

**Roman Catholic Diocese and Parishes of Clogher**

**Annual Financial Report**

**Financial Year Ended 31 December 2020**

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## TRUSTEES AND OTHER INFORMATION

### Trustees

Bishop Larry Duffy  
Rev Joseph McGuinness  
Rev Shane McCaughey  
Rev Peter O'Reilly

### Ex Officio Trustees

Each Parish Priest

### Finance Committee

Bishop Larry Duffy  
Rev Joseph McGuinness  
Rev Shane McCaughey  
Rev Peter O'Reilly  
Mrs Aileen Hughes  
Mr Eamon McArdle  
Mr Michael Duffy  
Mr Martin McVicar  
Mr Fintan Timoney  
Mr Cormac Meehan

### Financial Administrator

Mrs Aileen Hughes

### Principal Office

Clogher Diocesan Office  
Bishop's House  
Co. Monaghan

### Registered Charity Number

20014452

### Independent Auditors

PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
One Spencer Dock  
North Wall Quay  
Dublin 1

### Diocesan Solicitors

Mason Hayes & Curran  
South Bank House  
Barrow Street  
Grand Canal Dock  
Dublin 4

### Morgan McManus Solicitors

The Diamond  
Crossmoyle  
Clones  
Co. Monaghan

### Diocesan Bankers

Bank of Ireland  
College Green  
Dublin 2

### First Trust Bank head office

92 Ann Street  
Belfast  
BT1 3HH

### Investment Advisors

State Street Global Advisors  
2 Park Place  
Upper Hatch Street  
Dublin 2

## **TRUSTEES' REPORT**

### **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 Roman Catholic Diocese of Clogher is located in the north of Ireland. Its territory includes all of the County of Monaghan and parts of Counties Fermanagh, Tyrone, Donegal, Louth and Cavan. The Diocese is almost evenly divided by the border between Northern Ireland and the Republic of Ireland. The seat of administration of the Diocese is in Monaghan. Address: Diocesan Office, Bishop's House, Monaghan, Co. Monaghan.

The Diocese is made up of 37 parishes - 20 in the Republic of Ireland, 15 in Northern Ireland and 2 which are divided by the border.

### **STRUCTURE**

The Trust Deed of the Roman Catholic Diocese and Parishes of Clogher comprises three elements – (1) the Diocesan Trust, (2) the Parish Trusts and (3) the Diocesan Companies (currently St Macartan's Diocesan Trust and St Michael's Diocesan Trust). These are bare trusts by which the property of the Diocese and the Parishes is held.

The Diocesan Curia is the central administrative body of the Diocese, which supports the Objects and Activities as outlined below.

The Diocese of Clogher accounts for 2020 provide an overview of the funds held by the Diocese of Clogher and the use of these funds in 2020. These are curial and parish accounts and includes the financial activities and balance sheet of the curia and parishes of the Diocese.

### **CHARITABLE OBJECTIVES AND ACTIVITIES**

The Charitable Objects of the Diocesan Trust are the advancement of the Roman Catholic religion in the Diocese and the advancement of charitable purposes congruent with the advancement of religion and which are supported by the Church throughout the world or in any part of the world.

In furtherance exclusively of the foregoing Charitable Objects, the Diocesan Trust shall have the following subsidiary objects:

- a) to promote the advancement of religion by enabling the Bishop to fulfil his Canon Law responsibilities in relation to the advancement or maintenance of the Roman Catholic Religion in any way which he considers appropriate including but not limited to:
  1. advancement of religion;
  2. advancement of education;
  3. provision of Priests and other clergy;
  4. promotion of Catholic ethos in all walks of life;
  5. relief of poverty; and
  6. provision of physical infrastructure including but not limited to churches, parish centres, schools, hospitals, hostels for the homeless, places of accommodation, cemeteries and office premises whether directly or through any other charitable body or company and to encourage, promote, set up and support activities, buildings, institutions and services of a pastoral kind and nature in the Diocese including but not limited to the following services:



**TRUSTEES' REPORT - continued**

**CHARITABLE OBJECTIVES AND ACTIVITIES – continued**

- a. the development and renewal of any parish or parishes;
- b. marriage counselling and tribunal services;
- c. vocations for the priesthood and religious life (for example by providing financial assistance for seminaries, seminarians, deacons, religious institutes and religious);
- d. faith development;
- e. communications;
- f. services to the travelling people;
- g. assistance to emigrants and immigrants;
- h. religious education;
- i. diocesan committees, commissions and councils;
- j. chaplaincies;
- k. the provision of safeguarding services and training;
- l. the provision of training of pastoral workers and volunteers;
- m. supporting the work of the Irish Catholic Bishops' Conference (also known as the Irish Episcopal Conference); and
- n. supporting the work of Trócaire.

in each case in accordance with Canon Law.

The Charitable Objects of a Parish Trust are the advancement of the Roman Catholic religion within the jurisdiction of each Parish in the Diocese; and the advancement of charitable purposes congruent with the advancement of religion and which are supported by the Church throughout the world or in any part of the world.

**ACTIVITIES**

The activities of the Trust at Parish and Diocesan level are centred on pastoral ministry of the priests of the Diocese to the people in their parishes including making provision for public worship and the celebration of the sacraments. Important elements of this are the regular celebration of the Eucharist and the care of the sick as well as celebration of the rites of Baptism, Confirmation, Marriage and Funerals. This work is supported by many lay people who undertake ministerial and administrative roles, mostly on a voluntary basis (see below).

At a Diocesan level, much of this work is supported by Diocesan bodies such as the Council of Priests, the Chapter of Canons and the Diocesan Finance Committee. Pastoral support is also provided by bodies such as the Diocesan Education Advisers, the Youth Ministry Group (*Clogher don Óige*), Safeguarding of Children and Vulnerable Adults Committee and the Diocesan Liturgy Commission. The staff at diocesan level support the work of these bodies in various ways, including administratively and through the creation of resources as needs determine. Parishes are encouraged to have structures in place so as to give expression to the collaborative nature of ministry in practical terms and enable co-responsibility for the life of the parish between clergy and lay faithful. This is becoming more important all the time.

The onset of the Coronavirus Covid-19 in March 2020 severely hampered the activities of the diocese and all its parishes and associated bodies. It forced a complete re-appraisal of the way in which our liturgies were celebrated and outreach to parishioners and others is undertaken. It also hampered the financial aspects of diocesan and parish life. See report below.

During the early part of 2020, the clergy and people of the diocese began to have a structured dialogue about the future and how the mission of the Church in this area, taking into account the changes in the Church and in wider society. This process led to a series of meetings across all seven Pastoral Areas in early 2020 to consider how 'we as a Church continue to sustain living parishes now and going into the future of Clogher Diocese.' Over 800 people attended the sessions. A report was prepared for the Bishop. Unfortunately, the onset of the Coronavirus Covid-19 pandemic slowed down the process dramatically. Nonetheless, Bishop Duffy addressed a pastoral letter to the people of the diocese on the Feast of Pentecost, 31 May 2020, in which he pledged to continue the dialogue and encouraged all to draw from the experiences of these times in formulating a pathway forward.



## TRUSTEES' REPORT - continued

### ACTIVITIES - continued

The ongoing work of the Diocesan Youth Ministry organisation, *Clogher don Óige*, included the organisation of summer camps, pilgrimages and leadership training was severely impacted by Covid-19. Nonetheless, the Director continued to work with other personnel and diocesan bodies in providing prayer and other resources to young people and through assistance in organising the virtual pilgrimage to Lourdes. Social media facilities for the organisation continued to be developed and these were linked to the main diocesan website in a way which demonstrates the unity of purpose across all the agencies of the diocese.

It was announced on 23 March 2020 that the annual pilgrimage to Lourdes was cancelled for 2020, (the pilgrimage to Lourdes was also cancelled for 2021). However, a small group of people came together under the guidance of the bishop and began planning to hold a virtual pilgrimage online on the same dates, 3-8 July. A huge amount of work went into this and a dedicated website – [www.lourdes2clogher.com](http://www.lourdes2clogher.com) was set up. The Masses and other pilgrimage events were held in churches around the diocese and livestreamed via the website and the diocesan Facebook page. The biggest challenge was the Torchlight procession, which was recorded via Zoom and broadcast via the website and social media platforms. Over the six days of our Virtual Pilgrimage the site was accessed nearly 12,000 times. Statistics from webcam providers (for the parishes where Masses were celebrated) show figures of between 1,600 and 2,500 views – from all over Ireland and the UK, but also from places as distant as Australia, the USA, Kuwait and Trinidad and Tobago. On Facebook, the Livestream of the Opening Mass reached 11,300 people. This demonstrated the huge potential of social communications to the life of the diocese.

The annual pilgrimage season at Lough Derg had to be cancelled for 2020. Instead, and in keeping with an ancient tradition, the Prior went to the island at the beginning of June and remained there for each day of the pilgrimage season, praying for the intentions of pilgrims. From 27-29 June, a three-day pilgrimage was held on the island, with just the minimum number of people present, and which was joined online by several thousand pilgrims from around the world via [www.churchservices.tv](http://www.churchservices.tv). Later in the season, as some restrictions were eased, a pilgrimage around the lakeshore was re-introduced. This pilgrimage takes the form of an ancient walkway being used by pilgrims, just as was the case in days past when Catholics were prevented from going to Lough Derg through persecution. In addition, Lough Derg opened an online shop during the latter part of the season to enable pilgrims purchase religious goods and publications online. The different arrangements at Lough Derg in 2020 attracted media attention from both national media and Catholic networks. (During 2021, Lough Derg explored lots of alternative ways of reaching out to pilgrims, developing its digital communications strategy. A restricted residential retreat was offered during 2021, with only 4 such retreats offered. These were 4-day retreats, numbers catered for did not exceed 16 and 2 out of the 4 retreats were designed for young adults.)

The day-to-day management and direction of the Shrine is undertaken by the Prior, under the auspices of the Bishop of Clogher. During 2020, a process of review of the role of pilgrimage in the life of the church and the world today, and Lough Derg's unique place in this, continued, using virtual means. A report on the matter will be forthcoming to the bishop and decisions will be made in due course.

The diocese continued to promote vocations to the priesthood and the permanent diaconate. During 2020 another student began studies for the priesthood at St Patrick's College, Maynooth, bringing to two the number of seminarians there from the diocese. Also in 2020, Bishop Duffy appointed Deacon Martin Donnelly to be Director of the Permanent Diaconate in the diocese. He will work with the Vocations Team in helping men to discern a vocation to this ordained ministry in the Church. It is envisaged that the permanent diaconate will take its place in collaboration with the ministry of priests and in conjunction with the significant range of lay ministries exercised in the diocese.

The Clergy Conferences and the Diocesan Clergy Forum in 2020 were both cancelled due to the pandemic. Supports for parishes and clergy continued to be provided through the Diocesan Liturgy Commission and *Clogher don Óige* using online means. The Diocesan Financial Administrator and staff continued to provide support to priests and parish personnel in working towards full compliance with Charities Legislation and the ever-changing health guidelines imposed because of the pandemic.



## TRUSTEES' REPORT - continued

### ACTIVITIES - continued

The whole area of communications took on a new dimension in 2020 due to the pandemic. The Diocesan Director of Communications ensured that priests, deacons and parishes were kept informed of developments and supports were provided in a timely fashion so that the work of the diocese in promoting the Gospel was proclaimed to as wide an audience as possible, using both local and national media and also social media platforms. One of the significant features of this period has been the creativity with which parishes and parishioners have responded. Gaining access to the celebration of the Mass and being enabled to partake in spiritual communion is very important for a great many people. This has shown itself in the significant increase in online accessibility across the diocese. Just before the onset of the first restrictions in March, there were just 13 churches with webcam/livestreaming facilities and 5 parishes had a local radio facility for broadcasting church services locally. By 1 June 2020, 22 churches had webcams while a further 7 had organized the broadcast of daily/weekly Mass and other liturgies via Facebook Live. By November 2020, the number of churches with webcams had increased to 38. By November 2020, 36 out of the 37 parishes of the diocese have some form of online or radio outreach through which people can access Mass and moments of prayer.

Work on restoring the fabric of St Macartan's Cathedral began in 2019. This involved work on parts of the roof in several areas of the building. In 2019, funding of €50,000 towards this project was received from the Irish Heritage Council through Monaghan Co Council with an additional €50,000 awarded in 2020. Further works were carried out in 2020 which included the replacement of defective guttering and the repair to prevent further water ingress to the south transept of the Cathedral. This initial phase of the restoration project is concentrated on the parts of the building most in need of critical attention. In May 2021 the Historical Structures Fund 2021 announced a further €160,000 award to the Cathedral to be phased over 2 years and to be used towards restoration of the "Rose Window" over the main entrance to the Cathedral.

Other important activities in the Diocese included:

- The Clogher Justice and Peace and Integrity of Creation Group continued to further the protection of creation and the vision set out by Pope Francis in his encyclical *Laudato Si*.
- Fundraising and support for other charitable organisations, e.g., Trócaire, St Vincent de Paul, Special Appeals e.g., relief to areas affected by natural disasters
- Resourcing and Support for Parents, Staff, Students and Boards of Management of Schools through the work of Diocesan Advisers as well as dedicated events such as Catholic Schools Week in January 2020
- Promotion of Vocations to Priestly Ministry and Religious Life
- Collaborative work on Church initiatives through the Irish Episcopal Conference (IEC) and inter-diocesan contacts.

### COVID 19 Assessment of Risk and Uncertainties

The first case of COVID-19 was reported in Ireland on 29 February 2020, over the course of the following weeks, actions were put in place to protect the health, safety, and well-being of all citizens

The introduction of social distancing and the restrictions on social gatherings had an immediate effect on the sector and the pandemic has presented a unique challenge to the charity industry in 2020 and into 2021. We have considered the risks that COVID-19 poses to both the Diocese and the parishes and the actions we are taking to mitigate the impact. Our priority is the safety and wellbeing of our staff and members.

The carrying out of the day-to-day ministry of the diocese and its parishes had to take account of the public health regulations put in place by the Government of Ireland and by the Northern Ireland Executive. The fact that the Diocese of Clogher is divided by the border meant that there were two sets of regulations governing various aspects of the carrying out of religious ministry in the diocese. Nonetheless, the Diocese of Clogher took its lead from the guidance issued by the Irish Catholic Bishops' Conference, which covers the whole island.



## TRUSTEES' REPORT - continued

### COVID 19 Assessment of Risk and Uncertainties – continued

In terms of the financial impact of Covid-19 on the finances of the charity;

Income derived from all sources, whether it be donations and legacies, charitable activities or investments has been hugely impacted. Public worship ceased from 13<sup>th</sup> March 2020 and resumed with a restriction placed on congregation numbers on 29 June until early late September/early October 2020. The impact on our weekly offertory is two-fold, limited numbers attending worship and also the standard system of passing a basket from one to another stopped. Weekly offertory collections provide the means for most of the income collected under Donations and legacies. A lot of work has been carried out by Parishes to mitigate the impact of this loss of income. Guidelines for Clergy, Bookkeepers and Finance Committees regarding Financial Resources during the Covid 19 crisis in Ireland, were issued from the Financial Administrator on 31<sup>st</sup> March 2020 on how to encourage donations and reduce costs during this period. Areas such as setting up standing orders, using iDonate and setting up secure donation's boxes and locations in within the Church. All of these efforts have worked well, delivering 78% of the previous year's income and endowments. We expect to maintain the 2020 level of income for 2021. In 2021 we have placed "contactless" donation boxes in some of our larger Parishes and are exploring donations via "QR" codes.

Complying with the Diocesan Cash Handling policy has been disrupted during this period with many members of parish count teams isolating and, in some way, the irregular means by which parishioners have made donations, e.g., dropping weekly offerings through the letter box of a parochial house. The rigorous cash handling procedure has not always been appropriate during this period. 2021 has presented similar difficulties, however we are hopeful that from October 2021 onwards that full compliance will be achieved.

Our investments are ethically managed and fossil free funds with State Street Global Advisors. The return over the 2020 period fluctuated over the year but finished strong with investments returning 0.8% for the financial year 2020. The outlook for 2021 is very strong, with returns to the end of October 2021 at 11%.

The letter issued on the 31<sup>st</sup> March 2020 also covered the areas of costs which could be reduced as a result of the restrictions. Overall expenditure was down by 15% during 2020 and the reduction expected to be maintained for much of 2021.

As a result of the measures outlined above, the Trustees are able to ensure that the Roman Catholic Diocese and Parishes of Clogher will have adequate cash to fund its operations and meet financial obligations as they fall due for the period of at least 12 months from signing the financial statements.

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Therefore, these financial statements have been prepared on a going concern basis.

### FINANCIAL REVIEW

The results for the year are set out on page 15-17.

The net movement in funds for 2020 was a loss of €0.7m. This is a reduction of €3.2m on the 2019 result (2019 gain €2.5m).

In the year that was marred by Covid-19, the result for 2020 is one that was anticipated and at times during the year a less favourable outcome was expected.

Overall, income and endowments totalled €10.3m, a decrease of €2.8m on the previous year. Expenditure was €11.1m, a decrease of €2m on the previous year.

The unrealised return on investments in the year was €0.1m a decrease of €2.3m on 2019. This is a non-cash item. In 2019 the Diocese experienced an unrealised gain on these investments of €2.5m coming off a poor performance in 2018. These investments are monitored closely and after the difficulties of 2020 it would appear that high returns are being experienced in 2021, as at the 31<sup>st</sup> October 2021 the returns on these investments are 11%.

Funding sources are detailed in note 3 on page 23.



## TRUSTEES' REPORT - continued

### FINANCIAL REVIEW - continued

Donations and legacies income have decreased overall by €1.3m on the previous year. Included under this category of income is the church collections and offerings which fell by €1.4m on the previous year. Historically this income has been generated by taking up the traditional basket collection (i.e. a basket sent around the congregation during the "Liturgy of the Eucharist-the Offertory prayers" part of the mass celebration). With Covid restrictions in place from March 2020, attendance at the Mass celebration were prohibited for a time and afterwards the numbers attending Mass were curtailed. This had a massive impact on the income for 2020. Alternative means were found to assist with collections, e.g., fixed collection points installed in churches, standing orders set up by Parishioners, online donations such as "iDonate".

Gift Bequests are also included in this category, and they increased by €0.1m in 2020, with welcomed bequests received in Clones Parish, Cleenish Parish and St. Patrick's Purgatory.

Income from charitable activities have decreased overall by €1.5m on the previous year. Included under this category is retreat income including St. Patrick's Purgatory and Lough Derg, which had to close its physical retreat season and create online retreats. As a result, retreat income experienced the worst hit in income and decrease by €0.8m in 2020.

Also included in this category of income is School Capital Grants for Catholic Maintained Schools in Northern Ireland. Under the current process, these schools must make a claim for capital grants to the Department of Education (NI) through their parish and, as such, each parish within Northern Ireland is required to keep a school bank account to record this type of funding and include this in the annual financial statements. Applications for capital works are submitted by schools to the Education Authority and following a process of consultations approval may be given. In that event and the work is carried out, payment of invoices is approved by the Department of Education's Estate Operations Team and the funds are transferred to the parish school bank account for payment within a specified period. Therefore, School Capital Grant income is normally offset by payments on School Capital/Projects recorded under Expenditure on Charitable Activities. In 2020 this income was marginally greater than the expenditure as one parish received previous years school grant money that they were not expecting and had written off the cost as education expenditure in previous years. The School Capital Grant income and expenditure was less in 2020 than 2019 due to less grant applications being made while schools were closed during the Covid-19 restrictions.

Income from charitable activities includes income generated by the annual Diocesan Lourdes Pilgrimage. In 2020 this pilgrimage was cancelled (and cancelled in 2021) subsequently there was little fundraising resulting in a decline of €0.2m in this income however there were little costs associated with running the Lourdes Pilgrimage as highlighted in the expenditure review below.

Income from charitable activities also includes income from Other Activities which are mainly grants or wage subsidies received from DEASP under the Wages Subsidy Scheme and Revenue/HMRC under the Covid-19 Wages Subsidy Schemes, this income increased in 2020 by €0.4m. Almost half of the Parishes claimed Covid-19 wages subsidies under the different schemes available from Revenue and HMRC, this was a very valuable support to the Diocese and employees during the uncertainty that Covid-19 brought. In 2020 Monaghan Parish received the second award from the grant issued to them from Monaghan County Council Historical Structure Grant in 2019. This grant aid was for work on St. Macartan's Cathedral, Monaghan, this completed the grant awarded in full of €100,000 (€50,000 awarded in 2019). Cleenish Parish received €65,000 from National Lottery Community Fund in relation to work on the parish Oratory and community building.

Expenditure is detailed in note 4 on pages 24 to 25.

Expenditure levels are closely monitored in relation to both recurring costs and one-off projects. Every effort is made to keep costs at a minimum. Costs have reduced in 2020. The biggest reduction in expenditure was on charitable activities which accounts for nearly all of the reduction of €1.9m. Most expenses reduced except for foreign exchange.



## **TRUSTEES' REPORT - continued**

### **FINANCIAL REVIEW - continued**

The most notable decreases and increases are:

- a) Administrative and support costs were €2.5m in 2020 compared to €3.1m in 2019. There have been huge savings in staff related costs due to the Covid-19 restrictions and reduced staffing requirements during this period, e.g., St Patrick's Purgatory/Lough Derg would employ over 80 temporary part-time staff during the pilgrimage season, and this was not required in 2020.
- b) School capital payments in 2020 were €1.6m as opposed to €2.1m in 2019. This decrease is directly related to the income mentioned above in School Capital Income.
- c) General repairs and maintenance costs decreased in 2020, in 2020 they were €2.1m compared to €2.4m in 2019. Church Requisites/Altar Materials were reduced to match the service provided and in general most repairs and maintenance costs followed suit.
- d) Lourdes pilgrimage costs reduced significantly in 2020 as the pilgrimage was cancelled.
- e) Clerical payments reduced as some priests offered to take less income during the Covid-19 restrictions.
- f) Retreat expenditure reduced considerably in 2020 as few retreats took place or online alternatives offered.
- g) Renovation costs also reduced in 2020 given the uncertainty over the ability to generate income most new renovations were put on hold in 2020.
- h) Trócaire and special appeals also reduced to reflect the income generated.

The most notable cost increase was:

- i) Foreign exchange loss/(gain), was €0.3m for 2020 against a gain for 2019 of €0.3m, (in 2019 the gain was reported with expenditure). This is due to a significant movement in the exchange at the 31<sup>st</sup> December 2020 (Euro to GBP 0.89903) compared to the 31<sup>st</sup> December 2019 (Euro to GBP 0.85080), which adversely affects the restating of GBP balances in our accounts.

### **INVESTMENTS**

Investments are managed to provide an appropriate level of liquidity in suitable investments for short term needs. There are limited funds held for long term investment. Changes in investment are notified to the Finance Committee. This committee invests whatever amount that it has available on term deposits or with State Street Global Advisers.

Investments performed better than expected in 2020, delivering an unrealised gain of €0.1m. It is not possible to compare this to the exceptional returns experience in 2019 (2019, returned 14%), as the markets in 2020 were unprecedented. The investment committee examines all investments and outcomes. A policy in relation to investments is being reviewed at present.

### **RESERVES**

In line with best practice, the Diocesan Finance Committee and the Parish Trustees have prepared the financial statements for the year ended 31 December 2020 with reference to most of the recommendations of the Statement of Recommended Practice (SORP). The SORP requires a charity to state its reserves policy within its annual report. This policy is included on page 20. The Committee and the Trustees have examined the charity's requirements for reserves considering the main risks to the organisation in determining the amount of reserves to be carried.

### **PLANS FOR FUTURE PERIODS**

The work of the Roman Catholic Diocese and Parishes of Clogher, in furtherance of the objectives of the charity, will continue in 2021 and beyond, subject to the general health situation resultant from the pandemic. During 2022 the following work will be included among the projects undertaken:



## TRUSTEES' REPORT - continued

### Cathedral Committee

Due to Covid 19 progress has been paused in relation to the long-term direction the restoration project on the Cathedral will take. No meetings of the committee were held during 2020 and no meeting were held up to the 31<sup>st</sup> October 2021.

### Pastoral Areas

Provision of pastoral care to the people of the diocese will remain our chief priority. This will continue to be developed through the Pastoral Areas. Subject to the health restrictions, meetings of priests and laity at the Pastoral Area level will be held. In addition, diocesan staff, diocesan bodies, such as the Council of Priests, Diocesan Liturgy Commission, Clogher don Óige, and the work of diocesan staff will ensure that the priests and lay volunteers at parish and pastoral area level are supported appropriately.

## FUNDS

The funds of the Diocese are identified as **Restricted** or **Unrestricted**.

### Restricted Funds comprise

- i. Monies donated or bequeathed to the Diocese for specific purposes, and which may only be used strictly for these purposes. Examples of these Restricted Funds include the Diocesan Clerical Fund (for the care and support of sick and retired priests), the Education and Vocations Fund (for the support of Catholic Schools and the education of students for the priesthood) and the Cathedral Fund (for the maintenance of the Diocesan Cathedral and its services).
- ii. Parish funds. Since each parish is an individual and autonomous entity, with the Parish Priest as Trustee, parish funds are by their nature restricted to the use of the parish. No parish funds are at the disposal of the Diocese or any other parish, unless by agreement between the Parish Trustee and the Diocesan Trustees, as is the case for Diocesan Levies, and then only where the purpose of these contributions is clearly defined and in accordance with the Charitable Objects.

**Unrestricted Funds** include monies donated or bequeathed to the Diocese for use at the discretion of the Bishop for the administration of the Diocese and the forwarding of the charitable Objects and Activities of the Diocese. Unrestricted funds are used to cover the running costs of the diocese.

Details of reserves held at year end are disclosed in note 14.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

The governance of the Diocese is established by arrangements set out in the Trust Deed (signed 23 November 2016). The Diocesan Trustees are currently the Bishop, the Diocesan Secretary and the two Vicars General of the Diocese.

The Trustees meet annually to receive the Annual Report and financial statements. The Trustees met during 2020:

Trustee	10 June	16 December
Fr Joseph McGuinness		✓
Fr Shane McCaughey	✓	✓
Fr Peter O'Reilly	✓	✓
Bishop Larry Duffy	✓	✓

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

The Trustees are advised and guided in the financial management and stewardship of the Charity by the Diocesan Finance Committee, a non-executive Committee comprising of ten members, six lay people and four senior clergy. Unless otherwise stated, the Finance Committee members were in office up to the date of approval of the financial statements.



## TRUSTEES' REPORT - continued

### STRUCTURE, GOVERNANCE AND MANAGEMENT – continued

Each parish is managed by a member of clergy who has been appointed with responsibility for that parish. Parishes are managed by a Parish Priest, or by a Priest Administrator. As required by Canon Law, he is assisted and advised by a Parish Finance Committee.

All Trustees are selected by the Bishop. The Bishop ensures that the trustees are given the training and resources to conduct their role appropriately. This is done in several ways, briefings, circulars, seminars, deanery conferences and the annual general conference.

### INTERNAL CONTROL AND RISK MANAGEMENT

The Trustees are responsible for providing reasonable assurance that:

- the Diocese complies with relevant laws and regulations;
- the Diocese is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained, and financial information used within the Diocese or for publication is reliable; and
- the systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement of loss. They include:
  - a finance committee in place in every parish;
  - a number of guidelines are in place in parishes to ensure best practice in the relevant area is followed. These include child protection policies, administrative guidelines and HR and volunteer policies

The Diocesan and Parish Trustees are committed to becoming fully compliant with all charities regulations and to adopting and implementing required reporting standards.

The Auditors have made the Trustees aware of the need to strengthen cash controls in all parishes. In the light of this advice a standardised cash control policy was formulated and agreed upon. During 2017 all parishes were issued with the policy and also attended a workshop on how to implement practically the cash handling policy. The main objective of introducing the cash handling policy was to demonstrate control and good governance over collections taken up in churches. The cash handling policy provides for the collection and storage of cash in churches using pre-numbered tamper-proof bags and introduces a number of layers of segregation and rotation of duties throughout the cash counting, storage and lodgement process. It also introduced various physical safeguards, including CCTV in certain parishes.

Most parishes implemented the cash handling policy during 2017 with the remainder complying during 2018. However, it was noted as part of the audit findings during the 2018 and 2019 external audit that while the new policies have been implemented in the vast majority of parishes, the documentation and evidence retained to support certain aspects of the cash control policy was not yet sufficient for audit purposes in a number of parishes and these would need to be adequately strengthened and documented for future audits. Workshops for parish teams were arranged for November and December 2019 to focus on the documentation and demonstration of the cash handling policy that will be fit for audit. Parishes have made huge progress in this area and the cash handling has been tested by the Auditors this year again. We had anticipated that the documentation for the 2019 would improve, however it was late in 2019 when these workshops are taking place and it was our hope that 2020 would be the year that that cash controls would be adequate for audit purposes. As mentioned below under the “financial impact of Covid-19”, complying with the Diocesan Cash Handling policy has been disrupted during 2020 and therefore while actions were taken by parishes early in 2020 to improve the cash handling in individual parishes in line with the procedures agreed at the workshops, the disruption caused by COVID-19 meant that it was more difficult to implement these measures fully, and therefore we envisage that it will be 2021 before parishes are fully compliant. As such it is our expectation that the historical qualification in relation to these matters which is referenced in the audit opinion will remain in place in the 2020 financial statements.



## TRUSTEES' REPORT - continued

### THE ROLE OF VOLUNTEERS

Volunteers are essential to parish life as they fulfil a wide variety of roles. These include formal ministries stemming from Vatican II, such as extraordinary ministers of the Eucharist and Ministers of the Word. In recent years baptism teams have developed to support and guide parents at the time of their child's initiation into the church. Another feature of recent years has been the emergence of Funeral Teams in some parishes, to assist clergy and the bereaved in arranging funeral liturgies and providing bereavement support. In a different way, volunteers serve on committees such as parish pastoral councils and advise and assist priests in meeting the pastoral needs of the parish. In addition, the finance committee supports the priest by advising on financial, property and even employment and contractual matters in some cases. Other volunteers help manage parish centres and deliver services in the parish. Some volunteers have a less formal role such as cleaners, groundskeepers and florists. Many of these roles are time-consuming and in some cases are carried out by paid employees.

### Post balance sheet

No significant events affecting the financial statements have occurred since the balance sheet date.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for the preparation of the financial statements of the Charity which are set out on pages 15 to 29 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 FRS 102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

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

### Approved by:

Bishop Larry Duffy

*+ Larry Duffy*

Date: *17/12/21*

Fr. Shane McCaughey

*Shane McCaughey*

Date: *17<sup>th</sup> December 2021*



## ***Independent auditors' report to the Trustees of the Roman Catholic Diocese and Parishes of Clogher***

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

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#### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph below, the Roman Catholic Diocese and Parishes of Clogher's financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its net movement in funds 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 2020;
  - the Statement of Financial Activities for the year then ended;
  - the Statement of Cash Flows for the year then ended; and
  - the notes to the financial statements, which include a description of the significant accounting policies.
- 

#### **Basis for qualified 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 qualified opinion.

As disclosed in note 3 to the financial statements, Church collections and offerings, renovation fundraising, Trócaire income and Missalettes/books/shrines are significant sources of cash income for the Roman Catholic Diocese and Parishes of Clogher. The Roman Catholic Diocese and Parishes of Clogher has determined that in the year ended 31 December 2020 it was not possible to establish adequate controls over the collection of cash raised from these sources prior to entry into its financial records. Accordingly, as controls over completeness of such cash income were not adequate, we could not rely on these controls for the purpose of our audit. There were no other satisfactory audit procedures that we could adopt to confirm independently that all such cash income due to the charity was properly received.

#### **Independence**

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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## Reporting on other information

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

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

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## Responsibilities for the financial statements and the audit

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

As explained more fully in the Statement of Trustees' Responsibilities set out on page 12, 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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](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 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  
Chartered Accountants  
Dublin  
17 December 2021

**STATEMENT OF FINANCIAL ACTIVITIES**  
**Financial Year Ended 31 December 2020**

		Unrestricted	Restricted	Total 2020	Total 2019
	Notes	€	€	€	€
<b>Income and endowments from:</b>					
Donations and legacies	3	-	6,441,095	6,441,095	7,716,015
Charitable activities	3	-	3,820,489	3,820,489	5,289,183
Investments	3	-	23,790	23,790	58,699
Other Income		-	59,356	59,356	51,829
<b>Total</b>		<b>-</b>	<b>10,344,730</b>	<b>10,344,730</b>	<b>13,115,726</b>
<b>Expenditure on:</b>					
Charitable activities	4	62	10,812,429	10,812,491	12,703,839
Raising funds	4	-	160,605	160,605	190,817
Other	4	-	20,000	20,000	-
Bank charges	4	93	45,859	45,952	54,973
Loan interest	4	-	104,852	104,852	111,916
<b>Total</b>		<b>155</b>	<b>11,143,745</b>	<b>11,143,900</b>	<b>13,061,545</b>
Net unrealised/realised gain on investment		51	139,741	139,792	2,485,261
<b>Net (expenditure)/income</b>		<b>(104)</b>	<b>(659,274)</b>	<b>(659,378)</b>	<b>2,539,442</b>
Transfers between funds		-	-	-	-
Other gains/(losses)		-	-	-	-
<b>Net movement in funds</b>	14	<b>(104)</b>	<b>(659,274)</b>	<b>(659,378)</b>	<b>2,539,442</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		77,111	42,540,099	42,617,210	40,077,768
<b>Total funds carried forward</b>	14	<b>77,007</b>	<b>41,880,825</b>	<b>41,957,832</b>	<b>42,617,210</b>



**BALANCE SHEET**  
**As at 31 December 2020**

	Notes	31 December 2020 Unrestricted Funds €	31 December 2020 Restricted Funds €	31 December 2020 Total Funds €	31 December 2019 Total Funds €
<b>Fixed assets</b>					
Tangible assets	6	-	9,678,872	9,678,872	10,178,033
Investments	7	7,328	19,346,935	19,354,263	19,025,833
		<u>7,328</u>	<u>29,025,807</u>	<u>29,033,135</u>	<u>29,203,866</u>
<b>Current assets</b>					
Debtors and prepayments	8	-	1,229,145	1,229,145	1,390,985
Cash at bank and in hand	12	69,679	15,219,586	15,289,265	15,635,159
<b>Total current assets</b>		<u>69,679</u>	<u>16,448,731</u>	<u>16,518,410</u>	<u>17,026,144</u>
<b>Liabilities</b>					
Creditors (amounts due within one year)	9	-	(1,261,879)	(1,261,879)	(1,073,670)
<b>Net current assets</b>		<u>69,679</u>	<u>15,186,852</u>	<u>15,256,531</u>	<u>15,952,474</u>
<b>Total assets less current liabilities</b>		<u>77,007</u>	<u>44,212,659</u>	<u>44,289,666</u>	<u>45,156,340</u>
Creditors (amounts due in more than one year)	10	-	(2,331,834)	(2,331,834)	(2,539,130)
<b>Net assets</b>		<u>77,007</u>	<u>41,880,825</u>	<u>41,957,832</u>	<u>42,617,210</u>
<b>The funds of the charity</b>					
General funds	14	<u>77,007</u>	<u>41,880,825</u>	<u>41,957,832</u>	<u>42,617,210</u>

Approved by:

Bishop Larry Duffy  
*Larry Duffy*

Fr Shane McCaughey  
*Shane McCaughey*

**STATEMENT OF CASH FLOWS**  
**Financial Year Ended 31 December 2020**

	Notes	2020 €	2019 €
<b>Cash flows from operating activities:</b>			
<b>Net cash flows generated from operating activities</b>	11	<u>233,991</u>	<u>885,535</u>
<b>Cash flows from investing activities:</b>			
Proceeds from the sale of property, plant and equipment		414	306,730
Purchase of property, plant and equipment		(166,396)	(69,566)
Purchase/(sale) of investments		(189,020)	96,557
<b>Net cash flows (used in)/generated from investing activities</b>		<u>(355,002)</u>	<u>333,721</u>
<b>Cash flows from financing activities:</b>			
Cash inflow from new borrowings		-	82,426
Repayment of borrowings		(224,883)	(338,139)
<b>Net cash flows used in financing activities</b>		<u>(224,883)</u>	<u>(255,713)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(345,894)	963,543
Cash and cash equivalents at beginning of the year	12	<u>15,635,159</u>	<u>14,671,616</u>
<b>Cash and cash equivalents at end of the year</b>	12	<u><u>15,289,265</u></u>	<u><u>15,635,159</u></u>



## NOTES TO THE FINANCIAL STATEMENTS

### 1 General information and statement of compliance

#### (a) General information

The financial statements of the Roman Catholic Diocese and Parishes of Clogher includes the financial information for the curia and Parishes of the Diocese.

The CHY number is 7075. The CRA number is 20014452.

The entity name is registered under the name Parishes and Schools of the Diocese. The CRA register does not currently reflect the Trust Deed name of the organisation being The Roman Catholic Diocese and Parishes of Clogher.

The Roman Catholic Diocese of Clogher is located in the north of Ireland. Its territory includes all of the County of Monaghan and parts of Counties Fermanagh, Tyrone, Donegal, Louth and Cavan. The Diocese is almost evenly divided by the border between Northern Ireland and the Republic of Ireland. The seat of administration of the Diocese is in Monaghan. Address: Diocesan Office, Bishop's House, Monaghan, Co. Monaghan.

The Diocese is made up of 37 parishes - 20 in the Republic of Ireland, 15 in Northern Ireland and 2 which are divided by the border.

The governance of the Diocese is established by arrangements set out in the Trust Deed.

#### (b) Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the UK Financial Reporting Council. The entity financial statements comply with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). Some but not all of the provisions of the Statement of Recommended Practice have also been applied to these financial statements.

### 2 Summary of significant accounting policies

#### (a) Basis of preparation

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

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

The financial statements have been prepared in line with some but not all of the provisions of Charities SORP FRS 102.

#### (b) Going concern

The organisation meets its day to day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over the level of donations received. After making and having considered the continuing impact of COVID-19 on our detailed cash forecasts for the period of at least 12 months from signing the financial statements, the trustees have a reasonable expectation that the Diocese and parishes has adequate resources to continue in operational existence for the foreseeable future. Therefore, these entity financial statements have been prepared on a going concern basis. applicable in the UK and Republic of Ireland' (FRS 102). Some but not all of the provisions of the Statement of Recommended Practice have also been applied to these financial statements.



NOTES TO THE FINANCIAL STATEMENTS - continued

2 Summary of significant accounting policies - continued

(c) Fund accounting

The Diocese maintains various types of funds as follows:

**Unrestricted funds**

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

**Restricted funds**

**Restricted Funds comprise**

- (i) Monies donated or bequeathed to the Diocese for specific purposes, and which may only be used strictly for these purposes. Examples of these Restricted Funds include the Diocesan Clerical Fund (for the care and support of sick and retired priests), the Education and Vocations Fund (for the support of Catholic Schools and the education of students for the priesthood) and the Cathedral Fund (for the maintenance of the Diocesan Cathedral and its services).
- (ii) Parish funds. Since each parish is an individual and autonomous entity, with the Parish Priest as Trustee, parish funds are by their nature restricted to the use of the parish. No parish funds are at the disposal of the Diocese or any other parish, unless by agreement between the Parish Trustee and the Diocesan Trustees, as is the case for Diocesan Levies, and then only where the purpose of these contributions is clearly defined and in accordance with the Charitable Objects.

(d) Revenue recognition

(i) 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.

(ii) Bequest income

For bequests, 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 bequests 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 bequest is treated as a contingent asset and disclosed if material.

(iii) Income from charitable activities

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.

(iv) Donated services and facilities

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

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



## NOTES TO THE FINANCIAL STATEMENTS - continued

### 2 Summary of significant accounting policies - continued

#### (e) Investments

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

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

#### (f) Foreign currencies

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

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

#### (g) 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.

#### (h) Cash and cash equivalents

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

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

#### (i) Taxation

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

#### (j) Tangible fixed assets

##### (i) Free hold land

Where ownership has been established, land is valued at fair value based on the current use value of the land as the Charity is in the not-for-profit sector. There is no land or buildings held for investment.

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

The original cost of buildings was not available therefore the Charity based its accounting policy on the insurance value of these assets as at 31 December 2017 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. Where ownership has been established, 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.



NOTES TO THE FINANCIAL STATEMENTS - continued

2 Summary of significant accounting policies - continued

(j) **Tangible fixed assets - continued**

(iii) **Computers and equipment, fixtures and fittings**

The Charity adopted a fixed asset accounting policy for the first time in 2017. Computers and equipment, fixtures and fittings are carried at cost or valuation less accumulated depreciation and impairments. Fixtures and fittings costing in excess of €5,000 are capitalised and depreciated over a period of 5 to 10 years. Computer equipment costing in excess of €1,000 is capitalised and depreciated over a period of 5 years.

Where the original cost of the assets was not readily available the Charity has based its opening book value, on the current insurance valuation of assets, discounted back to an estimate of cost using the relevant consumer price index.

(iv) **Heritage assets**

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

(v) **Depreciation**

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

	<b>Years</b>
Church	100 years
Freehold buildings	50 years
Office equipment, computer equipment and fixtures and fittings	10-5 years
Computer equipment	5 years

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

(k) **Critical accounting estimates and assumptions**

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

(a) **Useful economic lives of tangible fixed assets**

The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 6 for the carrying amount of the tangible fixed assets and note 2 (j) 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 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

### 2 Summary of significant accounting policies - continued

#### (I) 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 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.

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

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

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

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

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

##### (ii) Financial liabilities

Basic financial liabilities, including 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.

Other creditors, bank loans, and financial liability from arrangements that constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

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

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

## NOTES TO THE FINANCIAL STATEMENTS - continued

3 Income	2020 Unrestricted €	2020 Restricted €	2020 Total funds €	2019 Total funds €
<b>(i) Donations and legacies</b>				
Church collections and offerings	-	5,383,863	5,383,863	6,757,850
Renovation fundraising	-	879,415	879,415	872,060
Bequests	-	147,595	147,595	49,118
Education and catechetics fundraising	-	30,220	30,220	36,987
<b>Total donations and legacies</b>	-	6,441,095	6,441,095	7,716,015
<b>(ii) Income from charitable activities</b>				
Schools' capital grants/(NI)	-	1,570,651	1,570,651	2,076,700
Retreats (including St. Patrick's Purgatory, Lough Derg)	-	342,204	342,204	1,116,905
Parish draws	-	444,627	444,627	499,211
Missalettes/books/shrines	-	395,434	395,434	513,639
Rental income	-	246,117	246,117	326,744
Lourdes	-	25,707	25,707	245,403
Trócaire income	-	196,491	196,491	285,958
Clogher don Oige events	-	4,134	4,134	48,350
Other activities	-	595,124	595,124	176,273
<b>Total charitable activities</b>	-	3,820,489	3,820,489	5,289,183
<b>(iii) Investment income</b>				
Investment income	-	23,790	23,790	58,699
<b>(iv) Other income</b>				
Sale/(loss) on fixed assets	-	(1,235)	(1,235)	40,032
Other income	-	60,592	60,592	11,797
	-	59,356	59,356	51,829



## NOTES TO THE FINANCIAL STATEMENTS - continued

4 Analysis of expenditure	2020 Unrestricted €	2020 Restricted €	2020 Total funds €	2019 Total funds €
<b>(i) Expenditure on charitable activities</b>				
General repairs and maintenance	62	2,077,860	2,077,922	2,362,935
Payment for Schools capital/projects (NI)	-	1,565,463	1,565,463	2,088,829
Administration and support costs	-	2,541,504	2,541,504	3,087,794
Renovation projects	-	1,081,334	1,081,334	1,195,596
Clerical payments (incl sick & retired)	-	1,736,993	1,736,993	1,971,322
Foreign exchange loss/(gain)	-	335,941	335,941	(309,220)
Deprecation	-	663,909	663,909	662,793
Trócaire	-	197,857	197,857	298,854
Lourdes	-	18,571	18,571	268,816
Courses/retreats	-	33,122	33,122	210,200
Special appeals payments	-	20,782	20,782	98,486
Missalettes/booklets	-	79,260	79,260	131,966
Clogher don Óige events	-	5,034	5,034	53,080
Education/Catechetical/				
Vocation payments	-	89,902	89,902	77,994
Up-keep of Diocesan Houses	-	34,550	34,550	98,627
Shrine/statue maintenance	-	55,949	55,949	63,364
Episcopal conference	-	55,869	55,869	63,315
Accord, marriage tribunal, cura	-	32,032	32,032	48,264
Safeguarding	-	16,325	16,325	10,249
Pastoral/resources	-	52,653	52,653	64,051
Other charitable activities	-	117,519	117,519	156,524
	<u>62</u>	<u>10,812,429</u>	<u>10,812,491</u>	<u>12,703,839</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

<b>4 Analysis of expenditure – continued</b>	2020 Unrestricted €	2020 Restricted €	2020 Total funds €	2019 Total funds €
<b>(ii) Fundraising costs</b>				
Parish draw costs/prizes	-	160,605	160,605	190,817
<b>(iii) Other expenses</b>				
Other expenses	-	20,000	20,000	-
<b>(iv) Bank charges</b>				
Bank fees	93	45,859	45,952	54,973
<b>(v) Loan interest</b>				
Loan interest	-	104,852	104,852	111,916

**5 Trustees, employees and related party transactions**

<b>(i) Payroll: wages and salaries</b>	2020 €	2019 €
Gross wages and salaries	1,364,911	1,660,388
Employer's National Insurance Contributions	74,913	146,735

The average number of employees, (both full-time and part-time), by the charity during the year was 142 (2019: 218).

	2020	2019
Parish	116	112
Other	26	106
	142	218

**Voluntary workers**

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

**Priests**

In addition to employees, there were 71 priests (2019: 72) attached to the Diocese of which 57 (2019: 60) were in active ministry.

**Key management personnel**

The key management personnel of the Charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the Trustees.

Trustees do not receive any remuneration by virtue of their positions as trustees. Trustees who are Roman Catholic priests of the Diocese of Clogher are housed and remunerated in their parishes and are reimbursed expenses for carrying out their priestly duties in the same way as priests who are not trustees.



## NOTES TO THE FINANCIAL STATEMENTS - continued

## 5 Trustees, employees and related party transactions - continued

Trustees received no travel expenses in their capacity as trustees during the year.

No employees were paid annual remuneration in excess of €70,000 during the period.

There were no loans advanced to Trustees during the year and no loans outstanding on 31 December 2020.

## 6 Tangible fixed assets

	Land and Buildings	Computers and equipment, fixtures and fittings	Total
	€	€	€
<b>Cost or valuation</b>			
At 31 December 2019	29,004,743	3,215,520	32,220,263
Additions	155,801	10,597	166,398
Disposals	(27,494)	-	(27,494)
At 31 December 2020	<u>29,133,050</u>	<u>3,226,117</u>	<u>32,359,167</u>
<b>Accumulated depreciation</b>			
At 31 December 2019	19,532,970	2,509,260	22,042,230
Depreciation charge for the financial year	430,617	233,292	663,909
Depreciation on disposals	(25,844)	-	(25,844)
At 31 December 2020	<u>19,937,743</u>	<u>2,742,552</u>	<u>22,680,295</u>
<b>Net book value amount</b>			
Net book value at 31 December 2019	<u>9,471,773</u>	<u>706,260</u>	<u>10,178,033</u>
<b>Net book value at 31 December 2020</b>	<u><u>9,195,307</u></u>	<u><u>483,565</u></u>	<u><u>9,678,872</u></u>

## 7 Investments

	2020 €	2019 €
<b>The analysis of investments is as follows:</b>		
Curia	16,291,226	16,154,897
Parish	3,063,037	2,870,936
Investments	<u>19,354,263</u>	<u>19,025,833</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

8 Debtors	2020	2019
	€	€
Prepayments	215,413	243,668
Other debtors	1,013,732	1,147,317
	<u>1,229,145</u>	<u>1,390,985</u>

€

**Bad debt provision**

At 31 December 2019

-

At 31 December 2020

-

**Interest free loans**

At 31 December 2019

254,000

At 31 December 2020

155,531

The loans are granted to Boards of Management of local schools and are expected to be repaid by 2022.

9 Creditors: amounts falling due within one year	2020	2019
	€	€
Current bank loans	(427,657)	(445,278)
Accruals	(488,781)	(242,642)
Trade creditors	(17,799)	(17,640)
Third party loans	(90,000)	(90,000)
Other creditors	(129,472)	(228,603)
Payroll taxes	(108,170)	(49,507)
	<u>(1,261,879)</u>	<u>(1,073,670)</u>

10 Creditors: amounts falling due after one year	2020	2019
	€	€
Long term bank loans	<u>(2,331,834)</u>	<u>(2,539,130)</u>

11 Reconciliation of (expenditure)/net income to net cashflow from operating activities	2020	2019
	€	€
Net (Expenditure)/income for the reporting period (as per the statement of financial activities)	(659,378)	2,539,442
<b>Adjustments for:</b>		
Depreciation charges	663,909	662,793
Loss on investments	(134,334)	(2,485,263)
Dividends	(5,080)	(10,352)
Profit on the sale of fixed assets	1,236	(40,032)
Decrease in debtors	161,840	43,121
Decrease in creditors (excluding bank loans)	205,798	175,826
	<u>233,991</u>	<u>885,535</u>
<b>Net cash used in operating activities</b>	<u>233,991</u>	<u>885,535</u>



## NOTES TO THE FINANCIAL STATEMENTS - continued

12 Analysis of cash and cash equivalent	2020 €	2019 €
Cash in hand	10,745,393	9,785,570
Notice deposits	4,543,872	5,849,589
	<u>15,289,265</u>	<u>15,635,159</u>

## 13 Comparative figures

Certain 2019 figures have been amended to reflect classification changes for comparative purposes.

14 Reserves	2020 €	2019 €
Total opening funds	42,617,210	40,077,768
Net movement in funds	(659,378)	2,539,442
General funds carried forward	<u>41,957,832</u>	<u>42,617,210</u>
Split as follows:		
Unrestricted	77,007	77,111
Restricted	41,880,825	42,540,099
	<u>41,957,832</u>	<u>42,617,210</u>

	Unrestricted €	Restricted €	2020 €	2019 €
Reserves	<u>77,007</u>	<u>41,880,825</u>	<u>41,957,832</u>	<u>42,617,210</u>
Parish (incl. Lough Derg)	-	22,480,063	22,480,063	22,965,297
Curia	<u>77,007</u>	<u>19,400,762</u>	<u>19,477,769</u>	<u>19,651,913</u>
	<u>77,007</u>	<u>41,880,825</u>	<u>41,957,832</u>	<u>42,617,210</u>

## 15 Parish Priests in the Diocese of Clogher as at 31 December 2020

Parish of Monaghan – Rev Patrick McGinn Adm.  
 Parish of Arney – Rev Seamus Quinn P.P.  
 Parish of Aughnamullen East – Rev Adrian Walshe P.P.  
 Parish of Ballybay – Rev Owen J. McEneaney P.P.  
 Parish of Belleek-Garrison – Rev Tiernach Beggan P.P.  
 Parish of Brookeboro – Rev Brendan Gallagher P.P.  
 Parish of Bundoran – Rev Ramon Munster P.P.  
 Parish of Carrickmacross – Rev Shane McCaughey P.P.  
 Parish of Castleblaney – Rev Adrian Walshe P.P.  
 Parish of Clogher – Rev Noel McGahan P.P.  
 Parish of Clones – Rev James Moore P.P.  
 Parish of Clontibret – Rev Paudge McDonnell P.P.  
 Parish of Corcaghan – Rev Patrick McGinn P.P.  
 Parish of Derrygonnelly – Rev Cathal Deery P.P.  
 Parish of Donagh – Rev Hubert Martin P.P.

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**15 Parish Priests in the Diocese of Clogher as at 31 December 2020 - continued**

Parish of Donaghmoyne – Rev Michael Daly P.P.  
Parish of Dromore – Rev Patrick MacEntee P.P.  
Parish of Ederney – Rev Frank McManus P.P.  
Parish of Enniskillen – Rev Peter O'Reilly P.P.  
Parish of Errigal Truagh – Rev John Flanagan P.P.  
Parish of Eskra – Rev Noel McGahan P.P.  
Parish of Fintona – Rev Patrick MacEntee P.P.  
Parish of Inniskeen – Rev Martin Treanor P.P.  
Parish of Irvinestown – Rev Kevin Duffy P.P.  
Parish of Killanny – Rev Martin Treanor P.P.  
Parish of Killeevan – Rev James Moore P.P.  
Parish of Latton – Rev Owen J. McEneaney P.P.  
Parish of Lisnaskea – Rev Jimmy McPhillips P.P.  
Parish of Magheracloone – Rev Shane McCaughey P.P.  
Parish of Newtownbutler – Rev Jimmy McPhillips P.P.  
Parish of Pettigo – Rev Laurence Flynn Adm.  
Parish of Rockcorry – Rev Owen J. McEneaney P.P.  
Parish of Roslea – Rev John Chester P.P.  
Parish of Tempo – Rev Peter O'Reilly P.P.  
Parish of Trillick – Rev Pdraig McKenna P.P.  
Parish of Tydavnet – Rev Stephen Joyce P.P.  
Parish of Tyholland – Rev Patrick McGinn Adm.

**16 Government grants**

As a result of the impact of the COVID-19 pandemic on the entity, the entity availed of the Temporary Wage Subsidy Scheme and the UK Furlough Scheme in relation to wage subsidies during the year. The net subsidies of €363,577 (2019: €Nil) received by the entity under these schemes have been recorded as other income in the Statement of Financial Activities. At the balance sheet date, the amounts received by the entity in excess of subsidies payable to staff and recognised as a current liability amounted to €56,895 (2019: €Nil). The entity repaid this amount to the government subsequently during the next financial year.

**17 Post balance sheet**

No significant events affecting the financial statements have occurred since the balance sheet date.

**18 Approval of financial statements**

The financial statements were approved and authorised for issue by the board of trustees on 17 December 2021 and were signed on its behalf on that date.