 2018. As part of the Funding Proposal the members of one of the participating agencies, Crosscare, have ceased accrual with effect from 30 June 2018.

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.

These changes have resulted in a gain to the pension scheme in 2018 and have reduced the deficit in the scheme to €6.06m.

A later funding proposal in respect of the Mater Dei Scheme was also submitted and approved in 2018. This also removed guaranteed pension increases.

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 2018 by independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

Key assumptions	2018	2017
Discount rate	2.10%	2.05%
Rate of increase in Consumer Price Index - Inflation	1.60%	1.80%
Rate of increase in salaries	2.35%	2.55%
Average rate of increase in pensions:		
- pre 1 July 2004	0%	3.00% fixed
- post 1 July 2004 but pre 1 July 2010	0%	CPI max. 1.75%
- post 1 July 2010	0%	0%

	2018 Years	2017 Years
The mortality assumptions used were as follows:		
Longevity at age 65 for current pensioners:		
- men	21.3	21.1
- women	23.9	23.7

Assets and liabilities of the Plan:	2018 €'000	2017 €'000
Assets:		
- equities	12,890	14,247
- bonds	26,801	23,779
- absolute return fund	1,154	544
- cash and other	3,518	3,532
Total value of assets	44,363	42,102
Present value of funded liabilities	(50,424)	(64,458)
Total deficit	(6,061)	(22,356)

	Assets €'000	Liabilities €'000	2018 Total €'000	2017 Total €'000
Reconciliation of scheme assets and liabilities:				
At 31 December 2017	42,102	(64,458)	(22,356)	(26,163)
Benefits paid	(1,851)	1,851	-	-
Past service gain		13,810	13,810	
Curtailment gain	-	1,368	1,368	-
Employer contributions including prepayment	3,720	-	3,720	1,552
Current service cost	-	(1,330)	(1,330)	(2,269)
Interest on plan assets/(liabilities)	886	(1,114)	(228)	(508)
Actuarial (loss)/gain	(494)	(551)	(1,045)	5,032
At 31 December 2018	44,363	(50,424)	(6,061)	(22,356)

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

	2018 €'000	2017 €'000
The amounts recognised in the statement of financial activities are as follows:		
Interest cost	(1,114)	(1,296)
Expected return on scheme assets	886	788
Other finance income	(228)	(508)
Current service costs	(1,330)	(2,269)
Past service costs	13,810	-
Net gains on settlements and curtailments	1,368	-
Total	13,620	(2,777)

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

Actual less expected return on scheme assets	493	1,910
Experience losses on liabilities	1,968	734
Change in assumptions underlying the present value of the scheme liabilities	(1,416)	2,388
Actuarial gains/(losses) recognised on defined benefit pension scheme	1,045	5,032

The actuarial gain recognised in the statement of financial activities other recognised gains for the financial year ended 31 December 2018 is €1,045,027 (2017: €5,032,196).

	2018 €'000	2017 €'000
Actual return on plan assets	190	2,777

15 Provision for liabilities and charges

	2018 €'000	2017 €'000
At beginning of the year	12,366	14,084
<i>Movement in the year:</i>		
Net changes in provision	(703)	(628)
Payments made during the year	(1,024)	(1,090)
Closing provision	10,639	12,366

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 2018, which amounted to €5.87m (2017: €7.41m).

NOTES TO THE FINANCIAL STATEMENTS - continued

17 Reconciliation of net incoming resources to cash outflow from operating activities

	2018 €'000	2017 €'000
Net income / (expenditure) for the reporting year before gains and transfers	10,894	(7,420)
Transfers during the financial year	560	(114)
Dividend, interest and rent from investments	(901)	(816)
Investment management fees	17	165
Pension adjustments regarding the multi-employer scheme	(1,045)	5,089
Depreciation	147	134
(Increase)/decrease in debtors	1,270	(236)
Increase/(decrease) in creditors	1689	(794)
Increase/(decrease) in pension deficit	(16,295)	(3,808)
Change in provision for liability and charges	(1,727)	(1,719)
	<u>(5,391)</u>	<u>(9,519)</u>

18 Analysis of changes in cash in hand and at bank

	2017 €'000	Cash flows €'000	2018 €'000
Cash in hand in bank current and deposit accounts and net of bank overdrafts	<u>16,502</u>	<u>(3,779)</u>	<u>12,723</u>

19 Transfer between funds

	2018 €'000	2017 €'000
Transfers between funds in the Charity	<u>(113)</u>	<u>174</u>

These relate to costs for support provided by the Finance Secretariat to some of the restricted funds within the Charity. In 2017 a donation of €287k was made by the Trustees from the General Fund to Holy Cross College to help it with its costs as it now runs at an annual deficit. This donation was not repeated in 2018.

20 Related party transactions

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

	2018 €'000	2017 €'000
(i) Parishes and Schools of the Diocese of Dublin (CRA 20016166) - income	4,981	5,128
St. Patricks College Drumcondra (CRA 20034542)	<u>(50)</u>	<u>50</u>
	<u>4,931</u>	<u>5,178</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 €299k 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

	2018 €'000	2017 €'000
(ii) Parishes and schools of the Diocese of Dublin (CRA 20016166) - expenditure	-	(3,500)

The related party expenditure transactions with a total value of €3.5m in 2017 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:

	2018 €'000	2017 €'000
Common Fund	-	(1,500)
Share Pastoral Services Fund	-	(1,000)
Share Building Fund	-	(1,000)
	-	(3,500)

	2018 €'000	2017 €'000
(iii) Crosscare (CRA 20010942) - income	(4)	26
Crosscare (CRA 20010942) - expenditure	(2,229)	(780)
	(2,233)	(754)

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.

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. A donation of €200k was also made from the General Fund in respect of Crosscares pension deficit.

	2018 €'000	2017 €'000
(iv) Mater Dei Institute of Education (CRA 20010287)	(401)	(380)

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.

	2018 €'000	2017 €'000
(v) Accord (CRA 20014100) - income	19	15
Accord (CRA 20014100) - expenditure	(9)	(30)
	10	(15)

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

NOTES TO THE FINANCIAL STATEMENTS - continued

20 Related party transactions - continued

	2018 €'000	2017 €'000
(vi) World Meeting of Families - income	23	15

This income relates to rental income for office space in Holy Cross College.

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

	2018 €'000	2017 €'000
Parishes and Schools of the Diocese of Dublin (CRA 20016166) and other related party – payable	(2,245)	(3,375)
Crosscare (CRA 20010942)	(1,442)	-
World Meeting of Families 2018 (CR 20152710)	(700)	-
Payable balances within the Charity (CRA20002022))	(242)	-
Interfund liability balances within Charity (CRA20002022)	(1)	(114)
Related Party - payable balances	(4,630)	(3,489)
Parishes and Schools of the Diocese of Dublin (CRA 20016166) and other related party – receivable	241	533
Receivable balances within Charity (CRA 20002022)	172	34
Loan to a related party	30	34
World Meeting of Families 2018 (CR 20152710)	24	15
Dublin Diocesan Pilgrimage to Lourdes (CRA 20008703)	15	17
Crosscare (CRA 20010942)	10	842
St. Patrick's College Drumcondra (CRA 20034542)	5	250
Interfund receivable balances within Charity (CRA20002022)	1	114
Accord (CRA 20014100)	1	(8)
Related Party - receivable balances	499	1,831

NOTES TO THE FINANCIAL STATEMENTS - continued

21 Related party disclosure

Diocesan agencies

The following are notional transactions relating to the multi-employer pension scheme. All contributions by the Charity and Diocesan Agencies are paid directly to the scheme administrator, however because the overall liability of the fund is disclosed in this set of financial statements the following transactions are reported.

	2018 €'000	2017 €'000
Donation and legacies	914	1,567

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

	2018 €'000	2017 €'000
Included within the following category within the SOFA:		
Service costs – other expenditure	(1,330)	(2,268)
Past service costs – pension scheme – net impact of changes	13,810	-
Curtailment gains – pension scheme – net impact of changes	1,368	-
Interest expenses – other expenditure	(1,114)	(1,296)
Interest income – investment income	886	788
Total net income/(expense) booked in the SOFA with regards to the pension scheme	13,620	(2,776)
Other recognised (losses)/gains		
Actuarial (losses)/gains on defined benefit pension scheme	(1,045)	5,032
Balance sheet		
Creditors falling due after more than one year - defined benefit pension scheme	(6,061)	(22,356)

22 Transfer of fixed asset and reserves from other related Charities

	2018 €'000	2017 €'000
Transfers of fixed assets and net reserves from/(to) other related Charities:		
Transfer of net reserves from Our Lady's Choral Society	-	90
Transfer of net reserves from the MDI Educational and Research Trust	560	-
	560	90

The transfer during the year related to the transfer in of the MDI Educational and Research Trust to this Charity on the 1 January 2018. This is a restricted fund within this Charity.

NOTES TO THE FINANCIAL STATEMENTS - continued

23 Events after the end of the reporting period

Following wide consultation that included the Council of Priests, the Diocesan Consulters and the general body of priests, it was agreed to suppress Holy Cross College, Clonliffe as a seminary. It has not functioned as a seminary since the year 2000. The decision took effect under Canon Law as and from 30th May 2019. Any temporal goods, including land, belonging to Holy Cross College transferred to the juridic person that is the Archdiocese of Dublin.

24 Approval of financial statements

The financial statements were approved by the Trustees on 5 July 2019.