

Charities of the Roman Catholic Archdiocese of Dublin

Annual Financial Report

Financial Year Ended 31 December 2019

CONTENTS

	Page
TRUSTEES AND OTHER INFORMATION	2 - 3
TRUSTEES' REPORT	4 - 16
INDEPENDENT AUDITORS' REPORT	17 - 19
STATEMENT OF FINANCIAL ACTIVITIES	20
BALANCE SHEET	21
STATEMENT OF CASH FLOWS	22
NOTES TO THE FINANCIAL STATEMENTS	23 - 44

TRUSTEES AND OTHER INFORMATION

Trustees	Archbishop Diarmuid Martin Most Reverend Eamonn Walsh (retired 14 November 2019) Most Reverend Raymond Field (retired 14 November 2019) Most Reverend John Dolan (appointed 15 November 2019) Very Reverend Paul Callan St Laurence O'Toole Diocesan Trust
Finance Committee	Mr Jim McKenna (Chairperson) Mr John Corrigan Mr Michael Duffy Mr Sean McKone Mr Tom Foley Mr Terence O'Rourke Very Reverend Andrew O'Sullivan Very Reverend Liam Belton Very Reverend Joe Jones Sr Irene Dunne (appointed 5 February 2019)
Buildings Committee	Mr Sean McKone (Chairperson) Mr Edward O'Shea Mr Tony Sheppard Mr Nick Smith Mr Pdraig Kennedy
Investments Committee	Mr John Corrigan (Chairperson) Reverend Bernard Meade, C.M.
Audit Committee	Mr Terence O'Rourke (Chairperson) Mr Tom Foley Sr Irene Dunne (appointed 5 February 2019) Reverend Robert Smyth (appointed 26 November 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 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 and Property, Child Protection, Education, Law, 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. 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.

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 6 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.

TRUSTEES' REPORT – continued

Charities of the Roman Catholic Archdiocese of Dublin

GOVERNANCE – continued

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

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 Audit Committee considers accounting, audit and risk issues and reviews and recommends strengthening of the Charity’s governance processes. It comprises of three members of the DDFC. The Audit Committee oversees financial reporting and related matters such as risk management external and internal audit. Sr. Irene Dunne and Fr. Robert Smyth were 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 committee of priests appointed for a five-year term, which the Trustees consult on matters such as acts of extraordinary administrative importance and proposed sales of assets with a significant monetary value.

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 names of the Charity’s Bankers, Solicitors, Investment Advisors and Auditors are located on pages 2 and 3.

TRUSTEES' REPORT – continued

Charities of the Roman Catholic Archdiocese of Dublin

RELATED CHARITIES

The Charity is affiliated with the following 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 perform any activities and is not a registered Charity with the CRA. The properties of the Trust are reflected in the Financial Statements of the relevant registered 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 and benchmarking reviews.
- delegation of authority, segregation of duties and formal supervision structures.
- an external firm of internal auditors has been engaged on a three-year contract.

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 the 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 restricted funds. Most of these restricted funds are no longer in receipt of donations and 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 and Peter's Pence which require an ongoing income stream to meet their expenses. An annual collection was held in respect of the Peter's Pence for its specific objectives (see page 12).

The Burse Fund collection is temporarily on hold because there are sufficient reserves to meet its current level of expenditure. The funds already collected will be dispensed for the fostering of vocations; any requirement to raise additional funds for this purpose will be considered when the existing funds of €3.6m reduce significantly.

Following wide consultation that included the Council of Priests, the College of Consultors and the Diocesan Finance Committee, it was agreed to suppress Holy Cross College seminary, Clonliffe, and to sell the buildings and its adjoining lands. Holy Cross College has not functioned as a seminary since the year 2000. The canonical process was undertaken which included seeking approval from the Holy See. Once the approval was granted from the Holy See the Archbishop signed a decree of suppression to suppress the seminary. Any temporal goods, including some land not included in the sale, belonging to Holy Cross College transferred to the juridical person, which is the Archbishop of Dublin.

The Holy See also granted permission to sell the land and buildings at Holy Cross College, Clonliffe, as they are surplus to the requirements to the Archdiocese. Holy Cross College was incurring at an annual deficit in excess of €500k and there are a number of major repairs needed to the buildings. The Charity signed contracts to sell the surplus lands and buildings to the Gaelic Athletic Association (GAA) in April 2019. It was a priority for the Archbishop to sell the lands to a third party where there would be a benefit for the local community. The Archbishop ensured in the agreement that in addition to statutory 10% requirement for social housing there would be a further 10% of housing units designated as affordable housing.

The sale is contracted to take place in four tranches between 2019 and 2022 with the fourth tranche ending in October 2022. The total sale proceeds for the land and buildings being sold to the GAA are €95.2m. The first tranche closed in December 2019 when the ownership of the 'Red House' building, adjoining 5.17 acres of land and the main entrance were sold to the GAA. The Charity received sale proceeds for tranche one of €22.4m. Included in the contract is a condition that ensured that the Charity received a further €2.4m in tranche one as a result of the GAA selling on the land and buildings to a third party for a higher price. In 2019, the sale proceeds received resulted in a gain of €22.4m on this disposal of the land and building disposed of in tranche one (see page 20).

The Charity has retained Archbishops House and the former Mater Dei College building, which is currently housing 50 homeless families. This is currently leased to Dublin City Council at a nominal rent and is used as a family hub for homeless families which is managed by the Diocesan agency, Crosscare.

Regarding the unrestricted funds, the majority of revenue required to manage the Diocesan Support Offices is mainly financed by the parishes through the Share Fund from its weekly collection in Masses across the parishes of the Archdiocese of Dublin. Income from this collection has been in decline since 2009 and has fallen by approximately 25% in total over this time up to the year end.

During the year to 31 December 2019, the restricted funds continued to be administered in accordance with their intended purposes.

The total incoming resources for the Charity increased in 2019 by €100k from the prior year's total income of €8.5m to a total income of €8.6m in the current year. The main reason for this increase in income

TRUSTEES' REPORT – continued

Charities of the Roman Catholic Archdiocese of Dublin

FINANCIAL REVIEW OF THE YEAR –continued

relates to an increase in the legacies during the current year. This increase in legacies was partially offset by a reduction in donations and other income categories.

The contributions from diocesan related charities remained in line with the prior year's contributions at €4.9m (see page 20). This income relates mostly to contributions from the Share Fund to the Charity to meet the net costs of the Diocesan Support Offices in the Curia. This Share Fund made a contribution of €4.1m in 2019 to meet the net expenditure of the Curia, which was similar to the prior year (see note 5 (i) pages 29 and 30).

Total expenditure incurred in furthering the objectives of the Charity amounted to €12.4m in the current year compared to a net €2.3m credit in the prior year. In the prior year, the total expenditure was reduced by €15.2m as a result of the Section 50 changes to the pension scheme during the year. The expenditure in the prior year was €12.8m before this €15.2m non-cash credit reduced the expenditure.

Expenditure on charitable activities has decreased by €600k from €10.9m in the year to €10.3m in the current year (see page 21 and note 6(ii) pages 31 to 32). The main category in expenditure on charitable activities is grants to beneficiaries that have decreased by €1.0m from €5.2m in the prior year to €4.2m in the current year. Included in the current years grants to beneficiaries is a once-off donation of €2.0m that the Trustees made to the related Charity 'Parishes and Schools of the Diocese of Dublin' towards the support costs of the Parish Pastoral Workers.

Other expenditure decreased by €600k from €1.9m in the prior year to €1.3m in the current year as a result of the reduction in the number of new clerical sexual abuse claims and associated costs.

The Charity sponsors two pension schemes, the Catholic Diocese of Dublin pension scheme (CDD) and the Mater Dei Institute pension scheme (MDI). There are 680 active, deferred and pensioner members in the schemes in 2019. The scheme reported costs of €820k, included in expenditure, arising from the net impact of changes to the pension schemes assumptions compared to a credit of €15.2m in the prior year arising from the net impact of changes made to the pension schemes in the prior year (note 6(iv), page 31 and 32).

The Charity made gains on the valuation of investments of €3.5m during the year compared to a loss on investments in the prior year of €1.6m. This gain can be analysed further between realised and unrealised gains on investments. The Charity had realised gains of €657k (2018: losses of €4k) on investments it disposed of during the year. The remainder of the gains reported are unrealised gains of €2.8m (2018: losses of €1.6m) during the year. The Charity has recouped all of the unrealised losses reported in the prior year as a result of the markets rebounding

Following the canonical suppression of the seminary in 2019, the net reserves of Holy Cross College (€6.2m) were transferred to the General Fund. As both funds are within this Charity, the transfer is disclosed within the transfer between funds within the SOFA, this nets off on consolidation of the funds (page 20 and note 19 page 41). During the year, there were other transfers between funds totalling a net €173k.

Overall, the Charity's net movement in funds have increased by €19.4m from €28.5m at 31 December 2018 to €47.9m at 31 December 2019. At the 31 December 2019 the Charities reserves can be analysed as follows; restricted reserves of €13.6m (2018: €20.9m) and unrestricted reserves of €34.2m (2018: €7.6m). The main factor in this increase in total reserves is the disposal of the first tranche of land and buildings to the GAA. The income arising from the sale proceeds from the Holy Cross College land and buildings fixed asset disposal are to be designated by the Trustees.

The restricted reserves decreased by €7.3m from €20.9m in the prior year to €13.6m at 31 December 2019. Of the total decrease in restricted reserves €6.2m relates to the transfer of the Holy Cross College net reserves to the General Fund.

A provision is 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 2019 is €10.1m (2018: €10.6m) (see note 15, page 40).

Over the year to 31 December 2019, the defined benefit overall net deficit increased by €2.0m from €6.1m in the prior year to €8.1m (see note 14 page 39). In accordance with FRS 102, the total liability of the multi-employer scheme is shown in the diocesan financial statements.

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 the 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 €695k in the year and the provision for current and future claims reduced by €583k to €10.0m from €10.6m in the prior year. Movements in the diocesan pension scheme are also reported in the General Fund. The diocesan pension schemes reported a deficit at the end of the year of €8.1m compared to a deficit at the end of the prior year of €6.1m. The balance of the General Fund at 31 December 2019 is €33.8m (2018: €7.6m) of which €28.6m is expected to be designated in conformity with Canonical approval for the suppression of the seminary and relates to the net sale proceeds of €22.4m from tranche one of the sale to the GAA and the remainder of the reserves that are to be designated relate to the net reserves of €6.2m transferred from the Holy Cross College Fund.

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 €5.2m (see note 8, page 35) (€5.0m in 2018). The increase in costs is as a result of the Holy Cross College expenditure being booked in this fund for the later part of the year.

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 Third Level Colleges, i.e. TU Dublin, University College Dublin, Dublin City University, Trinity College Dublin and Maynooth University. 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 10 candidates in training.

TRUSTEES' REPORT – continued

Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT – continued

1 UNRESTRICTED FUNDS - continued

• **Child Safeguarding and Protection Services**

The Child Safeguarding and Protection Services is responsible for the establishment 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.

• **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 and 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 annual 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. The Office also provides direct training to support parishes.

• **Finance Secretariat**

The Finance Secretariat advises the diocesan offices and parishes on financial, property 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, some related Charities and restricted funds. It also administers transactions on behalf of the St Laurence O'Toole Diocesan Trust (see page 6).

The Finance Secretariat administers the two weekly collections taken up at Masses in parishes. The Secretariat manages salary payments to diocesan employees and provides 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 financial statements and budgets for a number of diocesan entities.

TRUSTEES' REPORT – continued

Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT – continued

1 UNRESTRICTED FUNDS - continued

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

The Legal Office advises parishes and Diocesan Offices on commercial contracts and property transactions.

- **Office for Financial Development**

The Office for Financial Development develops and implements new strategies to ensure a sustainable future funding base for parishes and the diocese.

- **Chancellery**

The Chancellery manages 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.

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 €3.6m to €13k. Details and reserves of the funds are disclosed in note 8 on page 35. The restricted reserves reduced from €20.9m in the prior year to €13.6m at the 31 December 2019. The movement in these funds in the year related primarily to charitable donations to beneficiaries, investment gains and the wind up and transfer of the Holy Cross College fund.

Holy Cross College – reserves at 31 December 2019 - €0 (2018: €6,182,416)

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 2019 the Archbishop signed a Decree of suppression which is part of the canonical process to suppress the seminary as it was no longer used as a seminary. Following the suppression of the seminary the reserves of the Holy Cross College fund were transferred to the General Fund

O'Brien Educational Trust Fund - reserves at 31 December 2019 - €2,676,919 (2018: €3,493,810)

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 during the year. Throughout the course of the year various DEIS schools were awarded grants totalling approximately €557,451. Also, other learning units and special schools that support children with additional needs received grants of €393,035. These grants assist with the purchase of information technology equipment, books to establish school libraries to improve literacy, equipment for sensory rooms, playgrounds and educational trips. Grants were also given of €29,980 for educational assessments and €29,920 for retreats. A number of smaller grants were also made.

The total amount that was paid out in grants amounted to €1,090,477 in the current year.

The Burse Fund (Vocations) - reserves at 31 December 2019 - €3,585,952 (2018: €3,395,800)

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 Trustees made a decision in 2018 not to hold a Burse Fund collection at Mass for a number of years because there are currently sufficient reserves to meet expenditure. The expenditure from the fund in the year related to the costs of the seminarians in the diocese. Expenses in relation to the training of permanent deacons are also made from the fund. The total amount of expenditure in relation to seminarians and permanent deacons, amounted to €178,562 for the year.

TRUSTEES' REPORT – continued

Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT – continued

2 RESTRICTED FUNDS - continued

Poor of Dublin Fund – reserves at 31 December 2019 - €1,287,115 (2018: €1,519,344)

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, €393,021 was paid out in grants to various beneficiaries.

Some of the initiatives supported in the period were:

- Parish of the Travelling People was granted €93,500.
- Pieta House was granted €80,000. This was the third and final year of a grant that was approved by the Trustees of €240,000 for Pieta House.
- Mercy Law Centre was granted €50,000.
- Family Support Network was granted €68,800.

Mission Fund – reserves at 31 December 2019 - €1,456,690 (2018: €1,738,798)

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 €399,652 was granted to beneficiaries in the period. Activity in the year to December 2019 included:

- €100,000 was granted to the Archdiocese of Cap-Haitien in Haiti to assist towards building a parish.
- €50,000 was granted to St. Clement Parish in Sevastopol in Crimea towards the construction of a church.
- €10,000 was granted to the Archdiocese of Ivano – Frankivsk in Ukraine to support seminarians in this diocese.
- €10,000 was granted to the Archdiocese of Eluru in India to assist with the care for elderly priests.

Irish Martyrs Fund – reserves at 31 December 2019 €2,241,863 (2018: €2,114,004)

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.

New Cathedral Fund – reserves at 31 December 2019 - €978,524 (2018: €919,128)

A fund was 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 2019 €2,320 was granted to the Pro-Cathedral for renovations in the Cathedral.

Harrington Street Trust – reserves at 31 December 2019 - €652,079 (2018: €650,505)

A fund was 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.

Sundry Investments – balance at 31 December 2019 - €81,000 (2018: €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 2019 - €13,185 (2018: €26,143)

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 €211,713 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 2019 - €34,562 (2018: €143,651)

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.

TRUSTEES' REPORT – continued

Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT - continued

2 RESTRICTED FUNDS – continued

Our Lady's Choral Society – reserves at 31 December 2019 - €99,328 (2018: €104,477)

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 2019 included 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 2019 – €457,929 (2018: €517,102)

The Mater Dei Educational and Research Trusts purpose is to provide scholarships and grants with the following criteria;

- To fund post-graduate studies and research 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 €57,550 were made in the year.

FUNDRAISING

A permanent funding office was established by the Charity in 2016. The office is known as the Office for Financial Development and is continuing its work developing strategies to increase revenue for parishes and the diocese. The Office for Financial Development has been working with a third party provider and is currently piloting comprehensive ways of contactless giving with three parishes. The office has also set up eighty parishes to date with a “donate button” on their websites. The Charity wants to ensure it has the most relevant up to date methods available for parishioners to donate. It has become crucial in recent months in light of the COVID-19 lockdown that the Charity has a choice of contactless giving methods available to parishioners. The office is currently developing strategies designed to generate additional funding for the Charity and for the parishes of the diocese and will continue to roll out contactless giving.

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 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 its advisors, Aon Hewitt.

The strategic weightings of the four funds for 2019 was as follows:

	*Holy Cross College Short Term/Low Risk	General Fund Medium Term/Medium Risk	O'Brien Institute Medium Term/Medium Risk	Sundry Fund Medium Term/Medium Risk
Absolute Return	25%	50%	57%	47%
Equities	0%	15%	0%	8%
Index Linked Bonds	0%	20%	20%	20%
Cash	75%	15%	23%	25%

*The Holy Cross Fund was transferred to the General Fund at the year-end 31 December 2019 and realised in cash shortly after that.

TRUSTEES' REPORT – continued

Charities of the Roman Catholic Archdiocese of Dublin

INVESTMENTS – continued

Performance

Fears of a global economic slowdown and trade war dominated equity markets for much of 2019. However, increasingly accommodative central banks and progress in US-China trade negotiations bolstered risk appetite. Fading trade uncertainty and the eventual agreement of a "phase one" US-China trade deal sparked an equity market rally in Q4 2019, helping to achieve the best annual equity market gain in 10 years. The FTSE All World Index gained by 29.6% in Euro terms over the twelve months to 31st December 2019.

Most central banks shifted to a more accommodative stance in 2019. The US Federal Reserve (Fed) lowered their Federal Funds rate projection in the first half of 2019, before implementing three 25bps rate cuts in the second half of the year, bringing the Federal Funds Rate target down to 1.50%-1.75%. The European Central Bank (ECB) ended their asset purchase program in December 2018 but announced in their September 2019 meeting a resumption of the program and cut the deposit rate by 10bps to -0.5%. As a result, global government bond yields fell on the back of looser monetary policy by major central banks.

In the context of the above market environment, all investments held recorded a positive performance over 2019. The SSgA IUT Global 4Good Enhanced Equity Fund registered the largest gain (+29.2%) albeit below the return of the fund benchmark. The performance of both the Insight Broad Opportunities Fund (+11.2%) and the Blackrock Dynamic Diversified Growth Fund (+9.6%) were substantially ahead of their respective targets, while the gain recorded by the PIMCO Global Real Return Fund (+5.7%) was also ahead of its benchmark.

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

	*Holy Cross College	General Fund	O'Brien Trust	Sundry Funds
Actual	5.5%	9.4%	8.6%	7.1%
Benchmark	0.6%	7.2%	4.8%	4.8%

**The Holy Cross Fund was transferred to the General Fund at the year-end 31 December 2019 and realised in cash shortly after that.

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.

PLANS FOR FUTURE PERIODS

Diocesan Offices

- The impact of the closure of Churches for Public Worship as a result of the COVID-19 Pandemic in March 2020 was severe. Collection income for the Charity and related charity, the Parishes & Schools of the Archdiocese of Dublin, reduced by almost 80% in a three-month period. With numbers attending Masses due to be greatly restricted when Churches re-open for worship on June 29, there is little room for optimism that support for the Charities will be restored to pre- March 2020 levels. This resulted in a range of restructuring measures being considered in an attempt to minimise the long term impact of the Pandemic, which came after years of steady decline in financial support for the charities.
- A restructuring of the Diocesan Support Services is under way. This involves an extensive review of support services in an effort to maximise effective support to priests and parishes while minimising costs and planning for a sustainable service into the future. In recent years' governance costs have significantly increased for all charities. On 8th June employees were notified of the restructuring strategy, a key element of the process is a voluntary redundancy programme which has been offered to all Diocesan Support Service employees and Parish Pastoral Workers, with the exception of those posts that are funded externally.

TRUSTEES' REPORT – continued

Charities of the Roman Catholic Archdiocese of Dublin

PLANS FOR FUTURE PERIODS - continued

- Since the COVID-19 Pandemic, through the concerted efforts of the Financial Development Office, over 90 Parishes have on line donate facilities on their parish websites as well as on the main Diocesan website. It is planned to roll out this facility to all remaining parishes. On line giving is being encouraged as it is expected the traditional collection baskets will not be utilised for some time. The Charity is very grateful for the online donations that it has received to date. A sustained communications effort is underway to raise awareness among parishioners of this new way of donating. A large number of parishes have streamed their Masses on web cams for their parishioners to be able to continue to watch and listen to Mass at home.
- As part of the effort to increase efficiencies the Finance Secretariat has undertaken a project with a third, party software provider which offers a software package that optically recognises and processes scanned invoices automatically into the Charity's accounting cloud based software system. This will revolutionise the accounts payable and approval process from a mainly manual system. This will also help the Charity to move towards an eco-friendly paperless system, as the current need for hard copy invoices will mostly be eliminated when the majority of invoices will be received and approved on line.
- In the final phase of the contract with the GAA in October 2022, the ownership of the Diocesan Offices building will transfer to the GAA. This building is currently used as a pastoral centre and offices for the Diocesan Support Services. Plans are underway to examine suitable relocation options.
- It was planned to invite Parishes to workshops in 2020 to provide them with updates and guidance on the governance code, GDPR, fundraising initiatives and use of digital media in parishes and any other legislative updates and changes relating to them. Due to COVID-19, these workshops have been put on hold. The Charity will look at new ways to communicate with parishes in the coming months, with the possible use of on line workshops and increasing the level of communication via e-mail and on line. The Governance Code places responsibility on parish priests and administrators to ensure their parish is compliant by the 2021 deadline set out by the Charity Regulator. Training will be provided to Parish Priests and Parish Finance Committees to ensure that they are compliant by this deadline.
- A working group is in place to develop a strategy on the future of lay pastoral leadership within the Archdiocese of Dublin and to make proposals to the Trustees concerning the requirements for the future, particularly in the context of preparation for the Sacraments.
- The Trustees appointed an accountancy firm as independent internal auditors to the Charity for a fixed period of three years. The first phase of the internal audit programme commenced in 2019. This included the creation of a risk register for the Charity and the parishes. A three-year internal audit programme has been developed based on the risk register and the inherent risks for the Charity and the parishes.
- Parishes will continue to be supported in the use of the uniform pastoral management and accounting system.
- The Diocesan Support Service will continue to support parishes with their building projects. Some of the projects planned in parishes with the assistance of the property team in 2020 include;
 - ✓ The refurbishment of the church at Bray Holy Redeemer;
 - ✓ An extensive project to refurbish the Church in the parish of Mountview;
 - ✓ A major project to demolish the vacant Church of the Annunciation in Finglas West parish and construction of a smaller Church building and a new parish centre;
 - ✓ The completion of roof renovations in Corduff church and St. Anne's church in Portmarnock.
- 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 next school academic year after a successful pilot phase.

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for the preparation of the financial statements of the Charity that 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.

On behalf of the Trustees'

A handwritten signature in black ink, appearing to read 'Dorcas', is written over a faint circular stamp.



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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its profit 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, included within the Annual Financial Report, which comprise:

- the balance sheet as at 31 December 2019;
- the statement of financial activity 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 Trustee's 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 Financial Report other than the financial statements and our auditors' report thereon. The Trustees' are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities set out on page 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 Trustees' either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at: http://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 Trustees for management purposes to assist the Trustees to discharge their stewardship obligations and fiduciary responsibilities in respect of the charity for the provision of audited financial statements in accordance with our letter of engagement dated 20 April 2020 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.

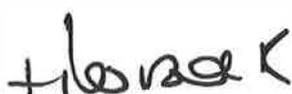
PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
Dublin
16 October 2020

STATEMENT OF FINANCIAL ACTIVITIES
Financial Year Ended 31 December 2019

	Notes	Unrestricted Funds 2019 €'000	Restricted Funds 2019 €'000	Total Funds 2019 €'000	Total Funds 2018 €'000
Income					
Contributions from diocesan related charities	5(i)	4,557	299	4,856	4,933
Donations and legacies	5(ii)	1,567	470	2,037	1,854
Income from charitable activities	5(iii)	255	-	255	270
Income earned from other activities	5(iv)	21	25	46	122
Income from other trading activities	5(v)	294	185	479	458
Investment and other income	5(vi)	923	19	942	909
Total		<u>7,617</u>	<u>998</u>	<u>8,615</u>	<u>8,546</u>
Expenditure					
Expenditure on raising funds	6a(i)	(10)	(53)	(63)	(64)
Expenditure on charitable activities	6a(ii)	(7,396)	(2,874)	(10,270)	(10,895)
Other expenditure	6a(iii)	(1,260)	-	(1,260)	(1,871)
Pension Scheme – Net impact of changes	6a(iv)	(820)	-	(820)	15,178
Total		<u>(9,486)</u>	<u>(2,927)</u>	<u>(12,413)</u>	<u>2,348</u>
Net gains/(losses) on investments	11	2,514	980	3,494	(1,608)
Net income/(expenditure)		645	(949)	(304)	9,286
Transfers between funds	19	<u>6,373</u>	<u>(6,373)</u>	-	-
		7,018	(7,322)	(304)	9,286
Other recognised gains/(losses)					
Transfer of fixed assets and net reserves from other related Charities	22	-	-	-	560
Gains on disposal of fixed assets	23	22,408	-	22,408	-
Actuarial (losses) on defined benefit pension scheme	14, 21	(2,729)	-	(2,729)	(1,045)
Net movement in funds		<u>26,697</u>	<u>(7,322)</u>	<u>19,375</u>	<u>8,801</u>
Reconciliation of funds:					
Total funds brought forward		7,609	20,886	28,495	19,694
Total funds carried forward	8, 9	<u>34,306</u>	<u>13,564</u>	<u>47,870</u>	<u>28,495</u>

Approved by:



16 October 2020

BALANCE SHEET
As at 31 December 2019

	Notes	2019 €'000	2018 €'000
Fixed assets			
Tangible assets	9, 10	4,460	5,474
Investments	9, 11	<u>29,549</u>	<u>32,339</u>
Total fixed assets	9	<u>34,009</u>	<u>37,813</u>
Current assets			
Debtors	9, 12	1,650	1,764
Cash on deposit	9	25,807	2,582
Cash at hand and in bank	9	<u>8,157</u>	<u>10,141</u>
Total current assets	9	<u>35,614</u>	<u>14,487</u>
Liabilities			
Creditors: amounts falling due within one year	9, 13	<u>(3,579)</u>	<u>(7,105)</u>
Net current assets		<u>32,035</u>	<u>7,382</u>
Total assets less current liabilities		66,044	45,195
Creditors: amounts falling due after more than one year			
Provisions for liabilities and charges	9, 15	<u>(10,056)</u>	<u>(10,639)</u>
Net assets excluding pension deficit		<u>55,988</u>	<u>34,556</u>
Defined benefit pension scheme deficit	9, 14, 21	<u>(8,118)</u>	<u>(6,061)</u>
Total net assets of the Charity	9	<u>47,870</u>	<u>28,495</u>
The total funds of the Charity can be analysed as follows:			
Total restricted funds	8, 9	13,564	20,886
Total unrestricted funds	8, 9	<u>34,306</u>	<u>7,609</u>
Total Charity Funds	8, 9	<u>47,870</u>	<u>28,495</u>

Approved by:



16 October 2020

STATEMENT OF CASH FLOWS
Financial Year Ended 31 December 2019

	Notes	2019 €'000	2018 €'000
Net cash used in operating activities	17	<u>(6,905)</u>	<u>(5,391)</u>
Investing activities:			
Dividends, interest and rent from investments		936	901
Proceeds from sale of property, plant and equipment		19,990	-
Disposal/(purchase) of property, plant and equipment		971	(96)
Movement on shares held direct		(106)	36
Proceeds from sale of investments		8,170	771
Purchase of investments		<u>(1,815)</u>	<u>-</u>
Net cash provided by investing activities		<u>28,146</u>	<u>1,612</u>
Net cash provided by/(used in) financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>21,241</u>	<u>(3,779)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>12,723</u>	<u>16,502</u>
Cash and cash equivalents at the end of the reporting period	18	<u>33,964</u>	<u>12,723</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

In preparing the financial statements, the Trustees have considered the going concern position for the Charity. The Charity is impacted by the Covid-19 pandemic, the Share collection which is reported in the related charity ‘the Parishes and Schools of the Archdiocese of Dublin’ has not been in receipt of its weekly Share Fund collections due to churches being closed for public worship in the recent months due to COVID-19. The Share collection supports the costs of the Diocesan Support Services in the Curia which is reported in this Charity. The Trustees are satisfied that, having considered the initial impact and the available reserves that the Charity has adequate resources to continue in operational existence for the foreseeable future.

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(f) Revenue recognition - continued

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

(h) Foreign currencies - continued

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.

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

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

(m) Financial instruments – continued

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(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 're-measurement 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'.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Critical accounting judgements and estimation uncertainty – continued

(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.

5 Income	Unrestricted Funds 2019 €'000	Restricted Funds 2019 €'000	Total Funds 2019 €'000
(i) Contributions from diocesan related charities			
Contribution from the Share Fund	4,123	-	4,123
Contribution from Parishes	290	-	290
Common Fund administration recharge	80	-	80
Clerical Fund administration recharge	30	-	30
Contribution from other related source	15	-	15
Property transaction contributions	19	-	19
Dublin Regional Marriage Tribunal	-	299	299
	<u>4,557</u>	<u>299</u>	<u>4,856</u>
(ii) Donations and legacies			
Donations	99	332	431
Legacies	658	138	796
Donation from Diocesan Agencies *	810	-	810
	<u>1,567</u>	<u>470</u>	<u>2,037</u>

* This is a notional donation to the Charity from the Diocesan Agencies. The Charity does not receive these donations from the Diocesan Agencies. The Diocesan Agencies pay these contributions to the pension scheme for the contributions on behalf of their employees.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Income - continued	Unrestricted Funds 2019 €'000	Restricted Funds 2019 €'000	Total Funds 2019 €'000
(iii) Income from charitable activities			
CPSMA	63	-	63
Cathedraticum	26	-	26
Dublin diocesan guidebook	11	-	11
Retreats income	23	-	23
Garda vetting	102	-	102
Vat Compensation Scheme	9	-	9
Other	21	-	21
	<u>255</u>	<u>-</u>	<u>255</u>
(iv) Income from other activities			
Miscellaneous income	<u>21</u>	<u>25</u>	<u>46</u>
(v) Income from other trading activities			
Car park and rental income	<u>294</u>	<u>185</u>	<u>479</u>
(vi) Investment and other income			
Bank interest (Received)	1	5	6
Investment income	922	14	936
	<u>923</u>	<u>19</u>	<u>942</u>
	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 Diocesan Agencies. The agencies pay these contributions to the pension scheme for the contributions on behalf of their employees.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Income - continued	Unrestricted Funds 2018 €'000	Restricted Funds 2018 €'000	Total Funds 2018 €'000
(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	22	100	122
	<u>22</u>	<u>100</u>	<u>122</u>
(v) Income from other trading activities			
Car park and rental income	232	226	458
	<u>232</u>	<u>226</u>	<u>458</u>
(vi) Investment and other income			
Bank interest	-	9	9
Investment income	885	15	900
	<u>885</u>	<u>24</u>	<u>909</u>
6 Expenditure	Unrestricted Funds 2019 €'000	Restricted Funds 2019 €'000	Total Funds 2019 €'000
(a) Analysis of expenditure			
(i) Expenditure on raising funds:			
Investment management fees	10	25	35
Fundraising/event costs	-	28	28
	<u>10</u>	<u>53</u>	<u>63</u>
(ii) Expenditure on Charitable activities:			
Pastoral activities	1,577	791	2,368
Grants to beneficiaries	2,136	2,083	4,219
Educational support	527	-	527
Child safeguarding and protection services	697	-	697
Support costs (see 6b)	2,459	-	2,459
	<u>7,396</u>	<u>2,874</u>	<u>10,270</u>
(iii) Other expenditure:			
General Fund expenditure including pension fund expense and interest	1,260	-	1,260
(iv) Pension scheme – Net impact of changes	820	-	820
Total expenditure	<u>9,486</u>	<u>2,927</u>	<u>12,413</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Expenditure - continued	Unrestricted Funds 2019 €'000	Restricted Funds 2019 €'000	Total Funds 2019 €'000
(b) Support costs			
Diocesan offices support costs	1,954	-	1,954
Governance costs	505	-	505
	<u>2,459</u>	<u>-</u>	<u>2,459</u>

*The increase in the diocesan office support costs is as a result of a reclassification of expenditure.

	Unrestricted Funds 2018 €'000	Restricted Funds 2018 €'000	Total Funds 2018 €'000
(a) Analysis of expenditure			
(i) Expenditure on raising funds:			
Investment management fees	12	19	31
Fundraising/event costs	-	33	33
	<u>12</u>	<u>52</u>	<u>64</u>
(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
	<u>5,894</u>	<u>5,001</u>	<u>10,895</u>
(iii) Other expenditure:			
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	<u>(7,401)</u>	<u>5,053</u>	<u>(2,348)</u>
(b) Support costs			
Diocesan offices support costs	1,667	-	1,667
Governance costs	589	1	590
	<u>2,256</u>	<u>1</u>	<u>2,257</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Employee and Trustee information	2019 €'000	2018 €'000
---	---------------	---------------

The average number of employees employed during the year was 60 (2018: 60)

Staff costs:

Salaries and wages	2,968	2,965
Seconded staff	150	142
Social security costs	298	298
Pension costs	891	1,452
Recruitment, training and other expenses	176	181
	<u>4,483</u>	<u>5,038</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.

	2019 Number	2018 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>

	2019 Number of employees	2018 Number of employees
--	--------------------------------	--------------------------------

The 7 employees (2018: 7) whose salaries are above €70,000 per annum can be analysed as follows:

Salary range:

€70,000 - €80,000	1	1
€80,001 - €90,000	3	3
€90,001 - €100,000	-	-
€100,001 - €125,000	3	3
	<u>7</u>	<u>7</u>

	2019 €'000	2018 €'000
Total pension contributions in the year for the above employees amounted to:	<u>79</u>	<u>78</u>

The average salary per employee based on employees for the year is €49,408 (2018: €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 (2018: 62) for the year including seconded staff, social security costs, pension costs, recruitment and training is €64,481 (2018: €64,066).

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 2019.

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Employee and Trustee information - continued

Voluntary workers

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

Key management compensation

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

	2019 €'000	2018 €'000
Total key management compensation	<u>132</u>	<u>138</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Summary of Restricted and Unrestricted Fund movements from 1 January 2019 to 31 December 2019

	Fund balances brought forward €'000	Income €'000	Expenditure €'000	Transfers between funds €'000	Gains / (Losses) (realised & unrealised) €'000	Fund balances carried forward €'000
<u>Restricted funds:</u>						
Holy Cross College	6,182	65	(6)	(6,241)	-	-
O'Brien Institute	3,494	9	(1,095)	(30)	299	2,677
Burse Fund	3,396	242	(180)	(9)	137	3,586
Poor of Dublin	1,519	-	(411)	(36)	215	1,287
Mission Fund	1,739	-	(400)	(15)	134	1,458
Irish Martyrs	2,114	-	-	(6)	133	2,241
New Cathedral Fund	919	-	(2)	-	62	979
Harrington Street Trust	651	2	-	-	-	653
Sundry Investment	81	-	-	-	-	81
Peters Pence	26	212	(213)	(12)	-	13
Dublin Regional Marriage Tribunal	144	330	(418)	(22)	-	34
Our Lady Choral Society	104	140	(145)	-	-	99
Mater Dei Educational and Research Trust	517	-	(58)	(2)	-	457
Total Restricted Funds	20,886	1,000	(2,928)	(6,373)	980	13,564
<u>Unrestricted funds:</u>						
Diocesan Support Offices	-	4,907	(5,246)	339	-	-
General Fund unrestricted funds	7,609	2,708	(4,238)	6,034	22,193	34,306
Total Unrestricted Funds	7,609	7,615	(9,484)	6,373	22,193	34,306
TOTAL FUNDS	28,495	8,615	(12,412)	-	23,173	47,870

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

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Statement of financial position analysed by its unrestricted and restricted elements as at 31 December 2019

	Unrestricted 2019 €'000	Restricted 2019 €'000	Total 2019 €'000	Total 2018 €'000
Fixed assets				
Tangible assets	4,459	1	4,460	5,474
Investments	18,840	10,709	29,549	32,339
Total fixed assets	<u>23,299</u>	<u>10,710</u>	<u>34,009</u>	<u>37,813</u>
Current assets				
Debtors	1,598	52	1,650	1,764
Cash on deposit	24,890	917	25,807	2,582
Cash at hand and in bank	4,918	3,239	8,157	10,141
Total current assets	<u>31,406</u>	<u>4,208</u>	<u>35,614</u>	<u>14,487</u>
Liabilities				
Creditors: amounts falling due within one year	<u>(2,225)</u>	<u>(1,354)</u>	<u>(3,579)</u>	<u>(7,105)</u>
Total assets less current liabilities	52,480	13,564	66,044	45,195
Creditors: amounts falling due after more than one year				
Provisions for liabilities and charges	<u>(10,056)</u>	<u>-</u>	<u>(10,056)</u>	<u>(10,639)</u>
	42,424	13,564	55,988	34,556
Net assets excluding pension liability				
Defined benefit pension scheme deficit	<u>(8,118)</u>	<u>-</u>	<u>(8,118)</u>	<u>(6,061)</u>
Total net assets	<u>34,306</u>	<u>13,564</u>	<u>47,870</u>	<u>28,495</u>
The funds of the Charity	<u>34,306</u>	<u>13,564</u>	<u>47,870</u>	<u>28,495</u>

10 Tangible assets

	Land and buildings €'000	Computer equipment, fixtures & fittings €'000	Total tangible fixed assets €'000
Cost or valuation			
At 1 January 2019	6,622	1,347	7,969
Additions and transfer from other funds	-	10	10
Disposals	(981)	-	(981)
At 31 December 2019	<u>5,641</u>	<u>1,357</u>	<u>6,998</u>
Accumulated depreciation			
At 1 January 2019	(1,339)	(1,156)	(2,495)
Net accumulated depreciation on disposals and transfers	30	(5)	25
Depreciation charge for the financial year	(5)	(63)	(68)
At 31 December 2019	<u>(1,314)</u>	<u>(1,224)</u>	<u>(2,538)</u>
Net book value amount			
Net book value at 31 December 2018	5,283	191	5,474
Net book value at 31 December 2019	<u>4,327</u>	<u>133</u>	<u>4,460</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Investments	2019 €'000	2018 €'000
Quoted investments at valuation	29,549	32,339
	<u>29,549</u>	<u>32,339</u>
Cash on deposit	25,807	2,582
Total value	<u>55,356</u>	<u>34,921</u>

The investments are stated at market value.

2019 €'000	2018 €'000
---------------	---------------

The movement in quoted investments during the year was as follows:

Opening market value	32,339	34,771
Additions	1,815	-
Withdrawals	(8,405)	(771)
Management fees	(35)	(17)
Net realised gains/(losses) on investments	657	(4)
Net unrealised gains/(losses) on investments	2,837	(1,604)
Net unrealised gains/(losses) on investments held for related parties	67	(36)
Net unrealised gains/(losses) on investments held for third parties	39	-
Cash receivable	235	-
Closing market value	<u>29,549</u>	<u>32,339</u>

The analysis of investments category is as follows:

Absolute Returns	17,680	17,968
Real return index linked bonds	6,982	9,366
Quoted equity	4,141	4,365
Investments in shares held direct	746	640
	<u>29,549</u>	<u>32,339</u>

12 Debtors	2019 €'000	2018 €'000
Other receivables and prepayments	747	1,265
Amounts due from related Charities	903	499
	<u>1,650</u>	<u>1,764</u>

13 Creditors: amounts falling within one year	2019 €'000	2018 €'000
Creditor and other accruals	(1,732)	2,475
Amounts due to related Charities	(1,847)	4,630
	<u>(3,579)</u>	<u>7,105</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 6. 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.

As part of a funding agreement with the trustees of the pension schemes a Section 50 direction was approved by the Pensions Authority in the prior year which removed the automatic pension increases from the schemes. In addition, Crosscare employees ceased to accrue benefits in the scheme.

Should a sustainable surplus arise in the scheme in future periods, formal discussions will take place between the Scheme Actuary, the trustees of the pension scheme and the Employers at that time, with a view to identifying scope to apply defined and actuarially approved increases to the pensions of those scheme members who are in retirement. The scheme remains non-contributory for staff.

A funding valuation for the diocesan scheme as at 1 January is ongoing. The conclusion of the valuation will be agreed before 30 September 2020. The Mater Dei pension schemes next funding valuation date is no later than 31 March 2021.

The net changes in the assumptions of the pension schemes detailed below in the table have resulted in the pension scheme in 2019 reporting an increased deficit of €8.1m (2018: €6.1m).

A comprehensive actuarial valuation of the Group pension scheme, using the projected unit credit method, was carried out at 31 December 2019 by independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

	2019	2018
Key assumptions		
Discount rate	1.25%	2.10%
Rate of increase in Consumer Price Index - Inflation	1.30%	1.60%
Rate of increase in salaries	2.05%	2.35%

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Pension commitments – continued

2019
Years

2018
Years

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:

- men	22.4	21.3
- women	24.1	23.9

2019
€'000

2018
€'000

Assets and liabilities of the Plan:

Assets:

- equities	7,958	12,890
- bonds	35,670	26,801
- absolute return fund	510	1,154
- cash and other	4,256	3,518
Total value of assets	48,394	44,363
Present value of funded liabilities	(56,512)	(50,424)
Total deficit	(8,118)	(6,061)

Assets	Liabilities	2019 Total	2018 Total
€'000	€'000	€'000	€'000

Reconciliation of scheme assets and liabilities:

At 1 January 2019	44,363	(50,424)	(6,061)	(22,356)
Benefits paid	(2,399)	2,399	-	-
Past service gain	-	-	-	13,810
Curtailment gain	-	-	-	1,368
Employer contributions including prepayment	1,604	-	1,604	3,720
Current service cost	-	(624)	(624)	(1,330)
Administration costs	(195)	-	(195)	-
Interest on plan assets/(liabilities)	922	(1,034)	(112)	(228)
Actuarial gain/(loss)	4,099	(6,829)	(2,730)	(1,045)
At 31 December 2019	48,394	(56,512)	(8,118)	(6,061)

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	2019 €'000	2018 €'000
The amounts recognised in the statement of financial activities are as follows:		
Interest cost	(1,034)	(1,114)
Expected return on scheme assets	922	886
Other finance expense	(112)	(228)
Current service costs	(624)	(1,330)
Past service gain	-	13,810
Administration costs	(195)	-
Net gains on settlements and curtailments	-	1,368
Total	(931)	13,620

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

Actual (gains)/losses less expected return on scheme assets	(4,099)	493
Experience (gains)/losses on liabilities	(949)	1,968
Change in assumptions underlying the present value of the scheme liabilities	7,778	(1,416)
Actuarial loss recognised on defined benefit pension scheme	2,730	1,045

The actuarial loss recognised in the statement of financial activities other recognised gains for the financial year ended 31 December 2019 is €2,730,000 (2018: €1,045,027).

	2019 €'000	2018 €'000
Actual return on plan assets	5,021	190

15 Provisions for liabilities and charges	2019 €'000	2018 €'000
At beginning of the year	10,639	12,366
<i>Movement in the year:</i>		
Net changes in provision	112	(703)
Payments made during the year	(695)	(1,024)
Closing provision	10,056	10,639

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 contingent assets of €79.1m as at the 31 December 2019 in respect of the sale of surplus lands and buildings at Holy Cross College to the GAA during the year. As stated in the Trustees report this sale is divided into tranches for agreed sale proceeds each year for specific transfers of land and buildings each year until the final tranche in 2022. The substance of the signed contracts that the Charity has with the GAA gives rise to the contingent asset for the Charity at year end. The contingent assets will be received in the three further tranches ending October 2022.

The Charity has contingent liabilities as a result of guaranteed borrowings in respect of the Parishes and Schools of the Diocese of Dublin at 31 December 2019, which amounted to €4.1m (2018: €5.9m).

NOTES TO THE FINANCIAL STATEMENTS - continued

17 Reconciliation of net incoming resources to cash outflow from operating activities	2019 €'000	2018 €'000
Net (expenditure)/income for the reporting year before gains and transfers	(3,798)	10,894
Transfers during the financial year	-	560
Dividend, interest and rent from investments	(936)	(901)
Investment management fees	35	17
Pension adjustments regarding the multi-employer scheme	(311)	(1,045)
Depreciation	43	147
Decrease in debtors	114	1,270
(Decrease)/increase in creditors	(3,526)	1,689
Increase/(decrease) in pension deficit	2,057	(16,295)
Change in provision for liability and charges	(583)	(1,727)
	<u>(6,905)</u>	<u>(5,391)</u>

18 Analysis of changes in cash and cash equivalents	2018 €'000	Cash flows €'000	2019 €'000
Cash in hand in bank current and deposit accounts and net of bank overdrafts	<u>12,723</u>	<u>21,241</u>	<u>33,964</u>

19 Transfers between funds	2019 €'000	2018 €'000
Transfers between funds within the Charity	<u>6,373</u>	<u>(113)</u>

In 2019, Holy Cross College seminary was canonically suppressed. The surplus buildings and the lands were sold to the GAA in April 2019. The Holy Cross College fund was closed and its net assets of €6.2m were transferred to the General Fund. Both funds are within the Charity resulting in a transfer between funds that net out to zero on consolidation. The remaining transfer between funds relate to costs for support provided by the Finance Secretariat to the restricted funds within the Charity.

20 Related party transactions	2019 €'000	2018 €'000
--------------------------------------	---------------	---------------

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

(i) Parishes and Schools of the Diocese of Dublin (CRA 20016166)-income	4,856	4,981
St. Patricks College Drumcondra (CRA 20034542)	-	(50)
	<u>4,856</u>	<u>4,931</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 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	2019 €'000	2018 €'000
(ii) Parishes and schools of the Diocese of Dublin (CRA 20016166) - expenditure	<u>(2,000)</u>	<u>-</u>

The related party expenditure transactions with a total value of €2.0m in 2019 with the Parishes and Schools of the Diocese of Dublin (CRA 20016166) relate to a donation from the Archbishop and the Trustees of the Charity made to the Share Pastoral Fund to support the Parish Pastoral Workers costs.

	2019 €'000	2018 €'000
(iii) Crosscare (CRA 20010942) – income	28	4
Crosscare (CRA 20010942) – expenditure	<u>(200)</u>	<u>(2,229)</u>
Crosscare (CRA 20010942) – net expenditure	<u>(172)</u>	<u>(2,223)</u>

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 in the area.

The related expenditure transactions during the year with Crosscare relate to a donation of €200k that was made from the Charity towards the pension contributions that Crosscare are required to make to the pension fund for the deficit associated with the Crosscare for past service. The Trustees agreed a donation of €200k per year for a four-year period. This is year three of the agreed four years.

	2019 €'000	2018 €'000
(iv) Mater Dei Institute of Education (CRA 20010287)	<u>(400)</u>	<u>(400)</u>

These related party transactions relate to pension contributions paid to the diocesan pension scheme on behalf of Mater Dei employees for service accrued to the date that they merged with DCU in 2016.

	2019 €'000	2018 €'000
(v) Accord (CRA 20014100) – income	23	19
Accord (CRA 20014100) - expenditure	<u>-</u>	<u>(9)</u>
	<u>23</u>	<u>10</u>

The income related party transactions relate to rental income from the diocesan agency for office space it utilises in Holy Cross College Campus. This office space is let at a price below the market value in the area.

	2019 €'000	2018 €'000
(vi) World Meeting of Families – (expenditure) /income	<u>(8)</u>	<u>23</u>

This expenditure relates to computer equipment that the Charity purchased from the World Meeting of Families when it was winding up and no longer had any use for the items.

NOTES TO THE FINANCIAL STATEMENTS - continued

20 Related party transactions - continued

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

	2019 €'000	2018 €'000
Parishes and Schools of the Diocese of Dublin (CRA 20016166) and other related party – payable	(1,240)	(2,245)
Crosscare (CRA 20010942)	-	(1,442)
World Meeting of Families 2018 (CR 20152710)	(8)	(700)
Payable balances within the Charity (CRA20002022)	(599)	(243)
Related Party - payable balances	<u>(1,847)</u>	<u>(4,630)</u>
Parishes and Schools of the Diocese of Dublin (CRA 20016166) and other related party – receivable	202	241
Receivable balances within Charity (CRA 20002022)	557	172
Irish Episcopal Conference (IEC) Maynooth	100	-
Loan to a related party	24	30
World Meeting of Families 2018 (CR 20152710)	-	24
Dublin Diocesan Pilgrimage to Lourdes (CRA 20008703)	2	15
Crosscare (CRA 20010942)	1	10
Accord (CRA 20014100)	5	1
Other related party balances	12	1
St. Patrick's College Drumcondra (CRA 20034542)	-	5
Related Party - receivable balances	<u>903</u>	<u>499</u>
Net related party payable balances	<u>(944)</u>	<u>(4,131)</u>

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 the Charity's financial statements the following transactions are reported as a notional capital contribution towards the Charity.

	2019 €'000	2018 €'000
Donation and legacies	<u>810</u>	<u>914</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

21 Related party disclosure - continued

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

	2019 €'000	2018 €'000
Included within the following category within the SOFA:		
Service costs – other expenditure	(624)	(1,330)
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	(1,034)	(1,114)
Interest income – investment income	922	886
Total net (expense)/income booked in the SOFA with regards to the pension scheme	<u>(736)</u>	<u>13,620</u>
Other recognised losses		
Actuarial losses on defined benefit pension scheme	<u>(2,729)</u>	<u>(1,045)</u>
Balance sheet		
Creditors falling due after more than one year - defined benefit pension scheme	<u>(8,118)</u>	<u>(6,061)</u>

22 Transfer of fixed assets and reserves from funds within the Charity/ or from other related Charities	2019 €'000	2018 €'000
--	---------------	---------------

Transfers of fixed assets and net reserves from/(to) other related Charities:

Transfer of net reserves from Holy Cross College to the General Fund	(6,241)	-
Transfer of net reserves to the General Fund from Holy Cross College	<u>6,241</u>	<u>560</u>
	<u>-</u>	<u>560</u>

The transfer during the year relates to the transfer of the Holy Cross College fixed assets and net reserves from the Holy Cross College Fund to the General Fund within the Charity. Following the suppression of the seminary it transferred from a restricted fund to the General Fund where it is expected to a designated fund along with the proceeds from the sale of Clonliffe.

23 Gains on the disposal of fixed assets

Surplus Holy Cross College land and buildings were sold to the GAA during the financial year. This gain disclosed in the financial statements relates to the gain arising from the disposal of tranche one of the land and buildings that were contractually sold to the GAA on 16 April 2019. This gain arises as the accounting policy of the Charity was to value Holy Cross College land and buildings at its current value in use.

24 Events after the end of the reporting period

Due to COVID-19 churches were closed for public worship. This resulted in Share Fund revenue being severely impacted as its main source of income is from the basket collections at weekend masses. A strategic review is underway to restructure the Diocesan Support services in the Archdiocese of Dublin. Employees were informed on 8 June of a proposal for a voluntary redundancy programme which is open to all employees within the Charity with the exception of those employees whose posts are funded externally. A restructuring is required to reduce staff costs by one third.

25 Approval of financial statements

The financial statements were approved by the Trustees on 16 October 2020